



**Hatch Mott
MacDonald**

Hatch Mott MacDonald
27 Bleeker Street
Millburn, NJ 07041-1008
T 973.379.3400
www.hatchmott.com

January 4, 2013

Mr. Bruce D. Smith, Executive Director
Hackettstown Municipal Utilities Authority
P.O. Box 450
Hackettstown, New Jersey 07840

Re: 2012 Annual Facilities Inspection Report

Dear Mr. Smith:

As requested, we have conducted the annual inspection of the water and wastewater facilities to comply with the Authority's Bond Resolution. The following facilities were inspected:

1. Wastewater Facilities:

- Three (3) sewage pump stations in the collection and transmission system; and
- One (1) water pollution control plant.

2. Water Facilities:

- Six (6) water supply wells,
- One (1) water filtration plant,
- Two (2) booster pump stations,
- Four (4) water storage tanks; and
- Three (3) surface water reservoirs.

The details of the inspection are presented in the attached 2012 Annual Facilities Inspection Report. As requested, we have enclosed ten (10) copies of the 2012 Annual Facilities Inspection Report.

Should you have any questions concerning this Report, please feel free to contact us.

Very truly yours,
Hatch Mott MacDonald

A handwritten signature in blue ink, appearing to read "DLM".

David L. Klemm, PE, BCEE
Senior Associate
T 973-912-2577 F 973-376-1072
David.Klemm@hatchmott.com

Encl.

cc: HMUA Board Chairman and Members
John C. Perry, Deputy Director

**2012 Annual Facilities Inspection Report
Hackettstown Municipal Utilities Authority**

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PO Box 450
Hackettstown, New Jersey 07840

Attention: Mr. Bruce D. Smith, Executive Director

Re: Annual Facilities Inspection 2012

Gentlemen:

Hatch Mott MacDonald (HMM) conducted the Annual Inspection of the operation and maintenance of the Hackettstown Municipal Utilities Authority's (HMUA) water and sanitary sewer utilities on October 18, 2012 as called for in Section 609 of the Bond Resolution, adopted October 3, 1967. The utilities remain in excellent overall operating condition. The HMUA was formed in 1965 and took over the operation of the Town of Hackettstown Water Supply System and a sewage treatment plant that served a small portion of the Town.

WATER SUPPLY

The Hackettstown Municipal Utilities Authority completed an extensive potable water supply system improvement program between 1975 and 1981. This program included water transmission, water treatment, water supply and water storage projects and was necessary to meet State and Federal standards promulgated at that time and to keep pace with the growth in the Hackettstown area. Following completion of the aforementioned water system improvements, the HMUA undertook a series of individual projects designed to further increase the water supply capacity of the system and to replace the oldest, and in some cases undersized, water mains comprising the distribution system. The production capacities of Well Nos. 5 and 6 were increased by an aggregate amount of 750 GPM (1.1 MGD). Well No. 7 (Seber) with a capacity of 1,500 GPM (2.16 MGD) was constructed under Contract 33W during 2007 which further increased the capacity of the HMUA water supply system. The HMUA has been and continues to be proactive in its maintenance of their water system as demonstrated by the HMUA undertaking six (6) water distribution and transmission main replacement Contracts since 1993, including the installation of more than 35,000 linear feet (over 6.7 miles) of new replacement water mains. The investment in new infrastructure allows the HMUA to maintain a high quality of service to its patrons while keeping pace with development that is occurring within the service area and the evolution of new regulations.

The water supply system is being competently operated under the direction of seven (7) licensed operators. The average daily water production for the period between September 1, 2011 and August 31, 2012 was approximately 2.49 MGD and the maximum monthly rate was 3.03 MGD (July 2012). These figures compare to 2.353 MGD and 2.741 MGD (July 2011), respectively, for the period between September 1, 2010 and August 31, 2011.



Water Allocation Permit

The HMUA received a modified NJDEP Water Allocation Permit (NJDEP Program Interest ID No. 5145 and Water Allocation Permit No. WAP110002) on June 20, 2012 with an effective date of July 1, 2012. The permit is a 10-year permit with an expiration date of June 30, 2022. The modified Water Allocation Permit combined the HMUA's two (2) Water Allocation Permits into one (1) combined Permit, eliminated surface water reservoirs and the water filtration plant, added Well No. 9 (Heath), increased pumping capacity of Well No. 8 (Claremont Well No. 1R) to 800 gpm and eliminated Well No. 2.

Water Distribution System

In recent years since 2000, the HMUA completed four (4) major water transmission main projects (Contract Nos. 24W, 26W, 31W and 33W) to improve the fire flow capacity in most of the deficient areas identified in the Insurance Service Organization (ISO) investigation in 1997. During 2010, the HMUA undertook the construction of a water main replacement project (Contract No. 38W) to replace undersized water mains located on Fifth Avenue, Reese Avenue, Liberty Street and Cook Street in the Town of Hackettstown and this project was completed in summer 2011. The HMUA received bids for the Claremont Water Transmission Main Project (Contract No. 40W) on November 20, 2012. This project follows the recommendations of a 2011 hydraulic model of the water system for the Diamond Hill area which evaluated the effect on the water distribution system with an increase in capacity of the Claremont Road Well No. 1R (Diamond Hill Well No. 8) from 300 gpm to 1,050 gpm.

During 2011, the HMUA undertook a project to install water pressure transmitters at up to seven (7) locations throughout the distribution system to continuously monitor the pressures at these locations within the water system, including any pressure spikes that may be present. HMM has completed preparation of plans and specifications for the project. The HMUA has completed the installation of transmitters at three (3) of the seven (7) locations.

The water main projects also included the replacement of almost all of the old non-pumper fire hydrants. With the encouragement of the HMUA, the Town of Hackettstown requested an additional test by ISO. The ISO re-inspected the Town of Hackettstown in 2007 and the ISO upgraded the classification of the Town of Hackettstown from a Class 5 to a Class 4. The Town of Hackettstown's Public Fire Protection Classification is in the top 10% among all communities in the entire country.

Water Filtration Plant

The HMUA completed construction of a surface water treatment plant located at the Seber tract in the Town of Hackettstown in 1981. This facility provided treatment of the surface waters derived both from the Mine Hill Reservoir and Burd Reservoir. The Water Filtration Plant (WFP) includes a raw water chamber, two solids contact clarifiers, two mixed media gravity filters, a chlorine contact chamber, two high lift



pumps and necessary appurtenances, including a standby emergency generator. The WFP has a design capacity of 1.0 MGD.

The WFP is now permanently out of service, based on the HMUA's Water Allocation Permit. The facility has not been in service since August 8, 2008, as the HMUA has been able to meet the peak water demand period through the summers of 2009, 2010, 2011 and 2012 utilizing only groundwater supplies from the wells.

The facility clear well has been emptied and cleaned and the filters require periodic pumping to remove rain water. The facility continues to house a laboratory, the HMUA water supply SCADA system and the facility generator provides emergency power to the onsite groundwater wells. A minor coolant leak was noted on the emergency generator, which is exercised monthly. The emergency generator is currently being repaired and the repair of the coolant leak will be completed shortly.

Well Stations

As of July 1, 2012, the HMUA potable water distribution system derives all supply from groundwater sources (wells). The HMUA water system now operates under a single NJDEP Water Allocation Permit. The HMUA Water Allocation Permit (NJDEP Program Interest ID No. 5145 and Water Allocation Permit No. WAP110002) was issued for a ten-year term, effective on July 1, 2012 with an expiration date of June 30, 2022.

The permitted pumping capacity from the five (5) operational wells is 4,300 GPM as shown in the table below. Well No. 9 (Heath) is currently being designed at this time and is not scheduled to be placed into operation until mid to late 2013.

HMUA Potable Water Wells

<u>Well Designation</u>	<u>Current Production Rate</u>	<u>Permitted Pumping Rate *</u>
Well No. 4- Seber	200 GPM	300 GPM **
Well No. 5- Seber	950 GPM	1,000 GPM **
Well No. 6- Heath	670 GPM	700 GPM **
Well No. 7 - Seber	1,500 GPM	1,500 GPM **
Well No. 8- Claremont 1R	300 GPM	800 GPM ***
<u>Well No. 9 – Heath</u>	<u>0 GPM</u>	<u>800 GPM ***</u>
Totals	3,620 GPM	5,100 GPM

* Maximum Diversion Rate for all groundwater sources is 4,000 gpm.

** Maximum Diversion Rate for Wells 4, 5, 6 & 7 is 3,200 gpm.

*** Maximum Diversion Rate for Wells 8 (Claremont 1R) & 9 is 1,600 gpm.



The maximum yearly water diversion allowed in the HMUA's current Water Allocation Permit is 1,165 MG (3.19 MGD) and the maximum monthly diversion is 123.7 MG (4.12 MGD). The actual water diversion for the 12-month period ending August 31, 2012 was 908.85 MG (2.49 MGD) and the maximum monthly diversion was 93.988 MG (3.03 MGD) (July 2012), both well within permit limits.

The original HMUA wells are in good operating condition. The static water levels at the well sites remain relatively constant from year to year indicating that these sources are not being overpumped.

The HMUA received bids for Contract 35W in January 2008 to rehabilitate the well pumps for Well Nos. 5 and 6 to restore the pumping capacity of the wells to 1,000 GPM and 700 GPM, respectively. The Contractor completed the rehabilitation of the well pump for Well No. 6 and the pumping capacity has increased to approximately 670 gpm. The Contractor installed a new pump motor and rehabilitated well pump for Well No. 5 in March 2009. The pumping capacity of Well No. 5 was restored to 1,000 GPM. All Contract work for this project has been completed and Contract 35W was closed out in April 2009. A new VFD for Well No. 5 was installed in 2012.

The HMUA acquired three (3) wells as part of the takeover of the Diamond Hill water system. However, the HMUA intends to only operate the Claremont Avenue Diamond Hill Well No. 8 (also known as Claremont Well No. 1R). The Elmwood Drive Well (Diamond Hill Area) has been abandoned and sealed by the HMUA. The Brookside Avenue Well (Diamond Hill Area) has been abandoned by the HMUA and will be sealed by the HMUA after the increase in capacity of the Claremont Avenue Diamond Hill Well No. 8.

The HMUA is in the process of increasing the capacity of Well No. 8 (Claremont Avenue - Diamond Hill). A new well was drilled on the existing Well No. 8 site and the existing well has been abandoned. The HMUA received approval from the NJDEP on November 16, 2010 to place the 300 gpm Well No. 8 back into service. Well No. 8 is currently in service utilizing a temporary rental pump with peak pumping rate of 300 gpm. The HMUA plans to install a permanent submersible well pump and VFD with a maximum pumping capacity of 800 gpm in early 2013. The pumping rate of the well pump will be limited until the size of the existing water mains in the vicinity of the well are increased to 12-inches. In 2012, a 4-log analyzer was installed at Well No. 8 (Claremont Well No. 1-R).

Well No. 8 was temporarily taken out of service due to failed water quality tests (positive e-coli in raw water sample) in June 2012. Due to the failed water quality tests in June 2012, the HMUA and HMM prepared a Ground Water Rules/4-Log Virus Inactivation Certification Form, calculations and Plans which were submitted to the NJDEP on July 12, 2012. The NJDEP by email dated July 19, 2012 granted temporary authorization to operate Well No. 8 up to 300 gpm. The NJDEP approved and issued a Construction Permit for the 800 gpm permanent well pump on September 7, 2012. Final approval to operate the well at 800 gpm will be granted by the NJDEP upon the NJDEP's approval of the construction and issuance of the NJDEP Permit to Operate.



The HMUA continues to monitor the raw water at Well No. 8, although this is not required by the NJDEP. Since the failed water quality tests in June 2012, there have been two (2) additional positive coliform sample results (October 2012 and December 2012) for the Well No. 8 raw water, but both were e-coli negative. Follow-up sampling during both occasions came back negative for both total coliform and e-coli. The 4-log treatment approval for Well No. 8 does not require any sampling for either of these events. These samples are done for HMUA reference only.

Well No. 2 was taken out of service in early November 2010 due to a failed water quality test (detection of E-Coli). The well has remained out of service as is now no longer part of the Water Allocation Permit and the HMUA installed equipment to pump system water up to the 1MG Tank. Well No. 2 has been abandoned and sealed and was decommissioned on December 11, 2012 as required by the Water Allocation Permit.



Well No. 2
Modified Pump Arrangement



Well No. 8
New Well Pump

Surface Water Impoundments

The HMUA Water Filtration Plant derived its water supply from the Mine Hill Upper and Lower Reservoirs and the Burd Reservoir. Safety inspections for the dams at each of these impoundments were initially conducted in October of 1981. Subsequent inspections of the Lower Mine Hill dam were completed in October 1987, January 1991, April 2001 and December 2004 and most recently, December of 2007. The inspections found the dams to be in fair overall condition. The structural integrity of the dams appeared to be sound. Stabilization of the embankment on the downstream side of the Lower Mine Hill Dam is required by NJDEP to protect it from erosion during storms which cause overtopping of the dam. The erosion from the storms during the summer of 2011 is occurring closer to the dam and was still present during the 2012 inspection. A concept plan to stabilize the area immediately downstream of the masonry dam and rehabilitate the area around the reservoir inlet raceway and former sand beds has been approved by the NJDEP Dam Safety Section.



Based on HMM's inspection of the three (3) dams on October 18, 2012, it is recommended that the following item be addressed:

- Continue to remove vegetation growing in joints in face of Lower Mine Hill Dam.

During 2012, the HMUA removed trees from embankment adjacent to dam and also removed trees, branches and brush along toe of dam to facilitate observation of toe. It should be noted that the HMUA made concrete repairs to the crest of the Lower Mine Hill Dam in April 2008 and these repairs appear to be in satisfactory condition.

The raw water lines for the Lower Mine Hill Reservoir and the Burd Reservoir were officially decommissioned in late 2012 as required by the Water Allocation Permit. The Mine Hill Metering Building has been demolished and removed. The HMUA received a Demolition Permit for the removal of the Burd Metering Station and this metering station will be demolished and abandoned shortly.

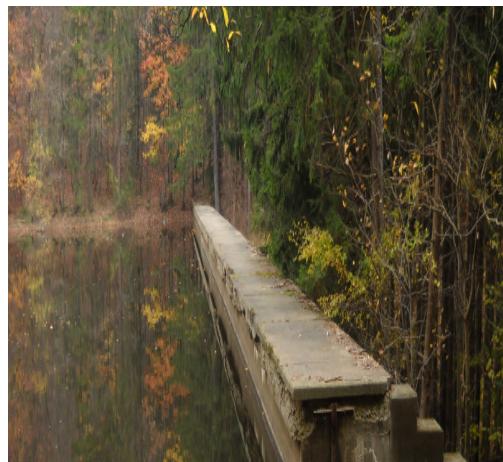
The New Jersey Dam Safety Compliance Schedule submitted as part of the December 2007 Lower Mine Hill Reservoir Dam Regular Inspection Report required that an investigation for repairs versus decommissioning of the dam be prepared and submitted to the NJDEP by July 31, 2008. The HMUA sent a letter to the NJDEP dated July 29, 2008 indicating that the HMUA is pursuing the sale of the dam to Green Acres and requested an extension for submission of the report on the investigation for repairs versus decommissioning of the dam. The NJDEP by letter dated August 13, 2008 granted the HMUA an extension of sixty (60) days beyond receipt of Draft Agreement from Green Acres. The HMUA sent another letter to the NJDEP dated December 12, 2008 requesting an additional time extension. By letter dated January 12, 2009, the NJDEP requested that the HMUA submit a status report which the HMUA has done. The HMUA has advised the NJDEP that the HMUA intends to breach the Lower Mine Hill Reservoir Dam.

The HMUA has prepared Contract Drawings that are substantially complete for the breaching of the Lower Mine Hill Reservoir Dam.

Deterioration of the concrete on the upstream face of the Upper Mine Hill Reservoir Dam has been noted in past facilities inspections as well as the inspection on October 18, 2012. The deterioration is occurring at the top of the dam which is alternately submerged and exposed to the weather during the normal fill and draw of the reservoir. The concrete deterioration appears to be confined to the western half of the upstream dam face. The HMUA has dropped the water level in the Upper Mine Hill Reservoir in the past to allow inspection of the extent of the concrete deterioration and also to prevent the freezing and thawing during the winter months from causing any additional spalling. If the HMUA decides to maintain ownership, it is recommended that the HMUA undertake a concrete repair project for the above section of the Upper Mine Hill Reservoir Dam while the extent of the required repairs is limited.



Upper Mine Hill Reservoir Dam



Upper Mine Hill Reservoir Dam -
Concrete Deterioration on the Upper
Portion of Upstream Face of Dam

In recognition of the costs associated with maintaining the dams in conformance with the New Jersey Dam Safety regulations as compared to the costs and successful results associated with completing additional groundwater wells, the HMUA has decided to proceed with the abandonment of its reservoirs. During the past four (4) years, the HMUA has had meetings with various representatives of the NJDEP to discuss the abandonment of the reservoirs. The HMUA has offered the reservoir properties with the existing dams to the State of New Jersey under the Green Acres Program. With the approval of the modified Water Allocation permit, the viability of the reservoir abandonment concept will proceed.



Lower Mine Hill Reservoir Dam –
Abandonment



Lower Mine Hill Reservoir Dam -
Concrete Repairs to Top of Dam



Water Storage Tanks

The HMUA's Water System includes four (4) Water Storage Tanks as follows:

1. 2.4 MG Water Storage Tank (Washington Township)
2. 1.0 MG Water Storage Tank (Independence Township)
3. Mount Olive Water Storage Tank (Mount Olive Township)
4. Independence Water Storage Tank (Asbury Road, Independence Township)

2.4 MG Water Storage Tank

In 1979 the HMUA completed construction of a 2.4 million gallon (MG) water storage tank which maintains pressure in the distribution system and provides storage capacity for peak demand periods. The 2.4 MG Water Storage Tank is located in Washington Township off of Schooley's Mountain Road. The HMUA replaced the cathodic protection system and completed the repainting of the tank exterior during May of 1998 under Contract No. 22W.

Areas of corrosion were noted on the tank exterior during the October 2012 inspection as well as during the October 2010 and October 2011 facilities inspections. The HMUA is planning to re-paint the exterior of the 2.4 MG Storage Tank in FY 2014. The rectifier for the cathodic protection system, which was not replaced with the remainder of the system in 1998, should be considered for replacement.

Vegetation and small trees (noted in previous inspections) around this Water Storage Tank have been cleared and removed during 2012.

1.0 MG Water Storage Tank

The HMUA also owns and operates a 1.0 million gallon water storage tank located on the western side of its service area in Independence Township. The tank serves primarily as a storage reservoir for fire protection water for the M&M Mars factory located in the northwestern section of the Town of Hackettstown. The bottom half of the tank is reserved for M&M with a separate feed line.

The concrete tank sidewalls of the 1.0 MG tank have shown minor signs of cracking during past site inspections. An inspection of the tank in July 1994 noted a small amount of weepage at the base of the tank sidewall near the valve vault. The HMUA caulked this crack and although the caulk has held up well for 10 years, the crack appeared to have opened slightly since our 2004 facilities inspection. Slight weepage has periodically been noted during prior inspections. No significant weepage was noted during our 2005, 2006 and 2007 inspections. Some slight weepage was observed in one area during the October 2007 inspection and slight weepage was observed in numerous areas during the October 2008 and October 2009 inspections. There was no weepage observed during the October 2010 and October 2011 inspections and the exterior of the tank appeared to be dry in both cases. There were areas of weepage observed during the October 2012 inspection. It is suspected



that thermal expansion and contraction of the tank may cause the weepage to alternately occur and then cease. The weepage should continue to be monitored on at least an annual basis.

During 2010, the HMUA removed the vegetation from around the perimeter of the tank as recommended in prior facility inspection reports. Vegetation appeared under control during our October 2012 inspection and it is recommended that the HMUA continue to remove vegetation as required.

The 2.4 million gallon tank is located in the southeasterly section of the HMUA service area. It is recommended that the HMUA continue planning for a new storage tank in the vicinity of the existing 1.0 million gallon tank. The HMUA has identified two (2) potential sites to construct a new water storage tank and has received a budgetary quote. The tank should be constructed to operate directly on the Elevation 800 gradient, as a companion tank to the 2.4 MG tank. The additional storage will eventually be required for compliance with NJDEP regulations as system demands increase, and its construction in the northerly section of the service area will help balance the system pressures and improve fire flows in the northern section of the HMUA service area. Construction of a new tank in this area would also facilitate the proper repainting of the 2.4 MG tank as recommended above.

Mount Olive Twp. Water Storage Tank and Independence Twp.
Water Storage Tank

Two (2) new water storage tanks were constructed in the HMUA service area in the 1998-1999 time frame to allow the water system to be extended to areas in Independence Township and Mt. Olive Township which are situated at elevations above the high water level of the 2.4 and 1.0 million gallon tanks. The capacity of each new tank is approximately 0.4 million gallons and they are both of the bolted, fused glass coated steel type construction. The HMUA approved this type of tank construction over conventional welded steel tanks in order to minimize the need for future painting.

The Mount Olive Township Water Storage Tank appeared to be in excellent physical condition during our October 2012 site inspection. One of pump motors at the Mount Olive Water Booster Pump Station underwent repairs in November 2011, and a spare motor is present at the facility. At the time of the inspection, one of the pumps was awaiting a new stainless steel impeller. An investigation by HMM found that dezincification of the original Silicon Bronze impellers had occurred. The new stainless steel impeller was installed for one (1) of the Mount Olive Water Booster Pumps on November 27, 2012. A similar replacement with a new stainless steel impeller will be made for the second water booster pump in early 2013.



Mount Olive Township
Water Storage Tank



Independence Township
Water Storage Tank

It was reported by the HMUA that there was some areas of weepage at the Independence Township Water Storage Tank during 2008. These areas of weepage on the tank were repaired by an outside contractor during the fall of 2008 and these repairs appear to be holding up well. A leak was repaired in Spring 2012. No weepage was observed during our October 2012 field inspection and the exterior of the tank appeared to be in satisfactory condition.

Development of Additional Water Supply

The HMUA has continued its program to develop additional sources of water to meet the projected water demands within its service area. The New Jersey Department of Environmental Protection firm capacity regulations require water utilities to be able to meet their peak water demands with their largest water source out of service. The completion of Well No. 7 on the Seber site provides additional firm capacity in the HMUA system and provides additional water quantity on a monthly and annual basis. Well No. 7 has been operating satisfactorily with a peak pumping rate of 1,500 GPM since the end of May 2007.

Aside from the amount of water which the HMUA is allowed to pump from its wells, the Bureau of Water Supply requires that adequate water source capacity be available to meet the peak system demands (as defined by the NJDEP) with the largest water source out of service. Currently, the HMUA water system meets the Bureau of Water Supply's definition of adequate supply capacity with a firm capacity of 2,200 gpm (3.168 MGD) as indicated in the table below.



Source	Source Capacity	
	(MGD)	(GPM)
WFP ⁽¹⁾	0	0
Well No. 2 ⁽¹⁾	0	0
Well No. 4	0.288 ⁽²⁾	200 ⁽²⁾
Well No. 5	1.440 ⁽²⁾	1,000 ⁽²⁾
Well No. 6	1.008 ⁽²⁾	700 ⁽²⁾
Well No. 7	2.16 ⁽²⁾	1,500 ⁽²⁾
DH Well No. 8 (Claremont 1R)	0.432	300 ⁽³⁾
Total Source Capacity	5.328 MGD (5.04 MGD w/ Max. Diversion)	3,700 GPM (3,500 GPM w/ Max. Diversion)
Less Largest Source	2.16	1,500
Firm Capacity	3.168	2,200

- (1) Removed in modified Water Allocation Permit effective July 1, 2012.
- (2) The maximum diversion rate from groundwater sources (Wells 4, 5, 6 & 7) is 3,200 GPM.
- (3) Well No. 8 with the well pump currently installed has a maximum pumping rate of 300 GPM, although this well is approved to pump at 800 GPM.

The issue of firm capacity relates to a water system's source water reliability, and specifically to its ability to continue to meet peak system demands without the use of its largest water supply source. With the modified Water Allocation Permit and based on flow projections, additional capacity will be required with the removal of the WFP and Well No. 2 from the calculation of the HMUA's firm capacity.

The completion of Well No. 7 on the Seber site provided additional firm capacity in the HMUA system. Although the Highlands Preservation legislation, which took effect on August 10, 2004, removed a significant portion of the undeveloped land in Mt. Olive, Washington, and Independence Townships from the HMUA water service area, the extent of undeveloped land within the remainder of the HMUA potable water service area will likely require the construction of another permanent production well. The HMUA is proceeding with plans to replace the existing surface water supplies with additional groundwater wells.

The HMUA has undertaken a program to increase the capacity of the Claremont (Diamond Hill) Well No. 8 located in Mansfield Township and is working on the development of a new Heath Well No. 9 to be located in Washington Township on Schooleys Mountain Road, with a capacity of 800 gpm.



The HMUA submitted a Construction Permit Application to the NJDEP for the installation of a permanent submersible well pump at Well No. 8 (Claremont Well No. 1R) with an increased pumping capacity of 800 gpm in accordance with the recently received modified Water Allocation Permit. The NJDEP approved and issued a Construction Permit for this project on September 7, 2012. The HMUA plans to install the permanent 800 gpm submersible well pump in the near future.

In addition, HMM is currently preparing plans for the construction of Well No. 9, which was approved by the NJDEP with a capacity 800 gpm in the modified Water Allocation Permit.

It should be noted that there are new Radon Rules under consideration that may impact several of the HMUA's water supply wells, most likely Well No. 2 and Well No. 4 that are shallow wells. Under the new Water Allocation Permit, Well No. 2 is officially out of service and Well No. 2 has been decommissioned by the HMUA.

The HMUA pursues an ongoing leak detection effort within its potable water distribution system. The leak detection program is a continuous long range maintenance program to ensure that unaccounted for water within the HMUA distribution system is minimized as required by the NJDEP. The HMUA purchased advanced leak detection equipment in 2003 to improve its in-house leak detection efforts. The HMUA has also begun metering the injection water at the two booster stations. Unaccounted for water was reported to be approximately 21.1% during the 12-month period ending August 31, 2012, which is above the NJDEP goal of 15%. Significant water leaks at the Bergen Tool Property were noted in 2012. Two (2) new gate valves were installed in late 2012 to shut-off the water supply to the Bergen Tool property. The HMUA is actively taking measures to reduce the amount of unaccounted water. The table below summarizes the reported approximate unaccounted water percentages since 2005.

Year	Unaccounted for Water (%)
2005	19.5
2006	14.2
2007	15.1
2008	13.4
2009	10.1
2010	15.4
2011	13.1
2012	21.1

Water Quality

The HMUA has complied with the Federal and State regulations requiring analysis of water samples for organic and volatile chemicals, inorganic chemicals, trihalomethanes, disinfection byproducts and secondary drinking water constituents. The routine water analysis results indicate that the finished water is in compliance with the Safe Drinking Water Standards for these parameters.



The United States Environmental Protection Agency (USEPA) is enforcing more stringent standards for lead and copper concentrations in potable water with adoption of the Lead and Copper Rule. Lead and copper in potable water typically originates as a result of corrosion occurring in plumbing systems within private homes rather than existing in the raw water the utility treats and pumps into the distribution system. The Lead and Copper Rule requires water utilities to optimize the treatment of potable water such that any corrosive tendency of the water is minimized.

The HMUA applies a polyphosphate/orthophosphate blended corrosion inhibitor at its Well No. 6 to minimize corrosion within the plumbing systems of its customers. The bi-annual sampling of patron services conducted during 2002 achieved compliance with the EPA Lead Maximum Contaminant Level Goal (MCLG) of 0.015 M/L. It therefore appeared that optimal corrosion control had been achieved through the application of the polyphosphate/orthophosphate blend. However, the results of the first of the two annual sampling events from 2004 slightly exceeded the threshold for compliance with the Lead and Copper Rule. The HMUA met with the NJDEP to review the range of possible alternatives to ensure consistent compliance with the Lead and Copper Rule. The HMUA has replaced customer water meters with units which have almost no lead content, increased its effort in instructing customers on the proper water sampling techniques, and increased its frequency of corrosion inhibitor concentration monitoring within its water distribution system. The results from subsequent customer water sampling conducted in late 2004 and during the summers of 2005 through 2009, inclusive, have conformed to the Lead and Copper Rule. The results of the sampling in the summer of 2010 slightly exceeded the EPA's limits for the Lead and Copper Rule, but 2011 and 2012 samplings were in conformance. An extensive Public Education Program has been completed by the HMUA.

SEWERAGE SYSTEM

The HMUA Water Pollution Control Plant is being operated under the supervision of seven (7) licensed operators.

The Water Pollution Control Plant (WPCP) constructed in 1971 had an original permitted capacity of 1.65 MGD and was designed to provide advanced secondary treatment. Development which occurred within the HMUA service area in the 1970's and early 1980's required that the HMUA undertake a plant expansion. The enactment of more stringent effluent requirements by the U.S. Environmental Protection Agency and the New Jersey DEP also dictated that the treatment process be upgraded. The HMUA embarked upon the planning and design for the upgrade/expansion in 1984. The necessary construction permits and low interest rate financing received from the New Jersey Wastewater Treatment Trust were received in 1991. Construction of the WPCP upgrade/expansion to a capacity of 3.30 MGD was substantially completed in September 1993 and the construction contract was finalized in September 1995 at \$10,510,210.30.



Water Pollution Control Plant

The amount of treated effluent which can be discharged to the Musconetcong River from the Water Pollution Control Plant (WPCP) is limited by the NJPDES Permit (NJPDES Permit No. NJ0021369) issued to the HMUA for operation of the plant. Currently, the permitted capacity of the plant is rated at 3.30 MGD. The permit was renewed in June 2008, with an effective date of August 1, 2008 and an expiration date of July 31, 2013. The NJPDES Permit includes provisions to formally increase the plant capacity rating from 3.30 MGD to 3.39 MGD due to additional flow from the Diamond Hill area of Mansfield Township.

The new NJPDES Permit imposed some new permit requirements which include the following:

- More stringent phosphorus concentration limits and new mass loading limits.
- New Total Dissolved Solids (TDS) limits.
- Arsenic and mercury discharge limits.

As a result of new NJPDES permit requirements contained in the HMUA's new NJPDES Permit, the amount of flow to the treatment plant could have a significant impact on whether the existing WPCP can meet the stringent load-based limitations. The HMUA already removes most of the phosphorus present in its effluent by application of alum. HMUA has determined, based upon findings from a Chemically Enhanced Primary Treatment (CEPT) study, that use of chemicals will be adequate to meet the permit limits. HMUA will be conducting further evaluations utilizing chemical addition at two (2) locations as provided for in the 1993 Plant Expansion Upgrade. HMUA is evaluating adding ferric to the Inlet Facilities to take out a portion of the Phosphorus, allowing for some biological uptake and reduced chemical addition of alum at the end of the Nitrification Tanks.

As required by the Plant's NJPDES Permit, Hatch Mott MacDonald completed an evaluation of local discharge limits and preparation of Local Limits Evaluation (LLE) Report dated February 28, 2011 that was submitted to the NJDEP.

The Water Pollution Control Plant operated at an average daily flow of 2.192 MGD between September 1, 2011 and August 31, 2012, compared to 2.36 MGD for the prior 12-month period. This equates to approximately 66.4 percent of the permitted plant capacity of 3.30 MGD. The maximum monthly flow during the period between September 1, 2011 and August 31, 2012 was 3.13 MGD (September 2011). The ratio of the maximum monthly flow to the 12-month average daily flow was 1.43 times. The plant performance results for the major effluent parameters of concern, Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS) and Ammonia, averaged <3.21, <4.33 and <0.1 mg/l, respectively, over the past year, well within the NJDEP permit values of 20, 25, and 1.0 mg/l assigned to the plant in the Discharge to Surface Water Permit.

The upgraded and expanded Water Pollution Control Plant (WPCP) has now been in service for nineteen (19) years. The major treatment reactors and equipment were



found to be in good physical and mechanical condition during the October 2012 facilities inspection. Routine maintenance and occasional hardware replacement, particularly for equipment which has been installed since the original plant construction completed in 1971, will continue to be required on an as needed basis.

The HMUA has recently completed two (2) construction projects at the WPCP as follows:

Contract No. 37S

- Site Piping Improvements
- Inlet Facilities Improvements including new Screening/Washer/Compactor unit and “bus stop” Enclosure
- New Motors and variable frequency drives (VFDs) for the two (2) main Raw Sewage Pumps
- Improvements to the existing Anaerobic Digesters

Contract No. 39S

- Installation of two (2) new Nitrification Tank aeration blowers and associated controls

The HMUA, under a separate procurement Contract No. 36S, purchased new Digester Mixing and Heating Equipment that has been installed by the Contractor for Contract No. 37S.

A 31.7 kW solar array was installed at the WPCP Site under a Power Purchase Agreement. The installation of the solar array was completed in September 2011, with an official ribbon-cutting ceremony on October 6, 2011.



Water Pollution Control Plant Site



Solar Panels at WPCP Site

Since approximately 2006, the HMUA has been utilizing a maintenance management program software called “E-Maint” to keep track of the numerous routine maintenance tasks required to keep the equipment throughout the treatment plant operating efficiently and to increase the longevity of the equipment. The Chief Operator indicated that the “E-Maint” software has proven to be very helpful in



keeping track and scheduling of the required maintenance tasks throughout the facility.

During 2009 and 2010, the HMUA evaluated whether it may be possible to accept a higher strength of sewage from the M&M Mars facility to allow M&M Mars to reduce the level of pre-treatment required at their on-site treatment facility prior to discharge to the HMUA public sewer collection system. In 2012, this request was discussed again and HMM completed review of a report evaluating the M&M Mars wastewater flow and its impact on the HMUA's sanitary sewer collection system and the operation of the HMUA's WPCP. HMM provided recommendations on future steps in the process to evaluate the impact of M&M Mars wastewater flow on the HMUA's facilities.

Inlet Facilities & Raw Sewage Pumping

The influent flow meter is calibrated and certified annually.

As mentioned in the 2008 Annual Inspection Report and as recommended in the Feasibility Report prepared by CH2M Hill, the HMUA has undertaken a project for the construction of screening and washing facilities for the removal of screenings at the head of the plant. The new Screening, Washing and Compacting Equipment were installed in November 2010. The HMUA reported that equipment is working well and they have been making adjustments to improve efficiency of the Washing Compaction portion of the equipment. One dumpster of material is collected during a typical week.

During the 2011 inspection, the HMUA reported that a pinhole leak has been detected on the volute for Raw Sewage Pump No. 1 and in September 2012, HMM recommended the purchase and installation of an ABBA replacement pump. Raw Sewage Pump No. 1 was replaced in December 2012.

Raw Sewage Pump No. 2 was re-built during May 2008 and the pump re-build included a new impeller, new upper and lower bearings, new snap ring and grease shield, new packing and shaft sleeve. Based on additional leaks in the area of the volute for Raw Sewage Pump No. 2 during the summer of 2008, it was determined that the leaks in the area of the volute could not be economically repaired; therefore, the HMUA purchased and installed a new suction cover, volute, bearings and housing as a complete unit.

HMUA personnel replaced the impeller and shaft sleeve for Raw Sewage Pump No. 3 in April 2011. The pump bearings and suction cover wear ring for this pump were also replaced by the HMUA in August 2011. During 2011, the HMUA investigated pump noise and bearing temperature concerns for Raw Sewage Pump No. 3; however, a report by Rapid Pump and Meter in November 2011 found the pump to be operating within limits and the pump was returned to service.

New motors and VFDs for Raw Sewage Pumps No. 1 and No. 2 have been installed under Contract No. 37S. The HMUA is currently proceeding with the replacement of the existing Raw Sewage Pump Control Panel.



The floor coating system in the Pump Room has failed and the HMUA should consider replacement.

The influent wet well was cleaned out by an outside Contractor during 2011. It is recommended that the piping, valves and pumps in the lower level of the Raw Sewage Pump Station Building be painted in the near future.



Raw Sewage Screen



Raw Sewage Pump Motors

Primary & Secondary Treatment

Both primary clarifiers were in operation during our site inspection. The HMUA reported that both primary clarifiers are in satisfactory condition.

In February 2012, the plant returned to a single trickling filter operation. Both filters appeared to be in satisfactory condition. All three (3) of the trickling filter recirculation pumps were reported to be operating properly.

Intermediate Clarifier No. 1 was in service at the time of our site inspection. Clarifier No. 2 has been out of operation since February 2012. Both Intermediate Clarifier No. 1 and Intermediate Clarifier No. 2 were reported to have operated satisfactorily during the past year and appeared to be in sound operating condition.



Trickling Filter



Primary Clarifier

The Intermediate Pumping Station was constructed during the WPCP Upgrade and Expansion in 1993. The facility has been off-line since February 2012. The Intermediate Pumping Station includes three (3) pumps with 25 HP motors equipped with VFDs. All three (3) intermediate pumps and the VFDs were reported and appeared to be in satisfactory condition at the time of our field inspection.

The WPCP Equalization Basin rubber liner that was installed during the original plant construction in the 1970s is in need of replacement. The Equalization Basin has not utilized for many years. The HMUA has reviewed the need for the Equalization Basin from a plant operational viewpoint. Based upon the review of the operational needs of the plant and as recommended by the WPCP Feasibility Study prepared by CH2M Hill, the HMUA has decided to decommission the Equalization Basin. The HMUA plans to include the abandonment of the Equalization Basin as a future capital project.

Advanced Treatment

During 2011 and 2012, the HMUA inspected and cleaned all diffusers in both Nitrification Tanks. The cleaning of the diffusers reduced the operating pressure for the aeration blowers.

The three (3) Nitrification Tank internal recycle pumps were reported to be in satisfactory operating condition.



Nitrification Tanks



Aeration Blowers

The HMUA has aerated both of the Nitrification Tanks with a single 125 hp constant speed blower for many years. The 1991 plant upgrade and expansion provided four (4) constant speed centrifugal blowers with 125 hp motors. As recommended by the Energy Audit prepared by CDM, the HMUA completed Contract No. 39S to replace two (2) of the four (4) existing 125 hp constant speed centrifugal blowers with more efficient variable speed turbo blowers and to reduce the air flow capacity of the blowers based on the actual plant operating conditions. Two (2) new 75 hp turbo blowers with VFDs and controls have been installed and operational since early 2012, and a single turbo blower typically meets plant air demands for both Nitrification Tanks. The installation of the new turbo blowers has resulted in energy costs savings to the HMUA.

Both Final Clarifiers were operating during our site inspection and appeared to be in sound operating condition. One of the three (3) Return Activated Sludge (RAS) pumps was being rebuilt at the time of the inspection.

Post Aeration & Disinfection

Post aeration of Final Clarifier effluent is provided by a step cascade which is a concrete structure with no mechanical or electrical components. The unit is in sound condition. Effluent disinfection is provided in a two-channel UV disinfection system. The HMUA replaced the UV equipment and installed weather protection housing around the UV channels in 2002. The system continues to operate well, and the HMUA staff are completing a bulb-change operation. Additional post aeration equipment is also installed in the UV tank, but is rarely, if ever needed at current flows due to the effectiveness of the step cascade.

The HMUA installed bar screens just before the UV lamps to help prevent leaves and algae from affecting the performance of the UV disinfection system. The sluice gates located just prior to the UV lamps were replaced during 2012 with stainless steel versions.



Auxiliary Systems

During January 2007, the HMUA switched from the use of aluminum chloride to aluminum sulfate for phosphorus reduction. The HMUA reported to be very satisfied with the performance and use of the aluminum sulfate. The HMUA has two (2) Alum Storage Tanks and the Storage Tanks were reported and appeared to be in satisfactory condition. During our site inspection, both Alum Storage Tanks were in service. The seal water pumping systems at both the Administration and Advanced Treatment Buildings and the service water pumping equipment in the Administration Building are in satisfactory operating condition. HMUA staff installed new chemical feed pump and piping in 2011.

The WPCP has two (2) emergency generators. The original 300 Kw emergency generator was installed with the original plant construction in the 1970's. The other generator is a 660 Kw generator that was installed as part of the 1991 WPCP upgrade and expansion project. The emergency generators and automatic transfer switches (ATS) were reported to be in good working order at the time of our inspection. Since our site inspection, coolant was found in the oil for the 660 Kw generator. The 660 Kw generator is currently being repaired. The emergency generators are exercised under load once per month. Maintenance and inspection of the emergency generator is performed quarterly by an outside contractor.

During 2011, Hatch Mott MacDonald reviewed, investigated and evaluated the existing electrical distribution system at the WPCP to determine the feasibility of providing emergency back-up power to the Digester Building. The evaluation included preparation of Equipment List and Load Calculations for the existing 300 Kw generator. Based on the theoretical load analysis of the generator, the existing Digester Building feeder was connected to the existing 300 Kw generator to provide emergency power to the Digester Building.

The original boiler for the WPCP Administration Building, also constructed in the 1970's, was replaced approximately ten (10) years ago and is reported to be in satisfactory operating condition.

Solids Handling Systems

Sludge collected in the primary and intermediate clarifiers is removed from the treatment process to the Anaerobic Digester system which was part of the original 1971 plant construction.

The HMUA undertook a Digester Repair Contract that included the construction of a new roof on the Digester Building, new waste gas burner, new gas piping and appurtenances. The Contract work for this project was completed during 2007.

As recommended by the WPCP Feasibility Study prepared by CH2M Hill and the Energy Audit prepared by CDM, the HMUA completed construction of Contract No. 37S to improve the gas production and performance of the anaerobic digestion system. The project included the installation of new sludge mixers. Air testing of



the upgraded digesters occurred in late October 2011. HMUA staff added anti-slip pads to the digester covers to better facilitate flare maintenance.

HMUA staff noted clarifier issues when the supernatant is recycled, so the flow is typically directed to the pre-thickened sludge wet well.

Sludge collected in the final clarifiers is wasted from the treatment system to a pre-thickened sludge holding tank at the Advanced Treatment system. The waste sludge is thickened prior to being trucked off-site (PVSC) for ultimate disposal using gravity belt thickeners located in the Advanced Treatment Building. The two (2) gravity belt thickeners are now nineteen (19) years old, but continue to operate very well, requiring only occasional miscellaneous repairs. A number of the rollers beneath the traveling belts are showing signs of wear and the HMUA has been periodically replacing these rollers as required. The gravity belt thickeners are typically operated three (3) days per week. The positive displacement pumps used in conjunction with the gravity belts are reported to have operated satisfactorily over the past year.



Gravity Belt Thickener



Anaerobic Digester

Plant Laboratory

The existing HMUA WPCP contains the HMUA water quality analysis laboratory, located within the plant Administration Building. The laboratory has been certified by the NJDEP to conduct chemical analyses. The laboratory is used to monitor select parameters used for routine process control of the treatment process and those for which the NJDEP requires monthly reporting from both the sewer utility and the water utility. Certain testing which is required on a monthly or less frequent basis does not justify the costs associated with purchasing additional laboratory equipment and maintaining a full-time lab technician on staff. These analyses continue to be performed by a private laboratory certified by the NJDEP.



Buildings

The buildings at the WPCP remain in good, well-maintained condition. A roofing repair project was undertaken in 2006. As the 2006 project didn't include the roofs for the Intermediate Pumping Station or the Advanced Treatment Building, the HMUA should plan for replacement. A new heating unit was installed in the Advanced Treatment Building during 2008. Building lighting improvements recommended by the Energy Audit were completed in August 2011.

The HMUA received BPU approval on December 17, 2010 for an Energy Reduction Plan for the WPCP. The ERP provides for up to \$361,836 in rebates, including Lighting Retrofits that were completed in 2011. The ERP also includes many of the improvements constructed under Contract No. 37S such as piping upgrades and VFD's for the Raw Sewage Pumps as well as the Blower upgrades constructed under Contract No. 39S.

Site

The HMUA installed new landscaping throughout most of the plant site during 2009. The HMUA was removing existing landscaping near the digesters at the time of the inspection.

Sewage Collection System

The HMUA continues to conduct internal television inspections of its sanitary sewer collection system during the past year in an effort to define areas where infiltration (groundwater leakage) may be entering the sewer system. Hatch Mott MacDonald completed a Phase I I/I investigation in the Spring of 2003 which identified which sections of the HMUA collection system warranted further investigation to locate and repair specific leaks. The majority of the system was found to be in sound shape. However, there were a number of areas where the collection system requires further investigation and repair of leakage sources located in the Phase I study.

The HMUA purchased new TV Inspection equipment during 2008. TV Inspection equipment owned by the HMUA includes a sewer lateral camera to allow for the inspection of sewer service laterals within the collection system. The HMUA also owns a Jet/Vacuum Truck that is utilized to periodically clean the sanitary sewers within the HMUA's sanitary sewer collection system. The HMUA has established a Sewer System Cleaning Program as well as a TV Inspection Program. The HMUA performs TV Inspections of the sanitary sewers periodically as time permits. The wet wells of the pump stations within the collection system are typically cleaned by the HMUA every two (2) months.

The HMUA owns and operates two (2) sewage pumping stations and operates one (1) sewage pumping station that is privately owned. The Hills of Independence sewage pumping station is privately owned and operated. The HMUA has one (1) spare pump available for each pumping station.



The HMUA has taken efforts to identify sump pump discharges to the collection system. When identified, homeowners are contacted and follow-up inspections are conducted to confirm that sump pumps were disconnected.

Oak Hill Sewage Pumping Station

The HMUA owns and operates a small sewage pumping station serving a section of the Oak Hill at Mt. Olive subdivision along Stephens State Park Road. The facility appeared to be in excellent physical condition and well maintained during our inspection. The Oak Hill sewage pumping station includes two (2) submersible pumps, valve chamber, alarm dialer and emergency generator. At the time of our inspection, there were no "Seal Failure" alarms. The seal failure noted in the 2010 report was addressed; however, this has reoccurred during 2012 and continues to be reviewed by the Service Company. HMUA identified several household sump pumps which were connected in the Oak Hill area, which were resulting in high wet weather flows. As noted above, HMUA contacted the homeowners and conducted follow-up inspections to confirm the sump pumps were disconnected.

House of Good Shepard Sewage Pumping Station

The House of Good Shepard sewage pumping station located in Hackettstown is privately owned, but is operated by the HMUA. This pumping station was constructed in approximately 1998. The pumping station was reported to be operating satisfactorily.

Diamond Hill (Meadow Lane) Sewage Pumping Station

The Diamond Hill (Meadow Lane) sewage pumping station located in the Township of Mansfield is owned and operated by the HMUA. This pumping station was constructed in 2004. The pumping station includes two (2) submersible pumps and emergency natural gas generator. The Diamond Hill sewage pumping station appeared to be in excellent physical condition and well maintained. Pump cavitation issues have been experienced and pipe flanges and pump bases were replaced in 2012.

Wastewater Service Area and Wastewater System Planning

During 2012, requests received by the HMUA for centralized sanitary sewer and potable water service from undeveloped or underdeveloped properties situated within its service area have remained slow. Regulations governing development within New Jersey are changing and increasingly being influenced at the State level. The aim of the new regulations is to force new development and redevelopment within existing developed areas in order to preserve open space in the surrounding rural areas. The HMUA's Future Sewer Service Area and water service areas were significantly reduced through implementation of the Highlands Preservation Act. The Highlands Regional Plan was approved by the Highlands Council on July 17, 2008 and has been approved by the Governor. Recent amendments in the State's Water Quality Management Plan rules including the designation of the Musconetcong River



as a “C-1” waterway has further limited the extent of the HMUA’s sewer service area.

The HMUA completed a project to update the November 2003 HMUA Wastewater and Water Flow Projections and the updated flow projections are included in a report entitled “Water and Wastewater Flow Projections dated September 2008”. As detailed in the September 2008 Water and Wastewater Flow Projections Report, it is projected that the WPCP peak monthly flows will exceed the current permitted plant capacity rating of 3.30 MGD in 2017. However, the actual plant flows during the last 12-month period decreased by approximately 7% from the previous 12-month period (average daily flow of 2.192 MGD from September 1, 2011 to August 31, 2012 compared to 2.36 MGD from September 1, 2010 to August 31, 2011) due to efforts by the HMUA to reduce inflow and infiltration (I/I) flows and slowed development within the HMUA Sewer Service Area due to new regulations limiting development as well as the economy; therefore, at this time it is felt that the projected peak monthly flows estimated in the 2008 Flow Projections Report will not be reached in 2017. Also, in 2012, HMUA staff made adjustments to the values in the Flow Projections Report (as suggested in previous Annual reports) to reflect properties removed from the sewer service area and connections which have occurred since 2008 and excess capacity was shown for the WPCP. At this time, it is recommended that the HMUA monitor and evaluate the existing and projected flows to see the affect that the reduction in the HMUA Sewer Service Area caused by the Highlands Regulations and new Wastewater Management Plan regulations have on the actual and projected flows.

The HMUA and the Town of Hackettstown were preparing updates to the Hackettstown Wastewater Management Plan (WMP) to comply with the recent NJDEP Water Quality Management Plan (WQMP) requirements that became effective in July 2008. The HMUA and Town of Hackettstown sent initial draft NJDEP Sewer Service Area (SSA) maps to the NJDEP on October 1, 2009. Following the initial submission to the NJDEP, numerous revised SSA Maps, documentation and emails have been prepared and sent to the NJDEP based on comments received from the NJDEP on the SSA Maps. Agreement was reached with NJDEP on two (2) lots that the NJDEP was excluding from the Sewer Service Area (due to lots being designated as Rank 4 Habitat in the State’s database) that the Town of Hackettstown and the HMUA wanted to include in the HMUA’s Sewer Service Area. The Sewer Service Area, including these two lots, was the subject of an April 6, 2011 Public Hearing by NJDEP. In June 2011, information from the 2008 Flow Projections Report was provided to the Highlands Council, as the Council has taken over the responsibility of completing the Hackettstown WMP. In June 2012, formal comments were provided to the Highlands Council, as the HMUA was not in agreement with the future flow estimates developed by the Highlands Council.

In 2011 and 2012, HMM reviewed and prepared comments on the Washington Township WMP Chapter prepared by the Highlands Council, which included future flow estimates for the five (5) contributing municipalities. The HMUA elected to submit no comments on the final document and the Washington Township WMP was adopted by NJDEP in July 2012.



In 2012, HMM reviewed WMP mapping for Mount Olive Township prepared by the Morris County Department of Planning. Comments were submitted on July 12, 2012 stating that only existing served/approved properties should be shown in the Future Sewer Service Area.

Following the completion and approval of the Hackettstown WMP by the NJDEP, the HMUA may want to consider the review and update of the flow projections from the 2008 Flow Projections Report, as well as updates to the HMUA's GIS layers. The final Sewer Service Area approved by the NJDEP as part of the Hackettstown WMP may result in a reduction of the projected flows that may further delay or eliminate the need to expand the capacity of the WPCP to meet the projected peak monthly flows as discussed above.

HMUA HEADQUARTERS COMPLEX & OVERALL FACILITIES

Facility Site Improvements Project

During 2009, the HMUA completed a project at the HMUA Headquarters Complex at 424 Hurley Drive which includes the Administration Building, Storage Building, Operations Building and Material Storage yard. The project included site improvements at the existing maintenance and operations yard to provide for the consolidation of the HMUA material and equipment storage areas. The project also included improvements to the existing Storage Building. In 2010, lighting improvements recommended by the Energy Audit were completed in the Administration and Operations Building.

Energy Audit of HMUA Facilities

During 2009, the HMUA completed an Energy Audit of the HMUA's facilities that included the Water Pollution Control Plant, Water Filtration Plant, Administration Building, Operations Building, Storage Building and Well and Booster Stations. The Energy Audit prepared by CDM included recommendations with potential areas to reduce energy usage and to reduce energy costs. The HMUA has undertaken several projects to implement some of the energy saving recommendations made in the Energy Audit report as discussed above.

Solar Energy Project

As noted above, a Solar Energy project that includes installation of solar panels and associated equipment at the Water Pollution Control Plant site was brought online in September 2011. The project was completed by a private Solar Energy company under a Power Purchase Agreement. The revised agreement provides the HMUA with free electric power for 15 years.

WPCP Feasibility Study

During 2009, the HMUA completed a Feasibility Study prepared by CH2M Hill for improvements to the WPCP. The HMUA has already undertook several projects to



improve the performance and operation of the WPCP as discussed above based on recommendations in the Feasibility Study.

SUMMARY

The HMUA potable water and sanitary sewer utility infrastructure is in sound condition and updated to comply with current environmental requirements. Potable water production capacity is being increased to meet growth occurring in the service area and to allow for the abandonment of the HMUA's surface water supplies as well as the Water Filtration Plant. The HMUA has continued activities necessary for the replacement of its surface water reservoirs with groundwater and is proceeding with plans to construct Heath Well No. 9 to be located in Washington Township and increasing the capacity of Diamond Hill (Claremont) Well No. 8. The HMUA should also commence planning for construction of a new water storage tank on the northerly side of its distribution system.

The WPCP upgrade/expansion was completed in 1993 and the plant is operating at approximately 64.7 percent of its permitted capacity and complying with its NJDEP effluent limits. Capital expenditures for the next five years should include the miscellaneous replacement of mechanical and electrical equipment on an as needed basis which reaches the end of its useful life. As mentioned previously, the HMUA has completed the following projects at the WPCP that include the following:

- Sludge Digester Mixer Project to improve gas production and performance of Anaerobic Digestion System (Contract No. 37S)
- New screening/washing equipment at headworks of plant (Contract No. 37S)
- Raw Sewage Pump (RSP) motors and VFDs for RSP No. 1 and No. 2 (Contract No. 37S)
- Site piping modifications (Contract No. 37S)
- Blower Replacement (Contract No. 39S)

The HMUA plans to proceed with the following projects at the WPCP in the near future:

- Electric Co-generation will be evaluated upon completion of the Digester Mixers and Anaerobic Digester startup. If there is enough methane gas production, the HMUA will evaluate the cost effectiveness of an electrical co-generation project. The evaluation may also include review of acceptance of FOG from restaurants or M&M as way to enhance methane gas production.
- Abandonment of Equalization Basin (beyond 2012)

As discussed above, at this time it is recommended that the HMUA monitor and evaluate the existing and projected flows at the Water Pollution Control Plant regarding whether it will be necessary to increase the capacity of the WPCP at some point to meet the future wastewater treatment capacity requirements.



Hatch Mott
MacDonald

The HMUA water and sewer facilities are well maintained and capably operated. In order to continue this level of performance and keep pace with technological advances in the water supply and wastewater treatment field, HMUA personnel are encouraged to continue attending training seminars.

It is a pleasure to be associated with such a thorough and dedicated organization.

Very truly yours,

Hatch Mott MacDonald

A handwritten signature in blue ink that appears to read "DLK/kob".

David L. Klemm, PE, BCEE
Senior Associate
T 973-912-2577 F 973-376-1072
David.Klemm@hatchmott.com

DLK:kob

Cc : John C. Perry, Deputy Director
Kevin O'Brien, PE