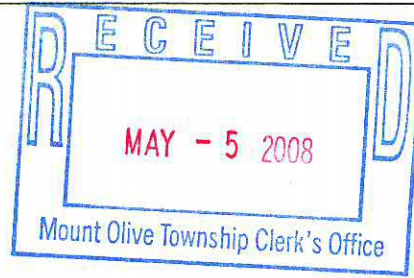


SME

Sevee & Maher Engineers, Inc.
Waste Management and Hydrogeologic Consultants

April 30, 2008



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New Jersey Department of Environmental Protection
Division of Watershed Management
Attn: Highlands Applicability Determination
401 East State Street
P.O. Box 418
Trenton, New Jersey 08625-0418

Subject: Application for Highlands Applicability Determination for NJAW West Jersey System Academy Lane Station - Well No. 3 and Pine Grove Road Station - Well No. 5 in Mt. Olive Township, New Jersey

Dear Sir/Madam:

On behalf of New Jersey American Water (NJAW), Sevee & Maher Engineers, Inc. (SME) is pleased to submit this Application for a Highlands Applicability Determination requesting an exception from the Highlands Water Protection and Planning Act for a water supply project NJAW is pursuing in Mt. Olive Township, New Jersey. The goal of this project is to bring into service NJAW's existing previously permitted community water supply wells at its Academy Lane and Pine Grove Road Stations to provide back-up water supply for its West Jersey System, which at present is a single source (groundwater well) system. Lack of a back-up well is a health and safety issue. Academy Lane Station Well No. 3 and Pine Grove Road Station Well No. 5, which are owned by NJAW, are currently off-line because they have yet to be incorporated under NJAW's Water Allocation Permit for the West Jersey System (Bureau of Water Allocation (BWA) Program Interest ID 10317W, Activity Number WUR040001).

Providing back-up, termed Firm Capacity, to the West Jersey System is critical because it will allow NJAW to operate this System in a safe and reliable manner, in the event that the single Mt. Olive System well is unable to operate. Incorporating these two referenced wells onto BWA Allocation Permit 10317W involves a two-step process: first, to satisfy the Highlands Water Protection and Planning Act requirements for water supply projects within their jurisdiction; and second, to obtain a Major Modification to the existing BWA permit.

In the attached Application for a Highlands Applicability Determination, SME, on behalf of NJAW, is requesting an exemption from the Highlands Water Protection and Planning Act for this West Jersey System project. Based on our assessment of the project, we believe that the West Jersey System project does not require review by the Highlands Council because of the nature of the work to be done. The bulk of the Scope of Work, consisting of paperwork to bring the two wells on-line, does not match up with those kinds of projects that Highlands Council Applicability Determinations were designed to address. Specifically, because the Academy Lane and Pine Grove Road Station wells are currently constructed, piped, and instrumented as community water supply wells, this project does not include the construction of a new well, nor any other site construction or disturbance to the respective Station properties. In addition, this project does not involve any increase in groundwater diversion for NJAW's West Jersey System.

We very much appreciate your review of NJAW's Application for Highlands Applicability Determination in light of this request for an exemption from the Highlands Water Protection and Planning Act and look forward to discussing any questions you may have regarding NJAW's project at Mt. Olive System.

Very truly yours,

SEVEE & MAHER ENGINEERS, INC.



Bruce A. Fowler, C.G.
Senior Hydrogeologist