

40:14B-1 et al

LEGISLATIVE HISTORY CHECKLIST

HWSA 40:14B-1 et al. (Municipal Utility Authorities--generate and sell hydroelectric power)  
LAWS OF 1980 CHAPTER 34  
Bill No. S735  
Sponsor(s) Graves  
Date Introduced Pre-filed  
Committee: Assembly Energy and Natural Resources  
Senate Energy and Environment  
Amended during passage Yes ~~xxx~~ Amendments during passage denoted by asterisks  
Date of Passage: Assembly April 21, 1980  
Senate Feb. 25, 1980  
Date of approval June 6, 1980

Following statements are attached if available:

Sponsor statement	Yes	<del>xxx</del>
Committee Statement: Assembly	Yes	<del>xxx</del>
Senate	Yes	<del>xxx</del>
Fiscal Note	<del>xxx</del>	No
Veto message	<del>xxx</del>	No
Message on signing	<del>xxx</del>	No
Following were printed:		
Reports	<del>xxx</del>	No
Hearings	Yes	<del>xxx</del>

Public hearing, held by Senate Energy and Environment Committee, January 30, 1980--not transcribed.

9/1/80



[OFFICIAL COPY REPRINT]

SENATE, No. 735

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# STATE OF NEW JERSEY

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PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Senator GRAVES

AN ACT to amend the title of "An act relating to the authorization, acquisition, financing and operation of water systems, solid waste systems and sewage disposal systems by or on behalf of any county or any one or more municipalities, providing for the creation and the establishment of the powers of authorities as public bodies corporate and politic to undertake the same, for the issuance of bonds and other obligations therefor, and for service charges and other means to meet the expense thereof, and supplementing Title 40 of the Revised Statutes," approved August 22, 1957 (P. L. 1957, c. 183) as said title was amended by P. L. 1977, c. 384, so that the same shall read "An act relating to the authorization, acquisition, financing and operation of water systems, hydroelectric systems, solid waste systems and sewage disposal systems by or on behalf of any county or any one or more municipalities, providing for the creation and the establishment of the powers of authorities as public bodies corporate and politic to undertake the same, for the issuance of bonds and other obligations therefor, and for service charges and other means to meet the expense thereof, and supplementing Title 40 of the Revised Statutes," and to amend and supplement the body of said act.

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

1 1. The title of P. L. 1957, c. 183, as said title was amended by  
2 P. L. 1977, c. 384, is amended to read as follows:

3 An Act relating to the authorization, acquisition, financing and  
4 operation of water systems, *hydroelectric systems*, solid waste sys-  
5 tems and sewage disposal systems by or on behalf of any county  
6 or any one or more municipalities, providing for the creation and  
7 the establishment of the powers of authorities as public bodies cor-

**EXPLANATION**—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

8 porate and politic to undertake the same, for the issuance of bonds  
 9 and other obligations therefor, and for service charges and other  
 10 means to meet the expense thereof, and supplementing Title 40 of  
 11 the Revised Statutes.

1 2. Section 2 of P. L. 1957, c. 183 (C. 40:14B-2) is amended to  
 2 read as follows:

3 2. It is hereby declared to be in the public interest and to be the  
 4 policy of the State to foster and promote by all reasonable means  
 5 the provision and distribution of an adequate supply of water for  
 6 the public and private uses of counties and municipalities and their  
 7 inhabitants, the collection, disposal and recycling of solid waste,  
 8 including sewage sludge, in an environmentally sound manner,  
 9 **[and]** the relief of lands and waters in or bordering the State from  
 10 pollution, from domestic, industrial and other sources, including  
 11 pollution derived from chemical and hazardous wastes, and thus  
 12 the reduction and ultimate abatement of the menace to the public  
 13 health resulting from such pollution, *and the generation of hydro-*  
 14 *electric power*. It is the purpose and object of this act to further  
 15 and implement such policy by

16 (1) Authorizing counties, or municipalities either separately or  
 17 in combination with other municipalities, by means and through  
 18 the agency of a municipal authority, to acquire, construct, maintain,  
 19 operate or improve works for the accumulation, supply or distribu-  
 20 tion of water, works for the collection, treatment, recycling, and  
 21 disposal of solid wastes, **[and]** works for the collection, treatment,  
 22 purification or disposal of sewage or other wastes, *and works for*  
 23 *the generation of hydroelectric power*;

24 (2) Authorizing service charges to occupants or owners of  
 25 property for direct or indirect connection with and the use,  
 26 products or services of such works, and providing for the estab-  
 27 lishment, collection and enforcement of such charges;

28 (3) Creating as bodies corporate and politic municipal authori-  
 29 ties to have full responsibility and powers with respect to such  
 30 works and the establishment, collection, enforcement, use and dis-  
 31 position of all such service charges;

32 (4) Providing for the financing of such works, for the issuance  
 33 of bonds therefor, and for the payment and security of such bonds;  
 33A and

34 (5) In general, granting to counties and municipalities and to  
 35 such municipal authorities discretionary powers to provide for  
 36 utility services designed to provide or distribute such a supply of  
 37 water, to recycle or dispose of solid waste, **[or]** to relieve pollution  
 38 of such waters in or bordering the State at the expense of the users  
 39 of such services or of counties or municipalities or other persons

40 contracting for or with respect to the same *or to generate hydro-*  
 41 *electric power.*

1 3. Section 3 of P. L. 1957, c. 183 (C. 40:14B-3) is amended to  
 2 read as follows:

3-4 3. As used in this act, unless a different meaning clearly appears  
 5 from the context:

6 (1) "Municipality" shall mean any city of any class, any bor-  
 7 ough, village, town, township, or any other municipality other than  
 8 a county or a school district, and except when used in sections 4, 5,  
 9 6, 11, 12, 13, 42 or 45 of this act, any agency thereof or any two  
 10 or more thereof acting jointly or any joint meeting or other agency  
 11 of any two or more thereof;

12 (2) "County" shall mean any county of any class;

13 (3) "Governing body" shall mean, in the case of a county, the  
 14 board of chosen freeholders, or in the case of those counties  
 15 organized pursuant to the provisions of the "Optional County  
 16 Charter Law" (P. L. 1972, c. 154; C. 40:41A-1 et seq.), the board  
 17 of chosen freeholders and the county executive, the county super-  
 18 visor or the county manager, as appropriate, and, in the case of a  
 19 municipality, the commission, council, board or body, by whatever  
 20 name it may be known, having charge of the finances of the  
 21 municipality;

22 (4) "Person" shall mean any person, association, corporation,  
 23 nation, State or any agency or subdivision thereof, other than a  
 24 county or municipality of the State or a municipal authority;

25 (5) "Municipal authority" shall mean a public body created or  
 26 organized pursuant to section 4, 5 or 6 of this act and shall include  
 27 a municipal utilities authority created by one or more munici-  
 28 palities and a county utilities authority created by a county;

29 (6) Subject to the exceptions provided in section 10, 11 or 12 of  
 30 this act, "district" shall mean the area within the territorial  
 31 boundaries of the county, or of the municipality or municipalities,  
 32 which created or joined in or caused the creation or organization of  
 33 a municipal authority;

34 (7) "Local unit" shall mean the county, or any municipality,  
 35 which created or joined in or caused the creation or organization  
 36 of a municipal authority;

37 (8) "Water system" shall mean the plants, structures and other  
 38 real and personal property acquired, constructed or operated or  
 39 to be acquired, constructed or operated by a municipal authority  
 40 for the purposes of the municipal authority, including reservoirs,  
 41 basins, dams, canals, aqueducts, standpipes, conduits, pipelines,  
 42 mains, pumping stations, water distribution systems, compensating

43 reservoirs, waterworks or sources of water supply, wells, purifica-  
44 tion or filtration plants or other plants and works, connections,  
45 rights of flowage or division, and other plants, structures, boats,  
46 conveyances, and other real and personal property, and rights  
47 therein, and appurtenances necessary or useful and convenient for  
48 the accumulation, supply or distribution of water;

49 (9) "Sewerage system" shall mean the plants, structures and  
50 other real and personal property acquired, constructed or operated  
51 or to be acquired, constructed or operated by a municipal authority  
52 for the purposes of the municipal authority, including sewers,  
53 conduits, pipelines, mains, pumping and ventilating stations, sew-  
54 age treatment or disposal systems, plants and works, connections,  
55 outfalls, compensating reservoirs, and other plants, structures,  
56 boats, conveyances, and other real and personal property, and  
57 rights therein, and appurtenances necessary or useful and con-  
58 venient for the collection, treatment, purification or disposal in a  
59 sanitary manner of any sewage, liquid or solid wastes, night soil  
60 or industrial wastes;

61 (10) "Utility system" shall mean a water system, solid waste  
62 system [or a], sewerage system, or a *hydroelectric system* or any  
63 combination of such systems, acquired, constructed or operated or  
64 to be acquired, constructed or operated by a municipal authority;

65 (11) "Cost" shall mean, in addition to the usual connotations  
66 thereof, the cost of acquisition or construction of all or any part  
67 of a utility system and of all or any property, rights, easements,  
68 privileges, agreements and franchises deemed by the municipal  
69 authority to be necessary or useful and convenient therefor or in  
70 connection therewith, including interest or discount on bonds, cost  
71 of issuance of bonds, engineering and inspection costs and legal  
72 expenses, cost of financial, professional and other estimates and  
73 advice, organization, administrative, operating and other expenses  
74 of the municipal authority prior to and during such acquisition or  
75 construction, and all such other expenses as may be necessary or  
76 incident to the financing, acquisition, construction and completion  
77 of said utility system or part thereof and the placing of the same in  
78 operation, and also such provision or reserves for working capital,  
79 operating, maintenance or replacement expenses or for payment or  
80 security of principal of or interest on bonds during or after such  
81 acquisition or construction as the municipal authority may deter-  
82 mine, and also reimbursements to the municipal authority or any  
83 county, municipality or other person of any moneys theretofore  
84 expended for the purposes of the municipal authority or to any  
85 county or municipality of any moneys theretofore expended for or

86 in connection with water supply, solid waste, water distribution  
87 **[or]**, sanitation or *hydroelectric* facilities;

88 (12) "Real property" shall mean lands both within or without  
89 the State, and improvements thereof or thereon, or any rights or  
90 interest therein;

91 (13) "Construct" and "construction" shall connote and include  
92 acts of construction, reconstruction, replacement, extension, im-  
93 provement and betterment of a utility system;

94 (14) "Industrial wastes" shall mean liquid or other wastes  
95 resulting from any processes of industry, manufacture, trade or  
96 business or from the development of any natural resource, and  
97 shall include any chemical wastes or hazardous wastes;

98 (15) "Sewage" shall mean the water-carried wastes created in  
99 and carried, or to be carried, away from residences, hotels, apart-  
100 ments, schools, hospitals, industrial establishments, or any other  
101 public or private building, together with such surface or ground  
102 water and industrial wastes and leachate as may be present;

103 (16) "Pollution" means the condition of water resulting from  
104 the introduction therein of substances of a kind and in quantities  
105 rendering it detrimental or immediately or potentially dangerous  
106 to the public health, or unfit for public or commercial use;

107 (17) "Bonds" shall mean bonds or other obligations issued pur-  
108 suant to this act;

109 (18) "Service charges" shall mean water service charges, solid  
110 waste service charges, sewer service charges, *hydroelectric service*  
111 *charges* or any combination of such charges, as said terms are  
112 defined in section 21 or 22 of this act or in section 7 of this amenda-  
113 tory and supplementary act;

114 (19) "Compensating reservoir" shall mean the structures, facili-  
115 ties and appurtenances for the impounding, transportation and  
116 release of water for the replenishment in periods of drought or at  
117 other necessary times of all or a part of waters in or bordering the  
118 State diverted into a utility system operated by a municipal  
119 authority;

120 (20) "Sewerage authority" shall mean a public body created  
121 pursuant to the Sewerage Authorities Law (P. L. 1946, c. 138) or  
122 the acts amendatory thereof or supplemental thereto;

123 (21) "County sewer authority" shall mean a sanitary sewer  
124 district authority created pursuant to the act entitled "An act  
125 relating to the establishment of sewerage districts in first- and  
126 second-class counties, the creation of Sanitary Sewer District  
127 Authorities by the establishing of such districts, prescribing the  
128 powers and duties of any such authority and of other public bodies

129 in connection with the construction of sewers and sewage disposal  
130 facilities in any such district, and providing the ways and means  
131 for paying the costs of construction and operation thereof,"  
132 approved April 23, 1946 (P. L. 1946, c. 123), or the acts amendatory  
133 thereof or supplemental thereto;

134 (22) "Chemical waste" shall mean a material normally generated  
135 by or used in chemical, petrochemical, plastic, pharmaceutical, bio-  
136 chemical or microbiological manufacturing processes or petroleum  
137 refining processes, which has been selected for waste disposal and  
138 which is known to hydrolyze, ionize or decompose, which is soluble,  
139 burns or oxidizes, or which may react with any of the waste  
140 materials which are introduced into the landfill, or which is buoyant  
141 on water, or which has a viscosity less than that of water or which  
142 produces a foul odor. Chemical waste may be either hazardous or  
143 nonhazardous;

144 (23) "Effluent" shall mean liquids which are treated in and dis-  
145 charged by sewage treatment plants;

146 (24) "Hazardous wastes" shall mean any waste or combination  
147 of waste which poses a present or potential threat to human health,  
148 living organisms or the environment. "Hazardous waste" shall  
149 include, but not be limited to, waste material that is toxic, corrosive,  
150 irritating, sensitizing, radioactive, biologically infectious, explosive  
151 or flammable;

152 (25) "Leachate" shall mean a liquid that has been in contact  
153 with solid waste and contains dissolved or suspended materials  
154 from that solid waste;

155 (26) "Recycling" shall mean the separation, collection, process-  
156 ing or recovery of metals, glass, paper and other materials for re-  
157 use or for energy production and shall include resource recovery;

158 (27) "Sludge" shall mean any solid, semisolid, or liquid waste  
159 generated from a municipal, industrial or other sewage treatment  
160 plant, water supply treatment plant, or air pollution control facility,  
161 or any other such waste having similar characteristics and effects;  
162 "Sludge" all not include effluent.

163 (28) "Solid waste" shall mean garbage, refuse, and other dis-  
164 carded materials resulting from industrial, commercial and agri-  
165 cultural operations, and from domestic and community activities,  
166 and shall include all other waste materials including sludge, chem-  
167 ical waste, hazardous wastes and liquids, except for liquids which  
168 are treated in public sewage treatment plants and except for solid  
169 animal and vegetable wastes collected by swine producers licensed  
170 by the State Department of Agriculture to collect, prepare and  
171 feed such wastes to swine on their own farms;



172 (29) "Solid waste system" shall mean and include the plants,  
 173 structures and other real and personal property acquired, con-  
 174 structed or operated or to be acquired, constructed or operated by  
 175 an authority pursuant to the provisions of this act, including  
 176 transfer stations, incinerators, recycling facilities, sanitary land-  
 177 fill facilities or other property or plants for the collection, recycling  
 178 or disposal of solid waste and all vehicles, equipment and other real  
 179 and personal property and rights thereon and appurtenances  
 180 necessary or useful and convenient for the collection, recycling, or  
 181 disposal of solid waste in a sanitary manner[.];

182 (30) "*Hydroelectric system*" shall mean the plants, structures  
 183 and other real and personal property acquired, constructed or op-  
 184 erated or to be acquired, constructed or operated by an authority  
 185 pursuant to the provisions of this act, including all that which is  
 186 necessary or useful and convenient for the generation, transmission  
 187 and sale of hydroelectric power \*at wholesale\* ;

188 (31) "*Hydroelectric power*" shall mean the production of elec-  
 189 tric current by the energy of moving water\*[.]\*\*,\*

190 \*(32) "*Sale of hydroelectric power at wholesale*" shall mean any  
 191 sale of hydroelectric power to any person for purposes of resale  
 192 of such power.\*

1 4. Section 6 of P. L. 1957, c. 183 (C. 40:14B-6) is amended to  
 2 read as follows :

3 6. a. The governing body of any municipality which shall have  
 4 created a sewerage authority may, by ordinance duly adopted,  
 5 provide and determine that said sewerage authority shall be  
 6 reorganized as a municipal authority and thereupon and thereby  
 7 cause said sewerage authority to be organized as a public body  
 8 corporate and politic existing under and by virtue of this act.

9 b. In any county which has created a sewerage authority or a  
 10 county sewer authority or authorities each such authority shall be  
 11 reorganized as a county utilities authority and shall be continued  
 12 as a public body corporate and politic existing under and by virtue  
 13 of the municipal authorities law, P. L. 1957, c. 183 (C. 40:14B-1  
 14 et seq.). The governing body of any county wherein a sewerage  
 15 authority or a county sewer authority or authorities was reorga-  
 16 nized pursuant to this section shall record such reorganization by  
 17 resolution and file such resolution with the Secretary of State  
 18 pursuant to section 7 of this act (C. 40:14B-7).

19 c. No authority reorganized pursuant to this section shall  
 20 acquire, construct, maintain, operate or improve a water system  
 21 [or], a solid waste system or a hydroelectric system until such time  
 22 as the governing body authorizes such action by ordinance in the  
 23 case of a municipality, or by resolution in the case of a county.

24 d. Said body shall consist of the members of said sewerage  
 25 authority or of said county sewer authority holding office at the  
 26 time of such organization together with successors in such member-  
 27 ship appointed as if said sewerage authority or county sewer  
 28 authority had originally been created pursuant to section 4 of this  
 29 act, and, upon the passage of this amendatory and supplementary  
 30 act or upon the taking effect of such ordinance and the filing of  
 31 a certified copy thereof as in section 7 of this act provided, said  
 32 body shall constitute a municipal authority contemplated and  
 33 provided for in this act and an agency and instrumentality of said  
 34 municipality, or county. Said body as such municipal authority  
 35 shall have all of the rights and powers granted and be subject  
 36 to all of the duties and obligations imposed by this act and, subject  
 37 to the rights (if any) of the holders of any bonds or other obliga-  
 38 tions of said sewerage authority or county sewer authority there-  
 39 tofore issued, said body shall be the successor in all respects to  
 40 said sewerage authority or county sewer authority and forthwith  
 41 succeed to all of the rights, property, assets and franchises of said  
 42 sewerage authority, or county sewer authority and the said bonds  
 43 or other obligations of said sewerage authority or county sewer  
 44 authority shall be assumed by and become the obligations of said  
 45 municipal authority, and the property of said sewerage authority  
 46 or county sewer authority shall be vested in said municipal  
 47 authority. Said body may at any time, by resolution duly adopted,  
 48 change its corporate name and adopt the name and style of "the  
 49 ..... municipal utilities authority" with the  
 50 name of said municipality or county inserted.

1 5. Section 9 of P. L. 1957, c. 183 (C. 40:14B-9) is amended to  
 2 read as follows:

3 9. No governing body of any county which may create any  
 4 municipal authority pursuant to this act or which records the reor-  
 5 ganization of any preexisting sewerage authority or county sewer  
 6 authority as a municipal authority pursuant to this act, shall  
 7 thereafter create any other municipal authority or a sewerage  
 8 authority. No governing body (1) of any county which shall have  
 9 created any sewerage authority or any county sewer authority, or  
 10 (2) of a municipality constituting the whole or any part of the  
 11 district of a municipal authority or of the district of a sewerage  
 12 authority, or (3) of any municipality constituting the whole or any  
 13 part of the sewerage district of a county sewer authority which shall  
 14 have entered into a contract or contracts with such municipality,  
 15 shall create or join in the creation of a municipal authority or a  
 16 sewerage authority except subject to the rights (if any) of the

17 holders of any bonds or other obligations of such other authority  
18 then outstanding and upon the written consent of such other  
19 authority and in accordance with the terms and conditions of such  
20 consent, and in the event such consent be given and a municipal  
21 authority or sewerage authority be created pursuant thereto, the  
22 terms and conditions of such consent shall thereafter be in all  
23 respects binding upon the municipal authority or sewerage au-  
24 thority so created and the county or municipality creating or joining  
25 in the creation of the same, and any water supply or distribution  
26 system, solid waste system [or], system of sewers or sewage dis-  
27 posal plants or *hydroelectric system* constructed or maintained in  
28 conformity with the terms and conditions of such consent by the  
29 municipal authority or sewerage authority so created shall be  
30 deemed not to be competitive with the utility system of the said  
31 other authority giving such consent.

1 6. Section 19 of P. L. 1957, c. 183 (C. 40:14B-19) is amended to  
2 read as follows:

3 19. (a) The purposes of every municipal authority shall be (1)  
4 the provision and distribution of an adequate supply of water for  
5 the public and private uses of the local units, and their inhabitants,  
6 within the district, and (2) the relief of waters in or bordering the  
7 State from pollution arising from causes within the district and  
8 the relief of waters in, bordering or entering the district from  
9 pollution or threatened pollution, and the consequent improvement  
10 of conditions affecting the public health, (3) the provision of  
11 sewage collection and disposal service within or without the district,  
12 and (4) the provision of water supply and distribution service in  
13 such areas without the district as are permitted by the provisions  
14 of this act, and (5) the provision of solid waste services and  
15 facilities within or without the district in a manner consistent with  
16 the Solid Waste Management Act, P. L. 1970, c. 39 (C. 13:1E-1  
17 et seq.) and in conformance with the solid waste management plans  
18 adopted by the solid waste management districts created therein,  
19 and (6) *the generation, transmission and sale of hydroelectric*  
20 *power \*at wholesale\*, and (7) the operation and maintenance of*  
21 *utility systems owned by other governments located within the*  
22 *district through contracts with said governments.*

23 (b) Every municipal authority is hereby authorized, subject to  
24 the limitations of this act, to acquire, in its own name but for the  
25 local unit or units, by purchase, gift, condemnation or otherwise,  
26 lease as lessee, and, notwithstanding the provisions of any charter,  
27 ordinance or resolution of any county or municipality to the con-

28 trary, to construct, maintain, operate and use such reservoirs,  
 29 basins, dams, canals, aqueducts, standpipes, conduits, pipelines,  
 30 mains, pumping and ventilating stations, treatment, purification  
 31 and filtration plants or works, trunk, intercepting and outlet  
 32 sewers, water distribution systems, waterworks, sources of water  
 33 supply and wells at such places within or without the district, such  
 34 compensating reservoirs within a county in which any part of the  
 35 district lies, and such other plants, structures, boats and convey-  
 36 ances, as in the judgment of the municipal authority will provide  
 37 an effective and satisfactory method for promoting purposes of the  
 38 municipal authority.

39 (c) Every municipal authority is hereby authorized and directed,  
 40 when in its judgment its sewerage system or any part thereof will  
 41 permit, to collect from any and all public systems within the  
 42 district all sewage and treat and dispose of the same in such manner  
 43 as to promote purposes of the municipal authority.

1 7. (New section) Every municipal authority is hereby autho-  
 2 rized to charge and collect rents, rates, fees or other charges \***[for**  
 3 **direct or indirect connection with, or the use, products or services**  
 4 **of, the hydroelectric system, or]**\* for sale of hydroelectric  
 5 **\*[services, facilities or products]**\* *power at wholesale*\*. **\*[Such**  
 6 hydroelectric service charges may be charged to and collected  
 7 from any person contracting for such connection or use, products  
 8 or services of or for such sale or from the owner or occupant, or  
 9 both of them, of any real property which directly or indirectly is  
 10 or has been connected with the hydroelectric system or to which  
 11 directly or indirectly has been supplied or furnished such use,  
 12 products or services of the hydroelectric system, facilities or  
 13 products, and the owner of any such real property shall be liable  
 14 for and shall pay such hydroelectric services charges to the munici-  
 15 pal authority at the time when and place where such hydroelectric  
 16 service charges are due and payable. Such rents, rates, fees and  
 17 charges shall, as nearly as the municipal authority shall deem  
 18 practicable and equitable, be uniform throughout the district for  
 19 the same type, class and amount of use, products or service of the  
 20 hydroelectric system, and may be based or computed on any factors  
 21 or combination of factors affecting the cost of supplying and  
 22 furnishing the same.]\*\*

1 8. This act shall take effect immediately.

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## STATEMENT

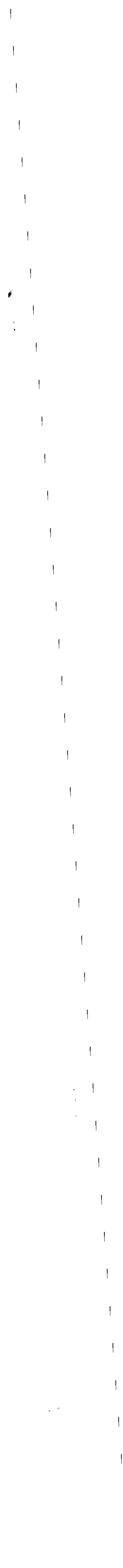
The city of Paterson owns the power plant facilities which were the outgrowth of the creation in 1791 of the Society for Establishing Useful Manufacturers (S.U.M.), now more commonly referred to as Great Falls. Electrical power was produced at the site from 1914-1969, at which time the power plant was decommissioned due to the need for major repairs.

The purpose of this bill is to facilitate the reactivation of hydroelectric power at the Great Falls site by granting to municipal utilities authorities the power to generate, transmit and sell hydroelectric power, and thereby to establish the means of securing the requisite funding to reactivate the hydroelectric system and to designate an authority to exercise jurisdiction over the system.

The results of a study completed for the city of Paterson in 1978 indicate that the average annual energy production of the system would range between 22 and 36 million kilowatt hours. Estimates of the value of the energy produced range between \$760,000.00 and \$1,090,000.00 on an average annual production basis for the first year of operation.

A 735 (1980)

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ASSEMBLY ENERGY AND NATURAL RESOURCES  
COMMITTEE

STATEMENT TO

**SENATE, No. 735**

with Senate committee amendments

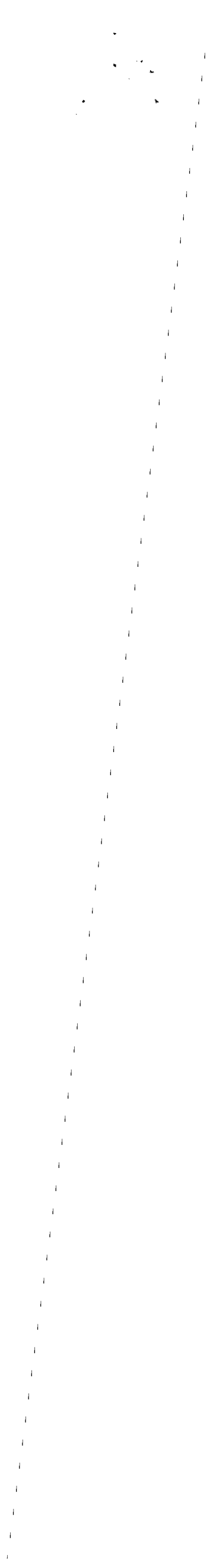
**STATE OF NEW JERSEY**

DATED: APRIL 14, 1980

This bill would authorize municipal utilities authorities to generate, transmit and sell hydroelectric power at wholesale. The sale of hydroelectric power at wholesale is defined as "any sale of hydroelectric power to any person for purposes of resale of such power".

The grant of authority contained in this bill is general in nature and extends to any municipal utilities authority. The Assembly committee, however, notes that one of the purposes of such grant is to authorize the reactivation of the hydroelectric power plant at the Great Falls of the Passaic River in Paterson, which plant was established by the Society for Establishing Useful Manufacturers. The committee further notes that (1) this reactivation project, which has been awarded a grant by the U.S. Department of Energy, is subject to the approval of the Federal Energy Regulatory Commission; (2) a competing use for a portion of the water of the Passaic River, a water diversion project (for water supply purposes) by the North Jersey District Water Supply Commission and Hackensack Water Company, has been approved by the Water Policy and Supply Council and by the Commissioner of Environmental Protection; (3) these approvals have been appealed to the Appellate Division of Superior Court by the city of Paterson, as an intervenor in these proceedings; and (4) the issue of legal rights to the water of the Passaic River, for hydroelectric power generation or for water purposes, will ultimately be decided by the courts.

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SENATE ENERGY AND ENVIRONMENT COMMITTEE

STATEMENT TO

**SENATE, No. 735**

with Senate committee amendments

**STATE OF NEW JERSEY**

DATED: FEBRUARY 11, 1980

This bill would authorize municipal utilities authorities to generate, transmit and sell hydroelectric power. This grant of authority was clarified by Senate committee amendments as authority to generate and transmit hydroelectric power and to sell such power at wholesale. Further committee amendments (1) define the sale of hydroelectric power *at wholesale* as "any sale of hydroelectric power to any person for purposes of resale of such power"; and (2) delete language which pertained to the retail sale of hydroelectric power by municipal utilities authorities.

The grant of authority contained in this bill is general in nature and extends to any municipal utilities authority. The committee, however, notes that one of the purposes of such grant is to authorize the reactivation of the hydroelectric power plant at the Great Falls of the Passaic River in Paterson, which plant was established by the Society for Establishing Useful Manufacturers. The committee further notes that (1) this reactivation project, which has been awarded a grant by the U. S. Department of Energy, is subject to the approval of the Federal Energy Regulatory Commission; (2) a competing use for a portion of the water of the Passaic River, a water diversion project (for water supply purposes) by the North Jersey District Water Supply Commission and Hackensack Water Company, has been approved by the Water Policy and Supply Council and by the Commissioner of Environmental Protection; (3) these approvals have been appealed to the Appellate Division of Superior Court by the city of Paterson, as an intervenor in these proceedings; and (4) the issue of legal rights to the water of the Passaic River, for hydroelectric power generation or for water purposes, will ultimately be decided by the courts.

