

WATER DISTRICT NO. 1
Township of Stillwater, County of Sussex
P.O. Box 71
Stillwater, NJ 07875

Dear Neighbor,

The first quarter of 2010 has been another quarter of significant change for Stillwater Water District No. 1 (SWD). There are three items I would like to provide updates on. Below you will find new information on the Edgewood Well Remediation project, a rate increase due to increasing operational cost challenges and on-going improvement and maintenance of our water system as well as a change to the Board of Commissioners.

First, the Edgewood well remediation project is on schedule, if not ahead of schedule. At this time the pipe has been laid, the foundation for the new well house has been poured, block work has started and we are well on our way toward beating the installation deadlines mandated by the State Department of Environmental Protection.

Next, I'd like to welcome Lori Lynch to the position of treasurer while also sharing my sincere thanks to Carol Bajkowsky for her tireless effort and commitment to SWD over the past years. In particular, Carol's commitment to SWD and most recently, the Edgewood well project, can not be over emphasized. Without her assistance and commitment, this project would not have been possible. Thank you, Carol, and welcome Lori.

Before addressing the last topic, I would like to provide some background information to help you understand where we are, as a neighborhood, with our water system. As you may know, before SWD was mandated, by the state, to remediate the gross alpha content in the Edgewood well water, SWD was embarking upon a series of capital improvement projects. These projects consisted of activities such as improving the system through the upgrade of older mains and aggressive leak detection. Additionally SWD planned necessary projects to maintain our current system. These types of projects, with an emphasis on the water delivery system preservation projects, continue to be absolutely mandatory for SWD to execute. For instance, if we postpone maintenance of the standpipe in the form of repainting the interior, we risk its integrity and we could have an incredibly expensive surprise if it begins to leak. Knowing this and knowing that the remediation solution at the Edgewood wells was going to cost more, SWD proactively raised rates to a modest amount (\$0.50 / 1000 gal) last year.

During the specification phase of the Edgewood Remediation system, SWD learned through a pilot test that the system's original internal media was not the correct choice for our water's composition. To effectively remediate the Alpha contamination, as dictated by the state, our system must use a media that is more expensive for the vendor, and thus us. Unfortunately, annual management costs for the system with this media is going to be almost double what was originally quoted and there are no alternate solutions based on how the state mandate reads. In addition, there have been other cost overruns that could not have been anticipated.

To support the increased costs associated with the remediation project and to ensure that SWD continues to maintain the water system in a proactive manner, rates will be increased starting with the March 2010 invoice. New rates will include a \$10 per quarter increase to the quarterly service fee and a bump to \$0.60 per 1000 gallons.

As always, we must request your best efforts toward conserving water, repairing leaks and reporting anomalies such as low water pressure and standing water. Since conserving water needs to be a continuing goal for all of us each of you can continue to help us by reporting losses of water pressure, standing water that doesn't dry up, the sound of running water or obvious running surface water from the ground.

In 2010, the Water Commission will continue to work hard to insure the both present and future water needs are met.

Meeting attendance and suggestions from our community of users are always welcomed.

For the Commission,
Jeff C. LoCascio