

Exhibit B



State of New Jersey

Christine Todd Whitman
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Water Supply Element
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Robert C. Shinn, Jr.
Commissioner

August 8, 1995

Daniel Berardinelli, Manager
Newark Division of Sewers and Water Supply
1294 McBride Avenue
Little Falls New Jersey 07424

Dear Mr. Berardinelli:

Re: Newark Division of Sewers and Water Supply
PWS-ID No.: 0714001
Project # CCS-93-001
Corrosion Control Plan for City of Newark

The Bureau of Safe Drinking Water (Bureau) has received and reviewed correspondence from the City of Newark dated 16 June 1995, 22 June 1995 and 13 July 1995 regarding the City's plans for providing effective corrosion control for both its Pequannock and Wanaque sources of water supply. The purpose of this letter is twofold: first, to approve the City's corrosion control study on the Pequannock supply, and set up a schedule for follow-up monitoring and setting of optimal water quality parameters; and second, to clarify the Bureau's position regarding the treatment to be provided on the Wanaque supply.

PEQUANNOCK SUPPLY:

Bureau staff has reviewed the report dated 30 June 1994 entitled "City of Newark - Report on Corrosion Optimization Study". The Bureau agrees with the study's finding that a silicate-based inhibitor is the preferred corrosion control inhibitor at the Pequannock Water Treatment Plant (WTP). Therefore, the Bureau hereby approves the Newark Division of Sewers and Water Supply's corrosion control study. What follows is the timetable for implementation and testing of the approved corrosion control alternative. Given the six-month delay in the Bureau's response to the corrosion studies, all of the deadlines in the scheduled have been extended by six months.

1. Today - Bureau approves corrosion control study. An application should be filed with the Bureau as soon as possible for the installation of sodium silicate feed equipment at the Pequannock WTP.

2. 1 July 1997 - All corrosion control treatment should be installed and certified as operational by a Professional Engineer.

3. 31 December 1997 (or six months after treatment has been certified to the Bureau as installed)- first follow-up monitoring period ends. Sampling should be performed as follows and the results submitted to the Bureau:

a. Lead and Copper Analysis Input Forms (enclosed) including results from samples taken from at least one hundred (100) taps, as in the initial monitoring period. These samples should be taken once during each monitoring period. A reasonable effort should be made to obtain samples from the same locations as in the initial monitoring period.

b. Water Quality Parameters Analysis Input Forms (enclosed) including results from:

i) samples taken at representative distribution system sites. These samples should be taken from two (2) taps twice each monitoring period and should include the following parameters: pH, alkalinity and corrosion inhibitor residual.

ii) samples taken at the points of entry. These samples should be taken biweekly and include pH, alkalinity and corrosion inhibitor feed rate.

Be sure to distinguish between point of entry (P) and distribution system (D) under Sample Type. Also, please provide the location and facility ID number for each point of entry. Facility ID numbers should correspond to those given in the enclosed Source File Listing for your system. Please advise the Bureau of any discrepancies in the Source File Listing.

3. 30 June 1998 (or twelve months after treatment has been certified to the Bureau as installed) - second follow-up monitoring period ends. Results from the period and a recommendation for optimal corrosion control treatment including ranges for optimal water quality parameters (pH, alkalinity and distribution system silicate residual) should be submitted to the Bureau within 30 days of the end of the monitoring period.

4. 1 September 1998- Bureau reviews optimal corrosion control treatment recommendation and approves and/or designates the final water quality parameter ranges. These ranges will become part of Newark's general monitoring requirements.

WANAQUE SUPPLY:

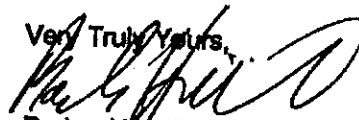
On 15 June 1995, the Bureau approved the corrosion control optimization study for the North Jersey District Water Supply Commission (NJDWSC). This study, prepared by Malcolm Pirnie Inc. and based upon pipe loop testing at the F.A. Orchio treatment plant, concluded that the addition of a non-zinc orthophosphate was the most effective form of corrosion control for water from the Wanaque Reservoir. As per Bureau policy, any of NJDWSC's client systems that wish to adopt this method of corrosion control need merely to inform the Bureau of their intentions - no further study would be required, unless a system mixed Wanaque water with its own source.

Any system that proposes to utilize a different form of corrosion control assumes the burden of proof to show that its desired treatment will be as effective in reducing lead leaching by its source water (in this case Wanaque Reservoir water) as the orthophosphate feed. To date, the Bureau has seen no evidence that silicate feed can meet this standard on the Wanaque supply. On the contrary, the NJDWSC study seemed to indicate that silicate had no effect (or negligible effects) on the lead levels in the study's samples. In addition, such system would be responsible for maintaining the appropriate water quality parameters (WQP's) in their correct range once its proposed corrosion control treatment was approved and follow-up monitoring completed.

Should Newark wish to continue to pursue a silicate feed system for its Wanaque supply, they must first show the Bureau results from their own study performed on Wanaque water. This study should be initiated as soon as possible, and results submitted to the Bureau no later than 31 December 1995. Please note that this study period will not result in the extension of the 1 July 1997 deadline for installation of the corrosion control treatment for all the City's water supplies. The study should follow the procedures and sampling outlined in the EPA's "Lead and Copper Rule Guidance Manual."

Please indicate to the Bureau by 31 August 1995 whether the City intends to perform its own demonstration study on the Wanaque supply (to be completed by 31 December 1995) or will accept the results from the NJDWSC study. Should you have any questions regarding this matter, please contact Mark A. Hubal of the Bureau at (609) 292-5550.

Very Truly Yours,



Barker Hamill, Chief
Bureau of Safe Drinking Water

c: Jerry Notte, North Jersey District Water Supply Commission
Metro Bureau of Water and Hazardous Waste Enforcement
Vincent Monaco, BSDW