Our Commitment to Quality

Once again we proudly present our annual water quality report which details the results of water quality testing completed from January to December, 2005. The purpose of this report is to raise your understanding of drinking water and awareness of the need to protect our drinking water sources. Included in this report are details about where your water comes from, what it contains, and how our water quality results compare to federal and state standards.

We are pleased to tell you that we had no Safe Drinking Water Act violations again in 2005. We are committed to delivering the best quality drinking water. To that end, we remain vigilant in meeting the challenges of source water protection, water conservation, and community education while continuing to serve the needs of all our water users.

We want you to be informed about your drinking water. For more information about this report, or for any questions relating to your drinking water, please contact our Customer Call Center toll-free at 1-800-272-1325.

Where Your Water Comes From

The Elizabethtown System is a public community water system consisting of 129 wells, 7 surface water intakes, 1 purchased ground water source, and 6 purchased surface water sources.

Source water comes from Millstone River, upper Potomac-Raritan-Magothy (PRM) aquifer, Raritan River, middle PRM aquifer, Delaware & Raritan Canal, Brunswick aquifer, and The Stockton Formation.

Water is purchased from Elizabeth Water Dept., South Brunswick, Newark Water Co., New Jersey American Water, Monroe Twp., Flemington Water Co., and Franklin Twp.
A Message About Your Drinking Water

As a trusted leader in the industry, New Jersey American Water places a strong emphasis on educating customers on the quality of our drinking water.

The test results in this report confirm that your tap water not only meets federal and state standards for drinking water, but in most cases, it surpasses them. In fact, we often address drinking water regulations well before they go into effect.

Just as important, we make the necessary investments to maintain and upgrade our facilities, so that we can deliver quality water directly to your tap 24 hours a day, seven days a week. Because we invest responsibly, we provide our water at less than a penny a gallon—an exceptional value for those we serve.

Our customers are our top priority, and we are committed to providing you with the highest quality drinking water and service possible now and in the years to come.

Sincerely,

Walter Lynch, President

About New Jersey American Water

New Jersey American Water is the state’s largest water utility, serving over two million people in 176 communities throughout the state.

About American Water

With a history of over 100 years, American Water provides high-quality water, wastewater, and other related services, serving over 18 million customers in 29 states and 3 Canadian provinces. American Water continues the tradition of providing customers with superior-quality service while gaining access to new technologies, research and development, and global experience in service, customer satisfaction and security.

Our customers are our top priority, and we are committed to providing you with the best water quality by presenting several prestigious “Director’s Awards” for our surface water treatment plants in Delran (Burlington County), Neptune (Monmouth County), Bridgewater and Franklin (Somerset County) and Tinton Falls (Monmouth County).

How to Contact Us

Thank you...for allowing us to continue to provide your family with quality drinking water this year.

We ask that all our customers protect our water sources. Please call our Customer Call Center toll-free at 1-800-272-1325 if you have questions:

New Jersey American Water
7303 Plantation Road
Pensacola, FL 32504
www.njawater.com

Water Information Sources

New Jersey Department of Environmental Protection, Bureau Safe Drinking Water:
(609) 292-5550
www.state.nj.us/dep

New Jersey Board of Public Utilities:
(973) 648-2350
Two Gateway Center, Newark, NJ 07102
Division of Customer Relations:
1-800-624-0241
www.state.nj.us/bpu

US Environmental Protection Agency
www.epa.gov/safewater
Safe Drinking Water Hotline:
1-800-426-4791

American Water Works Association
www.awwa.org

Centers for Disease Control and Prevention
www.cdc.gov

Share This Report:

Landlords, businesses, schools, hospitals and other groups are encouraged to share this important water quality information with water users at their location who are not customers. Additional copies of this report are available by contacting customer service at 1-800-272-1325.

This report contains important information about your drinking water. If you do not understand it, please have someone translate it for you.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

이 보고서에는 개인과 사회에 영향을 미치는 중요한 정보가 들어 있습니다.

이 보고서는 언어를 이해하지 못하면 번역할 사람을 찾아야 합니다.

表示これらの報告書は、個人や社会に影響を与える重要な情報を含んでいます。

これらの報告書は、理解できなかった場合は翻訳者に相談することをおすすめします。
Protecting Your Water Source

What is S.W.A.P.?
SWAP (Source Water Assessment Program) is a program of the New Jersey Department of Environmental Protection (NJDEP) to study existing and potential threats to the quality of public drinking water sources throughout the state.

Susceptibility Ratings for New Jersey American Water — Elizabethtown System
The table below illustrates the susceptibility ratings for the seven contaminant categories (and radon) for each source in the system. The table provides the number of wells and intakes that rated high (H), medium (M), or low (L) for each contaminant category. For susceptibility ratings of purchased water, refer to the specific water system’s source water assessment report.

Contaminant Categories
DEP considered all surface water highly susceptible to pathogens, therefore all intakes received a high rating for the pathogen category. For the purpose of Source Water Assessment Program, radionuclides are more of a concern for ground water than surface water. As a result, surface water intakes’ susceptibility to radionuclides was not determined and they all received a low rating.

If a system is rated highly susceptible for a contaminant category, it does not mean a customer is or will be consuming contaminated drinking water. The rating reflects the potential for contamination of source water, not the existence of contamination. Public water systems are required to monitor for regulated contaminants and to install treatment if any contaminants are detected at frequencies and concentrations above allowable levels. As a result of the assessments, DEP may customize (change existing) monitoring schedules based on the susceptibility ratings.

Source water protection is a long-term dedication to clean and safe drinking water. It is more cost effective to prevent contamination than to address contamination after the fact. Every member of the community has an important role in source water protection. NJDEP recommends controlling activities and development around drinking water sources whether it is through land acquisition, conservation easements or hazardous waste collection programs. We will continue to keep you informed of SWAP’s progress and developments.

Susceptibility Chart Definitions
- **Pathogens**: Disease-causing organisms such as bacteria and viruses. Common sources are animal and human fecal wastes.
- **Nutrients**: Compounds, minerals and elements that aid growth, that are both naturally occurring and man-made. Examples include nitrogen and phosphorus.
- **Volatile Organic Compounds**: Man-made chemicals used as solvents, degreasers, and gasoline components. Examples include benzene, methyl tertiary butyl ether (MTBE), and vinyl chloride.
- **Pesticides**: Man-made chemicals used to control pests, weeds and fungus. Common sources include land application and manufacturing centers of pesticides. Examples include herbicides such as atrazine, and insecticides such as chlordane.
- **Inorganics**: Mineral-based compounds that are both naturally occurring and man-made. Examples include arsenic, asbestos, copper, lead, and nitrate.
- **Radionuclides**: Radioactive substances that are both naturally occurring and man-made. Examples include radium and uranium.
- **Radon**: Colorless, odorless, cancer-causing gas that occurs naturally in the environment. For more information go to http://www.nj.gov/dep/rrp/radon/index.htm or call (800) 648-0394.
- **Disinfection Byproduct Precursors**: A common source is naturally occurring organic matter in surface water. Disinfection byproducts are formed when the disinfectants (usually chlorine) used to kill pathogens react with dissolved organic material (for example leaves) present in surface water.

<table>
<thead>
<tr>
<th>Sources</th>
<th>Pathogens</th>
<th>Nutrients</th>
<th>Pesticides</th>
<th>Volatile</th>
<th>Inorganics</th>
<th>Radionuclides</th>
<th>Radon</th>
<th>Disinfection Byproduct Precursors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>H M L</td>
<td>H M L</td>
<td>H M L</td>
<td>H M L</td>
<td>H M L</td>
<td>H M L</td>
<td>H M L</td>
<td>H M L</td>
</tr>
<tr>
<td>Wells - 129</td>
<td>4 65 29 42 56</td>
<td>24 74 88 10 16 66 16 39 59 92 6 25 73</td>
<td>Surf. water intakes - 7</td>
<td>7 7 7</td>
<td>7 7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>
Do I Need to Take Special Precautions?
To ensure that tap water is safe to drink, the U.S. EPA prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. U.S. Food and Drug Administration regulations establish limits for contaminants in bottled water, which must provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA’s Safe Drinking Water Hotline at 1-800-426-4791.

The EPA and the Center for Disease Control guidelines on appropriate means to lessen the risk of infection by Cryptosporidium, Giardia and other microbial pathogens are available from the Safe Drinking Water Hotline (1-800-426-4791).

Special Informational Statement for Arsenic:
While your drinking water meets EPA’s standard for arsenic, it does contain low levels of arsenic. EPA’s standard balances the current understanding of arsenic’s possible health effects against the cost of removing arsenic from drinking water. EPA continues to research the health effects of low levels of arsenic, which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

Cryptosporidium
Cryptosporidium is a microbial pathogen found in surface water throughout the US. Although Cryptosporidium can be removed through commonly-used filtration methods, US EPA issued a new rule in January 2006 that requires systems with higher Cryptosporidium levels in their source water to provide additional treatment. In anticipation of this upcoming rule, the New Jersey American Water -Elizabethtown system monitored for Cryptosporidium in its raw water in 2005. Sample results do not show a need to provide additional treatment. We will continue to monitor the source water in 2006 to confirm these results.

How do I read the Table of Detected Contaminants?
Starting with the Contaminant, read across from left to right. A “Yes” under Compliance Achieved means the amount of the substance met government requirements. The column marked MCLG, Maximum Contaminant Level Goal, is the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety. The shaded column marked MCL, Maximum Contaminant Level, is the highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology. The shaded column marked Range shows the highest and lowest test results for the year. The column marked Maximum Detected Level shows the highest test results during the year. Typical Source shows where this substance usually originates. Compare the Range values with the MCL column. To be in compliance, the Maximum Detected Level must be lower than the MCL standard. As you can see from the table, our system had no MCL violations again this year.

Footnotes and the definitions below will help you interpret the data presented in the Table of Detected Contaminants.

90th Percentile Value: Of the samples taken, 90% of the values of the results were below the level indicated in the table.
Action Level: The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.
MRDL (Maximum Residual Disinfectant Level): The highest level of disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
MRDLG (Maximum Residual Disinfectant Level Goal): The level of drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contamination.
NA: not applicable
Nephelometric Turbidity Units (NTU): Measurement of the clarity, or turbidity, of the water.
None Detected (ND): Laboratory analysis indicates that the constituent is not present
Parts per Billion (ppb): Corresponds to one part substance in one billion parts of water.
Parts per Million (ppm): Corresponds to one part substance in one million parts of water.
Picocuries per Liter (pCi/L): A measure of the radioactivity in water.
RUL: Recommended Upper Limit.
Treatment Technique (TT): A required process intended to reduce the level of a contaminant in drinking water.
Secondary Contaminants

<table>
<thead>
<tr>
<th>Contaminant</th>
<th>Units</th>
<th>RUL</th>
<th>Range</th>
<th>Maximum Level Detected</th>
<th>Typical Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manganese</td>
<td>ppm</td>
<td>0.05</td>
<td>ND-0.067</td>
<td>0.067</td>
<td>Erosion of natural deposits</td>
</tr>
<tr>
<td>Iron</td>
<td>ppm</td>
<td>0.3</td>
<td>ND-0.44</td>
<td>0.44</td>
<td>Distribution and household plumbing system</td>
</tr>
<tr>
<td>Sodium</td>
<td>ppm</td>
<td>50</td>
<td>12-54</td>
<td>54</td>
<td>Naturally occurring</td>
</tr>
</tbody>
</table>

1 The recommended upper limit for manganese is based on staining of laundry. Manganese is an essential nutrient, and toxicity is not expected from levels which would be encountered in drinking water.
2 The recommended upper limit for iron is based on unpleasant taste of the water and staining of laundry. Iron is an essential nutrient, but some people who drink water with iron levels well above the recommended upper limit could develop deposits of iron in a number of organs in the body.
3 For healthy individuals, the sodium intake from water is not important, because a much greater intake of sodium takes place from salt in the diet. However, sodium levels above the recommended upper limit may be a concern to individuals on a sodium-restricted diet.

Water Quality Facts

The data presented in the Table of Detected Contaminants is the same data collected to comply with U.S. Environmental Protection Agency and New Jersey state monitoring and testing requirements. We have learned through our testing that some contaminants have been detected, however, these contaminants were detected well below the levels set by the EPA to protect public health.

To assure high quality water, individual water samples are taken each year for chemical, physical and microbiological tests. Tests are done on water taken at the source, from the distribution system after treatment and, for lead and copper monitoring, from the customer’s tap. Testing can pinpoint a potential problem so that preventive action may be taken.

The Safe Drinking Water Act regulations allow monitoring waivers to reduce or eliminate the monitoring requirements for asbestos, volatile organic chemicals, and synthetic organic chemicals. Our system has received monitoring waivers for asbestos and synthetic organic chemicals.

Vulnerable Populations Statement

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial pathogens are available from the Safe Drinking Water Hotline (1-800-426-4791).

What is Radon?

Radon is a radioactive gas that occurs naturally in some groundwater. It may pose a health risk when the gas is released from water into air, as occurs while showering, washing dishes and performing other household activities. Radon can move up through the ground and into a home through cracks in the foundation. Compared to radon entering the home through soil, radon entering through tap water is, in most cases, a small source of radon in indoor air. Inhalation of radon gas has been linked to lung cancer, however the effects of radon ingested in drinking water are not yet clear. If you are concerned about radon in your home, tests are available to determine the total exposure level.

During testing, Radon was detected less than 100 pCi/L in our surface water supply, which make up 90 percent of our capacity and 0 pCi/L to 3510 pCi/L in our wells, which make up the other 10 percent. The EPA is developing regulations to reduce radon in drinking water. Radon in the air is inexpensive to test and easy to correct. For additional information, call the EPA’s Radon Hotline at 1-800-SOS-RADON.
### Water Quality Results – Table of Detected Contaminants – 2005

<table>
<thead>
<tr>
<th>Regulated Substances</th>
<th>Contaminant</th>
<th>Unit</th>
<th>Compliance Achieved</th>
<th>MCL</th>
<th>MCLG</th>
<th>Maximum Detected Level</th>
<th>Range</th>
<th>Typical Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Microbiological Contaminant</td>
<td>Turbidity</td>
<td>NTU</td>
<td>yes</td>
<td>TT</td>
<td>NA</td>
<td>0.42</td>
<td>0.04-0.42</td>
<td>Soil runoff</td>
</tr>
<tr>
<td>Disinfectants</td>
<td>Chloramines</td>
<td>ppm</td>
<td>yes</td>
<td>MRDL=4.0</td>
<td>MRDLG=4</td>
<td>0.45 1</td>
<td>0.40-2.5</td>
<td>Water additive used to control microbes</td>
</tr>
<tr>
<td>Disinfectant Byproducts</td>
<td>Total Trihalomethanes (THMs)</td>
<td>ppb</td>
<td>yes</td>
<td>80</td>
<td>N/A</td>
<td>27.1 4</td>
<td>3.8-69.6</td>
<td>By-product of drinking water disinfection</td>
</tr>
<tr>
<td>Volatile Organic Contaminants</td>
<td>Methyl Tertiary-Butyl Ether (MTBE)</td>
<td>ppb</td>
<td>yes</td>
<td>70</td>
<td>0</td>
<td>0.8</td>
<td>ND - 0.8</td>
<td>Leaking underground gasoline and fuel oil tanks, gasoline and fuel oil spills</td>
</tr>
<tr>
<td>Inorganic Contaminants</td>
<td>Antimony</td>
<td>ppb</td>
<td>yes</td>
<td>6</td>
<td>6</td>
<td>ND</td>
<td>ND</td>
<td>Discharge from petroleum refineries; fire retardants; ceramics, electronics, solder</td>
</tr>
<tr>
<td></td>
<td>Arsenic</td>
<td>ppb</td>
<td>yes</td>
<td>10 1</td>
<td>N/A</td>
<td>7</td>
<td>ND - 7</td>
<td>Erosion of natural deposits; runoff from orchards; runoff from glass and electronics production wastes</td>
</tr>
<tr>
<td></td>
<td>Barium</td>
<td>ppb</td>
<td>yes</td>
<td>2,000</td>
<td>2,000</td>
<td>299</td>
<td>ND-299</td>
<td>Discharge of drilling wastes; discharge from metal refineries; erosion of natural deposits</td>
</tr>
<tr>
<td></td>
<td>Chromium</td>
<td>ppb</td>
<td>yes</td>
<td>100</td>
<td>100</td>
<td>62</td>
<td>ND-62</td>
<td>Discharge from steel and pulp mills; erosion of natural deposits</td>
</tr>
<tr>
<td></td>
<td>Fluoride 4</td>
<td>ppb</td>
<td>yes</td>
<td>4,000</td>
<td>4,000</td>
<td>1200</td>
<td>ND-1200</td>
<td>Erosion of natural deposits; water additive that promotes strong teeth growth</td>
</tr>
<tr>
<td></td>
<td>Nitrate 7</td>
<td>ppb</td>
<td>yes</td>
<td>10,000</td>
<td>10,000</td>
<td>5,398</td>
<td>530-5398</td>
<td>Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits</td>
</tr>
<tr>
<td>Radiological Contaminant</td>
<td>Alpha emitters</td>
<td>pCi/L</td>
<td>yes</td>
<td>15</td>
<td>0</td>
<td>14.5</td>
<td>ND-14.5</td>
<td>Erosion of natural deposits</td>
</tr>
<tr>
<td></td>
<td>Radium 226 4</td>
<td>pCi/L</td>
<td>yes</td>
<td>5</td>
<td>0</td>
<td>1.6</td>
<td>ND-1.6</td>
<td>Erosion of natural deposits</td>
</tr>
<tr>
<td></td>
<td>Radium 228 4</td>
<td>pCi/L</td>
<td>yes</td>
<td>0</td>
<td>1.5</td>
<td>ND-1.5</td>
<td>Erosion of natural deposits</td>
<td></td>
</tr>
<tr>
<td>Lead and Copper 1</td>
<td>Lead (2004) 1</td>
<td>ppb</td>
<td>yes</td>
<td>15</td>
<td>0</td>
<td>52</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Copper (2004) 1</td>
<td>ppb</td>
<td>yes</td>
<td>1,300</td>
<td>1,300</td>
<td>52</td>
<td>870</td>
<td>3</td>
</tr>
</tbody>
</table>

1 99% of the turbidity readings were below the treatment technique requirement of 0.3 NTU. Turbidity is a measure of the cloudiness of the water. We monitor it because it is a good indicator of water quality. High turbidity can hinder the effectiveness of disinfectants.
2 Maximum percentage of positive samples collected in any one month.
3 Maximum Detected Level is the maximum running annual average. Range indicates the monthly averages detected.
4 Maximum Detected Level is the maximum running annual average. Range indicates the values detected.
5 New Arsenic Standard Effective January 23, 2006: Federal MCL = 10 ppb, NJMCL = 5 ppb, MCLG = 0. Some people who drink water containing arsenic in excess of the MCL may have an increased risk of getting cancer.
6 Some people who drink water containing radium 226 or 228 in excess of the MCL over many years may have an increased risk of getting cancer. Radium 226 and Radium 228 have a combined MCL of 5 pCi/L.
7 Infants and young children are typically more vulnerable to lead in drinking water than the general population. It is possible that lead levels at your home may be higher than at other homes in the community as a result of materials used in your home’s plumbing. If you are concerned about elevated lead levels in your home’s water, you may wish to have your water tested and flush your tap for 30 seconds to 2 minutes before using tap water. Additional information is available from the Safe Drinking Water Hotline (800-426-4791).

### Unregulated Contaminant Monitoring Rule (UCMR)

During 2001, the Company participated in the Unregulated Contaminant Monitoring Rule. Unregulated contaminants are those for which the EPA has not established drinking water standards. The purpose of unregulated contaminant monitoring is to assist the EPA in determining the occurrence of unregulated contaminants in drinking water and whether regulation is warranted. Our results are available upon request. For testing conducted in 2001 we found the substance listed at right.

<table>
<thead>
<tr>
<th>Contaminant</th>
<th>Units</th>
<th>Average</th>
<th>Range Detected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dacthal (DCPA) Acid Metabolites</td>
<td>ppb</td>
<td>8</td>
<td>2 to 39</td>
</tr>
</tbody>
</table>

*Based on the toxicological information currently available for Dacthal Acid Metabolites, the Bureau of Safe Drinking Water has established an Action Level of 70 ppb.*