



The Lakeshore Company
 Mount Kemble Lake
 Morristown, NJ 07960

June 20, 2003

**Annual Consumer Confidence Report
 For the Year 2002**

Here is our annual Consumer Confidence Report as required by federal and state law. We are pleased to report that no contamination in excess of a legally permitted level was detected in our water system during the year 2002. Definitions are at the end of this report.

Table of Detected Contaminants (Year 2002 and before)

Contaminant	Violation Y/N	Level Detected	Units	MCLG	MCL	Likely Source of Contamination
Alpha emitters (Tested 2002)	No	Well #1 = 0.0 (Tested 06/24/02) Well #2 = 0.8 (Tested 06/24/02)	pCi/L	0	15	Erosion of natural deposits
Copper (Tested 06/27/00)	No	0.36 (90th percentile) Of 5 samples, none exceeded the action level	ppm	1.3	AL=1.3	Corrosion of household plumbing systems; erosion of natural deposits; leaching from wood preservatives
Fluoride (Tested 05/23/02)	No	Well #1 = 0.2 Well #2 = ND	ppm	4	4	Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories
Lead (Tested 06/27/00)	No	7 (90th percentile) Of 5 samples, none exceeded the action level	ppb	0	AL=15	Corrosion of household plumbing systems; Erosion of natural deposits
Inorganics (Tested 05/23/02)	No	Well #1 = ND Well #2 = ND	ppm	various	various	Erosion of natural deposits.
Secondary Standards (Tested 05/23/02)	No	Well #1 = ND Well #2 = ND	ppm	various	various	Erosion of natural deposits 0.
Volatile Organic Compounds (Tested 06/24/02)	No	Well #1 = ND Well #2 = ND	ppb	various	various	Petro-chemicals in aquifer; leaking fuel tanks

Nitrate - Nitrogen (Tested 11/20/01)	No	Well #1 = 1.0 Well #2 = 1.4	ppm	10	10	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits.
---	----	--------------------------------	-----	----	----	--

This table lists the most recent test results in which regulated contaminants were detected in our water system. Volatile Organic Carbon (VOC) compounds were tested in 2002 and not detected. This table is based upon tests performed by laboratories licensed by the state and by the state's own laboratories. This table excludes detected secondary contaminants that regulators do not believe pose a health risk, contaminants that were not detected in recent testing even if they were detected in the past, unregulated contaminants, data that is more than five years old and any contamination that may have begun after it was last tested for.

The state allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data, though representative, are more than one year old. The state prohibits us from including in the table above any data that is more than 5 years old.

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 all of these types of contaminants and has not tested for these potential contaminants in recent years.

Table of Detected Unregulated Contaminants

Contaminant	Level Detected	Units	MCL
Radon (Tested 06/02/98)	2130	pCi/L	NS

We periodically monitor the water supply for various contaminants. We detected radon in the finished water supply in a sample taken on June 2, 1998. There is no federal regulation for radon levels in drinking water. Exposure to air transmitted radon over a long period of time may cause adverse health effects.

If you have any questions about this report, our water operations or our water quality, please call Newton White at 973-425-1811. You may participate in decisions that affect our drinking water quality by personally contacting any board member of The Lakeshore Company and by attending annual and special meetings of The Lakeshore Company (the dates, times and locations of which should be specified in meeting notices).

The sources of water for our system are two wells that draw ground water from what we believe is Precambrian Rock. Our primary well (Well #2) is 223 feet deep and is located in pump house #2 on Lake Trail East near the upper pond. Our secondary well (Well #1) is 152 feet deep and is located in pump house #1 on Dogwood Trail next to the playground. Tests performed in the past have demonstrated to the satisfaction of the New Jersey Department of Environmental Protection

that our wells are not under the direct influence of surface water (i.e., that our wells are not simply draining Mt. Kemble Lake or other nearby sources of surface water). This determination has reduced our quality testing obligations. To date, the Bureau of Safe Drinking Water has not completed an assessment for our sources of drinking water. Source Water Assessments will be completed for all sources of public drinking water by May 2003.

As a precautionary measure, we disinfect our water using a chlorination system.

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 (1-800-426-4791).

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 microbiological contaminants are available from the Safe Drinking Water Hotline (1-800-426-4791).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic chemical contaminants, including synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, and septic systems.
- Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Special Considerations Regarding Children, Pregnant Women, Nursing Mothers, and

Others: Children may receive a slightly higher amount of a contaminant present in the water than do adults, on a body weight basis, because they may drink a greater amount of water per pound of body weight than do adults. For this reason, reproductive or developmental effects are used for calculating a drinking water standard if these effects occur at lower levels than other health effects of concern. If there is insufficient toxicity information for a chemical (for example, lack of data on reproductive or developmental effects), an extra uncertainty factor may be incorporated into the calculation of the drinking water standard, thus making the standard more stringent, to account for additional uncertainties regarding these effects. In the cases of lead and nitrate, effects on infants and children are the health endpoints upon which the standards are based.

Definitions

Action Level (AL): The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Maximum Contaminant Level (MCL): 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.

Maximum Contaminant Level Goal (MCLG): 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.

No Standard (NS): No standards have been set by law for this contaminant.

None Detected (ND): Laboratory analysis did not detect the presence of this contaminant, i.e., this contaminant is not present or is present at levels below the minimum detectable by the test method employed.

Parts per billion (ppb) or Micrograms per liter: One part per billion corresponds to one minute in 2,000 years, or a single penny in \$10,000,000.

Parts per million (ppm) or Milligrams per liter (mg/L): One part per million corresponds to one minute in two years or a single penny in \$10,000.

Parts per trillion (ppt) or Nanograms per liter: One part per billion corresponds to one second in 31,688 years or a single penny in \$10,000,000,000.

Picocuries per Liter (pCi/L): A measure of the radioactivity in water.