

Utility & Transportation Contractors Association testimony on the Water Quality Accountability Act for the New Jersey Senate Community and Urban Affairs Committee on September 19, 2019. Statement as appears on InsiderNJ September 19 [press release](#).

“Good morning, my name is Zoe Baldwin, and I am the Director of Government Affairs for the Utility & Transportation Contractors Association. I’m joined today by our CEO, Robert Briant, Jr., who also serves as the Acting Chair for the NJ Infrastructure Bank and can help answer any technical program questions you may have.

“Chairman Singleton and members of the Committee, we would like to start by saying thank you for the opportunity to testify. UTCA truly believes that the Water Quality Accountability Act laid essential groundwork for the state, and we look forward to the continued efforts toward ensuring that all New Jersey residents have access to clean and reliable water.

*“We also commend the DEP and BPU on their strong testimony at the first hearing. We agree that the WQAA **CAN** be a transformative effort **IF** the current law is adhered to. UTCA supported the bill when it was proposed and strongly supports this oversight effort as it moves forward.*

“Right now, the spotlight has been glaring on Newark as elevated lead levels, failed filters, and expired bottles of water made headlines across the region. The response from all levels of government to the emergency was swift and necessary, but as anyone in our industry will tell you, the real crisis extends far beyond city limits and NJ will need much more than money to bring its water systems up to date.

“This hearing, and the WQAA specifically, are the state’s critical next steps toward tangible reform as they address the underlying issue: governance and planning. In the face of this continuing crisis, we need to make sure that state government has the regulatory tools it needs to ensure that the 500-or-so regulated drinking water systems are properly maintaining, upgrading, and replacing their pipes – including lead service lines.

“To that end, UTCA has several recommendations regarding ways the state can bolster its oversight and authority when it comes to water: implement the existing rules of the WQAA; expand the WQAA to wastewater; and increase funding and non-material support for all water projects.

“On Implementing the Existing WQAA

- We agree with the DEP that compliance with the existing law has been mixed. Now that the full 18-month window for compliance has passed, we support the efforts by agencies – ranging from increased technical support to enforcement actions – that result in compliance and investment addressing the highest priority projects as identified by each system.*

- *DEP testified that they are working on a rule proposal that would have clear compliance and enforcement steps built within them. UTCA supports DEP's efforts and encourages the DCA to take the same strong approach.*
- *It is important to remember that the DEP does not oversee the budgets of any public water system, whether that system is investor-owned / operated or in the hands of a local government or MUA.*
 - *Therefore, DCA must be asked to increase oversight of the provision in the existing WQAA that states that "each water purveyor shall dedicate funds on an annual basis to address and remediate the highest priority projects as determined by its asset management plan." **UTCA urges the legislature to seek data from the DCA as to compliance with this aspect of the WQAA and to consider enabling the agency to take enforcement action where necessary.***
 - *We cannot allow this issue to cover lead alone. We must look to this law as a primary tool to protect our communities – not only from lead and the myriad issues we face today, but for all of the treatment upgrades, repairs, and replacements we'll need to make tomorrow. Therefore, we must also empower DCA to enforce local system reinvestment*

"On Expanding the WQAA

"UTCA works with groups like NJ Future through the Jersey Water Works collaborative, where we serve on the Steering Committee and as a Co-Chair of the Asset Management and Finance Committee. From this experience and through its own efforts we offer the following amendments to the WQAA framework:

- *Add a requirement for lead service line inventories that records be kept by every water system except for those that the DEP has found to have proven that no lead service line exists in their service area*
- *Expand the WQAA framework to wastewater utilities. Each year, 7 billion gallons of diluted sewage are dumped in New Jersey's waterways, and the mechanisms established in the WQAA provide an excellent framework for similar stewardship on the waste side.*
 - a. *Exempt any wastewater utility that is under a permit requirement to develop a Long-Term Control Plan for CSO Compliance, as they are already required to meet these standards.*

"On Increasing Support to Systems

"We don't need to wait for full WQAA compliance to know that water utilities of all shapes and sizes need more support from the state and federal government to fund their capital strategies. Estimates have NJ's need at about \$40B, or \$2B annually over 20 years to get us to a good state of repair. While that certainly sounds daunting, there

is good news: our systems are already investing about a billion a year through rates and federal funding from the state's Infrastructure Bank.

"But to get us into the endzone, here are some quick ideas that don't involve a tax or bonding:

- Empower regulatory agencies to enforce compliance with capital planning and investment components of WQAA*
- Enable the I Bank to receive federal WIFIA funds*
- Support Senator Booker's legislation that allows states to send funds between Clean Water and Drinking Water SRF, up to \$100M*
- Distribution System Improvement Charge (DSIC) for wastewater – support BPU's efforts to put that mechanism in place*
- Streamline approvals at DEP for critical projects that are focused on replacing old infrastructure in existing communities.*

"On the Overall Value

"Let's not forget the value of this investment goes past the environment and public health. UTCA, along with partners in Jersey Water Works, American Water Works Association, the NJAEA, and the NJ Water Environment Federation, conducted a broader economic study showing that:

- A \$1B investment in water infrastructure creates 13,787 jobs*
- And those jobs will be in demand – 44.6% of water workers are over 54 years old. Investing in our water infrastructure also serves to protect and expand access to those living wage jobs.*
- The longer we wait, the more repairs cost – emergency works costs an average of 10 times more than scheduled repairs and maintenance."*