

Comments on the proposed rules, amendments, and repeals to the Safe Drinking Water Act Rules (N.J.A.C. 7:10) and Water Supply Allocation Permit Rules (N.J.A.C. 7:19) Submitted on Behalf of the Asset Management and Finance Committee of the Jersey Water Works Collaborative

Jersey Water Works is a collaborative effort of many diverse organizations and individuals who embrace the common purpose of transforming New Jersey's inadequate water infrastructure by investing in sustainable, cost-effective solutions that provide communities with clean water and waterways; healthier, safer neighborhoods; local jobs; flood and climate resilience; and economic growth.

One of the collaborative's four shared goals is "Effective and Financially Sustainable Systems," which aims for communities to maintain and improve drinking water, wastewater, and stormwater infrastructure systems to deliver quality water services that meet community needs, and that operating budgets and capital investment are adequate and affordable, resulting in systems that operate efficiently and in a state of good repair. The Jersey Water Works Asset Management and Finance Committee submits the following comments on the proposed rules, amendments, and repeals to the Safe Drinking Water Act Rules (N.J.A.C. 7:10) and Water Supply Allocation Permit Rules (N.J.A.C. 7:19).

Jersey Water Works recognizes the extensive effort by the New Jersey Department of Environmental Protection (NJDEP) in developing the proposed changes to the Safe Drinking Water Act and Water Supply Allocation Permit rules under the Water Quality Accountability Act (WQAA). The updates are crucial for improving water quality and safety, benefiting public health, the environment, and the economy of New Jersey. Comments aim to ensure that these rule changes are equitable and optimized to support communities most in need of state assistance.

The Jersey Water Works Asset Management and Finance Committee respectfully submits the following comments:

- The proposed rule has a training requirement. Will training be required for all appointed or elected individuals responsible for governing water utilities? It is this group of people who best need to understand their responsibility in managing water systems. We suggest the agency self-certify/ sign off on completed training within a year of ownership of the water utility or the time from which a new official is added. We also recommend a requirement to visit the facility as part of the training to enable a practical

understanding of what a water facility looks like, speak to operators, and understand needs. Regarding others, we recommend that licensed treatment works operators achieve all relevant training as a component of annual training requirements, rather than as a separate requirement.

- How will the NJDEP ensure that public water systems are adequately funded and equipped to comply with Lead Service Line (LSL) and PFAS regulations? Under the proposed rule language, asset management plans are focused on identifying, prioritizing, and addressing “critical assets” based on their likelihood and consequence of “failure.” It is unclear how LSL replacements and infrastructure upgrades to address PFAS contamination—on the timelines mandated by law—are intended to fit into this “criticality” framework. In the final rule and/or accompanying guidance, the department should make clear that asset management plans must address these pressing infrastructure needs, including the financial expectations.
- The proposed rule requires asset management plans to include a “long-term funding strategy that ensures sufficient capital is routinely reserved to promote long-term system sustainability and to fund targeted infrastructure improvement actions,” including an “analysis that the long-term funding strategy is supported by the public community water system’s customer rate and fee structure.” We encourage more clarification on how these provisions are coordinated with similar requirements that fall under the purview of the Department of Community Affairs (DCA). For example, P.L. 2021, c.184, sections 6 through 12, require publicly owned water systems to establish rates sufficient to “ensure the integrity of the utility’s water infrastructure” and to incorporate into their capital budgets all infrastructure improvements included within their WQAA asset management plan. We recommend that NJDEP coordinate with DCA to include appropriate language in the WQAA rules to facilitate compliance with those related requirements. This would help ensure transparency and efficiency in the implementation of the two agencies’ oversight responsibilities.
- How will the NJDEP ensure that public disclosure requirements are clearly outlined and enforced as part of these new rules? It is vital that the public has easy access to information on water quality and infrastructure.
- The inclusion of the AWWA water audit is a major step forward, as the UFW metric has outlived its usefulness. However, in the proposed NJAC 7:19-6.4(d), there is a term used that is unclear and not defined. What is meant by “bottom 35th percentile”? It could mean those PCWS with the lowest 35th percentile of NRW (a good result), or the worst 35 percentile of NRW (a bad result). Rather than “bottom”, we recommend using “highest” or “lowest” or a similar term for clarity. In the same section, one consideration for Departmental action should be whether the source water supply has been identified as being in verified or potential deficit by the NJ Statewide Water Supply Plan. The same

volume of NRW will have a much larger impact on water resources in a deficit area than in an area with a significant surplus of water availability. Likewise, the PCWS water surplus/deficit should be a factor in whether the Department seeks NRW reductions. The AWWA Water Audit allows for consideration of water supply constraints but this factor is rarely used, a significant shortfall of the generic approach.

- What technical assistance will the NJDEP provide to help water systems, particularly those with limited resources, ramp up their financial, managerial, and technical capacity to meet the new regulatory requirements? Support for these systems is critical to achieving the goals of the new rule.
- We encourage DEP and NJIB to utilize information from asset management plans to continually enhance water infrastructure funding programs, ensuring that funding is prioritized for communities with the most significant needs.

We sincerely thank the New Jersey Department of Environmental Protection (NJDEP) for considering our comments and for providing the opportunity to contribute to this important discussion. We greatly appreciate the department's continued efforts to protect New Jersey's water resources and to improve water infrastructure. Jersey Water Works looks forward to continued collaboration to ensure these rule changes not only achieve their intended outcomes but also provide equitable and sustainable solutions for all New Jersey communities.

Sincerely

Jersey Water Works Asset Management and Finance Committee

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