



Testimony in support of A4415
Requiring Water Purveyors to Conduct Water Loss Audits
Assembly Environment and Solid Waste Committee
February 13, 2017

16 W. Lafayette St.
Trenton, NJ 08608
p: (609) 393-0008
f: (609) 360-8478
w: njfuture.org

Contact: Chris Sturm, 609-393-0008, ext. 114

Founded in 1987, New Jersey Future is a nonprofit, nonpartisan organization that promotes sensible growth, redevelopment and infrastructure investments to foster vibrant cities and towns, protect natural lands and waterways, enhance transportation choices, provide access to safe, affordable and aging-friendly neighborhoods and fuel a strong economy. New Jersey Future is a member of Jersey Water Works, a collaborative committed to upgrading the state's inadequate water infrastructure in ways that make communities stronger.

New Jersey Future supports Assembly Bill 4415 and is grateful to Assemblyman Tim Eustace, Assemblyman Reed Gusciora, Assemblyman Dan Benson, and Assemblywoman Elizabeth Maher Muoio for sponsoring this legislation to require annual water loss audits.

Water loss audits are a common-sense first step in modernizing leaky water pipes and protecting water, our state's most precious natural resource. The impacts of population growth and climate change have placed a considerable strain on our water supply, one that will likely increase over time. Yet we have proof that on a daily basis our state's aging water systems lose significant amounts of our valuable, treated water through leaky pipes and water main breaks. In addition, millions of gallons per day go unbilled, largely through faulty measurement and billing practices, potentially leading utilities to overcharge consumers to make up the shortfall.

Annual water loss audits are cost-effective. **By following the directives of this legislation, water service providers can recover money for themselves and their communities while conserving our most essential resource.**

A Natural Resources Defense Council report released in January 2017 estimates that statewide, New Jersey water utilities lose approximately 130 million gallons of clean drinking water per day through leaky pipes. Of that total, the report estimates that 50 million gallons per day could be recovered cost-effectively through investments in new or upgraded infrastructure. This means that fixing leaks pays for itself.

According to the report, 50 million gallons is equivalent to the daily water use of a city more than twice the size of Newark, and represents approximately \$10 million per year in potential recovered revenue.

In addition, the report estimates that utilities could recover as much as \$12 million per year in lost revenue cost-effectively through improved water measurement and billing practices.

Water loss is a consumer protection and equity issue. With the possibility of an impending drought again this summer, we cannot ask New Jersey consumers and businesses to conserve water if our water utilities do not track and report water losses and take steps to reduce them. In addition, water utilities are confronting much-needed, expensive infrastructure upgrades and will likely have to raise their rates to pay for them. Utilities will have a far stronger case to make when they seek these rate increases if they can demonstrate that they have done everything they can to reduce the quantity of water that gets treated but never billed.

Water loss is also an environmental issue. Every gallon of water lost through a leaky pipe is a gallon that should not have been needed to be withdrawn from streams or underground aquifers.

These low-cost audits can be conducted easily by any water utility and should not overly burden small municipal water systems. The American Water Works Association provides free auditing software, and its water loss manual is available for about \$100.

In this time of constrained local and state budgets and increasing threat of drought conditions, water loss management makes financial and environmental sense. Planning for how best to improve water systems and conserve our resources must first be based on accurate data.

Nationally, a growing, bipartisan movement to track and reduce leakage from drinking water systems has led a number of states and cities toward best practices for estimating, locating, and repairing leaks. Georgia, California, Tennessee, Pennsylvania and Indiana all require water utilities to prepare and submit to the state a standardized water loss audit report using American Water Works Association's methodology. It is time for New Jersey to join their ranks.

Thank you for the opportunity to submit this testimony in support of this bill. To discuss these comments, please contact Chris Sturm, Managing Director of Policy and Water at csturm@njfuture.org.