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Testimony in support of A4569  
Water Quality Accountability Act  
Assembly Environment and Solid Waste Committee

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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 4569** and is grateful to Asms. Tim Eustace, Robert Karabinchak, John McKeon, Dan Benson and Asw. Valerie Vainieri Huttle for sponsoring this legislation. We also recognize that amendments may be needed to address the practical concerns of the regulators and regulated entities that will implement it.

New Jersey Future is testifying on this bill because we are a smart growth organization that prizes economic growth, clean water and healthy communities, each of which depends upon modern, reliable and cost-effective drinking water systems. Many physical assets of these systems are near or past the end of their useful life, as evidenced by a variety of crises: breaks, leaks, water losses and flooded streets, to name a few. For example:

- Some cities **lose more than 20, 30 or even 40 percent of their treated drinking water** before it even reaches customers.
- News media routinely report **water and sewer line breaks** that create sinkholes in streets; cause water service to fail in hospitals, schools, homes and businesses; threaten public health; and even cause major street flooding.
- **Emergency repairs** are well known to cost three to five times more than what planned, programmed maintenance would have cost to ensure system integrity. These additional costs do not include financial impacts on businesses, or stress on households without water.

In summary, many New Jersey communities, businesses, residents, hospitals and schools rely on systems that are at risk of causing major disruptions. And we don't have an accurate idea of how bad the problem is. Although some local utilities do an excellent job of maintaining their water systems, many do not know enough about their condition, whether it is improving or declining, or about the costs to upgrade and manage them effectively. Even where the local utility is aware of the needs, little of that information is compiled or made available at the state level to allow analysis of the overall status of the state's water systems.

For these reasons, New Jersey Future supports A4569's requirement that utilities implement and fund an asset management plan. Asset management is the systematic approach utilities use to ensure that there is sufficient investment in, and planned maintenance of, the components of their systems, and in a

manner that minimizes life-cycle costs. This bill is an excellent complement to A4415, Requiring Water Purveyors to Conduct Water Loss Audits, which we also support.

Asset management is one of the highest priority issues for [Jersey Water Works](#), the statewide collaborative that promotes sound water infrastructure. The Jersey Water Works steering committee will spend part of its annual retreat in April considering ways to realize wider use of asset management. The collaborative has a [goal](#) devoted to asset management and seeks [state-level measurement](#) of the extent to which asset management plans are funded.

Jersey Water Works also recommends that stakeholders, especially ratepayers who are paying for them, be better educated about their water systems. To ensure transparency and long-term cost-effectiveness, New Jersey Future encourages the sponsors of A4569 to consider an amendment to mandate public reporting of asset management on the local utility website and on the DEP and DCA websites.

In addition, we encourage the sponsors to consider carefully the requests of the regulators and the regulated community for practical amendments. Because this is a new area for New Jersey to regulate, we suggest amending the bill to require the DEP to establish standards through rule-making.

Our lives, our businesses and our communities depend on clean, reliable drinking water service. Thank you for the opportunity to submit this testimony in support of this bill. To discuss these comments, please contact Chris Sturm, New Jersey Future's managing director for policy and water, at [csturm@njfuture.org](mailto:csturm@njfuture.org).