



**Testimony in support of S2834
Water Quality Accountability Act
Senate Budget and Appropriations 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 Senate Bill S2834 and is grateful to Sens. Stephen Sweeney, Christopher Bateman and Linda Greenstein for sponsoring this legislation.

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 S2834's requirement that utilities implement and fund an asset management program. 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 S2926, Requiring Water Purveyors to Conduct Water Loss Audits, which we also encourage you to advance.

Asset management is one of the highest-priority issues for [Jersey Water Works](#), the statewide collaborative that promotes sound water infrastructure. The collaborative has a [goal](#) devoted to asset management and seeks [state-level measurement](#) of the extent to which asset management plans are adopted and funded.

Jersey Water Works recommends that elected and appointed officials and ratepayers be better educated about the condition of their water systems and whether they are improving or getting worse. To ensure transparency and long-term cost-effectiveness, **New Jersey recommends an amendment to require public reporting of asset management metrics**, including metrics on system condition and plan implementation through capital investments, on the local utility website and on the DEP and DCA websites.

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.