



## TESTIMONY

# Testimony on Water Quality Accountability Act Senate Community and Urban Affairs Committee

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Dear Chairman Singleton and members of the committee, thank you for inviting me to speak today.

At New Jersey Future we believe in the importance of great places to live. Integral to every great community is safe, reliable drinking water. Water is vital – every person and every business depends on it every day.

Although many water systems in New Jersey and across the country are well-run, in others, investing in water infrastructure comes last on the long list of local issues needing attention and funding. The result of decades of decline? Water systems fail, sometimes unpredictably. In July, South River residents woke up to find brown water coming out of their taps and a month later it was reported that an employee was falsifying the water quality tests. Newark residents have struggled with lead in drinking water over the past few years. Inadequate, aging water infrastructure is a statewide problem -- leaks of treated drinking water, water and sewer main breaks and contamination put New Jersey's health and economy at risk. Public trust in water systems is eroding.

The Water Quality Accountability Act was passed in 2017 to ensure modern, reliable water systems. For the first time the State of New Jersey is regulating not just what comes out of our taps, but also the water systems and pipes that bring it there. Now, two years later, the Senate Community and Urban Affairs Committee is asking how well the law is working. Perhaps the most helpful way to think about it is this: **Could the WQAA could help prevent the kind of water problems we see in South River, Newark, and communities around the state?**

The answer is yes, but only if implementation is strengthened to ensure better compliance with the goals of the act.

There are many shortcomings with implementation of the Act so far. Here are a few examples:

- As of 2018 mayors and utility directors must certify in writing compliance with drinking water standards and the relevant requirements of the WQAA by October 19 each year. Unfortunately, the results are not easily obtained. How many utilities reported compliance, how many are not in compliance, and are there any that failed to reply? Do you know where your community stands? This information can only be found by asking the DEP.
- DEP required utilities to implement an asset management plan by April 19 of this year and certify its completion on the annual October certification form. We are hearing that some water utilities are not taking this requirement seriously because they know that the DEP does not plan to enforce it.

- The requirements for asset management plans and capital investments are not clear or well-defined in a way that would enable the state agencies (including BPU and DCA) to assess compliance. Meanwhile, water utilities do not know what the specific expectations or timelines are. The DEP has held one stakeholder meeting to gather input, but nothing has yet been proposed for stakeholders to consider.
- As of yet, the agencies have not created an electronic data portal for report submission, as required by the law. This matters because portals allow for more cost effective collection and analysis of data.

### **How can implementation of the WQAA be assured?**

Achieving the promise of transparency and accountability through the WQAA requires input from multiple perspectives -- regulatory agencies, utilities of different types and sizes, industry experts, and environmental and community advocates. We applaud this committee for these hearings, and the DEP for its initial stakeholder meeting.

New Jersey Future does not have all of the answers, but through our participation in the Jersey Water Works collaborative, we are helping come up with practical, cost-effective solutions. Jersey Water Works has over 500 diverse members committed to transforming our water, wastewater and stormwater systems. Its Asset Management and Finance committee partnered with the American Water Works Association - NJ Chapter's Infrastructure Management Committee to produce recommendations for WQAA reporting in their document: [Asset Management Key Performance Indicators](#).

Based on that work, we propose the following recommendations as a starting point :

1. Regulations and other approaches must define clear reporting requirements, based on input from stakeholders. A few examples include:
  - a. Annual submission of capital budgets, capital expenditures on planned projects, and capital expenditures on unscheduled or unplanned projects, to DCA each for the past five years. In addition, any funds diverted to the local governments' budgets should be clearly shown. DCA must be a fully engaged partner in this effort.
  - b. Submission of water loss audits that are validated, similar to states like California and Georgia who are using water loss audit information to hold systems accountable.
  - c. Annual submission of summaries of lead service line inventories to the DEP. (While inventories could be required by another statute, reporting should be coordinated with the WQAA.)
  - d. Annual reporting on pipe condition, such as the number of water main breaks per mile and on pipe material.
  - e. Reporting on specific milestones in implementation of asset management programs that show progress over time, as described in the JWW-AWWA recommendations.
2. Sharing WQAA reporting, starting with this October's submissions, on an easy-to-use public website.
  - . Utilities that are doing a good job should be helped to tell their story to customers, who can then be more supportive when and if rate increases are needed. Experience in South River and Newark demonstrates that it's not enough for the DEP to be aware of violations -- water customers should be as well.
  - a. Compliance with the WQAA should be integrated into the annual utility Consumer Confidence report, and those reports should be *easily* found on the DEP's website, in addition to utility websites. New York State's new "Know Your NY Water" website offers an excellent new example.

3. Mechanisms to ensure enforcement, including adequate budgetary resources for state agency staff and the creation of modern data portals and user-friendly interfaces.
4. Technical assistance for low-resource utilities, to help them meet the Act's requirements. Many water utilities, especially smaller ones, need help to catch up with the WQAA. NJDEP should work with industry associations to provide this assistance.

We recommend that the approach employed by the WQAA be extended to the wastewater sector.

In summary, the Water Quality Accountability Act and data generated by it can change the way we all think and understand the crucial role of our unseen water systems. Knowledge is the sunlight that keeps us safe when it comes to water. On behalf of New Jersey Future and Jersey Water Works, I applaud your commitment to this issue and pledge our assistance to continue to work with all stakeholders to ensure we all can benefit from clean and reliable water systems.

### **SUPPORTING INFORMATION**

**Lead Service Line Inventories** - Lead in drinking water is a solvable problem especially if we know the extent to which the problem is occurring. Robust transparent lead service line inventory data can help make visible the extent of our need. This is in line with the direction states like Michigan and Illinois and cities like Cleveland and Philadelphia among others have taken. We recommend WQAA coordinate with any new requirements for lead service line inventories and sharing of that data publicly. On Oct. 10, the JWW Task Force on Lead in Drinking Water will be issuing a comprehensive statewide solution for lead in drinking water.

**Enforceable Water loss audits** - Water loss audits can help identify places in the water system where water losses are happening and where corrective actions can be taken. Water loss audits can help recoup savings for water system that can then be funneled back into water system improvement and infrastructure upgrade. It's important to utilize best practice water loss audit tool as this will ensure data collected is accurate and validated. American Water Works Association's Water Loss methodology and its free audit software is one of the industry recognized best practice. By requiring water loss audits and data reporting, NJ has an opportunity to join states like California and Georgia who are using water loss audit information to hold systems accountable. We recommend the state play a role through the WQAA to require water loss audit and sharing of this data publicly.