

# ASSEMBLY SPECIAL COMMITTEE ON INFRASTRUCTURE AND NATURAL RESOURCES

## STATEMENT TO **ASSEMBLY, No. 1736**

with committee amendments

# STATE OF NEW JERSEY

DATED: MARCH 10, 2022

The Assembly Special Committee on Infrastructure and Natural Resources adopts amendments to Assembly Bill No. 1736.

As amended by the committee, this bill would amend and supplement the “Water Supply Management Act” to require the State’s water purveyors (i.e., public and private water providers) who have more than 500 service connections to conduct annual water loss audits.

Specifically, beginning no later than 36 months after the bill is enacted into law, every water purveyor will be required to annually submit a water loss audit to the Department of Environmental Protection (DEP). The bill would direct the DEP, within 18 months after the bill is enacted into law, to adopt regulations concerning the conduct and validation of water loss audits based on the most current edition of the American Water Works Association’s “Water Audits and Loss Control Programs, Manual M36” and its associated Free Water Audit Software. The regulations are to include a provision requiring the water purveyor to notify its customers of the water loss reported in the water audit either on or with the water purveyor’s next annual consumer confidence report or on or with the next bill the customer receives after the water audit is submitted. The bill also requires public water utilities regulated by the Board of Public Utilities to provide the board with a completed and validated water loss audit.

The bill would also require the DEP, no later than 48 months after the date of the bill’s enactment, to adopt recommendations setting forth: (1) a minimum data validity score or a specific level of yearly improvement in the data validity score of future annual water loss audit reports; and (2) performance standards to be met by a water purveyor concerning the volume of water losses that the DEP publishes on its website.

The bill would require the DEP, in consultation with the New Jersey Infrastructure Bank, to establish, in each of the two fiscal years beginning after the date of the bill’s enactment, a grant program to assist water purveyors in procuring water loss audit report validation under the bill, within the limits of funds appropriated or made available to the DEP.

The bill would require a water purveyor that is subject to the requirements of the “Water Quality Accountability Act” to consider the findings of its annual water loss audit reports when determining which projects are to receive highest priority in the asset management plan prepared pursuant to section 7 of P.L.2017, c.133 (C.58:31-7).

Lastly, the bill would update the definitions section and make other technical amendments to the “Water Supply Management Act.”

This bill was pre-filed for introduction in the 2022-2023 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

#### COMMITTEE AMENDMENTS:

The committee amended the bill to make the definitions of “water purveyor,” “public water system,” and “public community water system” consistent with the definitions that appear in the “Water Quality Accountability Act,” as amended by P.L.2021, c.262 (C.58:31-4.1 et al.), and to clarify that the bill’s water loss audit requirements apply only to water purveyors that have more than 500 service connections. The amendments clarify that the department’s regulations are also to include procedures for the voluntary submission of water loss audit reports by water purveyors who have fewer than 500 service connections. The amendments provide for the first water loss audit report to be submitted within 36 months (not 24 months) after the bill’s enactment.

The amendments further require a water loss audit report to be certified by the licensed operator or professional engineer of the public water system and the responsible corporate officer of the public water system, if privately held, by the executive director, if an authority, or by the mayor or chief executive officer of the municipality, if municipally owned, as applicable.

The amendments remove section 10 of the bill, which would have required the department to provide technical assistance to water purveyors and establish a technical advisory committee. The amendments also remove: 1) the provisions of the bill that would have required the department’s regulations to include provisions related to the process for, and the certification requirements associated with the selection of a person to provide, level one validation of a water loss audit report; and 2) the provision of the bill that would have required the department to update its rules and regulations no later than one year after the release of subsequent editions of the American Water Works Association’s “Water Audits and Loss Control Programs, Manual M36.”

The amendments further require the department, when taking into consideration the level one validated water loss audit reports received thereby, to make recommendations regarding a minimum data validity score and performance standards, rather than adopting formal rules and regulations on these issues.