

ASSEMBLY, No. 1544

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

SYNOPSIS

Requires public water systems to replace customer lead service lines at expense of all public water system customers.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** concerning public water systems and the replacement of
2 lead service lines and supplementing Title 58 of the Revised
3 Statutes and Title 18A of the New Jersey Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. As used in sections 1 through 8 of P.L. , c. (C.)
9 (pending before the Legislature as this bill):

10 “Board” means the Board of Public Utilities or any successor
11 agency.

12 “Department” means the Department of Environmental
13 Protection.

14 “Director” means the Director of Local Government Services in
15 the Department of Community Affairs.

16 “Government-owned public water system” means a public water
17 system established, pursuant to law, by a political subdivision of
18 this State or any agency or instrumentality of one or more thereof.

19 “Investor-owned public water system” means a public water
20 system that is a public utility as defined in R.S.48:2-13 and subject
21 to the jurisdiction of the board pursuant to Title 48 of the Revised
22 Statutes.

23 “Lead service line” means a service line that is found to contain
24 lead.

25 “Public water system” shall have the same meaning as defined in
26 section 3 of P.L.1977, c.224 (C.58:12A-3). “Public water system”
27 shall not include a water company not under the jurisdiction of the
28 board as provided in section 1 of P.L.1997, c.203 (C.48:2-13.2).

29 “Service line” means the pipe, tubing, and fittings connecting a
30 water main to a building that serves a customer of a public water
31 system.

32
33 2. a. No later than 18 months after the effective date of P.L. ,
34 c. (C.) (pending before the Legislature as this bill), each
35 public water system in the State shall compile and submit to the
36 department an inventory of all known lead service lines in use in its
37 distribution system. The department may prescribe data management
38 means and methods to provide for the receipt of uniform submissions
39 by public water systems. In compiling the lead service line inventory
40 pursuant to this section, the public water system shall make a
41 reasonable effort, which may be achieved through statistical analysis,
42 to determine the existence or absence of a lead service line at each
43 service connection in its distribution system. The department may
44 require a public water system to update its lead service line inventory
45 periodically until the department determines that the lead service line
46 inventory is complete.

47 b. No later than 90 days after the effective date of P.L. , c.
48 (C.) (pending before the Legislature as this bill), the

1 department shall develop and publish on its Internet website a
2 guidance document to assist public water systems in compiling the
3 lead service line inventories required pursuant to this section. The
4 guidance document shall reference industry best practices and
5 standards for identifying lead service lines.

6 c. A public water system shall make its lead service line
7 inventory available upon request and at no cost to appropriate State
8 and local government officials served by the public water system, and
9 shall publish its lead service line inventory on its Internet website.

10
11 3. a. No later than 90 days after submission of its lead service
12 line inventory pursuant to section 2 of P.L. , c. (C.) (pending
13 before the Legislature as this bill), and periodically thereafter as the
14 department may require, a public water system shall send to each
15 customer and, if a landlord-tenant relationship is known, to both the
16 landlord and each head of household tenant of a property that is served
17 by a lead service line, a notice of the existence of a lead service line
18 serving the customer's property. The notice shall be in a form and
19 manner as determined by the department, and shall include, but not be
20 limited to, information about the sources of lead in drinking water,
21 including lead service lines and household plumbing, the health effects
22 of lead exposure, and steps customers can take to reduce their
23 exposure to lead in drinking water.

24 b. If a public water system serves a municipality in which the
25 primary language of 10 percent or more of the residents is a language
26 other than English, the public water system shall provide the notice
27 required pursuant to subsection a. of this section in both English and
28 that other language to residents of that municipality.

29
30 4. a. Except as provided in subsection b. of this section, if a
31 public water system determines that a customer in its distribution
32 system is served by a lead service line, the public water system shall
33 replace the entire lead service line. A public water system shall not,
34 except upon the department's approval for circumstances in which
35 there are emergent public health risks, conduct a partial lead service
36 line replacement.

37 b. A public water system that undertakes the replacement of a
38 lead service line pursuant to subsection a. of this section shall first
39 provide notice of the planned replacement to the owner of the property
40 that is served by the lead service line. The owner and any head of
41 household tenant shall provide the public water system with
42 reasonable access to the owner's property to undertake the
43 replacement in accordance with any rules and regulations adopted by
44 the department. If a public water system is not granted access and
45 approval by the property owner to replace the entire lead service line
46 on the private property or to make improvements as are necessary or as
47 otherwise provided by law, then the public water system shall not
48 replace any portion of the lead service line.

1 5. a. One hundred percent of the costs of undertaking and
2 funding the replacement of lead service lines pursuant to P.L. , c.
3 (C.) (pending before the Legislature as this bill) shall be borne
4 by all of the customers of an investor-owned public water system
5 and those costs may be included in the investor-owned public water
6 system's rate base or otherwise be recoverable from customers in a
7 manner determined by the board.

8 b. Before an investor-owned public water system shall recoup
9 the cost of lead service line replacement from its customers
10 pursuant to subsection a. of this section, the board shall, in a
11 manner determined by the board in consultation with the
12 department, first approve the investor-owned public water system's
13 plan for the replacement of the lead service lines connected to the
14 investor-owned public water system's distribution system. The
15 investor-owned public water system's plan shall address the
16 following:

17 (1) a description of how the replacement of lead service lines
18 will be accomplished in conjunction with other investor-owned
19 public water system distribution system replacement projects;

20 (2) the estimated savings in costs per lead service line that
21 would be realized by the investor-owned public water system
22 replacing a customer-owned portion of a lead service line versus the
23 anticipated replacement costs if a customer was required to replace
24 the customer-owned portion of a lead service line;

25 (3) the investor-owned public water system's proposal for
26 addressing the costs of site restoration work necessitated by
27 structures or improvements located within the investor-owned
28 public water system's distribution system used to connect with the
29 customer-owned portion of lead service lines;

30 (4) the investor-owned public water system's proposal for:

31 (a) communicating with a customer the investor-owned public
32 water system's plan to replace the lead service line; and

33 (b) documenting the customer's consent or lack of consent to
34 have the investor-owned public water system replace the lead
35 service line; and

36 (5) the estimated total cost to replace all customer-owned
37 portions of lead service lines within or connected to the investor-
38 owned public water system's distribution system and an estimated
39 range for the annual cost to be incurred by the investor-owned
40 public water system under the investor-owned public water system's
41 lead service line replacement plan.

42
43 6. a. One hundred percent of the costs of undertaking and
44 funding the replacement of lead service lines pursuant to P.L. , c.
45 (C.) (pending before the Legislature as this bill) shall be borne
46 by all of the customers of a government-owned public water system
47 and those costs may be assessed to customers of a government-
48 owned public water system in a manner determined by the director.

1 b. Before a government-owned public water system shall
2 recoup the cost of lead service line replacement from its customers
3 pursuant to subsection a. of this section, the director shall, in a
4 manner determined by the director in consultation with the
5 department, first approve the government-owned public water
6 system's plan for the replacement of the lead service lines connected
7 to the government-owned public water system's distribution system.
8 The government-owned public water system's plan shall address the
9 following:

10 (1) a description of how the replacement of lead service lines
11 will be accomplished in conjunction with other government-owned
12 public water system distribution system replacement projects;

13 (2) the estimated savings in costs per lead service line that
14 would be realized by the government-owned public water system
15 replacing a customer-owned portion of a lead service line versus the
16 anticipated replacement costs if a customer was required to replace
17 the customer-owned portion of a lead service line;

18 (3) the government-owned public water system's proposal for
19 addressing the costs of site restoration work necessitated by
20 structures or improvements located within the government-owned
21 public water system's distribution system used to connect with the
22 customer-owned portion of lead service lines;

23 (4) the government-owned public water system's proposal for:

24 (a) communicating with a customer the government-owned
25 public water system's plan to replace the lead service line; and

26 (b) documenting the customer's consent or lack of consent to
27 have the government-owned public water system replace the lead
28 service line; and

29 (5) the estimated total cost to replace all customer-owned
30 portions of lead service lines within or connected to the
31 government-owned public water system's distribution system and an
32 estimated range for the annual cost to be incurred by the
33 government-owned public water system under the government-
34 owned public water system's lead service line replacement plan.

35

36 7. a. No later than one year after submission of the lead service
37 line inventory pursuant to subsection a. of section 2 of P.L. , c.
38 (C.) (pending before the Legislature as this bill), each public
39 water system shall submit to the department a schedule for the
40 replacement of known lead service lines in use in its distribution
41 system. The schedule shall include a range for the number of lead
42 service lines estimated to be replaced annually and a range for the total
43 feet of lead service lines estimated to be replaced annually. The
44 schedule shall provide that at least 10 percent of all known lead service
45 lines as of the date of that submission shall be replaced by the public
46 water system annually and that all known lead service lines shall be
47 replaced by the public water system within 10 years from the date of
48 that submission; provided, however, that a public water system may

1 apply to the department for a reasonable extension of these deadlines if
2 the public water system adequately demonstrates that it is warranted
3 due to the need to prioritize a non-lead public health risk within the
4 system.

5 b. No later than 30 days after submission of a lead service line
6 replacement schedule pursuant to subsection a. of this section, the
7 department shall approve or deny the schedule, based on requirements
8 or standards it establishes pursuant to subsection a. of this section. If
9 the department fails to act within 30 days after submission of a
10 schedule, the schedule shall be deemed approved. If the department
11 denies a schedule, it shall provide a written explanation for why the
12 schedule was denied and propose a revised schedule to the public
13 water system. If a public water system rejects the department's
14 proposed revised schedule, the public water system and the department
15 shall develop a compromise schedule within 30 days.

16 c. No later than December 31 of each year, a public water system
17 shall submit to the department and publish on its Internet website a
18 report, in a form and manner as may be determined by the department,
19 detailing the public water system's progress in replacing lead service
20 lines pursuant to P.L. , c. (C.) (pending before the
21 Legislature as this bill). Once the department determines that a
22 public water system has completed the replacement of all lead service
23 lines within the public water system's service area, the public water
24 system shall no longer be required to submit the report.

25

26 8. a. The Department of Environmental Protection may
27 adopt, pursuant to the "Administrative Procedure Act," P.L.1968,
28 c.410 (C.52:14B-1 et seq.), any rules and regulations necessary to
29 implement sections 2, 3, 4, and 7 of P.L. , c. (C.) (pending
30 before the Legislature as this bill).

31 b. The Board of Public Utilities may adopt, pursuant to the
32 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
33 seq.), any rules and regulations necessary to implement section 5 of
34 P.L. , c. (C.) (pending before the Legislature as this bill).

35 c. The Department of Community Affairs may adopt, pursuant
36 to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
37 1 et seq.), any rules and regulations necessary to implement section
38 6 of P.L. , c. (C.) (pending before the Legislature as this
39 bill).

40

41 9. a. Notwithstanding the provisions of any law, rule,
42 regulation, or order to the contrary, there is established in the
43 Department of Education a program which shall be known as the
44 "School Lead Water Expedited Remediation Program." Any school
45 district in need of removing and replacing water piping, water
46 fixtures, and other materials responsible for introducing lead into
47 the school district's water supply from school district property, as

1 determined by the school district, shall be eligible to apply to the
2 Department of Education for participation in the program.

3 b. Within 180 days of the effective date of this section, a
4 school district shall submit a plan for program eligibility to the
5 Department of Education in a form and manner as determined by the
6 department. The Department of Education, in consultation with the
7 Department of Environmental Protection, shall approve or reject a
8 plan submitted by a school district within 90 days of receipt of the
9 plan. The Department of Education shall approve any revised plan
10 submitted by a school district, as determined by the department,
11 prior to the expiration of this section. Any plan submitted by a
12 school district that is not approved by the Department of Education
13 prior to the expiration of this section shall be null, void, and of no
14 effect.

15 c. If a plan submitted by a school district is approved by the
16 Department of Education, a school district shall be authorized to
17 issue bonds for the express purpose of financing and
18 implementation of the plan. An issuance of bonds shall be deemed
19 approved if the board of education of a school district approves a
20 plan by a vote of at least two-thirds of the full membership of the
21 board of education. An issuance of bonds to finance an approved
22 plan shall not be subject to voter approval. Bonds issued pursuant
23 to this subsection shall be for a term no longer than 15 years. A
24 school district issuing bonds pursuant to this subsection shall be
25 fully eligible for State debt service aid under any existing State
26 funding formula for school district debt.

27 d. A school district shall submit a report to the Department of
28 Education upon completion of its plan in a form and manner as
29 determined by the department.

30 e. The State Board of Education may adopt, pursuant to the
31 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
32 seq.), any rules and regulations necessary to implement section 9 of
33 P.L. , c. (C.) (pending before the Legislature as this bill).
34

35 10. This act shall take effect immediately, and section 9 shall
36 expire five years thereafter.
37
38

39 STATEMENT

40
41 This bill requires a public water system (PWS) to develop a lead
42 service line inventory and schedule for the replacement of lead
43 service lines in its distribution system. Current law defines a PWS
44 as a system providing the public with potable water if the system
45 has at least 15 service connections or regularly serves an average of
46 at least 25 individuals daily at least 60 days out of the year.

47 Specifically, within 18 months after the effective date of the bill,
48 each PWS in the State is required to compile and submit to the

1 Department of Environmental Protection (DEP) an inventory of
2 known lead service lines in use in its distribution system. In
3 compiling the lead service line inventory, the PWS is required to
4 make a reasonable effort to determine the existence or absence of a
5 lead service line at each service connection in the distribution
6 system. The DEP is to publish guidance on its Internet website to
7 assist a PWS in compiling its lead service line inventory. A PWS is
8 required to make its inventory available upon request and at no cost
9 to State and local government officials served by the PWS, and to
10 publish its inventory on its Internet website.

11 Within 90 days after submission of its lead service line inventory
12 to the DEP, the bill requires a PWS to send to each customer and, if
13 a landlord-tenant relationship is known, to both the landlord and
14 each head of household tenant of a property that is served by a lead
15 service line, a notice of the existence of the lead service line serving
16 the customer's property. The notice is to include information about
17 the sources of lead in drinking water, including lead service lines
18 and household plumbing, the health effects of lead exposure, and
19 steps customers can take to reduce their exposure to lead in
20 drinking water.

21 Under the bill, if a PWS determines that a customer in its
22 distribution system is served by a lead service line, the PWS is to be
23 required to replace the entire lead service line. A PWS is prohibited
24 from conducting a partial lead service line replacement, except
25 upon the DEP's approval for a situation in which there are emergent
26 public health risks. A PWS that undertakes the replacement of a
27 lead service line is to first provide notice of the planned
28 replacement to the property owner served by a lead service line.
29 The property owner and any head of household tenant is required to
30 provide the PWS with reasonable access to the property to
31 undertake that replacement.

32 The bill allows a PWS to assess to all of its customers 100
33 percent of the costs of replacing lead service lines and establishes a
34 process by which a PWS is to submit a cost reimbursement plan to
35 either the Board of Public Utilities for a private utility, or the
36 Director of Local Government Services in the Department of
37 Community Affairs for a government utility, prior to plan approval.
38 The PWS's plan is to address:

39 1) a description of how the replacement of lead service lines
40 will be accomplished in conjunction with other PWS distribution
41 system replacement projects;

42 2) the estimated savings in costs per lead service line that
43 would be realized by the PWS replacing a customer-owned portion
44 of a lead service line versus the anticipated replacement costs if a
45 customer was required to replace the customer-owned portion of a
46 lead service line;

47 3) the PWS's proposal for addressing the costs of site
48 restoration work necessitated by structures or improvements located

1 within the PWS's distribution system used to connect with the
2 customer-owned portion of lead service lines;

3 4) the PWS's proposal for communicating with a customer the
4 PWS's plan to replace the lead service line and documenting the
5 customer's consent or lack of consent to have the PWS replace the
6 customer-owned portion of a lead service line; and

7 5) the estimated total cost to replace all customer-owned
8 portions of lead service lines within or connected to the PWS's
9 distribution system and an estimated range for the annual cost to be
10 incurred by the PWS under their lead service line replacement plan.

11 Under the bill, within one year after submission of its lead
12 service line inventory, each PWS is required to submit to the DEP a
13 schedule for the replacement of known lead service lines in use in
14 its distribution system for the DEP's approval, provided that at least
15 10 percent of all known lead service lines are to be replaced by the
16 PWS annually and that all known lead service lines are to be
17 replaced by the PWS within 10 years from the date of that
18 submission, except that a PWS may apply to the DEP for a
19 reasonable extension of these deadlines if the PWS adequately
20 demonstrates that it is warranted due to the need to prioritize a non-
21 lead public health risk within the system. Further, no later than
22 December 31 of each year, a PWS is required to submit to the DEP
23 and publish on its Internet website a report detailing the PWS's
24 progress in replacing lead service lines as required under the bill.
25 Once the DEP determines that a PWS has completed the
26 replacement of all lead service lines within the PWS's service area,
27 the PWS is no longer required to submit the report.

28 The bill establishes in the Department of Education (DOE) a
29 program known as the "School Lead Water Expedited Replacement
30 Program" (program). Any school district in need of removing and
31 replacing water piping, water fixtures, and other materials
32 responsible for introducing lead into the school district's water
33 supply from school district property is eligible to apply to the DOE
34 for participation in the program and after submitting a plan for
35 program eligibility (plan) to the DOE for approval. A school
36 district deemed eligible for the program is authorized to issue bonds
37 for the express purpose of the financing and implementation of its
38 plan. A bond issuance to finance a plan is to be approved if the
39 board of education for the school district approves the bond
40 issuance by a vote of at least two-thirds of the full membership of
41 the board of education. A bond issuance is not to be subject to
42 voter approval. Bonds are to be for a term of no longer than 15
43 years. A school district participating in the program is to be fully
44 eligible for State debt service aid under any existing State funding
45 formula for school district debt.