

ASSEMBLY SPECIAL COMMITTEE ON INFRASTRUCTURE
AND NATURAL RESOURCES

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, Nos. 2200 and 2631

STATE OF NEW JERSEY

DATED: DECEMBER 10, 2020

The Assembly Special Committee on Infrastructure and Natural Resources reports favorably a Committee Substitute for Assembly Bill Nos. 2200 and 2631.

This committee substitute would amend and supplement the “Water Supply Management Act” to require the State’s water purveyors (i.e., public and private water providers) who regularly serve at least 3,300 individuals to conduct annual water loss audits.

Specifically, beginning no later than 24 months after the bill is enacted into law, every water purveyor serving at least 3,300 individuals would 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 would include a requirement to notify the water purveyor’s customers of the water loss reported in the water audit 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. In addition, public water utilities regulated by the Board of Public Utilities would be required to provide the board with a completed and validated water loss audit.

The bill would also require the DEP to adopt, no sooner than 36 months and no later than 48 months after the date of enactment of the bill into law, regulations: (1) specifying 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) setting forth performance standards to be met by a water purveyor concerning the volume of water losses.

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 enactment of the bill, 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 also require the DEP to provide technical assistance to water purveyors concerning: (1) the American Water Works Association's "Water Audits and Loss Control Programs, Manual M36" methodology, data tracking, and use of the associated Free Water Audit Software; and (2) available water loss reduction programs, including, but not limited to, metering techniques including testing, repair, and replacement, pressure management techniques, condition-based assessment techniques for transmission and distribution pipelines, and active leak detection. The DEP would establish a technical advisory committee to assist with the implementation of the bill.

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 shall receive highest priority in its asset management plan required pursuant to section 7 of P.L.2017, c.133 (C.58:31-7).

Lastly, the bill would update the definition section and make other technical amendments to the "Water Supply Management Act."