

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 968
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: FEBRUARY 7, 2020

SUMMARY

- Synopsis:** Requires public water systems to provide notice of elevated lead levels in drinking water to customers and local officials; requires landlords to notify tenants of elevated lead levels.
- Type of Impact:** Annual State and local expenditure increases.
- Agencies Affected:** Department of Environmental Protection and certain local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual Cost</u>
State Expenditure Increase	Indeterminate
Local Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that the bill would result in an indeterminate annual State and local expenditure increase to produce and mail to customers serviced by a public water system (PWS) written notice of elevated lead levels.

BILL DESCRIPTION

This bill would supplement the Safe Drinking Water Act to require public water systems to provide their customers, local health agencies, and municipal governments with expedited written notice by mail of elevated lead levels. The bill also requires landlords to notify tenants of elevated lead levels in drinking water.

The federal Lead and Copper Rule requires public water systems to periodically sample their water supplies to check the amount of lead present. If the concentration of lead in more than 10 percent of tap water samples collected during any monitoring period is greater than 15 parts per billion, the public water system is said to exceed the lead action level, and federal regulations require the public water system to take various actions. Among other things, the regulations require the public water system to deliver public education materials to its customers within 60 days after the end of the monitoring period.

In New Jersey, the Department of Environmental Protection enforces the federal drinking water regulations pursuant to the Safe Drinking Water Act. This bill would supplement the existing notice requirements by requiring the public water system to send out an expedited notice no later than 10 calendar days after the end of the monitoring period in which the public water system exceeds the lead action level. This notice would be provided to all customers serviced by the public water system, including schools and daycare centers, and all local health agencies and municipalities located within the system's service area.

Under the bill, this written notice would: (1) clearly state that the PWS is in exceedance of the lead action level; (2) explain what the lead action level is and the measurement process that the PWS is required to perform to monitor drinking water for lead; (3) provide additional information on the possible sources of lead in drinking water, the health effects of lead in drinking water, and measures a customer can take to reduce or eliminate lead in drinking water; and (4) state the responsibility of a landlord to distribute the notice to all tenants served by the public water system. The bill also requires a PWS to include a statement explaining these requirements in any notice or information provided to its customers concerning the presence of lead in drinking water.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill would produce an annual State expenditure increase, likely marginal, to the General Fund and an indeterminate annual local expenditure increase to produce and mail to customers serviced by a PWS written notice of elevated lead levels. The OLS is unable to determine a precise cost estimate since the number of PWS's that will experience an elevated lead level cannot be determined. However, the OLS notes that under the federal Lead and Copper Rule, if a PWS exceeds the federal lead action level during any monitoring period, the PWS is required to deliver public education materials to its customers within 60 days. Therefore, the costs associated with this bill could be mitigated to the extent that a PWS is already distributing materials to its customers pursuant to the federal law for elevated lead levels. However, the new expedited 10-day notification timeframe established by the bill could result in some cost increases for affected municipalities.

The OLS notes that there are approximately 3,700 individual water systems in active status in the State, which consist of: (1) 582 PWS such as those that serve municipalities; (2) 720 non-transient non-community systems such as those that serve businesses, hotels, and schools; and (3) 2,372 transient non-community systems such as those that serve businesses, camps, churches, hotels, and restaurants. The 582 PWS's that serve municipalities are split between investor-owned utilities and publicly-owned utilities (e.g., municipal utilities, regional utility authorities, and the State). Approximately 40 percent of New Jersey's population is served by four investor-owned utilities (New Jersey American Water, SUEZ, Middlesex Water, and Aqua-NJ), which operate in 300 municipalities. The remaining 60 percent, or 349 PWS, are municipalities, publicly-owned utilities operated by a municipal utility or regional utility authority. A small fraction of those 349 PWS's are owned and operated by the State so any expenditure increase is likely to be marginal.

Section: Environment, Agriculture, Energy and Natural Resources

*Analyst: Neha Mehta Patel
Associate Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).