

ASSEMBLY, No. 4825

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

Assemblyman ROBERT J. KARABINCHAK

District 18 (Middlesex)

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

Co-Sponsored by:

Assemblyman Benson, Assemblywomen Chaparro and Murphy

SYNOPSIS

Revises cybersecurity, asset management, and related reporting requirements in “Water Quality Accountability Act.”

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/27/2021)

1 AN ACT concerning cybersecurity and asset management at public
2 community water systems and amending and supplementing
3 P.L.2017, c.133.

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

7
8 1. Section 2 of P.L.2017, c.133 (C.58:31-2) is amended to read
9 as follows:

10 2. As used in **[this act]** P.L.2017, c.133 (C.58:31-1 et seq.):

11 "Board" means the Board of Public Utilities.

12 "Cybersecurity incident" means an event occurring on or
13 conducted through a computer network that jeopardizes the
14 integrity, confidentiality, or availability of computers, information
15 systems, communications systems, networks, physical or virtual
16 infrastructure controlled by computers or information systems, or
17 information residing thereon.

18 "Cybersecurity insurance policy" means an insurance policy
19 designed to mitigate losses from cybersecurity incidents, including,
20 but not limited to, data breaches, business interruption, and network
21 damage.

22 "Department" means the Department of Environmental
23 Protection.

24 "Industrial control system" means an information system used to
25 control industrial processes such as manufacturing, product
26 handling, production, or distribution. "Industrial control system"
27 includes supervisory control and data acquisition systems used to
28 control geographically dispersed assets, and distributed control
29 systems and smaller control systems using programmable logic
30 controllers to control localized processes.

31 "Information resource" means information and related resources,
32 such as personnel, equipment, funds, and information technology.

33 "Information system" means a discrete set of information
34 resources organized for the collection, processing, maintenance,
35 use, sharing, dissemination, or disposition of information.

36 "New Jersey Cybersecurity and Communications Integration
37 Cell" means the New Jersey Cybersecurity and Communications
38 Integration Cell established pursuant to Executive Order No. 178
39 (2015) in the New Jersey Office of Homeland Security and
40 Preparedness, or any successor entity.

41 "Public community water system" means the same as that term is
42 defined in subsection 1. of section 3 of P.L.1977, c.224 (C.58:12A-
43 3).

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 "Public water system" means the same as the term is defined in
2 section 3 of P.L.1977, c.224 (C.58:12A-3).

3 "Water purveyor" means any person that owns a public
4 community water system with more than 500 service connections.
5 (cf: P.L.2017, c.133, s.2)

6
7 2. Section 4 of P.L.2017, c.133 (C.58:31-4) is amended to read
8 as follows:

9 4. a. Within 120 days after the effective date of **[this act]**
10 P.L.2017, c.133 (C.58:31-1 et seq.), each water purveyor shall
11 develop a cybersecurity program, in accordance with requirements
12 established by the **[board]** New Jersey Cybersecurity and
13 Communications Integration Cell, as rules and regulations adopted
14 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
15 (C.52:14B-1 et seq.), that defines and implements organization
16 accountabilities and responsibilities for cyber risk management
17 activities, and establishes policies, plans, processes, and procedures
18 for identifying and mitigating cyber risk to its public community
19 water system. As part of the cybersecurity program, a water
20 purveyor shall: identify the individual chiefly responsible for
21 ensuring that the policies, plans processes, and procedures
22 established pursuant to this section are executed in a timely manner;
23 conduct risk assessments and implement appropriate controls to
24 mitigate identified risks to the public community water system **[,]** ;
25 maintain situational awareness of cyber threats and vulnerabilities
26 to the public community water system **[,]** ; and create and exercise
27 incident response and recovery plans. No later than 180 days after
28 the effective date of P.L. , c. (C.) (pending before the
29 Legislature as this bill), a water purveyor shall update its
30 cybersecurity program to conform to the requirements of section 3
31 of P.L. , c. (C.)(pending before the Legislature as this bill).

32 A water purveyor shall submit a copy of the cybersecurity
33 program developed pursuant to this subsection **[shall be provided]**
34 to the New Jersey Cybersecurity and Communications Integration
35 Cell, **[established pursuant to Executive Order No. 178 (2015) in**
36 the New Jersey Office of Homeland Security and Preparedness**]** in
37 a form and manner as determined by the New Jersey Cybersecurity
38 and Communications Integration Cell. A cybersecurity program
39 submitted pursuant to this subsection shall not be considered a
40 government record under P.L.1963, c.73 (C.47:1A-1 et seq.), and
41 shall not be made available for public inspection.

42 b. Within 60 days after developing the cybersecurity program
43 required pursuant to subsection a. of this section, each water
44 purveyor shall join the New Jersey Cybersecurity and
45 Communications Integration Cell **[,]** established pursuant to

1 Executive Order No. 178 (2015),**】** and create a cybersecurity
2 incident reporting process.

3 c. **【**A water purveyor that does not have an internet-connected
4 control system shall be exempt from the requirements of this
5 section.**】** (Deleted by amendment, P.L. , c. (pending before the
6 Legislature as this bill)

7 d. No later than 180 days after the effective date of
8 P.L. , c. (C.) (pending before the Legislature as this bill),
9 each water purveyor shall obtain a cybersecurity insurance policy
10 that meets any applicable standards adopted by the board.
11 (cf: P.L.2017, c.133, s.4)

12
13 3. (New section) a. In addition to the requirements of section 4
14 of P.L.2017, c.133 (C.58:31-4), and the requirements established by
15 the board pursuant thereto, no later than 180 days after the effective
16 date of P.L. , c. (C.) (pending before the Legislature as this
17 bill), each water purveyor shall update its cybersecurity program
18 developed pursuant to section 4 of P.L.2017, c.133 (C.58:31-4) to
19 apply to all of the public community water system's industrial
20 control systems, and to reasonably conform to the most recent
21 version of one or more of the following industry-recognized
22 cybersecurity frameworks:

23 (1) the Framework for Improving Critical Infrastructure
24 Cybersecurity developed by the National Institute of Standards and
25 Technology;

26 (2) the Center for Internet Security Critical Security Controls for
27 Effective Cyber Defense; or

28 (3) the International Organization for Standardization and
29 International Electrotechnical Commission 27000 family of
30 standards for an information security management system.

31 b. Whenever a final revision to one or more of the frameworks
32 listed in subsection a. of this section is published, a water purveyor
33 whose cybersecurity program reasonably conformed to that
34 framework shall revise its cybersecurity program to reasonably
35 conform to the revised framework, and submit a copy of the revised
36 cybersecurity program to the New Jersey Cybersecurity and
37 Communications Integration Cell, no later than 180 days after
38 publication of the revised framework.

39 c. No later than one year after the effective date of
40 P.L. , c. (C.) (pending before the Legislature as this bill),
41 and each year thereafter, each water purveyor shall submit to the
42 board, the department, and the New Jersey Cybersecurity and
43 Communications Integration Cell a certification demonstrating that
44 the water purveyor is in compliance with the requirements of this
45 section. The certification shall be made in the form and manner as
46 determined by the department, in consultation with the New Jersey
47 Cybersecurity and Communications Integration Cell. The

1 certification shall be signed by the responsible corporate officer of
2 the public community water system, if privately held, executive
3 director, if an authority, or mayor or chief executive officer of the
4 municipality, if municipally owned, as applicable.

5 d. The New Jersey Cybersecurity and Communications
6 Integration Cell shall cause to be audited, for compliance with the
7 requirements of section 4 of P.L.2017, c.133 (C.58:31-4) and this
8 section, any public community water system that fails to submit a
9 cybersecurity program as required pursuant to subsection a. of
10 section 4 of P.L.2017, c.133 (C.58:31-4), a revision pursuant to
11 subsection b. of this section, or a certification pursuant to this
12 section. Any audit shall be conducted by a qualified and
13 independent cybersecurity company, at the water purveyor's
14 expense. Following the audit, the water purveyor shall submit the
15 audit and any corrective action plans derived from the audit to the
16 New Jersey Cybersecurity and Communications Integration Cell.

17 e. A water purveyor shall, upon the request of the board, the
18 department, or the New Jersey Cybersecurity and Communications
19 Integration Cell, provide proof of compliance with the requirements
20 of this section, in a form and manner as determined by the board,
21 the department, or by the New Jersey Cybersecurity and
22 Communications Integration Cell.

23 f. The board shall update any requirements it has established for
24 cybersecurity programs pursuant to subsection a. of section 4 of
25 P.L.2017, c.133 (C.58:31-4) to conform to the requirements of this
26 section.

27
28 4. (New section) a. Beginning 90 days after the effective date
29 of P.L. , c. (C.) (pending before the Legislature as this
30 bill), a water purveyor shall report to the New Jersey Cybersecurity
31 and Communications Integration Cell, promptly after an employee
32 is made aware of a cybersecurity incident, and in accordance with
33 all applicable laws, rules, and regulations:

34 (1) any cybersecurity incident that results in the compromise of
35 the confidentiality, integrity, availability, or privacy of the water
36 purveyor's utility billing, communications, data management, or
37 business information systems, or the information thereon; and

38 (2) any cybersecurity incident against the water purveyor's
39 industrial control system, including monitoring, operations, and
40 centralized control systems, that adversely impact, disable, or
41 manipulate infrastructure, resulting in loss of service, contamination
42 of finished water, or damage to infrastructure.

43 b. No later than 30 days after receiving a report of a
44 cybersecurity incident from a water purveyor pursuant to subsection
45 a. of this section, the New Jersey Cybersecurity and
46 Communications Integration Cell shall cause to be audited the water
47 purveyor's cybersecurity program and any actions the water

1 purveyor took in response to the cybersecurity incident. The audit
2 shall identify cyber threats and vulnerabilities to the public
3 community water system, weaknesses in the public community
4 water system's cybersecurity program, and strategies to address
5 those weaknesses so as to protect the public community water
6 system from the threat of future cybersecurity incidents. Any audit
7 shall be conducted by a qualified and independent cybersecurity
8 company, at the water purveyor's expense. Following the audit, the
9 water purveyor shall submit the audit and any corrective action
10 plans derived from the audit to the New Jersey Cybersecurity and
11 Communications Integration Cell.

12
13 5. Section 6 of P.L.2017, c.133 (C.58:31-6) is amended to read
14 as follows:

15 6. a. In addition to any other certifications required pursuant to
16 law, rule, or regulation, the responsible corporate officer of the
17 public community water system, if privately held, executive
18 director, if an authority, or mayor or chief executive officer of the
19 municipality, if municipally owned, as applicable, shall be required
20 to certify in writing each year to the [Department of Environmental
21 Protection] department and, if applicable, the [Board of Public
22 Utilities] board, in a form and manner as determined by the
23 department, that the water purveyor complies with: all federal and
24 State drinking water regulations, including water quality sampling,
25 testing, and reporting requirements; the hydrant and valve
26 requirements set forth in section 3 of [this act] P.L.2017, c.133
27 (C.58:31-3); the notice of violation mitigation plan requirements set
28 forth in section 5 of [this act] P.L.2017, c.133 (C.58:31-5), if
29 applicable; and the infrastructure improvement investment required
30 pursuant to section 7 of [this act] P.L.2017, c.133 (C.58:31-7). A
31 water purveyor shall post the annual certification required pursuant
32 to this section on its Internet website, if applicable.

33 b. The department shall audit, or cause to be audited, for
34 compliance with the requirements of P.L.2017, c.133 (C.58:31-7),
35 any public community water system that fails to submit the
36 certification required pursuant to subsection a. of this section in a
37 timely manner. If the department finds that a water purveyor has
38 made a false or misleading statement in a certification submitted
39 pursuant to subsection a. of this section, the department shall
40 forward the matter to the Attorney General for further investigation
41 and, if necessary, criminal prosecution or other appropriate relief,
42 pursuant to any applicable State or federal law, rule, or regulation.

43 c. The department shall annually audit, or cause to be audited,
44 for compliance with the requirements of P.L.2017, c.133 (C.58:31-
45 7) a random selection of at least 10 percent of all public community
46 water systems in the State.

1 d. The department may require a water purveyor to pay the cost
2 of an audit ordered pursuant to this section.

3 (cf: P.L.2017, c.133, s.6)

4
5 6. Section 7 of P.L.2017, c.133 (C.58:31-7) is amended to read
6 as follows:

7 7. a. Beginning no later than 18 months after the effective date
8 of **【this act】** P.L.2017, c.133 (C.58:31-1 et seq.), every water
9 purveyor shall implement an asset management plan designed to
10 inspect, maintain, repair, and renew its infrastructure consistent
11 with standards established by the American Water Works
12 Association. The asset management plan shall include:

13 (1) a water main renewal program designed to achieve a 150-
14 year replacement cycle, or other appropriate replacement cycle as
15 determined by a detailed engineering analysis of the asset condition
16 and estimated service lives of the water mains serving the public
17 community water system , or by the department ;

18 (2) a water supply and treatment program designed to inspect,
19 maintain, repair, renew, and upgrade wells, intakes, pumps, and
20 treatment facilities in accordance with all federal and State
21 regulations, standards established by the American Water Works
22 Association, and any mitigation plan required pursuant to section 5
23 of **【this act】** P.L.2017, c.133 (C.58:31-5); and

24 (3) any other programs, plans, or provisions as may be required
25 by the department pursuant to rules and regulations adopted
26 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
27 (C.52:14B-1 et seq.).

28 Each water purveyor shall dedicate adequate funds on an annual
29 basis to address and remediate the highest priority projects as
30 determined by its asset management plan.

31 All asset management plans and system condition reports shall
32 be certified to by the licensed operator or professional engineer of
33 the public community water system and the responsible corporate
34 officer of the public community water system, if privately held,
35 executive director, if an authority, or mayor or chief executive
36 officer of the municipality, if municipally owned, as applicable.
37 The replacement cycle shall be determined by dividing the miles of
38 water main located in the public community water system by 150 or
39 other appropriate demonstration set forth in the certified asset
40 management plan prepared pursuant to this section.

41 b. **【At least once every three years】** No later than one year
42 after the effective date of P.L. , c. (C.) (pending before
43 the Legislature as this bill), and each year thereafter, each water
44 purveyor shall provide to the department and the board, if
45 applicable, a report based on its asset management plan prepared
46 pursuant to subsection a. of this section identifying **【the**
47 infrastructure improvements to be undertaken in the coming year

1 and the cost of those improvements, as well as identifying the
2 infrastructure improvements completed in the past year and the cost
3 of those improvements¹: (1) the infrastructure improvements
4 completed in the past three years and the cost of those
5 improvements, including improvements funded by emergency and
6 routine capital spending; (2) the infrastructure improvements
7 generally planned to be undertaken in the next three years and the
8 estimated cost of those improvements; and (3) the infrastructure
9 improvements that may be required over the next 10 years and the
10 estimated cost of those improvements. Compliance with this
11 subsection may be demonstrated through the submission of
12 evidence of completion of a detailed, comprehensive planning
13 study, facility master planning study, or other long range planning
14 study that is intended for use in developing three- and ten-year
15 capital improvement plans. A detailed comprehensive planning
16 study, facility master planning study, or other long range planning
17 study submitted pursuant to this subsection shall not be considered
18 a government record pursuant to P.L.1963, c.73 (C.47:1A-1 et seq.),
19 and shall not be made available for public inspection. A municipal
20 water department or municipal water authority shall also submit the
21 report required pursuant to this subsection to the Division of Local
22 Government Services in the Department of Community Affairs. A
23 water purveyor shall, upon request, provide a copy of its asset
24 management plan to the department, the board, or the Division of
25 Local Government Services in the Department of Community
26 Affairs.

27 c. The department, the board, and the Department of
28 Community Affairs shall create a centralized portal allowing for
29 electronic submittal of the report required pursuant to subsection b.
30 of this section. The lack of a centralized portal pursuant to this
31 subsection shall not negate the requirement for a water purveyor to
32 submit a report pursuant to subsection b. of this section.
33 (cf: P.L.2017, c.133, s.7)

34
35 7. (New section) a. In addition to the requirements of section
36 7 of P.L.2017, c.133 (C.58:31-7), no later than 18 months after the
37 effective date of P.L. , c. (C.) (pending before the
38 Legislature as this bill), each water purveyor shall revise its asset
39 management plan developed pursuant to section 7 of P.L.2017,
40 c.133 (C.58:31-7) to include:

41 (1) a comprehensive inventory, mapping, and evaluation of the
42 condition of the public community water system's following asset
43 classes: transmission and distribution piping, valves, service lines,
44 hydrants, water treatment plant facilities, and water supply facilities
45 including wells, reservoirs, and intakes;

46 (2) level of service goals for the public community water
47 system, based upon industry standards such as those established by

1 the American Water Works Association, which may include, but
2 need not be limited to, goals related to customer service and
3 accountability, energy and water efficiency and conservation, water
4 main breaks and service interruptions, and social and environmental
5 considerations;

6 (3) a priority order in which the public community water
7 system's assets, identified in the comprehensive inventory prepared
8 pursuant to paragraph (1) of this subsection, will be repaired or
9 replaced as part of the water purveyor's asset management plan,
10 based on each assets' importance to the proper function of the
11 public community water system, or business risk exposure; and

12 (4) a long-term funding strategy to implement the water
13 purveyor's asset management plan, including funding sources and
14 estimated annual expenditures to address prioritized repairs,
15 upgrades, and treatment.

16 b. The department shall, pursuant to the "Administrative
17 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), adopt rules
18 and regulations to implement the requirements of this section.
19

20 8. (New section) Any person who violates the provisions of
21 P.L.2017, c.133 (C.58:31-1 et seq.), or any rule or regulation
22 adopted pursuant thereto, shall be subject to the penalties and other
23 remedies set forth in section 10 of P.L.1977, c.224 (C.58:12A-10).
24 No later than 180 days after the effective date of
25 P.L. , c. (C.) (pending before the Legislature as this bill),
26 the department shall adopt, pursuant to the "Administrative
27 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), a schedule of
28 civil administrative penalties to be applied pursuant to this section
29 for specific violations of P.L.2017, c.133 (C.58:31-1 et seq.).
30

31 9. (New section) No later than one year after the effective date
32 of P.L. , c. (C.) (pending before the Legislature as this
33 bill), and annually thereafter, the department shall develop and
34 publish on its Internet website a report card for each water purveyor
35 in the State, indicating the water purveyor's compliance with
36 federal and State drinking water quality standards, its compliance
37 with the requirements of P.L.2017, c.133 (C.58:31-1 et seq.), and
38 any other factors the department deems appropriate. The report
39 card shall be designed to inform the public about the overall
40 condition of a public community water system, and the quality of
41 water coming from the public community water system.
42

43 10. (New section) No later than 18 months after the effective
44 date of P.L. , c. (C.) (pending before the Legislature as
45 this bill), and every three years thereafter, the department shall
46 prepare and submit a report to the Governor and, pursuant to section
47 2 of P.L.1991, c.164 (C.52:14-19.1), the Legislature assessing:

1 a. the data submitted by public community water systems
2 pursuant to subsections b. and c. of section 7 of P.L.2017, c.133
3 (C.58:31-7). The assessment shall include, but need not be limited
4 to, an analysis of the total estimated cost of infrastructure
5 improvements to public community water systems, Statewide,
6 required over the next 10 years; and

7 b. the compliance of public community water systems with the
8 requirements of P.L.2017, c.133 (C.58:31-1 et seq.) and the rules
9 and regulations adopted pursuant thereto.

10
11 11. (New section) The department and the board shall adopt,
12 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
13 (C.52:14B-1 et seq.), rules and regulations as are necessary to carry
14 out the provisions of P.L.2017, c.133 (C.58:31-1 et seq.).

15
16 12. Section 3 of P.L.2017, c.133 (C.58:31-3) is amended to read
17 as follows:

18 3. a. Each water purveyor shall inspect each valve in its public
19 community water system in accordance with the provisions of
20 subsection b. of this section in order to determine (1) accessibility
21 of the valve for operational purposes, and (2) the valve's operating
22 condition. A water purveyor shall repair or replace any valve found
23 to be broken or otherwise not operational.

24 b. Each water purveyor shall inspect each valve that is 12 or
25 more inches in diameter at least once every two years, and shall
26 inspect all other valves at least once every four years , except that
27 the requirements of this subsection shall not apply to any service
28 connection valve or customer shut-off valve . At a minimum, each
29 valve inspection conducted pursuant to this subsection shall
30 include:

31 (1) clearing of the area around the valve to ensure full access to
32 the valve for operating purposes;

33 (2) cleaning out of the valve box;

34 (3) dynamic testing of the valve, by opening and then closing
35 the valve for either of the following number of turns:

36 (a) the number of turns recommended by the valve manufacturer
37 to constitute a credible test; or

38 (b) the number of turns which constitutes 15 percent of the total
39 number of turns necessary to completely open or completely close
40 the valve ; and

41 (4) complying with any other criteria as may be required by the
42 department pursuant to rules and regulations adopted pursuant to
43 the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-
44 1 et seq.).

45 c. (1) Each water purveyor shall, once a year, test every fire
46 hydrant in its system in order to determine the hydrant's working
47 condition.

1 (2) Each water purveyor shall formulate and implement a plan
2 for flushing every fire hydrant in the public community water
3 system, and every dead end of a main in the public community
4 water system. This plan for flushing may be combined with the
5 periodic testing of fire hydrants required pursuant to paragraph (1)
6 of this subsection.

7 d. Each water purveyor shall keep a record of all inspections,
8 tests, and flushings conducted pursuant to this section for a period
9 of at least six years.

10 e. Each water purveyor that owns, solely or jointly, a fire
11 hydrant shall mark each hydrant with the initials of its name,
12 abbreviation of its name, corporate symbol, or other distinguishing
13 mark or code by which ownership may be readily and definitely
14 ascertained. Each fire hydrant shall be marked with a number or
15 symbol, or both, by which the location of the hydrant may be
16 determined on the water purveyor's office records. The markings
17 may be made with paint, brand, or with a soft metal plate, and shall
18 be of such size and so spaced and maintained as to be easily read.

19 f. Each water purveyor shall identify, to the extent possible,
20 the geographic location of each valve and fire hydrant in its public
21 community water system using a global positioning system based
22 on satellite or other location technology.

23 (cf: P.L.2017, c.133, s.3)
24

25 13. Section 5 of P.L.2017, c.133 (C.58:31-5) is amended to read
26 as follows:

27 5. In addition to any other requirements in law, or any rule or
28 regulation adopted pursuant thereto, whenever a water purveyor is
29 issued , pursuant to section 10 of P.L.1977, c.224 (C.58:12A-10) ,
30 three notices of violation for any reason or two notices of violation
31 related to an exceedance of a maximum contaminant level within
32 any 12-month period, the water purveyor, within 60 days after
33 receipt of the third or second notice, as applicable, shall submit to
34 the department a mitigation plan specifying whether the notice of
35 violation will be addressed through operational changes or require a
36 capital expenditure and providing a schedule for implementation of
37 the mitigation plan. The mitigation plan shall include a report
38 prepared by the licensed operator of the public community water
39 system and a professional engineer licensed pursuant to P.L.1938,
40 c.342 (C.45:8-27 et seq.) that includes a technical analysis of the
41 notices of violation and an explanation of how the mitigation plan
42 submitted pursuant to this section is intended to prevent a
43 recurrence of the issue that resulted in the notice of violation. Any
44 capital expenditures required pursuant to this section shall be
45 incorporated into the asset management plan required pursuant to
46 section 7 of **【this act】** P.L.2017, c.133 (C.58:31-7).

47 (cf: P.L.2017, c.133, s.5)

1 14. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill revises the cybersecurity, asset management, and
7 related reporting requirements in the “Water Quality Accountability
8 Act” (WQAA), and adoption of rules and regulations implementing
9 the WQAA. The bill also amends the WQAA to provide the law
10 applies to “public community water systems” instead of “public
11 water systems,” and defines the term “public community water
12 system” as the term is defined in the “Safe Drinking Water Act,”
13 P.L.1977, c.224 (C.58:12A-1 et seq.).

14 The WQAA currently requires water purveyors to develop
15 cybersecurity programs and obtain cybersecurity insurance. The
16 bill requires water purveyors to update their cybersecurity programs
17 to meet new requirements within 180 days after its effective date.
18 These new requirements include updating cybersecurity programs to
19 apply to all of the public water system’s industrial control systems,
20 reasonably conforming these programs to the most recent version of
21 certain industry-recognized cybersecurity frameworks, and annually
22 certifying compliance with these requirements. The bill requires
23 water purveyors, beginning 90 days after its effective date, to report
24 promptly to the New Jersey Cybersecurity and Communications
25 Integration Cell (NJCCIC) cybersecurity incidents. The bill directs
26 the NJCCIC to develop requirements for the water purveyors’
27 cybersecurity programs and requires the water purveyors submit
28 their cybersecurity plans and revisions to the NJCCIC. The bill
29 deletes the exemption for water purveyors that do not have an
30 internet-connected control system.

31 The WQAA currently requires water purveyors, as part of their
32 asset management plans, to develop a water main renewal program
33 designed to achieve a 150-year replacement cycle, or other
34 appropriate replacement cycle as determined by a detailed
35 engineering analysis. Additionally, the bill requires each water
36 purveyor, within one year after its effective date and every year
37 thereafter, to submit to the DEP a more detailed report based on its
38 asset management plan. The report is to identify: (1) the
39 infrastructure improvements completed in the past three years and
40 the cost of those improvements; (2) the infrastructure improvements
41 planned to be undertaken in the next three years and the estimated
42 cost of those improvements; and (3) the infrastructure
43 improvements that will be required over the next 10 years and the
44 estimated cost of those improvements. The bill also requires a
45 water purveyor to provide, upon request, a copy of its asset
46 management plan to the DEP, the BPU, or the Division of Local
47 Government Services in the Department of Community Affairs.

1 The bill further requires water purveyors, within 18 months after
2 its effective date, to revise their asset management plans to include:
3 (1) a comprehensive inventory, mapping, and condition assessment
4 of the public water system's assets; (2) level of service goals for the
5 public water system; (3) a priority order in which the public water
6 system's assets will be repaired or replaced as part of the water
7 purveyor's asset management plan; and (4) a long-term funding
8 strategy to implement the water purveyor's asset management plan.
9 Compliance may be demonstrated through the submission of
10 evidence of completion of a detailed, comprehensive planning
11 study, facility master planning study, or other long range planning
12 study that is intended for use in developing three- and ten-year
13 capital improvement plans. A water purveyor's detailed
14 comprehensive planning study, facility master planning study, or
15 other long range planning study submitted pursuant to these
16 requirements shall not be considered a government record and shall
17 not be made available for public inspection. Water purveyors are
18 required to post the annual certification, required by the WQAA, on
19 their Internet websites, if applicable.

20 The bill also requires the DEP, within one year after its effective
21 date and annually thereafter, to develop and publish on its Internet
22 website a report card for each water purveyor in the State,
23 indicating the water purveyor's compliance with federal and State
24 drinking water quality standards, its compliance with the
25 requirements of the WQAA, and any other factors the DEP deems
26 appropriate. The report card is to be designed to inform the public
27 about the overall condition of a public water system, and the quality
28 of water coming from the public water system.

29 Additionally, the bill requires the DEP, within 18 months after
30 its effective date and every three years thereafter, to conduct an
31 assessment of certain data submitted by water purveyors under the
32 WQAA. The assessment is to include, but need not be limited to,
33 an analysis of the total, Statewide estimated cost of infrastructure
34 improvements to water purveyors required over the next 10 years.
35 The report is also to include an assessment of the compliance of
36 public water systems with the requirements of the WQAA. The
37 department is to submit a report containing the results of each such
38 assessment to the Governor and the Legislature.

39 The bill also authorizes the NJCCIC to audit, for compliance
40 with the cybersecurity provisions of the WQAA, any public
41 community water system that fails to submit its cybersecurity
42 program, any updates to the program, or its cybersecurity
43 certification. These audits may be made by a qualified and
44 independent cybersecurity company at the water purveyor's
45 expense. The bill requires the DEP to audit any public community
46 water system that fails to submit the certification required under
47 section 6 of the WQAA in a timely manner. If the DEP finds that a

1 water purveyor has made a false or misleading statement in a
2 certification submitted pursuant to the WQAA or this bill, the DEP
3 is directed to forward the matter to the Attorney General for further
4 investigation and, if appropriate, criminal prosecution or other
5 relief.