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STATE OF NEW JERSEY 219th LEGISLATURE

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SYNOPSIS

Requires public community water systems to inventory and replace lead service lines within 10 years; provides for recoupment of costs by investorowned public water systems.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 17, 2021, with amendments.

(Sponsorship Updated As Of: 6/21/2021)

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1 AN ACT concerning the replacement of lead service lines and 2 supplementing Title 58 of the Revised Statutes. 3 4 **BE IT ENACTED** by the Senate and General Assembly of the State 5 of New Jersey: 6 7 1. The Legislature finds that the presence of lead in drinking water represents a threat to the public health, especially the health 8 9 and development of New Jersey's children; that pipes containing 10 lead that connect water mains to homes and other buildings, often called lead service lines, are a primary source of lead in drinking 11 12 water; and that, due in part to the age of New Jersey's housing, 13 there does not exist a full and complete inventory of all lead service lines in the State. 14 15 The Legislature therefore declares that public water systems 16 should fully inventory all service lines and gradually replace all 17 lead services lines, portions of which may exist on private property; 18 and that, given the risk to public health and the resulting social 19 costs that lead exposure imposes upon society as a whole, it is in the 20 public interest that each public water system be obligated to replace 21 lead service lines, including those that exist on private property, and be authorized to recoup the costs of lead service line replacements 22 23 from all subscribers of the public water system. 24 25 2. As used in this act: 26 "Board" means the Board of Public Utilities or any successor 27 agency. 28 ¹"Customer" means a property owner or lessee who receives, and 29 is required to pay, a water utility bill for water being supplied to the 30 property. 31 "Distributed System Improvement Charge" means a surcharge 32 that is imposed by an investor-owned public community water 33 system on its customers, with the approval of the board, to enable 34 the system to recoup the costs of non-revenue producing 35 infrastructure improvements outside the context of a base rate case.¹ "Gooseneck, pigtail, or connector" means the short section of 36 flexible piping, usually one to two feet long, which is used to 37 38 connect rigid sections of service line piping. 39 ¹"Government-owned public community water system" means a public community water system established, pursuant to law, by a 40 political subdivision of this State or an agency or instrumentality of 41 42 one or more thereof.¹ "Investor-owned public ¹community¹ water system" means a 43 public $\frac{1}{\text{community}}$ water system that is a public utility, as defined 44 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 <u>thus</u> is new matter.

Matter enclosed in superscript numerals has been adopted as follows: ¹Assembly ANR committee amendments adopted March 15, 2021.

²Senate SBA committee amendments adopted June 17, 2021.

1 in R.S.48:2-13, and which is subject to the jurisdiction of the board 2 pursuant to Title 48 of the Revised Statutes. "Lead service line" means a ¹[service line] water supply 3 <u>connection</u>¹ that is made of, or lined with, ¹[materials containing] \underline{a} 4 material consisting of¹ lead¹, and which connects a water main to a 5 <u>building inlet</u>¹. ¹["Lead service line" shall include a] \underline{A}^1 lead 6 ¹<u>pigtail, lead</u>¹ gooseneck, ¹[pigtail,]¹ or ¹[connector] <u>other lead</u> 7 fitting shall be considered to be a lead service line¹, regardless of 8 the composition of the ¹[rigid sections of]¹ service line ¹<u>or other</u> 9 <u>portions of</u>¹ piping to which ¹ [they are] <u>such piece is</u>¹ attached. 10 ¹["Lead service line" shall also include a] A galvanized¹ service 11 line ¹[composed of galvanized steel] <u>shall be considered to be a</u> 12 13 lead service line. A lead service line may be owned by the public 14 community water system, a property owner, or both¹. ¹"Non-paying consumer" means the lessee or primary occupant 15 of institutional, commercial, or residential space in a system's 16 17 service area, who does not receive, and is not required to pay, a water utility bill for water supplied to the property. 18 "Off-site owner" means the owner of residential, commercial, or 19 20 institutional property located within the service area of a public 21 community water system, who resides at another property, outside 22 the service area, and who does not receive, and is not required to 23 pay, a water utility bill for water being supplied to the owner's property in the service area.¹ 24 25 "Partial replacement" means the act of replacing any service line component without replacing the entire service line. 26 27 ¹ "Property owner" means the owner of residential, commercial, or educational institution property located within the service area of 28 a public community water system.¹ 29 "Property $\frac{1}{2}$ owner side" means the portion of a service line $\frac{1}{2}$ that 30 31 \underline{is}^1 owned by a property owner. "Public ¹community¹ water system" ¹or "system"¹ means a 32 ¹<u>public water</u>¹ system ¹[for the provision to the public of water for 33 human consumption through pipes or other constructed 34 35 conveyances, if the system] or the owner of a public water system, as that term is defined by section 3 of P.L.1977, c.224 (C.58:12A-36 <u>3), which system either:</u>¹ has at least 15 service connections 1 <u>that</u> 37 are used by year-round residents;¹ or regularly serves ¹[an average 38 of]¹ at least 25 ¹[individuals daily at least 60 days out of the year] 39 year-round residents¹. "Public ¹community¹ water system" ¹[shall 40 include: (1) any collection, treatment, storage and distribution 41 42 facilities under control of the operator of the system and used primarily in connection with the system; and (2) any collection or 43 44 pre-treatment storage facilities not under control of the operator 45 which are used primarily in connection with the system. "Public 46 water system" shall also include the operator of the system. "Public

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water system" shall not include transient, non-community systems] 1 includes an investor-owned public community water system¹. 2 3 ¹["Public water system side" means the portion of a service line owned by a public water system.]¹ 4 "Service line" means any piping, tubing, and fittings connecting 5 a water main to a building that serves a customer of a public water 6 system. "Service line" ¹[shall include] <u>includes</u>¹ the property¹-7 ¹owner side and the ¹[public water]¹ system side of a service line. 8 ¹"System side" means the portion of a service line that is owned 9 by a public community water system.¹ 10 11 3. a. Each public $\frac{1}{\text{community}}$ water system in the State shall 12 develop a service line inventory $\frac{1}{2}$ in accordance with the 13 14 requirements of this section, in order to determine the existence or absence of a lead service line at each service connection in its 15 16 service area. The service line inventory shall include information 17 about service line locations and the composition of service lines at 18 each location. The department may prescribe data management 19 means and methods to provide for the receipt of uniform 20 submissions of the service line inventory by public ¹community¹ 21 water systems. b. No later than 1 [30] <u>60</u> 1 days after the effective date of this 22 act, a public ¹<u>community</u>¹ water system shall compile and submit¹,¹ 23 to the department¹,¹ an initial count ¹[of] <u>showing</u>¹ the number of 24 25 lead service lines and the number of service lines of unknown composition that are known to be present in the $1 \frac{\text{system's}}{\text{system's}}$ service 26 area ¹ [of the public water system], as well as the number of lead 27 service lines that are to be replaced annually, based on the 28 29 replacement rate established pursuant to paragraph (1) of subsection 30 b. of section 5 of this act¹. c. No later than six months after the effective date of this act, a 31 32 public ¹community¹ water system shall submit to the department an initial service line inventory. The inventory shall include: 33 34 (1) the locations of ${}^{1}\underline{all}{}^{1}$ identified lead service lines; (2) an indication 1 [of] <u>as to</u> 1 whether 1 [the] <u>each</u> 1 identified 35 lead service ¹[lines are] line is¹ completely composed of lead or 36 otherwise 1 [meet] <u>meets</u> 1 the definition of ${}^{1}a{}^{1}$ lead service line; 37 (3) the 1 [locations] <u>location</u> of 1 <u>each</u> service 1 [lines] <u>line that</u> 38 is¹ suspected to be lead; 39 (4) for each identified and suspected lead service line, 1_{an} 40 indication as to¹ whether the line is owned by the public 41 ¹community¹ water system, ¹the¹ property owner, or both; 42 (5) the locations and compositions of ¹all¹ non-lead service 43 44 lines; and

(6) a separate 1 [category] <u>list</u> 1 identifying all service lines of 1 2 unknown composition. $1 \underline{d}$.¹ The public $1 \underline{community}^1$ water system shall use historical 3 building records and other available information, including data 4 5 from the American Water Works Association or other industry research groups, to determine the likelihood of the presence of lead 6 service lines in all portions of its service area¹, as provided by this 7 8 section¹. ¹[After] <u>e. Following</u>¹ the submission of the initial service line 9 inventory ¹pursuant to subsection c. of this section¹, each public 10 ¹com<u>munity</u>¹ water system in the State shall continue the inventory 11 process and utilize every reasonable method available to locate all 12 lead service lines within its service area. This process shall include, 13 14 but shall not be limited to¹[,]: (1)¹ visual inspection during planned maintenance, meter 15 replacement, and main replacement projects¹[,];¹ and 16 ¹(2) the solicitation and receipt of comments, complaints, and 17 other¹ input ¹[that the public water system requests]¹ from ¹[its]¹ 18 customers ¹and non-paying consumers in the service area¹. 19 ¹[d.] <u>f. (1)</u>¹ No later than one year after the effective date of 20 this act, a public $\frac{1}{\text{community}^1}$ water system shall submit $\frac{1}{2}$ to the 21 department¹,¹ an updated inventory of ¹service lines in¹ its service 22 ¹[territory that meets the requirements of] area. The updated 23 inventory shall contain the information required by¹ subsection c. of 24 The updated inventory shall also contain the 25 this section¹[. following information], and shall additionally include¹: 26 27 ¹[(1)] (a) for each service line suspected of containing lead, ¹ 28 supporting information detailing the ¹[reasoning behind the identification of <u>the reasons why</u>¹ each ¹<u>such</u>¹ service line 29 ¹[identified as being suspected of containing] is believed to 30 contain¹ lead; and 31 32 [(2)] (b)¹ for each service line identified as being of unknown composition, a description detailing the steps undertaken to 33 34 determine ¹[if] <u>whether</u>¹ the line contains lead. $(2)^{1}$ The public $(2)^{1}$ water system shall keep the 35 department informed of its progress pursuant to this subsection 36 37 ¹[and shall continue to adhere], through the annual reports submitted pursuant¹ to the provisions of section 7 of this act. If a 38 public ¹<u>community</u>¹ water system exhausts all other methods of 39 identifying a service line, including the use of new technologies that 40 become available, the department may require excavation $\frac{1}{1}$ as 41 necessary, to identify the service line. 42 43 ¹[e.] <u>g.</u>¹ Beginning two years after the effective date of this act,

44 ¹and until such time as all lead service lines have been replaced in

accordance with this act,¹ a public ¹community¹ water system shall
 annually submit to the department:

3 (1) an updated service line inventory that meets the 4 requirements of ¹[subsections c. and d.] <u>subsection f.</u>¹ of this 5 section; and

6 (2) a ¹[certification] <u>statement certifying</u>¹ that the public 7 ¹<u>community</u>¹ water system is in compliance with the provisions of 8 this act.

¹[f.] <u>h.</u>¹ A public ¹<u>community</u>¹ water system shall provide its 9 10 most recent service line inventory, upon request and at no cost, to appropriate State officials or to the local government officials of a 11 municipality served by the public $\frac{1}{\text{community}}$ water system. A 12 public ¹<u>community</u>¹ water system ¹[that serves more than 3,300 13 14 customers] shall make its most recent service line inventory 15 available on its Internet website. ¹For public community water 16 systems serving fewer than 3,300 customers, whenever an Internet 17 website is not available, the public community water system shall make its most recent service line inventory available in another 18 publicly accessible location.¹ 19

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21 4. a. No later than 30 days after submitting an initial service 22 line inventory to the department pursuant to subsection c. of section 23 3 of this act, and periodically thereafter as the department may require, a public ¹<u>community</u>¹ water system shall send, to each 24 ¹[property owner and]¹ customer ¹and non-paying consumer¹ 25 served by a lead service line ¹[or service line of unknown 26 27 composition] in the service area, and to any off-site owner of 28 property served by a lead service line in the service area¹, written notice of the composition of the service line. ¹[The public water 29 30 system shall determine if a landlord-tenant relationship exists at the 31 premises being notified. The public water system shall determine 32 the names and addresses of each tenant, in order to provide the 33 notice, by methods that shall include, but not be limited to, mailings 34 to landlords requesting a list of tenants. The utility shall provide 35 copies of the notice to each head of household tenant. The <u>b.</u> A^1 notice ¹provided pursuant to this section ¹ shall ¹: 36

37 (1)¹ be sent¹, ¹ by certified mail, ¹[in a separate mailing] to each
38 residential, commercial, or instituional address affected by the
39 known lead service line and addressed to the primary resident or
40 commercial or institutional occupant thereof, as appropriate. Notice
41 shall be sent to all affected addresses, as provided in this paragraph,
42 regardless of whether the resident or occupant is a system customer
43 or is a non-paying consumer;

44 (2) be sent, by certified mail, to each off-site owner of property
 45 affected by the known lead service line and addressed to the

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1 property owner's last known address, as determined through the 2 review of local property tax and other available records; (3) be included in a mailing that is separate and distinct¹ from 3 ¹[the] the water¹ bill ¹that is issued for the property¹. The ¹[notice 4 shall be in a form and manner as determined by the department, and 5 shall notice shall contain large, easily readable text and be 6 7 presented on distinctly colored paper or other paper that is easily 8 distinguishable from the water billing statement; and 9 $(4)^{1}$ include, ¹[but not be limited to: information about] <u>at a</u> 10 minimum: (a) a list of the lead service lines that are being used to serve the customer or non-paying consumer; (b) information 11 12 describing¹ the sources of lead in drinking water, including lead service lines and household plumbing; 1(c) a description of the 13 health effects of lead exposure; and $^{1}(d)$ the teps 1 that system 1 14 customers ¹and non-paying consumers in the service area¹ can take 15 16 to reduce their exposure to lead in drinking water. 17 ¹[In the case] <u>c. If the recipient of notice provided pursuant to</u> this section is the owner or operator¹ of ¹[a] an apartment building, 18 group home, or other¹ multi-family ¹or multi-unit¹ dwelling, ¹[until 19 20 the lead service line has been replaced or identified as a non-lead 21 service line, the landlord] such owner or operator shall provide a 22 hard copy of the notice to each existing resident of the multi-family or multi-unit dwelling and¹ shall ¹additionally¹ post ¹a copy of¹ the 23 24 notice in a conspicuous location in a common area of the dwelling. The ¹[landlord] <u>owner or operator</u>¹ shall also inform each new 25 ¹[tenant of] resident of the multi-family or multi-unit dwelling, 26 prior to their residence, about¹ the existence of the lead service line 27 ¹[or service line of unknown composition],¹ and $\frac{1}{\text{shall}^1}$ provide 28 each new ¹[tenant] <u>resident¹</u> with a ¹<u>hard¹</u> copy of the notice 29 ¹received pursuant to this section, upon the commencement of their 30 31 residence. A notice posted in a common area of a multi-family or 32 multi-unit dwelling, pursuant to this subsection, may be removed 33 only after all of the lead service lines identified in the notice have been replaced and determined to be non-lead service lines¹. 34 ¹[b.]<u>d.</u>¹ If a public ¹<u>community</u>¹ water system serves a 35 municipality in which the primary language of 10 percent or more 36 37 of the residents is a language other than English, the public

¹<u>community</u>¹ water system shall provide the notice required pursuant to subsection a. of this section in both English and the other language ¹[to the applicable property owners and customers in that municipality] <u>spoken by residents</u>¹.

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43 5. a. No later than 12 months after the effective date of this
44 act, each public ¹community¹ water system shall submit¹,¹ to the
45 department¹,¹ an initial plan for replacing all lead service lines

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within its service area. The plan shall be ¹annually¹ updated 1 ¹[annually and made] to be¹ consistent with the annual updates to 2 the '[public water]' system's service line inventory', which are' 3 required pursuant to section 3 of this act, ¹and shall remain in 4 <u>effect</u>¹ until all lead services lines within the ¹[public water]¹ 5 system's service area have been 1<u>identified and</u>¹ replaced. 6 b. Each lead service line replacement plan and annual update 7 8 thereto shall¹: $(1)^{1}$ provide for the ¹average¹ annual replacement of at least 9 ¹[seven] 10¹ percent of all lead service lines ¹that were known to, 10 and¹ identified by $\frac{1}{1}$ the public $\frac{1}{community}$ water system on the 11 date it ¹[submits] <u>submitted</u>¹ its initial ¹<u>service line replacement</u>¹ 12 plan to the department ¹[. In addition, each plan and update thereto 13 14 shall], pursuant to subsection a. of this section; $(2)^{1}$ provide for the replacement of all lead service lines within 15 the ¹system's¹ service area ¹[of the public water system],¹ no later 16 than ¹[20] 10¹ years after the effective date of this act, regardless 17 of whether the lines ¹[are] <u>were</u>¹ known or unknown ¹[on the date] 18 to^1 the public $\frac{1}{community}$ water system $\frac{1}{submits}$ on the date 19 <u>that it submitted</u>¹ its initial plan to the department 1 [. 20 The 21 department may require additional <u>pursuant to subsection a. of this</u> 22 section. Each public community water system in the State shall be 23 encouraged to complete the replacement of all lead service lines in 24 its service area within 10 years after the effective date of this act, as 25 provided in the system's lead service line replacement plan; however, notwithstanding the provisions of this paragraph to the 26 27 contrary, the public community water system shall be authorized to 28 continue lead service line replacement activities for a maximum 29 period of 15 years if necessary to enable the system to fully comply 30 with the provisions of this act; ²[and]² (3) include ²a plan for notifying consumers of health effects and 31 32 steps they may take to reduce their exposure to lead before and after any lead service line replacement; and 33 (4) include² any other¹ information¹ [, as it deems appropriate, to 34 be included in each lead service line replacement plan and annual 35 update thereto] or certifications required by the department¹. 36 ¹[A] (1) Except during an emergency, such as a water 37 c. main or service line break, ²or during a water main replacement,² a¹ 38 public ¹<u>community</u>¹ water system shall not¹[, except during 39 40 emergencies such as a water main or service line break, **]**¹ conduct a partial replacement of a lead service line ²[, and] <u>. In all instances</u>, 41 the public community water system² ¹ [the public water system]¹ 42 43 shall make a good faith effort to replace the entire lead service line ²and shall conduct a partial replacement only as a last resort². A 44 partial replacement of a lead service line shall not count toward the 45

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public ¹<u>community</u>¹ water system's replacement requirements
 pursuant to subsection b. of this section.

¹(2) A public community water system shall not
²[permanently]² suspend the water service of a customer ²[who
denies] solely because of a denial of² access to the property ownerside of a lead service line ²[during an attempt to replace] for the
replacement of² a lead service line pursuant to this act.¹

8 d. ${}^{1}(\underline{1})^{1}$ A public ${}^{1}\underline{community}^{1}$ water system may apply for, 9 and the department may approve, a reasonable extension of any 10 target or deadline set forth in this section ${}^{1}\underline{[}$, provided that $\underline{]} \underline{if}^{1}$ the 11 public ${}^{1}\underline{community}^{1}$ water system demonstrates to the department 12 that the extension is necessary to meet a service reliability demand 13 or public health need, not related to lead abatement, within the 14 system.

¹[e. In the event of fiscal distress, a municipally owned] (2) A 15 government entity that owns a¹ public ¹community¹ water system 16 may apply for¹,¹ and the department, in consultation with Division 17 of Local Government Services in the Department of Community 18 Affairs, may approve $\frac{1}{1}$ a reasonable extension of any target or 19 deadline set forth in this section ¹if the government-owned system 20 21 demonstrates to the department that the extension is necessary 22 because the system or the municipality is experiencing financial 23 distress.

24 e. Notwithstanding the provisions of R.S.40:56-1 to the 25 contrary, any costs incurred by a government-owned public 26 community water system to assess or replace a lead service line 27 pursuant to this act, excluding any portion funded by grants or other 28 subsidies, may be borne by all of the customers of the government-29 owned public water system or may be assessed to a property of a 30 property owner in the same manner as provided for the assessment 31 of local improvements, pursuant to R.S.40:56-1 et seq., upon notice 32 to the Director of the Division of Local Government Services in the 33 Department of Community Affairs¹.

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6. a. ¹[An investor-owned public water system may recoup the 35 36 costs of lead service line replacements from its customers, subject to the provisions of this section. A proposal to recoup the costs of 37 38 lead service line replacements shall be considered in the context of 39 the investor-owned public water system's next general rate case 40 proceeding, initiated after the effective date of this act, during 41 which the board shall consider the rate impacts of the proposed lead 42 service line replacement plan prior to approving the proposal.] ²[(1)]² Notwithstanding the provisions of any law, rule, regulation, 43 44 or order to the contrary, 100 percent of the costs associated with 45 undertaking and funding the replacement of lead service lines 46 pursuant to this act, excluding any portion funded by grants or other

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1 subsidies, shall be borne by all of the customers, in the State, of an 2 investor-owned public community water system and shall be 3 included in the investor-owned public community water system's 4 rate base or otherwise be recoverable from the system's customers, 5 in a manner determined by the board. In making a determination under this subsection, the board shall stipulate that: 6 $^{2}[(a)]$ (1)² the proportionate share of project costs for the 7 replacement of the system side of a lead service line may be 8 9 incorporated into the rate base as capital assets of the investor-10 owned public community water system or may be recovered 11 through the use of a Distributed System Improvement Charge ²[or alternate recoupment methodology approved by the board] as 12 allowed under existing law²; and 13 2 [(b)] (2)² the proportionate share of project costs for the 14 replacement of the property-owner side of a lead service line², 15 16 including the investor-owned public community water system's embedded cost of debt, as authorized in its most recent base rate 17 case,² shall be treated as an operation and maintenance cost, with 18 no ²[profit] cost of equity² additive ²[, because the property-owner 19 side is, by definition, not a capital asset of the investor-owned 20 public community water system.] . Costs for the replacement of 21 22 property-owner side lead service lines incurred since the investor-23 owned public community water system's last base rate case and 24 incurred until all property-owner side lead service lines have been 25 eliminated from the investor-owned public community water system 26 shall be recoverable on a semi-annual basis through a separate lead service line expense surcharge and not imbedded into base rates.² 27 Nothing in this section shall be construed to allow an 28 ²[(2) 29 investor-owned public community water system to earn a return, in 30 rates, on any costs associated with property that is not used and useful investor-owned public community water system property.]² 31 \underline{b}^{1} In order to recoup the costs of lead service line replacements 32 from its customers, ¹as provided by subsection a. of this section, ¹ an 33 investor-owned public ¹community¹ water system shall submit 34 ¹[the] to the board, for approval at its next general rate case 35 proceeding, a petition that includes a¹ proposal ¹[within a petition 36 to the board that addresses] for cost recoupment. The proposal 37 <u>shall contain</u>¹ the following ¹<u>information</u>¹: 38 (1) the estimated total cost to replace both the property¹⁻¹ owner 39 ¹[sides] <u>side</u>¹ and ¹[public water] <u>the</u>¹ system ¹[sides] <u>side</u>¹ of all 40 lead service lines ${}^{1}\underline{\text{that lie}}{}^{1}$ within, or ${}^{1}\underline{\text{are}}{}^{1}$ connected to, the 41 42 ¹[investor-owned public water]¹ system's service area¹, including, 43 but not limited to, the estimated total cost to evaluate service lines 44 of unknown composition and to replace both the property-owner 45 side and system side of any such lines that are determined to be lead service lines,¹ and an estimated range for the annual cost to be 46

1 incurred by the system under the system's current lead service line 2 replacement plan; (2) ¹[a quantification of the shareholder contribution to be made 3 4 in order to meet the requirements of this act; 5 (3)]¹ the availability of grants or low interest loans and whether the investor-owned public ¹<u>community</u>¹ water system plans to use 6 7 available grants or low interest loans to help the system finance or 8 reduce lead service line replacement costs, including a detailed 9 description of any efforts made by the system to secure such 10 financing; 11 [(4)] (3)¹ the investor-owned public ¹<u>community</u>¹ water system's proposed rate treatment of the replacement costs, 12 13 including: (a) any proposed deferred accounting treatment of the costs; 14 15 (b) the proposed rate base treatment of the costs 1, and whether and how the system is planning to effectuate system side cost 16 17 recoupment through the use of a Distributed System Improvement 18 Charge or alternate recoupment methodology approved by the 19 <u>board</u>¹; 20 (c) the proposed operations and maintenance expense treatment 21 of the costs; and 22 (d) the average monthly residential bill impact of the proposed 23 rate treatment of the costs; [(5)] $(4)^1$ a description of how the replacement of lead service 24 lines will be accomplished in conjunction with other replacement 25 projects in the ¹[investor-owned public water]¹ system's service 26 27 area; [(6)] (5)¹ the estimated savings¹,¹ per lead service line¹, that 28 will be¹ achieved by ¹requiring¹ the investor-owned public 29 ¹<u>community</u>¹ water system ¹[replacing], and not the¹ property 30 owner¹, to replace the property-owner¹ sides of lead service lines 31 ¹[instead of the property owner] <u>in the service area</u>¹; and 32 [(7)] (6)¹ the ¹[investor-owned public water system's proposal 33 for means and methods that will be used by the system to¹: 34 (a) ¹[communicating the system's] <u>inform all system customers</u> 35 and non-paying consumers in the system's service area about the 36 system's lead service line replacement¹ plan ¹[to replace a lead 37 service line to a property owner and customer **]**¹; and 38 (b) ¹[documenting a property owner's or] <u>document each</u>¹ 39 customer's consent $\frac{1}{2}$ or lack of consent $\frac{1}{2}$ to the replacement of a 40 lead service line. 41 ¹[b.] \underline{c} .¹ Before an investor-owned public ¹<u>community</u>¹ water 42 system may ¹<u>be authorized by the board to</u>¹ recoup the costs of lead 43 44 service line replacements from its customers^{1,1} pursuant to

45 $[subsection a. of]^1$ this section, the board shall ensure that the

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department has '[approved] received' the '[investor-owned public
water]' system's '[plan for the replacement of the lead service lines
required pursuant to section 5 of this act] inventory, as required by
section 3 of this act¹.

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6 7. No later than December 31 of each year, a public ¹<u>community</u>¹ water system shall submit to the department, in a form 7 8 and manner to be determined by the department, a report detailing the public ¹<u>community</u>¹ water system's progress in replacing lead 9 service lines pursuant to this act. A public ¹<u>community</u>¹ water 10 system ¹[that serves more than 3,300 customers]¹ shall make its 11 report available on its Internet website. ¹If an Internet website is 12 13 not available, the public community water system shall make its report available in another publicly accessible location.¹ If the 14 department determines, based on the information provided by the 15 16 public ¹<u>community</u>¹ water system ¹<u>pursuant to this section</u>¹, that the ¹[public water]¹ system has completed the replacement of all lead 17 service lines within the ¹[public water]¹ system's service area, the 18 ¹[public water]¹ system shall no longer be required to submit a 19 report pursuant to this section. 20

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8. a. The Department of Environmental Protection may adopt,
pursuant to the "Administrative Procedure Act," P.L.1968, c.410
(C.52:14B-1 et seq.), any rules and regulations necessary to
implement the provisions of this act.

b. The Board of Public Utilities may adopt, pursuant to the
"Administrative Procedure Act," P.L.1968, c.410 (C.52:14B1 et seq.), any rules and regulations necessary to implement the
provisions of this act.

¹c. The Department of Environmental Protection and the Board
 of Public Utilities shall consult with one another and with the
 Division of Local Government Services in the Department of
 Community Affairs when adopting rules and regulations pursuant to
 this section.¹

36 9. This act shall take effect immediately.