



# **NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION**

Division of Water Supply and Geoscience  
Bureau of Water System Engineering

**Catherine R. McCabe, Commissioner**

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## **Status Report on the Implementation of New Jersey's Capacity Development Program under the Safe Drinking Water Act**

for the period  
**SFY2018 – SFY2020**  
July 1, 2017 - June 30, 2020

**SEPTEMBER 30, 2020**



September 30, 2020

Dear Reader:

I am pleased to issue this Safe Drinking Water Act report entitled “Status Report on the Implementation of New Jersey’s Capacity Development Program,” which provides an overview of the efficacy and progress of New Jersey’s program to improve the technical, managerial, and financial capacity of public water systems in the state.

The report shows that since the Capacity Development Program first began, efforts undertaken by the New Jersey Department of Environmental Protection, and specifically its Division of Water Supply and Geoscience, have improved public water system compliance with the Federal and State Safe Drinking Water Act and attendant regulations.

New Jersey is committed to ensuring that the public water systems of the State provide a safe and plentiful supply of drinking water. The procedures applied, whether in the form of technical guidance, compliance assistance or enforcement, are designed to promote compliance and improve drinking water quality in New Jersey.

It is my hope that this report provides you with a better understanding of the Department of Environmental Protection’s efforts to provide the residents of New Jersey with a safe and plentiful supply of drinking water.

Sincerely,

Catherine R. McCabe  
Commissioner

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## SECTION I

### Introduction

The New Jersey Department of Environmental Protection (NJDEP) has prepared this report to provide the Governor and the public with an evaluation and update on the NJDEP's Capacity Development Program. This triennial report is required by Section 1420(c)(3) of the Federal Safe Drinking Water Act.

This Report evaluates the extent to which the Capacity Development Program has been formulated and implemented consistent with the specific requirements and overall objectives of the Safe Drinking Water Act. This Report also evaluates how the NJDEP is integrating the Capacity Development Program together with other Safe Drinking Water Act initiatives and drinking water programs such as the Drinking Water State Revolving Fund – Small Water System Technical Assistance Program.

### Federal Requirements for Capacity Development Program

The 1996 Amendments to the Federal Safe Drinking Water Act (SDWA) created a focus on enhancing and ensuring the technical, managerial, and financial capacity of public water systems to comply with the National Primary Drinking Water Regulations.

In accordance with Section 1420(a) of the SDWA, which requires each state to have the legal authority to assure that all new community and non-transient noncommunity water systems demonstrate adequate technical, managerial and financial capacity, the New Jersey Safe Drinking Water Act (N.J.S.A. 58:12A) was amended on August 2, 1999 (P.L. 1999 Chapter 176). The NJDEP subsequently adopted regulations at N.J.A.C. 7:10-13 which established the requirements to assure that all new public community and non-transient noncommunity water systems have adequate capacity. In addition, each state is required to develop and implement a strategy to assist existing systems in acquiring and maintaining capacity. The United States Environmental Protection Agency (USEPA) approved the NJDEP's first Capacity Development Strategy on September 28, 2000, which was subsequently updated in August 2009. The Strategy can be viewed at [http://www.nj.gov/dep/watersupply/dws\\_loans\\_capdev.html](http://www.nj.gov/dep/watersupply/dws_loans_capdev.html).

In the 1996 amendments to the SDWA, Congress ensured that each state would establish a Capacity Development Program by tying capacity development to the Drinking Water State Revolving Funds. If New Jersey had not obtained legal authority to ensure that all new community and new non-transient noncommunity water systems demonstrate technical, managerial and financial capacity (Section 1420(a)), or had not developed and implemented a Capacity Development Strategy (Section 1420(c)), New Jersey would receive only 80 percent of its Annual Capitalization Grant allotment from the USEPA (Section 1452(a)(1)(G)). This means that New Jersey's allocation of funds for the Drinking Water State Revolving Fund and set-asides would have been reduced by up to \$3 to 4 million dollars per year.

The Drinking Water State Revolving Fund serves as the primary source of funding for implementing the NJDEP's Capacity Development Strategy. The NJDEP can set aside up to 10% of each capitalization grant for State program management activities, which includes establishing and funding the Capacity Development Program. The NJDEP can set aside 2% of each capitalization grant for Small Water System Technical Assistance and 15% for activities to assist development and/or implementation of source water protection, well head protection, and capacity development, including financial and technical assistance. The NJDEP's most recent Set-Asides Work Plan for FFY2020 (SFY2021), submitted to EPA in June 2020, proposed budgeting 16% (\$3,160,222) of its FFY2020 Capitalization Grant allotment of \$18,792,000 for all set-aside activities. Although the Drinking Water State Revolving Fund provides the NJDEP with financial support to establish and implement Capacity Development Programs, the USEPA can withhold funds for not meeting required deadlines.

States failing to comply with any provision of Section 1420 of the Federal Safe Drinking Water Act regulations are subject to lose up to 20% of the State Revolving Fund monies in each fiscal year. The failure to issue the states' Capacity Development Program Report to the Governor, as required by Section 1420(c)(3) of the Safe Drinking Water Act by September 30 of each year is also grounds for a 20% withholding from a state's Drinking Water State Revolving Fund allotment.

#### Capacity Development Program Goals

- To reduce or eliminate the number of existing public water systems in significant non-compliance with the Federal and State Safe Drinking Water Act Regulations by ensuring adequate capacity.
- To prevent the formation and operation of any water system (community and non-transient noncommunity water systems) that may be non-viable by ensuring adequate capacity.
- To provide public water systems with accurate, timely, and appropriate information in a straightforward manner to promote or maintain their technical, managerial, and financial capacity as necessary to ensure compliance with the Federal and State Safe Drinking Water Act Regulations.

#### Profile of New Jersey Public Water Systems

The federal regulations define a public water system (PWS) as a system that provides water for human consumption through pipes or other constructed conveyances, if such system has at least 15 service connections or regularly serves at least 25 individuals for at least 60 days out of the year. There are three types of public water systems:

- **Community water system (CWS)** - A PWS that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents (e.g., homes, apartments and condominiums that are occupied year-round as primary residences).
- **Non-transient noncommunity water system (NTNC)** - A noncommunity PWS that regularly serves at least 25 of the same persons over six months per year. A typical example

of a non-transient noncommunity water system is a school or an office building that has its own water source, such as a drinking water well.

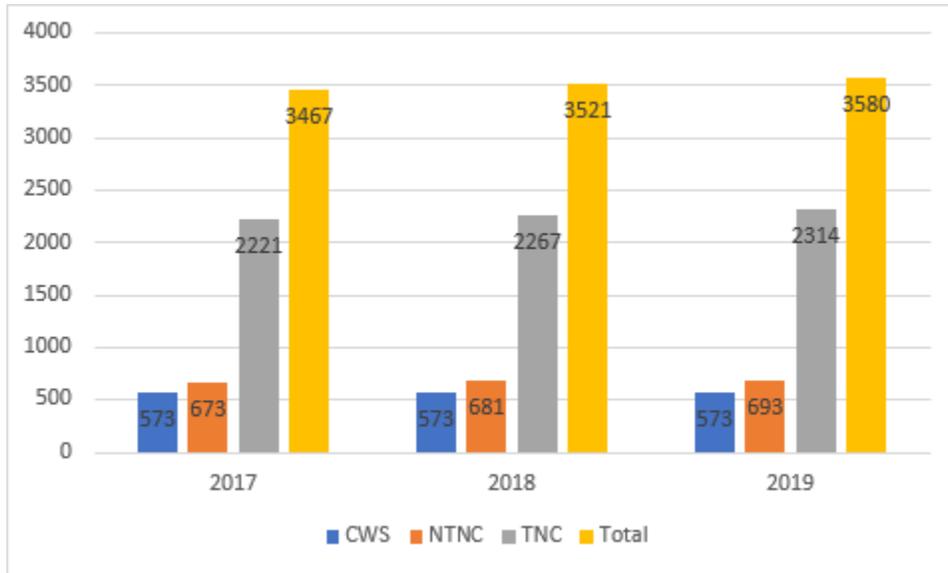
- **Transient noncommunity water system (TNC)** - A noncommunity PWS that does not regularly serve at least 25 of the same persons over six months per year. A typical example is a campground or a highway rest stop that has its own water source, such as a drinking water well.

As of December 31, 2019, New Jersey listed 3,580 PWS in its inventory, including 2,314 TNC systems, 693 NTNC systems, and 573 CWS. New Jersey’s 3,580 PWS serve approximately 90% of the State’s total population. The remaining 10% of New Jersey’s population are supplied by private wells. Most of the residents supplied by public community water systems are served by medium to very large water systems. In fact, 16 very large public community systems serve approximately half of the total residential population served by public water systems.

The number of systems can vary due to mergers, opening and closing of businesses, connections of NTNC or TNC systems to CWS, or changes in the population served that results in the classification or declassification of a PWS. Figure 1 below depicts changes in the number of PWS for the past 3 years. Figure 2 shows a summary of population served by the various PWS types.

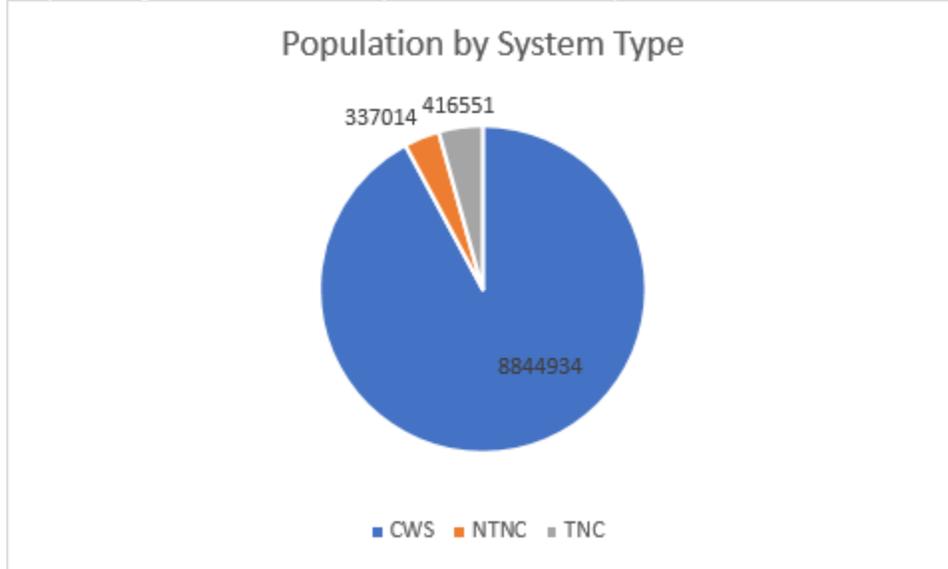
**Figure 1**

**Active Public Water Systems in New Jersey for Calendar Years 2017 through 2019**



**Figure 2**

**Summary of Population Served by Public Water Systems as of December 31, 2019**



## SECTION II

### Implementation – Description of Activities

This section outlines the activities conducted during the three-year period of July 1, 2017 through June 30, 2020 to implement the Capacity Development Program.

- New Jersey Water Association (NJWA) training sessions
- Rutgers University Office of Continuing Professional Education
- Engineering Contract
- Small Systems Technical Assistance
- Drinking Water State Revolving Fund (DWSRF) Program

#### New Jersey Water Association (NJWA) and Rutgers University Training Sessions

To improve water system operation, the NJDEP identified drinking-water related training needs for water system owners, operators and management staff. By contract with the NJWA, numerous training sessions have been held during the past three years with the goal of assisting small water systems. The trainings are, however, open to water systems of all sizes. In addition, a contract with Rutgers University Office of Continuing Professional Education provided for a 50 percent tuition subsidy for drinking water-related training courses for licensed operators. Rutgers University and NJWA have been in communication with NJDEP during the COVID-19 pandemic restrictions and are currently trying to provide online webinars in place of the in-person training course. Table 1 below is a summary of the training sessions held by NJWA and their attendance. Table 2 is a summary of Rutgers Training sessions and their attendance.

**Table 1: New Jersey Water Association Training Sessions SFY2018 – SFY2020**

Year	No. of training sessions held	No. of individuals attended
SFY2018	28	817
SFY2019	41	1,053
SFY2020	25*	674
TOTAL	94	2,544

\* There was a decrease in the number of in-person training sessions conducted due to COVID-19 pandemic restrictions.

**Table 2: Rutgers University Continuing Education Courses SFY2018 – SFY2020**

Year	No. of courses held	No. of operators attending at reduced cost
SFY2018	20	273
SFY2019	38	453
SFY2020	15*	119
TOTAL	73	845

\*There was a decrease in the number of in-person training sessions conducted due to COVID-19 pandemic restrictions.



*Classes given by NJ Water Association*

### Engineering Contract

The Federal Safe Drinking Water Act's goal is that at least 15% of DWSRF loan funds go to small water systems. Therefore since 2004, to encourage small water system participation in the loan

program, the NJDEP has utilized the DWSRF Small Water System Technical Assistance set-aside funds to contract with the New Jersey Water Association (NJWA) to provide for engineering services for small water systems serving less than 3,300 persons applying for a DWSRF loan. The contract provides for NJWA to subcontract with a list of approved New Jersey licensed professional engineers to work with the system, develop engineering plans and specifications for the project, and to complete the loan application and other planning and funding documents needed for the system to secure a DWSRF loan. Payments are made to NJWA for completion of contract milestones and NJWA then makes payments to the engineers.

In 2020, the NJDEP and the New Jersey Water Association (NJWA) are establishing a new contract, funded through a DWSRF set-aside, to provide small water systems with engineering services needed to close on a Water Bank loan. Under the terms of this contract, NJWA partners the small water systems with engineering firms to complete project milestones, including permitting, submittal of the Environmental Decision Document (EDD) and loan closing to fund projects including treatment for contaminants such as PFNA, PFOA, and PFOS.

When these projects are ready for financing, they will be ranked, and financed to the extent that the NJDEP can accommodate their loan requests. The \$2M in principal forgiveness will be made available to small systems serving  $\leq 1,000$  that are funded through participation in the engineering contract. Project applicants are capped at \$500,000 per project. Loans will be offered as 90% principal forgiveness and 10% funding from the I-Bank at Market Rate. Systems serving above  $>1,000$  that are provided with assistance through the engineering contract will be funded in priority ranked order and eligible for Nano funds based on availability. Since many systems cannot pay the upfront engineering and design costs needed to apply for a DWSRF loan, these funding agreements have enabled several small systems to obtain DWSRF loans for which they would otherwise not have the means to acquire on their own.

From 2017 through 2020, services were obligated to provide assistance to the following systems:

1. Woodland Heights Homeowners Association for plans to replace 60-year-old plastic water mains and other system upgrades to address failing infrastructure and related water quality issues; to date engineering plans and specifications have been completed for this project. The NJDEP is meeting with representatives of the water system on next steps in the loan process.
2. Belvidere Square Apartments plans to upgrade treatment to address a chronic bacteriological contamination issue.
3. North Shore Water Association to address immediate public health concerns related to elevated nitrate levels present in their water by drilling a new well and has obtained all necessary permits to utilize the new source.
4. The Lakeshore Company Water System to provide arsenic removal treatment to meet standards and for upgrades to existing wells and treatment systems.

5. The Township of Knowlton to evaluate the option to create a public water system to address a salt contamination issue.

NJDEP plans to execute a new Engineering Services contract in SFY2021. While the engineering contract has been a successful tool for providing small systems with planning and engineering services leading up to a project that could be funded through the Water Bank, the contract will be revised based on significant changes to the Drinking Water State Revolving Fund (DWSRF) program. Because the New Jersey Water Bank funded a record number of projects and currently has more project applications in-house in Federal Fiscal Year (FFY) 2018 than in previous years, the Department finalized the IUP with changes to accommodate funding the maximum number of these projects. Subsequently, the engineering contract and contract milestones may include changes to target high ranking, high priority drinking water projects, and to address recent changes to the Safe Drinking Water Act emphasizing disadvantaged communities. Further, these modifications will include offering engineering assistance, even without a loan commitment, to County Environmental Health Act certified agencies (CEHAs) in reviewing permit applications for treatment of contaminants such as PFNA, PFOA, and PFOS.

#### Small System Technical Assistance

The Small Water System Technical Assistance program currently provides assistance to water systems serving less than 10,000 persons by using three approaches: 1) by contract with the NJWA to provide for free training seminars held throughout the State to owners and operators of small water systems, as described above, 2) by contract with the NJWA to provide engineering assistance to small water systems serving less than 3,301 persons to obtain a DWSRF loan for infrastructure improvements, as described above, and 3) through direct technical assistance via site visits conducted by NJDEP staff at water systems. Table 3 shows the number of site visits conducted between SFY2018 - SFY2020 and Table 4 is a summary of the most common reasons for the site visit at these systems.

**Table 3: Small System Site Visits Conducted SFY2018-SFY2020**

<u>SFY2018</u>	93
<u>SFY2019</u>	108
<u>SFY2020</u>	53*
<b>Total</b>	<b>254</b>

\* There was a decrease in the number of site visits conducted in the last 5 months of SFY2020 due to COVID-19 pandemic restrictions.

**Table 4: Summary of the Most Common Reasons for a Site Visit**

Groundwater Rule/Coliform Bacteria Issues	21%
Lead or Copper Issues	4%
Sanitary Surveys	45%
Nitrates or other contaminants MCL Issue	5%
Treatment System Troubleshooting	24%
Consumer Complaints	1%

## Drinking Water State Revolving Fund Program

The DWSRF Loan Program is a leveraged low interest loan program that utilizes federal grants as seed monies to execute loans with water systems to help achieve or maintain compliance with the SDWA. Community water systems and nonprofit noncommunity water systems are eligible for DWSRF loans. The program is jointly administered by the NJDEP and the NJ Infrastructure Bank (NJIB) known collectively as the NJ Water Bank.

Because of the success of the DWSRF program over the last three years, the NJ Water Bank has received and funded many more project applications than in previous years. Therefore, to ensure the highest priority projects (those impacting public health) would be funded with available funds, and comply with the federal requirements, the DEP and the I-Bank made several changes to the DWSRF program between SFY2018 and SFY2020. Modifications include:

- **Funding projects in ranked order based on a priority point system, and not based on readiness-to-proceed.**
  - The point system considers the following criteria: compliance and public health criteria, water supply plans/studies, state designations, affordability and population.
- **Modifying loan rates for water systems and adding project/applicant funding caps**
  - 50% base funding from the NJDEP at 0% interest and 50% funding from the Water Bank at the AAA market rate bond for publicly-owned water systems. Capped at \$25 million per applicant per year;
  - 25% funding from the NJDEP at 0% interest and 75% funding Bank at the AAA market rate bond for privately-owned water systems. Capped at \$10 million per project and \$25 million per applicant per year; and
  - 50% principal forgiveness for small drinking water systems serving < 10,000 residents, in addition to 25% NJDEP interest-free financing and 25% I-Bank Market Rate financing. Projects are capped at \$1 million (\$500,000 principal forgiveness) with the remainder of project costs funded at the base rate.
- **Implementing a Lead Service Line Replacement Program**
  - The existence of lead service lines in some of our aging drinking water infrastructure poses potential risk to public health. This risk can be significantly reduced through the identification and replacement of lead service lines. In 2018 and 2019, the NJDEP set aside \$30 million for principal forgiveness for LSL replacement projects for water systems that met eligibility requirements. Additionally, on October 4, 2019, President Trump signed the Water Infrastructure Funding Transfer Act (S. 1689), which allows states a one-time transfer of funds from the Clean Water State Revolving Fund to DWSRF to invest in water infrastructure and reduce lead in drinking water. In SFY2021, the NJ Water Bank will utilize \$110 Million to provide principal forgiveness (PF) to eligible recipients for projects in communities with a Median Household Income (MHI) less than the State MHI that reduce exposure to lead in drinking water. Approximately, \$100M will be used to fund lead service line replacement projects in priority ranked order,

while \$10M will be used to fund the installation of corrosion control treatment and lead service line replacement in priority ranked order at water systems serving a population  $\leq 1,000$ .

- **Maintaining a loan repayment period of 30 years**
- **Maintaining the Nano program for small systems**
  - This program was initiated to proactively ease access to small system financing. Systems serving 10,000 persons or less can receive a loan up to \$1,000,000 allocated as follows: 50% project costs as principal forgiveness, 25% zero interest and 25% NJIB market rate.
- **Continuation of the Asset Management Program for small systems with a high-ranking project**
- **Continued NJDEP partnership with the Community Engineering Corps (CEC) to identify water systems that serve fewer than 500 persons and need assistance to come into compliance.**
  - \$2 million of DWSRF funds is being made available for this program. 100% principal forgiveness loans will be available to those systems that are assisted by CEC, with a cap of \$500,000 per project. The NJDEP will not charge permit fees to these small systems. Although several small systems have received assistance through this program, many of these small systems face challenges with completing the steps required to obtain a loan through DWSRF. In SFY2021, NJDEP plans to evaluate options for providing additional assistance to small systems through their partnership with CEC.

Table 5 shows a summary of the DWSRF financed projects from FY2018-2020.

**Table 5: Summary of DWSRF Financed Projects from SFY2018 - SFY2020**

<b>Year</b>	<b>No. of small systems funded</b>	<b>Amount funded</b>	<b>Total DWSRF projects funded</b>	<b>Total DWSRF projects funds</b>
SFY 2018	11	\$25,283,344	29	\$124,881,823
SFY 2019	10	\$14,465,922	27	\$ 119,473,433
SFY 2020	4	\$4,421,822	28	\$157,214,832
<b>Total</b>	25	\$44,171,088	84	\$401,570,088

## SECTION III

### Evaluation of the Capacity Development Program

This section outlines the progress in meeting the objectives of the Capacity Development Program through the following two (2) activities:

- New System Approval
- Statistical Representation of Violations and Enforcement Actions

#### New System Approval

During SFY2018-2020, the NJDEP added zero (0) new CWS and twenty-three (23) NTNC system to its inventory of public water systems. These systems were a combination of new systems and reclassified systems. Nineteen (19) Technical, Managerial and Financial (TMF) plans are currently under review. Note that TMF reviews are only required for new systems and those who have been reclassified to a nontransient noncommunity or community water system, i.e., those constructed on or after August 21, 2000, which was the effective date of the TMF regulations at N.J.A.C. 7:10-13.

#### Statistical Representation of Violations

New Jersey's PWSs can be categorized by the size of the population they serve as shown below:

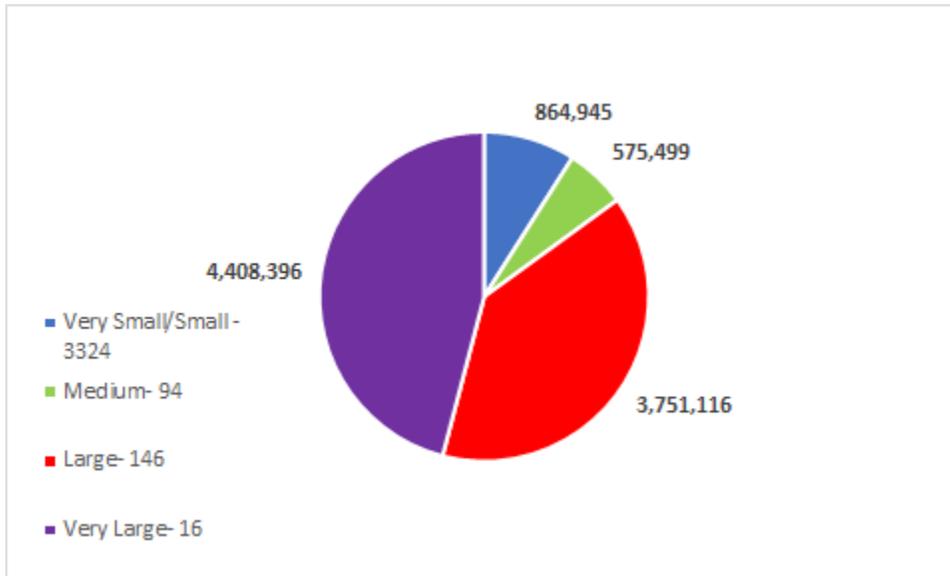
- Very Small 500 or less
- Small 501 - 3,300
- Medium 3,301 - 10,000
- Large 10,001 - 100,000
- Very Large >100,000

An analysis of New Jersey's inventory shows that public water systems (all types included: CWS, NTNC, and TNCs) serving a population of less than 3,301 comprise 93% of all public water systems and serve just 9% percent of the total residential population.. A review of violations generated between SFY2018 to SFY2020 reveal these smaller PWSs also have the highest rate of noncompliance. This confirms the need to target capacity assistance efforts at these smaller PWSs.

Figure 3 shows the current (August 2020) number of water systems in New Jersey by size classification and the total population served by those systems.

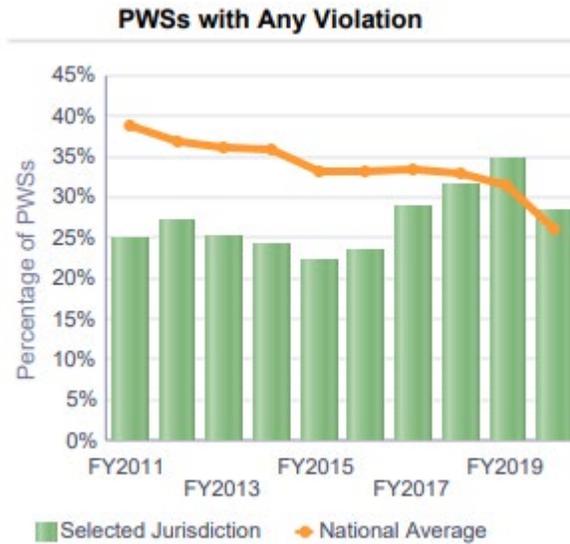
**Figure 3**

**Population Served by Number of Systems by Size Classification**



The Capacity Development Program has continued to assist in lowering the overall number of systems with violations and the number of serious violators in New Jersey. A serious violator is a PWS with unresolved serious, multiple, and/or continuing violations, as defined by USEPA's Drinking Water Enforcement Response Policy. These systems must either return to compliance or be addressed by a formal enforcement action within six months of being designated by the USEPA as a serious violator. When a system has returned to compliance or has been addressed by a formal enforcement action, it is no longer designated a serious violator. The increase in all violations and serious violations can be attributed to M&R's incurred at the end of triennial monitoring periods and State SDWA Rule amendments that require additional monitoring. NJDEP is also running compliance on additional aspects of the Lead and Copper Rule. The percentage of serious violators and the number of PWSs with any violations in New Jersey has largely remained below the national average. Figure 4 and Figure 5 below show this information graphically.

**Figure 4**  
**PWSs with violations from FFY2011 – FFY2019 (YTD)**



Source: EPA Enforcement Compliance History Online (ECHO)

**Figure 5**  
**Serious violators from FFY2011 - FFY2019 (YTD)**



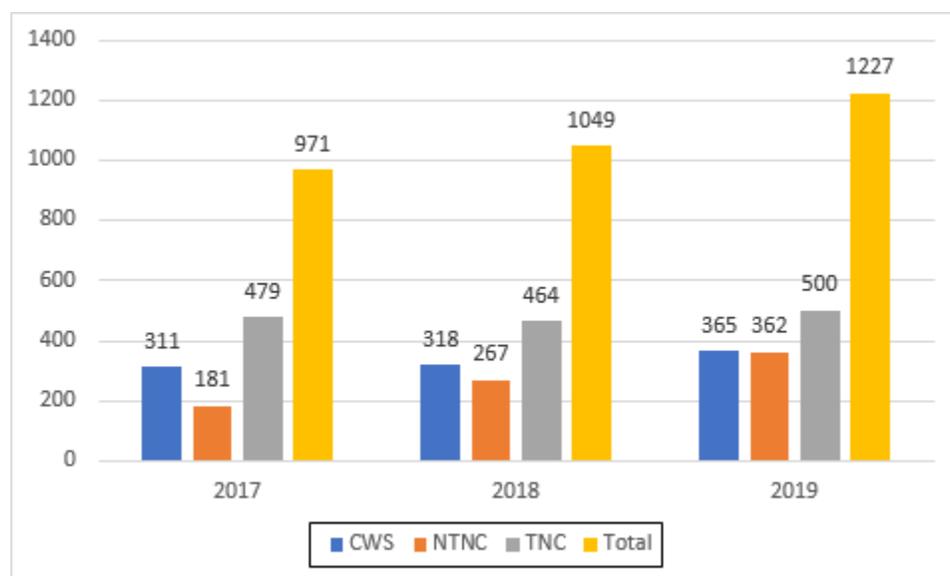
Source: EPA Enforcement Compliance History Online (ECHO)

## Monitoring and Reporting Violations

Monitoring and reporting violations include failure to sample and/or failure to submit sample results within the timeframe specified in the Federal and State Regulations. Figure 6 below shows the trend of the number of monitoring and reporting violations by system type over the previous three-year period.

**Figure 6**

### Monitoring and Reporting Violations in New Jersey by Calendar Year



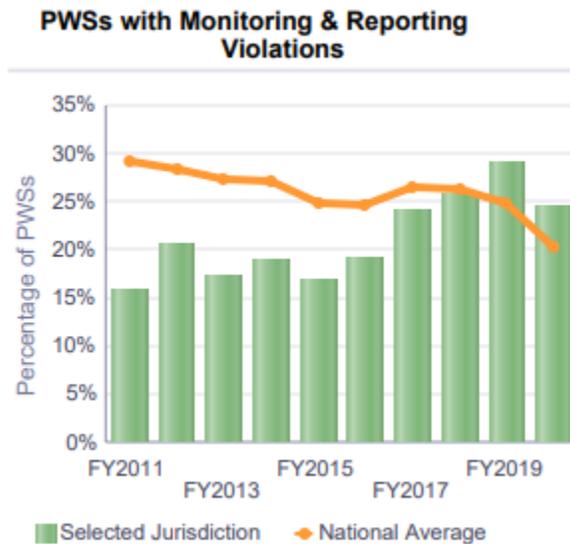
*Source: EPA Enforcement Compliance History Online (ECHO)*

The number of monitoring and reporting violations in New Jersey has continued to trend upwards. There are several reasons that factor into this increase. Historically, NJDEP has rejected (deleted) violations if the monitoring was conducted properly and reported late, but with the establishment of a mandatory electronic data reporting system, New Jersey is issuing monitoring and reporting violations and holding water systems accountable for the reporting timeframes established in State and Federal rules. Additionally, 2019 is the end of a three-year compliance cycle and any system with a triennial monitoring requirement that failed to collect, or report sample results was issued a violation in 2019.

The increase in the number of monitoring and reporting violations is also likely due to the implementation of New Jersey's State SDWA Act rule amendments that required additional monitoring. Specifically, quarterly monitoring for PFNA and 1,2,3-TCP was required in 2019 at community water systems serving fewer than 10,001 residents and utilizing a groundwater source, and nontransient noncommunity water systems. Monitoring for radiological contaminants at nontransient noncommunity water systems also began in 2019. In addition, waivers that were issued for Synthetic Organic Compounds did not include Ethylene dibromide and Dibromochloropropane and these two (2) compounds were also required to be monitored beginning in 2019.

Figure 7 below compares New Jersey’s percentage of systems with monitoring and reporting violations to the National average. New Jersey has typically remained below the national average, but in recent years has exceeded it, likely attributed to the reasons described above.

**Figure 7**  
**NJ Monitoring and Reporting Violations Compared to the National Average**  
**FFY11 – FFY19 (YTD)**



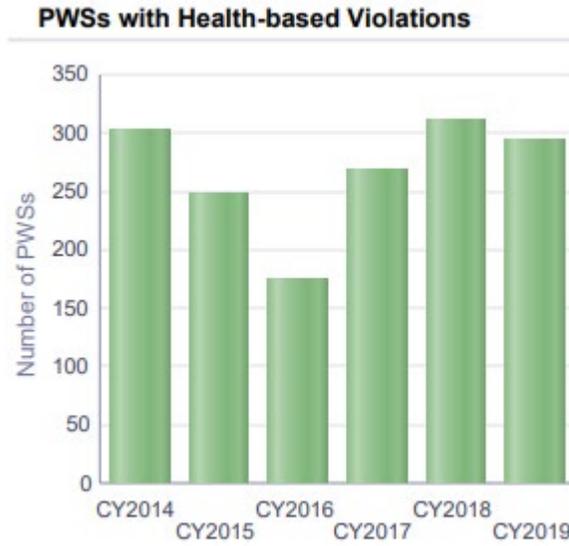
*Source: EPA Enforcement Compliance History Online (ECHO)*

### Health-Based Violations

Health-based violations are violations due to the exceedance of a maximum contaminant level (MCL), a treatment technique requirement, or an exceedance of the lead and copper “action level.” There has been an increase in the number of health-based violations since 2016. One factor that explains the increase is the NJDEP’s requirements for the Lead and Copper Rule. Beginning in January 2017, NJDEP required all large water systems to return their lead and copper monitoring to their original population-based requirement (standard monitoring) for two (2) consecutive six (6) month monitoring periods. During that time, the NJDEP requested the sampling plans for hundreds of systems for review to ensure they were sampling in compliance with the rules.

Figure 8 shows the trend in the number of health-based violations by PWS type (2014-2019).

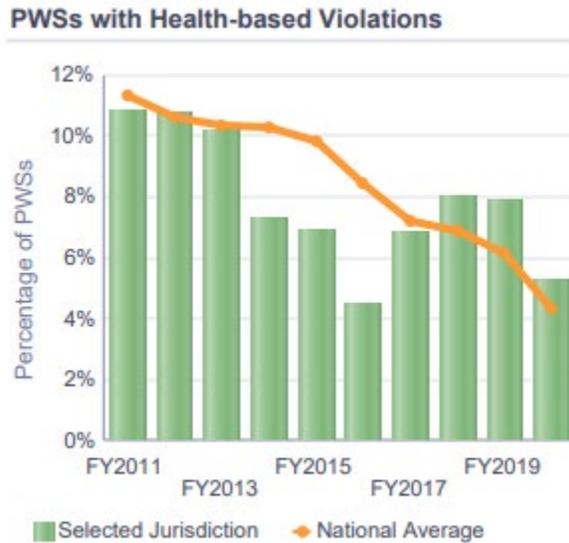
**Figure 8**  
**Health Based Violations in New Jersey by Calendar Year**



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Figure 9 below compares New Jersey’s percentage of systems with health-based violations compared to the National average.

**Figure 9**  
**Health-based Violations Compared to the National Average**  
**FFY2011 – FFY2019 (YTD)**



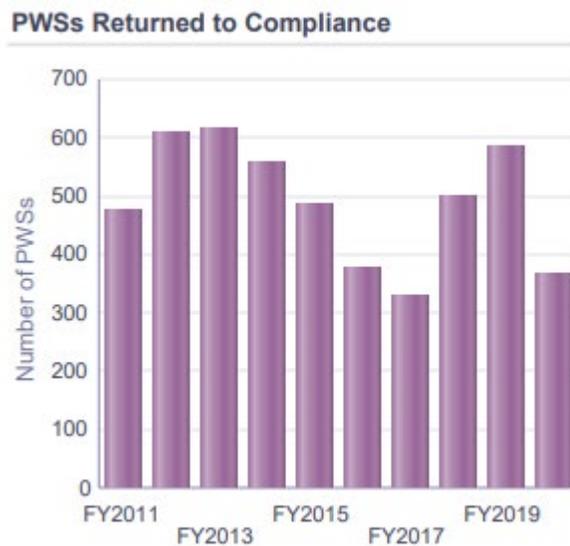
Source: EPA Enforcement Compliance History Online (ECHO)

## Return to Compliance

The NJDEP's Capacity Development Program is focused on assisting PWSs with achieving and maintaining compliance with the Federal and State Regulations.

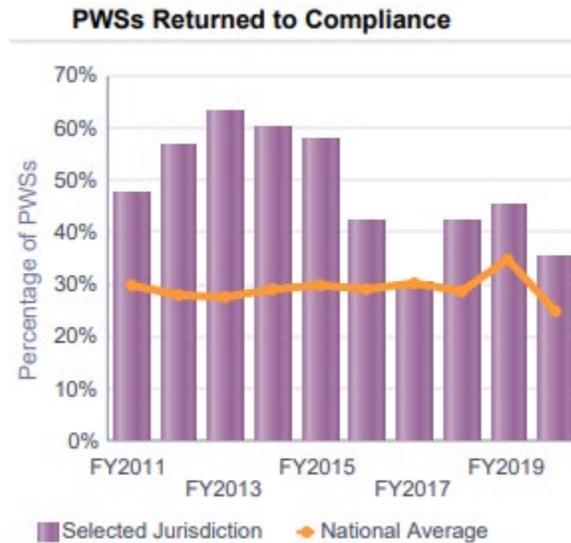
Figure 10 shows the number of PWSs with violations that returned to compliance; this graph includes health-based, treatment technique, and monitoring and reporting violations. Figure 11 shows the percent of PWS that returned to compliance compared to the National average. New Jersey had remained above the National average in the percentage of systems returned to compliance for FFY2011-2019.

**Figure 10**  
**Number of PWSs Returned to Compliance**  
**FFY11-FFY19**



*Source: EPA Enforcement Compliance History Online (ECHO)*

**Figure 11**  
**Percentage of PWSs Returned to Compliance**  
**Compared to the National Average**  
**FFY11-FFY19**



*Source: EPA Enforcement Compliance History Online (ECHO)*

## SECTION IV

### Improvements to the Capacity Development Strategy

The NJDEP will continue to implement its Capacity Development Program to address systems with chronic violations. Some considerations for improving the managerial and financial aspects of the Capacity Development Program continue to be:

- providing additional training to system owners/operators on asset management, operating a water system, and other managerial and financial aspects;
- establishing services with certified public accountants, or other state entities, to conduct financial evaluations and develop water system budgets and financial plans;
- establishing services with appropriate entities to perform asset evaluations at water systems and develop ongoing asset management plans;

- continue implementation of the Water Quality Accountability Act P.L. 2017, c. 133 (WQAA), enacted in New Jersey to improve the safety, reliability, and administrative oversight of water infrastructure. WQAA requires systems with more than 500 service connections to routinely perform certain best management practices and to develop cybersecurity and asset management plans. The NJDEP, in close coordination with the partners set forth in the WQAA (i.e. the Department of Community Affairs and the Board of Public Utilities), will continue to develop and update guidance and/or training on asset management planning in SFY2021; and
- evaluate and update the existing capacity development system strategy to reflect initiatives and efforts that encourage public water systems asset management planning, as well as assisting public water systems with relevant training in the implementation of asset management plan in accordance with the SDWA Amendments in AWIA of 2018 (AWIA Section 2012).

Additional information can be found on NJDEP's drinking water programs at:

<http://www.nj.gov/dep/watersupply/>