State of New Jersey
Department of Environmental Protection
Division of Water Supply
Bureau of Safe Drinking Water

Status Report
On the Implementation of
New Jersey's Capacity Development Program

2008 - 2010

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Chris Christie
Governor

Bob Martin
Commissioner

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SECTION I

Introduction

In accordance with Section 1420(c)(3) of the Federal Safe Drinking Water Act Amendments of 1996, States must submit a report to the Governor every three years on the efficacy of the State's Capacity Development Strategy and progress made towards improving the technical, managerial and financial capacity of public water systems. Under the Act, the report is due two years after the State first adopts its Capacity Development Strategy (September 2000) and every three years thereafter. The New Jersey Department of Environmental Protection (NJDEP) submitted its initial Capacity Development report to the Governor on September 27, 2002. This report of September 2011 provides an evaluation of the efficacy of the State's Capacity Development Strategy during the three-year period 2008 through 2010. The report must also be made available to the public, and is available at http://www.nj.gov/dep/watersupply/publications.htm#capdev

The Capacity Development Program is part of NJDEP's Safe Drinking Water Program, which is responsible for administering the Federal and State Safe Drinking Water Acts to insure that adequate prime source, treatment, pumpage, storage, transmission and distribution facilities are provided to produce water of the highest quality and at sufficient volume and pressure to all consumers at all times; and to insure that all water systems perform adequate sampling and provide potable water that is in compliance with the drinking water standards or maximum contaminant levels (MCLs) for regulated contaminants.

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. These initiatives include the participation of the County Environmental Health Act Agencies, the NJDEP's Enforcement Program's Zero Tolerance Policy and the Drinking Water State Revolving Fund – Small Water System Technical Assistance Program.

Background of Regulatory Requirements

The 1996 Amendments to the Federal Safe Drinking Water Act 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 Federal Safe Drinking Water Act, each state was required to obtain the legal authority to ensure that all new public community

water systems[1] and all new public non-transient non-community water systems demonstrate adequate technical, managerial, and financial capacity. In New Jersey, Assembly Bill No. 2615, signed into law on August 2, 1999 (P.L.1999 Chapter 176), amended the New Jersey Safe Drinking Water Act (N.J.S.A. 58:12A) to give New Jersey explicit legal authority to require new community and new non-transient non-community water systems to demonstrate capacity. Subsequently, New Jersey adopted regulations on July 31, 2000, effective August 21, 2000, at N.J.A.C. 7:10-13 that established the requirement to assure that all new public community and all new non-transient non-community water systems have adequate capacity. The regulations of N.J.A.C. 7:10-13 can be viewed within http://www.nj.gov/dep/rules/rules/njac7_10.pdf.

In accordance with Section 1420(c) of the Federal Safe Drinking Water Act, 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 New Jersey's Capacity Development Strategy on September 28, 2000. Since its approval, New Jersey has been implementing its capacity development strategy. This strategy can be viewed at http://www.nj.gov/dep/watersupply/pdf/capdev.pdf. In August 2010, the New Jersey Capacity Development Strategy was updated; this revised document appears at http://www.nj.gov/dep/watersupply/pdf/revision.cd.strategy.pdf.

The Drinking Water State Revolving Fund (DWSRF) serves as the primary source of funding for implementing the NJDEP's Capacity Development Strategy. The NJDEP is allowed to set aside up to 10 percent of each DWSRF capitalization grant for State program management activities, which includes funding the capacity development program. In addition, the NJDEP is allowed to set aside two percent of each capitalization grant for small water system technical assistance and 15 percent of each capitalization grant for activities to assist development and/or implementation of source water protection, well head protection, and capacity development. Although the DWSRF 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 <u>any</u> provision of Section 1420 of the Federal Safe Drinking Water Act are subject to lose up to 10 percent of the DWSRF monies in fiscal year 2001, 15 percent in fiscal year 2002, and 20 percent in each fiscal year thereafter. The failure to issue the Capacity Development Program Report to the Governor by September 30, 2011, as required by Section 1420(c)(3) of the Federal Safe Drinking Water Act, would result in a 20 percent withholding from the State's annual DWSRF allotment.

To date, the USEPA has not withheld any DWSRF monies and has routinely approved NJDEP's annual workplans and budgets regarding the intended use of funding. Also,

[1] See Appendix A for Glossary of Terms used in this report.

the USEPA has formally established, as part of the grant award process, that the NJDEP continues to implement a fully functional New Systems Capacity Program and Capacity Development Strategy as demonstrated and set forth in various reporting requirements, such as the Intended Use Plan and ongoing implementation reports.

Capacity Development Program Goals

The goals of the Capacity Development Program are as follows:

- reduce or eliminate the number of existing public water systems in significant non-compliance with the Federal and State Safe Drinking Water Act Regulations;

- ensure that public water systems have adequate technical, managerial, and financial capacity to achieve and maintain compliance with the Federal and State Safe Drinking Water Act Regulations;

- prevent the formation and operation of any new water system (community and non-transient non-community water systems) that may be non-viable; and

- provide public water systems with accurate, timely, and appropriate information in a straightforward manner to promote their compliance with the Federal and State Safe Drinking Water Act Regulations.

SECTION II

Overview of Federal Safe Drinking Water Act Requirements for Capacity Development

This section provides an overview of the Federal Safe Drinking Water Act requirements for NJDEP's Capacity Development Program.

a. Section 1420(a) of the Federal Safe Drinking Water Act requires the NJDEP to obtain the legal authority to ensure that all new water systems demonstrate adequate capacity. According to the Federal Safe Drinking Water Act, the State shall only receive 80 percent of the DWSRF capitalization grant allotment unless the State has obtained this legal authority.

   On August 2, 1999, the New Jersey Safe Drinking Water Act was amended at N.J.S.A. 58:12A-4c(5)(b) to give the NJDEP explicit authority to require new systems to demonstrate adequate technical, managerial, and financial capacity.

   On September 20, 1999, the NJDEP submitted a plan to the USEPA for ensuring that new community and new non-transient non-community water systems demonstrate adequate capacity. As part of the plan, New Jersey promulgated

rules that were adopted on July 31, 2000 requiring technical, managerial, and financial capacity for new systems. These rules (N.J.A.C. 7:10-13) became effective on August 21, 2000. This requirement under Section 1420(a) of the Federal Safe Drinking Water Act has been satisfied.

b. Section 1420(b)(1) of the Federal Safe Drinking Water Act requires that the NJDEP periodically (every 3 years) submit to the USEPA a report of community water systems and non-transient non-community water systems with a history of significant non-compliance (SNC). The first report was due by August 6, 1997. The following is a summary of the history of significant non-compliance reports submitted to the USEPA:

- July 30, 1997, the NJDEP reported 55 community water systems and 92 non-community water systems for a total of 147 systems;
- August 1, 2000, the NJDEP reported 43 community and 67 non-community water systems for a total of 110 systems;
- July 30, 2003, the NJDEP reported 7 community and 21 non-community water systems for a total of 28 systems;
- June 23, 2006, the NJDEP reported 27 community and 23 noncommunity water systems for a total of 50 systems;
- July 31, 2009, the NJDEP reported 34 community and 31 noncommunity water systems for a total of 65 systems.

In 2010, the NJDEP began to use the USEPA's Enforcement Targeting Tool, which replaced the SNC process with a new scoring process to identify systems with critical compliance issues. The NJDEP and the USEPA Region 2 are more closely tracking water systems with lingering compliance issues and will determine the future format of fulfilling the reporting requirements of Section 1420(b)(1).

c. Section 1420(b)(2) of the Federal Safe Drinking Water Act required the NJDEP to submit a report to the USEPA by August 6, 2001 that detailed the success of enforcement mechanisms and initial capacity development efforts in helping public water systems improve their technical, managerial, and financial capacity.

On August 2, 2001 the NJDEP submitted to the USEPA a report entitled "The Success of Enforcement Mechanisms and Initial Capacity Development Efforts in Helping Water Systems Having a History of Significant Non-Compliance." This report satisfied the requirements of Section 1420(b)(2) of the Federal Safe Drinking Water Act.

d. Section 1420(c) of the Federal Safe Drinking Water Act requires that the NJDEP establish a Capacity Development Strategy for all existing public water systems by October 2000. If a Capacity Development Strategy is not approved by the USEPA, after input from the public, the State shall receive 80 percent of the DWSRF capitalization grant.

On August 3, 2000, the NJDEP submitted to the USEPA the State's Capacity Development Strategy. The Strategy was approved by the USEPA on September 28, 2000. Revisions were proposed in the 2009 Capacity Development Annual Report and finalized in the 2010 Capacity Development Annual Report. This requirement under Section 1420(c) of the Federal Safe Drinking Water Act has been satisfied.

In accordance with the approved Capacity Development Strategy, the NJDEP committed to preparing periodic Strategy Lists that identify those public water systems requiring capacity development. The criteria used to identify and prioritize public water systems includes the following: population served, type of public water system, significant non-compliance status, maximum contaminant level violations, monitoring and reporting violations, formal enforcement actions, and inspection deficiencies. Using these criteria, systems were ranked as low, medium, or high. Systems ranked "high" were recognized as not having adequate capacity and, consequently, required capacity development.

- December 2001 – NJDEP prepared the first Strategy List entitled "Report on Strategy List of Public Water Systems" using data from the 18 month period of January 2000 through June 2001. The Strategy List identified 15 community water systems and 19 non-community water systems for a total of 34 systems requiring capacity development.
- February 2004 – NJDEP prepared the second Strategy List entitled "Report on Strategy List of Public Water Systems" using data from the 18 month period of January 2002 through June 2003. This Strategy List identified 6 community water systems (4 carryovers from 2001) and 11 non-community water systems for a total of 17 systems requiring capacity development.
- August 2007 – The NJDEP "Annual Report on the Ongoing Implementation of the Capacity Development Program – 2007" Report included an Interim 2007 Strategy List. This Interim 2007 Strategy List included water systems from the 2001 and 2004 Strategy Lists with unresolved issues, and additional water systems identified as having significant non-compliance or other needs requiring capacity development assistance based on the knowledge and experience of program staff. This Strategy List identified 19 community water systems and 20 non-community water systems for a total of 39 water systems requiring capacity development. The Final 2007 Strategy List was included in the 2008 Capacity Development Annual Report.

- August 2010 – The NJDEP "Annual Report on the Ongoing Implementation of the Capacity Development Program – 2009" Report included a draft updated Strategy List. In addition to applying previous criteria, NJDEP also used "survey" information described in the Revisions to the 2000 Strategy. This Strategy List identified 37 community water systems and 29 non-community water systems for a total of 66 water systems requiring capacity development. The Final 2010 Strategy List was included in the 2010 Annual Capacity Development Report; community water systems on that list are discussed in Appendix B of this report.

In accordance with the approved Capacity Development Strategy, the NJDEP performs capacity evaluations and provides technical assistance to promote the capacity of water systems ranked "high" on the Strategy List.

The water systems ranked "high" on the Strategy Lists receive a comprehensive capacity evaluation. Upon completion of their evaluation, each public water system receives a written report stating the findings and appropriate actions and/or recommendations necessary to achieve and maintain compliance. The appropriate technical assistance is provided to each public water system throughout the process of capacity development. In addition, the availability of low interest loans and/or grant monies is identified as a resource to promote their compliance.

A prior NJDEP contract with the New Jersey Water Association (a non-profit organization) to support the capacity evaluation and technical assistance processes for water systems ranked "high" on the Strategy List streamlined the capacity development process for existing systems by having the capacity evaluation performed and technical assistance provided by the same entity. In addition, this approach has helped to overcome resistance by some water systems to a State regulatory agency offering assistance. The NJDEP continues to provide coordination and assistance to both the New Jersey Water Association and to the water system, as needed. This contract was extended from August 2006 to February 2008, but NJDEP did not use the services in SFY2008 and did not extend the contract.

Instead, NJDEP provided direct, on-site capacity evaluations and technical assistance to targeted systems to ensure continued implementation of the Strategy in SFY2008, SFY2009, and SFY2010. The USEPA certification of two NJDEP staff as Check Up Program for Small Systems (CUPSS) trainers has meant the technical, managerial, and financial capacity development assistance offered to systems has included introduction and education to the concept of asset management and CUPSS software. Some systems also have been advised of financial planning tools from the Boise State Environmental Finance Center (EFC)

such as Rate CheckUp, EFC Financial Dashboard, and Utility Budgeting Workbook.

Meanwhile, NJDEP re-evaluated its Strategy to consider alternative approaches for this aspect of the Program. (An independent review of the program was sought and a cost estimate obtained in 4QSFY2009 which was significantly higher than initially projected, so the Division of Water Supply decided not to proceed with the independent analysis. Another contract for providing rate-setting assistance to small systems was considered, but not pursued due to program implementation concerns.) As a result, NJDEP decided to add provisions to its Strategy implementing an asset management program consistent with certain national trends for Capacity Development, such as application of tools such as USEPA's recently released CUPSS to develop asset management plans for targeted systems and promotion of financial planning tools to ensure necessary funds are available to sustain infrastructure. Stakeholder involvement in developing a final Strategy was sought during meetings in January, April and June 2010.

Once the Strategy was revised, NJDEP had drafted a new contract for services designed to provide more effective Technical, Managerial, and Financial Capacity Development assistance. The aim was to issue a $200,000 third-party contractor Request for Proposal (RFP) for Technical, Managerial, and Financial Capacity evaluations, and asset management plan development and implementation in 1QSFY2011, so as to receive, evaluate, and award the bids by the end of 2QSFY2011. However, NJDEP did not provide adequate resources for the Capacity Development Program to pursue those tasks while fully evaluating existing water systems. The Scope of Work forms and attachments needed for the RFP still need further revision to ensure that the Contractor would have the proper guidance and tools for providing quality services to the water systems assigned to them. For example, the NJ Clean Water Council provided comments on the CRITERIA AND BENCHMARKS FOR TECHNICAL, MANAGERIAL, AND FINANCIAL (TMF) CAPACITY which identified the need to develop a companion Assessment Form. Potential staff resources were reduced during SFY2011 due to the retirement of one staff person. The NJDEP is reassessing available resources to determine when all contract documents can be adequately reviewed and whether adequate resources are available to announce the RFP, receive, evaluate, and award bids and finally oversee contract management.

Another component of the contract with New Jersey Water Association involves the provision of engineering services (free of charge) for small water systems (serving less than 3,300 persons). A contract with New Jersey Water Association effective through August 2009 obligated $400,000 to assist five (5) small water systems for engineering services to assist them with applications for loans to upgrade their systems or to connect with city water. NJDEP executed a new

engineering-services contract with New Jersey Water Association on March 14, 2011 to continue this service, obligating $400,000 for this contract for New Jersey Water Association to act as an intermediary with consulting engineers to help up to five (5) small water systems.

Additional Capacity Development Strategy Commitments

Monitoring Schedules: In accordance with the approved Capacity Development Strategy, the NJDEP provides public water systems with accurate, timely, and appropriate information to promote their compliance with the Safe Drinking Water Act Regulations.

In calendar year 1999, the NJDEP initiated a notable technical assistance effort to help public water systems comply with Federal and State Safe Drinking Water Act Regulations by preparing system specific monitoring schedules.

Monitoring schedules were posted annually through 2009 when a web-based version of an application called "Drinking Water Watch" for the general public, water systems, and laboratories to access Safe Drinking Water Act information about public water systems stored in the SDWIS database system became available. Prior to the release of the web-based version, only a limited number of users were able to have access to SDWIS via the web. This tool increased water system compliance with SDWA regulations and provided certified drinking water laboratories with information to assist water systems in making monitoring and other decisions. It also eliminated the need for systems and laboratories to phone the Division of Water Supply to obtain water quality data. This tool is available at https://www11.state.nj.us/DEP_WaterWatch_public/index.jsp.

Since implementation of the program activity for issuing system specific monitoring schedules and the availability of Drinking Water Watch, the NJDEP has received many written and verbal notes of appreciation from various community and non-transient non-community water systems. Water systems have recognized that this effort has assisted them in complying with the monitoring and reporting requirements of the Federal and State Safe Drinking Water Act Regulations, and has helped the water systems avoid violations. The NJDEP views this activity of establishing system specific monitoring requirements as an essential task in promoting the compliance of public water systems.

Outreach: In accordance with the approved Capacity Development Strategy, the NJDEP conducts presentations on the goals and processes of the Capacity Development Program.

The goals and process of the Capacity Development Program are covered as part of continuing education seminars offered through Rutgers University and the

New Jersey Water Association. Rutgers University has provided an annual two-day workshop each year to licensed operators and water system owners/managers since calendar year 2000.

In addition, similar presentations are periodically provided at courses sponsored by the New Jersey Water Association. The Capacity Development Program has also sponsored several workshops with county health agencies to review the requirements of the Capacity Development Program as they apply to new non-transient water systems. The continuing education seminars and workshops will continue to be provided. Examples include "Enhanced Utility Management" (offered June 2010 at three sites) and "Financial Planning" (April 2011).

Baseline Report: In accordance with the approved Capacity Development Strategy, the NJDEP prepares baseline reports to be used for measuring improvements in public water system capacity over time.

The report entitled "Report on Baseline Assessment of Public Water Systems for Calendar Year 1998" was prepared by the NJDEP in July 2001. Calendar year 1998 was selected to represent the baseline of systems since this timeframe preceded capacity development efforts. These reports are a compilation of the information gathered through the NJDEP Annual Report of Violations and are used as benchmarks for comparison and measuring improvements in public water system capacity. Reports were prepared in 2002, 2005, 2008 and 2011.

NJDEP's Zero Tolerance Policy: This initiative supports the goals of the Capacity Development Program and has been effective in helping to reduce the number of public water systems in violation of the Safe Drinking Water Act Regulations.

In January 1999 an enforcement initiative referred to as the "Zero Tolerance Policy" was implemented for safe drinking water monitoring and reporting violations. Under this policy, community water systems with any confirmed violations are issued formal enforcement actions with administrative penalties. This initiative has been effective in establishing a commitment from community water systems in meeting the requirements of the Safe Drinking Water Act Regulations. On July 1, 2000 the Zero Tolerance Policy was expanded to include public non-community water systems in an effort to improve their level of compliance. The County Environmental Health Act (CEHA) agencies implement this enforcement effort on the county level and take mandatory enforcement actions and penalty assessments against any non-community water system with confirmed monitoring and reporting violations occurring after July 1, 2000.

The Zero Tolerance Policy has affirmed to public water systems their responsibility to comply with the Federal and State Safe Drinking Water Act Regulations. In addition, it establishes that their failure to comply with the

Regulations results in mandatory enforcement actions and penalties by CEHA agencies and the NJDEP. With the adoption of the Zero Tolerance Policy, public water systems recognize the benefit of entering into a cooperative relationship with the NJDEP to improve their capacity and avoid formal enforcement actions and/or penalties.

The NJDEP continues to enforce the Zero Tolerance Policy.

Three other NJDEP initiatives that support the goals of the Capacity Development Program are Violation Evaluation, Small Water System Technical Assistance Program, and the Operator Certification Program.

Violation Evaluation

- In January 2000, the NJDEP implemented a process to timely and individually evaluate monitoring and reporting violations generated by the NJDEP's automated compliance determination system. Monitoring and reporting violations were routinely evaluated through the combined efforts of the drinking water program, the enforcement program, and the delegated CEHA agencies.

  The process involved a comprehensive review of system inventory and data verification for all public water systems to ascertain the accuracy and status of violations. In some instances, violations were deleted due to data error. Data error can result from systems that have undergone a classification change that altered their monitoring requirements, or have become inactive due to going out of business or connecting to another public water system. Through this effort, a more accurate inventory is maintained and water system owners are advised of the violation(s) in a timelier manner so that corrective measures can be taken by willing owners. This effort has yielded significant reductions in the number of public water systems listed as being in significant non-compliance as evidenced in Section III of this Report.

  In June 2004, the NJDEP initiated the use of its automated compliance determination system to the Federal Safe Drinking Water Information System (SDWIS) software program. The SDWIS program was developed by the USEPA for data management and violation reporting regarding public water systems in each state. The SDWIS program tracks sample results and enables a more timely response to water quality issues (such as exceeded maximum contaminant levels and/or elevated contaminant concentrations) than with prior drinking water data management systems.

  The SDWIS program makes data available in real-time, rather than waiting on weekly updates, as performed by the previous data management system. Maximum contaminant level violations are generated nightly and compliance

reports for monitoring and reporting violations are prepared quarterly (with the exception of total coliform monitoring for community water systems, which is generated monthly). Once a compliance report is run, candidate violations (whether maximum contaminant level or monitoring and reporting) are generated. The candidate violations must then be verified and authenticated. The SDWIS program has greatly improved the NJDEP's violation response time and is expected to further reduce the number of systems with a history of significant non-compliance.

This computer system was recently upgraded to a newer version, SDWIS 2.3 that includes compliance determinations for more Safe Drinking Water Act Rules and Regulations.

Small System Technical Assistance Program

- The 1996 Federal Safe Drinking Water Act Amendments provided the NJDEP with Drinking Water State Revolving Fund monies for small public water system technical assistance. The NJDEP recognizes that small water systems (serving less than 3,300 people) make up a large portion of systems in significant non-compliance. This category of public water systems typically does not have the resources and, more importantly, the expertise of larger systems to comply with the Federal and State Safe Drinking Water Act Regulations.

  In July 2000, the NJDEP awarded a small water system technical assistance contract to the New Jersey Water Association. This contract included training sessions to help small water systems understand Safe Drinking Water Act Regulations, and one-on-one onsite technical assistance for systems with compliance issues. Technical assistance is prioritized to those systems that are in significant non-compliance status or have persistent monitoring and reporting violations.

  The NJDEP did not use the one-on-one onsite assistance component of this contract for much of the 2008-2010 reporting period. Instead, the focus of this New Jersey Water Association contract was providing training to small water systems. In the meantime, the NJDEP performed a limited number of on-site technical assistance evaluations, some of which included managerial assistance. One new staff person transferred into the Capacity Development Program of the NJDEP at the end of State Fiscal Year 2007 and was assigned to implement the Capacity Development Strategy for existing systems.

  During State Fiscal Year 2008, the new staff person participated in a number of on-site technical assistance evaluations. This staff person also received training and performed other Capacity Development activities such as a)

evaluating the existing Capacity Development Strategy, b) developing a revised Capacity Development strategy, c) establishing benchmarks for measuring Technical, Managerial and Financial capacity, d) drafting a contract for services and a contract for independent analysis of the Program, and e) providing small system technical assistance.

Another staff person was reassigned from the Technical Assistance Section of the Bureau of Safe Drinking Water to conduct on-site technical evaluations for existing non-community systems during the latter portion of State Fiscal Year 2008. This staff person retired in mid-SFY2010. The program will continue to provide direct assistance on a limited basis.

These efforts resulted in "Revisions to the Approved Capacity Development Strategy" (Appendix III, 2010 Annual Report), publication of "Criteria and Benchmarks for TMF Capacity" (Appendix IV, 2010 Annual Report), and a draft contract for technical, managerial and financial evaluations. The staff person conducting these activities transferred out of the capacity development program near the end of SFY2010, but reorganization within the NJDEP's Division of Water Supply will result in a staff person being assigned to this activity.

Operator Certification Program

- N.J.A.C. 7:10A, *Licensing of Water Supply and Wastewater Treatment System Operators*, establishes the rules governing the eligibility, examining, and licensing of persons as operators of Industrial Wastewater Treatment Systems, Public Wastewater Treatment Systems, Public Wastewater Collection Systems, Public Water Treatment Systems, and Public Water Distribution Systems.

  October 2, 2000 amendments required all licensees to obtain continuing education for license renewal, and all public community water systems and public non-transient, non-community water systems to be under the direct supervision of a licensed operator who is competent to ensure the operation and maintenance, and overall effectiveness of the water system.

  N.J.A.C. 7:10A, *Licensing of Water Supply and Wastewater Treatment System Operators*, was readopted with amendments on December 15, 2008. Amendments included 1) licensing fee increases, 2) granting of continuing education time extensions for military service and for illness or hardship, 3) a requirement for licensees to obtain DEP approval to operate more than 10 public water systems, 4) a requirement for individuals failing an exam three times to take a review course, and 5) clarification of continuing education requirements and operator duties and O&M procedures.

SECTION III

Evaluation – Efficacy of the Capacity Development Program:

This section will review the progress in meeting the objectives of the Capacity Development Program.

a. Progress in Reviewing the Capacity of New Water Systems

Community Water Systems

Between January 1, 2008 and December 31, 2010, the NJDEP added sixteen (16) new community water systems to its inventory of public water systems. Three (3) systems received an evaluation under the New Jersey Safe Drinking Water Act Regulations (N.J.A.C. 7:10). The remaining thirteen (13) systems did not meet the definition of a "new system," meaning that the water systems were not newly constructed or did not require an expansion of their infrastructure to become a community water system and consequently did not require a technical, managerial, and financial review.

Most new community water systems were a reclassification of an existing water system or the identification of a previously unregulated water system in existence prior to the effective date of the Regulations (August 21, 2000). To date, no new community water system proposals have been denied approval based on technical, managerial, or financial capacity requirements. To date, all new community water systems that were approved under the Capacity Development Program are in good standing and are not in significant non-compliance nor demonstrated any other pattern of non-compliance.

Non-Transient Non-Community Water Systems

Between January 1, 2008 and December 31, 2010, the NJDEP has added eighty-six (86) new non-transient, non-community water systems to its inventory of public water systems since the effective dates of the Interim Policy (October 1, 1999) and the subsequent Regulations at N.J.A.C. 7:10-13 (August 21, 2000). Twenty-five (25) systems received an evaluation under the Regulations. Sixty-one (61) systems did not meet the definition of a "new system", meaning that the water systems were not newly constructed or did not require an expansion of their infrastructure to become a non-transient, non-community water system and consequently did not require a technical, managerial, and financial review.

Most new non-transient, non-community water systems were reclassified from another type of public water system or were identified as a regulated water system, although built prior to the effective date of the regulations. To date, no

new non-transient, non-community water system proposals have been denied approval based on technical, managerial, or financial capacity requirements

The NJDEP initially had some success in implementing the regulations for new non-transient non-community water system through the County Environmental Health Act (CEHA) agencies. However, the NJDEP found the process of performing capacity evaluations varied among the CEHA agencies. As of 2010, some CEHA agency representatives are capable of performing applicability determinations, while others do not have sufficient resources to perform Technical, Managerial, and Financial evaluations in accordance with N.J.A.C. 7:10-13. NJDEP produced a guidance document for owners and operators of non-transient non-community water systems on how to demonstrate that the water system has a reliable yield of potable water to meet its needs. The NJDEP is currently performing Capacity Development determinations for new non-transient non-community water systems as needed and feasible with staff constraints.

b. Progress in Improving Capacity of Existing Water Systems

To evaluate and measure improvements with the Technical, Managerial, and Financial Capacity of existing public community and non-transient non-community water systems, the NJDEP compared the findings of the following three Capacity Development Program tasks as detailed in Section II of this Report:

1. History of Significant Non-Compliance Reports (1997, 2000, 2003, 2006 and 2009),
2. Strategy Lists (2001, 2004, 2007 and 2010), and
3. Baseline Report (1998) and subsequent Assessment Reports (2001, 2004, 2007 and 2010).

<u>Comparison of History of Significant Non-Compliance Reports</u>

There has been a general reduction in the number of public water systems with a history of significant non-compliance since the first report of 1997. The number of public water systems with significant non-compliance from 1994-1996 (1997 report) was 147; 110 in 2000; 28 in 2003; 50 in 2006 and 65 in 2009. This trend can be seen in Figure 1.

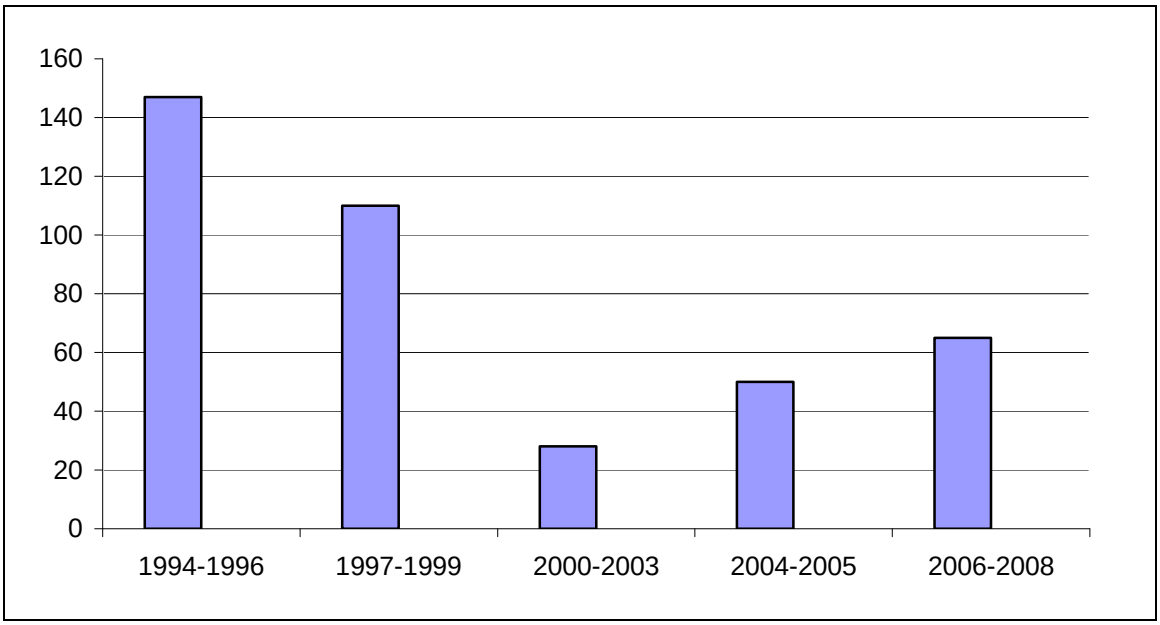

Figure 1: Number of Public Water Systems in Significant Noncompliance 1994-2008

Some of the reasons for the recent increase in the number of water systems with a history of non-compliance are the adoption and implementation of new State and Federal regulations, specifically the Radiological Rule in 2005 and the Arsenic Rule in 2006. The upgrade of the computer application used to track drinking water violations has resulted in the Drinking Water Program's ability to track monitoring violations more efficiently.

The number of public water systems with a history of significant non-compliance identified in 2009 continues to represent a relatively small percentage of the total number of community water systems and non-transient non-community water systems in New Jersey. Of 1439 such systems that were operating during 2008-2010, 4.5 percent had a confirmed history of SNC during the period compared to three percent (50 systems) for the 2003-2005 period in the 2006 report.

Comparison of Strategy Lists

Strategy Lists are developed to identify those public water systems most in need of capacity development and to prioritize the Program's resources for performing capacity evaluations and providing assistance. The first strategy list, compiled in December 2001, was based on a review of the compliance status during the preceding 18-month timeframe from July 2000 – December 2001. The second strategy list, compiled in February 2004, was based on a review of the compliance status during the 18-month timeframe of January 2002 – July 2003.

The third strategy list was compiled in August 2007 as an Interim Strategy List, from a review of the compliance status, and finalized in August 2008. The fourth strategy list was compiled in July 2010 from a review of the compliance status during the 18-month timeframe of January 1, 2008 – June 30, 2009, and finalized in August 2010. This is the list that staff is currently contacting for technical, managerial and financial evaluation.

The status of the water systems on the Strategy List were assessed using the following criteria: population served, type of water system, significant non-compliance status, maximum contaminant level (MCL) violations, monitoring and reporting violations, formal enforcement actions, and infrastructure deficiencies. Applying the listed criteria, systems were ranked as low, medium, or high on the 2001 and 2004 lists. Systems ranked "high" are recognized as not having adequate Technical, Managerial, and Financial Capacity and consequently require Capacity Development.

The 2001 Strategy List indicated that of the 606 public community water systems reviewed, 15 systems were ranked as "high" priority, 53 were ranked as "medium" priority, and 135 were ranked as "low" priority. Of the 3,617 non-community water systems, 19 systems were ranked as "high" priority, 229 were ranked as "medium" priority, and 330 were ranked as "low" priority.

Nine of the 15 community water systems and 12 of 13 active non-community water systems on the 2001 Strategy List achieved technical, managerial, and financial capacity. Four water systems that did not achieve technical, managerial and financial capacity were carried over to the following Strategy List. Appendix B summarizes the status of systems appearing on the 2001 Strategy List.

The 2004 Strategy List indicated that of the 608 community water systems reviewed, 6 systems were ranked as "high" priority, 39 were ranked as "medium" priority, and 129 were ranked as "low" priority. Of the 3,442 non-community water systems reviewed, 11 systems were ranked as "high" priority, 170 were ranked as "medium" priority, and 272 were ranked as "low" priority. Appendix B summarizes the status of systems appearing on the 2004 Strategy List.

An Interim 2007 Strategy List was developed and included in the August 2007 Capacity Development Annual Report. As stated in the 2008 Capacity Development Annual Report, this list was adopted without changes and is now the Final 2007 Strategy List. The Final 2007 Strategy List includes high priority systems from the 2001 and 2004 lists that remain unresolved and out of compliance. Additionally several "high" priority water systems, e.g. Sea Village Marina, were added based on staff knowledge of the compliance problems of the water systems. The 2007 Strategy List indicated that of the 617 community water systems, 19 systems were identified as high priority. Of the 3471 non-

community water systems, 20 systems were identified as “high” priority. For 2007, the focus of the Capacity Development Program was on addressing Technical, Managerial, and Financial needs of high priority water systems. Appendix B summarizes the status of systems appearing on the 2007 Strategy List.

The 2010 Strategy List was included in the August 2010 Capacity Development Annual Report. The list includes high priority systems from prior lists that remain unresolved and out of compliance, as well as other systems based on staff knowledge, for a total of 66 public water systems identified as High priorities for receiving assistance from the Program to develop their technical, managerial and financial capacity. A list of the status of the community water systems in the 2010 Strategy List is included in Appendix B.

Comparison of the 2001 Strategy List to the 2004 Strategy List shows a marked reduction in the number of community water systems (from 15 to 6) and non-community water systems (from 19 to 11) that ranked “high.” It is important to note that the criteria used for preparation of the 2004 Strategy List was modified from the criteria used in 2001 to be more restrictive, specifically maximum contaminant level and monitoring and reporting violations were weighted differently in 2004 than 2001. Also, four (4) of the six (6) community water systems on the 2004 Strategy List are continuations/carryovers from the 2001 Strategy List.

The comparison of the 2004 Strategy List to the 2007 Strategy List shows an increase in the number of community water systems (from 6 to 19) and noncommunity water systems (from 11 to 20). The 2007 Strategy List shows the combination community and noncommunity water systems ranked “high” from the 2001 and 2004 list, with unresolved issues carried forward, and the recognition of additional water systems with capacity development needs.

Comparison of the 2007 Strategy List to the 2010 Strategy List shows an increase in the number of both community water systems (19 to 37) and noncommunity water systems (20 to 29) listed as high priority. This is in part due to expanded criteria and soliciting input from other state programs on which water systems needed capacity development assistance, in part due to a carryover of 24 systems from the 2007 Strategy List. Without the latter, on which significant progress is being made, only 42 systems would have appeared on the 2010 Strategy List.

Comparison of the 1998 Baseline Report on violations to subsequent Assessment Reports

- Public water systems with Monitoring and Reporting violations

  The comparison of the 1998 Baseline Report with the subsequent assessment reports of 2001, 2004, 2007 and 2010 indicates an overall significant reduction in Monitoring and Reporting violations from 1998 to 2010. The capacity development program is progressing because the Division of Water Supply is capturing more information and notifying the systems of Monitoring and Reporting violations in a faster timeframe due to the use of SDWIS software beginning in 2004. There was an initial increase in Monitoring and Reporting violations in 2004 as the new software was brought online and staff was learning its capabilities. However, there is a general declining trend in the number of public water systems with valid monitoring and reporting violations for volatile organic compounds and inorganic contaminants; for 1998 there were 711, 486 in 2001, 903 in 2004, 198 in 2007, and 65 in 2010. The number of public water systems with valid Monitoring and Reporting violations for total coliform and nitrates in 1998 was 1568, compared to 710 in 2001, 776 in 2004, 422 in 2007, and 276 in 2010.

- Public water systems with Maximum Contaminant Level (MCL) violations

  The comparison of the 1998 Baseline Report with the subsequent assessment reports for 2001, 2004, 2007 and 2010 indicates a slight increase in MCL violations from 1998 to 2010. However, from 2007 to 2010 the number of systems with maximum contaminant levels violations decreased, reflecting systems adjusting to three new Safe Drinking Water Act rules that went into effect after 2004: Disinfection Byproducts, Arsenic, and Radiological. The number of public water systems with MCL violations of the Safe Drinking Water Act standards in 1998 was 260, 396 in 2001, 198 in 2004, 314 in 2007, and 285 in 2010.

  A public water system which incurs a MCL violation can still return to compliance with the regulations as long as the violation is addressed within one year of the violation date, in accordance with New Jersey's Safe Drinking Water Act Regulations, N.J.A.C. 7:10-5.7. Typically a public water system addresses a MCL violation by providing treatment to remove the contaminant. Other approved corrective actions include: connecting to another public water system, replacing the existing source of water with a new source which meets all drinking water standards, or demonstrating with analytical results that their current source of water no longer exceeds the MCL.

SUMMARY

The NJDEP attributes the observed improvement in public water system compliance, as demonstrated in Section III of this Report, in part to the successful implementation of the efforts and mechanisms established under Safe Drinking Water Program, including the Capacity Development Program and the coordination of activities under the NJDEP's Enforcement Program, Small Water System Technical Assistance Program, and Operator Certification Program.

The NJDEP's Capacity Development Program is making progress in addressing non-compliance and promoting the Technical, Managerial, and Financial Capacity of public water systems in the State by focusing on the 2010 Strategy List. The NJDEP anticipates that the collective efforts detailed in this Report will continue to promote compliance with the Federal and State Safe Drinking Water Act Regulations and reduce the number of public water systems with violations.

The significant elements that have brought about a higher level of compliance with the drinking water standards are:

- Small System Technical Assistance
    - contracted services (New Jersey Water Association)
    - by the NJDEP (Capacity Development and Small Water System Assistance Programs)
- Zero Tolerance Policy for safe drinking water monitoring and reporting violations
- Violation Evaluation
    - improved data management
    - maintenance of an accurate inventory of systems and the status of violations.
- "Drinking Water Watch" application available on Division of Water Supply website to all water systems and users to view monitoring data, and monitoring schedules
- Monitoring Schedules continually updated as test results are received
- Implementing the activities of the Capacity Development Strategy
- Operator Certification Program (extended to small community water systems and non-transient, non-community water systems)

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:

1. Provide additional training to system owners/operators on asset management, operating a water system, and other managerial and financial aspects;

2. Establish services with certified public accountants to conduct financial evaluations and develop water system budgets and financial plans; and

3. Establish services with appropriate entities to perform asset evaluations at water systems and develop ongoing asset management plans.

In addition, the Capacity Development Program will undertake a more direct approach to promoting the compliance of transient water systems. In this regard, the Program will sponsor additional workshops specifically targeting the owners/operators of transient water systems. It is anticipated that this training/educational opportunity will help to reduce the higher incidence of monitoring and reporting violations among transient water systems.

APPENDIX A

Glossary of Terms

Capacity Development Terms

Capacity: is the ability to plan for, achieve, and maintain compliance with the Federal and State Safe Drinking Water Act Regulations and the ability to reliably produce and deliver water meeting all applicable drinking water standards. Capacity is measured by evaluating the technical, managerial, and financial capabilities of the water system.

Technical Capacity: refers to the adequacy, operation, and maintenance of a water system's infrastructure (infrastructure includes the source water, treatment, storage and distribution network of the water system). Technical Capacity also refers to the ability of qualified personnel to properly operate and maintain the system.

Managerial Capacity: refers to the expertise required of the personnel who administer the overall water system operations. This type of capacity also refers to the system's demonstration of clear ownership, proper organized staffing, and effective interaction with regulators and customers.

Financial Capacity: refers to the monetary resources available to a public water system to support the cost of operating, maintaining, and improving the water system. This type of capacity also refers to the demonstration of sufficient revenues, credit worthiness and fiscal management controls.

Capacity Development: is the process directed by the NJDEP through which water systems can improve their technical, managerial, and financial capacity to ensure compliance with current and future Safe Drinking Water Act Regulations.

New Water System: includes both community water and non-transient, non-community water systems being newly constructed, as well as systems which do not currently meet the definition of a public water system but expand their infrastructure (new sources of water, additional buildings) to become a community or a non-transient, non-community water system.

System Classification Terms

Public Water System: is a system for the provision to the public of water for human consumption through pipes or other constructed conveyances, if such system has at least 15 service connections or regularly serves an average of at least 25 individuals daily at least 60 days out of the year. A public water system is either a community

water system or a non-community water system. Non-community water systems are classified as either a non-transient or transient water systems.

Community Water System: is a public water system that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

Non-Transient Non-Community Water System: is a public water system that regularly serves at least 25 of the same persons per day more than six months in any given calendar year. Examples are schools, factories, offices, industrial parks, and major shopping centers.

Transient Non-Community Water System: is a public water system that serves at least 25 transient persons for at least 60 days in any given calendar year. Examples are restaurants, campgrounds, and hotels.

Nonpublic Water System: is a water system that regularly serves fewer than 15 service connections or 25 individuals.

Significant Non-Compliance: is a term used to define a water system that has violated one or more National Primary Drinking Water Act Regulations over an extended period of more than one monitoring period.

History of Significant Non-Compliance: is a term used to define a system that has been in significant non-compliance status for 3 or more quarters during a 3-year period.

APPENDIX B

Summary of Capacity Development Strategy Lists

2001 Strategy List

Community Water Systems

Fifteen (15) community water systems ranked “high” on the 2001 Strategy List. Of these, ten (10) systems required a technical, managerial, and financial technical, managerial and financial evaluation, five (5) of which subsequently acquired technical, managerial and financial capacity and achieved full compliance, and five (5) of which did not achieve full compliance and received ongoing assistance. Three (3) systems returned to compliance as a result of the violation validation process and have since maintained compliance. Two (2) systems underwent a change in ownership; one (1) system acquired technical, managerial and financial capacity and achieved compliance, and one (1) system did not achieve full compliance and received ongoing assistance.

As of June 30, 2011, thirteen (13) of the fifteen (15) community water systems that ranked “high” on the 2001 Strategy List, or 87%, achieved full compliance with the Safe Drinking Water Act Regulations. The remaining water systems are receiving ongoing assistance to promote their compliance.

Non-Community Water Systems

Nineteen (19) non-community water systems ranked “high” on the 2001 Strategy List. Of these, six (6) systems were deactivated due to connecting to community water systems and discontinuing use of their water supply, or due to a reclassification as a non-public water system and no longer being subject to the Safe Drinking Water Act Regulations. Eight (8) systems returned to compliance as a result of the violation validation process and have since maintained compliance. Three (3) systems required a full technical, managerial and financial evaluation and subsequently acquired technical, managerial and financial capacity and achieved compliance. The two (2) remaining systems did not participate in the Capacity Development Program. One of the two systems was referred to the Camden County Health Department for enforcement actions and subsequently returned to compliance; the other recalcitrant system was referred to the Northern Bureau of Enforcement for enforcement actions to establish compliance.

As of June 30, 2011, all thirteen (13) non-community water systems that ranked “high” on the 2001 Strategy List, or 100%, are in full compliance with the Federal and State Safe Drinking Water Act Regulations.

This summary demonstrates that the Capacity Development Program has been an effective tool in assisting public water systems in achieving compliance with the Safe Drinking Water Act Regulations. The Program clearly serves as an additional resource for water systems to utilize to receive the assistance and one-on-one attention not afforded by other NJDEP programs.

2004 Strategy List

Community Water Systems

Six (6) community water systems ranked "high" on the 2004 Strategy List. Of these, four (4) systems were carryovers (reoccurring) from the 2001 Strategy List: one (1) of which has since acquired technical, managerial and financial capacity and achieved full compliance, and three (3) of which continued to receive ongoing assistance. Two (2) systems were new to the 2004 Strategy List, one of which was acquired under the NJ Small Water System Takeover Act and the other which is under contract to connect to another community water system. As of June 30, 2011, the latter system was the only one added to the 2004 Strategy List which remains on the Strategy List.

Eleven (11) non-community water systems ranked "high" on the 2004 Strategy List. Of these, one (1) system connected to a community water system as a result of offsite contamination impacts on their source water quality. Two (2) systems addressed historical violations, returned to compliance, and have since maintained compliance. The remaining eight (8) systems received technical, managerial and financial evaluations/technical assistance under contract with New Jersey Water Association.

2007 Strategy List

The 2007 Strategy List included the water systems from the 2001 and 2004 Strategy Lists with unresolved issues, and additional water systems identified as "high" priority. This Strategy List identified 19 community water systems and 20 non-community water systems for a total of 39 water systems requiring capacity development.

The NJDEP has assisted the following public community water systems: Sea Village Marina, Ridgewood Water Dept., Colonial Estates Mobile Home Community and Bloomsbury Water Department. As of June 30, 2011, fifteen (15) systems added to the 2007 Strategy List remain on the 2010 List.

The NJDEP has assisted these public noncommunity water systems: Buck Tavern, American Cabinetry, Somerset hills Country Club, Tabatchnick Fine Foods, and Otto Kaufman Community Center. As of June 30, 2011, six (6) systems added to the 2007 Strategy List remain on the 2010 List.

2010 Strategy List

The 2010 Strategy List includes water systems from the earlier Strategy Lists which have unresolved issues, and additional water systems identified as "high" priority. This Strategy List identified 37 community water systems and 29 non-community water systems for a total of 66 water systems requiring capacity development. The status of the Capacity Development efforts for community water systems through June 30, 2011 are presented below. The status of the noncommunity water systems can be found at http://www.nj.gov/dep/watersupply/pdf/implrpt2011.pdf.

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
NJ0108021	SEA VILLAGE MARINA	Listed in 2007. Ongoing radionuclide (gross alpha) maximum contaminant level (MCL) violations and exceedances of NJ secondary standards for sodium and total dissolved solids (TDS). Lead and copper treatment never permitted as final. Only one well that may be also ground water under the influence of surface water (GWUI). Inadequate storage and auxiliary power. Technical, managerial and financial (TMF); ownership; and legal problems.	Capacity Development (CD) Plan recommends connection with NJ American Water (NJAW). Bankruptcy continues to impede State Revolving Fund (SRF) loan eligibility. Deputy Attorneys General (DAG) & Southern Enforcement have requested court to uphold requirement to comply with Administrative Consent Order (ACO), which would require new owners to use alternate funding source. NJAW master permit expired; new permit application submitted 10/28/10; technical deficiency issued 12/8/10; and the Department's (NJEMS) database system shows that the Bureau of Water System Permits and Well Permits (BWSWP) has completed technical review with permit approval still pending.

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
NJ0112002	BLACK HORSE MANOR	Listed in 2007. Lead and copper Action Level Exceedances (ALE) & subsequent Monitoring and Reporting (M/R) violations. Financial problems.	Inadequate source and storage corrected via construction/ operation of new well & facilities (storage waiver granted as condition 18 to WCP100001). Improved communications with regulators importance of financial capacity for ensuring regulatory compliance and the long-term viability of the water system still need to be addressed. Most recent communication stressed importance of org chart, job descriptions, policies/procedures, and submitting application to BWSWP to make odor control treatment permanent before extended temporary treatment approval expires.
NJ0248001	RAMSEY WATER DEPT	Arsenic MCL violations (see PEA080010)	Received Drinking Water State revolving Fund (SRF) loan to install required treatment which was constructed and in use on 12/17/09 (permit WCP060001). No TMF Capacity Evaluation conducted to date because the approved Capacity Development Strategy calls for systems of this size (>10,000 population) to be approached after smaller systems. Review of NJEMS indicates some public notice violations related to the previous MCL violations. Internal discussion will be necessary to determine the need for a pursuing a TMF

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			evaluation approval.
NJ0251001	RIDGEWOOD WATER	Previously listed in 2001, 2004 and 2007.	Long-term TMF capacity problems but multiple visits, meetings, and follow-up activities have resulted in progress in numerous areas such as ground water under the direct influence of surface water (GWUDI) testing on source wells, repairs to well houses, and initiatives to develop Operations and Maintenance (O&M) manual, enhance GIS asset inventory, and integrate it into an asset management plan using SEMS Software Suite. Much more work still required. NJDEP needs to issue formal comments on latest version of the Treatment System O&M Manual provided electronically on 3/13/11. System has shown vast improvement. BSDW to determine if any further revisions/ improvements are warranted. System needs to contact us about status on addressing our 3/25/10 comment letter on Strategic Planning - Master Business Plan dated 7/09.
NJ0301001	BUTTONWOOD MOBILE HOME PARK	Referred to Capacity Development Program by NJDEP Southern Enforcement and Bureau of Safe Drinking Water Implementation (BSDWI) for deficiencies in all TMF areas. Aging	System has since hired a licensed operator, but overall management & financing continue to be inadequate. No TMF capacity evaluation conducted to date. Need to contact system and schedule initial visit.

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
		infrastructure, poor O&M, no licensed operator, not issuing Consumer Confidence Reports (CCRs), no storage (2 wells & auxiliary power, but no waiver requested/issued), no meter to measure flow, etc.	
NJ0303001	BORDENTOWN WATER DEPARTMENT	Radionuclide contamination in all 4 source wells with Gross Alpha (GA) & Ra226/228 MCL violations in 2008. Improper chlorination/post-disinfection.	Communicated extensively with NJDEP's BSDWI, Bureau of Water Systems and Well Permits (BWSWP), Bureau of Water Allocation (BWA), New Jersey Geological Survey (NJGS), Southern Bureau of Water Compliance and Enforcement (SBWCE or Southern Enforcement), Bureau of Environmental Radiation (BER) & NJPDES permitting. Operational measures (well 5 last on/first off) and incidental treatment of radionuclides by greensand filters have brought system back into compliance with GA & Ra226/228 MCLs. Permit WCP100001 approved 9/10 to address disinfection treatment plant issues. System pursuing plans to install test wells to act as new/replacement wells with intent to have these sources be free of radionuclides. Issued 4/13/11 letter advising system on items to consider while implementing test well project. A draft of the Major

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			Modification for WFS Permit NJ0028649 was sent to Bordentown on 4/11/11. Need to follow-up and schedule TMF capacity site visit to determine level of concern for managerial and financial capacity. O&M manual prepared by consulting engineer - while extensive there is a need to determine extent of licensed operator (or LO) involvement in preparation and confirm short/long-term LO succession planning.
NJ0339001	NEW LISBON DEVELOPMENTAL CENTER	Listed in 2007. Lead action level exceedances. Numerous monitoring and reporting violations (late & non-submittal).	Efforts from 2008 to present include site visits, meetings, & calls with representatives of this State-run facility, the licensed operator, compliance manager, enforcement inspector, & permitting staff. Persistent efforts resulted in submission of new CCTR for Lead problem & permit application WCP10001 for pH adjustment & disinfection treatment units previously installed without approval. CCTR approved by BSDWI & permit application approved by BWSWP on 7/14/10 & 10/21/10, respectively. Poor managerial capacity issues persist. Met with system on 3/2/11 to discuss CCTR progress report, organizational chart/job descriptions, storage tank rehab project, well 3 decommissioning/ new well

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			project, and installation of pipe for 5 minute Cl_2 contact time. Continued persistence/follow-up warranted.
NJ0436007	WINSLOW TWP DMU	Listed in 2007. Ongoing radionuclide MCL violations at various points of entry. Volatile organic chemical (VOC) MCL violations at some points of entry.	Efforts to date involved monitoring progress of system's efforts to comply with Administrative Consent Order (ACO) effective 11/21/06 which requires operation of treatment facilities and meet MCLs for Gross Alpha and Radium for TP001003 (Well #1) & TP006021 (Well #8). Construction done at TP006021 & sampling performed to show treatment works. System wants to terminate this ACO. 2nd ACO became effective in 1/11 for TP007025 now exceeds Ra 226/228 MCL of 5 pCi/L and TP003010 where levels above MCL are detected, but does not yet have running annual average (RAA) exceedance. See 1/11 ACO for more details. Permit WCP110003 submitted 3/2/11 in compliance with ACO.
NJ0601001	BRIDGETON CITY WATER DEPT	Listed in 2007. Ongoing radionuclide MCL violations at various points of entry.	Efforts to date involved monitoring progress of system's efforts to correct Gross Alpha & Ra 226/228. Project to route contaminated water from wells 18 & 19 to newly constructed treatment plant TP015040 complete and units operational on 5/19/09. Monitoring shows potable water from TP015040 is below

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			Gross Alpha & Combined Radium MCLs. The 12/14/07 ACO was terminated on 5/19/09. Additional work outside of ACO per permit WCP090002 for radionuclide treatment on well 13 which currently meets MCL, but projected to exceed MCL in near future. American Recovery and Reconstruction Act (ARRA) funds secured to rehab existing 2.5 million gallon ground storage tank and construct a 0.75 million gallon tank. Tank construction in progress. Concerns over system having a licensed operator of the proper license assigned to the system recently corrected.
NJ0612001	BAYSHORE MOBILE HOME PARK	Listed in 2007. One well with nitrate MCL violations and second well with extremely high sodium levels exceeding the NJ secondary standards.	Permit WCP090001 issued to authorize construction of improvements needed to bring system into compliance. NJPDES Treatment Works Approval (TWA) also obtained to address wastewater issues associated with TP and residents. While a CCC was submitted, the facilities were not constructed in accordance with the approved WCP090001 and the matter has been referred to enforcement. Continuing problems with failing septics. Outstanding Department action items involve issuing a storage waiver and completing review

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			of the updated/ revised O&M manual. Managerial Capacity issue is the "bad" relationship between park residents & the owner who is trying to re-coup costs by installing meters and raising rent. Radiation licensing in progress through BER. Situation will require continued oversight/follow-up until all issues resolved and storage waiver approved.
NJ0613004	UPPER DEERFIELD TWP WATER DEPT	Gross Alpha and Radium 226/228 MCL violations.	No Capacity Development Program activity to date.
NJ0614003	VINELAND WATER & SEWER UTILITY	Gross Alpha and Radium 226/228 MCL violations at multiple treatment plants & M/R violations.	No Capacity Development Program activity to date. See ACO effective 9/24/08 (NEA080001), SCI100001 on 6/17/10 inspection, and multiple treatment plant permits approved in 2008 & 2009 for more details.
NJ0614005	FAIRVIEW MANOR MHP	Volatile Organic Compound (TCE) MCL violations.	No Capacity Development Program activity to date. However, system has completed actions necessary to achieve compliance. For more details - see NEA080001 for ACO effective 1/23/09 & closed 3/23/09, SCI100001 for inspection on 4/30/10, and Permit WCP070001approved 3/17/08 for required treatment which went into operation on 3/29/09. Use info to see if TMF is still warranted.

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
NJ0811003	COLONIAL ESTATES	Listed in 2007. Ongoing radionuclide and mercury MCL violations.	ACO effective on 11/24/10 requires connection to MTMUA system by 11/30/11, and decommissioning of 2 wells 60 days later. Owners currently making arrangements to replace RSC resin in the meantime and are debating how to regulate water use - meters and billing for overages. This approach will keep Colonial Estates in the water business and needs to be resolved as project, which is being funded by SRF loan moves towards completion.
NJ1001301	VALLEY VIEW MANOR	Listed in 2007. Arsenic MCL violations.	System completed installation of arsenic treatment in 12/2010 per permit modification WCP100001 approved 6/3/10. TMF findings report & improvement plan issued 7/16/10 under WCD100001details items addressed. Storage/auxiliary power deficiencies being addressed by relocating residents to new facility by 5/31/12 resulting in system being re-classified as noncommunity water system which is not subject to these requirements. See NJEMS under WCD100001 & WCD110001for more details. System has complied with instructions in my 2/24/11 letter (see 3/10/11 reply in file), except for providing revised O&M manual which I requested

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			again via 4/13/11 email & letter.
NJ1007002	ROSEMONT WATER	Arsenic MCL violations	System completed installation of Isolux treatment per WCP080002 in12/2009. Conducted TMF inspection in 12/2010 and issued TMF findings report & improvement plan on 3/9/11 (WCD110001). No reply to date. O&M manual from licensed operator and managerial capacity items need to be addressed.
NJ1009001	FLEMINGTON WATER DEPARTMENT	Listed in 2007. Arsenic MCL violations.	Efforts limited to monitoring progress of system's efforts to install arsenic removal per ACO effective 4/28/08 & amended 8/26/08 which specifies a 3-phase compliance schedule - A) wells 5 & 7, B) well 1, & C) well 4. Required treatment plant permits WCP070001, WCP080001, & WCP080002 approved 8/31/07, 4/11/08, & 6/2/08, respectively. Permit WCP090002 approved 3/17/10 for well 6 (outside scope of ACO). Interconnections with NJAW, but no contract (see WCP090003 & SCI090001). Well 1 inactive since 8/09. Treatment unit for well 4 operational in 9/09, well 5 operational in 10/09, well 7 operational in 7/09. Wells 4, 5, & 7 continued MCL violations in 4Q2009 due to running annual average, but wells 4 & 5 returned to compliance in

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			1Q2010. Well 7 continued MCL violation in 1Q2010 and advised to determine if treatment is working. No further MCL violations noted in NJEMS.
NJ1013001	HAMPTON BOROUGH	System lacks firm capacity, only has 1 operational well, and no approved contract for the interconnection with Glen Gardner.	No Capacity Development Program activity to date.
NJ1024002	HUNTERS GLEN	System recently classified as CWS and did not meet rule requirements.	Subsequent legal involvement with DAG led to reversal of decision and system re-classified as nonpublic system not subject to rules.
NJ1336308	LIBERTY ROYAL REHAB CENTER	Listed in 2007. Acute coliform MCL violations.	Initial TMF capacity evaluation site visit conducted in 9/08. Follow-up visit conducted 12/22/09 in conjunction with Central Water Enforcement annual inspection. Efforts focused on re-evaluating connection w/ NJAW (PWSID# NJ1345001). Sent system letter with NJAW contact info on 2/9/10. Issued Findings Report/Improvement plan for TMF deficiencies on 2/17/10. Follow-up letter sent 3/2/10 and spoke with owner several times in 3/10, NJAW on 3/5/10, & local fire marshal on 3/19/10. Efforts resulted in system securing engineer in 4/10 to develop plan for connection. Contractor secured to initiate connection and work started in 4Q2010. Stopped due to

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			inclement weather, but resumed in beginning of 4/2011. Central Water Enforcement & BSDWI informed of status and will follow-up to deactivate system once connection is confirmed.
NJ1414009	MOUNTAIN SHORE WATER SUPPLY	Referred to program by Northern Water Enforcement. Facility lacks auxiliary power, distribution system is antiquated, only 1 well. Financial problems.	System intends to connect with Jefferson Twp. Water Department, but does not have the capital to pay for fees and connection costs. No Capacity Development Program activity to date, but recommend this system be given priority for approaching next/soon or see if New Jersey Water Association could assist them in securing grant for connecting to adjacent water system
NJ1414013	SUN VALLEY PARK	Listed in 2001, 2004, & 2007. Using an unapproved source. Undersized mains and inadequate storage. Lacks adequate firm capacity to meet peak daily demand.	Initial TMF visit on 06/12/09. All subsequent follow-up activities focused on assisting owner with submission of required permit applications and discussion of best alternative for developing long-term financial viability of the system. Participated in efforts on review of permit requirements, storage issues, ACO compliance schedule, & actively pursued review of Highlands Protection & Planning Act (HPPA) exemption by Div. Watershed Mgmt resulting in HPPA exemption approval on 4/16/10. This decision is first milestone in project schedule.

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
PUBLIC WATER SYSTEM ID#	**PUBLIC WATER SYSTEM NAME**	**INITIAL REASON LISTED**	**CURRENT STATUS/PLAN**
			ACO effective 9/8/10 and system is complying with schedule, but BWSWP permit review delayed due to staffing issues.
NJ1421305	GREEN BRIAR RESIDENTIAL HEALTH	Referred to program by Northern Water Enforcement. Coliform violations require installation of chlorination, permit is technically deficient. Facility has 1 source, lacks firm capacity, adequate storage, and auxiliary power.	No Capacity Development Program activity to date, but permit WCP090002 was approved 3/3/10. Recommend this system be given priority for approaching soon or see if New Jersey Water Association could assist them in securing grant for an alternative drinking water supplier.
NJ1427002	MOUNT OLIVE - GOLDMINE ESTATES	Listed in 2007. Well no. 1 does not recover during high demand. Well no. 2 (irrigation well) not permitted for potable use. Used tanker for temporary storage in 2005 & 2006.	Efforts limited to monitoring progress of system's efforts to comply with ACO effective on 2/2/10. Met with BWSWP, BWA, and BSDWI staff and contacted Northern Water Enforcement staff on status/issues. Multiple SDW & BWA permit applications approved, under review, or pending. Interconnections & permitting of unapproved source will address supply and storage requirements. Recommend continued monitoring only.

STATUS SUMMARY FOR HIGH PRIORITY COMMUNITY WATER SYSTEMS ON 2010 STRATEGY LIST			
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NJ1438001	CLIFFSIDE PARK WATER ASSOC INC	Listed in 2007. Exceedances of NJ secondary standards for iron and manganese. Recent lead and copper Action Level exceedance. Corrosion control treatment system in use not permitted. Undersized mains and inadequate storage.	Program has attended multiple meetings with system, local officials, Washington Township MUA (WTMUA) and/or USDA. Continued assistance in implementing plans for WTMUA to acquire/operate the Cliffside Park system. WTMUA, US Department of Agriculture (USDA) and CD Program continue to persuade home owner's association to meet and formalize plans for alternate locations for new well(s) in lieu of treatment and disconnection of 5 homes on other side of river. CD Program and USDA both issued letters in 1Q2011 relaying displeasure with commitment and potential to lose grant money, respectively.
NJ1511011	LUXURY COMMUNITY MOBILE HOME PARK	Listed in 2007. Notice of Violation issued 3/27/07 for various violations	System returned to compliance for past TCR MCL violations on 12/9/08. Department performed initial TMF capacity evaluation site visit on 5/18/10 while conducting new well test - new well is operational & auxiliary power is installed (see WCP09003 & WCP100001). Deficiencies with sources of supply, backup power, and storage corrected by completing this work. A new well is proposed as CCTR for Cu Action Level Exceedances. TMF Findings Report/ Improvement Plan not issued and storage waiver request

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			submitted to the Bureau still needs to be reviewed and approved.
NJ1521001	OCEAN GATE	Referred to program by BSDWI. Mains are 80+ years old, iron problems within the distribution system, and no financial capacity to maintain system.	No Capacity Development Program activity to date.
NJ1714003	BANCROFT NEURO HEALTH CENTER	Combination of Cu Action Level Exceedances, M/R violations, and small system size placed this facility on list.	Permit WCP080001 approved 4/30/10 covers redesignation of Well No. 2, installation of 1,500 L.F. of 6 inch CLDIP water main, a pump station, two 16,650 gallon storage tanks, two Greensand Plus filters and pre & post chlorination. Permit WCP10001 approved 12/7/10 provides for a new source of water supply comprising Campus Well No. 3, a replacement for Well No. 1. ACO effective 5/20/10 provides compliance schedule for all facilities to be constructed by 6/30/11.
NJ1904004	NORTH SHORE WATER ASSOCIATION	Referred to program by Northern Water Enforcement. Facility lacks auxiliary power, distribution system is antiquated, only 1 well. Financial problems. Leaking oil tank contaminated well and treatment was installed by Spill Fund.	Program recently contacted system in attempt to schedule and conduct TMF site visit. System is aware of situation and options, but has no community support or involvement with efforts to improve system infrastructure. In the process of seeing if NJ Department of Community Affairs CBDG program might be able to work with USDA-RD and NJDEP-DWSRF to

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			leverage grants and loans to possibly connecting this system with Strawberry Point (1904006) and Willor Manor (1904008 - see below). This approach provides a network of 81 connections with 3 source wells among them, which may have too many obstacles to be viable solution.
NJ1904008	WILLOR MANOR WATER CO	Referred to program by Northern Water Enforcement. Facility lacks adequate storage and auxiliary power, distribution system is antiquated, only 1 well. Financial problems.	Extensive efforts afforded by DWSRF program to assist this system in the past including use of Engineering Assistance Contact to cover planning, design, and permitting. Permit WCP090001 was approved on 9/25/09 and provides for installation of 1,900 L.F. of 6 inch DIP water main replacing 1 and 3 inch water mains, well rehabilitation by raising the well casing, new booster pump station comprised of one 75 GPM and one 20 GPM booster pumps, a new 5000 gallon ground pneumatic water storage tank, and disinfection by a calcium hypochlorite briquette feed system. System opted not to close on DWSRF loan and is not pursuing alternate funding to construct this project. Previous program efforts included follow-up with New Jersey Water Association and asking RCAP Solutions to speak with system. Resident suggested in 8/2010 letter that it may be preferable to see if

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			each homeowner could install a private well and the water company be dissolved.
NJ1912007	ARTHUR RD WELL ASSOC	DWSRF & Northern Water Enforcement referred to program to oversee/monitor connection to Hopatcong.	ACO effective 3/9/11 requires execution of Developer's agreement with Hopatcong by 4/1/11, connection within 90 days of Hopatcong pipes being accessible, and decommissioning their well(s) 90 days after connection. Recommend monitoring only.
NJ1920001	STILLWATER WATER DISTRICT 1	Listed in 2007. Ongoing radionuclide (gross alpha) MCL violations.	ACO effective on 4/9/09 and closed 2/11/11. TMF site visit - 5/29/09, Findings Rpt/Improvement Plan - 7/7/09. Identified - evaluate wells for GWUDI, prioritize standpipe rehab project, decide fate of inactive wells/other infrastructure upgrades. Helped with treatment/permit issues & ARRA funding. WCP090001-Radium removal on Wells 5&5A (TP002007) approved 8/26/09 - operating 9/17/10. Attended 1/12/10 board meeting to review improvement plan & discuss AM w/ CUPSS. See 2/9/10 email and 2/25/10 letter to LO for details. 6 main issues: 1) GWUDI sampling - 3/11 results show Well 5 needs MPA. Must complete GWUDI test for other wells. 2) Abandon test well by 12/11. 3) Connect Well 2 to TP002007: 5-yr schedule w/ planning in 2011 & start in 2012. 4) O&M manual -

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			guidance provided in 3/11. 5) Standpipe rehab/paint - public meeting held 3/11 to present proposed rate hike & allow project start late 2012. Rate increase also to rebuild Capital funds depleted by TP002007 project. 6) AM - CUPSS inventory started w/ completion by 6/11.
NJ1922008	VERNON WATER CO	Referred to program by Northern Water Enforcement. Facility lacks auxiliary power, water outages due to booster pump failure and main breaks. Well #11 exceeds Uranium MCL. Financial problems.	Program efforts revolved around communication with Aqua after they purchased system in late 2010 and initiated needed infrastructure repairs. Recommend no further action or monitoring progress.
NJ1922009	VERNON WATER CO OAK HILL	Referred to program by NBWCE. Facility lacks auxiliary power and adequate storage. Financial problems.	Program efforts revolved around communication with Aqua New Jersey after they purchased system in late 2010 and initiated needed infrastructure repairs. Recommend no further action or monitoring progress.
NJ1922010	THE VILLAGE OF LAKE GLENWOOD	Referred to program by Northern Water Enforcement. Firm capacity being re-evaluated by Department. Portion of distribution system in "Lower system" is above ground. Undersized mains exist.	No Capacity Development Program activity to date.

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NJ1922014	GREAT GORGE TERRACE ASSO	Listed in 2007. Significant ongoing radionuclide MCL violations.	Extensive efforts by Northern Water Enforcement, BSDWI, and BSDWTA resulted in execution of ACO on 3/14/11 that calls for connection to United Water (UW)-Vernon Valley (1922026). SRF loan will fund project and authorization to award the contract was issued by MF&CE on 3/31/11. Board of Public Utilities (BPU) aware of situation and will try to expedite the franchise expansion approval process. Main extension permit already obtained by UW-Vernon Valley. GGTCA should complete the construction of the connection by 8/15/11 per the ACO.
NJ1922028	VALLEY VIEW APTS	Listed in 2004 & 2007. Uranium MCL violations at two points of entry.	Extensive efforts by Northern Water Enforcement, BSDWI, BSDWTA resulted in execution of ACO on 2/3/11 that calls for connection to United Water by connection to UW-Vernon Valley (1922026). BPU visit the site on 3/4/11 as part of franchise expansion approval process. No main extension permit required and construction will begin upon BPU awarding the franchise area expansion to UW-Vernon Valley.