

NEW JERSEY'S ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

*Proposed Intended Use Plan for Federal Fiscal Year
2017 (and State Fiscal Year 2018)**



New Jersey Department of Environmental Protection
Water Resource Management
Division of Water Quality
Municipal Finance and Construction Element
Division of Water Supply and Geoscience
Water Supply Operations Element

December 2016

*This document includes proposed changes to the FFY16/SFY17 Intended Use Plan

Clean Water & Drinking Water Financing

Proposed Intended Use Plan for Federal Fiscal Year 2017 (and State Fiscal Year 2018) and proposed changes to the FFY16/SFY17 Intended Use Plan

The Priority System/Intended Use Plan (IUP) document must be approved by the US Environmental Protection Agency for the State to qualify for State Revolving Fund (SRF) capitalization grants to support the New Jersey Environmental Infrastructure Financing Program (NJEIFP). This IUP provides information on how funds, available through the NJEIFP, will be used to provide financial assistance for clean water and drinking water projects and identifies State policies governing loan awards.

EXECUTIVE SUMMARY

Protecting and enhancing New Jersey's water quality and water infrastructure is vital to the State's health and economy. While often taken for granted, significant planning and investment is required to sustain and improve New Jersey's aging infrastructure systems. That cost often exceeds the capabilities of local water utilities. New Jersey's EIFP is a permanent low-cost financing program available for an extensive range of water quality infrastructure projects. The NJEIFP administers New Jersey's Clean Water SRF (CWSRF) and Drinking Water SRF (DWSRF) under the federal Clean Water Act and Safe Drinking Water Act, respectively.

Established in 1988, the NJEIFP is a partnership between the New Jersey Department of Environmental Protection (NJDEP) and the New Jersey Environmental Infrastructure Trust ("NJEIT" or "Trust") to provide low-cost financing for the design, construction, and implementation of projects that help to protect, maintain and improve water quality. It is a revolving/self-perpetuating loan program, in that SRF loan repayments are committed to finance future projects in perpetuity.

"NJEIFP is a partnership to... provide low-cost financing for the design, construction, and implementation of projects that help to protect, maintain and improve water quality."

The priorities and policies of the NJEIFP are established through this Intended Use Plan (IUP). Projects eligible for financing include a wide variety of wastewater treatment works, stormwater management, drinking water systems, land acquisition, and landfill activities. In 2017, the Program will continue to offer very attractive low cost financing packages, including principal forgiveness (or grant-like funding), 100% zero interest, and low interest loans for high priority projects. The NJEIFP base program will also continue to consist of 75% funding from the DEP at 0% interest and 25% funding from the NJEIT at the AAA market rate bond with opportunities for principal forgiveness. Prior to long-term funding, projects are financed with a short-term loan from planning through construction completion.

As of December 8, 2016, the EIFP has funded 1,350 projects totaling \$6.3 billion. Of that total, 1,146 projects in the amount of \$5.4 billion have been completed: 204 projects totaling \$0.9 billion are actively contracting or under construction.

WHAT'S NEW IN 2017!

Rolling Applications

Applications will be accepted anytime of the year.
There are no submission deadlines!

30 Year Loans

Loan terms have been extended from 20 years to up to 30 years; loan cannot exceed project's useful life.



Supplemental Funds

Natural Resource Damages (NRD) recovered by the State and Corporate Business Tax (CBT)-diesel funds are proposed to be used, as monies are available, to help offset costs for projects that improve water quality for the following priorities:

Green Infrastructure (GI) in Combined Sewer Outfall (CSO) Sewersheds

Removed the \$1 million cap per project and continue to provide 50% principal forgiveness, 25% DEP interest-free financing, and 25% NJEIT Market rate financing for GI projects that manage stormwater to reduce the overflow of untreated wastewater from CSOs.

CSO Flow Abatement

50% principal forgiveness, 25% DEP interest free financing, and 25% NJEIT Market Rate financing for the first \$10 million for more traditional capital improvements (e.g. treatment plant expansions, sewer separation) that reduce CSOs.

Coastal Community Water Quality Restoration

50% principal forgiveness for projects that will eliminate, prevent, or reduce occurrences of shellfish bed and beach closings due to the presence of pathogens; 25% DEP interest-free and 25% NJEIT Market Rate financing. \$2.5 million committed to a potential project by Cumberland County Improvement Authority.

Small System Asset Management

100% principal forgiveness to small drinking water and clean water systems to develop and implement asset management programs.

Continued SRF Sourced Opportunities

Nano

50% principal forgiveness for small drinking water systems.

Barnegat Bay

50% principal forgiveness, 25% DEP interest-free financing, and 25% NJEIT Market Rate financing for stormwater and non-point projects in the Barnegat Bay Watershed.

Lead Service Line Replacement Program

90% principal forgiveness program for drinking water systems to replace lead service lines in communities serving customers whose median household incomes are less than the county median household income.

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PROGRAM GOALS

Short-term: Provide funding to needed, construction ready, highly-ranked water quality improvement projects.

Long-term:

- Provide capital for water and wastewater infrastructure renewal to protect public health and the environment for multiple generations of New Jersey citizens;
- Continue serving as the Garden State’s premier source of environmental infrastructure financing through self-sustaining, efficient and transparent programs;
- Establish and efficiently manage a permanent source of funding for clean water and drinking water infrastructure projects;
- Provide project financing at a much lower cost than program participants could achieve individually thereby passing substantial savings on to New Jersey taxpayers and rate payers; and
- Increase access to capital markets for those participants that find it difficult or expensive on their own, due to lower credit ratings or a lack of familiarity with debt financing.



Califon Storm Water Improvements



Passaic Valley Sewerage Commission Interceptor Slip Lining

BORROWER ELIGIBILITY

The following project sponsors are eligible to receive NJEIFP financing provided they satisfy the NJEIT and State of New Jersey creditworthiness standards:

Clean Water Borrowers

Owners of publicly-owned treatment works (towns, boroughs, municipal utilities authorities, counties, regional water authorities, other local government units, etc.) with projects to improve water quality are eligible for the NJEIFP. Private entities are eligible through public conduit borrowers.

Drinking Water Borrowers

Public community water systems, both privately and publicly owned, and nonprofit non-community water systems (as defined by the National Primary Drinking Water Regulations) are eligible for NJEIFP assistance. Public community water systems owned by water commissions, water supply authorities, and water districts are also eligible. Federally owned systems and State-owned systems (State agencies, such as State Police, Parks and Forestry, and Corrections) are not eligible to receive NJEIFP assistance.



Bayonne MUA Wind Turbine for a Pump Station

PROJECT ELIGIBILITY

Wastewater

Most projects associated with sewage collection, treatment, or disposal are eligible for financing, including correction of inflow/infiltration problems, sludge management and combined sewer overflows. Eligible projects include:

- Secondary and advanced wastewater treatment
- Well Sealing
- Flood resiliency
- Sludge handling facilities
- Infiltration and inflow (I/I) correction
- Interceptors, pumping stations and force mains
- Sewer system rehabilitation
- New collection systems
- Correction of Combined Sewer Overflows (CSOs)
- Solutions for malfunctioning septic systems
- Wastewater reuse and conservation projects
- Emergency Repair Projects to replace, in kind, the failure of an essential portion of a wastewater system that will disrupt service for a minimum of 24 hours total and/or poses a substantial threat to the public health, safety, and welfare

For information regarding permitting, see:

[NJPDDES Additional Information](http://www.nj.gov/dep/dwq/njpdcs.htm) (www.nj.gov/dep/dwq/njpdcs.htm)

[NJDEP Treatment Works Approval program](http://www.nj.gov/dep/dwq/forms_twa.htm)

(www.nj.gov/dep/dwq/forms_twa.htm)

[NJDEP Land Use Program](http://www.nj.gov/dep/landuse) (www.nj.gov/dep/landuse)



Drilling of a Drinking Water Well at the Berkeley Twp. MUA

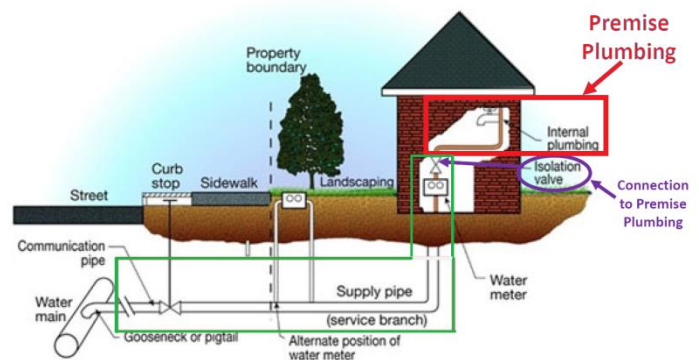


Construction of Storage Tanks at the Jackson Twp. MUA

Drinking Water

The main objective of drinking water funding is to protect the public health in conformance with the objectives of the Safe Drinking Water Act. Types of eligible projects include:

- Projects to maintain compliance with existing regulations for contaminants with acute health effects (e.g. Total Coliform Rule) and existing regulations for contaminants with chronic health effects (e.g. Lead and Copper Rule)
- Projects that address the exceedance of a recommended upper limit for secondary contaminants
- Locating lead lines
- Replacing lead lines
- Rehabilitate or develop sources to replace



Drinking water service line eligible up to the isolation valve

- contaminated sources
- Treatment facilities
 - Storage facilities
 - Transmission and distribution pipes, including lead service line location and replacement, regardless of whether the system has ownership of the pipe.
 - Purchase or consolidation (i.e., restructure) of a water system that is unable to maintain compliance for technical, financial, or managerial reasons.
 - Emergency Repair Projects to replace, in kind, the failure of an essential portion of a public water system that will disrupt water service to any number of the public water system's customers for a minimum of 24 hours total and/or poses a substantial threat to the public health, safety, and welfare.



Township of Middletown Sanitary Authority Aeration Digester

Stormwater

Eligible projects include construction, expansion or replacement of stormwater management systems, including the following:

- Non-point Source Pollution/Stormwater management
- Construction of regional basins
- Major stormwater system rehabilitation
- Replacement of existing storm drains
- Rehabilitation of tide gates
- Extension of outfall points
- Runoff control (manure/feedlots and stream bank stabilization/restoration)
- Stream/lake embankment restoration
- Salt dome construction



Old Bridge MUA Laurence Harbor Bulkhead and Walkway

For additional information, see:

[NJDEP Stormwater Links](http://www.nj.gov/dep/dwq/fd.htm) (www.nj.gov/dep/dwq/fd.htm)

Green

Green projects are clean water and drinking water projects that incorporate green infrastructure and water or energy efficiency improvements (those that reduce greenhouse gas emissions, for example). Green infrastructure includes such practices as replacing existing pavement with porous pavement, utilizing bioretention, renewable energy, constructing green roofs, creating rain gardens, and other practices that mimic natural hydrology and increase effective permeability.

For additional information, see:



Hoboken City Green Infrastructure

[Green Infrastructure in New Jersey](http://www.nj.gov/dep/gi/index.html) (www.nj.gov/dep/gi/index.html)
[NJDEP Sustainability and Green Energy Guidance](http://www.nj.gov/dep/sage/so-guidancedocs.html)
(www.nj.gov/dep/sage/so-guidancedocs.html)

Brownfields

The cleanup of abandoned and contaminated industrial sites is eligible for financing if a local or county government assumes the repayment obligation for the loan. The NJEIFP will finance the removal of contaminated soil, site-capping and the installation of stormwater controls.

Returning Brownfield sites to productive use protects and improves water quality and preserves open space. Every acre of Brownfield redevelopment spares 4.5 acres of pristine land from development. Brownfield redevelopment also boosts local tax revenue, creates jobs, revitalizes New Jersey's cities and towns, and improves the quality of life for area residents.

The NJEIFP provides loans to municipalities, counties and public authorities to support a wide range of cleanup and remediation activities necessary to restore the Brownfield site for re-use.

For additional information, see:

[NJDEP Site Remediation Links](http://www.nj.gov/dep/srp/) (www.nj.gov/dep/srp/)

Landfills

Landfills construction activities that have a water quality benefit are eligible for NJEIFP financing. Examples include:

- New Landfills (Water quality/protection aspects)
- Capping systems
- Liners
- Leachate collection systems
- Treatment systems
- Sewer connections
- Barge shelters
- Containment booms
- Litter fences
- Gas collection and treatment systems
- Monitoring wells
- Reclamation or reduction activities

Land Preservation

NJEIFP provides financing for the preservation of open space and farmland given the water quality benefit achieved through such acquisitions. The Program funds preservation with regard to properties protecting stream headwaters and corridors, wetlands, and aquifer recharge areas. Financing for land is compatible with the Green Acres Program, the Garden State Preservation Trust, and Open Space programs financed by local and county Open Space taxes.



Camden County MUA Pump Station



Mount Laurel MUA Elbo Lane Water Treatment Plant



Camden County Phoenix Park

Although lands purchased through the NJEIFP for preservation as part of Open Space cannot be developed, they may be used for passive recreational activities, such as hiking, fishing and horseback riding. Placement of conservation easements on funded parcels is a requirement, which assures that the water quality benefits are preserved in perpetuity.

The NJEIFP will coordinate with the Green Acres Program, when appropriate, to maximize a community's limited open space funds for land acquisition. Through this partnership, municipalities can receive additional resources to facilitate the purchase of larger and/or more expensive parcels.

For additional information, see:

[NJDEP Green Acres Program](http://www.nj.gov/dep/greenacres/) (www.nj.gov/dep/greenacres/)

Equipment

Equipment that provides a water quality benefit can be financed under the NJEIFP, including but not limited to:

- Street sweepers
- Generators
- Sewer flushing and cleaning equipment
- Dump trucks
- Crawler loaders
- Skimmer boats
- Aquatic weed harvesters
- Outfall netting may be financed under the NJEIFP



**Passaic Valley Sewerage Commission
Electrical Substation**

Security Monitoring

Projects designed to improve security at otherwise funding-eligible wastewater and drinking water facilities are eligible for funding, including but not limited to:

- Fencing
- Lighting
- Motion detectors
- Cameras
- Secure doors
- Alternative auxiliary power sources



**North Wildwood Sewer, Storm and Street
Restoration**

Allowable Auxiliary Costs

Additional costs that are eligible within a project include:

- Road repaving
- Utility relocation
- Site grading
- Purchasing land for stormwater use

Highlighted Planning and Design:

Projects to develop and implement asset management plans, CSO long-term control plans, and water loss prevention plans are eligible for financing and possible principal forgiveness. The loans must be rolled into

an NJEIFP capital improvement project or repaid in 3 years. CSO long term control plans can receive loans up to 10 years.

[NJDEP Asset Management Program](http://www.nj.gov/dep/assetmanagement/) (www.nj.gov/dep/assetmanagement/)

[NJDEP Asset Management Guidance and Best Practice](http://www.nj.gov/dep/watersupply/pdf/guidance-amp.pdf)

(www.nj.gov/dep/watersupply/pdf/guidance-amp.pdf)

Continued Typical Planning & Design:

Planning & Design Loans cover costs incurred in the planning and design phase of a water infrastructure project. These loans are 0% interest. Eligible costs include engineering fees, surveys, environmental or geological studies, and other costs related to project plan preparation. The loans must be rolled into an NJEIFP capital improvement project or repaid in 3 years.

FUNDING PACKAGES (LONG-TERM LOANS)

Table 1: Long -Term Funding Packages Breakdown – Clean Water

Clean Water	Principal Forgiveness	DEP 0%*	Trust Market Rate**	\$ Savings as % of Total Loan***
Asset Management Plan Development	100%	0%	0%	100%
Coastal Community Water Quality Restoration	50%	25%	25%	57%
Barnegat Bay, CSO-Green, & CSO-Abatement	50%	25%	25%	57%
Superstorm Sandy Relief	19%	56%	25%	34%
Planning and Design	0%	100%	0%	27%
Base CWSRF	0%	75%	25%	20%
Brownfield Redevelopment	0%	50%	50%	13%

* DEP portion of funding is at 0% interest

** Trust portion of funding is at AAA market Rate

***Saving based on comparison to AAA market rate municipal bond, as of October 2016 and administrative fees

Table 2: Long-Term Funding Packages Breakdown – Drinking Water

Drinking Water	Principal Forgiveness	DEP 0%*	Trust Market Rate**	\$ Savings as % of Total Loan***
Asset Management Plan Development	100%	0%	0%	100%
Lead Service Line Replacement	90%	10%	0%	93%
Nano	50%	25%	25%	57%
Superstorm Sandy Relief	19%	56%	25%	34%
Planning and Design	0%	100%	0%	27%
Base DWSRF	0%	75%	25%	20%

* DEP portion of funding is at 0% interest

** Trust portion of funding is at AAA market Rate

***Saving based on comparison to AAA market rate municipal bond, as of October 2016 and administrative fees

The SFY 2018 Financing Program will offer loan packages as follows:

Supplemental Funds

Natural Resource Damages (NRD) recovered by the State and Corporate Business Tax (CBT)-diesel funds are proposed to be used, as monies are available, to help offset costs for projects that improve water quality in the following priority areas:

Asset Management for Small Systems

NJEIFP will provide 100% principal forgiveness to small water and wastewater systems (those that serve 10,000 or fewer people) to develop and implement asset management programs. DEP expects to make CBT-diesel funds available in principal forgiveness through the NJEIFP and cap the amount at \$100,000 per applicant. A capital improvement project is expected from the creation of the asset management program. Larger systems are eligible for the 100% DEP interest-free loans, with a capital improvement project.

DEP reserves the right to use these funds to hire a contractor to provide technical services to small communities for asset management.

Coastal Community Water Quality Restoration

NJEIFP is offering 50% principal forgiveness for capital improvement projects that will eliminate, prevent or reduce occurrences of shellfish bed or beach closings due to the presence of pathogens. Projects would eliminate such potential sources as failing on-site wastewater systems and cross-connections between storm sewers and sanitary sewers. Project costs up to \$5 million would receive 50% principal forgiveness, 25% DEP interest-free, and 25% NJEIT market rate financing. Project costs exceeding \$5 million are eligible for the Base CWSRF structure. \$2.5 million in principal forgiveness has been committed towards Cumberland County Improvement Authority to resolve failing septic and prevent shellfish bed closures in Downe Township, limited to Fortescue and Gandys Beach.

Green Infrastructure – CSO Sewershed

The DEP is proposing to reserve funds and provide principal forgiveness loans for Combined Sewer Overflow (CSO) abatement projects utilizing green practices (such as green roofs, blue roofs, rain gardens, porous pavement, and other activities that maintain and restore natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater). The \$1 million cap on principal forgiveness per applicant has been removed. Projects will continue to receive 50% principal forgiveness, 25% DEP interest free, and 25% NJEIT market rate financing.

Flow Abatement - CSO Sewershed

NJEIFP is proposing to offer 50% principal forgiveness and 50% DEP interest-free financing (with no NJEIT loan component) to communities in a CSO sewershed sponsoring construction projects that reduce or eliminate excessive infiltration/inflow or extraneous flows. There is a \$5 million cap of principal forgiveness per applicant. Funding will be provided at 100% DEP interest-free financing beyond the cap.

SRF Sourced Principal Forgiveness

The NJEIFP will continue to provide principal forgiveness and grant like funding for high priority projects under the NJEIFP program.

Sandy Relief

Sandy Relief funds are for clean water and drinking water facilities that were damaged by Superstorm Sandy and are constructing repairs or resiliency to prevent future damage to a treatment facility or water system from a similar event. Resiliency projects include elevating critical infrastructure, flood walls, backup power sources and more. Sandy Relief funds were made available in a one-time instalment and offered while funds remain. As such, the NJEIFP will continue to accept submittals under the Sandy Relief program, which includes a principal forgiveness component of approximately 19% of the allowable costs. If all of the Sandy Relief funds are awarded in SFY17, new submittals will be eligible under the Base SRF loan structure.

Clean Water:

Barnegat Bay

A total of \$6 million in principal forgiveness funds will be reserved for stormwater and non-point source pollution management projects in the Barnegat Bay Watershed. 50% principal forgiveness will be offered with a \$2 million limit on principal forgiveness per applicant and awarded on a first come basis. The remaining project amount is financed 25% DEP interest-free, and 25% NJEIT market rate financing.

Drinking Water:

Lead Programs

Up to \$30 million in principal forgiveness will be made available for public community water systems for an NJEIFP Lead Service Line Replacement Program for those communities with a median household income less than the median household income for the county in which they are located.¹ USEPA issued guidance in 2016 that allows states to use principal forgiveness from past grants under certain conditions and New Jersey anticipates using principal forgiveness from FFY 2010 and FFY 2011 to fund lead projects described below.

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.

Replacement of Lead Service Line Set-Aside Program

\$30 million in principal forgiveness will be set-aside for public community and nonprofit non-community water systems for the replacement of lead pipes and lead components, including mains and service lines. Water systems serving communities with a median household income less than the median household income for the county in which they are located are eligible. Loans will be offered as 90% principal forgiveness and 10% funding from the DEP at 0% interest. Project applicants are capped at \$1 million. Lead pipes and components are defined as containing at least 90% or more lead by weight. The following criteria must be met in order for the project to be eligible:

- Be able to document the presence of lead pipes and components
- Provide documentation through historic records that the lines to be replaced are lead. Acceptable records include information on the age of the houses and high

¹ https://en.wikipedia.org/wiki/List_of_New_Jersey_locations_by_per_capita_income

probability of lead lines and components being present, line installation records, etc.

- Partial lead line replacements are not allowable.

Nano Loan Program

Small water systems, serving 10,000 persons or fewer, can receive a loan up to \$1 million allocated as follows: 50% project costs as principal forgiveness, 25% DEP interest-free, 25% Trust market rate. Ranking hierarchy is as follows: 1) water systems serving less than 500 residents, 2) water systems serving 501 to 3,300 residents and 3) water systems serving 3,301 to fewer than 10,000 residents. In FFY 2017, DEP will also provide small water system loans to larger water systems acquiring small water systems in the calendar year 2016 or later, and that make the associated capital improvements. Therefore, larger water systems will be eligible for the same enhanced loan terms as the eligible small water systems they are acquiring. A total of \$4 million in principal forgiveness is available for this set-aside.

Small Water System Engineering Program

DEP is partnering with the Community Engineering Corps to identify water systems that serve fewer than 500 persons and need assistance to come into compliance. \$2.8 million is being made available for this program. 100% principal forgiveness loans will be available to those systems that are assisted by the Community Engineering Corps, with a cap of \$500,000 per project.

Financing Options

The NJEIFP offers the following low interest financing options for eligible projects.

Base CWSRF & DWSRF

At the time a project is at or near construction completion, long-term financing will be issued. The Base CWSRF and DWSRF funding package consists of 75% DEP interest-free and 25% Trust market rate financing for allowable costs. This is offered to all eligible drinking water and clean water borrowers. Drinking water FFY 2017 eligibility categories include projects for contaminants of emerging concern (unregulated contaminants).

Brownfield Redevelopment (Public Private Partnership)

A total of \$60 million in NJEIFP loans is proposed to be reserved for brownfield redevelopment projects in SFY18. Brownfield redevelopment by private entities is eligible for a funding package of 50% DEP and 50% Trust financing. Private entities must have a public conduit that will sponsor the project.

Planning and Design

The NJEIFP is offering 100% interest-free financing for up to three years through the planning and design loan program. Planning and design include projects such as the development of asset management plans and CSO long-term control plans. CSO permittees developing long-term control plans for their CSO sewershed may receive loans for up to 10 years, with portions of principal repayments commencing at the end of the 3rd year. Loans are given with the expectation that such plans will result in an eligible capital improvement project.

SAIL Program

The Statewide Assistance Infrastructure Loan (SAIL) program is a disaster relief loan program designed for project sponsors that anticipate receiving FEMA or other federal disaster relief grants. The SAIL program's goal is to provide timely and cost effective funds, in advance of federal reimbursements, in order to expedite and support the impacted communities' recovery and rebuilding of environmental infrastructure. SAIL finances projects within a declared disaster area to rebuild water systems directly impacted by a declared disaster as well as costs associated with improving the resiliency of Clean Water and Drinking Water systems, regardless of direct disaster impact.

Short-Term Loans

All projects are encouraged to secure short-term loans at the time of execution of an engineering design contract for the entirety of the project (planning, design, and construction). Funding will be committed upon certification of each operable segment and satisfaction of the program's credit worthiness standards. Such loans are currently at 0% interest for terms of up to 3 full fiscal years.

NOTEWORTHY PROGRAM FEATURES

Application

All applications are submitted on the H2LOans website (h2loans.com). To create an H2LOans account, the project sponsor's authorized official will need to call the Trust at 609-219-8601 for security reasons. The authorized official can then designate a project manager (authorized representative) to submit required information. Application deadlines have been removed and rolling applications are being accepted any time of the year.

[H2LOans Tutorial Video](https://www.youtube.com/watch?v=UgDDV_SyqL0) (https://www.youtube.com/watch?v=UgDDV_SyqL0)

Loan Awards

Loan awards for new projects will be made in SFY 2018 in accordance with [N.J.A.C. 7:22-3, 4, and 5 9](#) (<http://www.nj.gov/dep/dwq/722.htm>). The loan term will generally be 30 years but cannot exceed the useful life of the facility.

Local government units are required to meet the technical, administrative, and environmental provisions of the rules of DEP and the Trust ([N.J.A.C. 7:22-3, 4, 5, 8, 9, and 10](#) <http://www.nj.gov/dep/dwq/722.htm>). Disbursement and loan repayment provisions must be consistent with the rules.

Pre-award Approvals/Emergency Projects

Eligible projects can qualify to receive pre-award approvals if the requirements of the rules ([N.J.A.C. 7:22-3.32 and 4.32](#) <http://www.nj.gov/dep/dwq/722.htm>) are met and if executed contracts to implement the project have been received by DEP.

DEP & Trust Fee

In accordance with the USEPA Policy on Fees Charged on Assistance Provided Under the SRF Programs, states must disclose information regarding the assessment and use of any fees associated with SRF activities that are passed on to the program participants. In New Jersey, DEP reserves 4% of the annual SRF capitalization grant to cover a portion of the administrative costs of administering the program. In addition, the annual legislation for the SFY 2006 Program established a "Department Loan Origination

Fund" that is administered by the Trust. DEP now has a stable fixed fee of 2% of the participant's loan amount. No SRF funding is involved in DEP's loan origination fee. DEP's loan origination fee is not included in the principal amount of the CWSRF and DWSRF loan and is separately accounted for.

The Trust's loan is issued at the same market interest rate as the Trust obtains from the sale of its bonds. Rather than bonding for all of the eligible closing costs associated with each financing, the Trust charges the borrowers a one-time charge of 0.1% of the principal Trust loan amount to partially cover the costs associated with that particular series' bond issuance expenses. These costs include such activities as: bond counsel, financial advisor, rating agencies, printing and publishing of the Notice of Sale, the Preliminary Official Statement, the Official Statement, and other costs related to the Trust's bond sale. In addition, the Trust charges an annual administrative fee of 0.3% of the Trust's bond principal loan amount to cover the balance of the closing cost and the annual operating expenses associated with the operations of the Trust and the on-going costs associated with the loan servicer and Trustees. The Trust's annual administrative fee is not included in the principal amount of the loan and is held in an account outside of the SRF. The Trust is evaluating its existing fee structure and considering a return to an annual administrative fee equal to 0.30% on 50% of a borrower's total loan amount. Any changes to the Trust's fee annual structure are subject to all applicable approvals and publication in the SFY 2018 Financial Plan in May of 2017.

Sources and Use of Funds

The Table below represents estimated amounts available from prior program years for anticipated uses for the FFY 2017 Clean Water component of the Environmental Infrastructure Financing Program:

SFY 2016 Financing Program

Anticipated Sources:

Funds Available from prior years	\$248 M
Repayments from prior years' loans	\$ 80 M
<u>FY 2015 CWSRF Grant</u>	<u>\$ 50 M</u>
Subtotal	\$378 M

Anticipated Trust Share: \$126 M

Total Program Sources: \$504 M

Anticipated Uses:

Projects to be Financed in the SFY 2016 Program	\$350 M
Projected Amount available for SFY 2017 CWSRF Program:	\$154 M

SFY 2017 Financing Program

Anticipated Sources:

Funds Available from prior years	\$154 M
Repayments from prior years' loans	\$ 80 M
FY 2016 CWSRF Grant (Projected)	\$ 50 M
Total	\$284 M

Anticipated Trust Share: \$ 94 M

Total Program Sources: \$378 M

Financial Relationships between the CWSRF and the DWSRF

The federal Safe Drinking Water Act Amendments of 1996 offer states the flexibility to meet the funding needs for drinking water and wastewater facilities by transferring funds from one SRF program to the other. Annually, an amount up to 33% of the Drinking Water SRF Capitalization Grant may be transferred from the CWSRF program to the DWSRF program, or vice versa. The USEPA has issued guidance that would allow utilization of transfer credits and transfer of funds on a net basis (i.e., funds could be moved in both directions), provided that the final transferred amount does not exceed the authorized ceiling.

The SRF program evaluates funds available to determine if adequate monies are available to be used for clean water projects in the current fiscal year. In addition, the type and number of DWSRF projects are reviewed and a determination is made on the need of the funds to be transferred from the CWSRF accounts to the DWSRF accounts or vice-versa.

DEP expects legislation to continue to allow the transfer of funds and the transfer provision has been extended by the USEPA. If approved, DEP reserves the right to transfer funds from the CWSRF to the DWSRF (or vice-versa) each fiscal year to the extent allowed by law. DEP expects to transfer \$33 million from CWSRF to DWSRF in SFY 2018. While all projects that meet the program requirements and are ready to proceed have been able to receive a CWSRF or DWSRF loan in the past, the ability of the programs to finance all qualifying projects in the future is uncertain because of reduced federal funding levels.

In addition to the potential transfer of funds between the CWSRF and DWSRF, DEP is continuing its policy to cross-collateralize the DWSRF with the CWSRF. This feature results in significant savings to project sponsors and, in particular, the drinking water project sponsors, since there are a large source of revenue available to cover possible loan defaults. Under the EPA-approved procedures associated with cross-collateralization, a temporary transfer of funds between the two SRFs may occur as if necessary to cover the default of a loan repayment or other financial obligation. DEP and the Trust would take steps to collect any obligations resulting from a loan default and reimburse the appropriate drinking water or clean water account.

Additional SRF Provisions:

Programmatic requirements are listed below. It is anticipated that these provisions will be maintained in a subsequent federal reauthorization act or federal policy. If substantial changes in the Act necessitate DEP's revision of the FFY 2017 document, additional public participation efforts will be conducted.

1. The schedule of state capitalization grant payments, jointly agreed upon by the administrator of the EPA and each state, is based upon the state's IUP.
2. States are required to deposit in the DWSRF, from state monies, an amount equal to at least 20% of the total amount of all capitalization grants made to the state.
3. The fund created with federal capitalization grants can only be used to provide assistance for (a) the construction of publicly owned treatment works, (b) the implementation of a NPS (nonpoint source) management program, which includes construction of stormwater/NPS management facilities, and (c) the development and implementation of an estuary conservation and management

plan. Although CWSRF loans may only be provided for publicly-owned wastewater treatment and stormwater sewer systems, if a government unit assumes ownership of a privately-owned system, a loan may be provided under the authority of section 603(c) of the federal CWA. A state may also deem the public ownership requirement as being met for small/on-site systems if adequate inspections and operations are ensured through the establishment of a septic management district or use of service easements.

4. Monies in the CWSRF may be used to provide loans at or below market interest rate, for terms not greater than 30 years or the useful life, whichever is less. Repayments must begin no later than one year after completion of the project and must be credited to the CWSRF (principal and interest) for Title VI purposes. The recipient of a loan must establish a dedicated source of repayments. The CWA authorized the use of federal CWSRF monies to refinance local debt obligations, provide guarantees, or purchase insurance.

The FFY 2016 Capitalization Grant contains the following provisions that will likely will be carried over to FFY 2017 grant. These provisions include

- Between 20% and 30% of the DWSRF Capitalization Grant must be used as principal forgiveness;
- The state agrees to input data, as required by EPA to the DWNIMS. EPA agrees to provide technical assistance to the state in its use of the DWNIMS as a management information system.
- The state agrees to perform the activities identified and specified in the work program plan, which is made part of this Assistance Agreement.

Section 1452 of the federal SDWA authorizes the states to provide funding for certain non-project activities, as long as the amounts do not exceed ceilings specified in the statute. The non-project set-asides provide for DWSRF activities that are not construction related and include administration of the DWSRF, technical assistance for small systems, state public water system supervision (PWSS) programs, source water program administration, capacity development, and operator certification. Each state must have a capacity development and operator program or EPA may withhold up to 20% of the annual capitalization grant. For more information on the non-project set asides for SFY 2017, see Appendix 3.

The Table below represents estimated amounts of the available sources and anticipated uses for the Drinking Water component of the Environmental Infrastructure Financing Program, as of December 2016:

DEP’s Intended Use of the FFY 2017 funds

<u>Funds Available</u>	<u>FFY 2016</u>
Federal Capitalization Grant	\$ 15,815,000.00
State Match	
20%	\$ 3,163,000.00
1:1 match on set-asides	\$1,468,107.00
Transfers from CWSRF to DWSRF	\$ 30,000,000.00
Estimated DW Repayments Available as of 2016, plus interest	\$ 46,607,687.59

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Remaining monies from previous Cap Grants **	\$ 14,842,913.00
	\$ 111,896,707.59
Projected Expenditures	
Administration (4%)	\$ 632,600.00
Non-project Set-asides	\$ 1,468,107.00
Small System Tech Assistance (2%)	\$ 104,241.00
Funds Available for Projects	\$ 109,691,759.59
Trust Bond Proceeds**	\$ 36,563,920.00
Funds Available for Projects (NJDEP & Trust)	\$ 146,255,679.00
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* If applicable, some funds from previous DWSRF capitalization grants, previous transfers from CWSRF repayments, interest earnings, repayments, and state matching funds may be available for funding the May 2017 funding cycle projects. The above amount is estimated as zero dollars, but DEP intends to use any remaining balance of monies to fund construction projects. After review of the set aside work plans, any resources not used to promote and operate set aside activities will return to the construction fund.

** This estimate is based on the traditional 75/25 DWSRF financing program. The details of the loan terms are discussed in this section of the IUP.

APPENDIX 1: CLEAN WATER PRIORITY SYSTEM RANKING

METHODOLOGY

I. Project Priority List — General Information

Clean water projects must be listed on the Project Priority List in order to be considered eligible for financial assistance under the EIFP. The Priority List identifies the estimated total eligible building costs under the appropriate project category. Except for certain project types, the figure under the "Total Eligible Project Cost" includes the estimated total eligible building costs, the related costs for construction services (i.e., administrative, legal, engineering, inspection, one year start-up services, etc.), the allowance for planning and/or design, 3% for the recipient's administrative costs, and a 5% contingency cost. The figure under the "Total State Amount" column represents 100% of the estimated total eligible project costs.

DEP has established a rolling application process and will update and post the Priority List several times during the fiscal year.

II. Ranking Methodology

DEP ranks all projects on the basis of the total number of ranking points each project receives and places the projects on the Priority List according to their ranking. The ranking system gives highest priority to projects that address discharges of raw, diluted, or inadequately treated sewage to the state's waters during wet weather, including projects to abate combined sewer overflows (CSOs) and projects to address sanitary sewer systems that overflow. CSO abatement projects are expensive and are usually located in financially distressed urban areas, making cost a serious concern. Discharges from combined sewer systems and sanitary sewer overflows can impair water uses.

DEP's Priorities List provides a strategic foundation for structural changes and includes objectives to implement projects that will help to protect, maintain and improve water quality in and around the Barnegat Bay, while also determining the best long-term approach for restoring the ecological health of Barnegat Bay. To support these efforts to improve the water quality of the Bay, the project ranking methodology for the FFY 2017 Financing Program provides an additional 300 priority points to nonpoint source and stormwater runoff control projects that are intended to benefit the Barnegat Bay. The additional 300 points will be assigned to wastewater reuse projects that are intended to offset the loss of freshwater flows caused by the regionalization of sewage treatment plants and the use of ocean outfalls.

A. Sustainable Community Planning Activities

The purpose of the provisions in this section is to encourage and facilitate implementation of environmentally sustainable practices at the local government level. Prudent environmental planning that incorporates sustainability measures is necessary to achieve cost-effective and environmentally sound water quality improvement within the watershed. Additional priority points will be awarded to projects located in or benefiting municipalities that have implemented programs and actions that go beyond compliance with existing regulatory requirements and incorporate the planning strategies discussed below.

Sustainable Community Planning: Sustainable communities develop and adopt master plans and ordinances that improve the overall quality of life for citizens of today as well as future generations by

planning within natural resource capacity constraints and providing for a healthy economy, environment and society. Projects located in or benefiting municipalities where sustainable community strategies have been developed and master plans and/or ordinances adopted will be awarded an additional 100 priority points. These strategies/ordinances must include, but are not limited to, the following:

- A plan to reduce water consumption and increase water efficiency and re-use;
- Policies that require consideration of green design in municipal construction projects and redevelopment projects, such as green roofs, green streets, tree filters, rain gardens, rain barrels, porous pavements, etc.

Green design principles include green building practices that increase energy and water efficiency; use renewable energy; use environmentally friendly building materials that are made with recycled materials, are durable, sustainability harvested or produced locally; improve indoor air quality; and makes appropriate site selection and minimizes site disturbance to reduce environmental impacts.

B. Project Discharge Category Points

All projects receive ranking points based on the project discharge category. In case of multiple purpose proposals, projects qualify for the discharge category that represents the major scope of the project. If a project has aspects that can be described by more than one category, the project may be broken into separate projects. Tables IA and IB show the project discharge categories and their corresponding ranking points.

Table IA. Ranking Points Related to Project Discharge Category For Wastewater Treatment Facilities		
Project Discharge Category	Description	Points
Combined Sewer Overflow (CSO) & Sanitary Sewer Overflow (SSO)	Combined sewer system (CSS) rehabilitation/repair, the construction of treatment and/or storage facilities within CSS, at discharge locations or at STPs that reduce or eliminate CSOs, or the separation of combined sewer systems by the consolidation and elimination or sealing of CSO discharge points. Projects that implement corrective measures to fix overloaded conveyance systems that experience chronic overflows.	600
Sewage Treatment Plant (STP) Improvements	STP improvements include upgrades or other improvements to a treatment process or the elimination of an existing STP and the connection to an alternative treatment facility to meet applicable treatment levels and the purchase and installation of security and energy efficiency measures at the STP.	500

Sanitary Sewer System Rehabilitation	Wide variety of corrective measures to sanitary sewer collection and conveyance systems that do not experience chronic overflows, such as the rehabilitation, repair, or replacement of sanitary sewers, pump stations, interceptors, or the purchase of equipment to properly maintain the sanitary sewer system.	450
Sludge Treatment/Disposal Facilities	Projects involving the construction of facilities to manage sludge from STPs or from potable water treatment activities, such as the installation of dewatering equipment, the implementation of land application or composting activities or improvements or repairs to sludge incinerators.	350
Wastewater Reuse	The construction of facilities that promote the reclamation of water for beneficial reuse such as the use of treated effluent for agricultural or other purposes and/or construction of conveyance and distribution systems to allow for reuse activities.	300
Septic System Repair/Replacement	Projects that involve repairs, improvements, and/or replacement of individual or small community, on-site septic systems.	275
New Systems	The expansion of a STP's treatment capacity, and the construction of new facilities to provide collection, conveyance or treatment of sanitary sewage.	250

Projects that implement green infrastructure, water or energy efficiency improvements (including projects that are designed to reduce greenhouse gas emissions) will receive an additional 50 priority points if the green components represent a significant amount of the overall project activities.

Table IB. Ranking Points Related to Project Categories for Stormwater and Nonpoint Source Pollution Management Facilities		
Project Category	Description	Points
Stormwater Management and other NPS activities	The construction or rehabilitation of stormwater basins, sewer systems or storm drains, the extension of outfall pipes, green roofs, blue roofs, green streets, tree filters, rain gardens, rain barrels, porous pavement or the purchase of maintenance equipment (such as street sweepers, aquatic weed harvesters and skimmer boats). Projects that stabilize streambanks, restore lakes or address runoff from salt storage facilities and the implementation of measures to address pollution concerns from agricultural cropland activities and manure runoff management and feedlot operations.	225
Landfill Closure, Open Space Land Acquisition and	The implementation of measures to prevent and control pollutants from entering groundwater at non-operating landfill sites that are publicly owned and at abandoned	150

Conservation and Well Sealing	well locations. Open space land acquisition and conservation projects that help to protect or maintain water quality.	
Landfill Construction and Remedial Action Activities	The construction of facilities to collect, convey and/or treat leachate and runoff from new publicly-owned landfill cells or from publicly-owned contaminated sites.	75
Projects sponsored by Conduit Borrowers/ Private Activity	Environmental infrastructure projects where a developer, LLC, partnership or other private party is involved in the project; landfill closure measures and remedial action activities where the project site is privately owned. If a local government unit that sponsors a project on behalf of a private entity commits to providing a general obligation pledge (including its unlimited taxing power) or municipal guarantee as security for the DEP and Trust loans, the project is considered exempt from the conduit financing classification and corresponding funding limitations.	50

C. Water Use/Water Quality Points

Points are awarded based on the designated water uses of the receiving water as well as the existing water quality conditions in comparison to the ambient water quality standards. The assignment of points for “public nuisance” is given to on-site system projects where failures have been identified. Table II below shows the breakdown of the ranking points for water use; in general, the highest values are given for projects that discharge to water bodies with potable, recreational, and fishing uses.

Water Use		Basis/Description	Points
Public Potable Water Supply		Wastewater treatment plant discharges likely to have adverse impacts on an existing downstream potable surface water supply intake. Projects are evaluated based on relative distance between STP discharge and public potable water intake locations.	200
Recreation (“Primary Contact”)		Waters with bathing areas monitored routinely as public beaches as well as the Delaware River upstream of Trenton (north of East Bridge Street at the Lower Trenton Bridge).	125
Fishing	Shellfish	State water bodies that are designated as shellfish growing waters by <i>N.J.A.C. 7:12</i> .	125
	Trout	State freshwater bodies designated for trout production or maintenance by the NJ Water Quality Standards (<i>N.J.A.C. 7:9B</i>).	75
	Non-trout	State freshwater classifications not designated trout production or maintenance by <i>N.J.A.C. 7:9B</i> (see Trout description above), including all Delaware River freshwater zones above mile-point 85 as defined by the	25

		Delaware River Basin Commission.	
Public Nuisance		Indirect water use impacts; applies to areas with identified on-site wastewater treatment system failures.	50
Agriculture		Surface water for agricultural use, such as irrigation and farm ponds, based on Department diversion permit (permits required for >70 gal/min diversion).	25
Industry		Surface water known to be used for industrial use such as cooling.	25

Table III shows the points for not meeting or marginally meeting certain water quality parameters. The points reflect the impact the parameters have on meeting the state’s goal to protect and enhance surface water resources, quality criteria, and designated water uses. The magnitude of the contribution that municipal sewerage facilities have on each of the conditions is reflected in the points awarded under these categories.

Nutrients reflect the presence of phosphorus/phosphates and nitrates/nitrites in a water body. Excessive nutrient levels in freshwater streams and lakes may result a decrease in water quality and an increase in treatment costs. Points are given for nutrients only if the surface waters involved significantly impact existing potable water reservoirs, surface water impoundments or lakes, public bathing areas, or shellfish growing waters. Since there are no nutrient standards for coastal and estuarine waters, no points were assigned for discharges to those water bodies.

Points for toxics address the relative magnitude of ammonia, metals, pesticides, and organic chemicals in the water body. Toxics were given lower points since in most cases the significant contributions of toxic substances come from industrial sources that are better controlled through pretreatment and are only incidentally abated by municipal treatment facilities. In the case of the toxicity of ammonia, municipal facilities are usually the main source, but the most significant impact is associated with streams designated for trout production/maintenance, which already receive a high number of points under the water use category.

Table III. Ranking Points Related to Water Quality				
Water Quality		Points for Water Quality that		
		Meet	Marginally Meet	Do Not Meet
		The Water Quality Standard*		
Parameter	Dissolved Oxygen	0	50	100
	Fecal Coliform	0	50	100
Parameter	Nutrients	0	25	50
Category	Toxics	0	25	50

*The Surface Water Quality Standard for the applicable parameter or category.

D. Smart Growth Approvals

DEP seeks to coordinate and enhance the efforts to encourage smart growth through the implementation of the State Development and Redevelopment Plan. DEP assigns ranking points to projects that serve municipalities that have been approved under the Center Designation or Plan Endorsement Process.

For a project serving more than one municipality, the points were included for ranking purposes if the designated center or the endorsed plan is a significant component of the overall project. For further information regarding the State Development and Redevelopment Plan, contact the Office of Planning Advocacy in the New Jersey Department of State at (609) 292-7156.

Table IV. Ranking Points Related to State Planning Commission Approvals	
Community Type	Points
Urban Centers and Complexes	50
Regional Centers	25
Existing Designated Towns	15
Existing Villages	10
Hamlets	5

Projects located in or benefiting areas designated as Brownfield Development Areas, Transfer of Development Rights receiving areas or Transit Villages receive 10 points, so that these projects will rank higher than similar projects that are not located in, or provide benefit to, these smart growth areas.

E. Population Points

Projects are assigned points based on the population of the area served by the project. One point is given for every 1 million people living year-round in the project area. Thus, if projects have the same number of ranking points after having received all eligible points, population points become the tiebreaker, with higher priority given to the project serving the larger population.

Priority Growth Investment Areas

Core criteria for a Priority Growth Investment Area includes being within one or more of the areas identified in Table 1 and within the regional planning entity areas described below.

Table 1: Growth Areas

1. Former State Plan Policy Map Metropolitan Planning Areas (PA 1) and Nodes
2. Unexpired Commission Approved Centers, Urban Complexes and other areas designated for development or redevelopment as the result of the Commission formally endorsing municipal or county plans
3. Municipally Designated Transfer of Development Rights "Receiving Areas"
4. Municipally Designated "Urban Enterprise Zones"
5. Municipally Designated "Areas in Need of Redevelopment" or "Areas in Need of Rehabilitation"
6. Approved "Foreign Trade Zones"
7. Land within Higher Education Campuses suitable for development / redevelopment
8. NJDOT Certified Transit Villages
9. "Urban Transit Hubs" as defined by Economic Development Authority's Urban Transit Hub Tax Credit Program
10. Land owned by the New Jersey Sports and Exposition Authority

11. Commission approved requests for additional areas, for example, sites that have been historically utilized for large-scale commercial, research or industrial uses, that meet Commission requirements may be submitted for inclusion by a county with the support of relevant municipalities and, if relevant, the advice and consent of a regional planning entity. If a county declines to serve this role, requests will be accepted by a municipality or other appropriate entity.

Regional Planning Entities

As the Act requires, this Plan must treat land within the jurisdiction of a regional planning entity based on the adopted plans and regulations of that entity. As such, the following areas are recognized as Priority Growth Investment Areas:

New Jersey Sports and Exposition Authority (formerly Meadowlands Commission)

- Lands identified for development and/or redevelopment within the "Land Use Map and Map of the Meadowlands District Master Plan" and the "Hackensack Meadowlands District Official Zoning Map" as amended and supplemented

Pinelands Commission

- Lands identified by the Comprehensive Management Plan (CMP) as amended and supplemented as a "Regional Growth Area," a "Town" and developed sections of a "Military and Federal Installation Area"

Highlands Council

- Planning Area / Areas Not Conformed - Default to Table 1
- Planning Area / Areas in Conformance – Highlands Council Designated Centers and Redevelopment Areas

Fort Monmouth Economic Revitalization Planning Authority or its successor:

- Lands identified for development and/or redevelopment within the "Fort Monmouth Reuse and Redevelopment Plan" as amended and supplemented

APPENDIX 2: CLEAN WATER AFFORDABILITY CRITERIA

Section 603(i)(2) of WRRDA requires States to develop affordability criteria that will assist in identifying applicants that would have difficulty financing projects without additional subsidization. The law requires that states establish affordability criteria by September 30, 2015 after providing notice and an opportunity for public comment; which is being accomplished through this new feature of NJ's CW Intended Use Plan.

Section 603(i)(2)(A) of WRRDA requires that states base their criteria on:

- income;
- unemployment data;
- population trends; and
- other data determined relevant by the State.

In New Jersey, those applicants where the following income, unemployment data, and population trends exist, based upon the sources below for each factor, are considered to have satisfied the State's CWSRF affordability criteria:

- Median household income of \$90,000 or more;
- County-wide unemployment of 5% or lower; and
- Population trend of 2% or higher.

Applicants that do not meet the specifications above do not meet the State's CWSRF Affordability Criteria.

WRRDA allows states to provide additional subsidization to eligible recipients for the following:

- To benefit a municipality that meets the State's affordability criteria as established under the FWPCA section 603(i)(2);10;
- To benefit a municipality that does not meet the State's affordability criteria but seeks additional subsidization to benefit individual ratepayers in the residential user rate class; or
- To implement a process, material, technique, or technology that addresses water or energy efficiency goals; mitigates stormwater runoff; or encourages sustainable project planning, design, and construction.

In New Jersey, additional subsidization through principal forgiveness loans is allocated to implement a process, technique or technology that mitigates stormwater runoff. In the case of the CSO reserve, projects that implement green technologies to reduce runoff are only eligible for PFLs and, in the case of the Barnegat Bay reserve, only stormwater runoff mitigation projects qualify for PFLs.

NOTE: MHI (2009-2013) and Population Trend Data (percent change - April 1, 2010 to July 1, 2014) is from <http://quickfacts.census.gov/qfd/states/34000.html> . County Unemployment data is from http://lwd.dol.state.nj.us/labor/lpa/content/maps/laus_month.pdf .

APPENDIX 3: DRINKING WATER PROJECT RANKING METHODOLOGY

Table 1 of Category A lists the types of projects eligible for DWSRF funding. A project must be assigned points from Category A to be eligible for ranking; points assigned from the remaining categories are in addition to the points received in Category A. Priority points are assigned only if the project scope includes actual repair, rehabilitation, or correction of a problem or improvement clearly related to priority Category A. Projects that include multiple elements, as listed in priority Category A, are separately listed by the elements involved and priority points assigned for each element.

DEP assigns points to each project using the Project Priority System and ranks all eligible projects according to the total number of points each project receives. All projects are subsequently placed on the Project Priority Comprehensive List according to their ranking. Projects with more points are ranked above those with fewer points. The addition of new projects to the Project Priority Comprehensive List, periodic revisions to the Priority System, or the identification of new information regarding a project, such as readiness to proceed, may result in changes to an individual project ranking.

The principal elements of the Priority System are: A) Compliance and Public Health Criteria, B) Water Supply Plans/Studies, C) State Designations, D) Affordability, and E) Population. Points are assigned for each of the five priority categories and are discussed in more detail below.

The order of project priority for funding is as follows:

1. Emergency Projects are considered a public health hazard and receive funding over other projects on the Comprehensive Priority List;
2. Small Systems serving less than 10,000 persons, up to 15 % of DWSRF Funds (See page 13);
3. Lead service line location and replacement projects (See page 13); and
4. Other projects currently on the comprehensive list.

DEP is proposing to establish a rolling application process and will update and post the Priority List several times during the fiscal year.

The prospective applicant must notify DEP of any changes to project scope or any other circumstance that may affect the calculation of priority points. DEP recalculates, if appropriate, the prospective applicant's ranking utilizing the new information submitted and revises the priority ranking accordingly.

Points are assigned for each of the five priority categories discussed below, as applicable.

Category A. Compliance with the SDWA and Protection of Public Health

DWSRF funds are utilized to address contamination problems and to ensure compliance with the SDWA requirements. Priority is given to water systems in non-compliance with the surface water treatment requirements and those incurring acute primary maximum contaminant level (MCL) violations, or action level exceedances as defined in the National Primary Drinking Water Regulations and the New Jersey Safe Drinking Water Regulations (N.J.A.C. 7:10). Table 1 describes the project elements that are eligible for DWSRF funds:

TABLE 1. Project Elements Eligible for
Project Priority Ranking in the Drinking Water State Revolving Fund Program²

1.	Systems that utilize surface water that are not in compliance with the surface water treatment requirements, or have had any acute violations (either <i>E. coli</i> or nitrates), and have been issued an administrative order or directive by DEP requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat.	500 Points
2.	Systems that utilize groundwater under the direct influence of surface water, that are not in compliance with the surface water treatment requirements, or have had any acute violations (either <i>E. coli</i> or nitrates) and have been issued an administrative order or directive by DEP requiring the correction of any noncompliance of its treatment facilities to address an immediate public health threat.	350 Points
3.	Systems that utilize groundwater that have had any acute violation (either <i>E. coli</i> or nitrates).	300 Points
4.	Systems that have had, or DEP reasonably expects to have, any primary maximum contaminant level (MCL) violations (except acute violations) or exceedance of action levels (Lead and Copper Rule).	250 Points
5.	Systems that have, or DEP reasonably expects to have, exceeded a groundwater quality criterion, guidance, or advisory as deemed applicable by the DEP.	200 points
6.	Systems that were classified as vulnerable, as a result of a 2007 DEP Interconnection Study.	200 Points
7.	Systems that have been issued a notice of noncompliance by DEP for reasons other than water quality; i.e. inadequate storage, inadequate source, lack of emergency power, etc.	175 Points
8.	Purchase and/or consolidation of a water system to comply with the SDWA for capacity development.	170 Points
9.	Systems that are proposing improvements for drought or other related water supply management initiatives, as identified or designated by the State.	160 Points
10.	Systems that have lost well capacity due to saltwater intrusion and a solution is needed to preserve the aquifer as a viable aquifer.	150 Points

² A project must be assigned points from Category A to be eligible for Project Priority List ranking; points assigned from Categories B through E supplement the points received in Category A.

- | | | |
|-----|--|------------|
| 11. | Extension of water mains, including associated appurtenances and water system facilities, to private wells that have had any maximum contaminant level exceedances or have exceeded lead and copper action levels. | 125 Points |
| 12. | Existing treatment facilities that need to be rehabilitated, replaced, or repaired to ensure compliance with the SDWA. | 100 Points |
| 13. | Existing transmission or distribution mains with appurtenances that need to be rehabilitated, replaced, repaired or looped to prevent contamination caused by leaks or breaks in the pipe or improve water pressures to maintain safe levels or to ensure compliance with the SDWA. | 75 Points |
| 14. | Existing pump stations or finished water storage facilities that need to be rehabilitated or replaced to maintain compliance with the SDWA. | 60 Points |
| 15. | New finished water storage facilities or pump stations that are needed to maintain pressure in the system and/or prevent contamination. | 50 Points |
| 16. | Addition or enhancement of security measures at drinking water facilities, including but not limited to fencing, lighting, motion detectors, cameras, secure doors and locks, and auxiliary power sources. | 45 Points |
| 17. | Green Infrastructure: renewable energy generation such as solar panels, hydroelectric, geothermal or wind turbines or infrastructure built at the water system facilities such as green roofs, porous pavement, bioretention or grey water reuse. | 45 Points |
| 18. | Systems which have had any exceedance of any secondary drinking water regulations that have received notification issued by DEP that exceedance of a secondary drinking water regulation causes adverse effects on the public welfare, and for which the system has received a directive issued by the DEP requiring correction of the exceedance. | 40 Points |
| 19. | Installation of new water meters and/or other water conservation devices, including but not limited to retrofit plumbing fixtures. | 35 Points |
| 20. | Construction of new or rehabilitation of existing interconnections between water systems to improve water pressures to maintain safe levels, promote availability of alternative source of supply, or to ensure compliance with the SDWA. | 30 Points |
| 21. | Replacement of water meters. | 25 Points |
| 22. | Redevelop wells, construct new wells, or construct or rehabilitate surface water sources with associated treatment facilities to meet the New Jersey SDWA rules for required pumping capacity. | 15 Points |

22. Other project elements, not including items 1 through 21 above, that 1 Point ensure compliance with the SDWA and protect public health, as approved by DEP.

Category B. Water Supply Plans/Studies

Planning water system improvements that advance comprehensive water supply concepts can facilitate cost effective drinking water system rehabilitation. To provide an incentive for appropriate planning, 50 points are given if the project is clearly identified in other appropriate plans (i.e. five-year master plan, five-year capital improvement plan, rate setting study or comprehensive water supply plan for a particular region or watershed) approved by a municipal or State agency (such as DEP, the New Jersey Department of Community Affairs or the New Jersey Board of Public Utilities) within the last five years.

Thirty-five (35) points are given to each project that demonstrates that its water system structurally inspects its finished storage facilities every five years. Also, 25 points are given for a system that has a valve exercise program. Documentation must be provided to receive the above-mentioned points.

Please note that having an Asset Management Plan is now a requirement for project sponsors seeking a DWSRF loan.

Principal forgiveness funds are available for development of an Asset Management Plan for eligible municipally owned water systems.

Category C. State Designations

1. State Plan

DEP assigns points to projects in municipalities that the State Planning Commission has approved under the Plan Endorsement or Center Designation Process. Please note that if a local entity has not received designation by the State Planning Commission, projects within that entity would receive zero points for this element.

- a. Projects located predominantly within or designed to provide service to a designated growth area that lies within a municipality that has received Plan Endorsement of its Master Plan from the New Jersey State Planning Commission or is an Urban Center or Urban Complex are eligible for 20 points.
- b. Projects located predominantly within or designed to provide service to a designated growth area that lies within a municipality that are identified in the Master Plan currently recognized as endorsed by the New Jersey State Planning Commission as a designated center other than an Urban Center (Regional Center, Town, Village, Hamlet) are eligible for 15 points.

For a current list of those local governments that have gained Plan Endorsement from the New Jersey State Planning Commission, please check the Office for Planning Advocacy at the Department of State website at <http://www.nj.gov/state/planning/plan.html> and then refer to the current State Plan Policy Map to determine if the project area lies within a designated growth area.

Contact the Office for Planning Advocacy, Department of State, P.O. Box 820, Trenton, N.J. 08625-0820 or call (609) 292-7156 for further information on the State Development and Redevelopment Plan.

2. Transit Village Initiative

The New Jersey Department of Transportation (NJDOT) participated in a multi-agency Smart Growth partnership known as the Transit Village Initiative. The Transit Village Initiative helps to redevelop

and revitalize communities around transit facilities to make them an appealing choice for people to live, work and play, thereby reducing reliance on the automobile. The Transit Village Initiative is an excellent model for Smart Growth because it encourages investment in portions of New Jersey where infrastructure and public transit already exist. Aside from Smart Growth community revitalization, two other goals of the Transit Village Initiative are to reduce traffic congestion and improve air quality by increasing transit ridership. Therefore, DEP will provide five additional priority points to any project sponsored by a Transit Village community or to any project that is constructed within a Transit Village community. For more information about Transit Villages, please see <http://www.nj.gov/transportation/community/village/> and for a list of Transit Villages, please see <http://www.nj.gov/transportation/community/village/faq.shtm>.

3. Brownfield Development Area (BDA)

DEP sponsors a program to promote the re-use of formerly contaminated sites. DEP's Brownfield Program, spearheaded by the Office of Brownfield Reuse, serves as a vital component of the state's Smart Growth efforts to stem the tide of sprawl and channel new development into cities and towns. Under the innovative Brownfield Development Area (BDA) approach, DEP works with selected communities affected by multiple brownfield sites to design and implement plans for these properties simultaneously, so remediation and reuse can occur in a coordinated fashion. The DWSRF supports this initiative by providing five additional priority points to any project serving a BDA. For more information about Brownfield Development Area Initiative, please see <http://www.nj.gov/dep/srp/brownfields/bda>.

4. Green Project Reserve (GPR)

DEP promotes green infrastructure, water and energy efficiency, and environmental innovation in its water improvement projects. Therefore, DEP provides 15 additional priority points to any project that is a categorically eligible project.

Please note that the points from these four items of Category C can be cumulative. Please note for water systems that service more than one municipality; the municipality that has the highest population served will be counted for this category.

Category D. Affordability

The purpose of the affordability criteria is to determine which project sponsors' water systems are eligible for additional points under the Affordability Category.

Affordability is the degree of need for financial assistance based upon the New Jersey median household income compared to the municipal median household income (MHI). Affordability is determined by the following formula:

$$(\text{Municipal MHI} / \text{Statewide MHI}) \times 100 = \text{Affordability Factor}$$

Points are assigned as shown in Table 2.

TABLE 2. Point values assigned based on Affordability Factor calculation

1. Affordability factor of 100 or greater	0 Points
2. Affordability factor from 85 through 99	15 Points

- 3. Affordability factor from 66 through 84 30 Points
- 4. Affordability factor less than or equal to 65 80 Points

The median household income of the municipality which the water system serves and the statewide median household income will be determined from income data in the most recent United States Census, which is currently the 2010 Census.

DEP determined that for the purposes of the DWSRF Program, a municipality whose median household income is 35 % or more below the State’s MHI is considered a Disadvantaged Community, and receives 80 priority points which is proportionately greater than the other affordability factor points. (New Jersey’s MHI is \$68,444 as reported in the 2010 Census.)

A weighted MHI is calculated for a project sponsor whose water system serves more than one municipality, as shown in the example below.

Example:

Municipalities Served	MHI	Populations Served	Fraction of total population served	Weighted municipal MHI
Lancaster	30,000	5,000	0.167	5,000
Mayberry	20,000	10,000	0.333	6,660
Holmeville	25,000	15,000	0.500	12,500
Total		30,000	1.00	24,160

Please note for water systems that service more than 10 municipalities, the 10 municipalities that have the highest populations served will be considered in the above table for the affordability factor.

Category E. Population

As a tiebreaker, projects are assigned points based on the permanent population of the water system service area. For a resort community where the summer and winter populations vary greatly, the permanent population will be calculated by taking the sum of twice the winter population and once the summer population and dividing by three (see below). For water systems that service more than one municipality, a total of all the permanent population served in the multiple service areas is used. Priority points are calculated as the permanent population served by the water system divided by 100,000, expressed as a decimal. In the event that projects remain tied, the project which serves a greater proportionate population in the water system’s area is given higher priority.

Population served for resort communities will be calculated by the following equation:

$$[(2 \times \text{Winter Population}) + \text{Summer Population}] / 3 = \text{Weighted Permanent Population}$$

APPENDIX 4: DWSRF STATE FISCAL YEAR 2017 WORK PLANS

FFY 2016 Capitalization Grant \$15,815,000.

Please note that for the following work plans, USEPA Strategic Goal 2 applies:

Strategic Plan Goal 2:

Protecting America's Waters

Strategic Plan Objective 2.1

Protect human health by reducing exposure to contaminants in drinking water (including protecting source waters), in fish and shellfish, and in recreational waters

Small System Technical Assistance
Work Plan SFY 2017
(2.0%, 2 FTE³)

Background

The Small System Technical Assistance Program provides assistance to small water systems, defined as public water systems serving 10,000 or fewer persons [Section 1452(g)(2)(D) of the federal Safe Drinking Water Act (SDWA)] that need to acquire and maintain compliance with the SDWA requirements. DEP will continue to utilize staffing resources to implement Small System Technical Assistance Program activities. Contracted services to address some Small System Technical Assistance Program activities are limited as detailed below.

Historically, DEP used Small System Technical Assistance Program funds to provide for group training sessions for owners and operators of small water systems through contracts with the New Jersey Water Association (NJWA). However, in SFY 2014, DEP utilized available Small System Technical Assistance Program funds for a new Engineering Services contract, as described below, and there were insufficient Small System Technical Assistance Program monies to fund a new training contract. Therefore, as a short-term solution, in order to continuously provide for both services, DEP entered into a \$161,000 training contract with NJWA using Operator Certification monies. This contract provided for 70 training sessions completed for the period January 1, 2014 to December 31, 2015.

In SFY 2016, DEP switched the funding source back to the Small System Technical Assistance Program set-aside to initiate a new contract with NJWA. The contract was executed May 6, 2016 and has the same terms as the previous agreement: 1) 70 fee-for-service training sessions at a cost of \$2,300 each, for a total of \$161,000, 2) sessions held equally in Northern, Central, and Southern regions, and 3) a work period of two years. The work period of the new contract is January 1, 2016 to December 31, 2017.

Small System Technical Assistance

The Small Water System Technical Assistance Program is being implemented by staff from two bureaus of DEP's Division of Water Supply & Geoscience.

The **Bureau of Safe Drinking Water (BSDW)** will maintain one FTE to perform program activities and oversee the contract described below to fulfill the following primary responsibilities:

Training for Operators of Small Water Systems: DEP continues to contract with the NJWA to provide group training sessions to owners and operators of small water systems in the Northern, Central and Southern regions of New Jersey. Training topics included Basic Accounting, Consumer Outreach, Distribution Planning, and SDWA requirements, with other topics freely substituted based on feedback from the attendees. Sessions focus on many of the issues encountered by small water systems. These sessions also provide licensed operators with the training contact hours needed for license renewal and are well attended and receive positive reviews from the licensed operators.

Engineering Services Contract: DEP approved a \$400,000 Engineering Services agreement on March 14, 2014 (three-year contract) with NJWA. Under the agreement, small systems serving less than 3,300

³ Full-time equivalent, or full-time staff person.

customers may access a pre-approved list of consulting engineers to provide assistance in assessing the needs of the system and assistance in completing DWSRF applications and submittals for systems. The scope of work includes: 1) development of a preliminary asset management assessment and engineer's recommendations for needed improvements, as well as lower cost alternatives; and 2) engineering services for small water systems applying to the DWSRF loan program, such as preparation of planning documents, design documents and loan applications. In SFY 2016, contract services were completed for two systems, successfully enabling one system to acquire a DWSRF loan, and we currently await the other system's loan closing in escrow (with one final payment remaining to close out that portion of contract services). Additionally, one system was dropped from the program and one system was newly selected to participate in the program. DEP will continue to administer the contract to assist participating systems in SFY 2017.

DEP provides certifications of potability to daycare facilities using their own source of water (noncommunity water systems) in demonstrating compliance with the drinking water program requirements, as set forth in state amendments to the "Manual of Requirements for Child Care Centers" (N.J.A.C. 10:122). Many of these daycare facilities do not meet the drinking water standards, and staff provides guidance. About 100 certifications are issued each year.

Goals

The following items will be addressed during SFY 2016:

Provide oversight for the Engineering Services Contract which provides funding to cover the engineering and design costs incurred by small public water systems serving fewer than 3,300 persons that apply for a Drinking Water State Revolving Fund Loan.

Initiate a new \$161,000 two-year contract with NJWA to provide for an additional 70 group training sessions to owners and operators of small public water systems. Sessions will be held in Northern, Central, and Southern areas of the State. This contract will continue services through December 31, 2017.

Continue to issue 100 water quality certifications to Child Care facilities.

The **Bureau of Water System Engineering** (BWSE) will maintain one FTE to address the primary responsibilities listed below.

There is a continuing cooperative effort with DEP Enforcement and County Health Departments (CEHAs) to assist public water systems with achieving and maintaining compliance.

The criteria for performing site visits under the Small System Technical Assistance Program have been prioritized as follows:

Site Visit Prioritization Framework

1. Systems with unresolved or persistent (>1) Acute Violations [Revised Total Coliform Rule (RTCR), Ground Water Rule (GWR), Nitrate] in the following order: community water system (CWS), nontransient noncommunity water system (NTNC) serving as schools, daycare centers, other NTNC, transient noncommunity water systems (TNC);

2. Systems with detections of chronic contaminants (two nonconsecutive within a 12month period) of Total Coliform that have triggered a Level 2 assessment under RTCR in the following order CWS, NTNC schools & daycare centers, other NTNC, TNC; “or chronic Lead ALEs [Action Level Exceedances] which are systems with 2 or more lead ALEs within 4 years”
3. Systems with Treatment Technique Violations in the following order CWS, NTNC schools, daycare centers, other NTNC, TNC;
4. Systems appearing on USEPA’s ETT report with 11 or more points or daycares/schools (required to be addressed) with unresolved violations for two or more consecutive quarterly reports.
5. Systems with nonacute MCL violations or Action Level Exceedances (ALE) that are approaching compliance deadlines for corrective actions, in the following order CWS, NTNC schools & daycare centers, other NTNC, TNC:
 - Past 6 months of 12-month period to achieve MCL compliance;
 - Past 3 months of 6-month period to address Corrosion Control Treatment (CCT) recommendations for ALE.
6. Systems with Significant Deficiencies (as specified in italics below) that are identified during Sanitary Surveys (and CEHA or Enforcement has asked for BWSE to become engaged) in the following order CWS, NTNC schools & daycare centers, other NTNC, TNC:

Source: the defined criterion is not a trigger point for a site visit; Treatment Related: the defined criterion is a high priority trigger point for a site visit, applicable to both CWS and NCWS;

Distribution Related: the defined criterion is a medium priority trigger point for site visit – applicable to CWS;

Finished Water Storage: the defined criterion is not a trigger point for site visit;

Pumps: the defined criterion is not a trigger point for a site visit;

Monitoring/Reporting/Data Verification: the defined criterion is not a trigger point for a site visit;

O&M Procedures: the defined criterion is a low priority trigger point for site visit applicable to both CWS and NCWS;

Operator Compliance: the defined criterion is not a trigger point for a site visit.

Site visits may document a review of the following:

- a. System infrastructure (source, treatment, storage, & distribution processes);
- b. System operation and maintenance procedures;
- c. Compliance monitoring schedule, sampling plans and techniques;
- d. Guidance for selecting appropriate treatment technologies to address specific water quality concerns.

Goals

The following items will be addressed during SFY 2017:

Perform approximately 20 small water system technical assistance site visits per year and address follow-up activities.

Coordinate with NJDEP Enforcement and County Health Departments to assist public water systems with achieving and maintaining compliance.

Assist public water systems with addressing residents' water quality concerns through oversight of water systems investigations including sample collection and analysis.

Source Water Protection Administration
Work Plan SFY 2017
(.4%, .5 FTE)

Background

The 1996 Amendments to the SDWA require states to conduct source water assessments on all public water system sources. DEP issued source water assessments for community water systems in December 2004 and for noncommunity water systems in May/June 2005. The results of the source water assessments are used to build upon existing strategies for protection of source waters including revision of State regulations and supporting local well head protection ordinances (Section 1452 (g)(2)(4)).

Goals

The following items will be addressed during SFY 2017:

Assessing the following community and noncommunity water system wells is an ongoing activity:

- Assessment of new wells drilled and put online through December 2015. Recent evaluation of well permitting activity indicates that approximately 25-50 new community water supply wells and approximately 60 noncommunity water supply wells are placed in service each year. DEP will continue to delineate all new community water system wells;

The status of some wells has changed since the Source Water Assessment Program inventory was comprised in June 2003. For example, a well may no longer be in use or the well use (permanent, emergency, and seasonal) may have changed. In some instances, NJDEP staff was notified by water systems of such changes. In other instances, well status changes are determined by staff either as a result of routine compliance inspections or by inventory comparison efforts. An increase in source inventory accuracy is anticipated now that inventory records are being provided to community water systems as part of the Ground Water Rule outreach efforts;

- Assessment of wells that were re-delineated as a result of finding additional well attribute data or identifying inaccuracies with the original delineation. NJDEP had to perform some of the assessments using depth and pump capacity assumptions. NJDEP continues to revisit some of these assumptions and correct as feasible; and
- Assessment of wells not delineated in the original source water assessments as a result of not having the necessary well information.

Perform the following ongoing tasks:

- Create a list of public water system wells that fall within one or more of the above categories;
- Gather well attribute data and obtain GPS locations for the wells identified on that list, and manage the inventory information on NJDEP databases;
- Delineate the source water assessment area for each well;
- Inventory potential sources of contamination in those source water assessment areas;

- Perform assessments of the wells' susceptibility to regulated contaminants by applying specifically developed statistical models;
- Revise the source water protection web page to incorporate any recent protection activities. This is an ongoing activity;
- Continue working with water systems and the interested public to assure the accuracy of the source water assessments. As changes occur, NJDEP will need to revise and reissue the source water assessment information. This is an ongoing activity;
- Continue to assist interested groups with their source water protection activities. This includes assisting NJ Water Association with their source water protection reports and assisting NJDEP's Office of Planning and Sustainable Communities in developing model well head protection ordinances. This is an ongoing activity;
- Complete USEPA documents to report the progress of the ongoing source water assessments and source water protection activities. This is an ongoing activity;
- Continue to assist public water systems with their Consumer Confidence Reports regarding their source water assessment information. This is an ongoing activity.

Capacity Development
Work Plan SFY 2017
(1.9%, 2 FTE)

Background

Section 1420(a) of the federal SDWA requires that each state have the legal authority to ensure that all new community and nontransient noncommunity water systems demonstrate adequate technical, managerial, and financial (TMF) capacity. On August 2, 1999, the New Jersey Safe Drinking Water Act (N.J.S.A. 58:12A) was amended to give New Jersey explicit legal authority to require new public water systems to demonstrate capacity; N.J.A.C. 7:10-13 establishes capacity requirements of all new public community and non-transient, non-community water systems before system operation begins.

Section 1420(c) of the Federal SDWA requires each state to develop and implement a strategy to assist existing public water systems in acquiring and maintaining compliance with the Federal and State SDWA regulations. In accordance with Section 1420(c), New Jersey submitted to the USEPA a Capacity Development Strategy for review and approval on August 3, 2000. The Strategy, which establishes the programmatic approach to the capacity development of existing public water systems, was approved by the USEPA on September 28, 2000 and revised in August 2010.

The Capacity Development Program will continue efforts to:

1. Reduce or eliminate the number of existing public water systems in significant non-compliance with the Federal and State SDWA regulations by ensuring adequate capacity (technical, managerial, and financial);
2. Prevent the formation and operation of any new non-viable public water system (community and nontransient noncommunity) by ensuring adequate capacity prior to the system commencing operations;
3. Provide public water systems with accurate, timely, and appropriate information to promote or maintain their capacity to ensure compliance with the Federal and State Safe Drinking Water Act regulations;
4. Provide an evaluation of the capacity of CWS or nonprofit NCWS that are scheduled to receive monies from the DWSRF.

In SFY 2015, two FTEs in the Capacity Development Program retired. The goals are based on full program staffing levels.

Goals

The following items will be addressed during SFY 2017:

Prepare the SFY 2016 Annual Report that documents the ongoing implementation of the capacity development program for addressing capacity determinations for new systems and the application of a focused effective strategy for existing public water systems by August 2016.

Revise the 2016 Capacity Development Strategy List. Once finalized, conduct capacity evaluations for the community and noncommunity water systems identified on that List. This will be performed on an ongoing basis and will continue for a three-year cycle until a new List is drafted.

Prepare a report to the Governor on the efficacy of the State's Capacity Development Strategy by September 30, 2017, as required by Section 1420(c)(3) of the 1996 Federal Safe Drinking Water Act amendments (every three years). This report should address the progress made towards improving the technical, managerial, and financial capacity of public water systems.

Provide direct technical assistance to water systems that fail to demonstrate adequate technical, managerial, and financial capacity. This function will be performed cooperatively on an ongoing basis.

Technical assistance will include direct consultation with targeted water systems to comply with existing construction and operation regulations.

Managerial and financial assistance will incorporate the concepts of Asset Management to establish water system priorities in maintaining, refurbishing, and replacing needed infrastructure. Once these priorities are determined, the water system can then develop meaningful projections of expenses and evaluate how to garner the revenues needed to effect improvements. The USEPA's Simple Tools for Effective Performance (STEP) Guide Series, Check Up Program for Small Systems (CUPSS), or similar tools/software will be used when appropriate. The program anticipates becoming involved in meaningful rate setting discussions, when needed, so that targeted water systems can themselves determine how best to accrue the funds required to maintain their water system. This will be performed on an ongoing basis.

Process technical, managerial, financial evaluations consistent with applicable State regulations (N.J.A.C. 7:10-13) for new community water systems, and nontransient noncommunity water systems as identified by DEP and/or CEHA agencies. This will be performed on an ongoing basis.

Arrange for seminars, workshops, and/or webcasts to provide training on how to evaluate and develop technical, managerial, and financial capacity; implement asset management planning, utilize asset management tools such as CUPSS; and obtain stakeholder input on the revised capacity development strategy and capacity development benchmark document. This will be performed on an ongoing basis.

Continue to administer the executed contract with Rural Community Assistance Partnership (RCAP) Solutions to provide half day training and one-on-one assistance to two water systems to draft a system O&M manual, an annual budget, and an asset management plan. The contract was executed in SFY 2014, and the half day training session was held in SFY 2015. This fee-for-service contract will continue into SFY 2017.

Explore the possibility of developing and conducting training on specific topics, in concert with NJWA, to provide hands on practical training to develop system O&M manuals and/or asset management plans. Although this task was not completed in SFY 2016, we continue to identify this task as a goal in SFY 2017 for the Capacity Development Program to conduct at least one session each in Northern, Central, and Southern New Jersey.

Continue to coordinate with those entities that were re-awarded USEPA Compliance Grant Contracts in 2015: NJWA, RCAP Solutions, the New Jersey Section of the American Water Works Association (AWWA-

NJ), the University of North Carolina Environmental Finance Center and other awarded contractors. The Capacity Development Program is assisting by providing recommendations for 1) training topics, 2) training locations, and 3) systems in most need of assistance. We will continue to periodically update USEPA Region 2 on our coordination efforts with these entities.

Operator Certification
Work Plan SFY 2017
(0.3%, .5 FTE)

Background

The Federal Safe Drinking Water Act amendments (1996) required the USEPA to publish guidelines specifying minimum standards for certification and recertifying operators of community and nontransient noncommunity water systems which states were required to adopt by 2001. New Jersey regulations at N.J.A.C. 7:10A “*Licensing of Water Supply and Wastewater Treatment System Operators*” provide an operator certification program that meets the USEPA requirements and requires all public CWS and NTNCWS to employ a licensed operator.

Operator Certification

The Bureau of Safe Drinking Water routinely checks to ensure that CWS and NTNC are under the supervision of a licensed operator through coordination with DEP Examinations & Licensing Office, DEP Enforcement Units, and County Health Departments. Use of a shared database has reduced the time needed to perform this task. Success of this program is anticipated to continue with less than 2% noncompliance. DEP believes that a licensed operator with oversight at small systems alleviates many of the noncompliance issues that typically plague small systems and will result in a significant reduction of SDWA violations.

DEP requires licensees to obtain continuing education credits, called Training Contact Hours (TCHs), for operator license renewal. DEP has recognized the State Operator Training Center (SOTC) at Rutgers University, the New Jersey Section of the American Water Works Association (AWWA-NJ), the New Jersey Water Environment Association (NJWEA), the New Jersey Water Association (NJWA), the American Water Works Service Company, Hunterdon County Polytech, Delaware Technical and Community College, Aqua New Jersey and the Association of Environmental Authorities of New Jersey (AEA of NJ) as qualified course providers. DEP has also approved more than 400 continuing education courses given by independent course providers for TCHs and continues to review requests for TCH approval from training providers.

In SFY 2016, NJDEP approved 28 individual training courses conducted by the following 12 providers (the number of courses provided are shown in parentheses after the name of each provider): J.A. Montgomery Risk Control Services (3), U.S. Environmental Protection Agency (1), Nelson Consulting Services (3), Agra Environmental (1), Mount Holly MUA (8), RCAP Solutions (3), New Jersey Utilities Association Expo (3), Envirep, Inc. (2), Montclair State University (1), Institute for Professional Development (1), Vortex Infrastructure Products (1), and Chevond-Barry Engineering Corp. (1). Also, DEP has identified the need for distance learning in New Jersey and has approved California State University-Sacramento’s Office of Water Programs as a provider of initial certification training courses and AWWA eLearning (formerly the AWWA Online Institute), CEU Plan, 360water.com, Pure Safety, Digital 2000, United Rentals, and Approved Environmental as providers of online continuing education courses.

DEP has engaged in several activities to support operator training programs in New Jersey. DEP contracted with the SOTC at Rutgers University to provide 50 % tuition subsidies for continuing education

to water licensed operators. A new \$198,000 contract was executed on May 6, 2016. The new contract picks up directly from the last contract and continues to provide tuition subsidies through December 31, 2017.

DEP also subsidizes operator continuing education courses provided by the NJAWWA. In October 2013, we executed a purchase order with NJAWWA to provide for ten training seminars. No training seminars were held in SFY 2016. Sufficient funds remain under the October 2013 agreement to continue to reimburse for training seminars under this agreement through SFY 2017.

In addition, DEP reimburses tuition and textbook costs to qualified individuals taking the required introductory and advanced certification courses.

Goals

The following items will be addressed during SFY 2017:

The Operator Certification Program has developed duties and responsibilities guidance documents for each class of Water Treatment (T) and Water Distribution (W) licensed operators. Although this task was not completed in previous years, the Operator Certification Program made some minor revisions in SFY 2015 and in SFY 2016 to these draft documents and has submitted them to Division managers for final in-house approval. Once finalized, the Operator Certification Program intends to distribute these guidance documents to owners and operators of public water systems and to post them on the Water Supply website. Additionally, the Operator Certification Program may decide to incorporate the rollout of these final documents as part of an operator training course, jointly developed with the NJWA, to discuss operators' roles and responsibilities, possibly in the Spring of 2017.

The Operator Certification Program will continue to routinely monitor coverage of T-3 and T-4 facilities as licensed operators change employment and coordinate with DEP's Office of Compliance and Enforcement, to ensure that all T-3 and T-4 systems have the appropriate full-time primary operator and backup coverage.

The BSDW will work with the DEP Board of Examiners to create Standard Operating Procedures for determining reciprocity of water treatment operators from other states, as requested by AWWA-NJ and the licensed operator community.

Data system improvements will be continued by working with the bureau's Data Systems Unit to develop queries in our databases to identify which operators have the highest number of monitoring and reporting violations per system, in order to prioritize our efforts in reviewing these requests. This task is ongoing.

DEP plans to continue providing training events for operators in SFY 2017, at several locations throughout the state, as part of the sessions hosted by the NJWA. Potential course topics are listed below.

Operator roles and responsibilities – previous sessions on this topic were held in April-May 2013. They were very well-received and generated productive discussion and Q&A from operators in attendance. We may utilize these sessions to rollout final duties and responsibilities guidance documents, as discussed above in Goal #1.

Check-Up Program for Small Systems (CUPSS) User Training. This training is designed to teach attendees to use USEPA's CUPSS software to begin developing an asset management plan for their system. This training was initially developed in SFY 2015, with one session held in SFY 2015, and three more sessions held in SFY 2016 (one each in Northern, Central, and Southern New Jersey). Depending on demand for this topic, we may conduct more sessions in SFY 2017.

Creating an O&M Manual: Hands-On Style course. The elements of CUPSS Training that appeared to work best were the use of hands-on group exercises. We intend to explore the potential to utilize those same elements of instruction to provide training that will enable attendees to create their own O&M manuals on-the-spot.

Coordinate with Local and County Health Department agencies and DEP Regional Field Offices to ensure a high rate of compliance with the licensed operator requirement. We routinely identify those systems without a licensed operator, notify those systems in writing at least twice, and for those that fail to respond or cannot comply in a timely manner, we refer to DEP's Office of Compliance and Enforcement for action. This process has become more efficient after successfully creating a query of our databases in SFY 2016 to more readily identify those systems without licensed operators. This task is ongoing.

Track those individuals who fail the water/wastewater operator licensing examinations in order to ensure that they complete the appropriate review course if they fail an exam three times. This task is ongoing.

Adjust continuing education renewal cycles of those operators who cannot meet requirements due to active military duty or medical reasons. This task is ongoing.

Review requests by training providers to issue continuing education credits for operator license renewal. This task is ongoing.

Provide funding for tuition reimbursement to qualified water operators taking courses at Rutgers' SOTC. We initiated a new contract on May 6, 2016 to provide for 50% tuition subsidies through December 31, 2017. We will continue to administer this program by reviewing and tracking reimbursements made under the contract. The reimbursement program is ongoing.

Provide for free or reduced cost operator training through NJAWWA seminars and teleconferences.

Provide tuition reimbursement to any persons who are taking the introductory or advanced courses needed to obtain a drinking water operator license. The tuition reimbursement program also covers the cost of drinking water related required California State University-Sacramento textbooks.

Directly reimburse educational institutions offering the 12-hour VSWS training course, using DWSRF operator certification set-aside funds, at the rate of \$200 per student completing the course (or on a break-even basis if there are an excessive number of no-shows). This enables schools to continue to offer the course at a low-cost (approximately \$25 registration fee) to owners and operators of small water systems.

Explore the possibility of the creating an online version of the VSWS course. We recently became aware of the State of Oregon's Operator Basics Training Series, Online Basics Course. We will explore the possibility of creating a similar on-line course in New Jersey for small systems.

Revise and update the Operator Certification portion of the Division of Water Supply & Geoscience website with new training and certification. As previously stated, we intend to post final duties and responsibilities guidance documents for each T and W license level, once completed.

Interact with licensed operators to ensure that facilities are effectively operated and maintained, assist in providing direct technical assistance, and develop appropriate training for public water system operators throughout the State.

Public Water System Supervision

Radon in Water

Work Plan SFY 2017

(.6%, 1 FTE)

Background

According to the 1996 amendments to the Federal SDWA (Section 1452 (g)(2)(A)) the states may perform public water system supervision activities using the DWSRF set-asides.

On November 2, 1999, the USEPA proposed a Radon in Drinking Water regulation. In the proposed rule, the MCL for radon was set at 300 picocuries per liter (pCi/L), and the USEPA proposed an Alternate MCL (AMCL) of 4000 pCi/L for radon. According to the proposal, the AMCL must be accompanied by a Multi-Media Mitigation Program (MMMP) to address risks from radon in indoor air. The proposed rule has not been adopted and the USEPA has not included radon in its most recent regulatory calendar.

In May 2006, in the absence of a promulgated federal radon MCL, the DEP Commissioner requested the Drinking Water Quality Institute (DWQI) to investigate the best approach for regulating radon in water in New Jersey. DWQI completed its review of the contaminant and recommended to the Commissioner of NJDEP a MCL of 800 pCi/L in February 2009. DEP is currently conducting a cost-benefit analysis of DWQI's recommendation. DWQI also recommended that DEP work with the State Legislature to enact mandatory radon testing in indoor air for schools and for homes during real estate transactions, and to consider other mandatory policies to further reduce public health risks posed by radon in indoor air.

Goals

If requested, assist DEP in promulgating a Maximum Contaminant Level for radon in water. Provide technical support related to the biological effects of radon and the risk of radon in water and radon in air.

Develop and administer a course on radon in water testing and mitigation. Collaborate with the Eastern Regional Radon Training Center at Rutgers University to advertise and register participants.

Continue to provide an outreach service to the public and the radon industry with regards to testing and mitigation of radon in water and radon in air. Specifically, develop a Homeowner's Guide to Radon in Water. A draft Homeowner's Guide was developed. This effort will be ongoing.

Maintain and update the radon in air database. DEP's Radon Section has a database that is used to generate statistics about testing and mitigation in New Jersey. Certification is required for individuals who perform radon testing and mitigation in New Jersey. The database has the capability to accept radon in water data, however it will require enhancements in order to allow for the collection of additional data as well as the manipulation of existing data. This effort will be ongoing.

Attend the Conference of Radiation Control Program Director's National Radon meeting to gather the latest information about radon testing and mitigation, risk reduction strategies and updates on what other states are doing in regards to radon in water and radon in air. This effort will be ongoing.

Maintain course outlines, material, instructors, and logistics for a voluntary certification program for radon in water treatment professionals, if this is the direction DEP takes rather than a formal certification program. This effort will be ongoing.

Maintain technical reference materials for radon in water mitigation. This effort will be ongoing.

Continue to work with DEP's Radon Section to develop quantitative goals for (a) the development of new construction that is radon resistant, (b) the mitigation of radon in air at existing homes, and (c) mandatory testing for real estate transactions. This effort will be ongoing.

Public Water System Supervision

Data Management

Work Plan SFY 2017

(3.6%, 4 FTE)

Background

According to the 1996 amendments to the Federal SDWA (Section 1452 (g)(2)(A)) the states may perform public water system supervision activities using the DWSRF set-asides.

Data Management

New Jersey Safe Drinking Water program uses two electronic data management systems to facilitate the program's efforts to ensure that water systems meet the requirements of the Safe Drinking Water Act, and to meet its obligations to the USEPA.

The New Jersey Drinking Water Program uses the DEP enterprise data management system, New Jersey Environmental Management System (NJEMS), to consolidate many of its existing individual data management systems across DEP and across many media (e.g., air, water, land). NJEMS is an integrated department-wide data management system used primarily for permit, reporting, and enforcement activities.

DEP also utilizes the USEPA Safe Drinking Water Information System (SDWIS) to address the needs of the Safe Drinking Water program such as compliance determinations and the corresponding reporting of these determinations to the USEPA. On March 28, 2016, NJDEP completed the necessary evaluations, migrations, and testing and the last and latest version of SDWIS (SDWIS 3.33) was put into production in New Jersey.

In addition, DEP uses the Electronic Environmental (E2) Reporting System for laboratory reporting of sample results, and the NJEMS-SDWIS/State Interface for violation and enforcement action processing in NJEMS and SDWIS. The New Jersey Electronic Environmental (E2) Reporting System provides to drinking water systems and laboratories a format to electronically report drinking water monitoring analytical data to DEP, in lieu of the paper-to-data-system process. DEP began implementing (in production) the E2 Reporting System in January 2007, and in 2009, electronic reporting became mandatory for all public water systems for most parameters.

DEP continues to perform additional development and implementation work to more fully use the available functionality built into NJEMS and SDWIS/State and to prepare for the release of SDWIS Prime (September 2017).

Goals

Continue to determine compliance with primary drinking water regulations using drinking water quality data through SDWIS 3.33. Outstanding SDWIS/State 3.33 implementation issues are shown below.

General support for first-time compliance runs (e.g., water quality, surface water treatment rule, revised total coliform rule, etc.).

Continue to modify DEP Drinking Water Watch as needed to reflect water system information: for development, testing and implementation. Ongoing for SFY 2017.

Continue user training for SDWIS/State 3.33. Additional SDWIS 3.33 user training is ongoing for SFY 2017.

Maintain the *New Jersey Electronic Environmental (E2) Reporting System (E2)* for drinking water systems and laboratories to electronically report drinking water monitoring analytical data to DEP, in lieu of a paper-to-data-system process.

Ongoing tasks to be performed include:

- Continue training and roll-out of new versions and enhancements of the E2 Reporting System;
- Continue mandatory participation of water systems and laboratories;
- Identify enhancements appropriate to improve the E2 Reporting System;
- Develop and maintain procedures to improve data quality control;
- Continue to conduct the implementation of the new E2 system that is now compatible with SDWIS 3.33 and is now in production during SFY 2017.

Plan and execute a contract between DEP and appropriate vendors to develop, test, and put into production a modified E2 Reporting System, as applicable for the new SDWIS Prime application.

Continue to maintain data integrity between the two DEP data systems and to facilitate improved data quality and data management efficiency using an electronic data *Interface* between NJEMS and SDWIS/State. Ongoing tasks to be performed include:

- Develop and maintain standard operating procedures;
- Develop and maintain procedures to improve data quality control;
- Perform data reconciliation and validation, including treatment plants, processes and objectives, violation descriptions for non-compliance, and corrective actions;
- Conduct staff training to ensure appropriate use of the Interface.

DEP proposes to conduct the planning, design, development, testing, and implementation of enhancements to the NJEMS-SDWIS/State Interface to ensure compatibility with the next version of SDWIS called SDWIS Prime.

DEP proposes to plan and execute a contract between NJDEP and appropriate vendors to develop, test, and put into production a modified NJEMS-SDWIS/State Interface, as applicable, to be compatible with SDWIS Prime.

1. Develop and implement Safe Drinking Water queries and reports for NJEMS, SDWIS/State, and E2, to enhance and improve the operation of the Safe Drinking Water program and facilitate data integrity updates to the two data systems, critical business processes, and public information access. Ongoing tasks to be performed include:

- Process and evaluate drinking water monitoring data and perform compliance decisions in SDWIS/State;

- Develop and implement critical business queries and reports in NJEMS, SDWIS/State, and E2;
 - Develop and maintain standard operating procedures for the use of NJEMS, SDWIS/State, and E2;
 - Prepare reports and other output from NJEMS, SDWIS/State, and E2 to address inquiries from within NJDEP, other government agencies, regulated water systems, and the public; and
 - Develop and maintain procedures to improve data quality control.
2. Provide subject matter experts and participation in the ongoing planning efforts to implement SDWIS Prime during SFY 2017. USEPA continues its development, design, testing and implementation of upgrades to the current versions of SDWIS/State and related applications. USEPA proposes to begin cloud computing architecture development of SDWIS Prime planned for FFY 2017 through FFY 2018. Tasks to be performed are listed below.

DEP may propose to utilize available funding for contractual support for enhancements and maintenance of the existing data systems, including NJEMS, SDWIS, NJEMS-SDWIS/State Interface, and E2 Reporting System.

DEP may propose to purchase computer and related electronic hardware and software upgrades with previously identified funds to ensure compatibility with SDWIS Prime.

The New Jersey Environmental Infrastructure Trust and DEP have developed the H₂O database management system, which is currently running. Through utilizing this database system, the Division of Water Supply & Geoscience is able to rank drinking water projects electronically.

Rule Implementation
Work Plan SFY 2017
(2.3%, 4 FTE)

Background

According to the 1996 amendments to the Federal SDWA (Section 1452 (g)(2)(A)) the states may perform public water system supervision activities using the DWSRF set-asides.

Rule Implementation

DEP has identified that Program Management set-aside funding is needed to administer existing and new rules. This set-aside assists in the implementation of the following existing or anticipated rules on an ongoing basis:

- Revised Total Coliform Rule (effective date for implementation April 2016);
- Groundwater Rule;
- Radon Rule;
- Radionuclide Rule;
- The Microbial/Disinfection Byproducts (M/DBP) cluster of rules including Stage 2 Disinfection Byproducts (DBP) and LT2 Enhanced Surface Water Treatment Rule;
- Lead and Copper Short-term revisions;
- Lead and Copper Rule Long Term Revisions (proposal expected in 2016 with adoption expected in 2017);
- Perchlorate (proposal expected in 2016); and
- Carcinogenic VOCs (proposal expected in 2016).

The Division of Water Supply and Geoscience's Water System Operations Element, currently administers the existing SDWA rules and activities. Staff interact with the USEPA to ensure that New Jersey is in compliance with the existing regulations. DEP staff provide review and approval of new treatment needed to comply with the rules; review and response to data submitted for compliance with the rules; specific site visits to explain the rules to various water systems; sanitary surveys to supplement existing inspections; Stage 2 and LT2 implementation activities; and the many other additional activities required by the rules. This is an ongoing task.

In SFY 2017, the focus of rule implementation activities will be the Revised Total Coliform Rule (RTCR) and the Lead and Copper Rule (L&C). In April 2016, DEP applied to the USEPA for a second one-year extension for filing the RTCR primacy application to extend the deadline to February 2017. While NJDEP currently adopts the federal rule by reference, an extension is necessary to address state discretionary elements of the rule through amendments to the state SDWA regulations at N.J.A.C. 7:10. The proposed amendments to the state rules to implement RTCR in New Jersey have been drafted and are currently under review. Once completed, DEP will finalize the primacy application for submittal to USEPA.

Other tasks that will continue in 2016-2017 as part of the rule implementation include review of the RTCR sampling plans, additional outreach to seasonal water systems, new compliances runs for RTCR, review of Level 1 and Level 2 assessments and additional training for licensed operators and industry personnel.

In SFY 2017, as a result of recent national events concerning the implementation of the Lead and Copper Rule, the USEPA and the Division of Water Supply and Geoscience are taking a closer look at the implementation of the Lead and Copper Rule.

In 2015, the Division of Water Supply and Geoscience began looking at internal procedures to determine if water quality parameters, specifically, were being collected correctly, and determined that improvements were needed. As training sessions with water systems were being conducted, national concerns about how the overall Lead and Copper (L&C) were raised.

This ongoing effort of L&C improvements includes closer tracking of action level exceedances, guidance on selection of sampling sites, review of L&C sampling plans, review of corrosion control plans and additional USEPA reporting requirements. On July 13, 2016, the State Board of Education promulgated amendments to N.J.A.C. 6A:26-1.2 and 12.4 to require testing of New Jersey schools which supplements the federal Safe Drinking Water requirements, and is part of New Jersey's overall strategy to decrease exposure to lead in drinking water.

In SFY 2017, DEP will continue to improve the quality of sanitary surveys and the implementation of the surface water treatment rule. DEP will continue its limited participation in selected Area Wide Optimization Program (AWOP) activities. The AWOP is a partnership among the USEPA, state agencies, and supporting organizations that foster the continued development and implementation of the program.

DEP's Drinking Water Security Program supports drinking water infrastructure protection efforts and initiatives as established for public water systems by state, local, and federal agencies. In SFY 2016 (September 2015), the USEPA Water Protection Coordination Grant period ended. Specific drinking water security activities include, but are not limited to, ensuring that public water systems, as applicable, perform security vulnerability assessments; develop emergency response plans; and receive training and assistance regarding various security requirements and guidance. The Drinking Water Security Program may use this Rule Implementation set-aside to provide funding for the continuation of these activities in SFY 2017.

Goals

Propose amendments to the State SDWA Rules at N.J.A.C. 7:10 to address State discretionary options in the RTCR.

Develop additional tools including but not limited to an RTCR sampling plan checklist and RTCR factsheets necessary to assist the public water systems with complying with the new rule.

Complete the RTCR Primacy Package including the Crosswalk and submit to USEPA for approval.

Develop guidance for improved compliance with the L&C Rule, such as guidance on sample locations, development of sampling plans, templates for reporting lead and copper information.

Improve sanitary survey capabilities within the Division of Water Supply and Geoscience.

Participate in AWOP conference calls and/or training.

Public Water System Supervision

Sampling

Work Plan SFY 2017

(.3%, 0 FTE)

Background

According to the Federal SDWA (Section 1452 (g)(2)(A)) the states may perform public water system supervision activities using the DWSRF set-asides. DEP receives funding for special purpose monitoring and laboratory analytical services, under the annual Public Water System Supervision (PWSS) grant authorized by the USEPA, for state administration of the Safe Drinking Water Act. Funding for these services is eligible under the PWSS grant and also under the Drinking Water State Revolving Fund, State Program Management Set-Aside for PWSS State Program.

The PWSS and DWSRF set-aside funds cannot be used for routine sampling and analysis that are otherwise required of a public water system as part of its normal compliance monitoring requirements under the Safe Drinking Water Act rules and regulations. However, PWSS and DWSRF set-aside funds may be used for state sampling and analyses of special purpose monitoring, surveillance monitoring, and or other discrete special one-time monitoring.

DEP proposes to use these additional funds for special purpose monitoring and laboratory analytical services as it determines necessary and appropriate. An example of this is the monitoring of synthetic organic compounds in raw water sources statewide to provide the basis of the SOC waiver program in New Jersey. The program additionally samples all PCWSs new sources of water for an expanded list of contaminants.

Lastly, DEP periodically conducts limited occurrence studies on new contaminants. DEP uses the Department of Health's laboratory to conduct the analyses. For the limited occurrence studies, DEP may contract with private laboratories that are able to perform analytical methods for which DHSS is not certified or does not routinely perform. DEP will utilize existing resources to collect and transport the samples. These activities will be implemented on an ongoing basis for SFY 2017.

Appendixes 5-7 are available through links due to their large size and online at <http://www.nj.gov/dep/dwq/cwpl.htm>

APPENDIX 5: CLEAN WATER PROJECT LIST

APPENDIX 6: DRINKING WATER PROJECT LIST

APPENDIX 7: CLEAN WATER PROJECT DESCRIPTION LIST