The Department of Environmental Protection (Department) is readopting the Water Supply Loan Program rules, N.J.A.C. 7:1A, without amendments. The Water Supply Loan Program rules establish consolidated loan application procedures, minimum standards of conduct for borrowers, and performance standards for work funded under the water supply loan programs, in accordance with Water Supply Bond Act of 1981 as amended by P.L. 1983, c. 355, and the Water Supply Replacement Trust Act, N.J.S.A.
The Bond Act authorizes the issuance of $350 million in State bonds to fund State or local projects for (1) the rehabilitation or repair of antiquated, obsolete, damaged or inadequately operating publicly owned water supply facilities; (2) the interconnection of unconnected or inadequately connected water supply systems; and (3) the planning, design, acquisition and construction of State water supply facilities, as recommended by the New Jersey Statewide Water Supply Plan. In 1983, the Bond Act was amended to authorize the use of water supply bond funds for financing local projects for planning, designing and constructing water supply facilities which address contamination problems, as identified by the Department.

The Trust Act created the Water Supply Replacement Trust Fund. The Trust Fund is used, in part, to provide loans to municipalities or municipally-owned public water systems (as defined at N.J.S.A. 58:12A-3) for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances, as identified by the Department. In 1989, the Trust Act was amended to authorize the use of the Trust Fund for loans to privately-owned public water supply systems in situations where a principal source of potable water fails to meet the State primary drinking water standards, as established by regulation by the Department. (See P.L. 1989, c.311)

**Summary** of Public Comments and Agency Responses:

The public comment period for this proposal closed on August 17, 2007. The Department did not receive any comments.
Federal Standards Statement

Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq. (P.L. 1995, c.65) require State agencies that adopt, readopt or amend State rules that exceed any Federal standards or requirements to include in the rulemaking document a comparison with Federal law.

The readopted rules are not promulgated under the authority of, or in order to implement, comply with or participate in any program established under Federal law or under a State statute that incorporates or refers to Federal law, Federal standards or Federal requirements.

Applicants for loans under the Drinking Water State Revolving Fund are specifically required to comply with the provisions of the Safe Drinking Water Act rules, N.J.A.C. 7:10, which apply generally to water supply systems. A Federal Standards Analysis of the Safe Drinking Water Act rules is set forth at 36 N.J.R. 295(a), specifically 305.

Full text of the readoption without amendments may be found in the New Jersey Administrative Code at N.J.A.C. 7:1A.

Full text of the adoption follows:

(No change from proposal.)

Based on consultation with staff, I hereby certify that the above statements including the Federal Standards Statement addressing the requirements of Executive Order 27 (1994),
permits the public to understand accurately and plainly the purposes and expected consequences of this readoption without amendments. I hereby authorize this readoption without amendments.

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Date     LISA P. JACKSON, Commissioner

Department of Environmental Protection