SUBCHAPTER 6. WATER SUPPLY MANAGEMENT ACT RULES

7:19-6.1 Scope and Authority

(a) The Statewide Water Supply Master Plan represents the planning mechanism by which the State approaches its water needs. Inclusion of a project in the Master Plan is a prerequisite for the expenditure of funds under the Water Supply Bond Act of 1981.

(b) This subchapter is intended to provide administrative mechanisms through which some of the objectives of the Water Supply Management Act and more specific goals of the Water Supply Master Plan may be accomplished.

(c) The specific provisions mandated by this subchapter are subject to modification by administrative order by the Department. The provisions of this subchapter shall not supersede the provisions of administrative orders issued by the Department prior to the effective date of this subchapter.

(d) This subchapter includes administrative procedures and policies to carry out specified management responsibilities of the Department. These requirements supplement other rules adopted by the Department, such as the water allocation procedures for agricultural and non-agricultural uses of water (see N.J.A.C. 7:19-1 et seq.).

(e) To avoid the imposition of needless administrative burdens on water purveyors and users, only a limited number of specified requirements in this subchapter apply throughout New Jersey. Other requirements are only applicable within designated water supply critical areas of critical water supply concern, where special situations require a greater degree of control to be exercised by the Department.

7:19-6.2 Definitions

The following words and terms shall have the following meanings unless the context indicates otherwise:

"Act" means the Water Supply Management Act, N.J.S.A. 58:1A-1 et seq., P.L. 1981, C.262.

"Adverse impact upon wells" means an impaired pumping rate or a required change in the construction of a well affected by lowered water levels or any impairment of water quality.

"Allocation permit" means the document issued by the Department to a person, granting that person the privilege, so long as the person complies with the conditions of the permit, to divert water for any purpose other than agricultural or horticultural use.

"Aquifer" means any subsurface water-saturated zone which is significantly permeable so that it may yield sufficient quantities of water from wells or springs in order to serve as a practical source of water supply.

"Area of critical water supply concern" or "critical area" means a region of the State where excessive water usage or diversion presents undue stress, or wherein conditions pose a significant threat to the long-term integrity of a water supply source, including a diminution of surface water supply due to excess groundwater diversion.

"Class A standard" means the capacity of one or more interconnections with an adjacent water system, having the combined capacity to supply 75 percent of the average water usage of the receiving system, while relying on no more than one adjacent system for more than 25 percent of the average water supply of that adjacent system.

"Class B standard" means the capacity of one or more interconnections with an adjacent water system, having the combined capacity to supply 50 percent of the average water usage of the receiving system, while relying on one adjacent system for no more than 35 percent of the average water supply of that adjacent system.

"Class 1 purveyor" means a water purveyor which serves a population of up to 10,000 persons.

"Class 2 purveyor" means a water purveyor which serves a population of 10,001 to 50,000 persons.

"Class 3 purveyor" means a water purveyor which serves a population of over 50,000 persons.

"Confined aquifer" means an aquifer which contains groundwater confined under pressure between or below relatively impermeable or significantly less permeable material so that the water surface rises above the top of the aquifer in a well which derives its water from that aquifer.

"Dependable yield of subsurface sources" means that yield of water from a subsurface source or sources available continuously during projected future conditions, including a repetition of the most severe drought or record, without creating undesirable effects. Undesirable effects may include adverse impact upon other wells of a depth of 50 feet or more, increased risk of introducing or spreading saline water or polluted water in the aquifer or unacceptable reduction of surface flow of streams.

"Dependable yield of combined surface/ground water sources" means the yield of water by a water system which is available continuously throughout a repetition of the most severe drought of record, without causing undesirable effects, as described in the definition of "Dependable yield of subsurface sources" above.

"Drought" means a condition of dryness due to lower than normal precipitation, resulting in reduced stream flows, reduced soil moisture and/or lowering of the potentiometric surface in wells.

"Interconnection" means a water supply connection with another water supply system or systems.

"Multiple sources" means one or more production wells, surface water intakes, or interconnections or a combination of wells, surface water intakes or interconnections utilized to meet the demands of a public community water system.

"Normal demand" means the annual average daily demand during the three preceding non-drought years, including normally occurring peaks.

"Purveyor" or "water purveyor" means any person who owns or operates a public water supply.

"Public community water system" means a public water system which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.

"Safe yield from surface sources" means the yield maintainable by a water system continuously throughout a repetition of the most severe drought of record, after compliance with requirements for maintaining minimum passing flows.

"Single prime source" means a single diversion of surface or groundwater, including an interconnection, capable of providing the peak water demand of a public community water supply system.

"Unaccounted-for water" means water withdrawn by a purveyor from a source and not accounted for as being delivered to customers in measured amounts.

"Unconfined" or "semi-confined" means an aquifer that is either exposed to atmospheric pressure or bounded by layers of materials which do not serve as an effective barrier to water migration.

"User" means any person or other entity which utilizes water.

"Water allocation" or "certification" means the authority to withdraw surface or groundwater for use, pursuant to a permit issued under N.J.A.C. 7:19-1 et seq. or 7:20A-1.1 et seq.

"Water supply system" means a physical infrastructure operated and maintained to deliver water on either a retail or wholesale basis to customers.

"Water table" means the water surface in the uppermost part of the water-saturated zone which is at atmospheric pressure.

"Water table aquifer" means a geological formation which carries water at atmospheric pressure at the top of the saturated zone.

"Yield of a water resource system" means the output of water from a system, available with monthly variations corresponding to the needs of the system.

7:19-6.3 Determination of safe or dependable yield

(a) Each purveyor shall either accept an estimate of safe yield from surface supplies or of dependable yield of subsurface sources previously made by the Department or submit its own evaluation and estimate for the approval of the Department within one year after a written request for such an estimate by the Department.

(b) A purveyor is required to provide a safe or dependable yield of water from its own sources, which, when added to water supplies available by contract and after subtraction of water obliged to be delivered by the purveyor by contract, shall be sufficient to provide for the normal demand of its own customers.

1. A progressive reduction in the potentiometric surface of an aquifer will be considered presumptive evidence that dependable yield of a subsurface source is less than current withdrawals, subject to acceptable evidence to the contrary.

2. Water supplies available by contract may be relied upon only if the contract is not subject to cancellation or suspension and the safe or dependable yield of the source of supply is not exceeded. Water obtainable through interconnections shall not be included unless reliable delivery is assured by contract.

3. All contracts relied upon to meet the requirement of this subsection (b) shall be subject to review and approval by the Department, in accordance with N.J.A.C. 7:19-7, to determine their compliance with the rules in this Chapter and the Act.

4. Increased safe yield or dependable yield of individual water supply systems may be allowed, to take advantage of system diversity and interconnections, but only in conformance with regional arrangements approved by the Department, under which coordinated systems of operation will assure system-safe yields greater than that which could be provided by the individual water systems.

(c) If a determination of yield in accordance with (a) above shows that a purveyor has insufficient capacity to meet the normal demands of its customers, the purveyor shall revise existing contract arrangements to reduce system demands, as necessary, or shall immediately obtain additional water supply to increase its safe or dependable yield.

(d) If the purveyor does not comply with (c) above, the Department may order a ban on further extensions of service to new customers or expansions of service to existing customers, or the Department may order the acquisition of additional water supply capability, or both. The Department will allow reasonable time for acquisition of additional water supply.

7:19-6.4 Unaccounted-for water

(a) For each of the water purveyor size classes (see N.J.A.C. 7:19-6.2, Definitions), an annual enumeration will be made by the Department of all purveyors, serving a population of over 500 persons, with unaccounted-for water in excess of 15 percent. The Department may, at a later date, increase this percentage, if experience indicates that the 15 per cent figure is low.

(b) For each purveyor size class, the Department shall determine the percentage of purveyors having the highest proportion of unaccounted-for water, and these purveyors will be determined by the Department to be provisionally delinquent. This determination may not include more than 35 per cent of the total number of purveyors each year. These purveyors will be notified of their provisionally delinquent status.

(c) Purveyors found provisionally delinquent will be allowed one year in which to take appropriate corrective action, including elimination of leaks, establishment of records of use of previously unaccounted-for water and submission of a schedule for further corrective action. After consideration of supplementary information and the schedule submitted by the purveyor, an annual review of each provisionally delinquent purveyor will be conducted by the Department.

1. If the review establishes that the percentage of unaccounted-for water has been reduced to the median percentage for purveyors of that class, the provisionally delinquent status of the purveyor will be terminated.

2. If the provisionally delinquent status is reaffirmed and unless the purveyor submits a schedule for corrective action which is approved by the Department, an order will be issued by the Department, requiring the elimination of all undue losses in the system in accordance with a specified compliance schedule.

3. If the purveyor does not accept the findings of the annual review, it may request that the Department hold an informal, public fact-finding meeting, the findings of which must be approved by the Department.

4. Purveyors whose systems draw from and are laid in water table aquifers may be exempted from the requirements of this section 6.4, provided that circumstances are such that leakage losses will not contribute to water shortage and that this is adequately documented by the purveyor.

5. The fee for conducting this delinquent status review will be $300.00 for Class 1 and $1,000 for classes 2 and 3. After two years from the effective date of this subchapter, if it is determined that the average cost of conducting such reviews had decreased, the fees will be adjusted downward accordingly.

7:19-6.5 Water conservation

(a) Unless more stringent water conservation measures are required by the Department, all public community water systems shall:

1. Proceed expeditiously to correct leakage in the total distribution system, as detected through a systematic program to monitor leakage. Program results may be required to be submitted to the Department at least once every three years;

2. Adopt and implement, to the satisfaction of the Department, an on-going program to encourage water conservation for all types of use within the area served by the system. This does not preclude other water conservation requirements imposed by the Board of Public Utilities;

3. Submit a Water Conservation and Drought Management Plan on forms provided by the Department with each initial, modification, or renewal application for a water supply allocation permit or major modification thereof, or contract approval. The Water Conservation and Drought Management Plan shall include:

i. A description of water conservation components;

ii. Interim, voluntary water use restrictions for implementation during corresponding stages of drought warning, drought emergency, precipitation deficits or reservoir storage deficits;

iii. Voluntary transfers of water via interconnections between water supply systems for use when prescribed reservoir storage level thresholds are reached;

iv. Other measures designed to reduce demand, consumption or water usage or loss, or which otherwise have the effect of maximizing water supplies during periods in which precipitation is lower than average and/or water supply storage is less than normal; and

v. For purveyors with water supply reservoirs, rule curves for reservoirs that can be used to establish storage level thresholds.

4. File water rate structures which provide incentives for water conservation; with the Department and the Board of Public Utilities, as appropriate; and

5. Require installation of water meters for all service connections. This shall not apply to fire emergency uses. Water systems with fewer than 500 service connections or systems where it is demonstrated to the satisfaction of the Department that metering is not practical may be exempted from metering if it is shown that the annual average daily water use by the system does not exceed 75 gallons per person per day.

7:19-6.6 Rehabilitation

(a) Purveyors shall comply with the following requirements for preparation and implementation of management and status surveys:

1. Within one year after the effective date of this subchapter all Class 3 purveyors must perform management and status surveys in accordance with criteria to be provided by the Department, except that those having had such surveys or partial surveys performed within the preceding five years may, with the approval of the Department, submit such completed work in partial or complete compliance with this requirement. The survey must include an analysis of the current status of the system infrastructure and the planned renewal and rehabilitation required to maintain the system in good physical condition, including preventative maintenance. The survey shall be accompanied by an evaluation of the status of the system, including acceptance or rejection of each recommendation and a schedule for planned renewal and rehabilitation. Within two years of the effective date of this subchapter all Class 2 purveyors must also submit such surveys and evaluations. The management and status survey required hereby does not preclude compliance with similar requirements of the Board of Public Utilities.

2. Upon approval by the Department, the schedule of planned renewal and rehabilitation shall commence upon the next fiscal year starting after approval by the Department; thereafter it shall be implemented annually by the purveyor.

3. If no management and status survey is submitted pursuant to the above requirements or if the recommended schedule is disapproved by the Department, planned renewal and rehabilitation of system infrastructure shall be carried out by each purveyor to the extent of 10 percent of total gross water supply revenue, in accordance with Departmental criteria.

4. Upon the effective date of these regulations, all Class 2 and 3 purveyors must initiate administrative preparation for planned renewal and rehabilitation programs, of the magnitude contemplated by this section, as applied to each purveyor's particular situation. This shall be done without awaiting the completion of the management and status surveys required above.

(b) Upon determination by the Department that any component(s) of a water supply system have deteriorated to a degree that may jeopardize the ability of the system to deliver an adequate and reliable supply of water or may cause waste of an unduly large amount of water, the purveyor shall submit, within a time period required by the Department, a report and implementation schedule specifically identifying the scope of rehabilitation work necessary, the time required for work implementation and the required water rate modification to finance the work.

(c) Upon approval of the report by the Department, the purveyor shall commence rehabilitation work in an expeditious manner and shall perform the work in a manner which minimizes system disruptions.

(d) All rehabilitation work performed on water supply systems shall conform to the current design requirements specified in the New Jersey Safe Drinking Water Act, N.J.S.A. 58:12A et seq., and this subchapter.

(e) For planned or required transmission/distribution system rehabilitation, loans will be provided on a priority basis, pursuant to the Water Supply Bond Act of 1981, (Public Law 1981, Chapter 261) and associated rules (N.J.A.C. 7:1A-1 et seq.), to the extend that eligibility requirements of the regulations are met and the funding availability allows.

1. In cases where a critical water supply transmission/distribution disruption exists, pursuant to N.J.A.C. 7:1A-6, application may be made for an emergency, interim rehabilitation loan. Upon approval of said loan, the emergency applicant is required to make full application for a Water Supply Rehabilitation Loan, pursuant N.J.A.C. 7:1A-1 et seq.

7:19-6.7 System pressure and storage

(a) Public community water systems shall be adequately maintained so as to sustain minimum water pressures of at least 20 pounds per square inch at street level, in all parts of the distribution network, under all required flow conditions. The balances and interrelationships of source location, interconnections, transmission and distribution grid, size of transmission-distribution system lines, location of booster pumps, existence of pressure zones and location of storage facilities must be such as to insure the minimum pressure of 20 pounds per square inch at street level.

(b) With respect to the total capacity of system storage, the following minimum requirements apply to all systems. The Department may modify these requirements provided adequate justifying data is submitted which will demonstrate that service will not be disrupted during extended periods of system stress.

Type of System		Minimum Storage Percentage of Average Daily Demand
i.	Single, prime source, no interconnection(s), no auxiliary power at water source.	100 percent
ii.	Single, prime source, no interconnection(s), auxiliary power provided at water source*	80 percent
iii.	Single, prime source with interconnection(s)**	50 percent
iv.	Multiple source, no interconnection(s), no auxiliary power at water source	80 percent
v.	Multiple sources, no interconnection(s), auxiliary power provided at water source*	50 percent
vi.	Multiple sources, with interconnection(s)	50 percent
vii.	Multiple sources, interconnection(s)**, auxiliary power provided at water source*	30 percent
viii.	Same as vii. above, and distributing more than an average of 50 million gallons per day	20 percent

*Auxiliary power must be able to supply at least 50 per cent of average production.

**Combined interconnection(s) must be able to supply at least 50 per cent of average production; contract commitment from supplier is required.

(c) Where system size allows, storage should be spread out and located at different points within the system.

(d) The provisions of this section, are intended to complement section 7:10-11.8(a) of the New Jersey Safe Drinking Water Act Regulations and are to be complied with in lieu of the present requirements in 7:10-11.8(a)3 and 4.

7:19-6.8 Interconnections

(a) In order to assure the availability of water during times of emergency, including drought, the Department may require interconnections of the Class A or Class B standard (see N.J.A.C. 7:6.2, Definitions) to the extent practicable and economically feasible for all Class 2 and 3 purveyors. The purveyor, upon being notified of such a requirement, is required to conduct an interconnection feasibility study which must identify the most cost-effective alternative and schedule for project completion. The conclusions of the study shall be approved by the Department before project implementation. Prior to issuing an order requiring interconnections, the Department shall advise the purveyor(s) of the proposed action and thereafter allow 30 days for submission of information by the purveyor(s). If undue hardship would be caused by the proposed action, it may be waived by the Department.

(b) For the purposes of this subchapter, potential interconnections shall be presumed to be economically feasible in all cases in which the actual service areas of two-purveyor systems are closer than 1000 feet, at the closest point, measured between mains at least eight inches in diameter. Exceptions to this requirement may be granted where hardship can be shown, such as where system pressures require a pumping station. In cases where there is a minimum distance of over 1000 feet, but less than a mile, between adjacent service areas, a feasibility study may be required. Where adjacent service areas are more than a mile distant at all points, a feasibility study will be required only in cases where there are special conditions threatening the continued viability of the existing source of water.

(c) Unless it can be clearly shown that benefits accrue mainly to one system, costs of interconnections shall be shared between the participating systems. Where both systems benefit, distribution of costs between participating systems shall be proportionate to the benefits, as approved by the Department.

(d) Large, integrated water systems may be exempt from the requirements of N.J.A.C. 7:19-6.8 where it can be demonstrated that system components provide adequate alternative sources.

(e) If found to be necessary, to accomplish the purposes of the Act, the Department may order the constructions of interconnections by purveyors serving less than 10,000 population.

7:19-6.9 Operation of interconnections

(a) All Class 3 purveyors shall make a report as to the status of interconnections within one year of the effective date of this subchapter.

(b) All Class 2 purveyors shall make a report as to status of interconnections within three years of the effective date of this subchapter.

(c) If found to be necessary to accomplish the purposes of the Act, purveyors serving less than 10,000 population may be required to provide a report as to the status of interconnections.

(d) Class 2 and 3 purveyors shall make interconnection flow tests (without measurement) on an annual basis on all interconnections six inches or more in diameter, unless exempted by the Department. The results of such tests may be submitted to the Department at any time, but shall be submitted by the end of each calendar year.

1. Such annual tests shall be attended by representatives of both interconnected systems.

2. When specifically ordered to do so by the Department, a purveyor shall perform complete interconnection flow tests.

(e) All purveyors operating interconnections between public community water systems shall have rate tariffs for sale of water through such interconnections, which shall be part of the overall tariff for that system. The purveyor shall submit the tariff, once established, to the Board of Public Utilities, if appropriate, and to the Department.

(f) Higher rates may be charged during a water emergency pursuant to N.J.A.C. 7:19-15.2.

(g) There shall be a written agreement between interconnected systems, specifying the conditions for use of each interconnection of six inches or more in diameter. The agreement must be approved by the Department and a copy placed on file with the Department.

7:19-6.10 Administrative hearings

(a) A purveyor may apply in writing to the Department for an administrative hearing before the Office of Administrative Law within 15 days of receiving an order or other final decision pursuant to N.J.A.C. 7:19-6.6(a)3 and 6.8(a).

(b) An adversely affected person may apply in writing to the Department for an administrative hearing before the Office of Administrative Law within 15 days of receiving an order or other final decision pursuant to N.J.A.C. 7:19-6.3(d).

(c) The request for a hearing shall specify in detail the basis for the request. The Department may attempt to settle the dispute by conducting such proceedings, meetings and conferences as deemed appropriate. Should the efforts to settle the dispute fail, and the Department determines that the matter is a contested case, the Department will forward the request for a hearing to the Office of Administrative Law, pursuant to the provisions of the Administrative Procedure Act (N.J.S.A. 52:14B-1 et seq.).