

58:12A-22 Water Supply Replacement Trust Fund.

1. a. There is established in the Department of Environmental Protection a non-lapsing revolving fund to be known as the "Water Supply Replacement Trust Fund," hereinafter referred to as the fund. The department shall administer the fund, and monies in the fund shall be used to (1) provide loans to individuals, municipalities or municipally-owned or privately-owned public water systems as defined in section 3 of P.L.1977, c.224 (C.58:12A-3) for the purposes of providing interim or permanent alternate water supplies to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances as identified by the department, or fails to meet the State primary drinking water standards contained in regulations developed pursuant to this act, or fails to meet a standard for sodium, chloride, lead, mercury, iron, or manganese established by the department pursuant to section 4 of P.L.1991, c.456 (C.58:12A-22.4), and (2) provide funds to the department to conduct feasibility studies to determine appropriate remedies for contaminated potable water supplies, including the evaluation of water treatment systems, to conduct confirmatory tests to determine the presence of hazardous substances in potable water supplies, to study the extent to which water supplies are contaminated or are threatened by contamination with hazardous substances, to develop recommendations for remediating contaminated or threatened water supplies, and to defray administrative costs incurred by the department in implementing the provisions of this act. Payments of principal and interest on loans issued under the authority of this act shall be deposited in the fund, and shall remain available for further disbursements as new loans to be awarded pursuant to this act. Any monies deposited in the "Water Supply Replacement Trust Fund" are hereby appropriated to the Department of Environmental Protection to carry out the purposes of this act.

b. Loans made to local government units pursuant to this act shall bear interest at a rate fixed by the State Treasurer, which rate shall not exceed two percent per year for a term of not more than 20 years.

c. As used in this act, "hazardous substance" means any substance defined as a hazardous substance by the Department of Environmental Protection pursuant to rules and regulations adopted pursuant to section 3 of P.L.1976, c.141 (C.58:10-23.11b).

L.1988,c.106,s.1; amended 1989, c.311, s.1; 1991, c.456, s.1; 1999, c.266, s.1.

58:12A-22.1. Radium-contaminated water supply sub-account; indication of radium; confirmatory test; loans

a. There is established in the "Water Supply Replacement Trust Fund" established pursuant to section 1 of P.L.1988, c.106 (C.58:12A-22) a Radium-Contaminated Water Supply sub-account. Monies in the Radium-Contaminated Water Supply sub-account shall be used by the Department of Environmental Protection for the purpose of testing and mapping those aquifers identified by the department to determine the extent of radium contamination of the aquifer, and by the department or a municipal or regional health agency certified by the department pursuant to section 15 of P.L.1977, c.443 (C.26:3A2-33) for the purpose of financing confirmatory tests to determine the presence of radium in potable water supplies.

b. Any owner of a single family residence who has conducted a gross alpha or a gross beta screen test of the potable water supply relied upon by the occupants of the single family residence, the results of which indicate the presence of radium in the potable water supply in excess of a safety level established by the department, may petition the department to conduct a confirmatory test, which may be based on representative sampling, to determine the accuracy of the initial test. Upon receipt of such a request, the department shall conduct the confirmatory test. No request for a confirmatory test may be made by a person pursuant to this subsection until the department has completed the testing and mapping of aquifers required pursuant to subsection a. of this section.

c. Of the amount appropriated to the Radium-Contaminated Water Supply sub-account, the sum of \$1,000,000 is allocated to the New Jersey Housing and Mortgage Finance Agency established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.) and dedicated for the purposes of providing low interest loans to owners of single family residences whose source of potable water is contaminated or threatened by

contamination with radium to provide a permanent alternative potable water supply or adequate treatment technology.

The agency shall establish a program to provide the loans authorized pursuant to this subsection. The loans issued pursuant to this subsection shall bear an interest of not more than 2 percent per year, and shall be for a term of not more than five years. The maximum amount for any single loan shall be \$10,000. Loan applicants shall provide certification from the Department of Environmental Protection or from a municipal or regional health agency certified pursuant to section 15 of P.L.1977, c.443 (C.26:3A2-33) of the contamination or the threat of this contamination when applying for loans on forms prescribed by the agency.

d. There is appropriated to the Radium-Contaminated Water Supply sub-account the sum of \$3,500,000 from the "Clean Waters Fund" established pursuant to P.L.1976, c.92 from amounts in the fund received as repayments of emergency water supply loans made pursuant to P.L.1981, c.28.

L.1989, c.311, s.4.

58:12A-22.2 Water Supply Remediation sub-account.

2. a. There is established in the "Water Supply Replacement Trust Fund" established pursuant to section 1 of P.L.1988, c.106 (C.58:12A-22) a Water Supply Remediation sub-account.

b. Of the monies appropriated to the Water Supply Remediation sub-account pursuant to section 6 of P.L.1991, c.456, \$500,000 shall be used by the Department of Environmental Protection for the evaluation of water treatment systems, and the Department of Community Affairs to administer the loan program established pursuant to section 3 of P.L.1991, c.456 (C.58:12A-22.3).

c. Any owner of a single family residence who has conducted a test of the potable water supply used by the occupants of the single family residence, the results of which indicate a violation of a primary drinking water standard or a violation of a standard for sodium, chloride, lead, mercury, iron, or manganese, established by the department pursuant to section 4 of P.L.1991, c.456 (C.58:12A-22.4), may apply for a loan pursuant to section 3 of P.L.1991, c.456 (C.58:12A-22.3).

L.1991,c.456,s.2; amended 1999, c.266, s.2.

58:12A-22.3 NJHMFA loans to homeowners.

3. a. Of the amount appropriated to the Water Supply Remediation sub-account pursuant to section 6 of P.L.1991, c.456, \$3,500,000 is allocated to the New Jersey Housing and Mortgage Finance Agency established pursuant to P.L.1983, c.530 (C.55:14K-1 et seq.) and dedicated for the purposes of providing zero interest loans to owners of single family residences, whose source of potable water violates primary drinking water standards, or violates a standard for sodium, chloride, lead, mercury, iron, or manganese established by the department pursuant to section 4 of P.L.1991, c.456 (C.58:12A-22.4), to provide an interim or permanent alternative potable water supply or adequate and appropriate treatment technology. The purposes for which a loan may be issued pursuant to this section include, but are not necessarily limited to: (1) replacing the contaminated well with a new well or an interim or permanent alternative potable water supply, and sealing the contaminated well, (2) deepening, encasing, or otherwise modifying the contaminated well to prevent contamination, or (3) purchasing adequate and appropriate water treatment technology or equipment to render the water drawn from the contaminated well potable. For the purposes of qualifying for a loan pursuant to this section, the cause or source of contamination of the potable water shall not be relevant.

b. The New Jersey Housing and Mortgage Finance Agency shall establish, within 120 days of the date of enactment of P.L.1999, c.266, a program to provide the loans authorized pursuant to this section, which shall include, but need not be limited to, funding priorities based on the priority system

developed by the Department of Environmental Protection pursuant to section 4 of P.L.1991, c.456 (C.58:12A-22.4). The loans issued pursuant to this section shall bear zero interest and shall be for a term of not more than 10 years. The maximum amount for any single loan shall be \$10,000. Loan applicants shall provide certification from the Department of Environmental Protection or from a municipal or regional health agency certified pursuant to section 15 of P.L.1977, c.443 (C.26:3A2-33) of the contamination or the threat of contamination when applying for loans on forms prescribed by the agency. Any loan issued pursuant to this section shall be secured and the New Jersey Housing and Mortgage Finance Agency may assess a loan servicing fee on each loan not to exceed one percent per year on the balance of the loan.

Notwithstanding any provision of P.L.1991, c.456 (C.58:12A-22.2 et al.) to the contrary, the New Jersey Housing and Mortgage Finance Agency may issue up to \$1,000,000 in loans pursuant to this section prior to the Department of Environmental Protection developing the priority system required pursuant to section 4 of P.L.1991, c.456 (C.58:12A-22.4).

L.1991,c.456,s.3; amended 1999, c.266, s.3.

58:12A-22.4 DEP water standards; priority system for NJHMFA loans.

4. The Department of Environmental Protection shall establish, within 90 days of the date of enactment of P.L.1999, c.266, standards for sodium, chloride, lead, mercury, iron, and manganese for the purpose of awarding loans to owners of single family residences whose source of potable water violates those standards. The department shall develop, within 90 days of the date of enactment of P.L.1999, c.266, a priority system, based on the nature and extent of the human health or environmental danger posed by a violation of a primary drinking water standard or a standard adopted pursuant to this section, for use by the New Jersey Housing and Mortgage Finance Agency in making zero interest rate loans in accordance with section 3 of P.L.1991, c.456 (C.58:12A-22.3).

L.1991,c.456,s.4; amended 1999, c.266, s.4.

58:12A-22.5. Homeowner loans repaid by spill compensation claims

5. An owner of a single family residence eligible for financial assistance pursuant to the "Spill Compensation and Control Act," P.L.1976, c.141 (C.58:10-23.11 et seq.), who receives a loan from the Water Supply Remediation sub-account pursuant to P.L.1991, c.456 (C.58:12A-22.2 et al.) shall submit a claim against the "New Jersey Spill Compensation Fund," created pursuant to section 10 of P.L.1976, c.141 (C.58:10-23.11i), in the amount of the loan. Any amount paid by the "New Jersey Spill Compensation Fund" to a person submitting a claim pursuant to this section shall be utilized to repay the loan within 7 days of receipt of the payment.

L.1991,c.456,s.5.

58:12A-23. Funding of study to determine extent water supplies contaminated with hazardous substances; allocation for loans to municipalities to provide alternate water supply for persons with contaminated water supply

a. Of the monies made available for the cleanup of hazardous discharge sites pursuant to P.L.1986, c.144 (C.54:10A-5.1 et seq.) and transferred to the "Water Supply Replacement Trust Fund" pursuant to section 3 of this act, the sum of \$1,000,000 is allocated for the purpose of funding a study to be conducted by the department to determine the extent to which water supplies are contaminated or are threatened by contamination with hazardous substances and to develop recommendations for dealing with such contaminated or threatened water supplies, and \$2,000,000.00 is allocated for conducting site specific feasibility studies authorized pursuant to section 1 of this act.

b. Of the monies made available for the cleanup of hazardous discharge sites pursuant to P.L.1986, c.144 (C.54:10A-5.1 et seq.) and transferred to the "Water Supply Replacement Trust Fund" pursuant to section 3 of this act, the sum of \$57,000,000 is allocated for the purpose of providing loans to municipalities or municipally-owned or privately-owned public water systems as defined in section 3 of P.L.1977, c.224 (C.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.

L.1988, c.106, s.2; amended 1989,c.311,s.2.

58:12A-24. 5% limit on administration costs

a. Of the \$40,000,000.00 appropriated pursuant to P.L. 1987, c. 154 to the Department of Environmental Protection for hazardous site mitigation Statewide, the sum of \$30,000,000.00 is transferred to the "Water Supply Replacement Trust Fund" to carry out the purposes of this act. Of this amount, the Department is authorized to utilize not more than 5% of the total appropriated per year to cover costs incurred in the administration of sections 2a. and 2b. of this act.

b. Of the \$45,000,000.00 appropriated pursuant to P.L. 1988, c. 47 to the Department of Environmental Protection for hazardous site mitigation Statewide, \$30,000,000.00 is transferred to the "Water Supply Replacement Trust Fund" to carry out the purposes of this act. Of this amount, the Department is authorized to utilize not more than 5% of the total appropriated per year to cover costs incurred in the administration of sections 2a. and 2b. of this act.

L. 1988, c. 106, s. 3.

58:12A-25. Loans to qualifying municipality or municipally-owned or privately-owned public water supply system for extension of public water supply system to residential area

The Department of Environmental Protection shall utilize \$8,000,000.00 of the monies deposited in the "Water Supply Replacement Trust Fund" to provide loans to a qualifying municipality for the extension of a public water supply system to a residential area or to a municipally-owned or privately-owned public water supply system for the extension of a public water supply system to a residential area in a qualifying municipality. A qualifying municipality is one with a residential area of more than 1,500 residential units that has been found by the local department of health, or board of health, and the county board of health, or department of health, to have at least 25% of the wells supplying potable water to the area with contaminants at the Class II, Class III or Class IV interim action levels for hazardous contaminants in drinking water of the Department of Environmental Protection, or in excess of the maximum contaminant levels adopted by the department pursuant to P.L.1983, c.443 (C.58:12A-12 et seq.), as may be applicable, and:

a. (1) The potable water supply for the residential area is deemed by the county board of health or department of health to be unfit for human consumption, and (2) the governing body of the municipality has adopted a resolution banning new construction in the area pending connection of the area to a public water supply system; or

b. The Department of Environmental Protection determines all or a portion of the ground water serving the residential area to be a well-restriction area.

A municipality applying for a loan under this section shall certify to the department the estimated costs for extending a public water supply system to an eligible residential area that satisfies the criteria of this section. Monies from a loan made hereunder are to be expended solely for the purpose of expanding the public water supply system to residences with contaminated wells.

L.1988, c.106, s.4; amended 1989,c.311,s.3.