

Comments on the proposed Clean Water (CW) and Drinking Water (DW) State Revolving Fund (SRF) Intended Use Plans (IUPs) for SFY2026.

Jersey Water Works is a collaborative effort of many diverse organizations and individuals who embrace the common purpose of transforming New Jersey's inadequate water infrastructure by investing in sustainable, cost-effective solutions that provide communities with clean water and waterways; healthier, safer neighborhoods; local jobs; flood and climate resilience; and economic growth. One of the collaborative's four shared goals is "Effective and Financially Sustainable Systems," which aims for communities to maintain and improve drinking water, wastewater, and stormwater infrastructure systems to deliver quality water services that meet community needs, and that operating budgets and capital investment are adequate and affordable, resulting in systems that operate efficiently and in a state of good repair.

The Jersey Water Works Asset Management and Finance Committee submits the following comments on the proposed Clean Water (CW) State Revolving Fund (SRF) and Drinking Water (DW) SRF Intended Use Plans (IUPs) for SFY26, with this goal in mind.

Regarding the planning and design grants available for CW and DW projects, the language seems to imply that drinking water projects that receive technical assistance through NJTAP only are eligible for the \$2 million planning and design grants, while clean water projects receiving technical assistance in any form are eligible for the \$2 million planning and design grants. Can the final SFY2026 IUP explicitly confirm whether this is the case or clarify the language?

Currently, there is an incongruence between state and federal law regarding the removal of galvanized lines. Federal regulations require that all galvanized lines that are or were ever downstream of lead be replaced within 10 years. Federal funding is available for galvanized lines downstream of lead pipes, accordingly. New Jersey has implemented more stringent requirements where all galvanized lines, regardless of proximity to lead pipes, be removed. How does the Water Bank plan on providing funding for galvanized lines that are not downstream of lead pipes, in accordance with New Jersey state law? Will the state consider setting aside a portion of the state match or repurposing a modest portion of loan repayments to increase principal forgiveness for galvanized lines not downstream of lead pipes?

We appreciate the Water Bank's commitment to increased support for projects that include climate resilience measures in their design. To continue this effort in the absence of ARPA funding for climate resilience drinking water projects, will the department increase overall ranking points for these projects?

We commend the release of the What's New for CW and DW fact sheets, located on the NJDEP Water Infrastructure Investment Plan webpage. These visually easy-to-understand factsheets

support great transparency in enabling communities to better understand the funding opportunities they can leverage to upgrade water infrastructure projects. Does the Department plan on releasing similar communication tools that would help water systems and municipalities clearly understand the changes in year-to-year policies that could impact their projects and SRF applications?

Jersey Water Works is very grateful for the department's continued engagement with stakeholders and for factoring their feedback into IUP updates. We are excited to see data updates for the affordability criteria and the newly instituted grandfather policy to protect systems from losing principal forgiveness and better lending terms. Jersey Water Works has previously submitted comments and concerns on the affordability criteria. See [Comments on SFY24 Drinking Water and Clean Water Intended Use Plans](#).

We thank you for your consideration and are grateful for the opportunity to submit these comments.

Sincerely,

Jersey Water Works Asset Management and Finance Committee

Asset Management and Finance Committee

Chair: Christine Ballard, CDM Smith

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