NEW JERSEY AMERICAN WATER

New Jersey American Water has just proposed a bold, innovative program: SOLUTIONS TODAY AND REINVESTING TOMORROW (START)

What is the START Program?
New Jersey American Water’s bold, innovative START program aims to accelerate $150 million of capital investment annually in water and wastewater infrastructure while creating up to 2,000 jobs. The company envisions START as part of New Jersey’s economic recovery from COVID-19, providing sustainable, secure jobs while continuing to deliver safe and reliable water and wastewater services to hundreds of thousands of New Jerseyans so they never have to worry about adding it to their list of current concerns.

START contains several proposed components, including:

WATER AND WASTEWATER INFRASTRUCTURE INVESTMENT PROGRAM (WWIIP)
WWIIP would speed up capital investment in water and wastewater systems while creating jobs at minimal cost to the customer, at approximately $1.50/month.

BENEFITS OF WWIIP

- **GENERATE**
  - $100-$150 MILLION
  - IN CAPITAL INVESTMENT

- **CREATE**
  - 1,500-2,000
  - NEW JOBS FOR NEW JERSEYANS

This framework would require regulatory or legislative approval for New Jersey but has been successfully implemented in the water and wastewater industry in other states.

*DISTRIBUTION SYSTEM IMPROVEMENT CHARGE EXPANSION (DSIC)*
Currently, under New Jersey law, water utilities can only get recovery through DSIC on mostly underground distribution system assets. New Jersey American Water is proposing to expand the current DSIC program to include above ground assets, and to raise the current 5% cap on what the company can recover through the DSIC to 10%.

BENEFITS OF DSIC

- **GENERATE**
  - $34 MILLION
  - IN CAPITAL INVESTMENT

- **CREATE**
  - 500
  - NEW JOBS FOR NEW JERSEYANS

*ACCELERATE THE WASTEWATER SYSTEM IMPROVEMENT CHARGE (WSIC)*
Wastewater assets are currently only recoverable as part of the rate case process, which means cost recovery could lag 2-3 years behind when investments are made. This proposed regulatory mechanism, which is currently being considered by the BPU, would provide more timely cost recovery of projects and increase the utility’s ability to invest in these types of assets.

BENEFITS OF WSIC

- **GENERATE**
  - $6-8 MILLION
  - IN CAPITAL INVESTMENT

- **CREATE**
  - 150
  - NEW JOBS FOR NEW JERSEYANS

*If WWIIP is approved, DSIC expansion and the WSIC may not be necessary.*
**LEAD SERVICE LINE REPLACEMENT LEGISLATION (A1544)**

New Jersey American Water’s goal is to reduce lead in drinking water through:

- ongoing optimization of water treatment to reduce corrosion of plumbing materials that may contain lead.
- the proactive elimination of lead service lines

Replacing lead service lines in conjunction with main replacements or relocations is not only a cost-effective, efficient, and responsible way to continue infrastructure renewal programs, it also best addresses the health and safety concerns associated with partial lead service line replacements.

**H2O/AFFORDABILITY PROGRAMS**

For nearly two decades, New Jersey American Water has been committed to assisting low-income water customers pay their indoor water use bills. The company has implemented new measures aimed at increasing participation in the program by making it easier to apply and qualify. These include:

- **Increased Eligibility for Customers (Including Those Impacted by COVID-19)**
- **Temporarily Making Both Programs Available to Landlords Who Don’t Live at the Property and Meters That Are Shared by More Than One Owner**
- **Temporarily Waiving the $100 Payment Requirement to Receive the H2O Grant**
- **Temporarily Waiving the Restriction of Receiving a Grant Only Every Three Years**
- **Temporarily Waiving the Requirement of No Broken Payment Arrangements Within the Past Year**

**EXPAND OUR SUPPLIER DIVERSITY PROGRAMS**

New Jersey American Water is committed to strengthening the economy and improving our communities, and supplier diversity plays a critical role in how we do that. Small, minority-owned, women-owned and other diverse businesses play a vital role in the economic well-being of our communities and offer innovative, customer-focused solutions. Details of the program are still being developed but we look forward to announcing them in the near future.

**DEVELOP A NEW WORKFORCE EMPLOYMENT INITIATIVE (APPRENTICE PROGRAM)**

The water industry over the next five years faces an employee work shortage as “new” employees into the water industry are not evolving. It is a long, difficult process to obtain water/wastewater treatment licenses and people, especially young people, do not know about the well-paying jobs that are attainable in the water industry.

New Jersey American Water wants to develop an Apprentice Program to help address these issues. We are working with the Governor’s Office/Department of Labor and the NJ Vocational-Technical Schools Association to develop such an initiative and will be announcing further details in the near future.

To learn more about the START program, visit www.newjerseyamwater.com.