



**Testimony on S3156
Senate Economic Growth Committee**

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137 West Hanover Street
Trenton, NJ 08618
(609) 393-0008 *Tel.*
(609) 393-1189 *Fax*
www.njfuture.org

Contact: [Chris Sturm](#), Senior Director of State Policy, (609) 393-0008, ext. 114

Without Amendment, S3156 Undercuts Strategic Planning for Economic Growth

Mr. Chairman and members of the committee, thank you for considering our concerns on S3156. An effective wastewater planning process is essential for the state's prosperity. On one hand, development and redevelopment depend upon sewers and wastewater treatment capacity. On the other hand, in the wrong locations sewers lead to sprawl development that clogs our roads with traffic, hikes property taxes, and paves over open space and farmland.

The bill before you today has important provisions that support smart growth. It cuts red tape by allowing counties and the DEP to update sewer service areas before meeting other requirements in the rule. New Jersey Future's survey last fall found that 10 counties were just a few months away from finalizing updated sewer service areas, and another four were expected to follow shortly thereafter. Let's allow those areas to be adopted! The bill also offers a reasonable deadline extension, which is fair to the parties that have been working so hard. We hope it signals to the handful of counties that have chosen not to participate in wastewater planning that it's time to begin.

Unfortunately, the remaining provisions of the bill will return most of the state to the pre-2008 status quo, when the question about where the DEP would allow sewer extensions was characterized by confusion, unpredictability and delay. Only a handful of places had updated sewer service areas, and developers who invested in applications for sewer extensions were taking on risk since the standards used for granting those extensions were unclear.

Let me explain the three biggest reasons that S3156 will increase confusion, unpredictability and delay:

- 1. The bill returns New Jersey to the days of unplanned sewer infrastructure expansion. It removes the motivation for both DEP and the counties to finalize updates to sewer service areas.** Once a county submits an updated plan to the department, there is a time period of about six months during which the DEP and county negotiate any final changes, put the plan out for public comment and review and address the comments. This takes staff time. But S3156 will require DEP to start accepting and reviewing *site-specific* changes to the plan immediately after the plan is submitted—

before it has been adopted. This will not only divert DEP staff time away from finalizing the submitted plan, but will create confusion: Will site-specific amendments be reviewed against the old plan or the new one? Additionally, once a plan has been submitted, the bill extends all of the old wastewater service areas indefinitely. After investing more than \$4 million in state and federal grants, and many millions more in DEP and county staff time, it is important that we not delay, and instead use the momentum created to determine strategically where the state's sewer infrastructure will go. Requests for site-specific amendments should not be reviewed until the new plans are in place.

2. **The bill allows arbitrary and confusing guidance for extending sewer infrastructure. By muddying the standards for extending sewers, the bill will grind the wastewater planning process to a halt.** It allows DEP to approve applications that are not compliant, provided they can demonstrate a “net environmental benefit.” No one knows what will qualify as a net environmental benefit, and lawsuits over this controversial provision will surely follow. Instead, we recommend a narrow change to the standards that allows sewer extensions to land located adjacent to existing sewer areas where habitat is the only issue preventing approval. Property owners in these situations have been able to get their land back in the sewer service areas already, but this provision will save time and money..
3. **The bill removes any guidance about where the state actually has the capacity to grow. By removing the information on where there are deficits in wastewater capacity, the bill undermines strategic planning for economic growth.** The wastewater rule requires there to be wastewater treatment capacity to serve growth in a sewer service area, which does two things: It ensures SSAs are “ready to grow” and it identifies places where wastewater capacity should be increased. We recommend an amendment that will go one step further and allow counties to include on the official map “areas where sewers can be expanded once capacity is available.” This information will facilitate private investment by delineating where DEP will approve sewers, once the wastewater treatment is in place.

A recent survey by the Monmouth Polling Institute found that New Jersey residents are just as interested in protecting clean water as they are in attracting new businesses and creating jobs . Moreover, they support a coordinated, statewide plan to steer growth and development to existing population centers in order to preserve farming communities and open spaces.

The bill before you could be amended so that it delivers strategic planning for *both* job creation and a healthy environment. New Jersey Future has prepared detailed recommendations on how to do that, and which we hope you will incorporate.

New Jersey Future is a nonprofit organization that promotes smart growth-- growth that fuels a strong economy, strengthens our communities, preserves open spaces and makes it easier to get around.

Thank you for your consideration.