



January 2, 2018

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Dear Members of the General Assembly:

I'm writing to share New Jersey Future's opposition to A5339/S848 (requires certain State oversight of budgets of regional sewerage authorities).

Due to years of under-investment, New Jersey's aging wastewater infrastructure is undermining the state's economic growth and the health of its communities. Impacts include sewer main breaks that cause flooding, sewage overflows into rivers and sewage backups into homes and streets, and sewage treatment plants that discharge polluted effluent, emit foul odors, and waste energy. Many wastewater utilities need to increase spending in order to ensure modern, reliable sewer service and support new development projects. These upgrades and repairs are paid for through user fees.

Unfortunately, A5339/S848 will hamper the ability of many wastewater systems to raise the funds needed to operate and maintain the infrastructure properly. The bill imposes a cap on user rates for regional wastewater authorities. Although some costs are exempted, operations and maintenance costs are not.

A5339/S848 is likely to increase costs for affected ratepayers. For example, wastewater systems that are not well-maintained must rely upon frequent emergency repairs, which cost three to five-times more than proactive maintenance. In addition, unclear provisions in the bill could lead to costly lawsuits between municipalities and between municipalities and regional sewer utilities regarding service agreements.

New Jersey Future believes the issue of inadequate wastewater infrastructure needs a comprehensive solution. Unfortunately, the bill only focuses on one part of a larger issue. (Consider what it would be like if state legislation capped the amount you could pay for dental work, even if you hadn't visited the dentist in over a decade and needed a root canal, crown or filling.) Moreover, any bill that affects a major utility system should be vetted through a committee hearing process, to allow for technical experts to inform legislators' decision-making.

For all these reasons, New Jersey Future urges you to vote "no" on A5339/S848 on January 4, to allow for a comprehensive solution to be discussed.

New Jersey Future recognizes the fiscal pressure that aging, dysfunctional infrastructure places on communities, especially those with low-income residents. We are working with partners to recommend new ways that the Legislature can support the provision of low-income customer assistance for water and sewer services. We have also researched how other states provide matching grants for local water and sewer upgrades. We would welcome the opportunity to meet with you and your staff to discuss these issues in greater detail.

Thank you for your consideration. If you have any questions, please contact Chris Sturm (csturm@njfuture.org; 609-393-0008, x114).

Best,

A handwritten signature in black ink, appearing to read 'PK' followed by a long horizontal stroke and a final flourish.

Peter Kasabach

Cc: Senate President Stephen Sweeney
Mark Duffy, Executive Director, Assembly Republican Office
Mary Alice Messenger, Executive Director, Assembly Majority Office
Sonia Das, DasWorks
Kelley Heck, Director, Government and Public Affairs, New Jersey Future