



**Testimony on A2694
Assembly Telecommunications and Utilities Committee**

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A2694 Provides Communities With Essential Clean Stormwater and Flood Reduction Tool

Chairman DeAngelo and members of the committee,

Thank you for the opportunity to testify today on behalf of New Jersey Future in support of Assembly Bill 2694. By way of background, New Jersey Future is a nonpartisan nonprofit organization that promotes policies and practices for sustainable growth and development in New Jersey. The bill before you takes an important step in that direction by authorizing municipalities, counties, and certain authorities to create stormwater utilities. I want to thank Chairman DeAngelo, as well as the sponsors, Assemblyman McKeon and Assemblywoman Pinkin, for championing this important issue.

New Jerseyans deserve cities and towns that are modern, prosperous communities. They should be clean, healthy places to live, work, and do business.

Unfortunately, many of our cities and towns can't achieve this vision because the existing stormwater infrastructure is antiquated and chronic underinvestment has failed to maintain it in a state of good repair. Existing water and sewer charges do not cover stormwater needs, which are crowded out of strapped local budgets. Stormwater infrastructure upgrades are expensive, particularly in our oldest cities, served by combined sewer systems--cities like Newark, Jersey City, Camden, and Perth Amboy.

So we live with the consequences. Even light storms trigger flooding that disrupts local traffic and threatens property and commerce. Polluted runoff degrades water quality across the state, endangers sensitive water bodies such as Barnegat Bay, and prompts beach closures. New Jersey communities need a new way to finance upgrades to their stormwater management systems.

New Jersey trails the rest of the country. More than 1,600 communities in 40 other states have authorized stormwater utilities, including the charging of fees as a sustainable revenue source. **New Jersey communities should also have the ability to use this proactive approach to reducing flooding and pollution that boosts the health of residents and businesses alike.**

I have spent considerable time recently talking to other states and cities about their existing stormwater utility programs and am pleased to report that this bill addresses the critical points of concern:

- Permissive:* Each locality can decide for itself whether this tool fits their needs. This is a key strength.
- Equitable:* Instead of funding stormwater projects through the local property tax, with no payment from tax-exempt properties, or through sewer fees, which are not paid by properties such as parking lots that contribute stormwater, the proposed utility fee is based on the burden that a property places on the system.
- Dedicated:* Unlike property taxes, which can support many budget items, stormwater utility revenue is dedicated to managing stormwater runoff and cannot be used for any other purpose. Examples of permissible uses include:
- Replacing undersized pipes that can't handle runoff from today's more powerful storms;
 - Rehabilitating and clearing debris from culverts and catch basins;
 - Installing green infrastructure, including rain gardens, street trees, and other systems that absorb stormwater where it falls and beautify neighborhoods at the same time.
- Exemptions:* The most successful programs have minimized exemptions, requiring all property owners to share responsibility.
- Diversions:* Beyond the controls provided through the state's Local Budget Law (including annual audits), we support the Senate bill's 5 percent cap on the shift of surplus revenue to local budgets.
- Credits:* Partial fee credits for installing stormwater controls exist in every program we examined, and are required by the bill before you. Everybody wins when on-site stormwater management features are linked to reduced fees.
- Efficiency:* Lacking funds, many localities in New Jersey address stormwater needs on an emergency basis. Making multiple repairs to the same pipe, and paying contractors to mobilize for each emergency, is significantly more expensive than planned repairs. Any of us, faced with a similar set of circumstances in our homes, would not do business this way.

Two final points of note from the State of Pennsylvania:

In 2017, the Wyoming Valley Sanitary Authority in Luzerne County launched a regional approach to stormwater management. Acting on behalf of 33 member towns, the authority will be able to realize economies of scale in purchasing and borrowing power and will eliminate duplicative effort. For example, the number of pollution reduction

plans required will drop from 33 to six. To attain the same environmental benefit at a significantly lower cost, the authority will implement large stormwater projects on a regional basis. Over the next five years, instead of pursuing 455 smaller projects across the 33 towns, the authority will implement only 65, and in so doing will save an estimated \$57 million in capital costs.

I also draw your attention to the City of Lancaster, and a program that has been particularly successful in engaging the business community. Lancaster is an older, mid-sized community of 59,000 people, and half of it is served by combined sewers. The city's effluent ultimately drains to the Chesapeake Bay and the city faces federal fines of \$37,500 per day if it fails to show progress in achieving a state of good repair for its sewer system. Prior to passing an ordinance in 2014 authorizing a stormwater utility with the authority to charge fees, the city spent well over a year engaging local businesses in group and individual meetings. The city's outreach program and degree of transparency won the respect of local business leaders and eased implementation.

I encourage each of you to vote yes to authorize stormwater utilities. It is time for New Jersey to catch up to the rest of the country and give its communities the same opportunity to take action.