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Water privatization bill amended, opponents contend it still takes away public say

By Seth Augenstein | NJ Advance Media for NJ.com



The backwash pumps at the Newark Watershed facility in West Milford are shown in this 2012 file photo. Such publicly-owned water systems could be sold to private companies without a referendum, under a bill pending before the state senate. (Star-Ledger file photo)

TRENTON — A bill fast tracking the sale of public water systems to private companies was amended this week by its sponsors.

Those sponsors say they are intending to narrow the definitions of what water systems could be sold without a public vote, as now required by law. Critics say it's the same bill with a few token changes.

The amendments focus in on small municipal water systems, said State Sen. Paul Sarlo (D-Bergen). The language removes Newark's massive water system and all sewer systems and requires sellers to prove "emergent conditions," before selling public assets, he said.

"Clearly there's a bunch of water systems out there that have been in neglect," said Sarlo, who estimated the language would now only apply to five of 70 towns in Bergen County. "To me this is a positive."

But critics contend the amendments are just small alterations, which leave a bill that is just as problematic to the public interest.

"It's really just the same bill with a little bit of window dressing on it," said Jim Walsh, the director of Food and Water Watch. "The amendments do nothing to fundamentally change the bill."

"It still takes out the public process, the oversight," said Jeff Tittel, the director of the Sierra Club's New Jersey chapter.

The state's Division of Rate Counsel blasted an earlier version of the bill, and the New Jersey State League of Municipalities also came out in opposition to it.

The amendments were approved unanimously 24-0, on Monday by the Senate.

The sponsors of the "Water Infrastructure Protection Act" have said the legislation is aimed at getting investment into public water systems that have been neglected to the breaking point. State Sen. Joseph Kyrillos (R-Monmouth) told NJ Advance Media last month that sales will not happen "willy nilly" – and many other people in the Garden State already are already supplied by private companies.

"Many, many, many people in New Jersey have private water utilities," the senator said. "And they pay a reasonable price that's overseen by the BPU."

"Investor owned utilities have the best water quality records in the state, by far," said Andrew Hendry, president of the New Jersey Utilities Association, which supports the bill. "We serve more than 40 percent of the state's customers, in about 300 municipalities, yet DEP quality monitoring reports show only about 2 percent of total violations take place in our systems."

On Election Day, hundreds of voters in tiny Sussex Borough overwhelmingly rejected a sale of their public system to private hands, while Haddonfield in Camden County approved a sale of its deteriorating system to New Jersey American Water. Under the new bill, such votes would not be held.

The bill is up for a second reading in the state senate. A companion Assembly bill is before an Assembly subcommittee.