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NJ Lawmakers Fast-Track Water Utility Privatization

By Sara Jerome

A proposal under consideration in the New Jersey legislature would fast-track the process by which municipalities privatize their water utilities.

The legislation would "allow distressed water-supply facilities and wastewater treatment plants owned by municipalities to be more rapidly sold or leased to private entities," according to NJ Spotlight.

Opponents include consumer advocates and environmentalists. They say the bill could mean higher rates for customers. One vocal opponent is the Landis Sewerage Authority.



"The bill does not at all protect the ratepayers who support the water infrastructure. In fact, the bill almost guarantees unnecessarily high rates for water and wastewater service by allowing public systems to be privatized before the public and regulators have sufficient opportunity to study the impacts," the group said in a Daily Journal op-ed.

Proponents say the legislation would be helpful to towns that own water systems. Such towns are frequently "unable to afford the capital investments to maintain the facilities and also face increased costs brought by the havoc created by Hurricane Sandy and other extreme weather," the report said.

Sen. Paul Sarlo, a bill sponsor, explained the thinking behind the proposal.

"Too many small municipalities don't have the resources to invest in their water infrastructure systems," he said, per the report. He noted that systems have been neglected and have not gotten the upgrades they need.

Not all utilities would qualify for fast-track sales.

"The bill, as currently drafted, would only allow greater flexibility in the case of certain emergent conditions, such as the system suffering damages to its infrastructure from storms and the public owner lacking the capacity to repair the damages," the report said.

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