

Keep utilities under Ramsey's control

By D. MICHAEL LANGFORD

THE UTILITY Workers Union of America urges the Ramsey Borough Council to reject the proposed sale of the borough's water and sewer systems to a private, for-profit corporation.

At a time when communities across New Jersey are struggling with the need to balance their budgets and provide essential public services, selling off municipal assets can seem like an easy solution. In our view, however, selling a community's most precious resource — its drinking water system — is a shortsighted and misguided approach to managing public finances.

Many communities in New Jersey have rejected this flawed approach to meeting basic public needs. In Franklin, for example, elected officials recently terminated discussions with United Water to manage that township's public water system, stating that the deal offered by the company simply wasn't good enough to justify the proposed 20-year management contract.

In Ramsey, however, municipal leaders are considering proposals from United Water and two other private companies for an outright sale of the borough's water and sewer system. Ramsey's mayor has cited concerns about the rising cost of operating the system while meeting state and federal water quality standards.

What this argument ignores, however, is that selling Ramsey's public water system to a private company will not eliminate those costs. Whether under private or public ownership, Ramsey ratepayers will con-

tinue to finance operating costs through their water bills.

If the city sold the water system, however, ratepayers in Ramsey would also be forced to subsidize the new owner's corporate profits and dividends — over and above the cost of basic operations. And since the new corporate owner would inevitably seek to recover its purchase price through future rate increases charged to consumers, Ramsey residents would end up paying a premium to turn over control of their own water system to a private company.

United Water's track record in New Jersey should also give Ramsey leaders pause, at least with respect to selling the community's water system to this profit-driven corporation.

In 2009, the New Jersey state comptroller issued an audit severely criticizing United Water's performance under a privatization contract with Camden. The state audit found that inadequate supervision of the contract by the city and poor performance by the company cost Camden millions of dollars in unauthorized charges and lost revenues.

In 2006, the state Department of Environmental Protection fined United Water \$48,000 for failing to properly notify the public about excessive radium levels found in its system in Dover Township the previous year.

Although we do not represent municipal employees in Ramsey, many of our members live throughout Bergen County, including employees of PSE&G, United Water and other private and public utility employers. We believe the proposed sale of Ramsey's public water system is simply a bad deal for local consumers.

On Wednesday, the council rejected three

bids, including United Water's, submitted for the purchase. It left open the possibility of rebidding the sale. The Utility Workers Union of America is prepared to work with community groups in Ramsey to help stop any subsequent deal.

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