



CASE STUDY: LONG HILL, NEW JERSEY

TOWNSHIP REVERSES COURSE AFTER GETTING A TASTE OF ACTIVIST REALITY

In 2017, activists used scare tactics to politicize and defeat a referendum in Long Hill, New Jersey, that would have authorized the township to transfer its sewer system to a water company. The system was facing serious challenges that the state had ordered Long Hill to address.

The proposed water company solution would have kept sewer rates stable while paying off municipal debt and enabling millions in urgently needed infrastructure investments. But activists convinced voters that leveraging water company support, expertise, and financing capacity to address these challenges was a bad idea – and promised that undefined “alternatives” and “other options” existed.

When the realities of the activist path came into view – more immediate and larger rate increases than the plan previously rejected on the ballot with zero debt payoff – voters reversed course. Just two years later, in 2019, the community approved the transfer of its sewer system to a private water company by a wide 2-to-1 margin.

The experience in Long Hill illustrates how activists peddle empty rhetoric, not proven solutions, and often leave communities with inadequate options to address their water and wastewater needs.

Long Hill approved the transfer of its sewer system to a water company by a wide 2-to-1 margin.

2017: ACTIVISTS MISLEAD IN LONG HILL

In 2017, Long Hill’s sewer system was in urgent need of infrastructure repair and expansion as ordered by the state Department of Environmental Protection (DEP). According to local officials, the township’s wastewater treatment plant was often discharging partially treated sewage into the Passaic River. While the plant was designed to treat roughly one million gallons per day, it could receive as much as three to four million gallons per day after a storm.ⁱ A 2017 study from an independent engineering firm found the township needed to spend \$27 million over the next 20 years to upgrade the system.ⁱⁱ

To address the problems and secure the necessary investment, local officials supported a plan to transfer ownership and operation of the township’s sewer system to New Jersey American Water (NJAW). The plan put forward to voters would have enabled necessary investments while keeping rates stable over the long term and paying off municipal debt.ⁱⁱⁱ Yet, activists argued against the proposal on ideological grounds, promising voters that undefined “alternatives” and “other options” existed that would keep the sewer system under township ownership.

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After voters rejected the plan in November 2017, the ambiguity around the activist path came into focus: sewer rates increased 20.4% in 2018 and 16.3% in 2019 with further projected increases of 36.2% in 2020 and 15.2% in 2021. In total, a resident who paid \$600 in sewer fees in 2017 was set to pay \$1,319 in 2021.^v

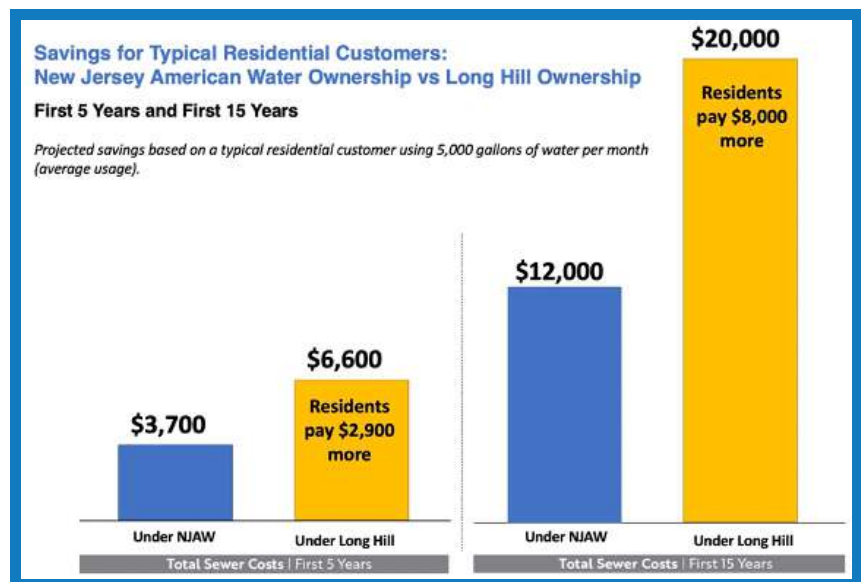
Despite the staggering rate increases, activists hailed the plan's defeat as a great success, arguing that the township should run the sewer system overhaul. Notably, however, activists ignored how local officials in Long Hill had argued in favor of the plan because it would allow an experienced, regulated water company to bring the necessary expertise to manage the complex repairs and system expansion.^{vi}

2019: VOTERS REVERSE COURSE, REJECT ACTIVIST PATH

It didn't take long for residents to reverse course. In November 2019, by a margin of 67% in favor to 33% against, voters approved a nearly identical plan to the one rejected just two years earlier. After falling short by 250 votes in 2017, two years later the plan passed by a margin of more than 1,000 votes in favor.

Under the plan, NJAW will own and operate the sewer system and invest \$13 million over its first five years of operations. The investments will protect the environment by preventing future discharge of partially treated wastewater to the Passaic River, a source of the region's drinking water, and provide capacity at the treatment plant to enable homeowners with aging and potentially failing septic systems to connect to the system.^{vii}

The company will immediately reduce residents' sewer rates by approximately 11%, returning them to 2018 levels, and freeze rates there for two years. For the following three years, rate increases will be capped at 3%. According to Deputy Mayor Guy Piserchia, with NJAW, ratepayers will pay far less in 2025 than they did in 2019 under government ownership and operation.^{viii} Furthermore, as the Echoes-Sentinel noted in its endorsement of the deal, under NJAW operations, sewer rates will be reviewed and regulated on a regular basis by the state Board of Public Utilities.^{ix}



As communities across the country face urgent water infrastructure needs, the experience in Long Hill should serve as a cautionary tale. Activists are quick to reject proven private water solutions and promise better alternatives, but in reality the activist path often leaves communities with inferior, insufficient options to address their water and wastewater needs.^x

Sources

- ⁱ The Echoes Sentinel, "Long Hill residents speak for, against sewer sale in final meeting before vote" 2 November 2019.
- ⁱⁱ The Echoes Sentinel, "Long Hill residents speak for, against sewer sale in final meeting before vote" 2 November 2019.
- ⁱⁱⁱ The Star-Ledger, "Voters are facing expensive decision" 5 November 2017.
- ^{iv} Food & Water Watch, "Can the Residents of This New Jersey Town Stop a Sewer Sale?" 2 November 2017
- ^v The Star-Ledger, "Voters are facing expensive decision" 5 November 2017; The Echoes Sentinel, "Long Hill plans moderate tax increase, 20 percent sewer rate hike" 3 April 2018; The Echoes Sentinel, "Editorial: A painful truth" 11 April 2018; The Echoes Sentinel, "Long Hill lays out structure for sewer rate hikes" 1 May 2018.
- ^{vi} Food & Water Watch, "Public Water Wins at the Ballot Box in New Jersey" 15 November 2017.
- ^{vii} The Echoes Sentinel, "Long Hill voters overwhelmingly approve sewer sale referendum, elect Verlezza" 5 November 2019.
- ^{viii} The Echoes Sentinel, "Long Hill residents speak for, against sewer sale in final meeting before vote" 2 November 2019; The Echoes Sentinel, "Long Hill officials tout benefits of proposed sewer sale, answer questions from residents" 29 September 2019.
- ^{ix} The Echoes Sentinel, "EDITORIAL: Long Hill sewer sale is best option in bad situation" 24 October 2019.
- ^x The Echoes Sentinel, "Long Hill officials tout benefits of proposed sewer sale, answer questions from residents" 29 September 2019; The Echoes Sentinel, "Long Hill residents speak for, against sewer sale in final meeting before vote" 2 November 2019.