

DSIC IMPLEMENTATION

The Somerset County Business Partnership (SCBP) recognizes that our state is faced with extraordinary economic challenges. As an organization that advocates for public policies that would make New Jersey a more affordable and business-friendly state, we believe the implementation of a Distribution System Improvement Charge (DSIC) For Water and Wastewater Utilities is a viable solution for controlling cost at the local and state level. It is a necessary step to promote a coordinated long-term plan that would support economic growth and job creation; especially within the building and construction arenas.

The Somerset County Business Partnership is the largest and most diverse business advocacy organization in Somerset County. With more than 640 members representing the public, private, and not-for-profit sectors, we stand boldly as the voice of business in Somerset County. On November 23, 2010, we partnered with the U.S. Chamber of Commerce to kick off a nationwide program to address the immediate needs and funding challenges associated with continuing to provide water to citizens and businesses in New Jersey and the nation.

We have learned that a significant percentage of New Jersey's drinking water infrastructure was installed between 1880-1960 – and in less than 10 years, most of it will have reached, or aged beyond, its life expectancy of 100 years. As is obvious by the increasing number of costly water main breaks, much of the equipment has reached the end of its useful life and needs to be repaired or replaced.

The cost of replacing water pipes as a planned infrastructure investment is between \$100 and \$300 per linear foot. The direct cost to repair a water main break is approximately \$1,500 per linear foot, a figure that does not include the damage caused by the flooding of streets and buildings, the shutdown of businesses, the boil-water requirement, and the associated health hazards. This year alone Somerset County has experienced 94 water main breaks.

We believe the implementation of the DSIC is a step in the right direction because:

- Water infrastructure is crucial to support local and state economic growth;
- Will cost NJ businesses more down the line to fix the infrastructure than if we fail to begin to take action to upgrade facilities that are almost 100 years old now;
- Creates a long-term predictable rate for infrastructure replacement and continued service;
- Will save companies money on their water bills because the repairs would reduce leaks and increase efficiency;
- Secures and creates jobs;
- Businesses impacted by prolonged water outage will continue to suffer economically unless preventative measures like DSIC were incentivized;
- Resource maintenance and prevention of waste;
- Without reliable water delivery system, businesses will not be attracted to NJ.

(continued...)

The Somerset County Business Partnership is a leader in the area of sustainability, and we would like to offer ourselves as a resource to the Board of Public Utilities as it addresses infrastructure improvements in our state. Please do not hesitate to contact the Business Partnership's President/CEO Michael Kerwin or Vice President of Economic Development John Maddocks at 908-218-4300 with any questions or opportunities for stakeholder feedback/input.

Thank you for your time and consideration.