

# East Orange's Campaign to Put Its Municipal-Owned Water Utility Back on Track

By Lester E. Taylor, III, Mayor, East Orange



**W**hen I became Mayor of East Orange in 2014, I knew that one of my greatest challenges would be turning around the East Orange Water Commission (EOWC), a beleaguered municipal agency that had the potential to literally “make or break” the progress of our city.

Historically, East Orange has always been a bit ahead of its time. In 1903, city leaders purchased 2,300 acres of land in Millburn, Livingston, and Florham Park from which the city would draw its water supply. Over a century later, East Orange remains one of only three cities in the State of New Jersey to own its own water utility. Yet, we’ve had the misfortune of spending the past several years working feverishly to overcome operational struggles and the criminal mismanagement of such a valuable resource.

In 2013, a year before I took office, two top officials of the East Orange Water Commission—the commission’s executive and assistant executive director—were indicted for conspiring to hide elevated levels of tetrachloroethene, an industrial solvent, in drinking water pumped to more than 80,000 residents in East Orange and the neighboring Village of South Orange. Although the New Jersey Department of Environmental Protection ruled through independent testing that the water was safe to drink, the reputation of the EOWC had already been dealt a very hard blow.

In addition to the public outcry in response to the indictments against the EOWC, a significant budget deficit and the need for substantial repairs brought about many challenges to overcome, including abating violations, making capital improvements in excess of \$40 million, collecting more than \$700,000 in outstanding receivables, and managing customer service during a period when satisfaction was at an all-time low. It is also important to note that many major real estate projects were placed on hold because the water system was not sufficient to sustain construction and building needs.

Once I took office, my team conducted a comprehensive overview of the EOWC and developed an aggressive plan of

action that would allow us to bring the commission back to a point of full efficiency, while providing a safer and cleaner product to our customers.

One of my first controversial actions as mayor was to overhaul the Board of Water Commissioners, the semi-autonomous managing body of the EOWC, which is made up of five members nominated by the administration and confirmed by City Council. I restructured the board and, under the leadership of newly-appointed Chairwoman Michele Antley, the EOWC began steps to recovery.

In April 2015, we began a short-term agreement with Veolia North America, one of the premiere water management firms in the world, to put the EOWC on the correct course for upgrades and financial stability. Within the first 60 days of entering our contract with Veolia, the EOWC experienced hundreds of thousands of dollars in cost savings. In six months, we were able to close a \$4 million shortfall on a \$23 million budget. Today, we have produced additional revenue for the municipal budget and we are projected to save 15 to 20% over the next three years.

Unfortunately, our improvements came with an unavoidable cost. A temporary emergency rate increase was issued in August 2015 so that we could complete critical repairs and maintain our system. By February 2016, however, we were able to reduce the increase to a corrected market rate and we are currently on track to producing cleaner and safer water.

The City Council recently approved a \$23.4 million bond to support additional improvements that are aligned with long-term plans developed to further enhance the water system.

I also am proud to report that a \$5.2 million construction project—the installation of air stripper devices to reduce volatile compounds—was completed this past July and East Orange’s water supply now will be better than ever. While our choices may not have always been popular, they have always been made with the best interest of our residents, customers, and taxpayers in mind. The quality of our drinking water is a resource we simply cannot afford to lose. ♣