

LONG ISLAND

★ Sewer privatization nears OK

- Nassau legislators likely to approve 20-year contract
- \$200 million in savings touted but NIFA will review

BY ROBERT BRODSKY
AND PAUL LAROCCO

robert.brodsky@newsday.com
paul.larocco@newsday.com

Nassau County legislators are expected to approve a contract today to privatize the county's massive sewage treatment system — a deal that officials say will save taxpayers a total of more than \$200 million.

The 20-year contract up for a vote in the GOP-controlled Rules Committee calls for Nassau to pay New Jersey-based United Water \$57.4 million a year to run its three major wastewater treatment plants, 53 pumping stations and 3,000 miles of sewers.

The committee is expected to approve the deal unanimously, GOP and Democratic leaders said.

The county attorney con-

tends the sewer deal is a “personal services agreement,” which requires only approval by the seven-member committee and not the full county legislature.

The deal still must clear the Nassau Interim Finance Authority, a state-monitoring board in control of Nassau's finances. NIFA chairman Jon Kaiman has said the board will conduct a financial analysis of the contract to determine if it's “part of the solution or part of the problem in the county's financial picture.”

United would hire about half of Nassau's 300 sewer employees, providing the county with at least \$10 million in annual savings. The remaining workers will be offered other county jobs.

John Shaw, a North Carolina-based wastewater consultant who reviewed the 163-page contract at Newsday's request, said the agreement was “comprehensive” and largely “divorces the county” from its obligations to the sewage system.

But Shaw, who has not worked for United, expressed

THE DEAL

- Nassau will pay United Water \$57.4 million a year, adjusted annually for inflation.
- United Water will hire about half of the county's 300 wastewater treatment workers. The remaining county employees would be offered other jobs.
- Company would operate a 24-hour-a-day hotline for customer concerns.
- Nassau will continue to set sewer rates.
- Nassau can cut annual payments to United by up to \$10,000 for repeated environmental problems involving water quality and odor.
- United will perform all general plant maintenance while Nassau will make capital repairs.

SOURCE: NASSAU'S CONTRACT WITH UNITED WATER

concern that Nassau “is not capable of properly overseeing the contractor” because of its poor record of operating the treatment plants.

Josh Meyer, a partner with Pannone Lopes Devereaux & West, who helped negotiate the contract on Nassau's behalf, disagreed.

“The county will continue to maintain the necessary personnel to provide effective and appropriate oversight over United Water and its operation and maintenance of the wastewater system,” Meyer said.

A subsidiary of Paris-based Suez Environment, United Water is the nation's second-largest private water systems operator, managing about 100 water or wastewater systems.

Company officials point to their municipal deals with cities, including Indianapolis and Springfield, Massachusetts, where they invested millions of dollars to improve old facilities while keeping rates in check.

Still, United also has faced criticism.

Last month, the company agreed to pay a \$645,000 civil penalty to resolve a federal complaint about its management of the Gary, Indiana, wastewater treatment system. The company was accused of

unauthorized discharges of pollutants and not complying with permits.

United Water admitted no wrongdoing as part of the settlement. Previously, it had been acquitted in a federal criminal case that alleged it tampered with water testing in Gary to achieve favorable test results.

“We certainly wanted to put all issues behind us,” said United Water spokesman Rich Henning. “Having been through trials with our own employees, we know just how long proving innocence takes.”

United Water touts its success in many communities.

The company says that in Indianapolis, it saved \$46 million and reduced workplace accidents by 85 percent in its first four years there.

United says that in the West Basin water district in Southern California, it made improvements that increased capacity by 15 million gallons per day.

“We rarely have complaints,” Carol Kwan, the West Basin board president, said in a letter to Nassau officials who had requested a reference.