

What's Going On – Issue #17 Sale of the MUA

6/22/2016

Dear MUA customer:

We are writing to inform you of an important development regarding the future of the West Milford Municipal Utilities Authority (MUA). The MUA Board of Commissioners voted last night at its public meeting to issue a Request for Proposals (RFP) for the sale of all assets of the MUA. The intent of the RFP is to obtain proposals from qualified bidders in the water and sewer industries to provide water and sewer services instead of the MUA in West Milford. As you may know, this possibility has been discussed for many years, both within the MUA and outside it.

The Board of Commissioners has taken this step after analyzing the operations and finances of the MUA over recent years. The Board has come to the conclusion that for a variety of reasons (including the small customer base, the large debt load it carries, and the lack of sustainability of the facilities, among other reasons) it is warranted to determine if a larger, private sector enterprise would be better suited to handle the long-term needs of the MUA customers over the current stand-alone public entity structure.

If there is adequate interest from a qualified private company, and if a response to the RFP is deemed acceptable and in the best interests of the MUA customers, the process of selling the MUA will be pursued further by the MUA Board. This process would take many months as there are numerous administrative hurdles to clear, as well as the time involved in evaluating the proposals and negotiating a sale contract. However, if the process is followed through to its conclusion, the MUA would cease to exist simultaneously with the closing of the sale. Upon the sale of all assets, a private company would be responsible for providing water service and sewer services to current MUA customers. On the other hand, if an acceptable proposal is not received, the MUA will continue to operate as it currently is.

The impact on customer rates and service levels cannot be determined at this time. However, rates would be subject to NJ Board of Public Utilities (BPU) review and approval as soon as a private company takes over.

We will provide further updates as significant developments occur. In order to ensure correct information from the MUA, please direct questions, comments or concerns on this matter to mua@wmmua.org

West Milford MUA Board of Commissioners