

ORDINANCE #443-19

ORDINANCE OF THE TOWNSHIP OF LONG HILL, IN THE COUNTY OF MORRIS, NEW JERSEY, APPROVING AN AGREEMENT OF SALE BETWEEN THE TOWNSHIP AND NEW JERSEY AMERICAN WATER COMPANY, INC. FOR THE SALE OF THE TOWNSHIP'S WASTEWATER SYSTEM AND AUTHORIZING A PROPOSAL TO BE PRINTED ON THE BALLOT FOR CONSIDERATION BY THE VOTERS WITHIN THE TOWNSHIP AT THE GENERAL ELECTION ON NOVEMBER 5, 2019 PROVIDING FOR THE SALE OF THE TOWNSHIP'S WASTEWATER SYSTEM TO NEW JERSEY AMERICAN WATER COMPANY, INC.

WHEREAS, the Township of Long Hill, in the County of Morris, New Jersey (the "Township") currently owns and operates a wastewater system servicing the residents and property owners (the "Customers") within the geographic boundaries of the Township (the "System"); and

WHEREAS, the Township has determined that is in the best interest of such Customers within the Township to sell the System to an entity with experience and expertise in owning and operating such systems in order to meet all necessary demands associated with such System including all present and future requirements of various state and federal regulatory agencies and to make necessary capital improvements to the System; and

WHEREAS, the Township prepared and distributed a Request for Bids for the Sale of the Wastewater System (the "RFB") dated April 18, 2019 requesting bids for the purchase of the System pursuant to N.J.S.A. 40:62-1 et seq. (the "Public Utilities Law"); and

WHEREAS, on June 4, 2019 the Township received one bid from a regulated water and wastewater company, New Jersey American Water Company, Inc., to purchase the Township's System; and

WHEREAS, based on the review of the above referenced bid, the Township has determined that the bid submitted by New Jersey American Water Company, Inc. in the amount of \$12,700,000 was the highest responsible (and only) bid; and

WHEREAS, under the terms of the RFB, the Township would sell all of the Township's rights and interests in the land and improvements comprising the System, provided that any purchaser of the System would continue to provide wastewater treatment services to the Customers in accordance with all applicable state and local standards, make all capital improvements necessary to lift the existing sewer ban, and meet other requirements set forth in the RFB; and

WHEREAS, the Township and New Jersey American Water Company, Inc. have agreed to the terms of the sale of the System; and

WHEREAS, the Public Utilities Law requires that in addition to the approval of the Township, the legal voters of the Township must also approve the sale of the System; and

WHEREAS, the Public Utilities Law, specifically N.J.S.A. 40:62-5, authorizes the Township to request that the clerk of the County of Morris place the question of the sale of the System on the ballot used at the next general election in the Township, which is scheduled for November 5, 2019; and

WHEREAS, the Township desires to enter into the Agreement of Sale, subject to the approval of the voters of the Township as set forth in N.J.S.A. 40:62-5 and any other regulatory approvals set forth in the Public Utilities Law.

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Long Hill, County of Morris, State of New Jersey, as follows:

SECTION I

The recitals are hereby incorporated as if set forth in full herein.

SECTION II

The Township hereby approves the sale of the System to New Jersey American Water Company, Inc. for \$12,700,000 in accordance with its bid and in accordance with the terms and conditions of the RFB and the Agreement of Sale, subject to the approval of the voters of the Township as set forth in N.J.S.A. 40:62-5.

SECTION III

The Agreement of Sale between the Township and New Jersey American Water Company, Inc. entitled "Agreement of Sale between the Township of Long Hill, New Jersey and New Jersey American Water Company, Inc." substantially in the form on file in the office of the Township Clerk, is hereby approved with such further changes, insertions and amendments as deemed necessary by the Township Committee, in consultation with the Township staff and professionals. The approval of this Agreement of Sale is subject to compliance with the provisions of N.J.S.A. 40:62-5 of the Public Utilities Law.

SECTION IV

The Township Committee and all other appropriate officials of the Township are hereby authorized and directed to execute the Agreement of Sale and any other documents deemed necessary to effectuate the terms of this Ordinance and to proceed with the regulatory process and approvals required under the provisions of the Agreement of Sale and the Public Utilities Law subject to approval of the sale by the voters of the Township pursuant to N.J.S.A. 40:62-5.

SECTION V

The Township Committee hereby requests and directs the Clerk of the County of Morris to place the following question and explanation on the ballot of the next general election, such to be substantially in the form provided in N.J.S.A. 40:62-5 as follows:

PROPOSAL

“Shall the Township of Long Hill, in the County of Morris, New Jersey, be authorized to sell its wastewater system (commonly known as the “sanitary sewer system”) to New Jersey American Water Company, Inc. for the sum of \$12,700,000?”

_____ Yes _____ No

Explanation

If a majority of the legal voters in the Township vote “yes”, the Township of Long Hill will sign an agreement of sale with New Jersey American Water Company, Inc. for the wastewater system (commonly known as the “sanitary sewer system”) servicing the residents and property owners within the geographic boundaries of the Township in the amount of \$12,700,000. This agreement provides that New Jersey American Water Company, Inc. will provide and maintain all wastewater services to the existing customers of the Township’s wastewater system and will make substantial capital improvements to such system in accordance with the terms of the Agreement of Sale approved by the Township. The service rates to the customers of the Township’s System will be subject to approval by the New Jersey Board of Public Utilities from time to time.

SECTION VI

This Ordinance shall take effect as provided by law.

First Reading – June 26, 2019

Second Reading and Adoption – July 17, 2019