



PDF Copy



**BID FOR THE SALE OF THE
LONG HILL WASTEWATER UTILITY**

June 4, 2019



**NEW JERSEY
AMERICAN WATER**

WE KEEP LIFE FLOWING™



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



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Note: Jump drive attached to back cover contains the PDF version of this document and NJAW's audited financial information



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TAB 1



BID CHECKLIST

Owner's **CHECKMARKS**

Items Submitted with Bid
Bidder's **INITIALS**

- A. FAILURE TO SUBMIT ANY OF THESE ITEMS WITH
THE BID IS MANDATORY CAUSE FOR REJECTION**
- ⇓
- | | | |
|----------|--|------------|
| <u>X</u> | Letter of Qualification – Bid Form 1 | <u>CDN</u> |
| <u>X</u> | Bid Bond or certified/cashier's check - Bid Form 2 | <u>CDN</u> |
| <u>X</u> | Purchase Price – Bid Form 3 | <u>CDN</u> |
| <u>X</u> | Letter of Intent – Bid Form 4 | <u>CDN</u> |
| <u>X</u> | Acknowledgment of Receipt of Addenda (if any) – Bid Form 5 | <u>CDN</u> |
| <u>X</u> | Statement of Ownership – Bid Form 6 | <u>CDN</u> |
| <u>X</u> | Non-Collusion Affidavit – Bid Form 7 | <u>CDN</u> |
| <u>X</u> | Iran Disclosure Form – Bid Form 8 | <u>CDN</u> |

- B. ITEMS PREFERRED AT TIME OF BID, BUT MANDATORY AT
THE TIME INDICATED**
- X New Jersey Business Registration Certificate (Prior to Contract Award) CDN

PRINT NAME OF BIDDER: New Jersey-American Water Company, Inc.

SIGNED BY: 

PRINT NAME AND TITLE: Cheryl D. Norton, President

DATE: May 28, 2019

COMPLETE AND SUBMIT THIS CHECKLIST WITH THE BID

TAB 2



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



2. Executive Summary

Water is the most important resource in the world. It is a part of almost everything in our daily lives. New Jersey American Water is proud to be Long Hill's partner in providing clean, safe and reliable drinking water services for over 110 years. The community has a trusted partner in the Company that is experienced and can ensure your water is reliable, clean and safe.

New Jersey American Water, a wholly owned subsidiary of American Water Works Company, Inc. ("American Water"), is interested in expanding our partnership and is pleased to submit this Bid setting forth our desire to acquire the wastewater system assets of the Township as described in the April 18, 2019 Request for Bids. We are offering \$12,700,000.00 for your wastewater system assets.

Benefits of Partnership with New Jersey American Water:

New Jersey American Water is able to offer a fair and competitive purchase price for Long Hill's wastewater system that meets all of the Township's capital and operational requirements and provides an attractive rate stabilization plan. A partnership with New Jersey American Water ensures residents of Long Hill will have compliant, safe and reliable sewer service. New Jersey American Water has both the staffing in close proximity and financial resources to effectively address Long Hill Township's wastewater capital needs and efficiently operate and maintain the system so that the Township can meet its goals. Additionally because New Jersey American Water is already the water provider for the Township, residents will benefit from both water and sewer charges being on one bill, and working with the same company they have known and trusted for any sewer service needs.

The Township will recognize the following benefits from expanding the partnership with New Jersey American Water:

Cash Payment upon Closing:

The \$12,700,000.00 in cash proceeds from the sale would be used to eliminate all debt associated with the system and much of the Township's general obligation debt. The associated debt service savings could fund other community needs.

In addition to the initial purchase price, the Township would gain a new revenue stream through property taxes that New Jersey American Water would pay on the properties we would own as a result of the sale.

On-Going Capital Investment:

Prudent investment planning ensures that we can deliver reliable wastewater service that Long Hill and its residents expect.

BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



New Jersey American Water's team has developed a 5-year capital plan for Long Hill that addresses safety, compliance and environmental stewardship issues including: 1) lifting the sewer ban; 2) increasing the wastewater treatment plant's sewer capacity; and 3) extending mains to areas of the Township not presently connected to the sewer system. Once the system is acquired, New Jersey American Water will perform studies to address all permitting, environmental and construction issues to ensure we are spending the capital dollars efficiently and appropriately to address the Township's needs expeditiously. New Jersey American Water is committed to meeting the timelines set forth in the Request for Bids and will coordinate all projects with the Township.

Long-Term Rate Stability through Economies of Scale:

As New Jersey's largest investor owned water and wastewater utility, New Jersey American Water has been able to maintain flat operations and maintenance (O&M) expenses since 2010. Operational efficiency optimization, prudent investment planning and preventative maintenance, coupled with economies of scale are benefits yielded from serving approximately 2.7 million people in 192 communities.

Relief from Operational Responsibility:

Local and experienced wastewater professionals that live and work in your area would assume all operational responsibilities for the system, including after-hour emergencies, maintenance, testing, capital investment, reporting, accounting, billing and high-quality customer service. Relief from ownership and day-to-day management of sewer operations allows the Township to focus on other priorities. Since New Jersey American Water already operates Long Hill's water system, we can ensure a quick and efficient response in emergency and catastrophic situations.

Relevant & Recent Acquisition, Referendum, & Regulatory Experience:

New Jersey American Water has recent and relevant experience in successfully acquiring municipal wastewater systems. The Company is in the process of acquiring the Borough of Mount Ephraim's wastewater system, anticipated to close in June 2019 and acquired the Borough of Haddonfield's wastewater system in 2015.

In Haddonfield, New Jersey American Water was the successful bidder at \$28.5 million for their 9,000 customer water and wastewater system. The matter was put to a public referendum on November 4, 2014 and voters approved the measure by a nearly 2 to 1 margin. In Mount Ephraim, after successfully selling their water system to New Jersey American Water in 2007, the Borough Commissioners unanimously decided that seeking bids for their 1,800 customer wastewater system would be prudent as well. They placed their municipal wastewater system out to bid in 2018 and New Jersey American Water was the successful bidder at \$1.4 million. The matter was put to a public referendum on November 6, 2018 and voters overwhelmingly approved the measure – 79% Yes to 21% No.

New Jersey American Water is also very familiar with the process of obtaining approval of



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BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



municipal consents from the Board of Public Utilities, typically in six months or less. In fact, New Jersey American Water accomplished this task seven times in the last five years. In addition, New Jersey American Water is intimately familiar with the Board of Public Utilities' process of approving municipal system sales, and thus, we are confident in our ability to acquire the approvals necessary to successfully close this transaction in a timely manner.

New Jersey American Water Offers:

- A local and experienced operational team licensed in wastewater operations available to quickly address any issues or needs which may arise in Long Hill.
- An engineering team to oversee and administer required infrastructure improvements in a timely and proactive manner.
- A team of professionals focused on operational efficiency to minimize future rate increases.
- Customer service, maintenance and emergency response teams available to respond to emergencies 24 hours a day, seven days a week.

New Jersey American Water is committed to helping the communities we serve be more vibrant places to live, work, and play. Our community involvement draws on the unique talents of our employees that live and work in your area as well as the vast resources of our business. We do this best through:

- Partnering with local governments, community organizations and schools to help educate our customers on environmental stewardship and watershed protection.
- Providing existing and new businesses the confidence to invest in a community with a dependable water and wastewater system ready to meet their business needs.
- Adopting the Township's Senior Citizen Discount as required in the Request For Bids and offering financial assistance to customers in need through New Jersey American Water's H2O Help to Others Program.
- Organizing a customer advisory panel for the Long Hill Residents once we acquire the system.

Each day our 800 highly skilled employees live out our vision to provide 'Clean Water for Life'. We are committed to providing the Township's residents with a smooth and seamless transition should you entrust us with your wastewater system. As the Township's current water provider, your residents already know and trust us to provide clean, potable drinking water to their taps on a daily basis. We look forward to enhancing our relationship with the Township's residents by adding our expertise in the provision of wastewater collection and treatment to the services we already provide.



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TAB 3





1 Water Street
Camden, NJ 08102
P 856-955-4001

**BID FORM 1
LETTER OF QUALIFICATION**

May 28, 2019

Dear Municipal Clerk:

The undersigned has reviewed our Bid submitted in response to the Request for Bid (RFB) issued by Township of Long Hill ("the Township "), in connection with the sale of the Township's Wastewater System.

I affirm that the contents of our Bid (which Bid is incorporated herein by reference) is accurate, factual and complete to the best of our knowledge and belief and that the Bid is submitted in good faith upon express understanding that any false statement may result in the disqualification of New Jersey-American Water Company, Inc.

Cheryl D. Norton, President
New Jersey-American Water Company, Inc.

May 28, 2019

Dated

TAB 4



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BID FORM 2

BID BOND

KNOW ALL MEN BY THESE PRESENT, that we New Jersey American Water Company as Principal (hereinafter the "Bidder") and Travelers Casualty and Surety Company of America, a Corporation duly organized under the laws of the State of Connecticut, as Surety, are held and firmly bound unto the Township of Long Hill (the "Township"), as Obligee, in the sum of Twenty Thousand Dollars (\$20,000) lawful money of the United States of America to be paid to the Township, its successors or assigns, for which payment, well and truly to be made, we bind ourselves, our successors and assigns, jointly and severally, firmly by these present; and

WHEREAS, the above-named Bidder has submitted or is about to submit to the Township a Bid to enter into an Agreement of Sale to purchase the Township's Wastewater System as described in the Request for Bids, dated May 30, 2019, (the "RFB"), issued by the Township and covered by the Bid submitted by the Bidder in response thereto, which Bid is made a part hereof.

NOW, THEREFORE, the Surety hereby understands that if the above-referenced Bid is accepted by the Township, then the Bidder will in good faith enter into a final Agreement of Sale in writing and give bond with surety acceptable to the Township for the purchase of the Township's Wastewater System within the time specified in the RFB, or any extension thereof agreed to in writing by the Township. Surety hereby agrees that if the Bidder shall fail to do so, Surety will pay to the Township, as liquidated damages, the full amount of this Bond within 30 calendar days after receipt by Bidder and Surety of written notice of such failure from the Township, which notice shall be given with reasonable promptness, identifying this Bond and including a statement of the amount due. Upon execution of the Agreement of Sale, this Bond shall thereafter become null and void, otherwise to remain in full force and effect unless terminated as hereinafter provided.

It is agreed that this Bond shall become effective on the date the Bid is submitted and will continue in full force and effect for two hundred seventy (270) days from such date of submittal (unless extended) or until terminated as hereinafter provided.

If the Bid is not accepted within such 270-day time period, or any extension thereof agreed to in writing by the Township and the Bidder, then after written notice by the Township of such non-acceptance, this Bond may be terminated by the Surety or Bidder upon written notice to each other and to the Township by registered mail at least 10 days prior to the termination date specified in such notice. Upon the giving of such notice, the Surety shall be discharged from all liability under this Bond for any act or omission of the Bidder occurring after the date of the notice of non-acceptance.

Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the State of New Jersey.

All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the RFB.

IN WITNESS WHEREOF, the Surety and Bidder, intending to be legally bound hereby, do each cause this Bid Bond to be duly executed on its behalf by its authorized officers, agents or representatives.

Signed and sealed this 29th day of April 2019.

SURETY
[NAME OF SURETY]

BIDDER
[NAME OF BIDDER]

Travelers Casualty and Surety Company
of America

New Jersey American Water Company

Name

Name



Name of Authorized Signatory

Name of Designated Signatory

Mariya Leonidov

CHERYL D. NORTON

Signature

Signature

Attorney-In-Fact

PRESIDENT

Title

Title



**Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company**

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint Mariya Leonidov of New York New York, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **3rd** day of **February**, 2017.



State of Connecticut

City of Hartford ss.

By:
Robert L. Raney, Senior Vice President

On this the **3rd** day of **February**, 2017, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, 2021



Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 29th day of April, 2019.



Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.**

ACKNOWLEDGEMENT OF ANNEXED INSTRUMENT

STATE OF NEW YORK

COUNTY OF Kings

On April 29, 2019 before me, the undersigned, a Notary Public in and for said county, personally appeared Mariya Leonidov, who is to me well known, who being duly sworn, did depose and say that she resides in New York, NY that she is Attorney-in-Fact Travelers Casualty and Surety Company of America a corporation, the corporation described in and who executed the within instrument as surety. That she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was thereto affixed by order to the Board of Directors of said corporation, and that she signed her name thereto by like order.



TERRY ANN GONZALES-SELMAN
Notary Public, State of New York
No. 01GO6272513
Qualified in Kings County
Commission Expires November 19, 2020

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

HARTFORD, CONNECTICUT 06183

FINANCIAL STATEMENT AS OF DECEMBER 31, 2018

AS FILED IN THE STATE OF NEW JERSEY

CAPITAL STOCK \$ 6,480,000

ASSETS		LIABILITIES & SURPLUS	
CASH AND INVESTED CASH	\$ 36,728,596	UNEARNED PREMIUMS	\$ 979,007,378
BONDS	3,507,432,239	LOSSES	750,995,504
STOCKS	294,199,598	LOSS ADJUSTMENT EXPENSES	186,673,871
INVESTMENT INCOME DUE AND ACCRUED	38,287,129	COMMISSIONS	45,868,584
OTHER INVESTED ASSETS	3,507,839	TAXES, LICENSES AND FEES	14,584,663
PREMIUM BALANCES	250,478,792	OTHER EXPENSES	43,858,534
NET DEFERRED TAX ASSET	48,781,239	CURRENT FEDERAL AND FOREIGN INCOME TAXES	10,143,037
REINSURANCE RECOVERABLE	29,278,755	REMITTANCES AND ITEMS NOT ALLOCATED	21,277,153
SECURITIES LENDING REINVESTED COLLATERAL ASSETS	14,277,262	AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	30,289,553
RECEIVABLES FROM PARENT, SUBSIDIARIES AND AFFILIATES	27,813,266	RETROACTIVE REINSURANCE RESERVE ASSUMED	810,360
ASSUMED REINSURANCE RECEIVABLE AND PAYABLE	626,488	POLICYHOLDER DIVIDENDS	10,410,755
OTHER ASSETS	4,936,229	PROVISION FOR REINSURANCE	7,641,356
		ADVANCE PREMIUM	1,608,777
		REINSURANCE PAYABLE ON PAID LOSSES & LOSS ADJ. EXPENSES	888,002
		PAYABLE FOR SECURITIES LENDING	14,277,262
		CEDED REINSURANCE NET PREMIUMS PAYABLE	48,489,976
		OTHER ACCRUED EXPENSES AND LIABILITIES	335,489
		TOTAL LIABILITIES	\$ 2,145,120,254
		CAPITAL STOCK	\$ 6,480,000
		PAID IN SURPLUS	433,803,760
		OTHER SURPLUS	1,870,943,418
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 2,111,227,178
TOTAL ASSETS	\$ 4,256,347,432	TOTAL LIABILITIES & SURPLUS	\$ 4,256,347,432

STATE OF CONNECTICUT)
 COUNTY OF HARTFORD) SS.
 CITY OF HARTFORD)

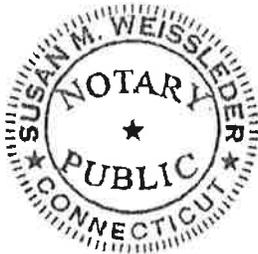
MICHAEL J. DOODY, BEING DULY SWORN, SAYS THAT HE IS SECOND VICE PRESIDENT, OF TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AND THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL CONDITION OF SAID COMPANY AS OF THE 31ST DAY OF DECEMBER, 2018.

Michael J. Doody
 VICE PRESIDENT, FINANCE

Susan M. Weissleder
 NOTARY PUBLIC

SUBSCRIBED AND SWORN TO BEFORE ME THIS
 28TH DAY OF MARCH, 2019

SUSAN M. WEISSLEDER
 Notary Public
 My Commission Expires November 30, 2022



SURETY DISCLOSURE STATEMENT AND CERTIFICATION

pursuant to N.J.S.A. 2A:44-143

(for use when surety(ies) have a certificate from U.S. Secretary of the Treasury in accordance with 31 U.S.C. Section 9305)

The Travelers Indemnity Company, St. Paul Fire and Marine Insurance Company, Travelers Casualty and Surety Company, United States Fidelity and Guaranty Company, The Standard Fire Insurance Company, Travelers Casualty Insurance Company of America, Farmington Casualty Company, St. Paul Mercury Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Guardian Insurance Company, Fidelity and Guaranty Insurance Company, Travelers Casualty and Surety Company of America, surety(ies) on the attached bond, hereby certifies(y) the following:

- 1) Each surety meets the applicable capital and surplus requirements of R.S.17:17-6 or R.S.17:17-7 as of the surety's most current annual filing with the New Jersey Department of Insurance.

- 2) The capital and surplus, as determined in accordance with the applicable laws of this State, of the surety(ies) participating in the issuance of the attached bond is (are) in the following amounts as of the calendar year ended **December 31, 2017** (most recent calendar year for which capital and surplus amounts are available), which amounts have been certified by **KPMG LLP**, located at One Financial Plaza, Hartford, CT 06103-4103, in the Annual Audited Combined Financial Statements for the first eleven (11) companies below, and on a Stand-alone Annual Audited Financial Statement for the twelfth (12th) company below, all on file with the New Jersey Department of Insurance, 20 West State Street CN-325, Trenton, New Jersey 08625-0325.

<u>Surety Company</u>	<u>Capital</u>	<u>Surplus</u>
The Travelers Indemnity Company	\$ 10,790,700	\$6,820,222,495
St. Paul Fire and Marine Insurance Company	\$ 20,000,000	\$5,367,281,700
Travelers Casualty and Surety Company	\$ 25,000,000	\$6,526,084,617
United States Fidelity and Guaranty Company	\$ 35,214,075	\$985,820,965
The Standard Fire Insurance Company	\$ 5,000,000	\$1,189,479,575
Travelers Casualty Insurance Company of America	\$ 6,000,000	\$532,089,070
Farmington Casualty Company	\$ 6,000,000	\$274,472,865
St. Paul Mercury Insurance Company	\$ 4,230,000	\$116,011,250
Fidelity and Guaranty Insurance Underwriters, Inc.	\$13,434,900	\$88,994,486
St. Paul Guardian Insurance Company	\$ 4,200,000	\$23,136,443
Fidelity and Guaranty Insurance Company	\$ 5,000,000	\$17,745,345
Travelers Casualty and Surety Company of America	\$ 6,480,000	\$2,016,636,327

- 3) With respect to each surety participating in the issuance of the attached bond that has received from the U.S. Secretary of the Treasury a certificate of authority pursuant to 31 U.S.C. Section 9305, the underwriting limitation established therein on **July 1, 2018** (most recent calendar year available) is as follows:

<u>Surety Company</u>	<u>Limitation</u>
The Travelers Indemnity Company	\$682,022,000
St. Paul Fire and Marine Insurance Company	\$416,522,000
Travelers Casualty and Surety Company	\$423,498,000
United States Fidelity and Guaranty Company	\$98,582,000
The Standard Fire Insurance Company	\$118,948,000
Travelers Casualty Insurance Company of America	\$53,209,000
Farmington Casualty Company	\$27,447,000
St. Paul Mercury Insurance Company	\$11,601,000
Fidelity and Guaranty Insurance Underwriters, Inc.	\$8,899,000
St. Paul Guardian Insurance Company	\$2,314,000
Fidelity and Guaranty Insurance Company	\$1,775,000
Travelers Casualty and Surety Company of America	\$201,664,000

- 4) If, by virtue of one or more contracts of reinsurance, the amount of the bond indicated under Item 5 below exceeds the total underwriting limitation of all sureties on the bond as set forth in Item 3 above, then for each such contract of reinsurance:

- a) The name and address of each such reinsurer under that contract and the amount of the reinsurer's participation in the contract is as follows:

<u>Reinsurer</u>	<u>Address</u>	<u>Amount</u>
------------------	----------------	---------------

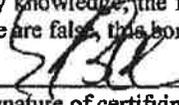
The amount of the bond indicated under Item 5 below *does not* exceed the total underwriting limitation of all sureties on the bond as set forth in Item 3 above.

and;

- b) Each surety that is party to such contract of reinsurance certifies that each reinsurer listed under Item 4(a) satisfies the credit for reinsurance requirement established under P.L.1993, c. 243 (C.17:51B-1 *et seq.*) and any applicable regulations in effect as of the date on which the bond to which this statement and certification is attached shall have been filed with the appropriate public agency.

CERTIFICATE

I, **Eric B. Bruder**, as Attorney-in-Fact for the companies herein listed, corporations domiciled in Connecticut, Iowa, Maryland, Minnesota and Wisconsin, DO HEREBY CERTIFY that, to the best of my knowledge, the foregoing statements made by me are true, and ACKNOWLEDGE that, if any of those statements made by me are false, this bond is VOIDABLE.



 (Signature of certifying agent/officer)

Eric B. Bruder

 (Print name of certifying agent/officer)

Vice President, Finance
Chief Financial Officer, Bond & Specialty Insurance

 (Title of certifying agent/officer)

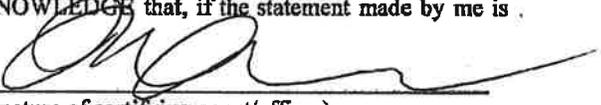
Date:

8/16/2018

- 5) The amount of the bond to which the statement and certification is attached is \$ 20,000.00, which *does not* exceed the total underwriting limitation of all sureties on the bond as set forth in Item 3 above

CERTIFICATE

I, Mariya Leonidov (name of agent), as Attorney-in-Fact (title of agent) for the companies herein listed, corporations domiciled in Connecticut, Iowa, Maryland, Minnesota and Wisconsin, DO HEREBY CERTIFY that, to the best of my knowledge, the foregoing statement made by me is true, and ACKNOWLEDGE that, if the statement made by me is false, this bond is VOIDABLE.



 (Signature of certifying agent/officer)

Mariya Leonidov

 (Print name of certifying agent/officer)

Attorney-In-Fact

 (Title of certifying agent/officer)

Date: April 29, 2019

TAB 5





1 Water Street
Camden, NJ 00102
P 856-955-4001

May 28, 2019

Dear Municipal Clerk:

The undersigned, as Bidder, has submitted the attached Bid in response to a Request for Bid (RFB), issued by the Township of Long Hill ("the Township"), for the Sale of the Township's Wastewater System.

NEW JERSEY-AMERICAN WATER COMPANY, INC. HEREBY STATES:

1. The Bid contains accurate, factual and complete information.
2. New Jersey-American Water Company, Inc. agrees to participate in good faith in the contract process as described in the RFB and to adhere to the Township's procurement schedule.
3. New Jersey-American Water Company, Inc. acknowledges that all costs incurred by it in connection with the preparation and submission of the Bid prepared and submitted in response to the RFB, or any negotiation which results from this RFB shall be borne exclusively by the Bidder.
4. New Jersey-American Water Company, Inc. hereby declares that the only persons participating in this Bid as Principals are named herein and that no person other than those herein mentioned has any participation in this Bid or in any contract to be entered into with respect thereto. Additional persons may subsequently be included as participating Principals, but only if acceptable to the Township
5. New Jersey-American Water Company, Inc. declares that this Bid is made without connection with any other person, firm or parties who has submitted a Bid, except as expressly set forth below and that it has been prepared and has been submitted in good faith and without collusion or fraud.
6. New Jersey-American Water Company, Inc. acknowledge and agrees that the Township may modify, amend, suspend and/or terminate the procurement process (in its sole judgment). In any case, the Township shall not have any liability to the Bidder for any costs incurred by the Bidder with respect to the contract activities described in this RFB.

Cheryl D. Norton, President
New Jersey-American Water Company, Inc.

May 28, 2019

Dated

TAB 6



BID FORM 5

ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA OR REVISIONS (IF ANY)

Bidder has examined and carefully studied the RFB, the other related data identified in the RFB, if any, and the following Addenda, receipt of all of which is hereby acknowledged.

<u>Addendum No.</u>	<u>Date Received</u>	<u>Addendum No.</u>	<u>Date Received</u>
<u>#1</u>	<u>May 13, 2019</u>	<u> </u>	<u> </u>
<u>#2</u>	<u>May 23, 2019</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

New Jersey-American Water Company, Inc.
Name of Bidder

Cheryl D. Norton
Signature

Cheryl D. Norton, President
Title

TAB 7



OWNERSHIP DISCLOSURE AFFIDAVIT

STATE OF NEW JERSEY :
:
COUNTY OF CAMDEN :

I, STEPHEN R. BISHOP, having been duly sworn according to law, hereby depose and say as follows:

1. I am the Assistant Secretary of New Jersey-American Water Company, Inc. (the "Company"), a New Jersey public utility corporation, having its principal offices at One Water Street, Camden, NJ 08102.
2. I am authorized on behalf of the Company to submit this Affidavit regarding any holders of a 10% or more interest in the stock of the Company.
3. The following entity owns 10% or more of the common stock of New Jersey-American Water Company, Inc.:

American Water Works Company, Inc.
One Water Street
Camden, NJ 08102

4. American Water Works Company, Inc. is publicly traded on the New York Stock Exchange.
5. The name and address of the registered agent of the Company is:

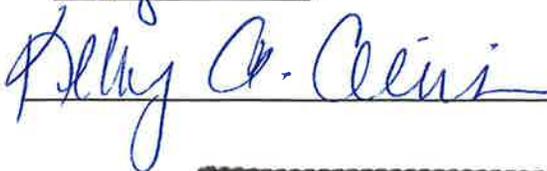
National Registered Agents, Inc. of NJ
100 Canal Pointe Blvd.
Suite 108
Princeton, NJ 08540

6. All of the foregoing information is true and accurate as of the date hereof to the best of my knowledge, information and belief.

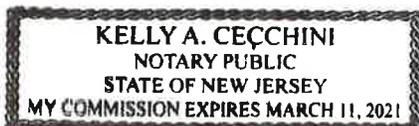


STEPHEN R. BISHOP

Sworn to and subscribed
before me this 20th day
of May, 2019



KELLY A. CECCHINI



TAB 8



SOLUTIONS. ONE MORE WAY WE KEEP LIFE FLOWING.



TAB 9



DISCLOSURE OF ENERGY SECTOR INVESTMENT ACTIVITIES IN IRAN
New Jersey Public Law 2012, Chapter 25

Bidder / Respondent: New Jersey American Water Company, Inc.

PART 1 — CERTIFICATION — CHECK THE APPROPRIATE BOX:

A. I certify that neither the Bidder / Respondent nor any of the Bidder's / Respondent's parents, subsidiaries, or affiliates, as defined in C.52:32-56(e), is on the "Chapter 25 List" created and maintained by the New Jersey Department of the Treasury, as a person or entity engaging in the energy sector investment activities in Iran described in C.52:32-56(f). The Chapter 25 List may be found at <http://www.state.nj.us/treasury/purchase/pc1Chapter25List.pdf>

OR

B. The Bidder / Respondent and/or one or more of its parents, subsidiaries or affiliates is a person or entity on the Chapter 25 List referred to above. A detailed and precise description of the relevant activities of the listed Bidder / Respondent and/or listed parents, subsidiaries or affiliates is provided in Part 2 below.

PART 2 — ADDITIONAL INFORMATION — COMPLETE PART 2 ONLY IF B. IN PART 1 IS CHECKED:

The following is an accurate and precise description of the energy sector investment activities in Iran of the Bidder / Respondent and/or listed parents, subsidiaries or affiliates, on the Chapter 25 List (attach additional pages as necessary to make full disclosure):

Name of Person(s) or Entity(ies) on the Chapter 25 List: _____

Relationship to Bidder / Respondent: _____

Description of Activities: _____

Duration of Engagement: _____ Anticipated Cessation Date: _____

Bidder / Respondent Contact Name: _____ Contact Phone Number: _____

Check here if additional pages are attached and state number of attached pages: _____ (Number of pages attached.)

CERTIFICATION FOR PART 1 AND, IF APPLICABLE, PART 2: I, being of full age, hereby certify that the foregoing information and any attachments hereto are to the best of my knowledge true and complete. I certify that I am authorized to execute this certification on behalf of the Respondent. I acknowledge that the Borough will rely on the information contained herein and thereby acknowledge that I and the Bidder / Respondent are under a continuing obligation from the date of this certification through the completion of any contracts with the Borough to notify the Borough in writing of any changes to the answers or information contained herein.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me is willfully false, I am subject to punishment and the Bidder / Respondent is subject to the penalties stated in C. 52:32-59 and C. 40A:11-2.1.

Full Name (Print) Cheryl D. Norton Signature: Cheryl D. Norton

Title: President Date: May 22, 2019

TAB 10



**BID FOR THE SALE OF THE LONG HILL
WASTEWATER UTILITY**



**STATE OF NEW JERSEY
BUSINESS REGISTRATION CERTIFICATE**

Taxpayer Name: NEW JERSEY-AMERICAN WATER COMPANY, INC.
Trade Name:
Address: 1 WATER STREET
CAMDEN, NJ 08102
Certificate Number: 0062743
Effective Date: August 24, 1915
Date of Issuance: May 10, 2019

For Office Use Only:
20190510120438961

TAB 11



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



11. Qualifications and Experience of Bidder

New Jersey American Water has relevant experience in successfully acquiring systems similar to Long Hill Township's, having completed the acquisition of the Borough of Haddonfield's (Camden County, NJ) water and wastewater systems in 2015. In a November 2014 referendum on the sale, the electorate in Haddonfield voted overwhelmingly to support the Borough's decision to sell to New Jersey American Water. Our acquisition of the Environmental Disposal Corporation's (Somerset County, NJ), a private wastewater collection and treatment system in 2016 is another example of a successful acquisition requiring multiple layers of approvals and a successful transition and integration for customers.

Serving more than one out of every three people in the state, New Jersey American Water has been providing high-quality, reliable water and wastewater service to customers across New Jersey for more than a century. New Jersey American Water is the largest water services

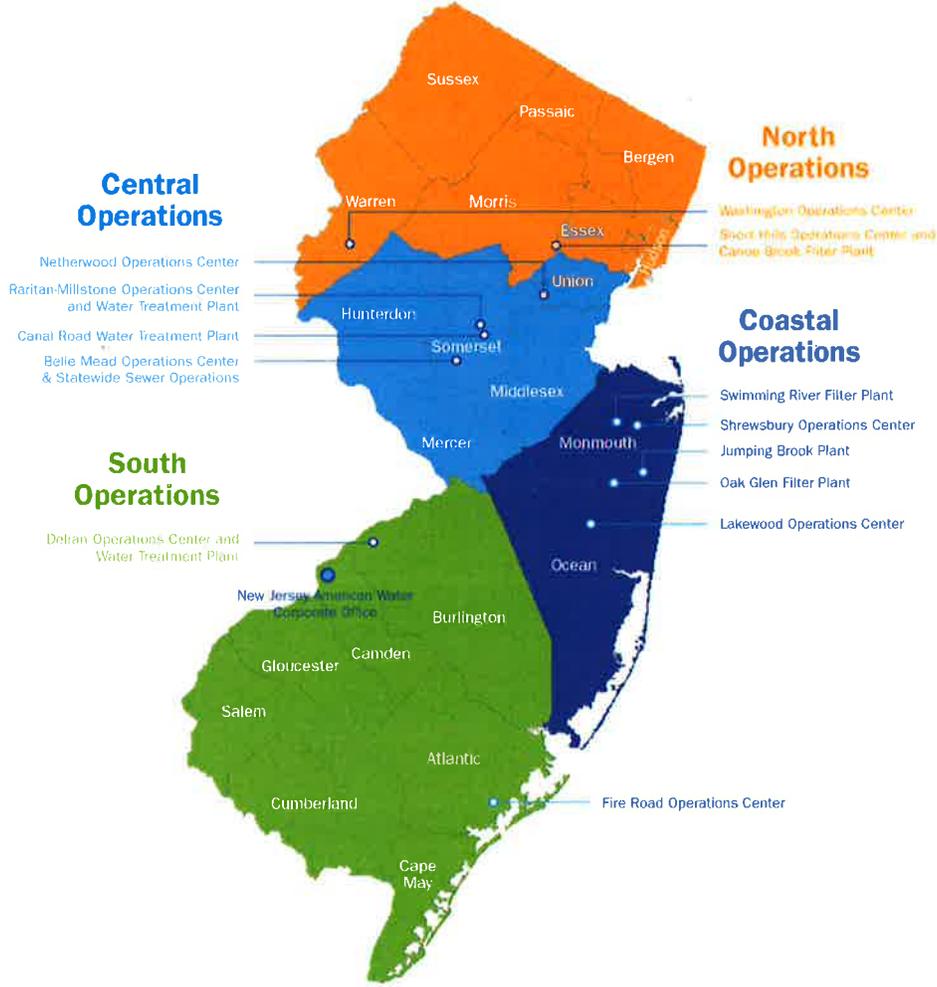
company in the state, serving approximately 2.7 million people in 192 communities in 19 counties. New Jersey American Water employs more than 800 individuals, including water quality specialists, distribution, collection and field service personnel, plant operators, meter readers and engineers, carry out the company's foremost responsibility of providing high-quality, reliable water and wastewater service to our customers around the clock. Our team of experts continuously monitor, maintain and upgrade our facilities to ensure that they operate efficiently and meet all regulatory standards.



New Jersey American Water conducts its operations in four major service areas throughout the state of New Jersey (see map below). The Long Hill Township water system is managed from the Company's Short Hills Operations Center located in Millburn, NJ in our North Operations area. The Short Hills Operations Center is comprised of 90 employees who work to assure reliable delivery of more than 40 million gallons a day of water through a network of 1,233 miles of water mains to serve more than 90,000 customer connections and treats and collects approximately 1.4 million gallons per day to serve 5,300 customers in the North Operations area.



NEW JERSEY OPERATIONS



New Jersey American Water is a wastewater solutions provider that delivers valuable, cost-efficient and environmentally sound solutions for municipalities and organizations requiring a partner with experience, resources and proven expertise. We currently own and/or operate 26 wastewater systems with 20 wastewater treatment plants, 36 lift stations and more than 400 miles of collection pipe. All our operations have achieved full compliance with federal and state wastewater environmental regulations.

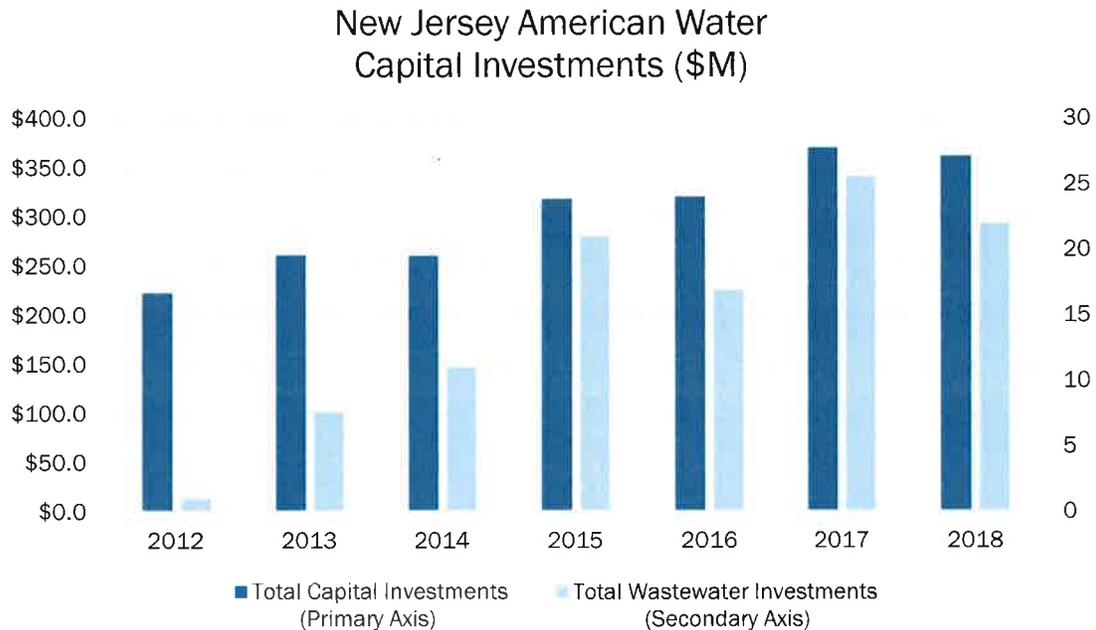
New Jersey American Water invests approximately \$360 million annually – nearly \$1 million a day – to make improvements to our infrastructure across the state. In 2018, our capital investments included more than \$22 million in wastewater mains, treatment plants and lift

BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



stations. With 650,000 customer accounts serving 2.7 million people statewide, New Jersey American Water has a large customer base over which to spread investments into our systems. Our significant expertise in managing and operating water and wastewater systems, with great economies of scale, provides much greater levels of efficiency and lower costs for purchasing, engineering and construction.

The graph below shows New Jersey American Water's ongoing commitment to infrastructure renewal.



The following are some examples of our expertise in managing wastewater systems in New Jersey.

Haddonfield Borough (Camden County)

New Jersey American Water purchased the Borough of Haddonfield's water and wastewater systems in 2015. The capital needs identified by the Borough, as well as additional improvements to the systems identified during our pre-acquisition inspection process were prioritized and included in the company's capital plan. At the time of the acquisition, New Jersey American Water committed to spending \$16 million in the first five years on needed improvements in the Borough's utility systems with \$6.5 million to be spent in the first 12 months to expeditiously replace two key sewer mains and reconstruct two pump stations. In just the first two years after the acquisition, all of the committed investments were made and more are being planned.

BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



Ocean City (Cape May County)

New Jersey American Water provides sewer collection service to the residents of Ocean City, NJ. The sewer collection system serves nearly 15,000 customers and includes approximately 78 miles of gravity sewer lines ranging in diameter from 6 to 27 inches, 7 miles of force mains ranging in diameter from 4 to 24 inches, 9 lift stations and 1,800 manholes. A thorough infiltration and inflow investigation and a condition-based assessment of the collection system were recently completed and over \$85 million of recommended improvement projects were identified. The implementation of a number of these projects has commenced and the balance will be included in our capital plan according to their priority.

Lakewood Township (Ocean County)

This sewer collection system is located in the western part of Lakewood Township and serves approximately 11,000 accounts with a population of approximately 40,000. It is a rapidly developing area in Ocean County with new construction continuing in all directions from the core of the sewerage system.

Wastewater is collected within five basins and then disposed of via five trunk lines to the 66-inch diameter interceptor sewer of the Ocean County Utilities Authority. The Lakewood system is comprised of approximately 95 miles of gravity sewer mains, 14 lift stations and 2,700 manholes. The oldest parts of the system date back to 1890.



Howell Township (Monmouth County)

New Jersey American Water acquired the Adelpia Water Company in 1998. Today that system provides water service to approximately 10,000 accounts and wastewater collection service to approximately 4,100 accounts. This sewer collection system, while located in Howell Township, is operated and maintained by our Lakewood Operations Center team. Wastewater is collected and sent to the Ocean County Utilities Authority for treatment. Our Howell system is comprised of approximately 27 miles of gravity sewer mains, 2 lift stations and 565 manholes.

New Jersey American Water “Statewide Wastewater Operation”

In addition to the municipal systems above, New Jersey American Water owns and operates 21 wastewater systems in what is known as our “Statewide Wastewater Operation.” This Operation is managed by Manoj Patel, 23 year veteran of American Water who is a New Jersey licensed professional engineer and a project management professional.

BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



These systems serve more than 10,000 customer connections via 91 miles of sewer main, 2,500 manholes and 20 wastewater treatment plants that treat and discharge a combined 3.6 million gallons per day. More than 33% of that is discharged to a surface water body, similar to the way the Township discharges its treated effluent.

The largest system within our Statewide Wastewater Operation is the Environmental Disposal Corporation ("EDC") system in Somerset County, NJ, approximately 10 miles from the Township. This system provides wastewater collection and treatment for the residents of the Hills Development, a planned community serving 5,300 homes in 29 distinct developments with a contiguous collection system located in Bedminster and Bernards Townships. In addition, the wastewater treatment plant provides bulk-wastewater treatment for 3 municipalities (Bedminster, Far Hills and Peapack-Gladstone). Placed in service in 1984, the EDC wastewater treatment plant has a design capacity of 2.1 MGD and today has a combined average flow of 1.4 MGD. The EDC collection system is comprised of approximately 35 miles of mains and 1,075 manholes.

Elizabeth Water and Wastewater Systems (Contract Operations Agreement)

A subsidiary of New Jersey American Water entered into a 40-year contract with Elizabeth in the mid-1990s for the operation and maintenance of the municipal water system. Four years later, a separate 20-year O&M contract for the City's wastewater system was signed. The wastewater system was nearly 150 years old and was experiencing many collapses due to aging clay pipe and brick manholes eroded by roadway salt. The company is responsible for the system's 190 miles of combined sewer mains with diameters from 8 to 72 inches, three sanitary sewer pump stations, six stormwater pump stations, 36 combined sewer outfalls with bar screens and over 75 netting facilities, inspection and cleaning of 3,248 catch basins every year, and the cleaning of the entire sewer system every five years. New Jersey American Water recently invested \$3 million to rehabilitate the brick sewer system, and to date has spent more than \$800,000 toward this effort.

Why New Jersey American

Proven

New Jersey American Water has a strong track record of meeting customer service requirements in our New Jersey service territory. We provide a seamless transition and have developed mature environmental sustainability and stewardship programs to ensure environmental protection of our most precious resource.

We provide the latest in industry best practices and standards, regulatory compliance and quality management processes for local municipalities we serve. We will bring these practices and processes to the Long Hill wastewater system ensuring reliability

Reliability

We provide consistent, reliable 24/7 utility operations to meet our customers' needs. We have



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BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



well established Emergency Response Plans, contingency plans and Standard Operating Procedures in place to effectively serve the Long Hill wastewater customers.

We have business process utility integration that includes SCADA, and integrated GIS and asset management plans in order to ensure safe and reliable service to our customers.

Health and Safety

New Jersey American Water considers health and safety to be one of its highest priorities. In fact, it is not only a goal, but one of our company's core values. New Jersey American Water starts all meetings with a safety message, we share near miss situations with all employees and we ensure all employees and contractors are informed of the nature and degree of exposure to hazards that are likely to result from performance of work activities. This ensures that prior to performing any work activities, all personnel entering the site have received the applicable OSHA and project-specific training required.

Health and safety training consists of a variety of forums of learning including lectures, workshops and hands-on training. We ensure specialized safety training is conducted on subjects such as: Confined Space Entry, Lock Out/Tag Out, Ergonomics, Accident Reporting and Investigation, and Hazard Communication.

Safety | A Value & A Strategy



- Peer-to Peer Observations
- Job Safety Briefs
- NovaCare Program
- OSHA Compliant Training
- Supervisor Inspection and Feedback
- Near miss, first aid, incident investigations

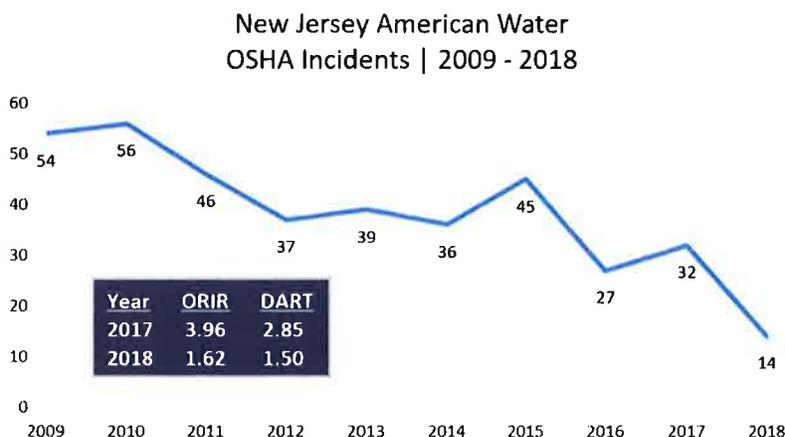
- Monthly Life Saving Rule Reinforcement
- PPE posters
- Certified Safe Worker Program



Marcia Wiggon
Project Manager - Operations



The implementation of the previously discussed initiatives and other health and safety programs has resulted in a fifty percent (50%) reduction in OSHA Recordable Incidents Rate (ORIR) and Days Away Restrictive Transfer Time Rate (DART) from 2017 to 2018. The chart below shows the number of OSHA incidents from 2009-2018.



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



Resolution of Wastewater Issues

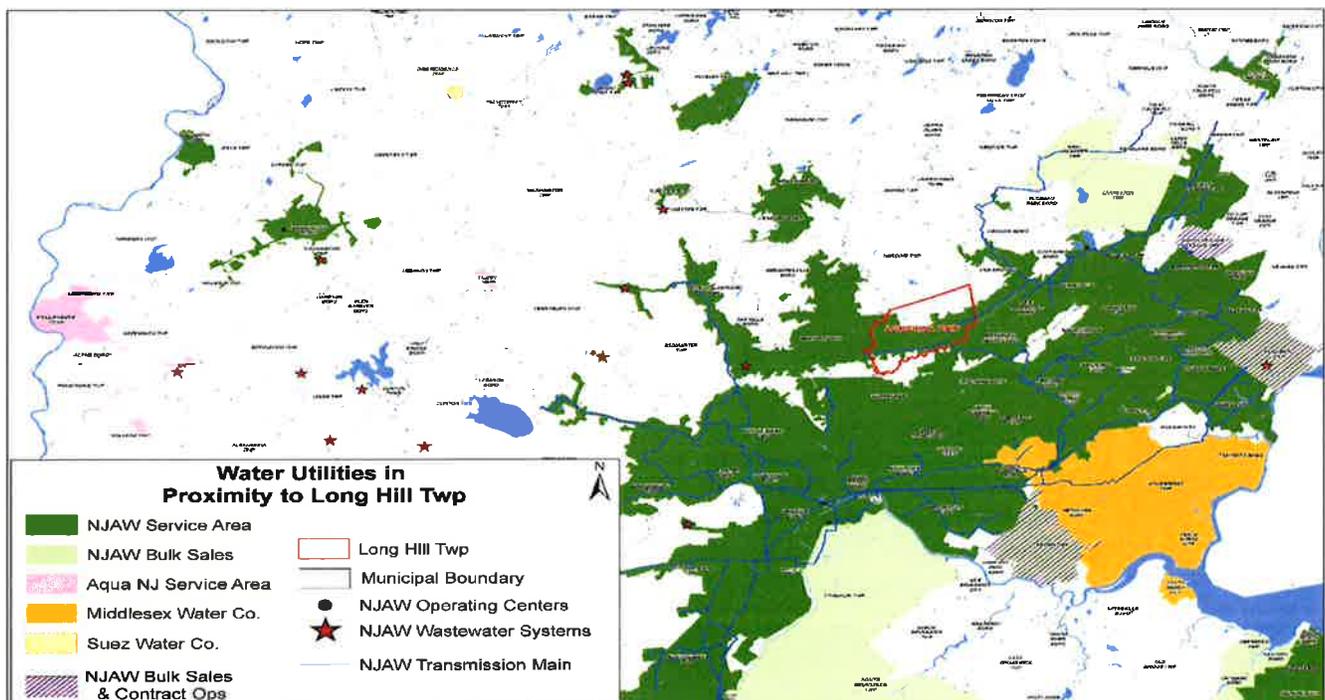
Wastewater emergencies are given the highest priority because of the possible health risk exposure to customers, environmental contamination and damage to residents' property. In the event of an emergency, residents would call our toll-free number to report the situation. Incoming calls on the emergency phone line are answered by our employees in the Field Resource Coordination Center (FRCC), The Field Resource Coordination Center is open 24 hours a day, 7 days a week. This representative routes the information directly to the crew in the field who will then investigate and take the appropriate action.

Proximity

New Jersey American Water's proximity to the Long Hill Township wastewater system ensures the residents a partner that can respond in a timely manner in the event of an emergency and the local regulatory and operational experience to provide the lowest performance risk. We have an experienced team that manages aging infrastructure in and around the Long Hill area of the same size, scope, complexity as the Long Hill wastewater system.

Our track record of delivering highly reliable water and wastewater utility service operations and management and capital planning experience throughout the northern region and the state provides Long Hill with the best value to meet the bid requirements.

New Jersey American Water has outstanding regional operations service support with bench strength for quick response. The map below depicts our service territory in proximity to the Long Hill system and further depicts by red stars the wastewater systems in the area we own and operate. This local presence is a significant resource that is required to meet long-term day to day and disaster/contingency situations for our Long Hill customers.



TAB 12



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY

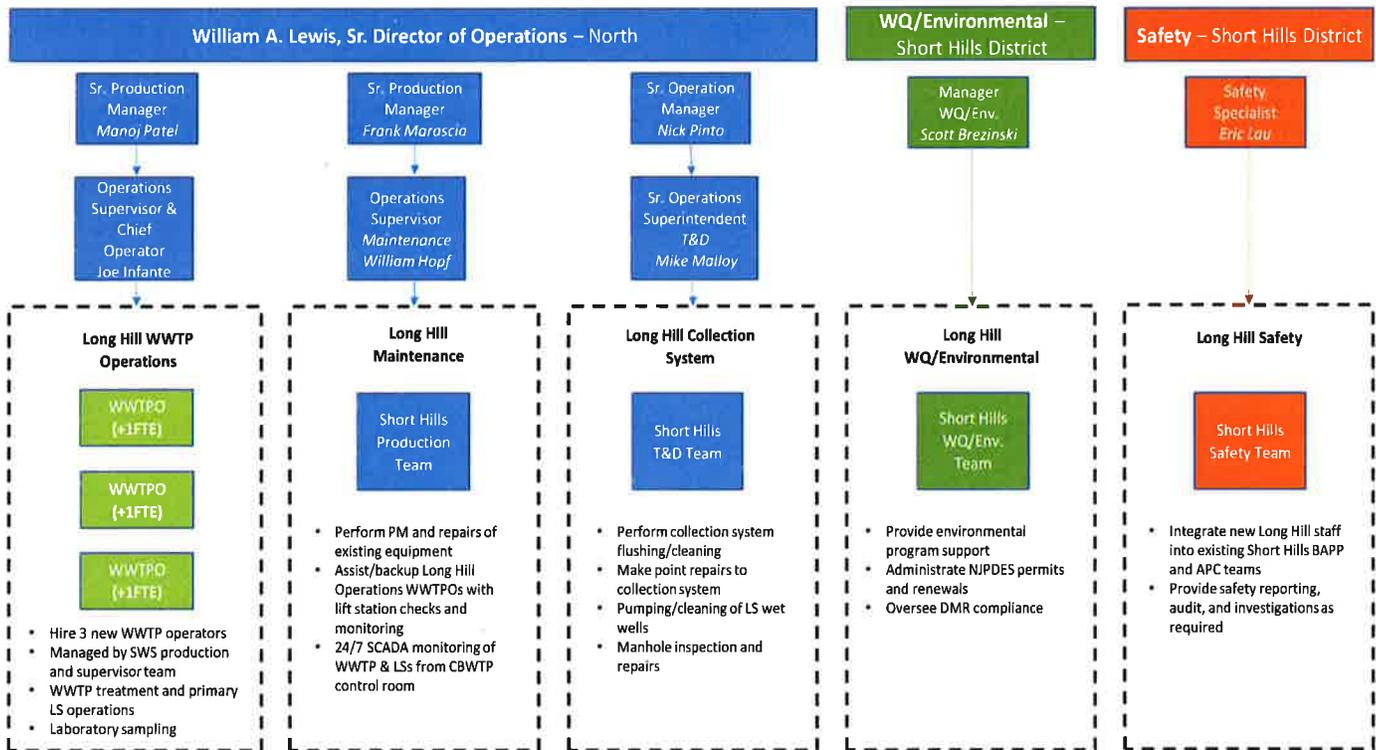


12. QUALIFICATIONS AND EXPERIENCE OF KEY PERSONNEL

New Jersey American Water would integrate the Long Hill wastewater operation into our North Operations Area. Enclosed herein are bios for some of the key personnel that will be involved in the operation of the Township's wastewater system. In addition, New Jersey American Water employs 80 employees with NJDEP Collection System licenses, 9 employees with Sewage Treatment licenses and 13 employees with Industrial Treatment licenses, including Joseph Infante who holds the necessary licenses to operate the Long Hill system. Below is the Operational Staffing Plan.

Key Personnel	Years of Experience
William Lewis	24
Manoj Patel	23
Anthony Matarazzo	29
Frank Marascia	20
Nick Pinto	35
Joseph Infante	10

Operational Staffing



William Lewis, Sr. Director of Operations for New Jersey American Water

Mr. Lewis is responsible for the operation and maintenance of the water transmission and distribution infrastructure, water production facilities, wastewater treatment facilities, wastewater collection systems, meters, new construction, financial results, safety and customer relations within the North Operations of New Jersey American Water. Mr. Lewis joined American



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BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



Water in 2006 as a water and wastewater system Utility Manager with American Water's Military Services Group. In this role he was responsible for all utility operations and federal Department of Defense contract management for American Water's 50 year contract at Fort Leavenworth, KS. In 2008, he accepted the position of Regional Manager of Operations overseeing four of American Water's military water and wastewater contracts in Oklahoma, Kansas, Texas, and Illinois. Between 2011 and 2017 he held progressively responsible positions in the American Water Military Services Group such as Regional Manager of Capital Programs, Director of Technical Support, and Director of Growth and Development. Mr. Lewis holds a Bachelor of Science degree from Miami University in Oxford, OH.

Manoj Patel P.E., PMP, Sr. Manager of Production – New Jersey American

Mr. Patel oversees 20 wastewater systems in four sewer districts, geographically spread across nine counties in New Jersey that include both collection and treatment, including the recent Environmental Disposal Corporation acquisition in Somerset County.

Mr. Patel has over 23 years of experience. He joined New Jersey American Water in 2002 and has an extensive background in civil engineering and project management. Mr. Patel has held increasing positions of responsibility within the New Jersey American Water engineering department including hydraulic analysis, project engineering and management. Prior to joining the Operations team, Mr. Patel served as a Senior Engineer – Team Lead and successfully delivered more than \$75M worth of operationally critical water and wastewater system infrastructure improvements. Prior to joining New Jersey American Water, Mr. Patel worked in the consulting engineering field where he performed design and construction management of sewer and stormwater systems for municipalities and a regional transportation authority.

Mr. Patel holds a bachelors and master's degree in civil engineering from the New Jersey Institute of Technology, NJ. Mr. Patel is a New Jersey licensed professional engineer and a project management professional.

Joseph Infante, Operations Supervisor – New Jersey American

Mr. Infante is the Operations Supervisor for New Jersey American, where he oversees the wastewater collection and treatment for 20 wastewater systems, including Environmental Disposal Corp. In addition, he provides technical resources to the American Water Wastewater Center of Expertise (WWCOE) group.

Mr. Infante has over 10 years of extensive experience in the water and wastewater system operation and maintenance, including serving as the Assistant Plant Operator of a municipal wastewater collection and treatment facility. Mr. Infante holds Wastewater C3/S3 and Water T2/W2 licenses from the New Jersey Department of Environmental Protection.

Anthony Matarazzo, Director Environmental Health and Safety Audit for American Water

Mr. Matarazzo oversees Drinking Water and Wastewater Compliance, Laboratory Services, as well as Environmental Permitting and Planning for New Jersey American Water, which includes



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



36 regulated and non-regulated drinking water and 22 wastewater operations throughout the state.

His current responsibilities include the development and management of programs to assure compliance with federal, state, and local environmental regulations for all New Jersey American Water operations, which serves over 2.7 million residents.

Mr. Matarazzo has been employed by the American Water Company for 16 years and the former Elizabethtown Water Company for 13 years for a total of 29 years of continuous service. Mr. Matarazzo joined the former Elizabethtown Water Company in 1990 as an Environmental Specialist in the Plant Operations Department and was promoted to Environmental Coordinator, Environmental Administrator and eventually, Environmental Manager. Much of the Water Quality information and knowledge was attained through the various roles and increasing responsibilities within Elizabethtown Water Company's Plant Operations group.

Mr. Matarazzo joined the American Water team in 2003 when he was promoted to the position of Northeast Region Director, Environmental Management and Compliance. In this role he had environmental compliance responsibilities for American Water's regulated and non-regulated business units in New Jersey, Long Island and Buffalo, New York, Westbury Connecticut, along with Dedham and Cohasset Massachusetts.

Mr. Matarazzo holds an M.A. in Environmental Management from Montclair State University and a B.S. in Biology from Rutgers University. Mr. Matarazzo is a New Jersey licensed Environmental Health Specialist, licensed Water Treatment Plant (T3) and Water Distribution System (W2) Operator and a licensed Industrial Wastewater Operator (N2).

Frank Marascia, Sr. Manager of Production for New Jersey American

Frank J. Marascia has over 20 years of public water utility, water quality, environmental, and regulatory experience. In his current position he is the Production Manager for the New Jersey American Water's North Operations and is their W4 Licensed Operator of Record. Mr. Marascia worked previously as the 1.) Director of Water Utility for the City of New Brunswick, 2.) Treatment & Pumping Supervisor/Regulatory Specialist for the Southeast Morris County M.U.A., 3.) Water Quality Supervisor for the Elizabethtown Water Company, and 4.) Hydrologist for the United States Geological Survey, Water Resources Division.

During his career Mr. Marascia has been an active member of the American Water Works Association – New Jersey Section. He served as Chair of the Research & Technology Transfer Committee from 2007 to 2010 and as Chair of the Licensed Operator Committee from 2015 to 2018.

Mr. Marascia is a recognized professional in the water community and is a frequent presenter at water educational events, both locally and nationally. He has spoken on a variety of topics ranging from regulatory issues to lead in drinking water in public schools.

In 2014, Mr. Marascia was awarded the Harold V. Florence Jr. Operator's Meritorious Service



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



Award – Operator of the Year by the American Water Works – New Jersey Section for fostering a higher degree of excellence, learning, initiative, and resourcefulness to bear in the operation of a public water supply system.

Mr. Marascia holds a Bachelor of Science in Environmental Science from Stockton State College and Bachelor of Science in Geology from Rutgers University. In addition, he holds a T4, W4, and N2 license from the NJDEP.

Nick Pinto, Sr. Manager of Field Operations for New Jersey American Water, North Operations

Mr. Pinto is responsible for the daily operation and maintenance of the water and wastewater systems, safety and the customer field service groups within the Short Hills, North Operations of New Jersey American Water.

Mr. Pinto joined New Jersey American Water in 1982 as a Filter Operator at the Canoe Brook Filtration Plant. In 1987 he accepted a position as a production supervisor and joined the production management group. Between 1987 and present 2015, he has held progressively responsible positions in the production, customer field service and operations group such as Assistant Superintendent, Superintendent, and Field Operations Manager.

Mr. Pinto holds W2 and T3 licenses from the NJDEP.

Mike Malloy, Sr. Superintendent of Field Operations for New Jersey American Water, North Operations

Mr. Malloy, a resident of the Stirling section of Long Hill Township, is responsible for leading the day-to-day management, development and operation of water transmission and distribution network operations for the North Operations area of New Jersey American Water. In this role, he leads water network maintenance, field service teams and the planning and construction of extensions and improvements to the distribution network.

Mr. Malloy joined New Jersey American Water in 2016 as a Project Manager within the Operations group. In this role, Mr. Malloy managed projects focusing primarily on contract operations, emergency response, and safety and operations process improvement. Prior to joining New Jersey American Water, Mr. Malloy spent over 11 years leading multi-disciplinary design teams at a major consulting engineering firm. His experience also include over 9 years as an engineer officer in the Army Reserve, including deployment to the Middle East. He has served in various command and staff leadership roles in the military and currently holds the rank of Captain.

Mr. Malloy holds an M.A. in Engineering Management from New Jersey Institute of Technology and a B.S. in Environmental Planning & Design from Rutgers University. Mr. Malloy is a certified Project Management Professional, licensed Professional Planner and a graduate of the U.S. Army Engineer School.



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



Scott H. Brezinski, Manager of Water Quality and Environmental Compliance for New Jersey American Water, North Operations

Mr. Brezinski is responsible for ensuring regulatory compliance for eleven drinking water systems and eight wastewater systems in his service territory. Other responsibilities include coordinating compliance sampling, overseeing a certified laboratory, managing environmental permit compliance, and handling customer complaints.

Mr. Brezinski joined New Jersey American Water in 2005 as a Laboratory Technician and has successfully held numerous positions in the Water Quality and Production Departments. Mr. Brezinski is a member of American Water Works Association and actively participates in the New Jersey section of AWWA. Mr. Brezinski holds a bachelor's degree in Biology from Drew University and holds a T-4 license from the NJDEP.

Currently he is the licensed operator for the Village of South Orange drinking water system. Mr. Brezinski joined New Jersey American Water in 2005 as a Laboratory Technician and has successfully held numerous positions in the Water Quality Department. He most recently served as a Water Quality Supervisor in the Passaic Operating Area.

Eric Lau, Senior Specialist of Health & Safety, for New Jersey American Water

Mr. Lau is responsible for leading the day-to-day safety activities for North Operations of New Jersey American Water. In this role, he conducts training, inspections, hazard analysis, injury prevention and CDL drivers' compliances.

Mr. Lau joined American Water in 2003 as a Health and Safety Coordinator within the non-regulated division and transferred into NJ American Water in 2008. Prior to joining American Water, Mr. Lau spent over 20 years with major companies as a safety professional. Other experiences included laboratory and production management.

Mr. Lau holds a B.S. degree in Biochemistry from the City University of New York. Mr. Lau is a member of the New Jersey Utilities Association health and safety committee.



TAB 13



BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



13. REGULATORY COMPLIANCE

New Jersey American Water is a wastewater solutions provider that delivers valuable, cost-efficient and environmentally sound solutions for municipalities and organizations requiring a partner with experience, resources and proven expertise. We currently own and/or operate 26 wastewater systems with 20 wastewater treatment plants, 38 lift stations and more than 400 miles of collection pipe. None of our operations have had any material violations of state or federal environmental regulations.



TAB 14



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BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



14. OTHER WASTEWATER SYSTEM ACQUISITIONS

New Jersey American Water is in the process of acquiring the Borough of Mount Ephraim's wastewater system, which is anticipated to close in June 2019 and acquired the Borough of Haddonfield's wastewater system in 2015.

Borough of Mount Ephraim, NJ

Mount Ephraim sold their municipal water system to New Jersey American Water in 2007. After more than a decade of quality water service, the Borough Commissioners unanimously decided that seeking bids for their wastewater system would be prudent as well. They placed their municipal wastewater system out to bid in 2018. New Jersey American Water was the successful bidder at \$1.4 million. The matter was put to a public referendum on November 6, 2018 and voters overwhelmingly approved the measure – 79% Yes to 21% No. The transaction is scheduled to close in June 2019.

Mount Ephraim required, and New Jersey American Water agreed, to adopt the Borough's existing flat rates and freeze them for two (2) years. Thereafter, increases must be limited to no more than 3% per year for the next three (3) years of a five (5) year binding rate plan. As New Jersey American Water already provides water service to the vast majority of the Borough's wastewater customers, we will be adding the wastewater charges to the existing water bills, providing customers with one monthly bill that clearly identifies the charges associated with water and the charges associated with wastewater.

This plan, while it adopts the existing rates, will alter the frequency with which Borough residents pay for wastewater. Under our proposed approach, billing for wastewater would become monthly with the current annual charges split into twelve (12) equal monthly installments. Monthly billing provides customers with smaller bills and makes it easier, especially for those on fixed incomes, to include the cost of wastewater service into their monthly household budget. In addition, this change to billing will extend the conveniences of New Jersey American Water's online, paperless billing and auto bill pay features to wastewater charges - one monthly bill, one monthly payment and less hassle for customers.

The Company agreed to invest more than \$4.0 million in the first four (4) years of owning the Borough's wastewater system. Improvements will include upgrades and/or replacement of the two (2) existing pump stations, the addition of remote monitoring (SCADA) and alarm equipment at the pump stations, GIS/GPS mapping of the entire collection system and routine main replacements.

Borough of Haddonfield, NJ

The Borough of Haddonfield's 9,000 customer system (4,500 water; 4,500 wastewater) was faced with the need to invest in excess of \$50 million over the next 30 years to maintain an acceptable level of service for its residents. The year before the sale, the Borough was forced to increase rates by 25% to pay for recent capital upgrades, and this was just the "tip of the iceberg" for this small community in southern New Jersey. An all-volunteer Community Advisory



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Committee and the three (3) Borough Commissioners unanimously agreed that selling the system would be in the best interest of the Borough’s residents. New Jersey American Water was the successful bidder at \$28.5 million and the matter was put to a public referendum on November 4, 2014. Voters approved the measure by a nearly 2 to 1 margin.

Upon closing the acquisition in May 2015, New Jersey American Water adopted the Haddonfield tiered rate structure and agreed to freeze the water rates for a minimum of three (3) years. While Haddonfield did not request a similar freeze for wastewater rates, due to the timing of the Company’s rate case filing, the Haddonfield residents also experienced in excess of a three (3) year freeze on wastewater rates.

The Borough increased rates in February 2014, just prior to putting the systems out to bid. These were the rates adopted by NJAW upon closing in May 2015 and they did not change until June 2018. Today, an average residential wastewater customer in Haddonfield using 5.0 thousand gallons of water per month would pay just \$2 per month more than they did in 2014. That equates to an approximately 2.5% average annual increase, in-line with the Company’s commitment to keep rate increases to between 2-4% annually.

Project Types – Wastewater	Amount (thru 2018)
Main Replacements	\$2,300,000
Main & Lateral Lining	\$1,800,000
Service Replacements	\$900,000
Pump Stations	\$8,400,000
Total	\$13,400,000

Project Types – Water	Amount (thru 2018)
Interconnections	\$1,200,000
Main Replacements	\$2,400,000
Valves & Hydrants	\$700,000
Service Replacements	\$900,000
Total	\$5,200,000

Most importantly, in our bid to acquire the Haddonfield systems, the Company committed to invest \$6.5 million in the first 12 months and \$16 million within the first five years to address critical infrastructure needs. In just three years, New Jersey American Water exceeded that commitment by investing more than \$18 million on needed capital improvement projects. The projects include water and wastewater main replacements, wastewater main and lateral linings, hydrant and valve replacements, and the installation of three (3) new wastewater pump stations. As mentioned above, we did all this while freezing water and wastewater rates for more than three years.

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BID FORM 3

PURCHASE PRICE

Total Purchase Price: Bidder hereby proposes a TOTAL PURCHASE PRICE in accordance with the RFB for the assets described therein at an amount set forth in words as follows:

Twelve Million, Seven Hundred Thousand Dollars and no cents

and in dollars as follows:

\$12,700,000.00

(Bidders acknowledge that in case of discrepancy, the amount in words will govern)

Plus an amount of \$100,000 payable to Seller for Transaction Reimbursement Costs.

New Jersey American Water Company, Inc.

Name of Bidder

Cheryl D. Norton

Signature

Cheryl D. Norton, President

Title

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16. FINANCIAL STRENGTH

Financial Capacity to Make Upfront Payments

New Jersey American Water has the requisite financing capacity, including access to capital through its parent company, American Water, to meet all obligations that may be agreed to by the parties during negotiations.

Balance Sheet and Operating Performance Strength

New Jersey American Water is the state's largest water and wastewater purveyor with total assets of nearly \$4.5 billion and annual revenues of \$723 million reported in 2018. New Jersey American Water's 2018 operating results include generating operating income of approximately \$238 million and net income of approximately \$142 million. These operating results produced cash flows from operations of approximately \$274 million.

In addition to its own financial resources, New Jersey American Water also has access to capital through American Water, the largest and most geographically diversified publicly traded water and wastewater utility company in the U.S. with a market capitalization of approximately \$20.2 billion as of market closing on May 29, 2019.

American Water reported total assets of over \$21 billion in its 2018 10-K filing. Additionally, American Water reported operating income of \$1.1 billion and net income of approximately \$567 million on revenues of approximately \$3.4 billion. These operating results produced cash flows from operations of over \$1.3 billion in 2018.

Ability to Raise Financing

- **Lines of Credit.** New Jersey American Water has sufficient liquidity through a \$400 million line of credit through American Water. American Water has access to a \$2.25 billion revolving credit facility.
- **Debt Capital Markets.** American Water accesses the debt capital markets, including the commercial paper market, primarily through American Water Capital Corp., a wholly owned subsidiary of American Water. American Water has a \$2.1 billion commercial paper program and regularly accesses the debt capital markets, most recently raising \$1.100 billion of senior unsecured notes in 2019, \$1.325 billion in 2018, and \$1.350 billion in 2017.
- **Low-cost State Funding.** In order to keep customer bills as low as possible New Jersey American Water also uses low-cost financing through the New Jersey Infrastructure Bank (formerly known as the New Jersey Environmental Infrastructure Trust, or NJEIT).

Credit Ratings

New Jersey American Water and American Water carry strong corporate credit ratings as follows:

- New Jersey American Water carries a corporate credit rating of "A3" from Moody's Investors Services ("Moody's") and an "A" rating from Standard and Poor's ("S&P") Rating Services.
- American Water carries a corporate credit rating of "Baa1" from Moody's and an "A" rating from S&P.



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Equity Capital Markets

American Water's financial capabilities are well-known in the equity investment community. The Company is currently being tracked by various independent analysts employed by investment firms who provide equity research and ratings on the Company's stock.

Financial Statements

Provided herein (jump drive on back cover) are New Jersey American Water's audited financial statements for the years 2016, 2017 and 2018. American Water's audited financial statements and Annual Reports can be found on the Investor Relations page of our website (<http://ir.amwater.com/>).

Acquisition Experience

New Jersey American Water is experienced in undertaking and completing water and wastewater system acquisitions with public and private sector owners and successfully incorporating the assets into our service area. Over the past 10 years in New Jersey, we have successfully closed on in excess of \$85 million in water and wastewater acquisitions, transitioning more than 27,000 new customers into our network.

New Jersey American Water's financial strength and track record of success in acquiring water and wastewater systems in New Jersey is attributable to its rigorous operating discipline, as well as its timely planning, commitment to asset renewal and capital investment, experienced managers, state-of-the-art water quality programs, research, and responsive customer service. In combining these tools successfully, the company has consistently achieved an extremely high standard of performance and environmental compliance while fully meeting the needs of its large customer base.

In the past year, both New Jersey American Water and American Water moved to our new headquarters in Camden, New Jersey, reaffirming our commitment to the State of New Jersey and the communities we serve in it.



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BID FOR THE SALE OF THE LONG HILL WASTEWATER UTILITY



17. CAPITAL INVESTMENTS

Required Capital to Lift Sewer Ban

New Jersey American Water has reviewed the June 30, 2010 “Capacity Assurance Report” prepared by Omni Environmental, the April 1, 2013 “Wastewater System Improvements Project Engineer’s Report” prepared by Kleinfelder/Omni, the January 2017 “Sanitary Utility System Asset Evaluation & Capital Improvement Plan” prepared by Remington & Vernick Engineers, and the February 2018 Kleinfelder “Capacity Assurance Report Update”. New Jersey American Water generally agrees with the conclusions and recommendations made by the consulting engineering firms and would intend to use these reports as guides towards achieving the Township’s desire to lift the self-imposed sewer ban and expand the wastewater treatment capacity.

Upon closing, New Jersey American Water will conduct further investigations on how best to address the capital needs of the system and develop its own capital improvement program. To the extent that the capital needs identified in Appendix G of the RFB are reasonable and the best approach to lifting the sewer ban, New Jersey American Water will commit to making the necessary improvements. Those improvements noted in Appendix G under “Wastewater Treatment Plant” that are requested but not part of lifting the sewer ban (bullet points 4, 6,7,8,9 &10), New Jersey American Water commits to making the necessary improvements.

As more specifically set forth in Section 16 of this Bid, New Jersey American Water has vast financial resources that we deploy via prudent capital investments into the water and wastewater systems that we own, operate and maintain. New Jersey American Water’s mission of serving the community, providing customers with excellent service and acting as a steward of the environment drives our every decision. New Jersey American Water feels strongly that improving the Township’s wastewater system by investing in reducing the significant inflow & infiltration (“I&I”) and upgrading the Wastewater Treatment Plant aligns with our mission and we intend to work within the parameters of applicable State and Federal regulations to achieve this goal of the Township within the time frames hereby established. As discussed in the preceding paragraphs, New Jersey American Water believes an accurate assessment and understanding of the work required to reduce or minimize the I&I in the system will drive the needed capital program for both the collection system and plant expansion improvements. . Needed capital for reliability, safety and operational efficiency will be addressed as part of New Jersey American Water’s detailed capital improvement plan which will be



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completed within the first two years following the successful transition to New Jersey American Water.

Capital Improvements to Pump Stations

New Jersey American Water commits to make the capital improvements to the Morristown Road and Clover Hill Pump Stations identified in Exhibit G within two (2) years from the Closing Date. Any capital improvements that are completed by the Township during both the proposal period and the transition period to New Jersey American Water operations will of course be excluded from New Jersey American Water's capital plan.

Capacity for Affordable Housing Units

With the reduction of I&I and the completion of any Wastewater Treatment Plant improvements needed, New Jersey American Water will be able to provide additional wastewater capacity to the Township and we will agree to reserve and set-aside new sewer capacity on a priority basis as requested in the Request for Bids ("RFB").

Connection of Properties Not Connected to the Wastewater System

The sewer extension work will be a significant undertaking that requires detailed studies, not the least of which includes Wastewater Treatment Plant (WWTP) capacity and alleviating I&I. New Jersey American Water agrees to work with the Township to find the most prudent and cost effective way to extend the wastewater system to properties not connected to the Long Hill Township's wastewater system so that at least 95% of the existing properties within the Township are connected within the timeframe established in the RFB. New Jersey American Water will collaborate with the Township regarding the additional sewer connections to achieve this requirement in an appropriate manner for all parties and address any resulting impacts.

New Jersey American Water commits to meeting or exceeding the Township's requirements for investing in the Long Hill wastewater system to ensure safe, reliable, affordable and compliant wastewater services. Based on reducing I&I and re-assessing needed treatment plant upgrades once I&I is reduced or minimized, we anticipate spending an estimated \$6.0 million dollars in the first 5 years. This is subject to change as we progress with the capital



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investment analysis and investigation.

Last year alone, New Jersey American Water spent nearly \$1.0 million dollars a day in improving its water and wastewater systems for a total annual capital investment in the State of New Jersey of over \$360 million dollars.



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18. CUSTOMER SERVICE PLAN & PLAN FOR BILLING CUSTOMERS

Customer Service



New Jersey American Water continually looks for ways to better serve its customers. From multiple payment options and paperless billing to managing customer accounts online or using the new voice activated customer service system, the company's goal is to make it easier for customers to do business with us.

American Water provides comprehensive and centralized customer service to over four million customers who are served by our regulated state water and wastewater utilities.

With a support staff of 380 employees, American Water operates two large centralized customer service centers located in Alton, Illinois, and Pensacola, Florida, which offer around-the-clock service. The centers handle:

- Emergency assistance (24x7)
- Customer service support (7am-7pm local time), including:
 - Service requests
 - Water and wastewater billing and collections.
 - Delinquency processing and reporting.

American Water customer service delivers excellent, cost-effective performance to customers through:

- Timely and accurate billing – Our primary focus is on accuracy. Quality assurance measures minimize billing complaints and avoid customer calls.
- First-call service resolution – The timely response to customer queries improves satisfaction, reduces avoidable calls, and improves staff productivity.
- Outstanding collection performance – Typically 85 percent of customer bills are paid promptly, and we have proven processes to manage delinquent accounts.
- Maintaining comprehensive reporting and internal controls.



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- Multiple language options and ADA-compliant services to accommodate our customers better.

Customers also have 24/7/365 access to their account through our self-service website, **My Account**. Here, customers (including Long Hill water customers who may already use this) can view and pay their bill, sign up for our Auto Pay and Paperless Billing programs, turn water service on or off, view water use history and more.

New Jersey American Water also offers several convenient payment options. This includes paying by mail, in person, by phone or online. Payments are also accepted electronically through the Auto Pay program (no checks to write and no stamps required).



Customer Bill Paying Assistance

For nearly a decade, New Jersey American Water has been lending a hand to customers in need through its H2O Help to Others Program™, administered by New Jersey SHARES. The program offers assistance to customers who qualify in two ways:

- Grants of up to \$500
- A 100 percent discount on the monthly fixed service charge for water and a matching amount discount on the sewer service charge

Senior Discount

New Jersey American Water will continue the Township's Senior Discount Program to all eligible seniors who have signed up for the plan prior to the closing.

Customer Service Standards

New Jersey American shall abide by New Jersey regulations in providing safe and reliable service including, but not limited to the Customer Service Standards for the Township of Long Hill as stated in Exhibit J of the Agreement of Sale

Plan for Billing Long Hill Customers

Upon closing, New Jersey American Water intends to adopt the existing rate structure of the Township. As New Jersey American Water already provides water service to most of the Long Hill



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residents and we are already established in Long Hill Township, it is our intention to simply add the wastewater charges to the existing water bills, providing customers with one bill that clearly identifies the charges associated with water and the charges associated with wastewater services. For the Long Hill residents not receiving New Jersey American water service, New Jersey American Water intends to adopt the Township's current billing procedures.

This plan, while it adopts the existing rates, will alter the frequency with which Township residents pay for sewer. Under our proposed approach, billing for wastewater would become monthly.

Monthly billing provides customers with smaller bills and makes it easier for customers, especially those on fixed incomes, to include the cost of wastewater services into their monthly household budget.

Seamless Transition

New Jersey American Water commits to and ensures a seamless transition in the integration of Long Hill residents' wastewater information into its customer service system—a process simplified for the 96% of Long Hill residents that already have New Jersey American's water service.

Excellence in Customer Satisfaction

American Water conducts customer satisfaction surveys through an impartial third-party firm. Additionally, service quality surveys measure satisfaction among customers who have had recent contact with the company's field operations employees. The company's trending three-year average is 90 percent customer satisfaction.

Demonstrating that performance, our Customer Service Center (CSC) has been recognized for its high levels of customer response on a number of occasions. The International Quality and Productivity Center (IQPC) awarded American Water the 2012 Call Center Excellence Award for Best in Class Call Center (over 200 staff).

The company also maintains a regular dialogue with its customers through its Customer Service Center, satisfaction and service quality surveys, social media, focus groups, volunteer events and plant tours.

Customer Advisory Panel

New Jersey American Water is committed to organizing a customer advisory panel ("CAP") for the Long Hill residents once we acquire the system. New Jersey American Water had a CAP in Haddonfield after acquisition as well. CAPs are composed of a cross-section of customers and provide input on various programs and services offered by the company. They meet regularly throughout the year to offer feedback on both existing programs and upcoming initiatives. Members are encouraged to candidly discuss topics of their own or issues brought to their attention by other customers in the community. CAPs help New Jersey American Water refine



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programs to match customer needs better and often provide new ideas on how to enhance its services. We look forward to bringing this initiative to the Long Hill residents.

Commitment to Community

Through community giving, in-kind donations, partnerships and volunteering, New Jersey American Water demonstrates our commitment to programs that address community-specific needs. We work with a number of community-based partners throughout our service areas to positively impact the overall quality of life where our employees and neighbors live and work. It takes more than a one-time grant or volunteer effort to make a lasting difference – so we seek out and support organizations that understand how to best meet the needs of the community.



Here are a few examples of how we take an active part in the communities we serve:

Environmental Grant Program

Providing grants of \$1,000 to \$10,000 for community-based projects that improve, restore and protect our source water and surrounding watersheds.

Toughbooks for Tough Volunteers

Providing Toughbook computers to non-profit organizations, primarily qualifying volunteer firefighters and emergency responder departments located within the company's service areas.

Speakers' Bureau

Offering our water industry experts to speak at conferences, industry events, organizations and schools, with presentations on all types of water-related topics that can be tailored for audiences of all ages.

First Responder Grant Program

Providing grants of up to \$1,000 each to assist volunteer emergency service organizations in our service areas with the purchase of protective gear, lifesaving equipment, tools, training and related activities/materials to support volunteer firefighter and emergency responder operations. The Long Hill First Aid Squad was a \$1,000 grant recipient in 2018.

Community Events

Contributing to community events, activities and organizations that benefit the growth, sustainability and protection of our service areas, either through monetary donations, a visit from our Puddles Water Truck, and/or hosting a table with information for our customers.



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Employee volunteers and the Puddle Water Truck participated in Long Hill's Millington Day festival in September 2018, and we also sent volunteers and donated fresh drinking water in our branded water tanker truck for the Great Swamp Watershed's Inaugural Music Festival in June 2018.

In alignment with our parent company American Water, New Jersey American Water also believes that community investment starts with our employees who live and work in the areas we serve. The following are examples of how we engage our employees in our community outreach activities:

Community Service & Volunteer Efforts

We value community service and encourage our employees to be equally invested in the communities we serve through various charitable endeavors and volunteer activities.

Each year, our employees participate in a Month of Service with American Water employees across the nation – helping neighbors, participating in different community volunteer projects and providing hours of service to local community-based organizations in need of assistance.

American Water Charitable Foundation

Through the American Water Charitable Foundation, New Jersey American Water and American Water support employees in their own charitable endeavors, provide support for targeted disaster relief efforts and provide funding for higher-level initiatives related to clean water, conservation, education and sustainability.

The Foundation has donated more than \$2.5 million through the Employee Volunteer and Matching Gift, Disaster Relief and Building Better Communities programs – and continues to make a difference every day.

Employee Volunteer and Matching Gift Program

Since its inception, the program has matched approximately \$900,000 to public charities that are important to American Water employees across the nation, and clocked more than 27,000 hours of volunteer time. In New Jersey, \$78,000 has been matched and more than 2,000 hours of volunteer time tracked.

United Way

Over the past ten years, American Water employees have provided more than \$5 million to the organization and loyally contributed their time to the cause. New Jersey American Water employees have contributed more than \$160,000 over the past five years to nonprofit organizations in the state.

Water For People

For more than a decade, American Water and its employees across the nation have donated more than \$2 million to support the organization's goal of providing access to clean water for everyone forever.



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19. RATE PLAN

Long Hill Township – Rate Plan for 2019 Bid Proposal

New Jersey American Water is a rate-regulated utility that requires the approval of the New Jersey Board of Public Utilities before making any changes to customer rates. Our two-pronged approach of investing in critical capital projects while working to reduce operational expenses through efficiencies and the deployment of technology allows New Jersey American Water to make necessary capital investments while reducing the impact on our customers' rates.

New Jersey American Water commits to adopting the Township's 2018 rates upon close of the transaction, an 11% decrease, and holding those rates for a minimum of two (2) years. Thereafter, New Jersey American Water agrees to increase rates by no more than 3% per year in years 3 through 5, providing the Township with the requested 5 year binding rates schedule.

Thereafter, the Township's rates will change on the same timeline and frequency as all future New Jersey American Water general rate cases, which have historically occurred every two to three years. Ultimately, the amount of capital investment required in the system and the New Jersey Board of Public Utilities' approval in future rate cases will dictate the system's rate increase. It will be our intent to ensure just and reasonable increases for the Township's residents in an effort to offer stability and relative predictability to our new customers.

New Jersey American Water believes that over the long-term, we can offer a more reasonable and predictable rate path than the Township. The impact on rates for the 2,835 customers of the Township's wastewater system is already being felt with significant increases in 2018 (26%) and 2019 (12%). The Township's own projections have rates increasing even more dramatically in the next several years. An average customer using 5.0 thousand gallons per month pays an annual bill to the Township of \$810 today. A comparable customer in one of New Jersey American Water's largest wastewater operating districts pays approximately 17% less. As the Township continues to implement the recommendations of its consulting engineers on improvements to the wastewater treatment plant, pump stations and the sanitary conveyance system, rates will continue to rise under Township ownership.

Under New Jersey American Water's ownership, these necessary capital improvements and operational expenses can be spread over a larger customer base, limiting the immediate impact upon Township ratepayers by freezing rates for two (2) years and implementing the five year binding rate plan of no more than a 3.0% per year over the remaining years of the 5 year window.

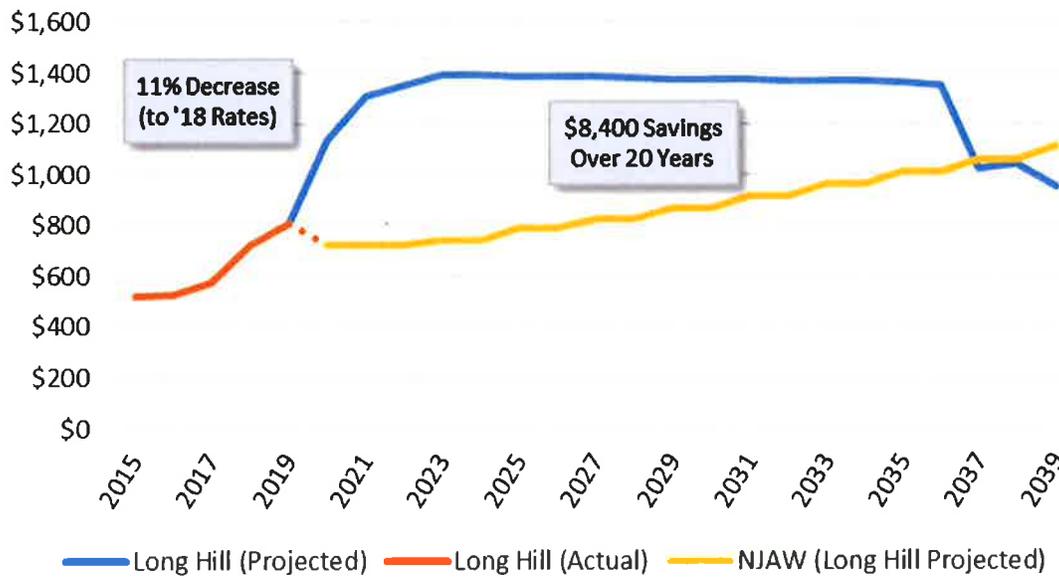


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The chart below reflects what an average resident paid annually for 5.0 thousand gallons per month from 2015 to 2019 under Township ownership and our estimate of what future ratepayers would pay under both continued Township ownership and under New Jersey American Water's 20 year rate plan as required in the RFB.

Long Hill Township | 20 Year Projected Rates



NOTE - The Township projections are based on the '2018 Wastewater Funding Options' document available on the Township's website in the Wastewater Referendum / Compliance section. Projected rates assume the Township were to implement Option 2.

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20. EXCEPTIONS TO THE AGREEMENT OF SALE

New Jersey American Water looks forward to negotiating a mutually agreeable agreement of sale consistent with this Bid as well as with market terms and conditions for asset sales, including but not limited to, representations and warranties regarding the system and title issues.