



BOROUGH OF BOUND BROOK

Wastewater Acquisition

BOUND BROOK, NJ

Sale of the wastewater system provides financial relief and eliminates risk for the Borough, while bringing infrastructure investment to the nearly century-old system in Somerset County.

WASTEWATER SYSTEM SALE

The Need: Bound Brook's wastewater collection system, originally constructed in the 1930s, required significant maintenance and upgrades to operate properly. The collection system was compromised due to age and was experiencing significant inflow and infiltration, as determined by the Borough's engineering analysis. The necessary capital improvements to the pump station and the collection system would require the Borough to substantially increase customer rates.

Local government officials determined that sale of the wastewater system was the best solution.

The Solution: New Jersey American Water has been a partner to the community and water provider to the Borough since 1887. The company was proud to propose a plan to expand their existing relationship and purchase the wastewater system and make the necessary infrastructure improvements, all while keeping rates affordable for Borough residents. New Jersey American Water was selected as the partner by Borough leadership and the referendum was approved by voters in 2021. The New Jersey Board of Public Utilities approved the sale and New Jersey American Water became the new service provider in August 2022.

I am grateful to the voters for recognizing that selling the system to New Jersey American Water is the best solution for our town. The sale proceeds will enable us to pay down the Borough's municipal debt and stabilize, or even potentially reduce, property taxes for our residents.

Bob Fazen, Mayor
Bound Brook Borough



**SOLUTIONS. ONE MORE WAY
WE KEEP LIFE FLOWING.**

ABOUT THE WASTEWATER SYSTEM

Customer Connections
2,900 connections

Sewer Main
25 miles of gravity 8" to 24" vitrified clay pipe and 1,700 linear feet of force main; majority constructed pre-1931

Lift Stations
1

Treatment
Middlesex County Utilities Authority

FOR MORE INFORMATION

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NEW JERSEY
AMERICAN WATER

WE KEEP LIFE FLOWING®



The Result: New Jersey American Water purchased the wastewater system for \$5 million, allowing the Borough to pay down existing municipal debt and providing financial flexibility for the Borough. New Jersey American Water committed to investing a minimum of \$11 million in the first 10 years of ownership, \$6 million of that in the first five years alone, to help improve the Borough's nearly century-old wastewater system and position it to serve future generations of Bound Brook residents and businesses. The company also committed to providing short- and long-term rate stability for customers by adopting the Borough's rates and holding those rates steady for two years, followed by no more than three percent annual increases for the next three years. Long-term rates would have gradual, manageable increases that we believe would be more favorable than any rate plan the Borough could commit to as a stand-alone wastewater utility.

New Jersey American Water's robust capital improvement plan includes:

1. An aggressive sewer main and manhole replacement and rehabilitation program to begin solving the aging infrastructure and inflow and infiltration challenge.
2. Purchase of a sewer vactor truck to properly maintain the system and help prevent backups that could have negative customer and/or environmental impacts.
3. Prompt safety and security upgrades at the Mountain Avenue pump station including ArcFlash electrical



upgrades, enhanced fencing and intrusion sensors that will allow the utility to safely provide service.

4. Ultimate replacement of the Mountain Avenue sewer pump station with a newer facility capable of serving the northeast section of the community for decades to come.

Customer benefits from the sale also include transitioning ownership of a portion of the customer's service lateral to New Jersey American Water; bill-paying assistance for qualifying customers through the company's H2O Help To Others program; and one monthly bill for water and wastewater service, with charges clearly marked for each service type.

New Jersey American Water is proud to expand our service into wastewater for Bound Brook customers and to deliver high-quality, reliable water and wastewater service to **KEEP LIFE FLOWING.**

ABOUT NEW JERSEY AMERICAN WATER

New Jersey American Water, a subsidiary of American Water (NYSE: AWK), is the largest investor-owned water utility in the state, providing high-quality and reliable water and/or wastewater services to approximately 2.8 million people.

COMMUNITIES SERVED

190 communities in 18 counties. We also provide water service to 30 additional communities through bulk purchase water agreements.

CUSTOMERS SERVED

Approx. 660,000 water customers (91% residential, 7% commercial and industrial); 55,260 wastewater service customers

EMPLOYEES

More than 850. Our team of professionals provides safe, reliable and affordable service to our customers to help keep their lives flowing.

Learn more online at newjerseyamwater.com.

