

TOWNSHIP OF MANALAPAN
County of Monmouth

ORDINANCE NO. 2024- 19
Adopted July 10, 2024

ORDINANCE OF THE TOWNSHIP OF MANALAPAN, IN THE COUNTY OF MONMOUTH, NEW JERSEY, APPROVING AN AGREEMENT OF SALE BETWEEN THE TOWNSHIP AND VEOLIA WATER NEW JERSEY, INC. FOR THE SALE OF THE TOWNSHIP'S WATER SYSTEM AND AUTHORIZING A PROPOSAL TO BE PRINTED ON THE BALLOT FOR CONSIDERATION BY THE VOTERS WITHIN THE TOWNSHIP AT THE GENERAL ELECTION ON NOVEMBER 5, 2024 PROVIDING FOR THE SALE OF THE TOWNSHIP'S WATER SYSTEM TO VEOLIA WATER NEW JERSEY, INC.

WHEREAS, the Township of Manalapan, in the County of Monmouth, New Jersey (the "Township") currently owns and operates a water system (a "Water System") comprised of three (3) separate public drinking water systems within the Township currently known as Knob Hill PWS, Millhurst PWS and Tracy Station PWS, servicing the residents and property owners (the "Customers") within a portion of the geographic boundary of the Township; and

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

WHEREAS, the Township prepared and distributed a Request for Bids for the Sale of the Water System (the "RFB") dated April 23, 2024 requesting bids for the purchase of the Water System pursuant to N.J.S.A. 40:62-1 et seq. (the "Public Utilities Law"); and

WHEREAS, on June 6, 2024 the Township received one bid from a regulated water company, Veolia Water New Jersey, Inc., to purchase the Water System; and

WHEREAS, based on the review of the above referenced bid, the Township has determined that the bid submitted by Veolia Water New Jersey, Inc. in the amount of \$4,000,000 was the highest responsible (and only) bid; and

WHEREAS, under the terms of the RFB, the Township would sell all of the Township's rights and interests in the land and improvements comprising the Water System (with the exception of Well 4), provided that any purchaser of the System would continue to provide water services to the Customers in accordance with all applicable state and local standards, and meet other requirements set forth in the RFB; and

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

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

WHEREAS, the Public Utilities Law, specifically N.J.S.A. 40:62-5, authorizes the Township to request that the Clerk of the County of Monmouth place the question of the sale of the Water System on the ballot used at the next general election in the Township, which is scheduled for November 5, 2024; and

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

WHEREAS, Veolia Water New Jersey, Inc. has been providing potable water supply services to Customers and the Township for decades.

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Manalapan, County of Monmouth, State of New Jersey, as follows:

SECTION I

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

SECTION II

The Township hereby approves the sale of the Water System to Veolia Water New Jersey, Inc. for \$4,000,000 in accordance with its bid and in accordance with the terms and conditions of the RFB and the Agreement of Sale, subject to the approval of the voters of the Township as set forth in N.J.S.A. 40:62-5.

SECTION III

The Agreement of Sale between the Township and Veolia Water New Jersey, Inc. entitled "Agreement of Sale between the Township of Manalapan, New Jersey and Veolia

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

SECTION IV

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

SECTION V

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

PROPOSAL

"Shall the Township of Manalapan, in the County of Monmouth, New Jersey, be authorized to sell its water system (commonly known as the "Water System") to Veolia Water New Jersey, Inc. for the sum of \$4,000,000?"

_____Yes _____No

Explanation

If a majority of the legal voters in the Township vote "yes", the Township of Manalapan will sign an agreement of sale with Veolia Water New Jersey, Inc. for the Water System servicing certain residents and property owners within the geographic boundaries of Manalapan Township in the amount of \$4,000,000. Proceeds from the sale shall be used exclusively for the retirement of outstanding Township debt. The agreement provides that Veolia Water New Jersey, Inc. will provide and maintain all water services to the existing customers of the Township's water system and will make substantial capital improvements to such water system. The water service rates charged to the customers of the Township's water system will be maintained at the rates in effect at the time of the sale for a minimum of two years and increase by no more than 3% each year for the next

following three years. All rate changes shall be subject to review and approval by the New Jersey Board of Public Utilities, the state agency with authority to oversee regulated utilities in order to ensure safe, adequate, and proper utility services at reasonable rates for customers in New Jersey.

If a majority of the legal voters in the Township vote "no", the Township will retain the Water System and will immediately begin a process to increase rates to the extent required to address the need for additional capital improvements and maintenance activities.

SECTION VI

This Ordinance shall take effect as provided by law.

I, SHARI ROSE, Clerk of the Township of Manalapan, do hereby certify **Ordinance No. 2024-19, ORDINANCE OF THE TOWNSHIP OF MANALAPAN, IN THE COUNTY OF MONMOUTH, NEW JERSEY, APPROVING AN AGREEMENT OF SALE BETWEEN THE TOWNSHIP AND VEOLIA WATER NEW JERSEY, INC. FOR THE SALE OF THE TOWNSHIP'S WATER SYSTEM AND AUTHORIZING A PROPOSAL TO BE PRINTED ON THE BALLOT FOR CONSIDERATION BY THE VOTERS WITHIN THE TOWNSHIP AT THE GENERAL ELECTION ON NOVEMBER 5, 2024 PROVIDING FOR THE SALE OF THE TOWNSHIP'S WATER SYSTEM TO VEOLIA WATER NEW JERSEY, INC., as a true copy as adopted by the Township Committee on July 10, 2024.**



SHARI ROSE, RMC
Municipal Clerk

Introduction 06-26-24	Public Hearing Held & Closed 07-10-24	Adopted 07-10-24	Sale of the Township's Water System And Authorizing A Proposal To Be Printed On The Ballot For Consideration By The Voters At The General Election On November 5, 2024
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