



June 30, 2023

VIA ELECTRONIC MAIL

Hon. Sherri Golden Secretary
Board of Public Utilities
44 South Clinton Ave., 9th Fl.
P.O. Box 350
Trenton, NJ 08625-0350

Re: In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of a Municipal Consent Granted by the City of Egg Harbor, Atlantic County

BPU Docket No. WE21091147

In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of a Municipal Consent Granted by the Township of Galloway, Atlantic County

BPU Docket No. WE21091148

In the Matter of the Petition of New Jersey-American Water Company, Inc. for Approval of a Municipal Consent Granted by the Township of Mullica, Atlantic County

BPU Docket No. WE21091146

Dear Secretary Golden:

On behalf of New Jersey-American Water Company, Inc., enclosed is the Company's proof of closing, net transaction costs, and journal entry, along with a detailed calculation of all expenses related to the proposed Agreement being filed in compliance with Ordering Paragraphs number 7 of the Board's Orders issued August 17, 2022, and effective August 24, 2022, approving the municipal consents in the above-referenced matters. The closing took place on June 1, 2023. Please note that the transaction costs line item is based on the transaction cost information the Company has available to date. The Company will update this filing as necessary.

If you have any questions or concerns, please do not hesitate to contact me.

Very truly yours,

Stephen R. Bishop
Vice President & Managing General Counsel

SRB:dlc
Enc.

cc: Service lists (via email, w/enc.)

In the Matter of the Petition of New Jersey American Water Company, Inc. for Approval of
Municipal Consents Granted by the
City of Egg Harbor, and the Townships of Galloway and Mullica, Atlantic County
BPU Docket Nos. WE21091147, WE21091148 and WE21091146

Service List

NEW JERSEY AMERICAN WATER	
<p>Stephen R. Bishop VP and Managing General Counsel New Jersey American Water 1 Water Street Camden, NJ 08102 stephen.bishop@amwater.com</p>	<p>Donna Carney Principal Paralegal New Jersey American Water 149 Yellowbrook Road, Suite 109 Farmingdale, NJ 07727 donna.carney@amwater.com</p>
<p>Jamie D. Hawn Senior Manager, Rates and Regulatory New Jersey American Water 1 Water Street Camden, NJ 08102 jamie.hawn@amwater.com</p>	
BOARD OF PUBLIC UTILITIES	
<p>Michael Kammer, Director Division of Water Board of Public Utilities 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 mike.kammer@bpu.nj.gov</p>	<p>Rupal Patel Board of Public Utilities 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 rupal.patel@bpu.nj.gov</p>
<p>Michael Hunter Board of Public Utilities 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 michael.hunter@bpu.nj.gov</p>	<p>Andrew Tuzzo Board of Public Utilities 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 andrew.tuzzo@bpu.nj.gov</p>
<p>Justin Cederberg Board of Public Utilities 44 South Clinton Ave. P.O. Box 350 Trenton, NJ 08625 justin.cederberg@bpu.nj.gov</p>	
DIVISION OF RATE COUNSEL	
<p>Brian O. Lipman, Esq. Director Division of Rate Counsel 140 East Front Street, 4th Floor P.O. Box 003 Trenton, NJ 08625 blipman@rpa.nj.gov</p>	<p>Susan McClure, Esq., Managing Attorney Water & Wastewater Division of Rate Counsel 140 East Front Street — 4th Floor P.O. Box 003 Trenton, NJ 08625 smcclure@rpa.nj.gov</p>

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Service List

<p>Christine Juarez, Esq. Assistant Deputy Rate Counsel Division of Rate Counsel 140 East Front Street — 4th Floor P.O. Box 003 Trenton, NJ 08625 cjuarez@rpa.nj.gov</p>	<p>Emily Smithman, Esq. Assistant Deputy Rate Counsel Division of Rate Counsel 140 East Front Street — 4th Floor Trenton, NJ 08625 esmithman@rpa.nj.gov</p>
<p>Marylin Silva Division of Rate Counsel 140 East Front Street - 4th Floor PO Box 003 Trenton, NJ 08625 msilva@rpa.nj.gov</p>	<p>Howard J. Woods, Jr., P.E. Howard J. Woods, Jr. & Associates, LLC 49 Overhill Road East Brunswick, NJ 08816-4211 howard@howardwoods.com</p>
DIVISION OF LAW	
<p>Pamela Owen, DAG Department of Law Hughes Justice Complex 25 Market Street PO Box 112 Trenton, NJ 08625 pamela.owen@law.njoag.gov</p>	<p>Terel L. Klein, DAG Department of Law Hughes Justice Complex 25 Market Street PO Box 112 Trenton, NJ 08625 terel.klein@law.njoag.gov</p>
<p>Brandon Simmons, DAG Department of Law Hughes Justice Complex 25 Market Street PO Box 112 Trenton, NJ 08625 brandon.simmons@law.njoag.gov</p>	

BILL OF SALE

THIS BILL OF SALE dated as of June 1, 2023, is provided by Egg Harbor City, a Municipal Corporation in Atlantic County in the State of New Jersey (the "Owner").

WITNESSETH

WHEREAS, by the Agreement between Egg Harbor City, Atlantic County, New Jersey and New Jersey-American Water Company, Inc. for the Sale of Systems, dated March 26, 2021 (the "Agreement"), Owner has agreed to convey to New Jersey-American Water Company, Inc. (the "Buyer") certain assets, properties, and rights defined, described, and referred to in the Agreement that comprise the water and wastewater systems (collectively, the "Systems"); and

WHEREAS, pursuant to due authorization, Owner is presently executing and delivering this Bill of Sale to the Buyer for the purpose of selling and assigning to and vesting in the Buyer all of the right, title, and interest currently held by Owner in and to the Systems;

NOW THEREFORE, in consideration of the purchase price provided in the Agreement and other good and valuable consideration, and intending to be legally bound, the Owner hereby grants, sells, conveys, assigns, transfers, sets over to, and vests in the Buyer, its successors and assigns, all of its right, title and interest, legal and equitable, in and to the Systems.


TO HAVE AND TO HOLD the same, including the appurtenances thereof, unto the Buyer, its successors and assigns, forever, to its and their own proper use and behoof.

Section 1. **SALE OF SYSTEMS**. Owner hereby grants, sell, conveys, assigns, transfers all of its right, title and interest in and to any and all assets relating to the Systems, which include: the assets listed on Schedule I attached hereto, with the exception of those items expressly set forth on Schedule II also attached hereto; all account records, customer lists and other business records related to the ownership and operation of the Systems; all real property and easement interests necessary for the ownership and operation of the Systems as set forth in separate deeds and associated documents provided herewith; and such other tangible interest, if any, related to said Systems.

Section 2. **APPLICABLE LAW**. This instrument shall be governed by and enforced in accordance with the laws of the State of New Jersey.

IN WITNESS WHEREOF, Owner has caused this Bill of Sale to be duly executed as of the date first above written.

Egg Harbor City, a Municipal Corporation in Atlantic County in the State of New Jersey

By: 

Lisa Jampetti
Mayor

RECEIPT OF THE FOREGOING

BILL OF SALE

ACKNOWLEDGED AS OF

June 1, 2023.

NEW JERSEY-AMERICAN WATER COMPANY, INC.

By: 

Mark K. McDonough
President

SCHEDULE I

INCLUDED ASSETS

All assets that comprise the Systems as generally described in **Appendix A to the Agreement**. That Appendix A is set forth below and made a part hereto. The Included Assets shall not include the Excluded Assets set forth in Schedule II, but shall include equipment, inventory and spare parts utilized by the Owner solely in the operation of the Systems.

Description of the Systems

A. Water System

The existing water supply, treatment and distribution system consists of three (3) actively permitted water supply wells, one (1) water treatment plant, one (1) elevated water storage tank, and the water distribution system. The age of the water system infrastructure ranges from early 1900's to more recent improvements completed as recent as 2015.

The water treatment plant has a 1,200 gpm (firm capacity) and consists of three (3) package water treatment modules incorporating aeration, detention and gravity filtration. Each module is rated for 600 gpm flowrate; a backwash pump station, holding tank, and reclaim system; two (2) 75,000 gallon above ground clear well tanks; a pump room with three (3) 40 HP high service pumps with VFDs; associated piping, control valves, flow meters, analyzers, etc.; a chlorine gas disinfection system; a fluoride feed system; a treatment building which contains a control/electrical room, chemical rooms, and mechanical room; and a maintenance and equipment storage building.

The water distribution system consists of approximately 37 miles of water main. The City provides water service to the residents of the City as well as portions of Galloway Township and Mullica Township. The City owns the infrastructure in Galloway Township (South Egg Harbor), which services approximately 75 customers. The infrastructure that the City owns in Galloway Township consists of mostly 6" diameter water main, but also some 4" and 2" diameter mains. The customers in Mullica Township are serviced off of the 12" diameter water main that is installed along Hamburg Avenue. Hamburg Avenue is the border between Mullica Township and the City and the 12" diameter main is located within the City limits. The number of customers serviced in Mullica Township is approximately 20 customers. The City owns and operates the infrastructure in the outlying service area, including the responsibility of responding to emergency calls.

B. Wastewater System

The existing wastewater collection and pumping system consists of nine (9) sanitary lift stations, the associated force main, and gravity sewer mains. The City does not own or operate a wastewater treatment facility. All wastewater is conveyed to the Atlantic County Utilities Authority (ACUA) for treatment.

The sanitary system consists of approximately 23 miles of gravity main and approximately four (4) miles of force main associated with the lift stations. Most of the sanitary collection system is 8"-12" diameter Vitrified Clay or terracotta pipe. It is estimated that there are approximately 400 manholes of varying age based upon the age and length of the gravity main. The City owns the sanitary laterals from the main to the clean out. Accordingly, property owners are responsible for

the sewer lateral up to the clean out. The City is part of the consolidated district for the ACUA. All wastewater is metered at the Chicago Avenue ACUA Pump Station and conveyed to the ACUA interceptor system for treatment at the ACUA Regional Wastewater Treatment Plant.

SCHEDULE II

EXCLUDED ASSETS

The Excluded Assets include those assets set forth in **Appendix H of the Agreement** as set forth below:

All personal property, supplies, cash, securities, and accounts receivable of the water and wastewater systems up to and including the Closing Date as well as the items listed below:

- 1 All Office Computers (non-SCADA)
- 2 All Office Furniture (non-casework)
- 3 Ford F-250 (2)
- 4 Ford F-150
- 5 Lawn Maintenance Equipment (Riding Lawnmower, push mower, etc.)
- 6 Misc. portable pumps
- 7 Two portable generators
- 8 Sewer snake
- 9 Fire cabinet for paint and chemical storage
- 10 Shelving along north-east wall of treatment plant
- 11 Portable Scaffolding
- 12 Landscaping trailer
- 13 Snow plow
- 14 Pipe locating equipment/Metal Detectors
- 15 All hand/power tools
- 16 IP Phone system
- 17 Ladders
- 18 Hoses and Hose reels
- 19 Heater installed in Well #6 but not currently utilized

New Jersey-American Water Company, Inc.
Egg Harbor City Acquisition Entry - Water and Wastewater

	Debit	Credit
Water Utility Plant	\$12,874,171	
Wastewater Utility Plant	8,918,819	
Inventory - Chemicals	7,010	
Cash		\$21,800,000
Cash		669,972
Deferred Debit*	558,228	
Revenues, net		13,906
Waste Disposal - ACUA	27,822	
Transactions cost expense, net interest	97,828	
	<u>\$22,483,878</u>	<u>\$22,483,878</u>

**Deferred Debit includes closing cost at time of closing. Total closing costs, transaction costs and transition costs will remain in the deferred account until the Company's next base rate case per the stipulation agreement.*