



Agenda Date: 5/21/26
Agenda Item: IIIA

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

ENGINEERING

IN THE MATTER OF THE PETITION OF NEW)
JERSEY-AMERICAN WATER COMPANY, INC. FOR)
APPROVAL OF A MUNICIPAL CONSENT)
GRANTED BY THE TOWNSHIP OF MOUNT OLIVE,)
COUNTY OF MORRIS) DOCKET NO. WE25100575

Parties of Record:

Stephen R. Bishop, Esq., New Jersey-American Water Company, Inc.
Brian O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

By this Order, the New Jersey Board of Public Utilities (“Board”) considers an amended petition filed by New Jersey-American Water Company, Inc. (“NJAWC” or “Company”) on January 8, 2026, pursuant to N.J.S.A. 48:2-14, N.J.S.A. 48:3-11 to 15, N.J.S.A. 48:19-17, N.J.S.A. 48:19-20, and N.J.A.C. 14:1-5.5, and such other regulations and statues as may be deemed applicable and appropriate by the Board, for approval of Ordinance No. 29-2025 adopted on December 23, 2025 by the Township of Mount Olive, County of Morris (“Township”), revising Ordinance No. 23-2024 adopted by the Township on August 7, 2024 (collectively, “Municipal Consent”), and allowing the Company to provide water service and public fire protection service to a portion of the Township identified as Block 4500, Lot 5 as shown on the current tax map of the Township (“Proposed Franchise Area”) and to lay pipes and install other utility facilities as may be necessary (“Amended Petition”).¹

BACKGROUND

NJAWC is a regulated public utility corporation engaged in the production, treatment and distribution of water and collection and treatment of sewage within its defined service territory within the State of New Jersey, which includes portions of Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union, and Warren counties.

¹ Ordinance No. 29-2025 and Ordinance No. 23-2024 are attached to this Order as Exhibit A.

The Township encompasses approximately 31.24 square miles and has a population of approximately 28,886 people, with a population density of approximately 222.3 per square mile. The Township also borders the municipalities of Chester Township, Netcong, Roxbury, and Washington Township in Morris County; Stanhope in Sussex County; and Allamuchy and Hackettstown in Warren County. NJAWC's current franchise areas in the Township consist of the following: i) a commercial portion of the Township commonly referred to as the International Trade Center, ii) the residential development known as Country Club Estates, iii) the residential development known as Country Oaks, and iv) the residential development known as Morris Chase. The Proposed Franchise Area, which serves as the site of the Morris County Municipal Utilities Authority Mount Olive Transfer Station, is not currently within NJAWC's existing franchise.

The Municipal Consent was introduced and adopted pursuant to N.J.S.A. 48:3-11 to 48:-15, and N.J.S.A. 48:19-17 to permit the Company to construct, lay, maintain, and operate the necessary water mains, pipes, and appurtenances, including hydrants, to expand NJAWC's existing franchise in the Township to provide water service and public fire protection service to the Proposed Franchise Area. The Municipal Consent was adopted in anticipation of a main extension application made by the Alaimo Group to NJAWC to provide water service to the Proposed Franchise Area.

PETITION

On October 22, 2025, NJAWC filed a petition with the Board seeking approval of the Municipal Consent authorizing the Company to expand its franchise territory to provide water service and fire protection service within the Proposed Franchise Area. NJAWC indicated that this extension is necessary and proper for the public convenience as NJAWC, its employees, and agents are well qualified to operate and maintain the water system and facilities to provide safe, adequate, and proper service. The Company further stated that the extension shall continue to leverage its experience, expertise, and economies of scale to benefit the customers of the Township and of NJAWC.

NJAWC also sought authority to charge the same rates paid by the current Township water customers pursuant to NJAWC Tariff, Rate Schedule A-1 for water service, and Rate Schedule L-1 for private fire service in the Proposed Franchise Area.

On January 8, 2026, NJAWC filed the Amended Petition noting that it came to the Company's attention that property referenced in Ordinance No. 23-2024 was incorrect. Ordinance 29-2025 was adopted by the Township on December 23, 2025, identifying the correct property.

On February 20, 2026, following proper notice to the public, a virtual public hearing was held on the Amended Petition and presided over by a hearing officer of the Board. Representatives from the Company, the New Jersey Division of Rate Counsel ("Rate Counsel"), and Board Staff ("Staff") appeared. One (1) member of the public attended without identifying themselves or providing comments, and the Board received no additional written public comments on this matter.

By letter dated March 2, 2026, Rate Counsel submitted comments on the Amended Petition, noting that, subject to certain conditions, it did not oppose the Municipal Consent. Rate Counsel expressed concerns that NJAWC's right to provide water service, as granted by the Municipal Consent, is perpetual. Therefore, Rate Counsel recommended that the Board modify the term of the Municipal Consent to be limited to fifty (50) years for both the authorization to provide water service pursuant to N.J.S.A. 48:2-14 and the authorization to access public streets and places within the Township pursuant to N.J.S.A. 48:3-15. Rate Counsel stated that to require the

Township to re-examine consent for service along the same timeframe, it must re-examine consent for access to public streets, as it is necessary to balance NJAWC's interests against the need for continuing oversight by both the Board and the Township. In support of its position, Rate Counsel noted that perpetuities are not favored under New Jersey law.

By letter dated March 12, 2026, NJAWC submitted a response to Rate Counsel's comments, noting its opposition to a fifty (50) year limit on the approval of municipal consent to provide water service. NJAWC argued that N.J.S.A. 48:2-14 does not impose a temporal cap on the provision of water service and that imposing such limit would effectively amount to rewriting N.J.S.A. 48:2-14 beyond the intent of the Legislature. NJAWC further argued that Rate Counsel's concerns regarding perpetual municipal consent are unwarranted, as the Board has continuous oversight over public utilities pursuant to N.J.S.A. 48:2-13. NJAWC stated that a fifty (50) year limit on water-service authorization would invite future, purely administrative refilings, without consideration of the Board's existing tools to address service adequacy. Therefore, NJAWC requested that the Board approve the Municipal Consent as presented in the Amended Petition and decline to impose a fifty (50)-year term limitation on the municipal consent for water service under N.J.S.A. 48:2-14.

By letter dated March 18, 2026, Rate Counsel submitted a reply to NJAWC's response, requesting that the Board reject the relief that the Company sought in its letter. Rate Counsel argued that N.J.S.A. 48:2-14 does not prohibit the Board from imposing a limit on the time period for municipal franchises and that imposing such limit is consistent with the Board's statutory mandate to protect ratepayers. Rate Counsel further argued that it is common legal sense that perpetuities are disfavored in the law and a fifty (50)-year limitation would not impose an administrative burden on the Board, NJAWC, or the Township. Therefore, Rate Counsel recommended that the Board maintain its practice of imposing a fifty (50)-year term limit on both the use of streets and for the provision of service to the Township.

DISCUSSION AND FINDINGS

No municipality or other political subdivision of the State may grant a privilege or franchise to any public utility unless approved by the Board. N.J.S.A. 48:2-14. The Board should grant approval when, after hearing, the Board determines the franchise is necessary and proper for the public convenience and properly conserves the interests of the public. Ibid. Further, the Board may "impose such conditions as to construction, equipment, maintenance, service or operation as the public convenience and interests may reasonably require." Ibid.

Although the Municipal Consent permits NJAWC to provide water service in perpetuity, the Board agrees that Rate Counsel's recommendation to condition approval of the Municipal Consent on a limitation of fifty (50) years for the provision water service is reasonable, as their argument is compelling and consistent with the Board's understanding of N.J.S.A. 48:2-14. Having the term of the Company's authority to provide water service under N.J.S.A. 48:2-14 be limited to the same period as the Company's authority for the use of streets and other places will help ensure periodic municipal and Board review. The limitation will also prevent the right to provide service from being perpetual, and a fifty (50) year limitation is not administratively burdensome.

The Board, having reviewed the Amended Petition and the entire record in this matter, including the comments submitted by NJAWC and Rate Counsel, **HEREBY FINDS** that the Municipal Consent is necessary and proper for the public convenience and properly conserves the public interest. Additionally, the Board **HEREBY FINDS** that a fifty (50)-year limitation on municipal

consent to provide service pursuant to N.J.S.A. 48:2-14 is within the Board's authority and is reasonably required by the public convenience and interest.

Accordingly, the Board **HEREBY APPROVES** the Municipal Consent to expand NJAWC's service territory to include the Township transfer station in the Proposed Franchise Area. The Board **FURTHER FINDS** that the Company has the ability to provide safe, adequate, and proper service in the Proposed Franchise Area. The approvals granted hereinabove shall be subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of the Board, or of the State, regarding any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any matter affecting the Company.
2. This Order shall not be construed as directly or indirectly fixing, for any purposes whatsoever, any value of any tangible or intangible assets or liabilities now owned or hereafter to be owned by the Company.
3. NJAWC shall not depreciate any portion of the water system expansion that is funded by Contributions in Aid of Construction.
4. Pursuant to N.J.S.A. 48:3-15, the Municipal Consent for the use of streets is limited to a term of fifty (50) years from the effective date of this Order.
5. To ensure periodic municipal and Board review, the term of the Company's authority to provide water service under N.J.S.A. 48:2-14 shall be limited to the same period as the Company's authority for the use of streets and other places.
6. Nothing in this Order shall constitute Board approval of the rates to be paid by customers in the Township. Any rates represented by the Company are not guaranteed and the Board has the authority to set rates at an amount it deems just and reasonable as part of the next base rate case filed by the Company, regardless of any representations made by the Company to the Township or its residents.
7. Approval of the Municipal Consent does not constitute approval of any specific main extension or plan for service. In extending service, the Company must comply with all applicable laws.
8. Within ten (10) days of the signed order, NJAWC shall submit revised tariff pages.
9. Staff is authorized to approve, subject to comments filed by Rate Counsel, any written request by the Company for additional time to comply with any applicable terms set forth in this Order.
10. Board approval in this proceeding is limited to approval of the Municipal Consent only.


This Order shall be effective on May 28, 2026.


DATED: May 21, 2026

BOARD OF PUBLIC UTILITIES
BY:


CHRISTINE GUHL-SADOVY
PRESIDENT


DR. ZENON CHRISTODOULOU
COMMISSIONER


MICHAEL BANGE
COMMISSIONER


EMMA REBORN
COMMISSIONER


JOSEPH COVIELLO
COMMISSIONER

ATTEST: 
SHERRI L. LEWIS
BOARD SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC. FOR APPROVAL
OF A MUNICIPAL CONSENT GRANTED BY THE TOWNSHIP OF MOUNT OLIVE, COUNTY OF MORRIS

DOCKET NO. WE25100575

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ORDINANCE #29-2025

**AN ORDINANCE REVISING ORD #23-2024
GRANTING CONSENT AND PERMISSION TO NEW JERSEY-AMERICAN
WATER COMPANY, INC. TO FURNISH POTABLE WATER IN THE
TOWNSHIP OF MOUNT OLIVE**

WHEREAS, the Township of Mount Olive previously adopted ordinance #23-2024 granting consent and permission to New Jersey-American Water Company, Inc. which needs to be revised to reflect the correct address and block and lot as 168 Gold Mine Road, Block 4500, Lot 5; and

WHEREAS, the Township of Mount Olive hereby grants consent and permission to New Jersey-American Water Company, Inc., a New Jersey corporation to furnish water to the Township of Mount Olive, County of Morris and State of New Jersey, and more specifically to Block 4500 and Lot 5 as shown on the tax map with an address of 168 Gold Mine Road; and

WHEREAS, the Township of Mount Olive ("Township"), Morris County, New Jersey is desirous of providing water services to sites not currently within New Jersey American Water's service area; and

WHEREAS, New Jersey American Water Company, Inc. ("Company") is a regulated public utility corporation of the State of New Jersey presently seeking the municipal consent of the Township to permit said Company to extend water service and its facilities in the Township; and

WHEREAS, the Company has requested the consent of the Township as required by N.J.S.A. 48:19-17 and 48:19-20, as amended, to lay its pipes beneath and restore such public roads, streets and places as it may deem necessary for its corporate purposes, free from all charges to be made for said privilege (except fees for road opening permits shall be paid), provided that said pipes shall be laid at least three feet (3') below the surface and shall not in any way unnecessarily obstruct or interfere with the public travel or cause or permit other than temporary damage to public or private property; and

WHEREAS, it is deemed to be in the best interest of the citizens of the Township with regard to the entire municipality to provide this consent;

WHEREAS, the Mayor and Council of the Township have concluded that granting of said consent shall enhance the health, safety and welfare of the citizens of the Township.

**NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF
THE TOWNSHIP OF MOUNT OLIVE AS FOLLOWS:**

Section 1. That exclusive and perpetual consent and permission to furnish water to that part of the Township, County of Morris, State of New Jersey more specifically described as Block 4500, Lot 5 as shown on the Tax Map of the Township in existence on the date of the passage of this Ordinance is hereby given and granted to the Company, a New Jersey

corporation, its successors and assigns, subject to approval of such consent and permission by the Board of Public Utilities of the State of New Jersey.

Section 2. That exclusive consent and permission is given to the Company, its successors and assigns, under the provisions of N.J.S.A. 48:19-17 and N.J.S.A. 48:19-20, as amended, without charge therefore, (except fees for road opening permits which shall be paid) as the same may be required in order to permit the Company to add to, extend, operate and maintain said water facilities in the public property described herein in order to provide said water service. This shall include permission to lay pipes beneath the public roads, streets and public places. The public property shall include roads, streets and public places. The consent provided to the Company herein to use the public roads and streets of the Township is limited by statute to fifty (50) years. The privilege granted herein shall include the construction, installation and maintenance of hydrants, as necessary, on and along the roads of the Township. The Township or its designee will pay the Company the filed tariff rates for public fire protection service rendered through said hydrants.

Section 3. That a certified copy of this Ordinance, upon final passage, shall be sent to the Company, the New Jersey Department of Environmental Protection and the Board of Public Utilities of the State of New Jersey.

Section 4. That the consent granted herein shall be subject to the Company complying with all applicable laws of the Township and/or the State of New Jersey including, but not limited to, any and all statutes and administrative agency rules and/or regulations.

Section 5. The Township Manager, Mayor and the Clerk of the Township be authorized to execute the documents and agreements necessary to effectuate the municipal consent and to protect the rights of the public involved.

Section 6. The consent granted herein extends only to the property in the Township known as Block 4500 Lot 5 as shown on the Tax Map of the Township in existence on the date of the passage of this Ordinance. Any extension of the consent granted herein to territory other than the property in question must be approved by the Township by ordinance.

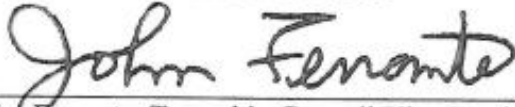
Section 7. Each section, subsection, sentence, clause and the phrase of this Ordinance is declared to be an independent section, subsection, sentence, clause and phrase, and the finding or holding of any such portion of this Ordinance to be unconstitutional, void, or ineffective for any cause, or reason, shall not affect any other portion of this Ordinance.

Section 8. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 9. This Ordinance shall take effect twenty (20) days following final passage, approval, and publication as required by law.

Introduced: 12/9/2025
Adopted: 12/23/2025
Effective Date: 1/15/2026

TOWNSHIP OF MOUNT OLIVE



John Ferrante, Township Council Vice President

ATTEST: 12/23/2025



Susan Gouveia, Township Clerk

Ord.#23-2024 An Ordinance Granting Consent and Permission to New Jersey-American Water Company, Inc. to Furnish Potable Water in the Township of Mount Olive.

CLERK:

Delivered to Mayor:

Date: 8/7/2024

Time: 9:00 am

Signed: Susan Gouveia
Township Clerk
Susan Gouveia

MAYOR:

Action by Mayor:

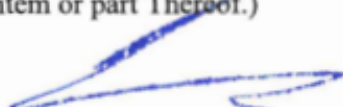
Approved: ✓

Date: 8/7/24

Vetoed:

Date:

(Reasons for which Mayor has withheld approval of Ordinance, item or part Thereof.)

Signed: 
Mayor

CLERK:

Returned:

Date: 8/7/24

Time: 9:30 am

Not returned with in (10) days

Date: 8/7/24

Signed: Susan Gouveia
Township Clerk

ORD.#23-2024

AN ORDINANCE GRANTING CONSENT AND PERMISSION TO NEW JERSEY AMERICAN WATER COMPANY, INC. TO FURNISH POTABLE WATER IN THE TOWNSHIP OF MOUNT OLIVE

WHEREAS, the Township of Mount Olive hereby grants consent and permission to New Jersey-American Water Company, Inc., a New Jersey corporation to furnish water to the Township of Mount Olive, County of Morris and State of New Jersey, and more specifically to Block 4500 and Lot 15 as shown on the tax map with an address of 168 Gold Mine Road; and

WHEREAS, the Township of Mount Olive ("Township"), Morris County, New Jersey is desirous of providing water services to sites not currently within New Jersey American Water's service area; and

WHEREAS, New Jersey American Water Company, Inc. ("Company") is a regulated public utility corporation of the State of New Jersey presently seeking the municipal consent of the Township to permit said Company to extend water service and its facilities in the Township; and

WHEREAS, the Company has requested the consent of the Township as required by N.J.S.A. 48:19-17 and 48:19-20, as amended, to lay its pipes beneath and restore such public roads, streets and places as it may deem necessary for its corporate purposes, free from all charges to be made for said privilege (except fees for road opening permits shall be paid), provided that said pipes shall be laid at least three feet (3') below the surface and shall not in any way unnecessarily obstruct or interfere with the public travel or cause or permit other than temporary damage to public or private property; and

WHEREAS, it is deemed to be in the best interest of the citizens of the Township with regard to the entire municipality to provide this consent;

WHEREAS, the Mayor and Council of the Township have concluded that granting of said consent shall enhance the health, safety and welfare of the citizens of the Township.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWNSHIP OF MOUNT OLIVE AS FOLLOWS:

Section 1. That exclusive and perpetual consent and permission to furnish water to that part of the Township, County of Morris, State of New Jersey more specifically described as Block 4500, Lot 15 as shown on the Tax Map of the Township in existence on the date of the passage of this Ordinance is hereby given and granted to the Company, a New Jersey corporation, its successors and assigns, subject to approval of such consent and permission by the Board of Public Utilities of the State of New Jersey.

Section 2. That exclusive consent and permission is given to the Company, its successors and assigns, under the provisions of N.J.S.A. 48:19-17 and N.J.S.A. 48:19-20, as amended, without charge therefore, (except fees for road opening permits which shall be paid) as

the same may be required in order to permit the Company to add to, extend, operate and maintain said water facilities in the public property described herein in order to provide said water service. This shall include permission to lay pipes beneath the public roads, streets and public places. The public property shall include roads, streets and public places. The consent provided to the Company herein to use the public roads and streets of the Township is limited by statute to fifty (50) years. The privilege granted herein shall include the construction, installation and maintenance of hydrants, as necessary, on and along the roads of the Township. The Township or its designee will pay the Company the filed tariff rates for public fire protection service rendered through said hydrants.

Section 3. That a certified copy of this Ordinance, upon final passage, shall be sent to the Company, the New Jersey Department of Environmental Protection and the Board of Public Utilities of the State of New Jersey.

Section 4. That the consent granted herein shall be subject to the Company complying with all applicable laws of the Township and/or the State of New Jersey including, but not limited to, any and all statutes and administrative agency rules and/or regulations.

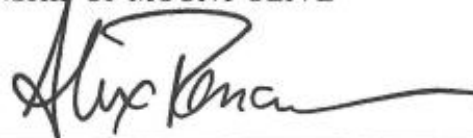
Section 5. The Township Manager, Mayor and the Clerk of the Township be authorized to execute the documents and agreements necessary to effectuate the municipal consent and to protect the rights of the public involved.

Section 6. The consent granted herein extends only to the property in the Township known as Block 4500 Lot 15 as shown on the Tax Map of the Township in existence on the date of the passage of this Ordinance. Any extension of the consent granted herein to territory other than the property in question must be approved by the Township by ordinance.

Section 7. Each section, subsection, sentence, clause and the phrase of this Ordinance is declared to be an independent section, subsection, sentence, clause and phrase, and the finding or holding of any such portion of this Ordinance to be unconstitutional, void, or ineffective for any cause, or reason, shall not affect any other portion of this Ordinance.

Section 8. All ordinances or parts of ordinances inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

TOWNSHIP OF MOUNT OLIVE



Alex Roman, Township Council President

ATTEST:


Susan Gouveia, Township Clerk