



Agenda Date: 10/28/26
Agenda Item: IIIB

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) ORDER APPROVING
APPROVAL OF A MUNICIPAL CONSENT) MUNICIPAL CONSENT
GRANTED BY THE TOWNSHIP OF MANSFIELD,)
COUNTY OF WARREN) DOCKET NO. WE26040120

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 the New Jersey-American Water Company, Inc. ("NJAWC" or "Company") on October 8, 2026, pursuant to N.J.S.A. 48:2-14, N.J.S.A. 48:3-11 to 15, N.J.S.A. 48:13-11, N.J.S.A. 48:19-20, N.J.A.C. 14:1-5.5, and such other regulations and statutes as may be deemed applicable and appropriate by the Board ("Amended Petition"), NJAWC sought approval of Ordinance No. 2007-14 ("Municipal Consent") adopted on December 26, 2007, by the Township of Mansfield, Warren County ("Township") allowing Applied Wastewater Management, Inc. ("AWM") to provide wastewater service to a portion of the Township designated as Block 1501, Lot 9.01 as shown on the current tax map of the Township ("Proposed Franchise Area") and lay pipes and install other utility facilities as may be deemed necessary.¹

BACKGROUND

NJAWC is a regulated public utility corporation engaged in the production, treatment, and distribution of water and collection 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.

The Township encompasses approximately 29.69 square miles and has a population of approximately 7,781 people, with a population density of approximately 222.3 per square mile.

¹ Ordinance No. 2007-14 is attached to this Order as Exhibit A.

The Proposed Franchise Area encompasses the Meadows at Mansfield subdivision that consists of the wastewater collection system ("System") constructed by Landmark Companies, LLC ("Landmark") to serve 234 residences and occupy an estimated total sewer demand of 45,235 gallons per day (gpd). NJAWC is the franchised water purveyor for the entire Township, including the Proposed Franchise Area.

On December 26, 2007, the Municipal Consent was introduced and adopted pursuant to N.J.S.A. 48:3-11 to 48:3-15, and N.J.S.A. 48:13-11 to permit AWM to lay its pipes, valves, pumps, manholes, and other equipment and related facilities to extend, operate and maintain sewer collection and treatment facilities to provide sanitary wastewater service to the Proposed Franchise Area. The Municipal Consent was adopted in anticipation of AWM acquiring the System, however, the acquisition did not occur at that time.

On April 16, 2010, the Board approved the merger of AWM with and into NJAWC, with NJAWC remaining as the surviving entity.² As of August 31, 2010, the merger was effective pursuant to the certificate of merger filed with the New Jersey Department of the Treasury, Division of Revenue, at which time NJAWC became the successor in interest to AWM. Hence, as stated in the Municipal Consent, all provisions of the Municipal Consent which are obligatory upon or inure to the benefit of AWM shall also be obligatory upon and shall inure to the benefit of all successors and assigns of AWM; NJAWC is successor in interest to AWM.

On January 30, 2026, by an asset transfer agreement entered into by and between NJAWC and Landmark, the System was transferred to NJAWC.

PETITION

On April 13, 2026, NJAWC filed a petition with the Board seeking approval of the Municipal Consent with an email from the Township Clerk appended to it, confirming that while the Township did not have a signed copy, the Municipal Consent was indeed adopted on December 26, 2007 ("Petition"). NJAWC indicated that approval of the Municipal Consent is necessary and proper for public convenience as NJAWC, its employees, and agents are well qualified to operate and maintain the wastewater 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 incorporate the Proposed Franchise Area into the current NJAWC Tariff, Rate Schedule 6-A for wastewater service, setting forth the Company's extended service area.

On August 13, 2026, following proper notice to the public, a virtual public hearing was held on the 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. No members of the public attended, and the Board received no written public comments on this matter.

² In re the Joint Petition of New Jersey American Water Company, Inc., and Applied Wastewater Management, Inc. for Approval of the Merger of Applied Wastewater Management, Inc. Into New Jersey-American Water Company, Inc. and for Related Authorizations, BPU Docket No. WM09110890, Order dated April 16, 2010.

By letter dated August 20, 2026, Rate Counsel submitted comments on the Petition noting that, subject to certain conditions, it did not oppose the Municipal Consent. Rate Counsel expressed concerns that NJAWC's right to provide wastewater service, as granted by the Municipal Consent, is perpetual. Rate Counsel also stated that the Municipal Consent fails to comply with the fifty (50) year limit on the duration of the consent to lay pipes in public spaces set forth in N.J.S.A. 48:3-15. Therefore, Rate Counsel recommended that the Board limit the term of the Municipal Consent to fifty (50) years for the specific authorization to provide wastewater service and to access public streets and places within the Township pursuant to N.J.S.A. 48:3-15. Rate Counsel stated that its recommended provisions would satisfy its concerns that NJAWC complies with the proper statutory framework, that Board approval is limited to the specific approvals requested, and that there is no authorization to include any specific assets or amounts in rate base, nor authorization for any other ratemaking treatment.

On October 8, 2026, NJAWC filed the Amended Petition with the Municipal Consent signed by the Township to certify that it was indeed adopted on December 26, 2007.

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. The Board may impose conditions on its approval as the public convenience and interest may require. Ibid.

The Board, having reviewed the Amended Petition and the entire record in this matter, **HEREBY FINDS** the Municipal Consent is necessary and proper for the public convenience and properly conserves the public interest.

Accordingly, the Board **HEREBY APPROVES** the Municipal Consent to expand NJAWC's service territory to include the Meadows at Mansfield in the Proposed Franchise Area. The Board **FURTHER FINDS** that the Company can 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. The Company shall not depreciate the portion of the sewer 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 sewer 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 Borough. 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 Borough 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.

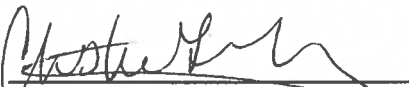
This Order shall be effective on November 4, 2026.

DATED: October 28, 2026

BOARD OF PUBLIC UTILITIES
BY:



BEN HERTZ-SHARGEL
PRESIDENT



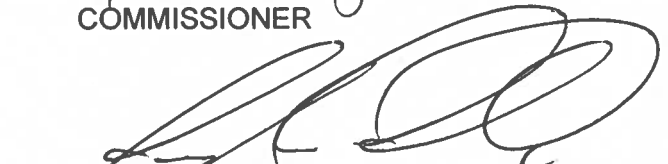
CHRISTINE GUHL-SADOVY
COMMISSIONER



MICHAEL BANGE
COMMISSIONER

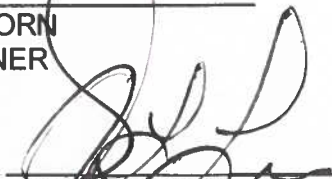


EMMA REBHORN
COMMISSIONER



JOSEPH COVIELLO
COMMISSIONER

ATTEST:



SHERRI L. LEWIS
BOARD SECRETARY

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

DOCKET NO. WE26040120

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**TOWNSHIP OF MANSFIELD
ORDINANCE NO. 2007-14**

AN ORDINANCE SUPPLEMENTING THE CODE OF THE TOWNSHIP OF MANSFIELD GRANTING PERMISSION TO APPLIED WASTEWATER MANAGEMENT, INC., TO OPERATE EQUIPMENT, PIPES AND MAINS FOR THE OPERATION OF A WASTEWATER COLLECTION, TREATMENT AND DISPOSAL SYSTEM WITHIN AN AREA LOCATED IN THE TOWNSHIP OF MANSFIELD, WARREN COUNTY, NEW JERSEY AS FURTHER DESIGNATED HEREIN.

WHEREAS, Applied Wastewater Management, Inc. (hereinafter, "AWM") currently provides wastewater collection, treatment and disposal services pursuant to an approved rate and tariff issued by the New Jersey Board of Public Utilities; and

WHEREAS, a portion of the Township of Mansfield (hereinafter, the "Township") commonly known as the "Meadows at Mansfield" subdivision is suitable for centralized wastewater collection, treatment and disposal services; and

WHEREAS, the Township Committee has determined that the provision of such services would best be accomplished by a method which does not involve public funds and minimizes municipal responsibility and liability; and

WHEREAS, AWM has significant experience as the operator of sewer utilities which have been approved by the Board of Public Utilities; and

WHEREAS, the Township Committee has determined that the best way to provide centralized wastewater collection, treatment and disposal services to the Meadows at Mansfield subdivision is by authorizing AWM to serve same; and

WHEREAS, the Township Committee has determined that it has the authority to consent to the grant of the utility franchise herein requested to privately owned utility companies as part of the Township's responsibility to provide for the general health, safety and welfare of the community.

NOW, THEREFORE, BE IT ORDAINED by the Township Committee as follows:

SECTION I.

Municipal consent is hereby granted to AWM, for the operation and maintenance of a public utility to provide sewerage collection and treatment service to the Meadows at Mansfield subdivision, more completely defined in Section II of this Ordinance. This consent shall entitle AWM to own, operate, and maintain a sewerage collection and treatment system, including but not limited to facilities such as collection main, treatment plants, disposal beds, driveways and other appurtenances and equipment in order to provide service to the franchise area, subject to such additional approvals, endorsements or consents as the law may require.

SECTION II.

The franchise for the consent granted in Section I of this Ordinance consists of the lands known and designated as: Block 1501, Lot 9.01 as shown on the current tax map of the Township and which is graphically represented on the attached Schedule "A".

SECTION III.

The consent granted pursuant to Section I shall be for a period of 99 (ninety-nine) years from the final adoption of this Ordinance. The Mayor and Clerk of the Township are hereby authorized to execute on behalf of the Township all documents required to acknowledge said consent.

SECTION IV.

Municipal consent and authority is also hereby granted to AWM to lay their mains (pipes), valves, pumps and other equipment beneath such public roads, streets, private roads or streets and places within the franchise area as may be deemed necessary for their corporate purpose, free from all charge to be made by any person or body politic whatsoever for such

privilege, except as otherwise provided in Section V of this Ordinance, provided that the mains (pipes) shall be laid below the surface in accordance with approved plans by the Township and shall not unnecessarily obstruct or interfere with the public travel or damage public or private property. All such property shall be restored in a workmanlike manner to the condition said property was in prior to the installation of the said pipes. Except in the event of an emergency, the consent of the public agency charged with repair and maintenance of such roads, streets and places shall be first obtained in writing. AWM shall be required to restore such public roads, streets and the places to the conditions they were in prior to the installation of mains, valves, pumps and other equipment by AWM. It is mutually acknowledged that from time to time the Township may have to undertake work in conjunction with roadways which it owns and maintains. AWM acknowledges that improvements required to roadways owned by the Township may require the relocation or repair of certain facilities it owns within the roadways. AWM understands and agrees that any such relocations, repairs, maintenance will be at the sole cost and expense of AWM. Except in the event of an emergency, the Township will engage AWM in prior consultation with regards to any work in conjunction with roadways which it owns and maintains where it is known that such work will require the relocation or repair of certain facilities owned by AWM.

SECTION V.

AWM, in the construction, installation, maintenance, and operation of its sewerage treatment and collection systems, shall comply with all applicable federal, state, and local statutes, rules, regulations, and ordinances and shall obtain all necessary approvals, permits, and licenses from, and pay all necessary fees to, all federal, state and local agencies having jurisdiction over any aspect of the sewerage collection and treatment system. At the end of the

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ninety-nine (99) year period provided for in Section III, should the Township elect not to extend or renew its consent, AWM shall continue to provide service to its then existing customers within the area defined by Section II until such time as arrangements are made in accordance with then existing law and regulation for continued service or alternate service.

SECTION VI.

AWM shall indemnify and hold harmless the Township and its agents and employees from and against any and all claims, losses, or damages of any type, arising out of the construction, installation, maintenance and operation of the sewerage collection and treatment system or any of its component parts.

SECTION VII.

All provisions of this Ordinance which are obligatory upon or shall inure to the benefit of AWM shall also be obligatory upon and shall inure to the benefit of all successors and assigns of AWM.

SECTION VIII.

To the extent now or hereafter permitted by the statutes or laws of the State of New Jersey, this Ordinance shall inure to the benefit of, and be binding upon, any city, town, or other municipal corporation to which the franchise area of the Township of Mansfield may hereafter be attached or annexed, or into which it may be incorporated.

SECTION IX.

To the extent that any part or parts of this Ordinance are repealed or otherwise modified or voided by state statute or case law, the remaining sections of this Ordinance shall remain in full force and effect.

SECTION X.

Exhibit A
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This Ordinance shall take effect upon final passage and approval, and publication by law.

NOTICE IS HEREBY GIVEN that the foregoing Ordinance was introduced and passed on first reading by the Mansfield Township Committee at its regular monthly meeting held on November 28, 2007 which Ordinance shall be given further consideration for final passage following a public hearing to be conducted thereon at its regular monthly meeting to be held on December 26, 2007 at 8:00 pm at the Township of Mansfield Municipal Building, 100 Port Murray Road, Port Murray, New Jersey 07865.



Dena Hrebenak
Municipal Clerk, Township of Mansfield