



HADDONFIELD BOROUGH IMPROVEMENTS

HADDONFIELD BOROUGH, NJ

Sale of the water and wastewater system to New Jersey American Water leads to improved water quality, reliable service and lower rates in the long-term for residents and businesses. New Jersey American Water has invested over \$37.4 million in capital improvements to the Haddonfield Water and Wastewater Systems between the years 2015 and 2024.

The Need: The Haddonfield Water and Sewer Utility was a 129-year-old borough-owned system. Prior to 2003, the borough invested very little in the system, and that lack of investment kept rates artificially low. Between 2003 and 2008, the borough spent approximately \$16 million on high priority projects to address significant challenges in the system.

In 2013, the borough formed a volunteer Community Advisory Committee to take an independent look at the water and wastewater systems. The Committee recommended a rate increase of 25 percent to cover the debt service on the capital already spent. The Commissioners agreed, and the rate increase took effect during the second half of 2014.

In addition, the borough engaged its engineering firm to provide a detailed analysis of the current condition of the water and wastewater systems, and estimate the cost of bringing the systems up to standard. **The engineering report estimated that the borough's systems would need an estimated \$50 million over the next 30 years, heavily front loaded in the first 10 years to avoid a major failure.**

The Committee evaluated multiple options for fixing and managing the systems, including shared services with a neighboring utility, leasing the utility and sale of the utility. Local government officials determined that sale of the systems was the best solution and initiated procurement in 2014.

New Jersey American Water can deliver a better product as far as recapitalizing the system and keeping it running at a lower cost than the Borough can. [...] During the bidding and sale process New Jersey American made a number of commitments to the Borough of Haddonfield, some of them were contractual with the bid, and other ones were commitments that they made on their own volition, and they have been very responsive with following through with all those.

John Moscatelli, Former Elected Commissioner, Haddonfield, NJ

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ABOUT THE SYSTEM

Customers Served

- **Water:** 4,501 customers
- **Wastewater:** 4,394 customers

Water Main

Approximately 15 miles of main (95% of main installed in 1930s and 1940s)

Fire Hydrants

97 hydrants

Valves

326 valves

Water Source

Purchased 100% of water supply from New Jersey American Water



NEW JERSEY AMERICAN WATER

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The Solution: New Jersey American Water, with over 125 years of experience operating water and wastewater systems, was chosen as the partner. In November 2014, voters overwhelmingly supported the referendum to sell the system to New Jersey American Water by a margin of 2-1. New Jersey American Water purchased the system for \$28.5 million, allowing the borough to pay off all debt associated with the utility.

New Jersey American Water committed to investing \$16 million in system upgrades in the first five years after acquiring the systems during the bidding process. By 2023, more than \$33.5 million had been invested in Haddonfield's water and wastewater infrastructure with over \$3.9 million invested in 2024. To date, **each Haddonfield customer has received over \$8,300 in system investments since the sale of the water and wastewater systems.**

The Investment: We completed several water and wastewater projects to address deficiencies and increase resilience. Key improvements include:

- Two new water main interconnections at Crescent Road and Grove Street to Cherry Hill and Haddon Township to increase pressure levels and resiliency.
- Repaired or replaced over 20,000 linear feet of aging cast iron water lines with new ductile iron lines throughout system, some of which were installed in the 1790s.
- Replacing fire hydrants and lead service lines along the pipeline routes.
- Replaced three sewer pump stations and made improvements to the other three pump stations.

New Jersey American Water is currently undergoing another water and sewer line project that will span two phases.

- **Phase 1** along Ellis Street and Haddon Avenue, replacing 2,380 feet of 6-inch cast iron water main installed in the 1900s with 8-inch ductile iron mains. Also replacing any customer owned service lines identified as lead or galvanized along the route. 2,700 feet of sewer lines will also be replaced.
- **Phase 2** began in the winter of 2024 including the replacement of 5,000 feet of water lines and repair or replacement of 5,260 feet of sewer lines.

The Results: Since acquiring the borough's systems, New Jersey American Water has invested approximately \$37.4 million in the water and wastewater systems through 2024. As of December 2024, the borough Administrator stated the residents continue to be satisfied with water and wastewater systems.

Rates: Upon acquiring the system, Haddonfield customers benefitted from immediate investments into the water and wastewater systems by New Jersey American Water while a three-year rate hold stabilized utility bills. At the end of the rate hold, Haddonfield customers' rates began increasing on a regular cadence through New Jersey American Water's general rate cases. The company also offers the H2O Help to Others Program™ for qualified customers with financial needs.

Our Affordability Analysis indicates that the Water Bill to Income Ratio for New Jersey American Water customers has consistently remained below 1% of the average household income. In Haddonfield, NJ, the chart below demonstrates our success in maintaining affordable rates while making substantial capital investments.

BOTTOM LINE

The borough's sale of the municipal water and wastewater systems to New Jersey American Water resulted in much needed capital investments to upgrade the aging infrastructure. With the ability to finance necessary capital investments in the most cost effective manner, New Jersey American Water was able to make necessary improvements to the systems to increase water quality and system reliability, while keeping rates stable.



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 2.9 million people.

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

Learn more online at newjerseamwater.com.

