



# WATER INFRASTRUCTURE PROTECTION ACT

In 2015, the New Jersey Legislature enacted the Water Infrastructure Protection Act (WIPA) N.J.S.A. 58:30-1 et seq | P.L. 2015, c.18, which allows municipalities to sell or long-term-lease their water and/or wastewater systems without a referendum if certain emergent conditions exist. WIPA identifies five emergent conditions of which at least one must be met for a municipality to pursue sale or lease under the WIPA process.

## EGG HARBOR CITY, NJ

In 2017-2019, Egg Harbor City evaluated their water and wastewater systems and identified a need for \$15 million in capital improvements over the next 20 years. The City projected that rates would have to increase by approximately 150% to fund these improvements and result in significant additional debt.

In 2019, the existence of Emergent Condition No. 5 for the Egg Harbor City systems was approved and certified by the NJDEP. Egg Harbor City selected New Jersey American Water after an RFQ and RFP process and negotiated a sale of the water and wastewater systems for \$21.8 million. The sale was approved by the NJBPU in August 2022, and the company began operations in June 2023. As of September 2025, New Jersey American Water has invested over \$9 million in capital improvements for the City’s water and wastewater systems.

## SHREWSBURY TOWNSHIP, NJ

In July 2023, the NJDEP approved Shrewsbury Township’s application to pursue WIPA under Emergent Condition No. 4. New Jersey American Water was selected as the most qualified respondent and assumed ownership of the Alfred Vail Mutual Association water system in April 2025, adding 260 new customers to the approximately 2,000 customers already served by New Jersey American Water in Shrewsbury Township. This acquisition marks the second water system sale under WIPA in the state. Under New Jersey American Water ownership, the water system will benefit from significant capital investments, including the replacement of all water mains in the system and all lead service lines.

## HOPEWELL BOROUGH, NJ

In February 2025, New Jersey American Water was selected as the most qualified respondent by the Borough of Hopewell for the sale of their water system under WIPA. The Borough applied for and received approval from the NJDEP to pursue WIPA under Emergent Condition No. 3 due to elevated levels of PFAS and arsenic in the water supply.

Following a petition for a referendum on the sale, the community voted in favor of the sale, with approximately 59% of voters approving the transaction. The sale of the system will secure a purchase price of \$6.4 million and over \$7 million in capital investments within the first five years of ownership, while making water bills more affordable for residents. Pending regulatory review and approval, the company anticipates taking ownership of the water system in 2026.

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The sale was the right decision. It allows the city to relieve itself of an operational, environmental, and financial risk while improving our finances. New Jersey American Water has been an outstanding partner to the city from the beginning.

**Lisa Jiampetti, Mayor  
Egg Harbor City**

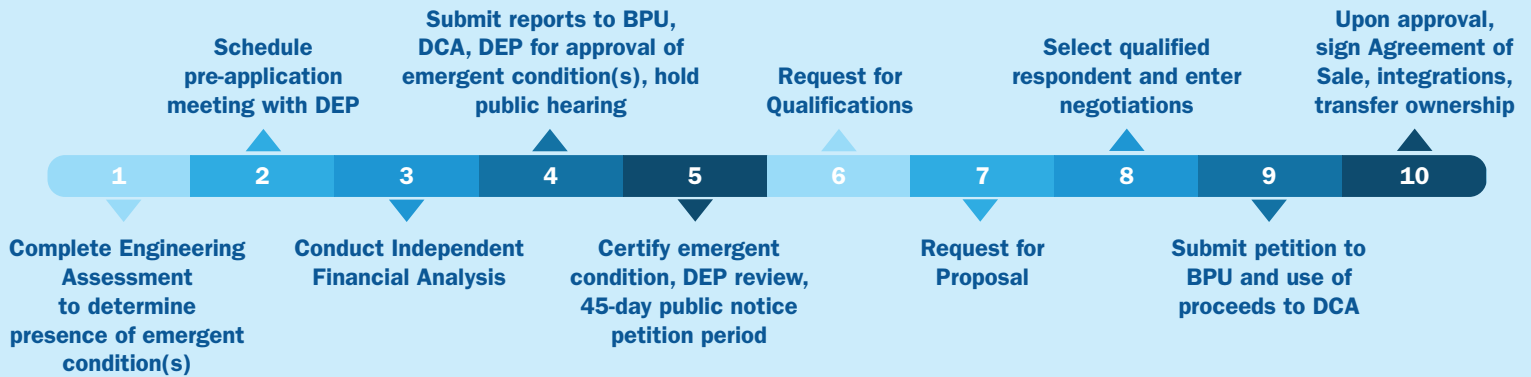
This agreement is a win for our community. By selling the Alfred Vail Mutual Association water system to New Jersey American Water, we are securing much-needed infrastructure improvements, high-quality service, and stable rates for our residents. With their expertise and investment, our residents will benefit from a modernized system and reliable service for years to come.

**Lester Jennings, Mayor  
Shrewsbury Township**

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## WIPA PROCESS AT A GLANCE



## EMERGENT CONDITIONS

At least one emergent condition must be certified for a water or wastewater system to be sold through the WIPA process.

- **Emergent Condition #1**  
Located in an Area of Critical Water Supply Concern I or II.
- **Emergent Condition #2**  
Significant noncompliance or substantially out of compliance with DEP orders.
- **Emergent Condition #3**  
Present deficiency (volume/pressure) or violation of maximum contaminant levels.
- **Emergent Condition #4**  
Lack of historical investment, repair, or sustainable maintenance.
- **Emergent Condition #5**  
Lacks financial, technical, or managerial capacity to address the above issues.



## BENEFITS OF WIPA

Some of the benefits of WIPA include:

1. Fair market value purchase price
2. Ability to negotiate price with buyer
3. Defeasement of utility debt
4. Timeline not dependent on general election schedule
5. Cost-effective capital reinvestment
6. Short- and long-term rate stability
7. Relief of regulatory and operational burden
8. Solution to critical and urgent needs

## ABOUT NEW JERSEY AMERICAN WATER

New Jersey American Water, a subsidiary of American Water (NYSE: AWK), is the largest regulated water utility in the state, providing safe, clean, reliable and affordable water and wastewater services to approximately 2.9 million people.

Our team of more than 860 highly skilled professionals provides safe, reliable and affordable service to our 727,800 water and 74,700 wastewater customers. Learn more online at [newjerseyamwater.com](http://newjerseyamwater.com).

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## FOR MORE INFORMATION

**Lee Mueller**

Director, Business Development  
856-986-7009

[lee.mueller@amwater.com](mailto:lee.mueller@amwater.com)

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