New Jersey American Water Signs Agreement to Purchase Salem City Water and Sewer System

Acquisition Will Add Over 2,300 New Water and Wastewater Customers

CAMDEN, N.J. (NOV. 30, 2023) – New Jersey American Water announced today it has signed an agreement to acquire the water and sewer system of the City of Salem, N.J. for $18 million. This municipally owned system serves more than 2,300 customers. The agreement follows a voter referendum that took place on November 7, 2023, which passed with over 60 percent of the voters approving the sale of the system to New Jersey American Water.

“I want to thank the elected officials, community leaders and residents of Salem for entrusting us to manage and improve their water and sewer utilities,” said Mark McDonough, president of New Jersey American Water. “Providing water and sewer service is all we do, and we are deeply committed to making the necessary improvements to these systems to help ensure clean, safe, reliable and affordable service for all residents.”

As part of the acquisition agreement, and subject to approval from the New Jersey Board of Public Utilities (NJ BPU), New Jersey American Water will invest over $50 million in infrastructure improvements in the first 10 years following completion of the acquisition. These investments include a robust capital improvement plan, including critical system upgrades, implementation of PFNA treatment and repairing the City’s aging water and sanitary sewer infrastructure. In addition, New Jersey American will implement a rate plan that will hold current sewer rates for two years following closing, then increase rates no more than 3 percent annually for the next three years.

“Selling the systems to New Jersey American Water allows the city’s water and sewer utilities to be handled by professional experts, keeping these critical services safe and affordable for our residents,” said Salem City Mayor Jody Veler. “The sale will also eliminate $11 million in utility debt and pay off a portion of the municipal debt, as well as enable us to put over $1 million back into the city budget annually. I am thankful to our residents for recognizing the importance and the value of this agreement and for voting yes to securing better water and sewer services for our city.”

New Jersey American Water is working with the city to help ensure a smooth transition for customers. The company anticipates completing the acquisition in the second half of 2024, pending approval from the NJ BPU.

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 wastewater services to approximately 2.8 million people. For more information, visit www.newjerseyamwater.com and follow New Jersey American Water on Twitter and Facebook.

Media Contacts

Denise Venuti Free

Director of Communications and External Affairs

NA

Denise.Free@amwater.com

Sewer-System