New Jersey American Water Signs Agreement to Purchase South Orange Village Water System

New Jersey American Water to Invest $50 Million in First 10 Years

CAMDEN, N.J. – March 6, 2025 – New Jersey American Water announced today it signed an agreement to acquire the water system in South Orange Village for $19.7 million. This announcement follows a referendum vote in November of 2024 in which 62% of South Orange voters approved the sale of the system. The South Orange water system serves approximately 5,000 customer connections.

“On behalf of New Jersey American Water, I want to thank the residents of South Orange for entrusting us with their water system,” said New Jersey American Water President Mark McDonough. “Through existing operations and maintenance and bulk water contracts, we have been serving South Orange for many years and are proud of the relationships we’ve built within the community. Our familiarity with the water system will allow us to make needed system improvements quickly, specifically removing all lead and galvanized service lines. We look forward to providing safe, reliable and affordable water service to South Orange residents.”

As part of the agreement, New Jersey American Water will invest $50 million in infrastructure improvements within the first 10 years of ownership. Anticipated improvements to the system — which is over 100 years old in some areas — include:

- Identification and replacement of all utility-owned and customer-owned lead and galvanized steel service lines by 2031;
- Replacing all four-inch water mains and associated fire hydrants;
- Replacing the Crest Drive Standpipe; and
- Rehabilitating the Main Reservoir and the Newstead Watersphere.

Additional improvements will be identified through a comprehensive analysis of the system which New Jersey American Water will conduct upon taking ownership.

“After careful consideration and the extensive work of the water utility task force, our Village Council, our Village administrative staff, Village residents and outside financial consultants, I am fully confident that the sale of our water system to New Jersey American Water is in the best interest of South Orange residents,” said South Orange Village Mayor Sheena Collum. “This agreement ensures that our community will receive the investment needed to modernize our water infrastructure and eliminate lead and galvanized service lines, while also providing the expertise and resources of a trusted, regulated utility. This is a positive step toward securing safe, reliable, and affordable water for generations to come.”

New Jersey American Water is working with South Orange Village to ensure a smooth transition for customers. Subject to approval from the New Jersey Board of Public Utilities (NJ BPU), the company anticipates completing the acquisition in the second half of 2025.

Media Contacts

Erin Banes
Specialist, External Affairs
New Jersey American Water
erin.banes@amwater.com

Water-System