



Borough of Westville

"Gateway to South Jersey"

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Office of the Mayor

September 29th, 2016

Dear Resident,

The aging infrastructure that distributes our Country's water and wastewater has become a chronic problem for towns and counties across the nation, causing environmental and reliability issues we hear about every day. The result is that the Federal Environmental Protection Agency and State Departments of Environmental Protection have expedited deadlines for repairs and imposed steep fines for noncompliance. In fact, New Jersey faces at least \$8 billion worth of needed improvements to its drinking water infrastructure, according to the EPA.

Like many other municipalities, the Borough of Westville needs to develop a structured plan to change out the aging pipelines of our water system. In fact, a recent engineering report completed for the Borough found that all 23 miles of original pipeline in Westville are approaching the end of their useful life span, which is 70 to 100 years.

To summarize our situation, our water system is estimated to require more than \$10 million in repairs in the foreseeable future -- ***a burden that we feel we cannot allow our residents and businesses to bear.*** Without a sound long-term strategy, these costs could be crippling for our community.

This reality means that our Borough needs to make a decision about how we move forward with our water system, to make certain we will have clean water and reliable service now and for future generations. We have investigated several alternative approaches, including how communities similar in size have adopted best practices and managed financing.

The Borough explored two alternatives:

1. Upgrading the existing utility with necessary improvements on our own
2. Selling the utility to a major regulated utility company

Upgrading the utility ourselves could mean a significant increase in local purpose taxes and utility rates to pay for the necessary infrastructure improvements. This includes replacing all current original pipes, updating valves and fire hydrants, and replacing meters.

People

Purpose

Progress

Office of the Mayor

The Borough also conducted a public solicitation for qualifications from private utilities for more information on selling the system. Based on the extensive information submitted to the Borough, we determined to pursue selling just the water system to Aqua New Jersey, while retaining the sewer system.

Aqua New Jersey is a well-respected company with a deep New Jersey presence, and it will provide \$8.4 million in initial purchase funds — all of which will go toward subsidizing community improvements and stabilizing our local purpose tax. Aqua New Jersey will implement \$3.4 million in upgrades over the next five years — an *initial* investment to replace the most vulnerable areas of our aging pipeline. Please be assured that discounts for seniors and people with disabilities will continue, contingent on the public utility commission's approval.

Although rate increases cannot be avoided, once we are part of a larger entity and the regional rates are the same, *we will benefit from the sale of our system and resulting dampening of future rate increases*. In the meantime, Westville Borough has a responsibility to begin addressing utility system repairs and improvements. It's important to understand that both local purpose taxes and rates likely will have to be increased if the sale is not approved.

I encourage you to attend the October 24th Public Hearing so that you can gain a better understanding of the situation, and get your questions answered.

The residents of Westville have the opportunity to support the sale of our water system during a referendum vote on November 8. My opinion is that this is the right decision for our community. I encourage all of our residents to join me and vote YES on the referendum ~ let's improve and maintain our water system together to ensure clean, safe water now and for our future generations.

Sincerely,



Mayor Russell W. Welsh Jr.