

APPENDIX F– AQUA NJ REFERENCE CHECKS

Summary of Principal Findings from Interviews with Representatives of Water Systems previously acquired by Aqua NJ NJ

NOTE: A 24 questionnaire was used for all interviews. Complete notes for each of these are posted on the Association website. The summary below focuses on the principal findings. The number of the question for which answers are summarized is indicated in parentheses at the start of each summary.

Representatives of the following five water systems acquired by Aqua NJ between 2009 and 2012 were interviewed by committee members. The original ownership of each is also indicated. Note that the ownership of these systems was: 1 municipal, 1 neighborhood association, and 3 private owners/developers of the neighborhoods served.

- Wallkill Water & Sewer Company, Hardyston Township, Sussex County. Owner: Nick Rizzo
- Vernon Water Company, Vernon Township, Sussex County. Owner: Mike Janel
- Harkers Hollow Heights Water Association, Harmony Township, Warren County. Owner: Harkers Hollow Heights Water Association
- Bloomsbury Borough Water Utility, Bloomsbury Borough, Hunterdon County. Owner: Bloomsbury Borough
- Tranquility Springs Water Company, Green Township, Sussex County. Owner: Frida Salvigsen

(Q#3) Age of systems: 1950's to 2002

(Q#4) Source of water: 4 have wells; one has a reservoir

(Q#9) Reasons for selling:

- Losing money; system required updating
- State regs imposed on small operations would have required substantial investment; no volunteers to take over operation
- Insufficient ROI for owner
- State required capital upgrades; manual meter reading too expensive
- Company bleeding money

(Q#10) Has Aqua NJ maintained the system satisfactorily: 1 cited daily visits; 3 said “very” or “excellent”; 1 commented that customers were not happy with the response to Sandy but residents had water throughout.

(Q#12) Aqua NJ response time to problems: 3 indicated very prompt; 1 no answer; and 1 interviewee not aware of day-to-day operation since sale

(Q#13) Aqua NJ-installed upgrades:

- New meters read by radio from curb
- Chlorinating equipment
- Reconfigured pump house
- Replaced older piping
- Repaired reservoir

(Q#14) Any restrictions or major changes: 5 said no

(Q#15) Community concerns at time of sale:

- More comfortable with system being managed by public utility rather than local management
- 3 said none

- Initial concern about rates based on a third party but capital investment needed would have generated higher rates

(Q#16) Billing problems: All 5 reported none or not aware of any

(Q#18) Raising of chlorine levels: 2 were unaware of any change; 1 said slightly; 1 indicated increase to meet State standards; 1 no comment

(Q#19) Complaints of tasting chlorine: 4 no; 1 no comment

(Q#20) If you had to do it over, would you go with Aqua NJ:

- Highly recommend them
- Yes
- Yes, highest monetary offer
- Absolutely, should have done it years ago
- Aqua NJ was only bidder

(Q#21) Transition time once decision was made to sell:

- More than a year
- 6-12 months
- 6 months
- Not directly involved in transaction
- Took forever