

AQUA NJ AND ITS BID

Aqua NJ New Jersey (“Aqua NJ”) is a subsidiary of Aqua America, Incorporated, a publicly traded holding company incorporated in Pennsylvania. (The company’s financial profile is included as Appendix B.) Aqua America does business in eleven states with its largest operation in Pennsylvania. Its annual operating revenue is approximately \$700 million. Aqua NJ serves 56,000 households that form its rate base.

Aqua NJ has evaluated the water system and has made a purchase price offer of \$97,000. The company proposes to invest \$100,000 in its first year of ownership. There will be no additional charge to members or the community for these system improvements, which are as follows:

- Meter installation for all system users – this item is about \$45,000 of their investment
- Curb box installation for those buildings not so equipped
- Monitoring devices and auto dialer
- Back-up power generator – MKLA has already set aside \$35,000 for this item, will proceed with the installation in 2013 and (if sale is proceeding) will do so in concert with Aqua NJ and be reimbursed by them.
- Well improvements (as needed)
- Chlorine analyzer and chart recorder
- Main repair and replacement (as needed)
- Valve repair and replacement (as needed)

To date, there have been no contract negotiations with Aqua NJ. Such negotiations would commence once the community decides whether it wants to sell the water system.