

RESOLUTION #2026-35

RESOLUTION OF THE LITTLE EGG HARBOR MUNICIPAL UTILITIES AUTHORITY, COUNTY OF OCEAN, STATE OF NEW JERSEY, ADOPTING A POLICY FOR THE ASSESSMENT OF PRO-RATA OFF-TRACT WATER STORAGE INFRASTRUCTURE COSTS FOR NEW DEVELOPMENTS

WHEREAS, the Little Egg Harbor Municipal Utilities Authority (LEHMUA) owns and operates a public water distribution system serving residents and commercial entities within its service area; and

WHEREAS, the system is currently operating at or near its maximum reliable water storage capacity; and

WHEREAS, a formal, comprehensive Hydraulic Capacity Study dated December 19th, 2025, prepared by Colliers Engineering a licensed Professional Engineering firm in the State of New Jersey, has determined that the cumulative impact of pending and projected future development requires the construction of a new off-tract 900,000-gallon water storage tank/tower to maintain adequate system pressure, fire-flow protection, and regulatory storage compliance; and

WHEREAS, the estimated capital cost for the acquisition, design, engineering, and construction of said water storage tower is still to be determined; and

WHEREAS, pursuant to N.J.S.A. 40:55D-42 and applicable New Jersey law, a Municipal Utilities Authority is empowered to require developers to pay their fair, rational, and pro-rata share of the cost of reasonable and necessary off-tract improvements, including water infrastructure, necessitated by or benefiting such developments; and

WHEREAS, the LEHMUA desires to protect existing ratepayers from bearing the sole financial burden of capital expansions necessitated by new real estate development, ensuring that new developments pay their equitable share.

NOW, THEREFORE, BE IT RESOLVED by the LEHMUA, of the County of Ocean, State of New Jersey, as follows:

1. **Adoption of Policy:** The LEHMUA hereby establishes a mandatory off-tract infrastructure contribution requirement for all future developments as defined herein, as a condition of final subdivision or site plan approval.
2. **Applicability:** This resolution shall apply to all applications for development classified as a Major Subdivision, Major Site Plan, or any development project projected to generate an average daily water demand equal to or greater than 900 Gallons Per Day (GPD) based on standard NJDEP projected flow criteria. Using Authority estimates for daily consumption, irrigation, and fire protection, and to concur with data provided in the Hydraulic study it allows for 300 (GPD) per house. In essence this will mean three (3) or more homes in a development and not for any individual home being constructed. This will also not affect any development which has already been completed, only new development construction.
3. **Pro-Rata Formula Allocation:** The pro-rata financial contribution required from an applicable developer shall be calculated by the LEHMUA Engineer utilizing a rational nexus methodology based on the development's proportion of total projected system load. The standard calculation shall be determined as follows:

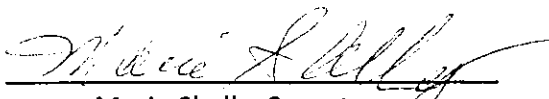
- A. Developer Annual Demand = (Approved Units/Square Footage x GPD per Unit) x 365 days.
- B. Total Future System Capacity = [Current Baseline Metered Flow from the prior year, e.g., 446,975,000 Gallons] + Developer Annual Demand.
- C. Pro-Rata Percentage = Developer Annual Demand divided by Total Future System Capacity.
- D. Developer Share Cost = Pro-Rata Percentage x Total Tower Cost (TBD).
4. Collection of Funds: All pro-rata contributions collected under this Resolution shall be deposited into a dedicated, segregated, interest-bearing account entitled "Water Storage Capital Improvement Fund." These funds shall be utilized exclusively for the acquisition, design, permitting, engineering, and construction of the designated water storage tower.
5. Developer Agreements: No final approvals, water connection permits, or construction permits shall be issued for applicable developments until the developer has entered into a formal Developer's Agreement with the LEHMUA, incorporating the specific pro-rata share financial obligations outlined herein, and has posted the required funds or acceptable letters of credit for the pro-rata cost.
6. Severability: If any section, paragraph, or provision of this Resolution is adjudged invalid by a court of competent jurisdiction, such adjudication shall apply only to the section so adjudged and the remainder of this Resolution shall be deemed valid and effective.
7. Effective Date: This Resolution shall take effect immediately upon passage according to law.

NOW THEREFORE, BE IT RESOLVED, this 7th day of July 2026, by the Little Egg Harbor Municipal Utilities Authority, as follows:

1. The Authority accepts the recommendations of the formal hydraulic study performed by Colliers Engineering and the pro-rata off-tract water storage infrastructure costs for new development are in the best interest of the Authority to protect existing ratepayers from bearing the sole financial burden of capital expansions necessitated by new real estate development ensuring that new developments pay their equitable share.
2. The Authority authorizes and directs the Chairman, Secretary and/or Executive Director to execute any and all necessary documents in order to implement the intent of this Resolution.

CERTIFICATION

I hereby certify that the foregoing Resolution was duly adopted by the Little Egg Harbor Municipal Utilities Authority at a meeting held on the 7th day of July 2026, a quorum being present and voting in the majority.


Marie Skelly, Secretary