



TOWNSHIP OF EDISON
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**Edison Township Restructures Water-Sewer Agreement,
Lowers Term, Adds Funding For School Air Conditioning**

EDISON – (Sept. 3, 2019) – Mayor Thomas Lankey announced today that his Administration has been advised that new concessions have been proposed to the agreement with Edison Environmental Partners (the joint venture between Suez and KKR) to maintain and operate the Township’s sewer system and the water mains that serve South Edison. The revised proposal will decrease the term of the contract to 25 years, down from 40 years.

“My administration has heard the concerns from our community and we proactively sought revisions to this deal,” Lankey said. “As revised, the contract would substantially reduce the term of the agreement, but it will keep the senior freeze intact, add safeguards, and help provide funding for an important need for the 17,000 children that use our public schools – air conditioning.”

The Township has recently received indication from Edison Environmental Partners that it would be willing to change certain terms in the contract. Specifically, the joint venture has indicated it can lower the term of the contract to 25 years and that it can eliminate the provision that would allow the joint venture to recover its equity upon the joint venture’s default.

Except for a reduction in the upfront concession fee equivalent to the reduction of the years of the contract, all other relevant terms of the proposed agreement (cap on rates for the first seven years, senior freeze, amount of the annual concession fee, etc.) would remain the same.

The Township will also apply up to \$30 million over the course of the agreement, including a \$5 million upfront payment, toward adding air conditioning or other necessary infrastructure for the Township’s schools. These funds will be made available to the District either by encouraging the joint venture to make a contribution directly or through any other method available.

Under the proposed agreement, the Township will also appoint commissioners to oversee the operations of Edison Environmental Partners. “This will be a board with gravitas, one where the members from our community, will have oversight and input on decisions and operations,” said Lankey.

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