

Information on Park Ridge 4% Water Rate Increase  
Effective March 1, 2019

On February 26, 2019 upon the recommendation of the Park Ridge Board of Public Works, the Mayor and Council adopted Ordinance No. 2019-003 "Amending Chapter 98 of the Code of the Borough of Park Ridge - Establishing Water Rates". This ordinance authorized a 4% increase in the water rates effective for all bills rendered on or after March 1, 2019.

A number of factors have contributed to the need for this water rate increase including the following:

- Very wet summers of 2017 and 2018 resulted in significantly lower revenue and a depletion of the Water Department's surplus balance.
- | <u>Year</u>           | <u>Gallons Billed</u> | <u>Revenue</u> |
|-----------------------|-----------------------|----------------|
| 2018 (wet summer)     | 586,958,000           | 2,953,321      |
| 2017 (wet summer)     | 632,199,000           | 2,810,817      |
| 2016 (typical summer) | 714,305,000           | 3,303,653      |
- Increase in labor, contractors, and engineering professional costs.
  - New NJDEP and EPA mandated water system regulations (e.g. the Water Quality Accountability Act). These regulations are designed to help maintain the long term reliability of water systems but are costly to implement.
  - Additional overtime as a result of extensive street valve testing and repair program.
  - Increase in treatment costs (Carbon, Resin for Perchlorate Treatment, Resin for Arsenic Treatment, and Additional Electric Cost for Photocatalytic Treatment System – Well 17).
  - On-going expenditures for improvements to water system (water main repairs, hydrants, water meters, well pumps, electrical controls, etc.)

The following table summarizes the changes in the water rates:

<b>Summary of Water Department Rate Increase Effective 3/1/19</b>		
Consumption Charge (\$ per 1,000 Gallons)		
	*Rate (\$/1,000 Gal)	
	Prior	New Rate
Water Usage Consumption Charge	\$ 4.10	\$ 4.26
Eligible Senior Citizen Consumption Charge	\$ 2.05	\$ 2.13
*Includes NJ State Water Tax (presently \$0.01 per 1,000 gallons)		
Metered Service Fixed Charge Rates		
	Rate (\$) per Quarter	
Meter Size (in.)	Prior	New Rate
5/8"	\$ 14.85	\$ 15.44
3/4"	\$ 22.28	\$ 23.17
1"	\$ 38.19	\$ 39.72
1-1/4", 1-1/2"	\$ 76.38	\$ 79.44
2"	\$ 122.00	\$ 126.88
3"	\$ 229.15	\$ 238.32
4"	\$ 381.92	\$ 397.20
6"	\$ 763.85	\$ 794.40
Eligible Senior Citizen Metered Service Fixed Charge	\$ 7.43	\$ 7.73
Unmetered Service for Fire Protection		
	Rate (\$) per year	
Fire Service Size (in.)	Prior	New Rate
4"	\$ 840.00	\$ 874.00
6"	\$ 1,782.00	\$ 1,853.00
8"	\$ 2,852.00	\$ 2,966.00
10"	\$ 3,497.00	\$ 3,637.00
Public and Private Fire Hydrant Fee	\$ 44.56	\$ 46.34

With this moderate rate increase, we anticipate an increase in revenue of around \$98,000 in 2019 (based on historical water sales). **The typical residential customer will see an increase in cost of \$24 per year (\$2 per month).** The increase in cost for customers in the Senior Citizen rate class (50% discount) will be around \$12 per year. Even with this moderate rate increase, Park Ridge rates are significantly less than other water utilities in our area. The following table shows a comparison of the annual water bills based on a typical residential customer:

**Comparison of Annual Water Bills  
Based on Average Customer Using 34,000 Gallons per Quarter**

