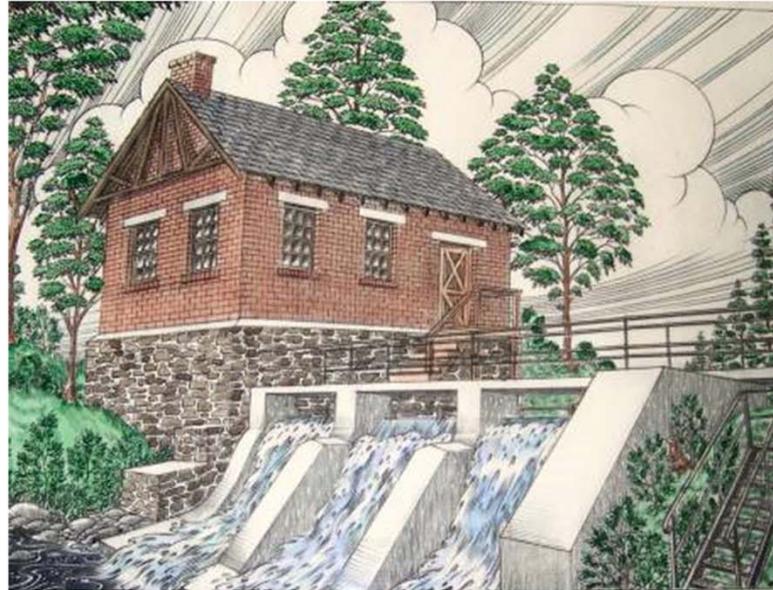


# **BOARD OF PUBLIC WORKS**



## **BUDGET MEETING**

**April 9, 2013**

**This presentation is available on the Borough's web site at  
[www.parkridgeboro.com](http://www.parkridgeboro.com)**

# **BOARD OF PUBLIC WORKS**

**Terence Maguire, Mayor**

**George J. Mehm, Jr., President**

**John D. Pouletsos, Vice President**

**Robert A. Ludwig**

**Dr. Charles Moore**

**Andrew Matuson**

**Richard Bosi, Council Liaison**

**Colleen Ennis, Director of Finance**

# Park Ridge Operations Supervisors



William Beattie  
Director of Operations



Paul Longo  
Supervisor of Electric Dist.



Angelo Dell'Armo  
Project Engineer



William Hahn  
Supervisor of Water & Sewer



Peter Wayne  
Supervisor of Public Works

## **Utility and Public Works Shared Services**

- **Joint Managed Contract Request For Proposals for Wholesale Power Supply** – Park Ridge, Seaside Heights, Lavallette and South River have joined together and are using a new managed contract approach to procure wholesale power. This has resulted in lower power costs **and this savings is being passed along to our customers. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) have joined in the bidding in 2012.**
- **Tri-Boro Fuel Depot** – Unleaded and Diesel fueling station shared with Montvale and Woodcliff Lake.
- **Sewer Flusher** – We joined with Emerson and in 2010 we received a new Sewer flusher truck at no cost through a grant that was applied for through Bergen County. Emerson, Park Ridge and Montvale use this sewer flusher.
- **Sewer Camera** – Shared with several towns in the Pascack Valley for video inspection of sewer mains.

- **Public Power Association of New Jersey (PPANJ)** – Electric Department is a member of this service association comprised of all nine municipal electric utilities in New Jersey and Sussex Rural Electric Cooperative. Benefits include:
  - Share legal, engineering, administrative and consulting costs to monitor and act on both state and federal regulatory matters.
  - Share purchase of low-cost hydroelectric power from federally-funded projects on the St. Lawrence.
  - Joint power proposal contracts.
  - Mutual aid agreement so members can help each other with manpower and resources during storm and other electric emergencies.
  - Cooperative purchasing agreement so members can perform bulk purchases of materials and supplies.
  
- **Joint Municipal Shared Services Energy Corporation** – To enable the NJ municipal electric utilities to purchase energy contracts, power facilities, and other shared services. This is subject to legislative approval and the Governor’s signature. The Bill was approved by the Assembly last May and we continue to work to get the bill passed in the Senate.

- **American Public Power Association (APPA)** – Park Ridge Electric Department is a member of National APPA, comprised of municipally-owned electric utilities throughout the country. The main function this organization provides is for the monitoring and support for regulatory matters that could affect municipal electric utilities. They also provide educational materials and training.
- **New Jersey American Water Works Association (NJAWWA)** – Park Ridge Water Department is a member of the New Jersey AWWA, comprised of water utilities and professionals in New Jersey. This organization provides support and training for the water utilities. Also monitors and provides guidance to the New Jersey Legislators to promote public health and welfare in the provision of drinking water of unquestionable quality and sufficient quantity.
- **New Jersey Water Association** – Park Ridge Water Department is a member of this organization which is comprised of the smaller water utilities in New Jersey. This organization provides support and free training programs for the water department staff. Because most of our staff have obtained their operator’s licenses, this organization provides an excellent tool for the employees to keep up with their required continuing education credits at a minimal cost. They also provide additional monitoring and guidance for regulatory issues in New Jersey.

# FINANCE DEPARTMENT

## STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>CFO/Utility Treasurer</i>	Colleen Ennis	5*
<i>Department Head</i>	Susan Corrado	1**
<i>Assistant Treasurer</i>	Jeannine Hosselet	3**
<i>Assistant Treasurer</i>	Angela Kent (p-t)	11
<i>Principal Account Clerk</i>	Nancy Russell	18
<i>Principal Account Clerk</i>	Liz Maggio	6
<i>Senior Cashier</i>	Joseph Barnes	15
<i>Clerk Typist/Cashier</i>	Jessica Mazzarella	8
<i>Account Clerk</i>	Thomas Mazzarella	2

\* 12 years of experience prior to employment with Park Ridge

\*\* 28 years of accounting experience prior to employment with Park Ridge

\*\*\* 10 years of experience prior to employment with Park Ridge

**Average Years of Service: 8**

## Utility Office Staff



*Pictured left to right: Jeannine Hosselet, Colleen Ennis, Susan Corrado, Jess Mazzarella, Tom Mazzarella, Nancy Russell, Liz Magio, Joe Barnes (not pictured Angela Kent)*

## Borough Office Staff



*Pictured left to right: Kelley O'Donnell, Mirella Hernandez, Karen Prezant, Bob Ludwig, Elena Rega*

**ROADS, GROUNDS, VEHICLE MAINTENANCE**  
**STAFFING**

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Peter Wayne	22
<i>Road Supervisor</i>	Bill Diedtrich	20
<i>Road Repairer</i>	John Woods	8
<i>Road Repairer</i>	Joseph Zuccaro	5
<i>Road Repairer</i>	Jason Coughenour	5
<i>Road Repairer</i>	Steven Morey	2
<i>Road Laborer</i>	Open	
<i>Mechanic</i>	Ken Nibbling	9 (*)
<i>Buildings and Grounds</i>	Chuck Deitrich	22

\* 13 years experience as a truck mechanic prior to employment with Park Ridge

**Average Years of Service: 12**

## Park Ridge DPW Staff



*Pictured left to right: Steve Morey, Jason Coughenour, Joe Zuccaro, John Woods, Bill Diedtrich, Ken Nibbling, Peter Wayne (not pictured Chuck Deitrich)*

## **Public Works – Another Rough Year!**



## **Super Storm Sandy – October 29, 2012:**

- Utilities and Public Works Staff were very pre-paired for the impending storm. Staff was on-site ready for the emergencies.
- Storm delivered rain, sustained 50 MPH winds, and **wind gusts up to 90 MPH.**
- The storm downed a significant number of trees on both the public and private properties.
- DPW cleared a great number of trees that came down during the storm. Assisted the electric department in tree removals to expedite power restoration.

- DPW spent weeks picking up debris and cleaning up the Borough's facilities and parks. Approximately 2,500 cubic yards of brush was picked up by the DPW for the weeks following the storm.
- The Borough authorized emergency funding and contractors were hired to pick up and chip the brush that was left curbside by Borough residents. Over 3,600 cubic yards of chipped wood was generated from this operation.

- Hiring contractors enabled the DPW staff to get back to the leaf removal operation so it could be completed by mid-December.
- Contractor was hired to tub grind the brush and chipped wood to generate mulch.
- Mulch has been available to town residents since the beginning of February and there is still more available.

# **ROADS, GROUNDS, VEHICLE MAINT**

## **2013 PROJECTS**

- Continue to work to improve the turf conditions in the parks and ballfields. Colony softball field is scheduled for upgrade this year.
- Continue to process approximately 2,000 tons of recyclables and refuse delivered by residents to the Borough's recycling facility.
- Continue to maximize the use of Borough equipment and personnel to save recycling and solid waste costs.
- Continue to implement improved recycling and solid waste services.
- Continue to monitor the condition of the Borough's fleet of equipment. Revise and recommend replacements of the equipment based on safety, age, and maintenance status.
- Continue employee-training programs.

## WATER AND SEWER DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	William Hahn	25
<i>Water Supervisor</i>	Ken Reynolds	27
<i>Water Repairer</i>	Jay Ottens	27
<i>Water Repairer</i>	Dan Boyle	20
<i>Water Repairer</i>	Mark Gronbeck	11
<i>Water Repairer</i>	Kevin Altomare	26
<i>Water Laborer</i>	Kevin Origoni	1
<i>Sewer/Water Repairer</i>	Jim Babcock	32

**Average Years of Service: 21**

## Park Ridge Water Department Staff



*Pictured left to right: Ken Reynolds, Dan Boyle, Kevin Origoni, Mark Gronbeck, Jay Ottens, Kevin Altomare (not pictured Jim Babcock)*

# **SEWER**

## **2013 PROJECTS**

- Continue aggressive grease trap inspection program. Employee recently promoted to Water/Sewer Repairer and Inspector position to increase and improve our grease trap inspection program.
- Continue program to reduce infiltration and inflow.
- Replace worn out sewer manholes.
- Utilize new shared sewer flusher truck with Montvale and Emerson recently purchased through a Bergen County grant.
- Utilize sewer camera to perform internal visual inspections of our sewer collection system.

# WATER

## 2013 PROJECTS

- Complete the painting and the rehabilitation of the Holly Court two million gallon water storage tank (\$592,700 - project bid in 2012)



- Resin replacement at the Well #9/15 treatment facility (\$100,000).
- Carbon change at the Well #17 and Well #9/15 treatment facilities (\$60,000).
- Relocate spare backup generator to Well #16 (\$40,000)
- Contract for semi-annual leak detection survey.
- Continue employee-training programs.

# WATER

## Building for the Future

### 2014 System Improvements

- Install new backup generator at Well #17 - \$100,000
- Determine location for Well #21 “Test Well” in Woodcliff Lake. (\*)
- Water distribution improvements - \$100,000

### 2015 System Improvements

- Water distribution improvements - \$100,000
- Design and obtain permit for the Well #21 pumping facility on property provided by Woodcliff Lake - \$50,000 (\*)

### 2016 System Improvements

- Water distribution improvements - \$100,000
- Construct Well #21 pumping facility - \$600,000 to \$800,000 (\*)

**\* Note: Depending on status of water supply contract with Woodcliff Lake which expires on 12/31/19.**

<b><u>Water Dept Annual Numbers (2010-2012)</u></b>		
<u>Gallons Billed</u>		
2012		637,435,000
2011		630,060,000
2010		732,919,000
<u>Revenue (from Water Sales)</u>		
2012		2,517,950
2011		2,384,423
2010		2,610,654
<u>Precipitation (inches)</u>		
2012		36.35
2011*		69.91
2010		47.03
* Note: Nineteen (19) inches of rain in August		

## WATER UTILITY BUDGET

A. REVENUES	13 BUDGET	12 MODIFIED BUDGET	12 ACTUAL
1 SURPLUS	\$ 541,644	\$ 335,648	\$ 335,648
2 RENTS	2,528,722	2,380,000	2,528,722
3 RENTS FROM RATE INCREASE	334,278	-	
4 MISCELLANEOUS	263,000	270,000	263,776
5 RESERVE FOR WCL CAPITAL	-	588,452	588,452
<b>TOTAL REVENUES</b>	<b>\$ 3,667,644</b>	<b>\$ 3,574,100</b>	<b>\$ 3,716,598</b>
B. OPERATING EXPENSES			
1 SALARY AND WAGES	1,130,000	\$ 1,176,000	\$ 1,067,237
2 OTHER EXPENSES	1,553,100	1,574,600	1,410,955
3 GROUP INSURANCE EMPLOYEES	422,500	375,000	355,859
4 CAPITAL OUTLAY	223,000	236,500	131,332
5 SOCIAL SECURITY	86,500	90,000	80,039
6 CAPITAL IMPROVEMENT FUND	25,000	25,000	25,000
7 PUBLIC EMPLOYMENT RETIREMENT	99,750	97,000	97,000
8 OVEREXPENDITURE RESERVES	-	-	-
9 BOND PRINCIPAL	70,000	-	-
10 BOND INTEREST	32,511	-	-
11 BAN INTEREST	283	-	-
12 DEFERRED CHARGES	25,000	-	-
13 SPECIAL EMERGENCY - HURRICANE SANDY	-	25,000	12,760
<b>TOTAL EXPENSES (inc Emergency):</b>	<b>\$ 3,667,644</b>	<b>\$ 3,599,100</b>	<b>\$ 3,180,182</b>
<b>TOTAL EXPENSES (exc Emergency):</b>	<b>\$ 3,642,644</b>	<b>\$ 3,574,100</b>	<b>\$ 3,167,422</b>
<b>Surplus</b>			
	\$ 422,300	January 1, 2012	
	\$ 751,781	December 31, 2012	
	\$ 240,761	2012 Appropriation Reserve	

## WATER UTILITY BUDGET (2009-2013)

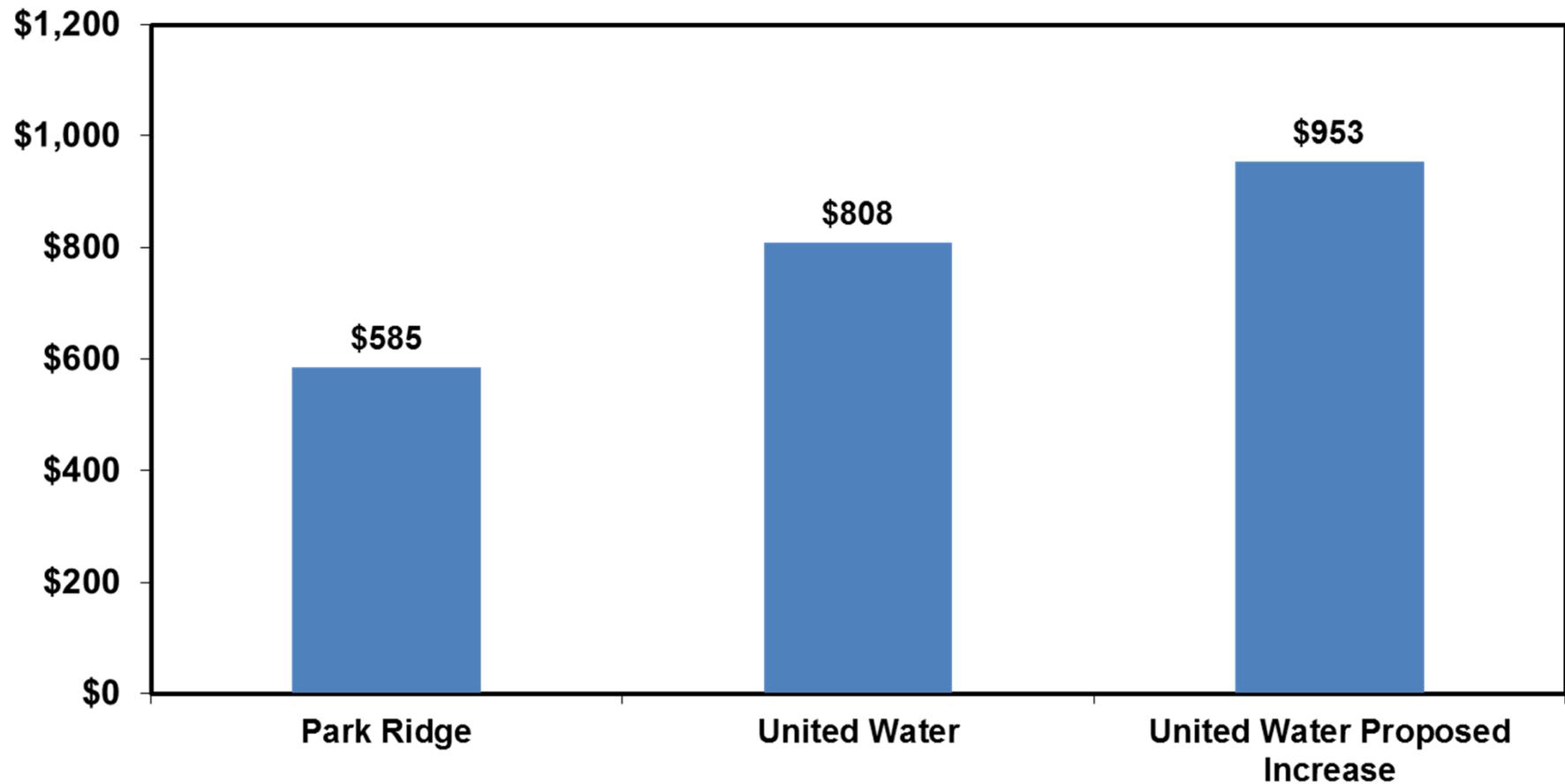
<b>REVENUES</b>	<b>13 BUDGET</b>	<b>12 MODIFIED BUDGET</b>	<b>11 MODIFIED BUDGET</b>	<b>10 MODIFIED BUDGET</b>	<b>09 MODIFIED BUDGET</b>
SURPLUS	\$ 541,644	\$ 335,648	\$ 762,800	\$ 830,721	\$ 870,882
RENTS	2,528,722	2,380,000	2,399,000	2,382,000	2,400,000
RENTS FROM RATE INCREASE	334,278				
MISCELLANEOUS	263,000	270,000	303,000	249,000	230,000
RESERVE FOR WCL CAPITAL		588,452			
<b>TOTAL REVENUES</b>	<b>\$ 3,667,644</b>	<b>\$ 3,574,100</b>	<b>\$ 3,464,800</b>	<b>\$ 3,461,721</b>	<b>\$ 3,500,882</b>
<b>OPERATING EXPENSES</b>					
SALARY AND WAGES	1,130,000	\$ 1,176,000	\$ 1,197,000	\$ 1,162,000	\$ 1,078,000
OTHER EXPENSES	1,553,100	1,574,600	1,477,000	1,495,500	1,538,385
GROUP INSURANCE EMPLOYEES	422,500	375,000	318,300	286,000	316,115
CAPITAL OUTLAY	223,000	236,500	261,500	322,500	385,700
SOCIAL SECURITY	86,500	90,000	92,000	88,000	79,000
CAPITAL IMPROVEMENT FUND	25,000	25,000	25,000	25,000	25,000
PUBLIC EMPLOYMENT RETIREMENT	99,750	97,000	94,000	82,721	58,041
OVEREXPENDITURE RESERVES	-	-	-	-	20,641
BOND PRINCIPAL	70,000	-	-	-	-
BOND INTEREST	32,511	-	-	-	-
BAN INTEREST	283	-	-	-	-
DEFERRED CHARGES	25,000	-	-	-	-
SPECIAL EMERGENCY - HURRICANE SANDY	-	25,000	-	-	-
<b>TOTAL EXPENSES (inc Emergency)</b>	<b>\$ 3,667,644</b>	<b>\$ 3,599,100</b>	<b>\$ 3,464,800</b>	<b>\$ 3,461,721</b>	<b>\$ 3,500,882</b>
<b>TOTAL EXPENSES (exc Emergency)</b>	<b>\$ 3,642,644</b>	<b>\$ 3,574,100</b>			

**BOROUGH OF PARK RIDGE**  
**Existing Bonded Service**  
**2012 Water Utility Bonds**

<i>Year</i>	<i>2012 Bonds</i>			<i>Outstanding</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	
				1,250,000
2013	70,000	23,836	93,836	1,180,000
2014	75,000	23,136	98,136	1,105,000
2015	75,000	22,386	97,386	1,030,000
2016	75,000	20,886	95,886	955,000
2017	80,000	19,386	99,386	875,000
2018	80,000	17,786	97,786	795,000
2019	80,000	16,186	96,186	715,000
2020	85,000	14,586	99,586	630,000
2021	85,000	12,886	97,886	545,000
2022	85,000	11,186	96,186	460,000
2023	90,000	9,486	99,486	370,000
2024	90,000	7,686	97,686	280,000
2025	90,000	5,886	95,886	190,000
2026	95,000	4,086	99,086	95,000
2027	95,000	2,090	97,090	-
<b>Total</b>	<b>1,250,000</b>	<b>211,494</b>	<b>1,461,494</b>	

With “Premium” – Net cost of approximately 1.87%

## Annual Water Cost Comparison (based on typical residential customer)



Park Ridge's rates are 28% lower than United Water's existing rates and 39% lower than United Water's proposed new rate.

# ELECTRIC DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Paul Longo	9(*16)
<i>Line Supervisor</i>	James Leichtnam	7(**18)
<i>Senior Line Worker</i>	Shane Geanoules	4(***5)
<i>Line Worker</i>	Paul Neumann	26
<i>Line Worker</i>	Silvestre Jose	3 (****6)
<i>Line Worker</i>	Martino Ippolito	1(*****8)
<i>Electrician/Line Worker</i>	Bob Murken Jr.	19
<i>Meter Reader</i>	John Reynolds	28

\* 16 years experience with PSE&G prior to employment with Park Ridge

\*\*18 years experience with PSE&G prior to employment with Park Ridge

\*\*\*5 years experience with PSE&G prior to employment with Park Ridge

\*\*\*\*6 years experience with PSE&G prior to employment with Park Ridge

\*\*\*\*\*8 years experience with Florida Power and Light prior to employment with Park Ridge

**Average Years of Service: 12**

## Park Ridge Electric Department Staff



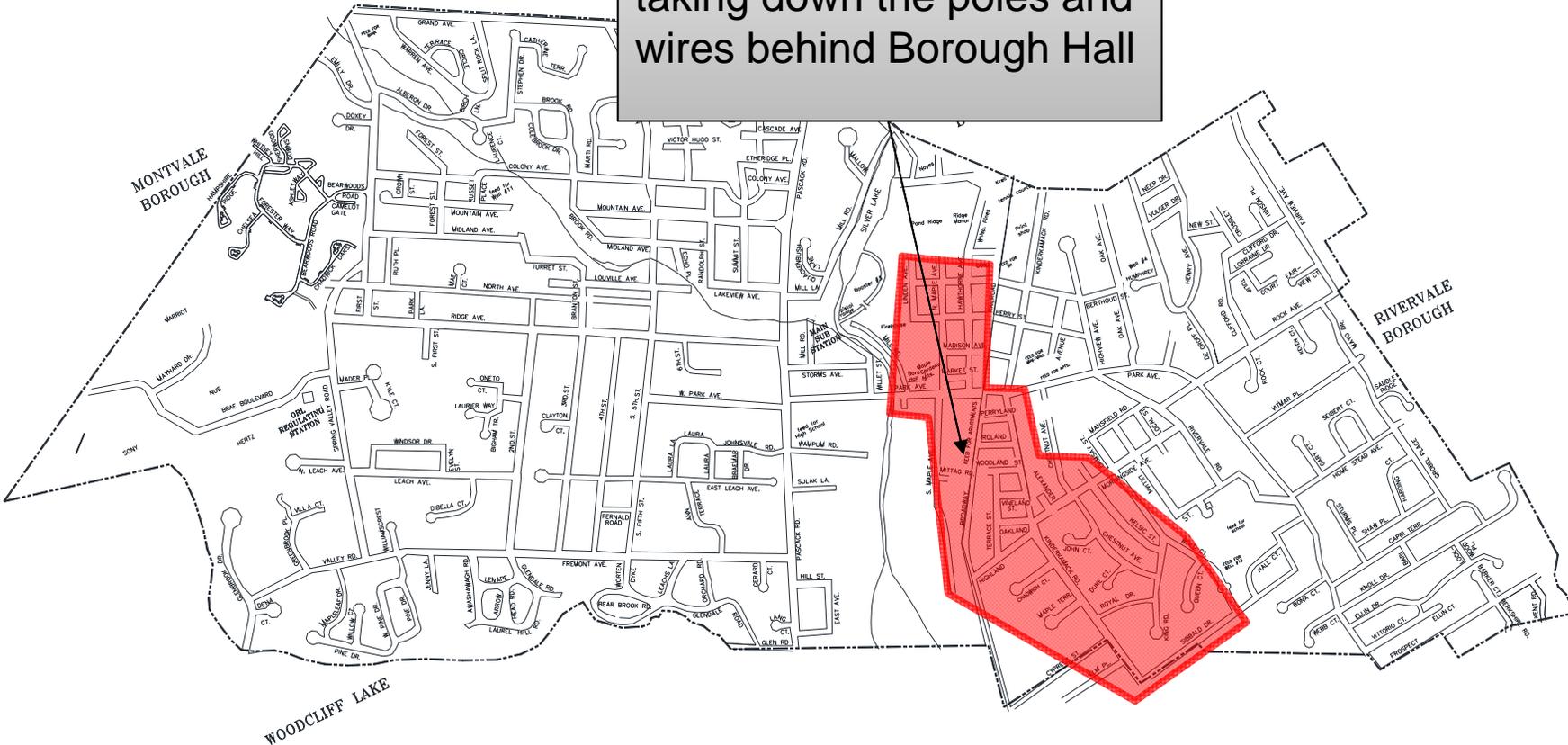
*Pictured left to right: Paul Longo, Jim Leichtnam, Shane Geanoules, Martino Ippolito, Silvestre Jose, Paul Neuman, Bob Murken (not pictured John Reynolds)*

# Super Storm Sandy – The Storm of the Century!

## Timeline of Significant Events:

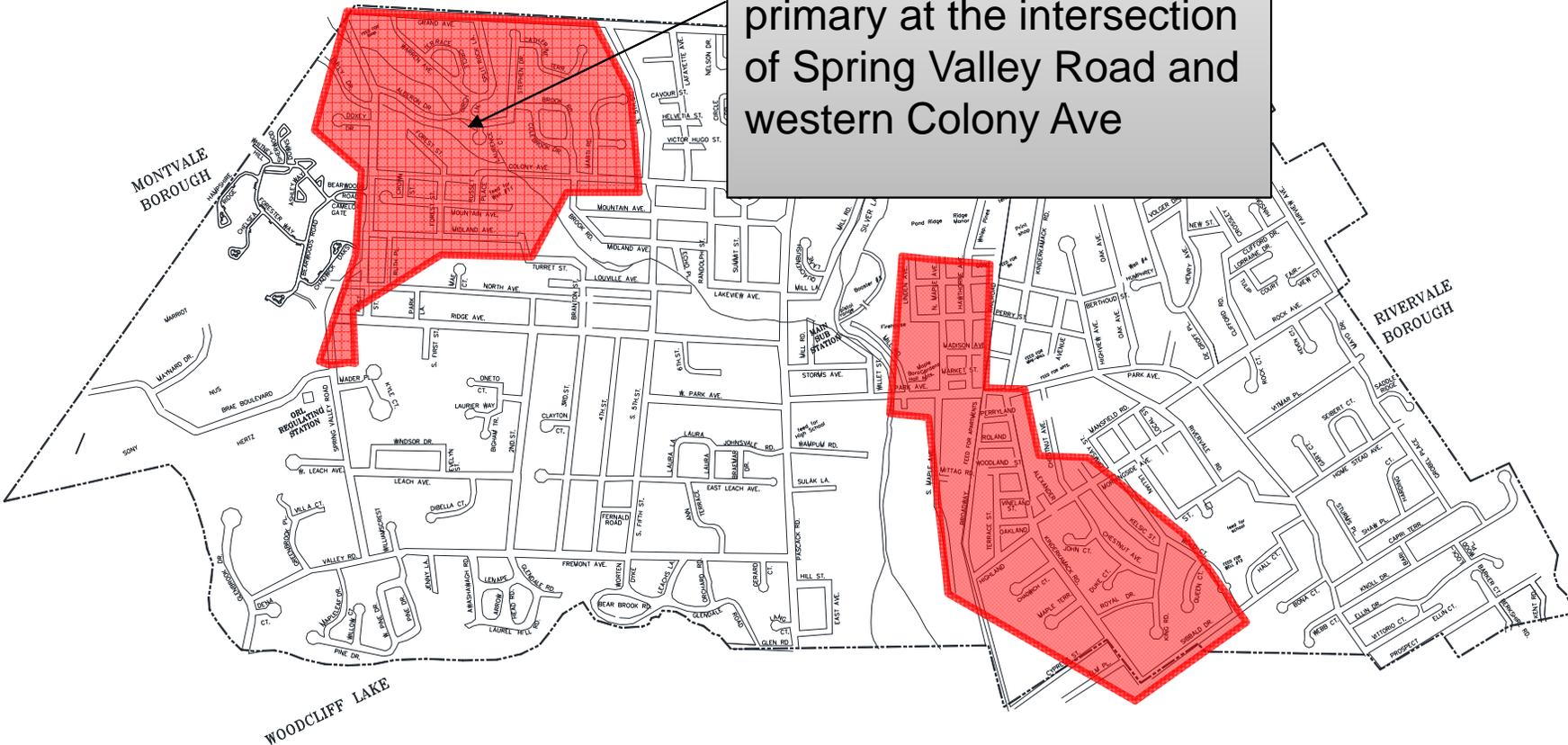
- Prior to storm arriving. Operations staff were standing by ready for impending electrical and other emergencies. The trucks and equipment were ready to go. Emergency generators were all tested, topped off with fuel and ready. Borough facilities including the utilities and public works garages were all prepped for potential flooding. Employees remained in the area to be able to respond quickly.
- Midday Oct 29 – Wind and rain pickup throughout the Borough as the storm approaches NJ.
- 6:00 PM Oct 29 – Sandy hits landfall in southern NJ, north of Atlantic City. Winds in Park Ridge increase. **Wind gusts hit peaks between 80-90 mph from 6:00PM – 9:00PM**

6:00 PM Oct 29 – Feeder 4001 trips out due to numerous trees falling taking down the poles and wires behind Borough Hall



Approximately 10% customers without power

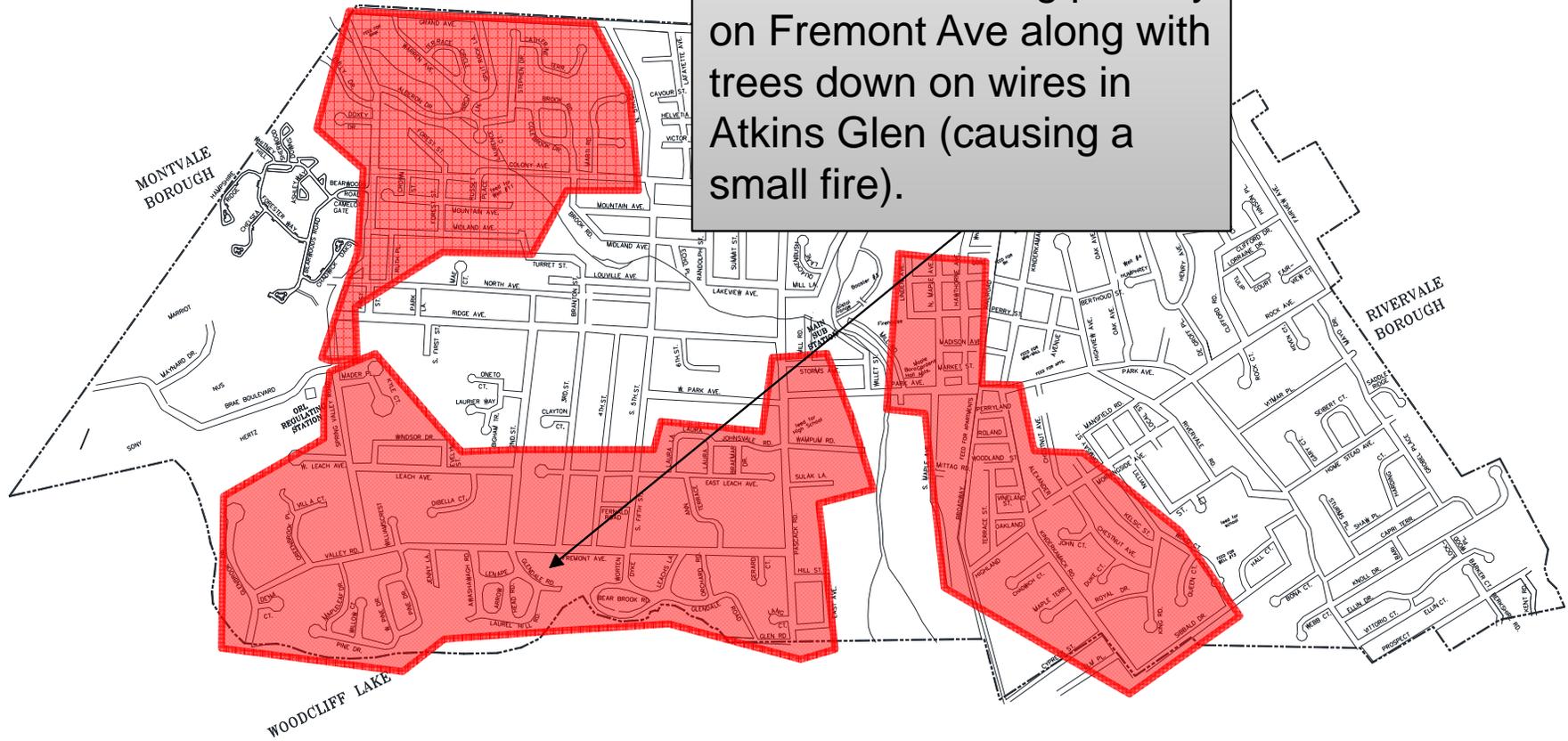
6:30 PM Oct 29 – Feeder 4008 trips out due to trees taking down poles and primary at the intersection of Spring Valley Road and western Colony Ave



Approximately 20% customers without power

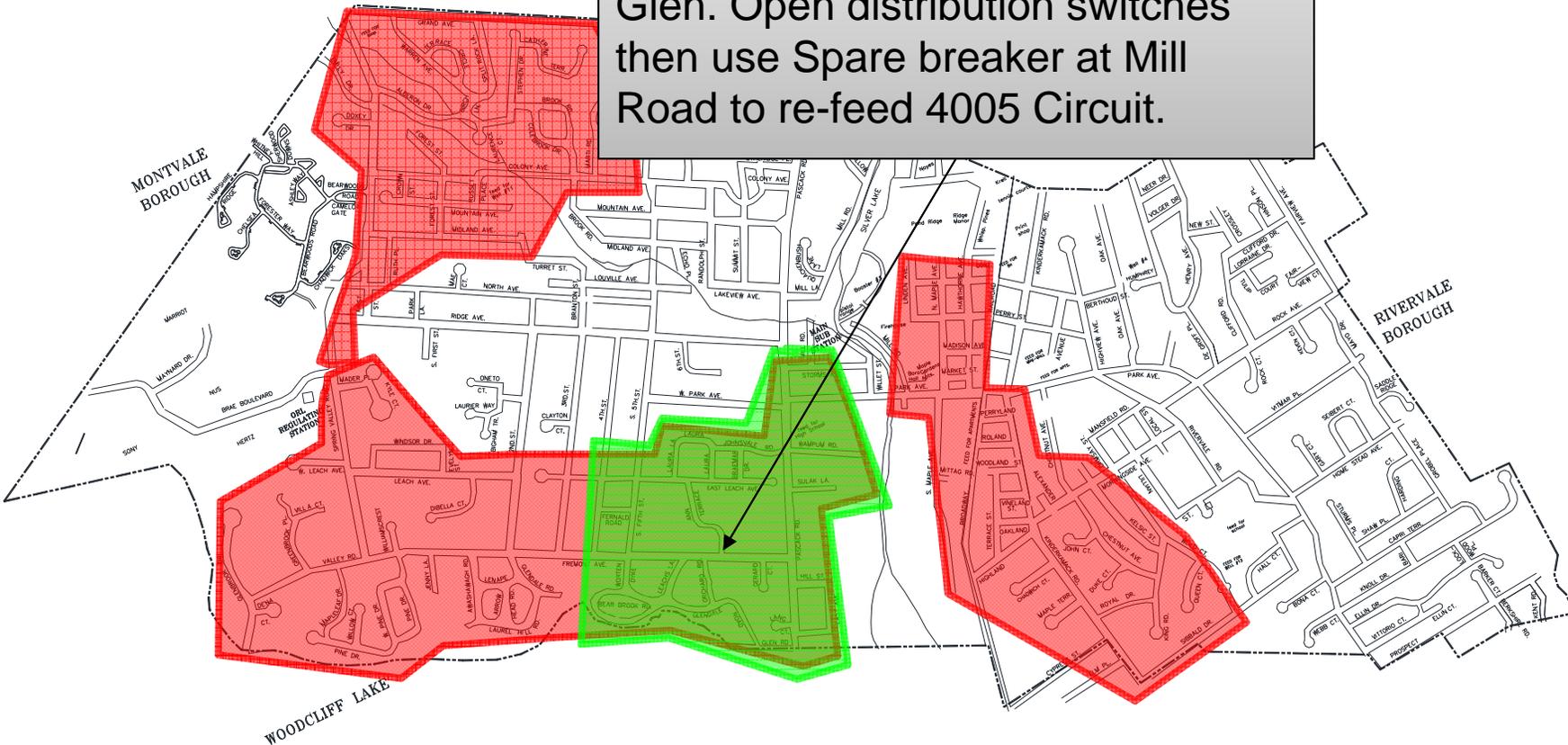
- **7:00 PM Oct 29** - One of our two incoming power supply transmission lines from PSE&G trips out due to major tree problems on Pascack Road in Woodcliff Lake.
- Our second (**redundant**) line holds keeping power supplied to our entire Park Ridge system.
- We were in continuous contact with PSE&G during the storm closely monitoring the second line.

11:15 PM Oct 29 – Feeder 4009 (which was tied to the 4005 circuit) trips out due to trees hitting primary on Fremont Ave along with trees down on wires in Atkins Glen (causing a small fire).



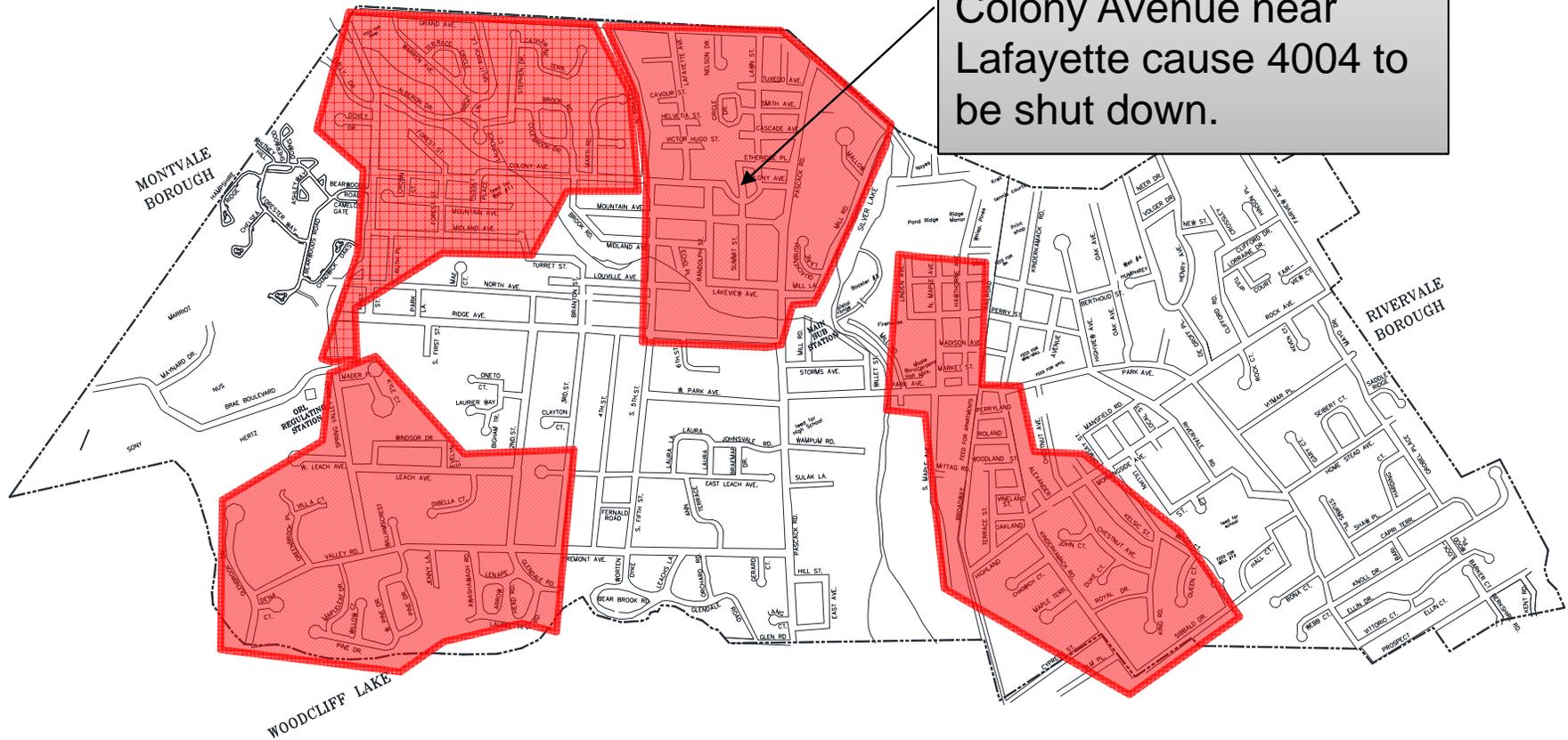
Approximately 40% customers without power

12:30 AM Oct 30 – Supervisor of Electric and Director of Operations clear up burning primary in Atkins Glen. Open distribution switches then use Spare breaker at Mill Road to re-feed 4005 Circuit.

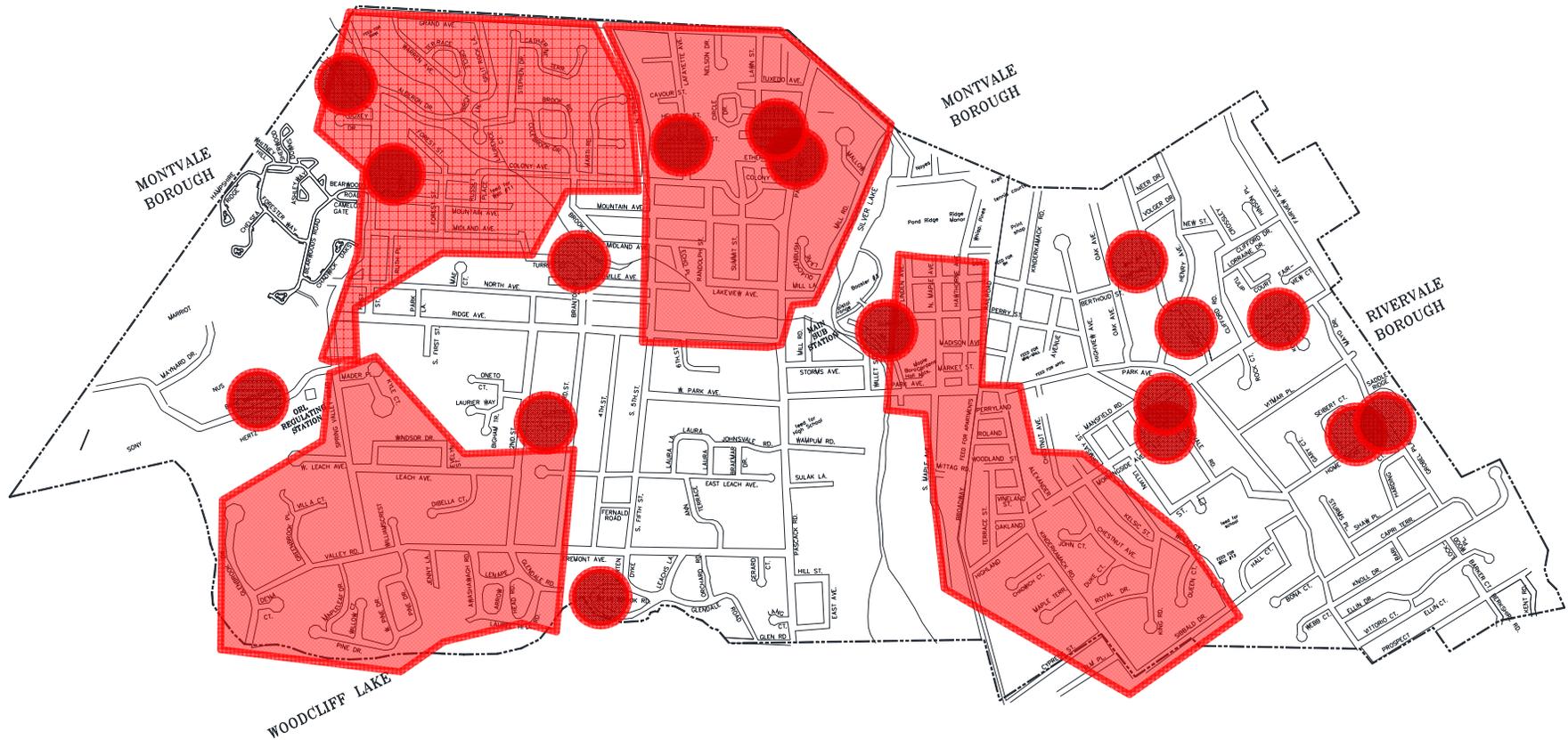


Approximately 30% customers without power

3:30 AM Oct 30 – Tree burning on primary on Colony Avenue near Lafayette cause 4004 to be shut down.



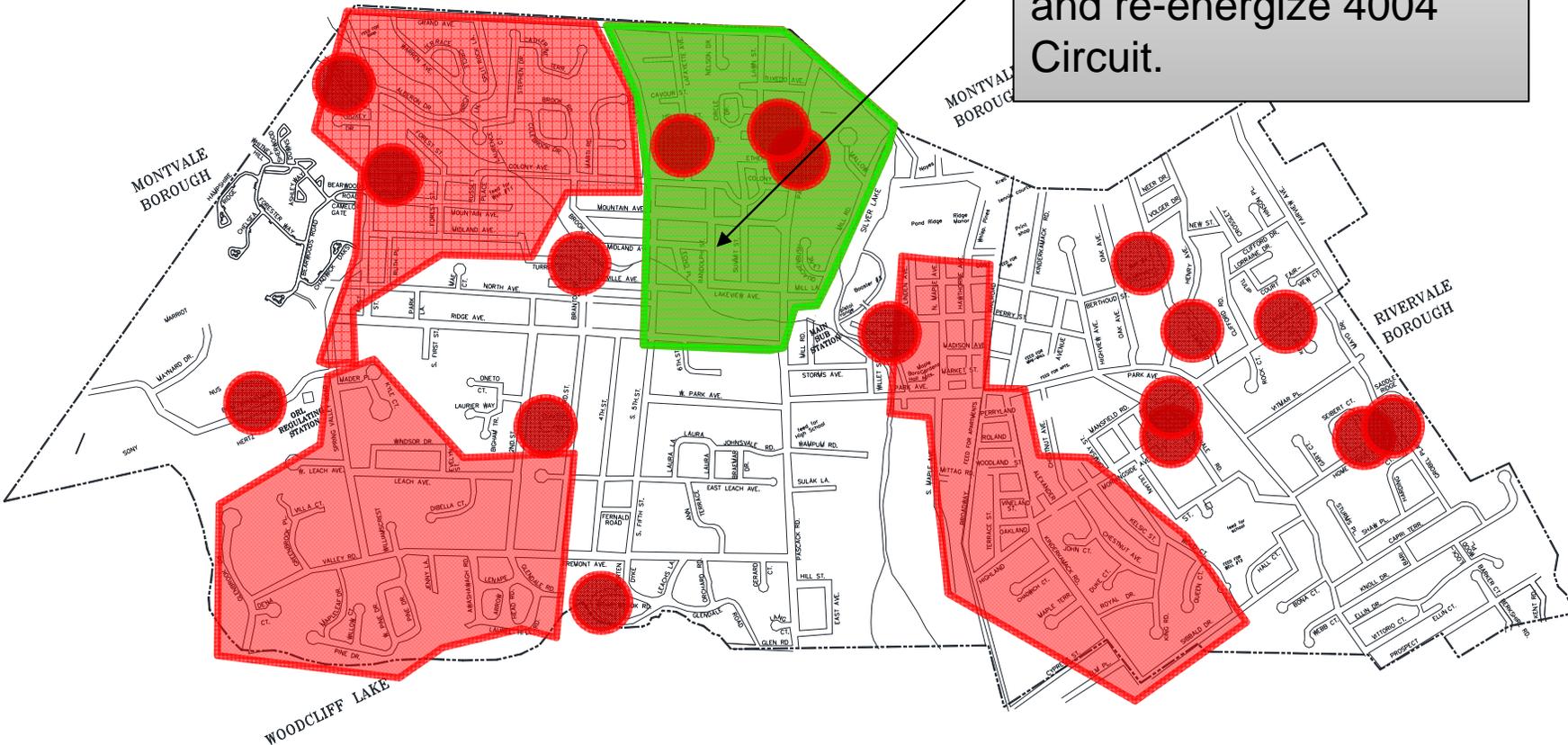
Approximately 35% customers without power



Isolated damage to the distribution system at 16 other locations in the Borough

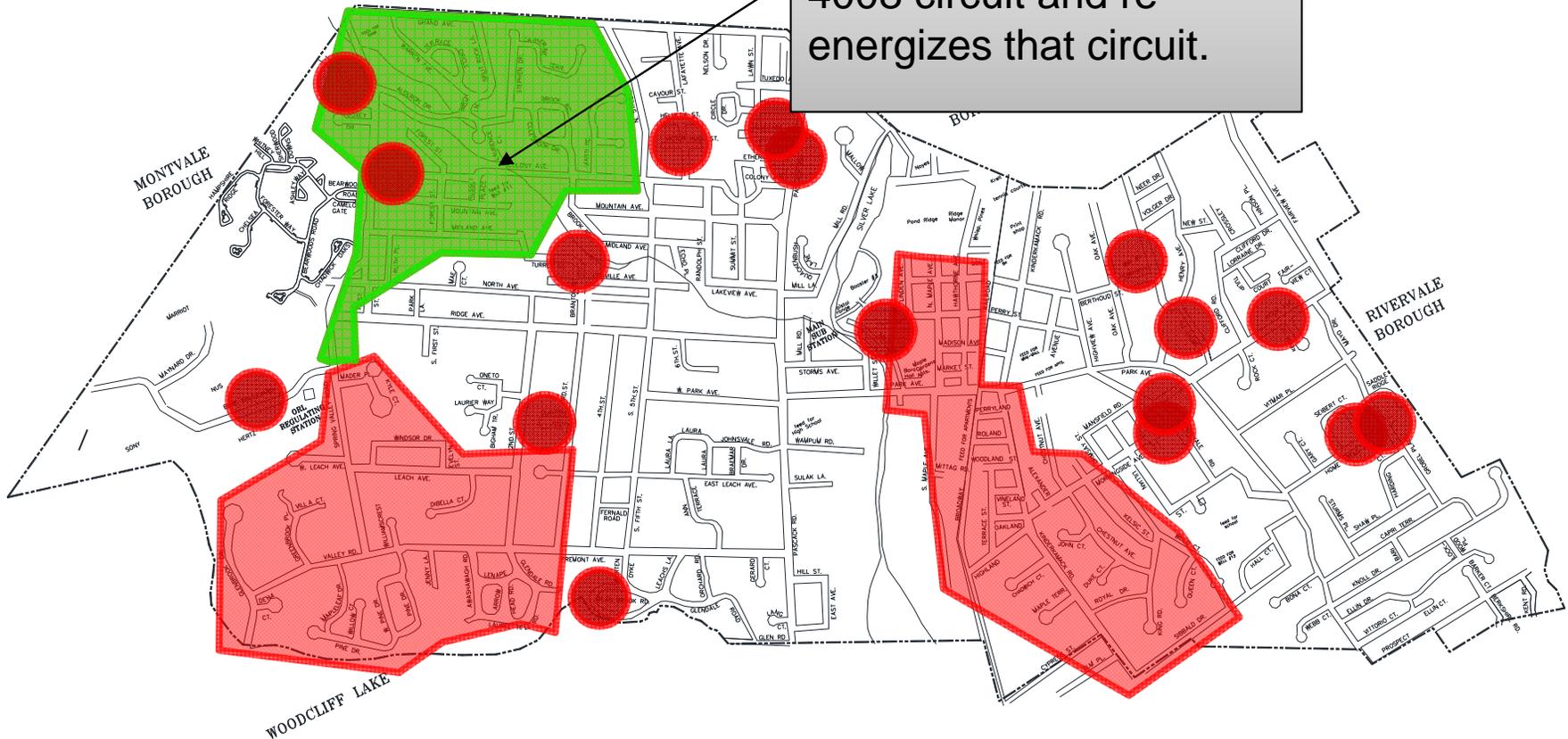
Damage to over 100 electric services throughout the Borough

8:15AM Oct 30 - Electric crew clears up problem at Colony and Lafayette and re-energize 4004 Circuit.



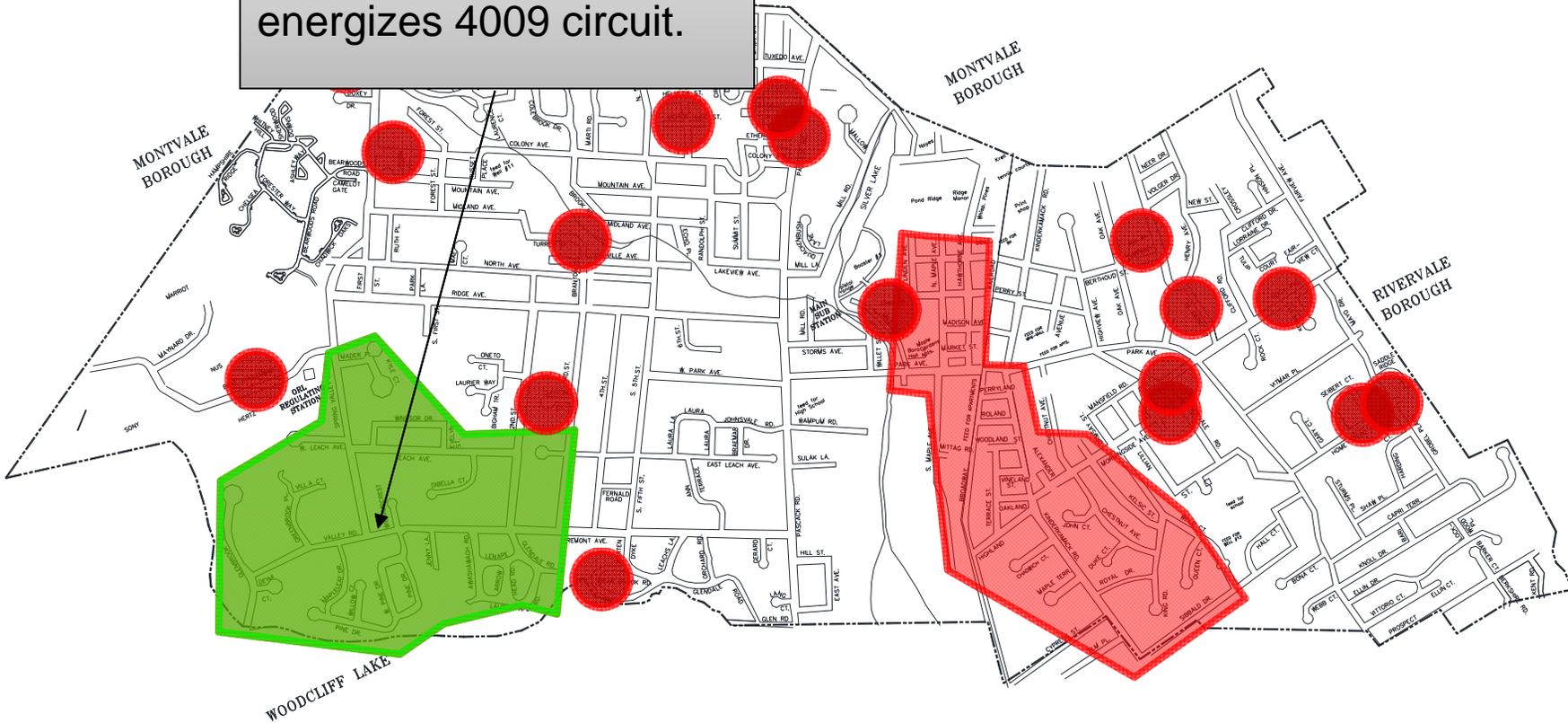
Approximately 30% customers without power

9:00AM Oct 30 - Electric crew isolates problem on 4008 circuit and re-energizes that circuit.



Approximately 25% customers without power

9:15AM Oct 30 - Electric crew clears up problem on Fremont Ave and re-energizes 4009 circuit.



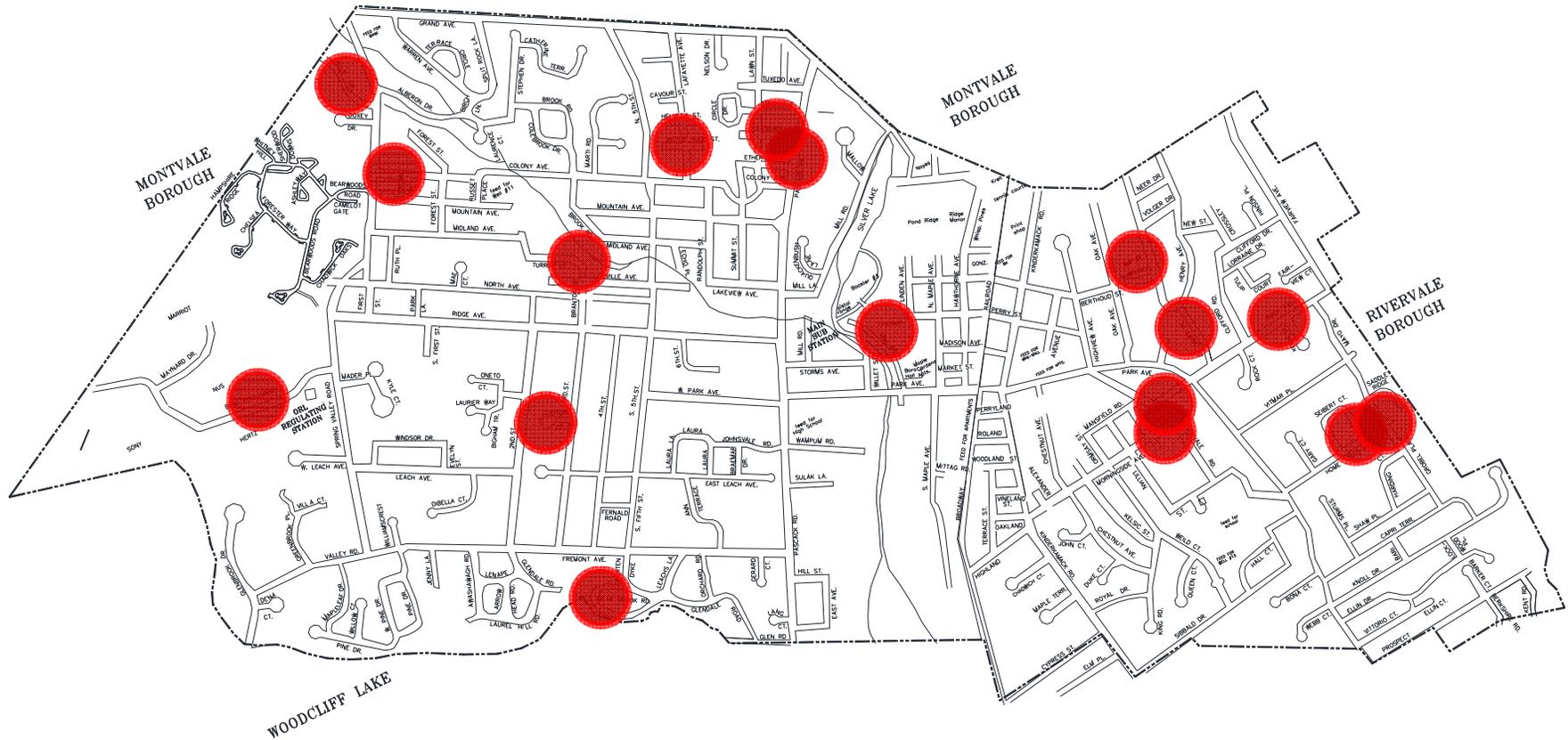
Approximately 18% customers without power

10:15 AM Oct 30 – Electric crew isolates problem and re-routes power from 4006 to backfeed 4001.



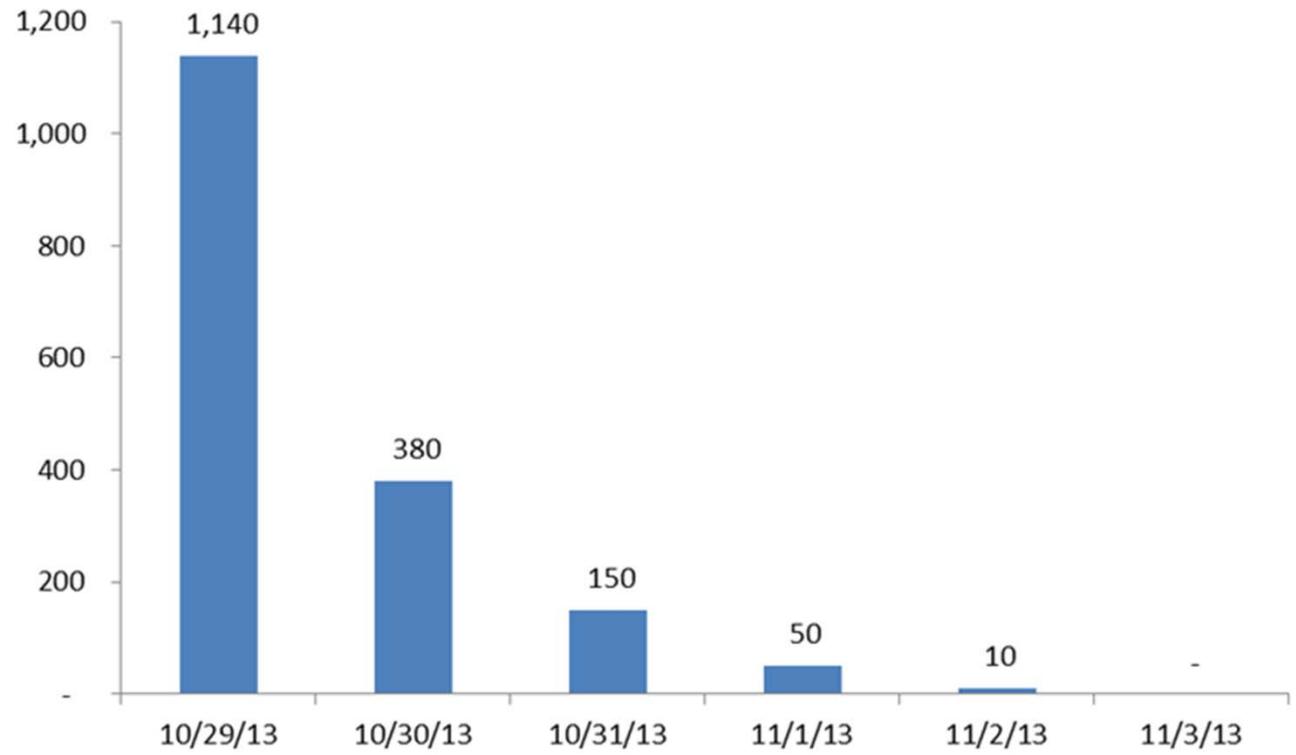
Approximately 12% customers without power in sporadic areas of town

- Remainder of Day on Oct 30 – Electric Crew works throughout the day to de-energize live wires that are down. Power is re-routed at various locations to keep customers in service.
- Oct 31- Nov 2 - The electric department crew and supervision start working to restore power to all the remaining customers. The crew works non stop (except for sleeping) through Saturday 11/3 to repair all of the problems and restore power. The crew worked jobs in prioritized order that restored the greatest amount of customers in the shortest period of time as they worked through the week.
- Two retired linemen were called in to assist with the restoration. Director of Operations and retired lineman worked through the week repairing over 100 services that were damaged. Homes without power were repaired first before homes that had power but damaged services.
- **ALL** Park Ridge customers had power restored by the afternoon of Saturday Nov 3.
- The Electric Department crew worked for several more months to get everything back to normal.



All customers have power restored by the afternoon of November 3

**Superstorm Sandy  
Park Ridge Customers Without Power  
at the End of Each Day  
(Total Customers 3,800)**



# Pictures





# **ELECTRIC** **2013 PROJECTS**

- Complete the construction of a new wire storage shed. Project was bonded for in 2012 with contract recently awarded.
- Continue to replace power lines to upgrade and standardize the electric distribution system.
- Complete various distribution system improvements – Upgrade circuit risers at Mill Road Substation.
- Complete substation testing and maintenance at the Mill Road substation
- Continue using electric department staff expertise for municipal installations (street and recreational lighting, computer networks, etc.).
- Complete Long-Range Electric Plan
- Continue employee-training programs.

# **ELECTRIC**

## **Building for the Future**

### **2014 System Improvements**

- Replace incoming Main Breaker #1 with new Vacuum Circuit Breaker - \$60,000

### **2015 System Improvements**

- Replace incoming Main Breaker #2 with new Vacuum Circuit Breaker - \$60,000.

### **2016 System Improvements**

- Replace Conductors for Sub-transmission Circuit 2601 which feeds from Mill Road substation to the Brae Blvd substation - \$320,000

### **2017 System Improvements**

- Install 4011 Circuit from Mill Road Substation to Southeast Borough feed locations. Reconfigure existing circuits 4001, 4003, and 4006. - \$260,000

# **ELECTRIC**

## **Building for the Future**

### **2020 System Improvements**

- Purchase & Install Bus #2 Low Side Main Breaker, Main Disconnect Switch and Associated Bus (in preparation for new station transformer) - \$165,000

### **2021-2022 System Improvements**

Purchase & Install #2 Substation Power Transformer - \$1,955,000

### **2023 System Improvements**

- Purchase & Install Bus #1 Low Side Main Breaker, Main Disconnect Switch and Associated Bus (in preparation for second new station transformer) - \$195,000

### **2025-2026 System Improvements**

Purchase & Install #1 Substation Power Transformer - \$2,375,000

<b>Electric Department's Extra Benefits to Municipality</b>						
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
*In Lieu of Budget Transfer	400,000	500,000	500,000	500,000	500,000	500,000
Street Lighting	195,000	195,000	200,000	200,000	200,000	200,000
Employees funded out of Electric Department	108,000	108,000	101,000	101,000	102,000	103,000
Discounted electric rates for municipal facilities	50,000	50,000	50,000	50,000	50,000	50,000
*Renovation of Municipal Building Roof	-	125,000	-	-	-	-
*Extra Payment - 2010	-	-	125,000	125,000	125,000	125,000
*In Lieu of Taxes	30,000	30,000	30,000	30,000	30,000	30,000
Tree Trimming	30,000	30,000	30,000	30,000	30,000	30,000
Misc Work (electrical work, cabling, etc)	20,000	21,000	22,000	22,000	22,000	23,000
Senior Citizen Rate Savings	36,000	36,000	36,000	36,000	36,000	36,000
Computers Purchases and Maintenance	15,000	15,000	15,000	15,000	15,000	15,000
Holiday Decorations/Banners	10,000	10,000	10,000	10,000	5,000	5,000
Use of equipment during snow operations	10,000	10,000	10,000	10,000	10,000	10,000
Maintaining Traffic Signals	10,000	11,000	12,000	12,000	12,000	12,000
Sports Lighting Bulbs and Maintenance	10,000	11,000	12,000	12,000	12,000	13,000
Contribution to the Rehabilitation of Sulak Field	-	-	16,000	-	-	-
Contribution for the study of Mill Pond	-	-	-	-	10,000	10,000
<b>Total</b>	<b>924,000</b>	<b>1,152,000</b>	<b>1,169,000</b>	<b>1,153,000</b>	<b>1,159,000</b>	<b>1,162,000</b>

<b>Water Department's Extra Benefits to Municipality</b>						
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Employees funded out of Water Department	109,000	109,000	150,000	150,000	170,000	143,000
Reduced Hydrant Fee	140,000	140,000	140,000	140,000	140,000	140,000
* Rental Fee	105,000	105,000	105,000	105,000	105,000	105,000
* Reimbursement of Expenses	100,000	100,000	100,000	100,000	100,000	100,000
Misc Work (plumbing work, stormwater, etc)	10,000	11,000	12,000	12,000	12,000	12,000
Use of equipment during snow operations	10,000	11,000	12,000	12,000	12,000	12,000
<b>Total</b>	<b>474,000</b>	<b>476,000</b>	<b>519,000</b>	<b>519,000</b>	<b>539,000</b>	<b>512,000</b>

<b>Grand Totals</b>	<b>1,398,000</b>	<b>1,628,000</b>	<b>1,688,000</b>	<b>1,672,000</b>	<b>1,698,000</b>	<b>1,674,000</b>
<b>* Direct Transfers</b>	<b>605,000</b>	<b>830,000</b>	<b>830,000</b>	<b>830,000</b>	<b>830,000</b>	<b>830,000</b>

# ***Park Ridge Utilities***



# ***Thinking Green***



**Toyota Prius Hybrid**



**Ford Escape Hybrid**



**Toyota Camry Hybrid**

## **The Park Ridge Water and Electric Conservation Measures**

- **Bi-Annual Leak Detection for Entire Water System:** Twice a year, the Park Ridge Water Department hires a leak detection consultant to survey the entire water system using specialized equipment to look for distribution system leaks. After each session, a report is generated and the Park Ridge Water Department repairs the leaks. This results in our system having a very low unaccounted-for water measurement (Gallons Pumped vs. Gallons Billed)
  - United Water 2011 – 25%
  - New York City – 30%
  - Park Ridge Water Department’s 2012 Unaccounted-for-Water – 12%
  
- **Electric and Water SCADA Systems:** The Park Ridge Electric and Water Systems are monitored by a supervisory control and data acquisition system (SCADA) which allows us to monitor the real time water and electric system demands. By closely monitoring the demands we can see if there are potential water main breaks (e.g. high demand in the middle of the night).
  
- **Water System Peak Shaving Power Save Mode:** We have built into our water system control program, a setting where we can shut down the wells and run the systems off the tank pressure for several hours during periods of peak electric use. By shutting the wells off during the peak periods, our electric system load factor is improved and our capacity charges are reduced
  
- **Air Conditioner Cycling Switches:** Due to changes in FCC radio regulations, we will be investigating options for this program.

## The Park Ridge Utility Garage Solar System



- Cost of Installation (including engineering): \$195,000
- The construction for the project started in March 2010 and was completed and went online in June 2010
- Total DC capacity for the system: 29.7 KW
- Financial benefits as of March 2013:
  - \$29,700 rebate received from the NJ Office of Clean Energy
  - \$29,217 for solar energy renewable credits (SRECs)
  - \$13,403 in reduced electric costs
  - **\$72,320 in total benefits**

## Environmental Benefits of the Park Ridge Utility Garage Solar



Total Energy (renewable) produced since going online: 93,290 KWH

Environmental benefits as of March 2013:

- The amount 13.7 passenger vehicles would create in a year.
- The amount that would have been generated from the electricity used in 9.9 homes in a year.
- The amount that would have been reduced by the growth of 1,688 tree seedlings over ten years.

<b><u>Electric Dept Annual Numbers (2010-2012)</u></b>		
<u>Purchase of Current</u>		(\$/KWH)
2013 Budget	\$7,435,000	0.10293
2012	\$6,387,383	\$ 0.089
2011	\$6,832,594	\$ 0.093
2010	\$7,006,107	\$ 0.095
<u>Energy Billed (KWH's)</u>		
2013 Budget	69,407,828	
2012	67,381,578	
2011	69,913,780	
2010	70,053,814	
<u>Revenue (from Energy Sales)</u>		
2013 Budget	9,580,810	
2012	9,582,597	
2011	10,019,928	
2010	9,903,930	
<u>Heating/Cooling Degree Days</u>		
	<u>HDD</u>	<u>CDD</u>
2012	3,955	1,450
2011	4,275	1,585
2010	4,443	1,671

## ELECTRIC UTILITY BUDGET

A. REVENUES	13 BUDGET	12 MODIFIED BUDGET	12 ACTUAL
1 SURPLUS	\$ 1,118,760	\$ 796,335	\$ 796,335
2 LIGHT AND POWER	9,580,810	9,400,000	9,580,813
3 MISCELLANEOUS	36,000	50,000	36,015
4 FEMA REIMBURSEMENT	45,000		
<b>TOTAL REVENUES:</b>	<b>\$ 10,780,570</b>	<b>\$ 10,246,335</b>	<b>\$ 10,413,163</b>
B. OPERATING EXPENSES			
1 PURCHASE OF CURRENT	\$ 7,435,000	\$ 6,846,000	\$ 6,387,383
2 SALARY AND WAGES	1,075,000	1,012,000	952,953
3 OTHER EXPENSES	638,900	672,700	555,193
4 GROUP INSURANCE EMPLOYEES	370,000	363,000	342,844
5 IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000
6 PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000
7 CAPITAL OUTLAY	43,500	243,500	120,907
8 CAPITAL IMPROVEMENT FUND	50,000	100,000	100,000
9 PUBLIC EMPLOYEES RETIREMENT SYSTEM	103,595	100,000	99,993
10 SOCIAL SECURITY	82,250	80,000	73,098
11 OVEREXPENDITURE RESERVE	-	-	-
12 BOND PRINCIPAL	220,000	125,000	125,000
13 BOND INTEREST	58,627	49,135	49,135
14 BAN INTEREST	3,698	-	-
15 DEFERRED CHARGES	45,000	-	-
16 SPECIAL EMERGENCY - HURRICANE SANDY	-	225,000	83,894
<b>TOTAL EXPENSES (inc Emergency):</b>	<b>\$ 10,780,570</b>	<b>\$ 10,471,335</b>	<b>\$ 9,545,400</b>
<b>TOTAL EXPENSES (exc Emergency):</b>	<b>\$ 10,735,570</b>	<b>\$ 10,246,335</b>	<b>\$ 9,461,506</b>
	<b>Surplus</b>		
	\$ 1,114,969	January 1, 2012	
	\$ 1,301,558	December 31, 2012	
	\$ 275,948	2012 Appropriation Reserve	

## ELECTRIC UTILITY BUDGET (2009-2013)

<b>REVENUES</b>	<b>13 BUDGET</b>	<b>12 MODIFIED BUDGET</b>	<b>11 MODIFIED BUDGET</b>	<b>10 MODIFIED BUDGET</b>	<b>09 MODIFIED BUDGET</b>
SURPLUS	\$ 1,118,760	\$ 796,335	\$ 634,479	\$ 694,491	\$ 760,143
LIGHT AND POWER	9,580,810	9,400,000	9,440,000	9,700,000	9,950,000
MISCELLANEOUS	36,000	50,000	45,000	73,000	75,000
FEMA REIMBURSEMENT	45,000				
<b>TOTAL REVENUES:</b>	<b>\$10,780,570</b>	<b>\$ 10,246,335</b>	<b>\$ 10,119,479</b>	<b>\$ 10,467,491</b>	<b>\$ 10,785,143</b>
<b>OPERATING EXPENSES</b>					
PURCHASE OF CURRENT	\$ 7,435,000	\$ 6,846,000	\$ 6,923,000	\$ 7,271,000	\$ 7,650,000
SALARY AND WAGES	1,075,000	1,012,000	1,060,000	1,108,000	1,005,000
OTHER EXPENSES	638,900	672,700	530,500	572,500	689,925
GROUP INSURANCE EMPLOYEES	370,000	363,000	334,500	307,000	337,075
IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000	500,000	500,000
PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000	155,000	-
CAPITAL OUTLAY	43,500	243,500	203,500	224,500	268,000
CAPITAL IMPROVEMENT FUND	50,000	100,000	55,000	5,000	5,000
PUBLIC EMPLOYEES RETIREMENT SYSTEM	103,595	100,000	97,000	84,637	65,670
SOCIAL SECURITY	82,250	80,000	82,000	82,000	81,000
OVEREXPENDITURE RESERVE	-	-	-	-	22,551
BOND PRINCIPAL	220,000	125,000	125,000	100,000	100,000
BOND INTEREST	58,627	49,135	53,979	57,854	60,922
BAN INTEREST	3,698	-	-	-	-
DEFERRED CHARGES	45,000	-	-	-	-
SPECIAL EMERGENCY - HURRICANE SANDY	-	225,000	-	-	-
<b>TOTAL EXPENSES (inc Emergency)</b>	<b>\$10,780,570</b>	<b>\$ 10,471,335</b>	<b>\$ 10,119,479</b>	<b>\$ 10,467,491</b>	<b>\$ 10,785,143</b>
<b>TOTAL EXPENSES (exc Emergency)</b>	<b>\$10,735,570</b>	<b>\$ 10,246,335</b>			

**BOROUGH OF PARK RIDGE**  
**Existing Bonded Service**  
**2012 Electric Utility Bonds**

<i>Year</i>	<i>2007 Bonds</i>				<i>2012 Bonds</i>				<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Outstanding</i>	<i>Outstanding</i>
				1,143,000				695,000	1,838,000
2013	125,000	44,501	169,501	1,018,000	95,000	12,000	107,000	600,000	1,618,000
2014	125,000	39,658	164,658	893,000	95,000	11,050	106,050	505,000	1,398,000
2015	125,000	34,814	159,814	768,000	100,000	10,100	110,100	405,000	1,173,000
2016	125,000	29,970	154,970	643,000	100,000	8,100	108,100	305,000	948,000
2017	150,000	25,126	175,126	493,000	100,000	6,100	106,100	205,000	698,000
2018	150,000	19,314	169,314	343,000	100,000	4,100	104,100	105,000	448,000
2019	175,000	13,501	188,501	168,000	105,000	2,100	107,100	-	168,000
2020	<u>168,000</u>	<u>6,720</u>	<u>174,720</u>	-	<u>-</u>	<u>-</u>	<u>-</u>	-	-
Total	1,143,000	213,604	1,356,604		695,000	53,550	748,550		

## **NEW MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER**

- In 2008 Park Ridge decided to join with South River, Seaside Heights, and Lavallette to procure wholesale power requirements using an alternate “Managed Contract” approach as opposed to the fixed price, full-requirements method. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) joined in the bidding in 2012
- The municipalities contracted with American Power Net to provide procurement advice and wholesale electric procurement services.
- We needed to join the PJM Interconnection which is the regional transmission organization that coordinates the movement and settlement of wholesale electricity.
- Approach approved by the NJ Department of Community Affairs

## **NEW MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER**

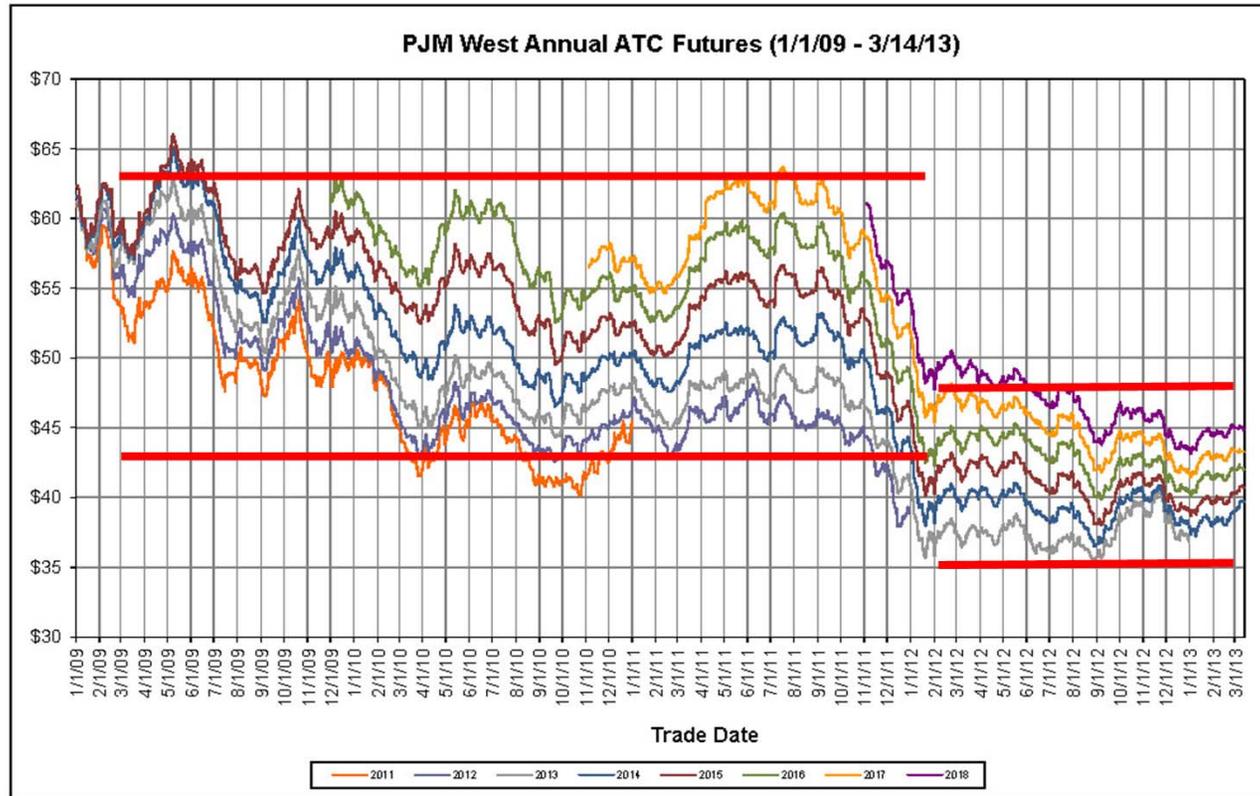
- Using this process, we request proposals and purchase blocks of energy from suppliers at various times to build up a portfolio of contracts for the Borough's power requirements.
- This new approach gives us the ability to monitor the power supply market and purchase some of our requirements, either on a regular basis OR when there are dips in the wholesale electricity futures prices.
- We have been very successful since implementing this program. Our first wholesale purchases using this approach were for the term beginning 6/1/09 through 5/31/10.
- Since November 2009, we have gone out to the market with request for proposals (RFP's) and purchased blocks of power eighteen (18) times. We have purchased all of our block power requirements through May 2016 and 1/3 of our requirements for June 2016 through May 2017 term.
- Expect to bid additional 2016-2017 needs shortly.

# Electricity Futures Market Factors

- Largely based on natural gas futures prices.
- The further you purchase out in the market, the bigger the year-to-year spread.
- Prices based economic forecast, natural gas storage, weather, and other factors.



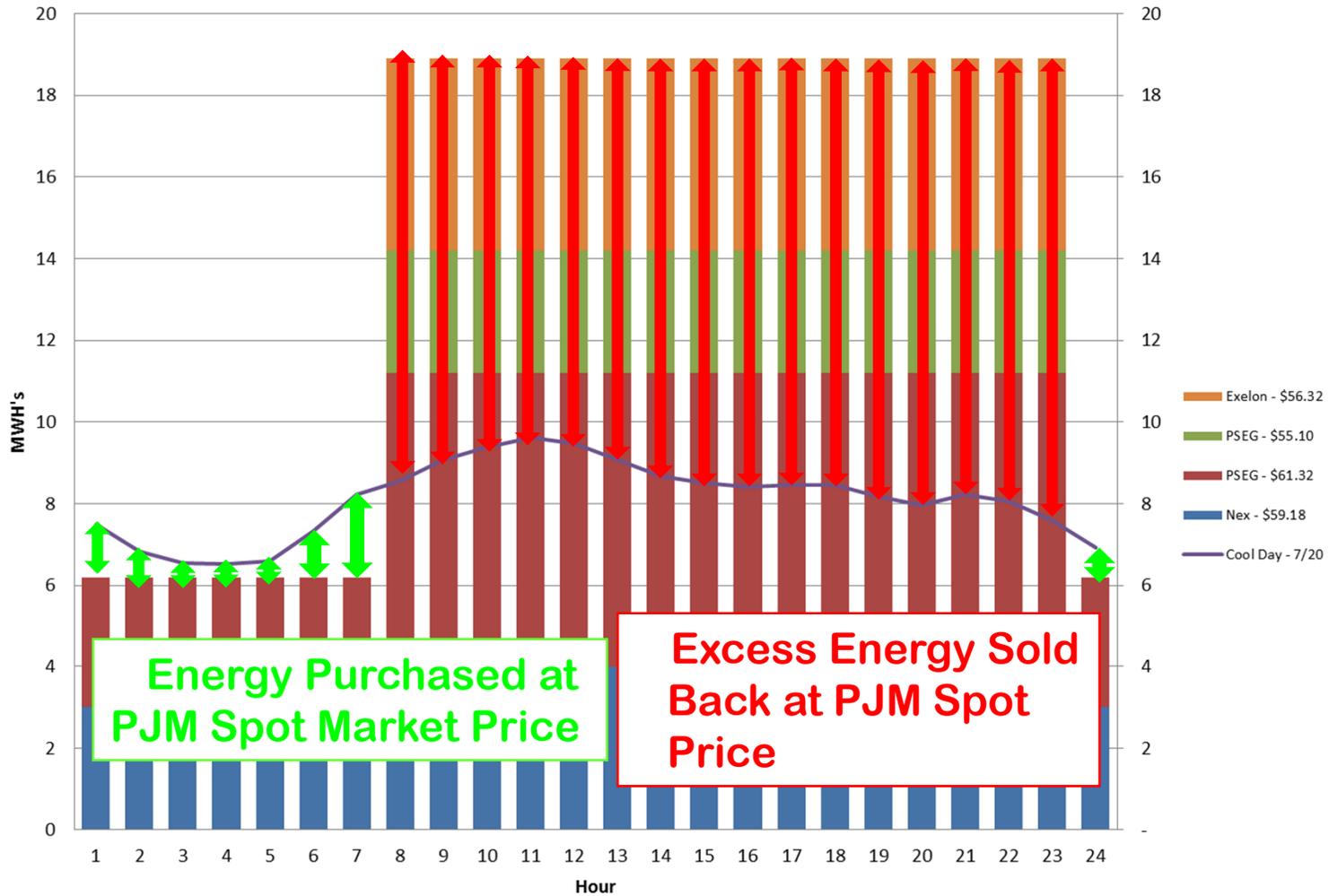
## PJM West Future Prices



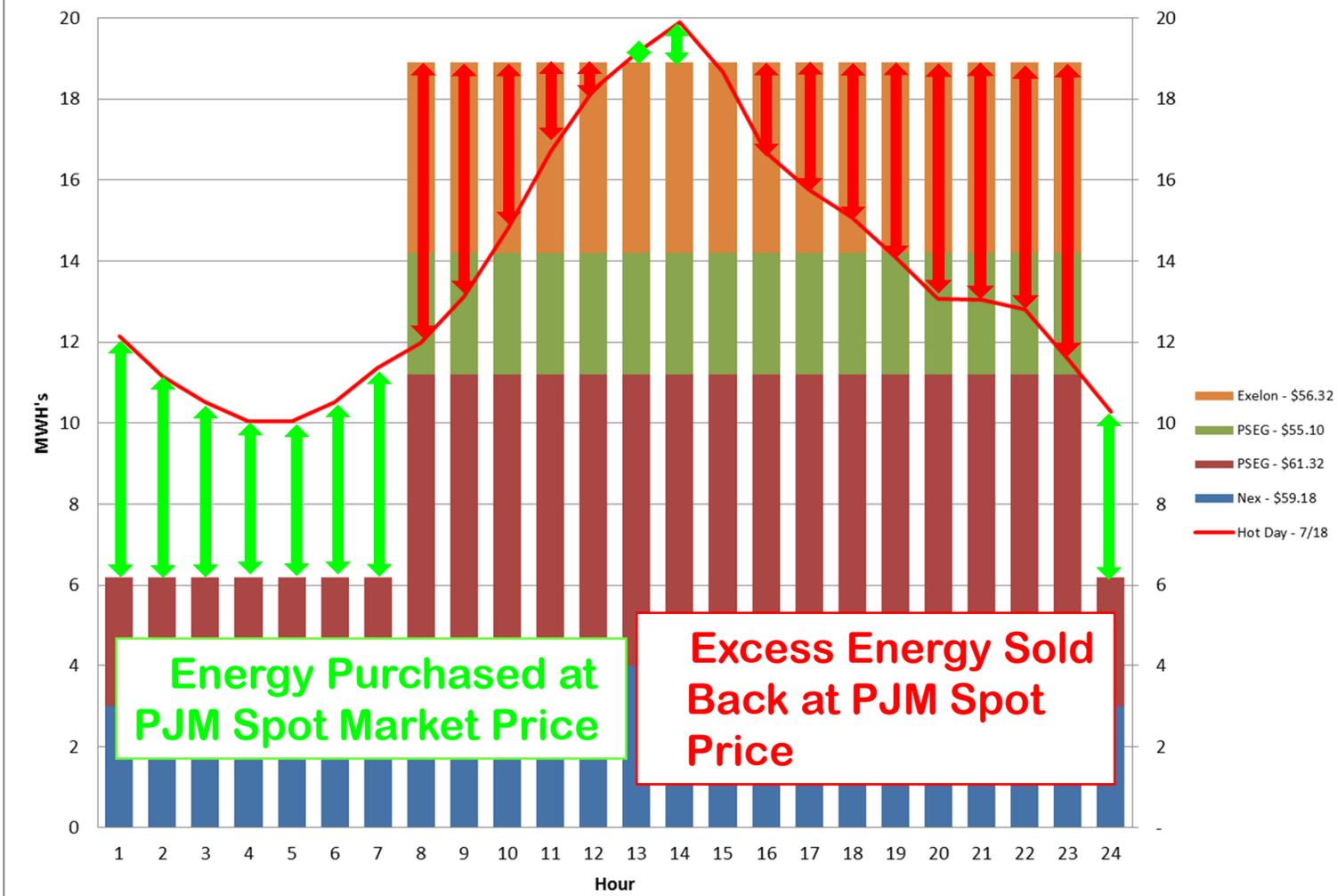
<b>Wholesale Power Purchase Summary</b>				
June 2009- May 2010				
Date Purchased	Product	Price	Delivery	Company
11/6/2008	1st Traunch	<b>66.40</b>	Western Hub	Nextera
12/10/2008	2nd Traunch	<b>60.75</b>	Western Hub	DTE
1/21/2009	3rd Traunch	<b>54.10</b>	Western Hub	Nextera
12/10/2008	2x16	<b>68.00</b>	Western Hub	PSE&G
1/21/2009	2x16	<b>59.15</b>	Western Hub	Nextera
6/17/2009	Superpeak	<b>97.00</b>	PSE&G Zone	PSE&G
June 2010- May 2011				
Date Purchased	Product	Price	Delivery	Company
1/21/2009	1st Traunch	<b>58.95</b>	Western Hub	Nextera
5/14/2009	2nd Traunch	<b>72.81</b>	Hillsdale Node	Nextera
8/12/2009	3rd Traunch	<b>62.85</b>	Hillsdale Node	Nextera
8/12/2009	2x16	<b>71.50</b>	PSE&G Zone	PSE&G
June 2011- May 2012				
Date Purchased	Product	Price	Delivery	Company
8/12/2009	1st Traunch	<b>67.95</b>	Hillsdale	Nextera
12/7/2009	2nd Traunch	<b>69.20</b>	Hillsdale	Nextera
3/24/2010	3rd Traunch	<b>55.71</b>	Hillsdale	Nextera
3/24/2010	2x16	<b>63.25</b>	Hillsdale	PSE&G
11/15/2010	Summer Peak	<b>65.45</b>	PSE&G Zone	PPL
June 2012- May 2013				
Date Purchased	Product	Price	Delivery	Company
3/24/2010	1st Traunch	<b>59.18</b>	Hillsdale	Nextera
4/29/2010	2nd Traunch	<b>61.32</b>	Hillsdale	PSEG
4/29/2010	3rd Traunch	<b>61.32</b>	Hillsdale	PSEG
1/5/2012	Summer Peak	<b>55.10</b>	PSE&G Zone	PSEG
8/26/2010	2x16	<b>56.20</b>	PSE&G Zone	Exelon

June 2013- May 2014				
Date Purchased	Product	Price	Delivery	Company
5/12/2010	1st Traunch	<b>64.50</b>	PSE&G Zone	PPL
6/9/2010	2nd Traunch	<b>61.52</b>	PSE&G Zone	PPL
8/26/2010	3rd Traunch	<b>58.90</b>	PSE&G Zone	Exelon
2/1/2012	Summer Peak	<b>55.20</b>	PSE&G Zone	Nextera
8/26/2010	2x16	<b>59.25</b>	PSE&G Zone	Exelon
June 2014- May 2015				
Date Purchased	Product	Price	Delivery	Company
2/16/2011	1st Traunch	<b>58.96</b>	PSE&G Zone	Exelon
12/1/2011	2nd Traunch	<b>56.40</b>	Hillsdale Node	PSEG
1/5/2012	3rd Traunch +	<b>51.75</b>	Hillsdale Node	PSEG
12/1/2011	2x16	<b>57.35</b>	PSE&G Zone	Exelon
June 2015- May 2016				
Date Purchased	Product	Price	Delivery	Company
12/1/2011	1st Traunch	<b>60.16</b>	Hillsdale Node	PSEG
1/5/2012	2nd Traunch	<b>53.90</b>	Hillsdale Node	PSEG
2/1/2012	3rd Traunch	<b>50.51</b>	Hillsdale Node	PSEG
2/1/2012	2x16	<b>45.70</b>	PSE&G Zone	Exelon
June 2016- May 2017				
Date Purchased	Product	Price	Delivery	Company
6/28/2012	1st Traunch	<b>51.20</b>	Hillsdale	PPL
	2nd Traunch			
	3rd Traunch			
	2x16			

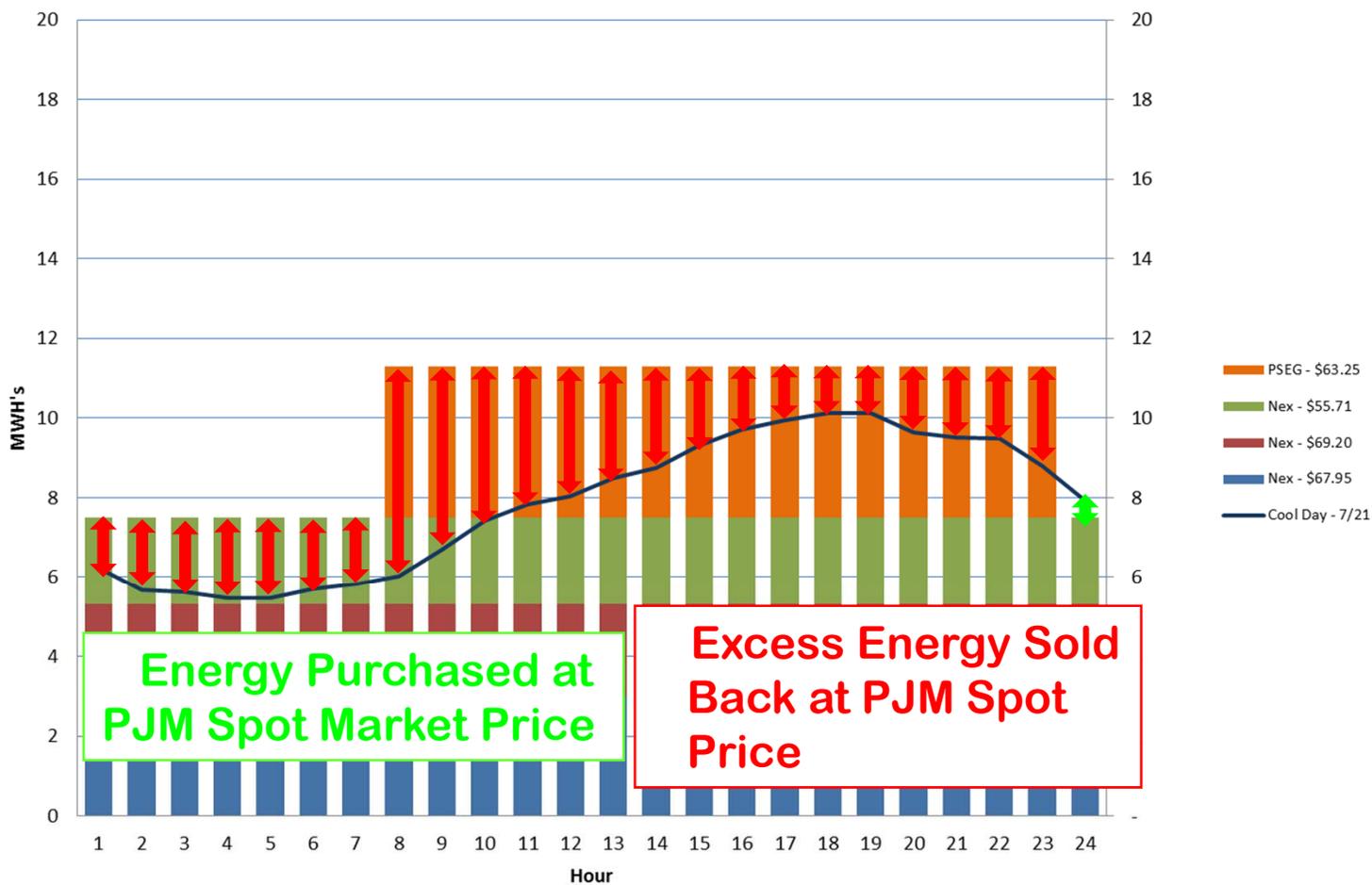
### July 2012 Weekday Block Purchases vs Load on Cool Day



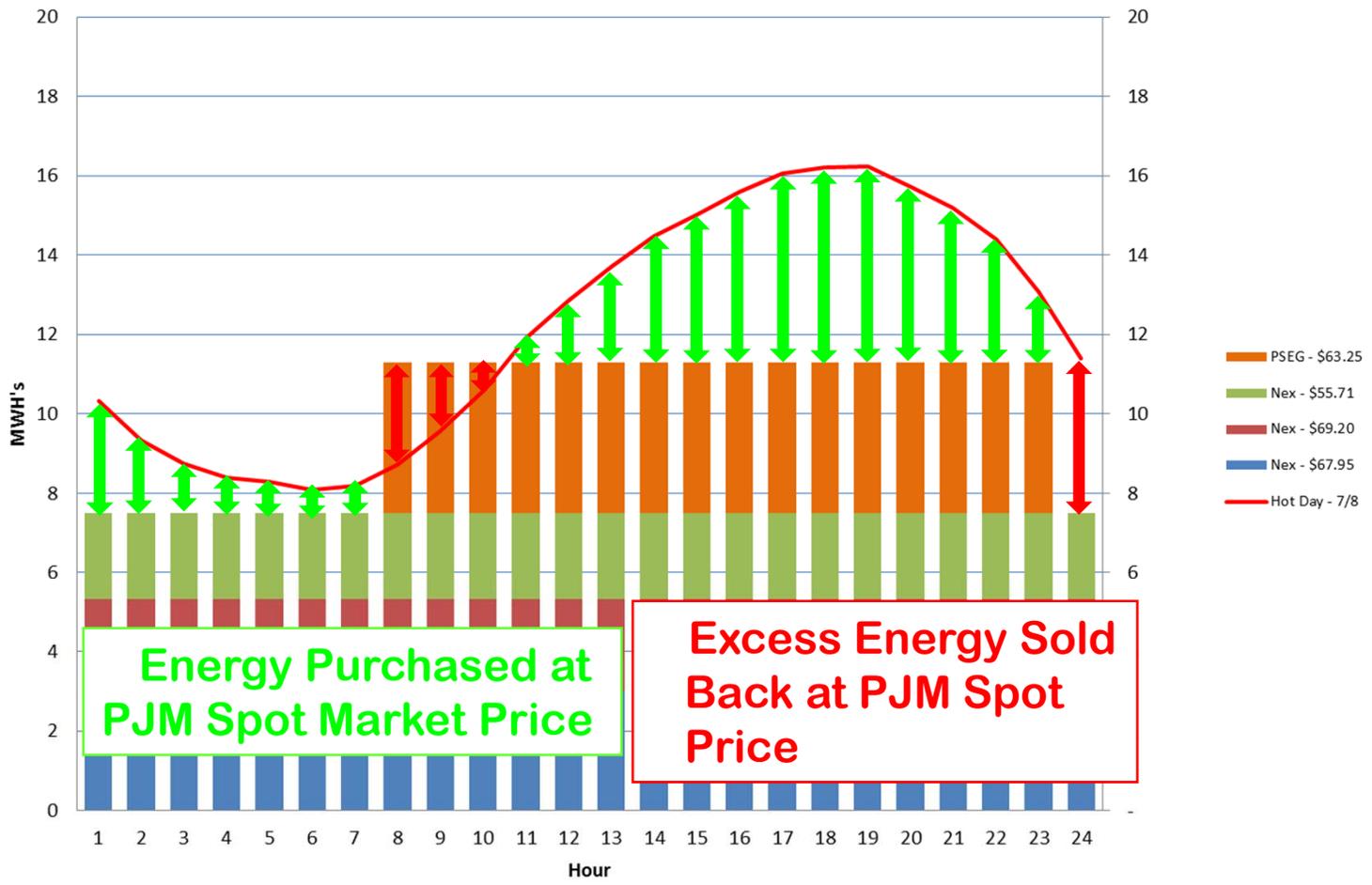
### July 2022 Weekday Block Purchases vs Load on Hot Day



### July 2012 Weekend Block Purchases vs Load on Cool Day



### July 2012 Weekend Block Purchases vs Load on Hot Day



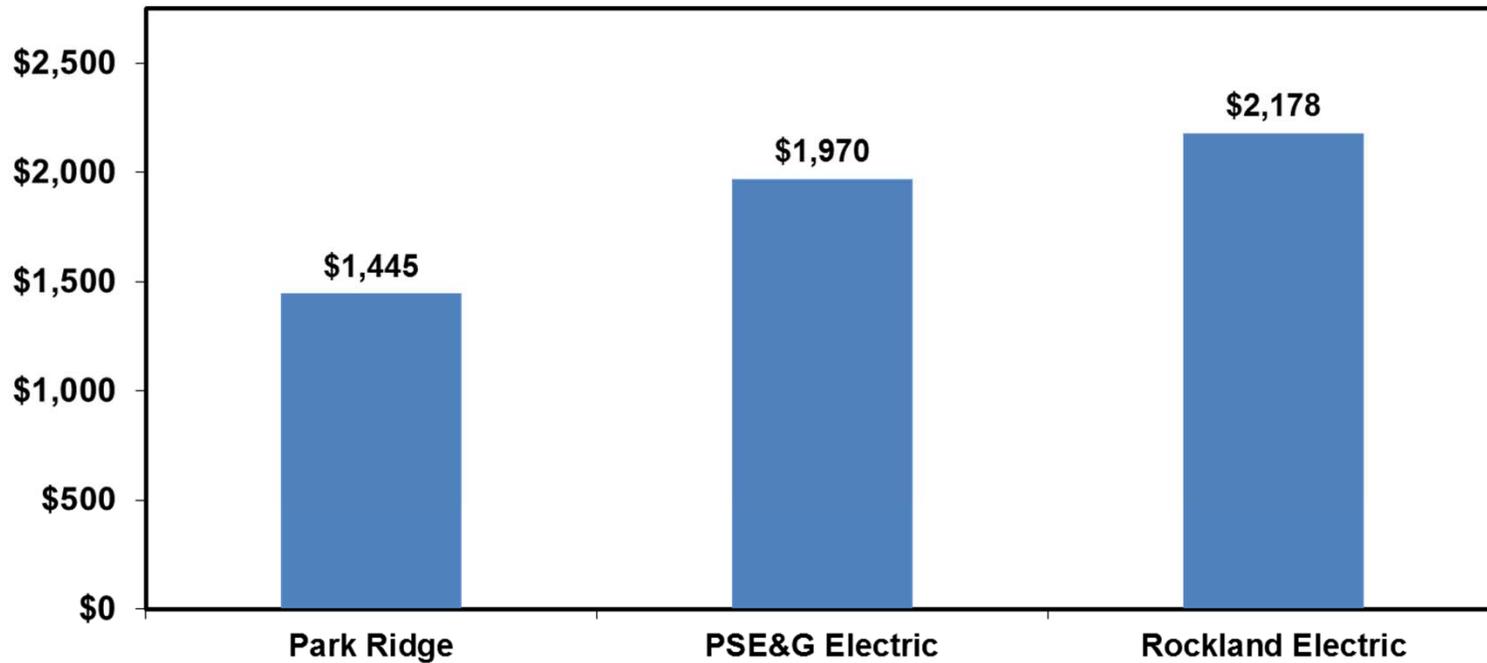
<b>Wholesale Component Budget Costs Comparison</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Energy</b>	4,841,213	4,816,265	4,510,959	4,290,908	4,076,321
<b>Capacity</b>	1,141,999	1,089,868	1,781,839	1,715,378	1,435,545
<b>Transmission</b>	592,446	556,641	789,063	789,063	789,063
<b>Others</b>	336,811	265,885	252,300	252,300	252,300
<b>Total</b>	6,912,469	6,728,660	7,334,161	7,047,649	6,553,229
<b>Percentage of Total Cost Comparison</b>					
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Energy</b>	70%	72%	62%	61%	62%
<b>Capacity</b>	17%	16%	24%	24%	22%
<b>Transmission</b>	9%	8%	11%	11%	12%
<b>Others</b>	5%	4%	3%	4%	4%

## Capacity Cost

Capacity costs are what we pay throughout the year to assure that there is enough power produced in the entire grid during peak hours. Our capacity costs are set through PJM auctions. These auctions allow generators to bid their capacity for power supplied three year in advance. For all customers in our area, the price for capacity is based on the result of the auction in the PSE&G Zone. The following table summarizes the auction results and the effect on our annual costs.

	<b>PJM Rate</b>	<b>Park Ridge</b>
<b>PJM Delivery Year</b>	<b>MW-Day</b>	<b>Annual Cost</b>
June 2012 to May 2013	\$139.73	\$1,020,029
June 2013 to May 2014	\$245.00	\$1,788,500
June 2014 to May 2015	\$136.50	\$996,450
June 2015 to May 2016	\$167.46	\$1,222,458
Park Ridge Peak Load	20	MW

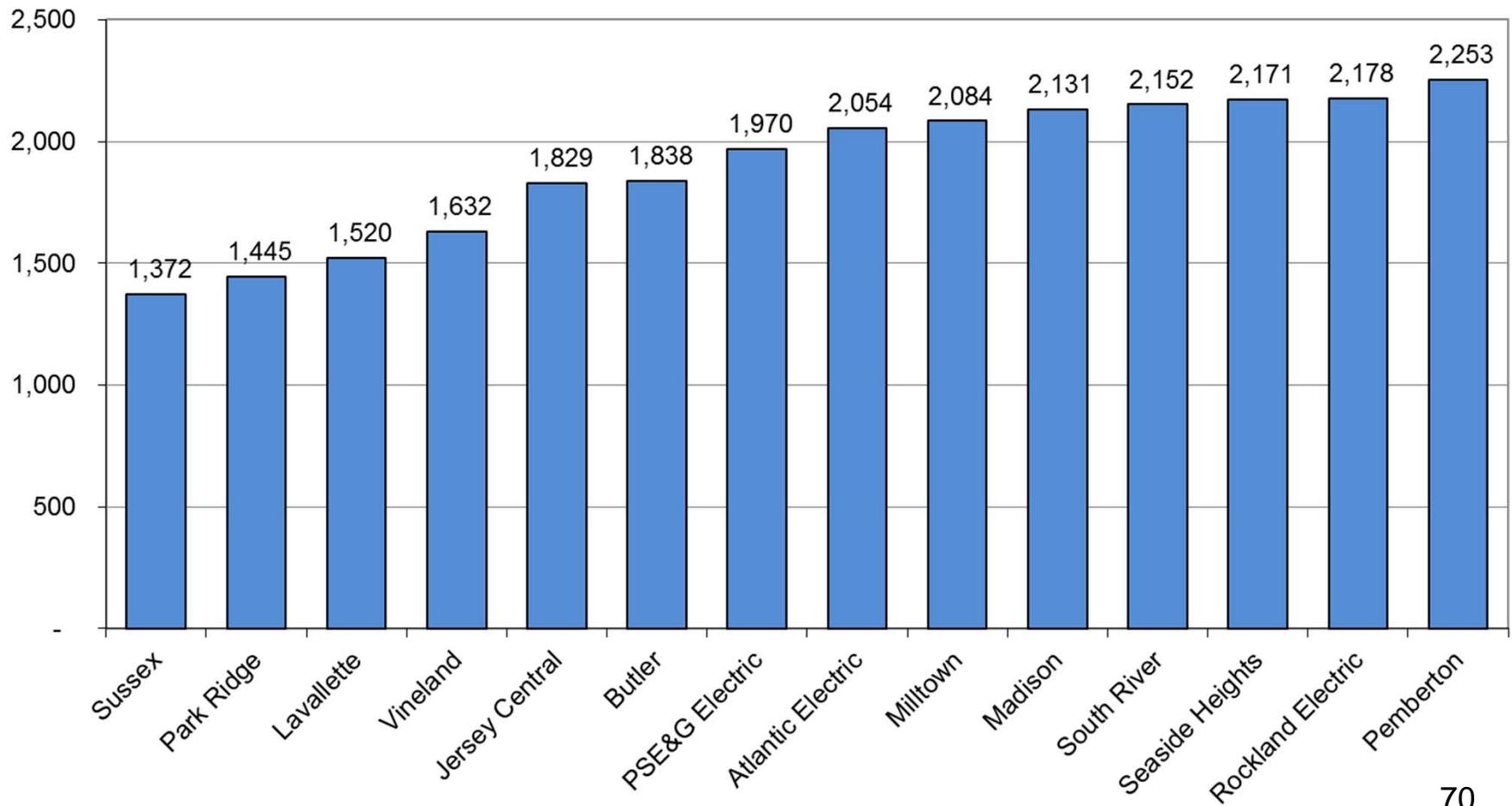
**Annual Residential Electric Cost Comparison  
(based on typical Park Ridge residential load)**



**Park Ridge rates are 27% lower than PSE&G**

**Park Ridge rates are 34% lower than ROCKLAND ELECTRIC**

### Annual Residential Electric Cost Comparison (based on typical Park Ridge residential load)



## **Possible Rate Action**

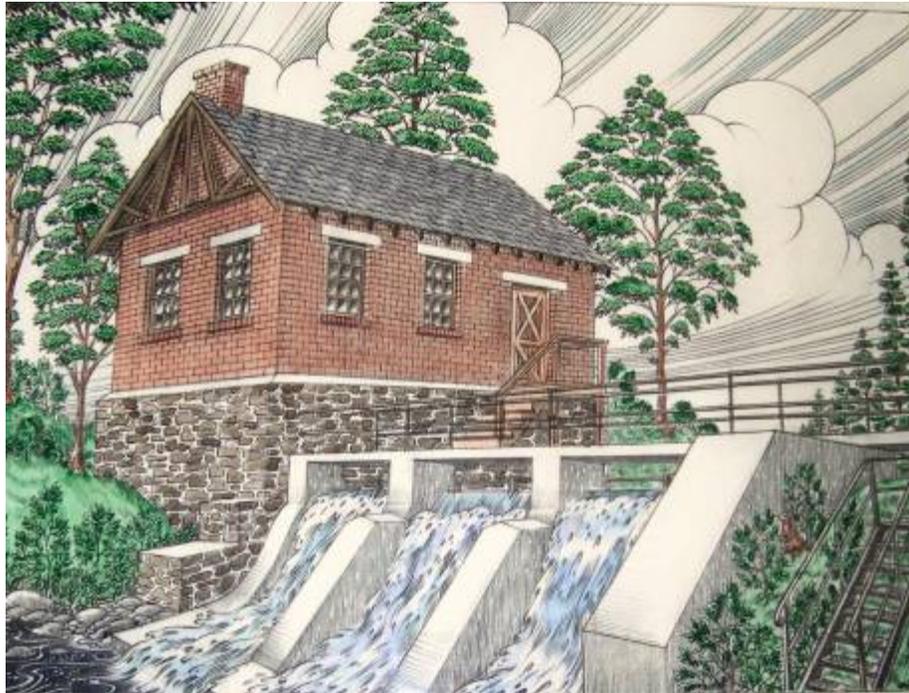
### **Electric Department Factors:**

- Drop in electric wholesale energy costs
- Significant increase in Capacity and Transmission costs
- Need to have adequate financial reserve going into 2014; will review Purchase Power Adjustment credit removal for May through August period in 2013

### **Water Department Factors:**

- Rate increase approved in 2012
- No further rate action in 2013

**THANK YOU**



**Questions?**