

Information on Park Ridge Water Rate Increase
Effective January 1, 2020

On December 30, 2019 upon the recommendation of the Park Ridge Board of Public Works, the Mayor and Council adopted Ordinance No. 2019-030 "Amending Chapter 98 of the Code of the Borough of Park Ridge - Establishing Water Rates". This ordinance authorized an increase in the water rates effective for all bills rendered on or after January 1, 2020.

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

- Three years in a row of very wet summers (2017, 2018, and 2019). Although this was good for most residents as water consumption and billing were lower, this resulted in significantly lower operating revenue and a depletion of the Water Department's surplus balance.
- | <u>Year</u> | <u>Gallons Billed</u> | <u>Revenue</u> |
|-----------------------|-----------------------|----------------|
| 2019 (wet summer) | 593,237,000 | 2,940,954 |
| 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 |
- 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 sampling requirements as mandated by the EPA and NJDEP.
 - Increase in labor, contractors, and engineering professional costs.
 - Increase in costs for required police protection for water main repairs.
 - Additional overtime as a result of extensive street valve installation, testing and replacement program.
 - Increase in treatment costs (Carbon, Resin for Perchlorate Treatment, and Resin for Arsenic Treatment).
 - Implementation of the New Jersey Board of Public Utilities mandated meter testing and replacement program.
 - On-going expenditures for improvements to water distribution system (water main repairs, hydrants, well pumps, electrical controls, etc.)

The following table summarizes the changes in the water rates:

Summary of Water Department Rate Increase Effective 1/1/20		
Consumption Charge (\$ per 1,000 Gallons)		
	*Rate (\$/1,000 Gal)	
	Prior	New Rate
Water Usage Consumption Charge	\$ 4.26	\$ 4.64
Eligible Senior Citizen Consumption Charge	\$ 2.13	\$ 2.32
*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"	\$ 15.44	\$ 16.83
3/4"	\$ 23.17	\$ 25.26
1"	\$ 39.72	\$ 43.29
1-1/4", 1-1/2"	\$ 79.44	\$ 86.59
2"	\$ 126.88	\$ 138.30
3"	\$ 238.32	\$ 259.77
4"	\$ 397.20	\$ 432.95
6"	\$ 794.40	\$ 865.90
Eligible Senior Citizen Metered Service Fixed Charge	\$ 7.73	\$ 8.43
Unmetered Service for Fire Protection		
	Rate (\$) per year	
Fire Service Size (in.)	Prior	New Rate
4"	\$ 874.00	\$ 953.00
6"	\$ 1,853.00	\$ 2,020.00
8"	\$ 2,966.00	\$ 3,233.00
10"	\$ 3,637.00	\$ 3,964.00
Public and Private Fire Hydrant Fee	\$ 46.34	\$ 50.51

With this rate increase, we anticipate an increase in revenue of around \$294,000 in 2020 (based on historical water sales). **The typical residential customer will see an increase in cost of \$58 per year.** The increase in cost for customers in the Senior Citizen rate class (50% discount) will be around \$29 per year. Even with this rate increase, Park Ridge rates are significantly lower 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**

