

Water and Sewer Rate Presentation

Why Increase the Rates

- 2026 High Bridge is under state review. With the constant usage of fund balance to fill the gap between revenues necessary to offset budgetary expenses, we have near depleted the reserves. The current reserves will not last three years with our current rates.
- The sewer department was unable to pay bills near the end of the year due to budgetary constraints. The two invoices that were unable to be paid were for Sewer Treatment services in the amount of \$325,000. Intake and inflow is a huge driving factor here.
- Water has been heavily reliant on a \$4,000,000 grant for expenses, and this grant has been near depleted. Those expenses will now need to be charged to the operating budget.

Fund Balance- Water Year over Year

	2019	2020	2021	2022	2023	2024	2025
Year Beginning Balance	\$ 182,944.85	\$ 195,241.45	\$ 223,516.18	\$ 184,380.17	\$ 128,462.60	\$ 142,947.50	\$ 139,317.20
Fund Balance Utilization	\$ 75,000.00	\$ 100,000.00	\$ 150,000.00	\$ 150,000.00	\$ 100,000.00	\$ 100,000.00	\$ 90,000.00
Year Ending Balance	\$ 195,241.45	\$ 223,516.18	\$ 184,380.17	\$ 128,462.60	\$ 142,947.50	\$ 139,317.20	\$ 273,573.41
Growth of Fund Balance	\$ 12,296.60	\$ 28,274.73	\$ (39,136.01)	\$ (55,917.57)	\$ 14,484.90	\$ (3,630.30)	\$ 134,256.21

Expenses- Water Year over Year

Expenses YOY	2019	2020	2021	2022	2023	2024	2025	2026
PY Expenses	\$687,631.00	\$732,015.00	\$772,000.00	\$850,000.00	\$845,000.00	\$847,201.00	\$ 946,700.00	\$ 978,000.00
Current Year Expenses	\$732,015.00	\$772,000.00	\$850,000.00	\$845,000.00	\$847,201.00	\$946,700.00	\$ 978,000.00	\$ 1,054,973.41
% Change	6%	5%	10%	-1%	0%	12%	3%	8%

Rates- Water Year over Year

	2019	2020	2021	2022	2023	2024	2025	2026
PY Rate	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 65.00	\$ 73.50	\$ 77.00
New Rate	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 65.00	\$ 73.50	\$ 77.00	\$ 89.00
% Increase	0%	0%	0%	0%	30%	13%	5%	16%

Fund Balance- Sewer Year over Year

	2019	2020	2021	2022	2023	2024	2025
Year Beginning Balance	\$ 218,379.76	\$ 490,855.06	\$ 375,549.37	\$ 427,948.59	\$ 546,523.64	\$ 491,311.23	\$ 332,581.55
Fund Balance Utilization	\$ 140,000.00	\$ 350,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 200,000.00
Year Ending Balance	\$ 490,855.06	\$ 375,549.37	\$ 427,948.59	\$ 546,523.64	\$ 491,311.23	\$ 332,581.55	\$ 282,202.04
Growth of Fund Balance	\$ 272,475.30	\$ (115,305.69)	\$ 52,399.22	\$ 118,575.05	\$ (55,212.41)	\$ (158,729.68)	\$ 50,379.51

Expenses- Sewer Year over Year

Expenses YOY	2019	2020	2021	2022	2023	2024	2025	2026
PY Expenses	\$ 1,223,500.00	\$ 1,177,500.00	\$ 1,254,500.00	\$ 1,300,000.00	\$ 1,288,500.00	\$ 1,285,000.00	\$ 1,316,800.00	\$ 1,330,000.00
Current Year Expenses	\$ 1,177,500.00	\$ 1,254,500.00	\$ 1,300,000.00	\$ 1,288,500.00	\$ 1,285,000.00	\$ 1,316,800.00	\$ 1,330,000.00	\$ 1,900,000.00
% Change	-4%	7%	4%	-1%	0%	2%	1%	43%

Rates- Sewer Year over Year

	2019	2020	2021	2022	2023	2024	2025	2026
PY Rate	\$ 126.25	\$ 133.75	\$ 121.75	\$ 120.00	\$ 120.00	\$ 120.00	\$ 125.00	\$ 128.75
New Rate	\$ 133.75	\$ 121.75	\$ 120.00	\$ 120.00	\$ 120.00	\$ 125.00	\$ 128.75	\$ 190.00
% Increase	6%	-9%	-1%	0%	0%	4%	3%	48%

What are other companies charging?

Water

American Water	\$ 281.67
Aqua	\$ 85.38
Clinton	\$ 106.00
Flemington Borough	\$ 87.25
High Bridge	\$ 89.00

Sewer

American Water	\$ 255.66
Clinton Township	\$ 140.00
Flemington Borough	\$ 127.25
High Bridge	\$ 190.00

What's in store for the future?

- Expenses will be looked at and competitive prices will be obtained in order to alleviate the pressures being put on the revenue side of things. Suggested items to look at for competitive pricing would include large items such as professional services.
- When the I&I is corrected in the sewer department we will not have as much expenses on the sewer treatment side of the utility and will be able to reconsider the rates at that time.

THANK YOU

QUESTIONS?