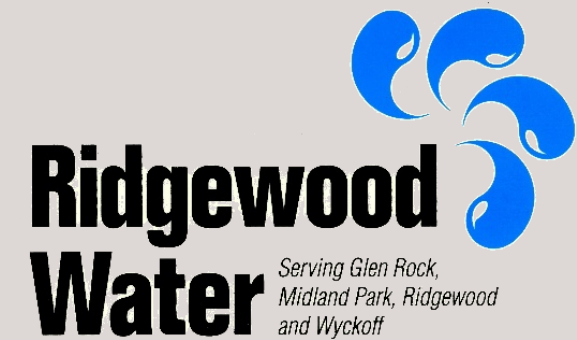


2021 Budget Presentation

Ridgewood Water



Feb. 22, 2021

Copy of this presentation will be available on water.ridgewoodnj.net.



2021 Ridgewood Water Governing Body

Mayor Susan Knudsen

Deputy Mayor Michael Sedon

Councilwoman Pamela Perron

Councilwoman Lorraine Reynolds

Councilwoman Bernadette Walsh





2021 Ridgewood Water Operations Staff

Village of Ridgewood Manager: Heather Mailander

Director of Operations: Richard Calbi Jr.

Business Manager: Daniel Timmeny

Superintendent: Jose Martinez

Assistant Superintendent: William Bierwas

Senior Engineer: Jill Fasano

Chief Water Treatment Plant Operator: James Tecchio

GIS Specialist: Neil Gallone

Senior Management Assistant: Justin Popek

Assistant Supervisor: Brian Ten Hoeve

Assistant Supervisor: Ralph Ruggiero

**Plus 31 skilled labors, operators, repairers, technicians,
inspectors and administrative representatives.**



2021 Village Support Staff

Attorney/Legal Services

Management Information Systems (IT)

Clerk

Audit, Finance & Purchasing

Engineering

Streets Division

Signal Division & Property Maintenance

Central Garage (Fleet Services)

Parks & Shade Tree

Fire Department

Police Department

Emergency Management & Services

Accomplishments

- ❑ Secured replacement lease on the Glen Tank, netting a significant revenue increase for the utility.
- ❑ Completed the Per and Polyfluoralkyl Substances (PFAS) master plan; laying out a path towards efficient treatment and NJDEP compliance.
- ❑ Secured agreement with Passaic Valley Water Commission (PVWC) for purchased water and completed plans for the installation of the watermain necessary to convey this new source into the water distribution system.
- ❑ Successfully completed the fifth consecutive round of Lead and Copper testing. The results yielded non-detect lead levels for over 60 system samples.
- ❑ Closed on the Elks Club purchase and initiated design for the new Ridgewood Water office/operations space.

Goals

- Manage completion of construction for the renovation of the Elks Club for utility operations.
- Continue engineering designs for twelve new PFAS treatment plants.
- Continue to manage successful completion of utility projects, with emphasis on asset management plans and priorities, and projects that restore system capacity and prepare for future treatment requirements.
 - ▣ Continue with water distribution replacement program following priorities identified in asset management program. Replace over one mile of water main in 2021.
 - ▣ Continue with the well repair and replacement program by rehabilitating several other wells and making improvements at transfer stations that help transfer more water between the system zones.
- Foster communication to the water utility consumers, including Zoom open houses (Scheduled for April 6th & 20th), and promoting use of a new Water Smart portal and Ridgewood Water website.

2021 Budget Highlights

- Budget reviewed by rate consultant to verify revenue requirement, expense calculations and rate projections.
- Segregated costs attributed to PFAS treatment installation, operations and maintenance.
- Budget increases for:
 - Two new laborers to support in-house distribution and treatment efforts; and contracted salary steps & increases.
 - Annual well repairs and replacement contract.
 - In house distribution improvements.
 - New PFAS billing rate and public notices.
 - Tree Removal Services
- Budget decreases for:
 - Lab Service due to new bid unit costs.



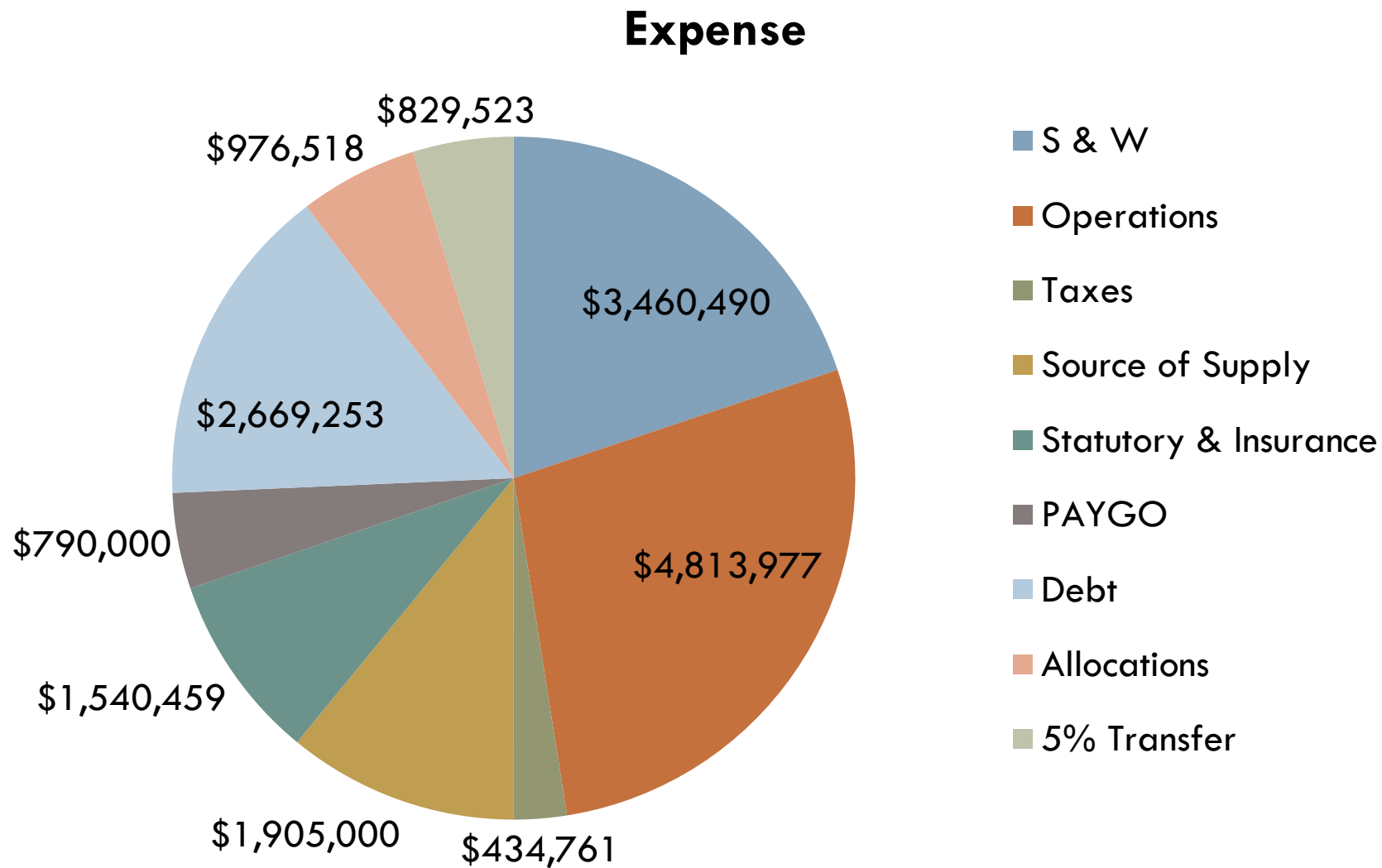
2021 Labor Bolster

- **In 2020 Ridgewood Water initiated in-house efforts to replace and construct new watermains within the system. Over 2000 feet was replaced at a significant savings over contracted costs.**
 - **Example: Hudson Street Water Main, Ridgewood**
 - **Ridgewood Water Cost \$89,500**
 - **Contractor Quoted Cost \$147,500**
 - **Savings \$58,000**
- **Water Quality Accountability Act Compliance**
- **Asset Management**
- **Lead Service Line Inventory & Replacement**
- **PFAS Treatment Plant O&M**

	<u>Operations Budget</u>	<u>PFAS Budget</u>
Salary & Wages:	\$ 4,025,360.01	\$ 194,167.11
Other Expenses:	\$ 8,128,826.66	\$ 406,789.87
Pumping, Treatment, Distribution, Source of Supply, Customer Service, Taxes, Insurance & Administration		
Statutory & Any Deferred Expenses:	\$ 376,061.71	
Pension, Social Security, Unemployment		
PAYGO Capital:	\$ 775,000.00	\$ 15,000.00
Cash Capital Improvements		
Debt Service:	\$ 1,565,709.00	\$ 1,103,544.48
Bonds & Notes		
Current Fund:	\$ 743,547.87	\$ 85,975.07
5% Transfer to Village Fund		
Total Revenue Requirement:		\$ 17,419,981.78

Operating Expense

Operating Budget



	2021 Budget	2020 ACTUAL	2019 ACTUAL	2018 ACTUAL	2017 ACTUAL	2016 ACTUAL
Salary & Wages	\$ 4,219,527.12	\$ 3,874,461.42	\$ 3,724,029.00	\$ 3,530,129.00	\$ 3,377,905.00	\$ 3,203,336.00
Other Expenses	\$ 8,535,616.53	\$ 7,192,046.86	\$ 6,731,988.00	\$ 6,046,110.00	\$ 5,784,149.00	\$ 6,225,118.00
Statutory & Any Deferred Expenses	\$ 376,061.71	\$ 337,965.00	\$ 378,533.00	\$ 643,476.00	\$ 639,911.00	\$ 727,762.00
PAYGO Capital	\$ 790,000.00	\$ 617,778.15	\$ 655,174.00	\$ 739,799.00	\$ 1,829,782.00	\$ 1,820,900.00
Debt Service	\$ 2,669,253.48	\$ 2,684,828.00	\$ 2,201,682.00	\$ 2,253,659.00	\$ 1,995,291.00	\$ 3,290,088.00
Current Fund Transfer	\$ 829,522.94	\$ 816,001.00	\$ 801,648.00	\$ 811,326.00	\$ 806,118.25	\$ 783,101.17
Total Revenue Requirement	\$ 17,419,981.78	\$ 15,523,080.43	\$ 14,493,054.00	\$ 14,024,499.00	\$ 14,433,156.25	\$ 16,050,305.17

Capital Expense

Supply, Transfer & Booster Improvements: \$ 1,560,000

- Upgrades for Weisch, Ames & Cedar Hill Stations (Construction)

Wells & Treatment Improvements: \$ 156,000

- Glen Rock Well Volatile Organic Compound (VOC) Treatment (Design)

Distribution System Improvements at Various Locations: \$ 1,248,000

Facility Improvements at Various Locations: \$ 213,200

- New fencing, driveway paving, interior and exterior lighting, roofs and security improvements. Glen Avenue facility interior design.

Equipment & Vehicles: \$ 426,400

- New Excavator, Single Axle Truck Retrofit, GIS Road Vehicle
New Treatment Service Truck

PFAS Treatment: \$ 5,342,818

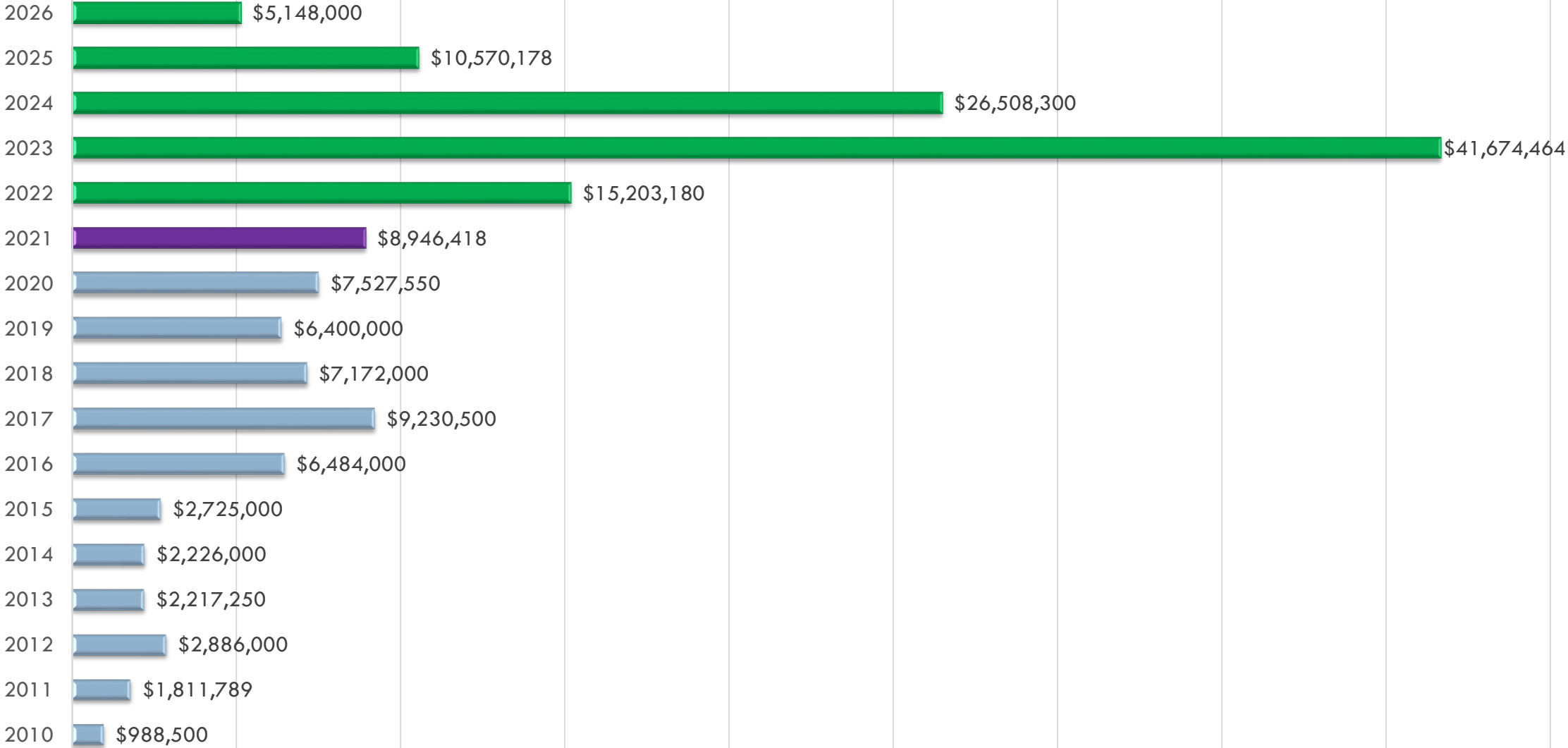
- Twinney Plant Construction, Preliminary Design for Eastside, E. Ridgewood, Main, Mountain & West End, Final Design for Ames, Wortendyke, Cedar Hill, Prospect, Marr/Ravine & Carr/Linwood

PAYGO Capital: \$ 746,750

- Repairs & Replacements, Small Equipment, Security & Technology

Water Capital

Funding by Year

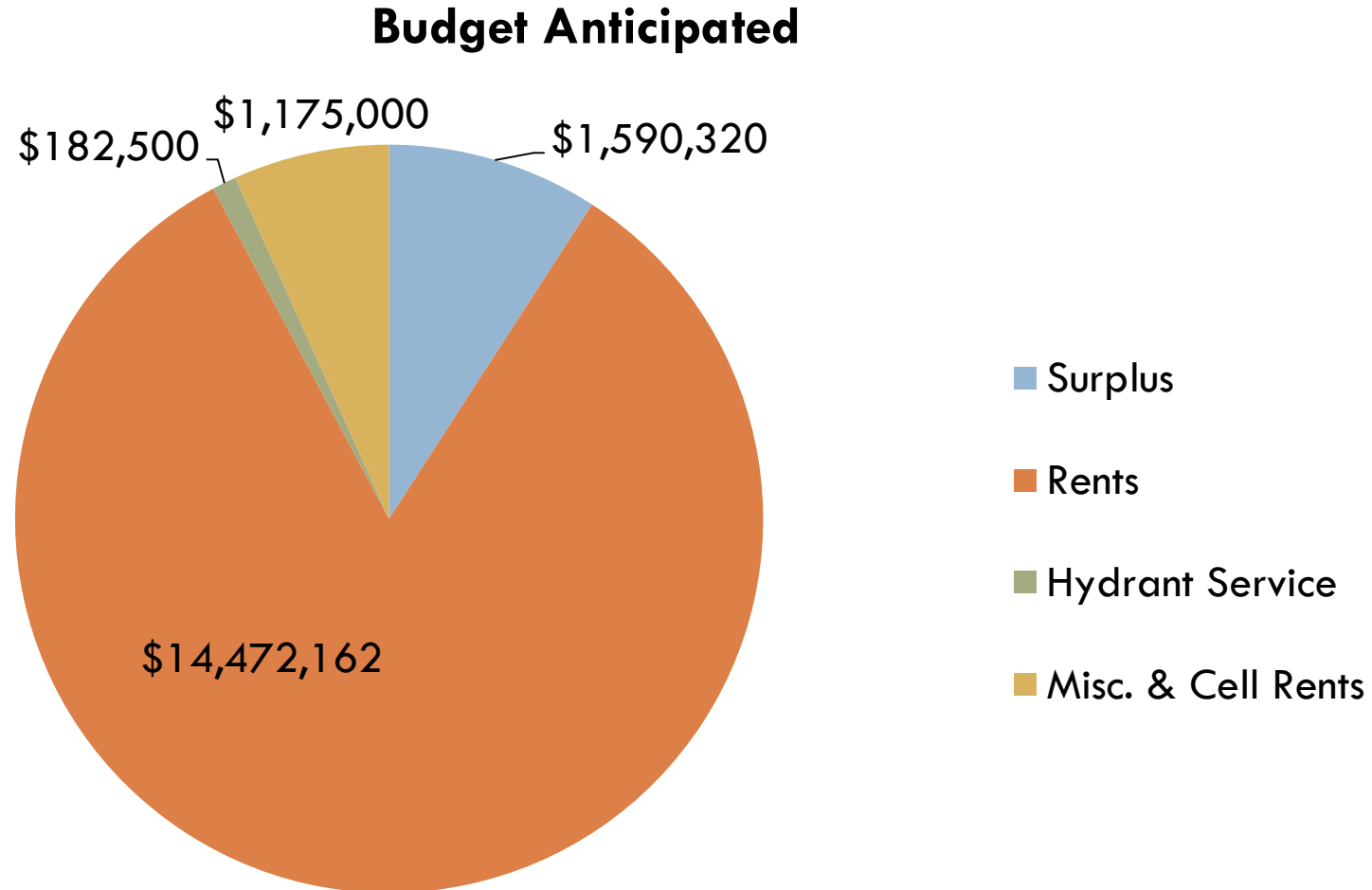


Next Steps with PFAS Treatment

- 1 of 12 new treatment plants in operation.
- 5 plants currently under design (Ames, Prospect, Cedar Hill, Wortendyke, Twinney).
- Design of the remaining 7 to start this year (Carr/Linwood, Marr/Ravine, Eastside, E. Ridgewood, Main, Mountain, West End).
- 3 more plants to be completed for operation by 2023.
- All plants operational by 2026.

	2020	2020	2021
<u>TITLE</u>	<u>BUDGET ADOPTED</u>	<u>ACTUAL UNAUDITED</u>	<u>BUDGET ANTICIPATED</u>
SURPLUS ANTICIPATED	\$ 2,502,280.00	\$ 2,502,280.00	\$ 1,590,319.71
WATER RENTS	\$ 12,680,503.00	\$ 15,015,787.00	\$ 13,743,651.78
HYDRANT SERVICE	\$ 182,500.00	\$ 182,262.00	\$ 182,500.00
<u>MISCELLANEOUS REVENUES</u>			
CELL TOWER RENTS	\$ 515,000.00	\$ 484,518.00	\$ 450,000.00
GENERAL MISCELLANEOUS (CUBES)	\$ 250,000.00	\$ 304,421.00	\$ 250,000.00
GENERAL MISCELLANEOUS (IN-HOUSE)	\$ 175,000.00	\$ 379,354.00	\$ 175,000.00
WATER CAPITAL FUND BALANCE			
TOTAL MISCELLANEOUS	<u>\$ 940,000.00</u>	<u>\$ 1,168,293.00</u>	<u>\$ 875,000.00</u>
INCREASE FOR NEW CELL TOWER RENT	\$ -	\$ -	\$ 300,000.00
INCREASE IN FACILITY CHARGES	\$ 3,465.00	\$ -	\$ -
INCREASE IN WATER RENT	\$ 827,274.72	\$ -	\$ 570,542.59
INCREASE IN PFAS CHARGES	\$ -	\$ -	\$ 157,967.70
TOTAL REVENUES	<u>\$17,136,022.72</u>	<u>\$ 18,868,622.00</u>	<u>\$ 17,419,981.78</u>

Revenues



- **PFAS Treatment Charges:** To meet the funding demand for filtering PFAS from the drinking water, RW is proposing a PFAS Treatment charge. The charge will be calculated each budget year based on the revenue requirement associated with the new treatment and required operation and maintenance of the facilities. The PFAS funding need for 2021 is \$316,000. This will be charged by meter size to reflect demand that can be placed on the system by the capacity of the meter. This charge is in lieu of raising volume rates and will be removed or offset in the future by any grant funds or legal recovery that is made by RW for the PFAS treatment.
- **Volume Charges (Variable):** Each year the water utility budget is developed and evaluated against anticipated revenues. Included in this evaluation is the consideration of the funding structure for the utility over the next three years, including anticipated changes in operating expenditures, debt service and maintenance of the minimum surplus balance required to meet the Villages Surplus Policy (Resolution 16-114). Based on this year's budget calculation, a 3% rate increase is proposed. This increase will help sustain the revenue need for 2021 and that required to support future budget years.

- **PFAS Treatment Charges**

Meter Size	Charge per Quarter
5/8"	\$3.30
3/4"	\$4.95
1"	\$8.25
1.5"	\$16.50
2"	\$26.40
3"	\$52.80
4"	\$82.50

- **Volume Rate per 1000 gallons per calendar quarter**

\$5.36 plus \$0.01 state tax

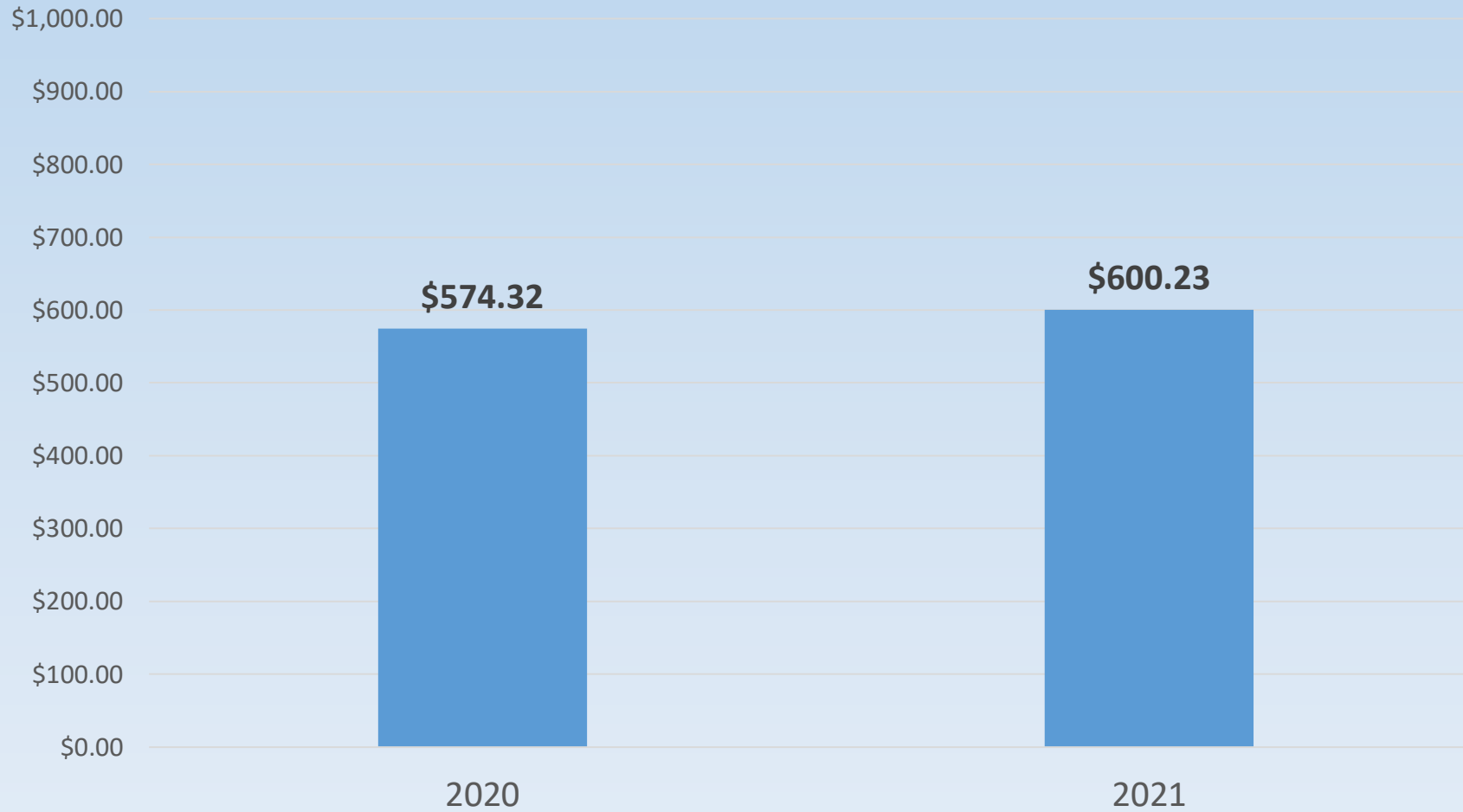
\$5.37

*If approved, the new rate will be applied starting with third quarter bills in 2021.

• **PFAS Treatment Charges per Quarter**

<u>Meter Size</u>	<u>Accounts</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
5/8"	18,629	\$3.30	\$12.44	\$38.43	\$54.54
3/4"	627	\$4.95	\$18.66	\$57.65	\$81.81
1"	714	\$8.25	\$31.10	\$96.08	\$136.35
1.5"	135	\$16.50	\$62.20	\$192.15	\$272.70
2"	198	\$26.40	\$99.52	\$307.44	\$436.32
3"	6	\$52.80	\$199.04	\$614.88	\$872.64
4"	9	\$82.50	\$311.00	\$960.75	\$1363.50

Annual Residential Water Cost Comparison
(based on average residential bill w/ 5/8" meter)



2020/2021 Bill Comparison

Questions?

THANK YOU!

