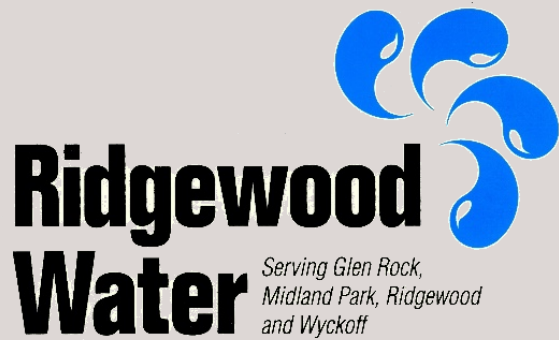




2022 Budget Presentation Ridgewood Water



Feb. 25, 2022

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



2022 Ridgewood Water Governing Body

Mayor Susan Knudsen

Deputy Mayor Michael Sedon

Councilwoman Pamela Perron

Councilwoman Lorraine Reynolds

Councilman Paul Vagianos





2022 Ridgewood Water Operations Staff

Village of Ridgewood Manager: Heather Mailander

Director of Operations: Richard Calbi Jr.

Business Manager: Daniel Timmeny

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





2022 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

- ❑ Launched Water Smart customer platform, new online bill pay service and new Ridgewood Water website.
- ❑ Successfully completed the sixth consecutive round of Lead and Copper testing, with no exceedances and achieved reduced monitoring status from NJDEP.
- ❑ Placed Cedar Hill #4 replacement well into service, adding 320 gallons per minute of new capacity into the system.
- ❑ Successfully drilled replacement wells for Goffle and Wortendyke #6.
- ❑ Replaced 1.2 miles of distribution system watermain.
- ❑ Awarded contract and broke ground on renovation for new water office at 111 North Maple Ave. Ridgewood.

Goals



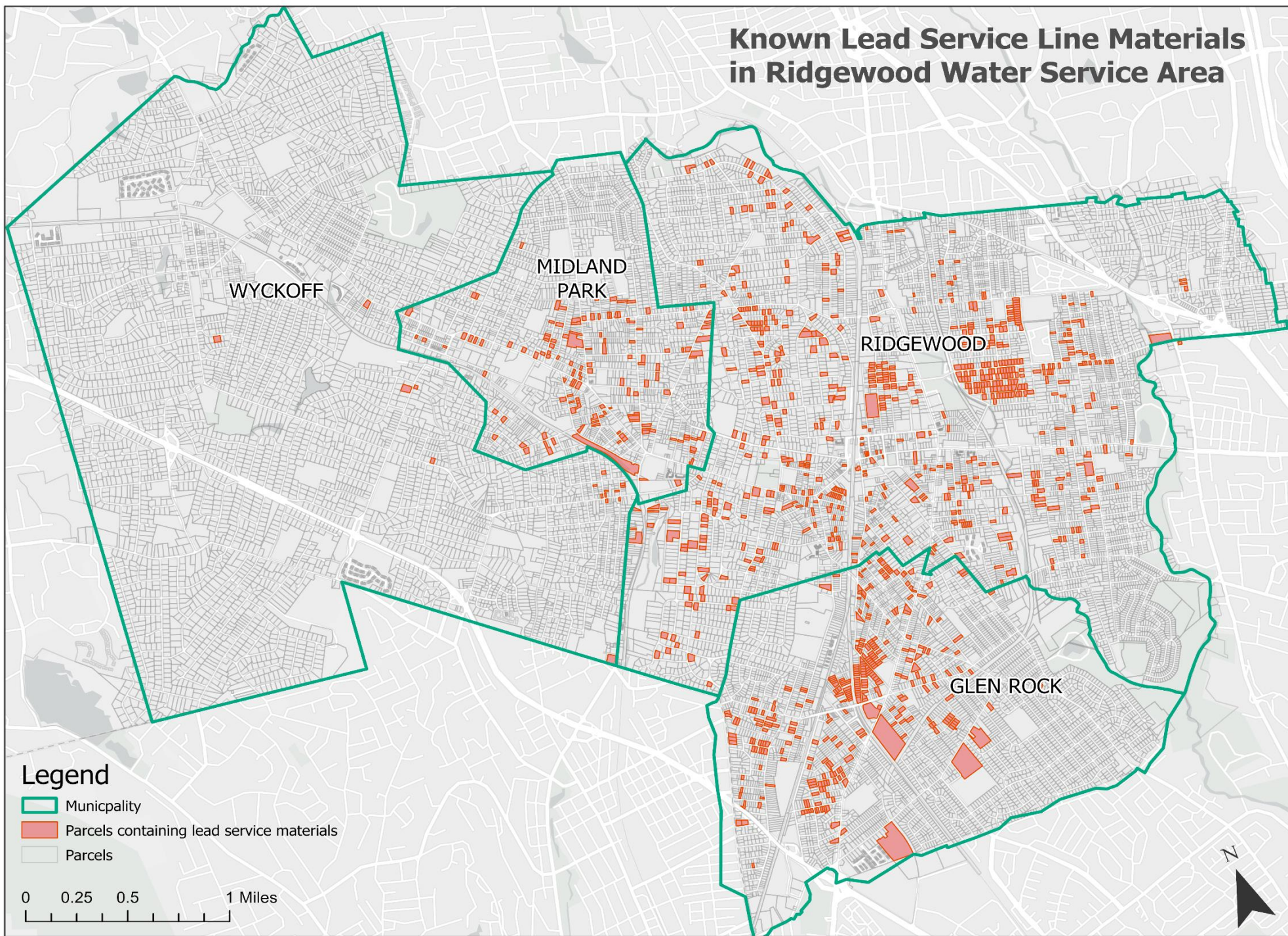
- Complete move into new water facility at 111 North Maple Avenue.
- Successfully complete construction of new interconnection with Passaic Valley Water Commission and go live with this new source.
- Kick off first year of lead service line replacement program.
- Continue Water Quality Accountability Act (WQAA) compliance.
- Replace over 2 miles of watermain.

Next Steps: New Regulations for Watermains & Lead Service Lines




- ❑ Per the WQAA, Ridgewood Water must replace 2 miles of watermain per year.
- ❑ Per Public Law P.L. 2021, Chapter 183, all utilities regardless of lead levels and treatment, must replace all lead and galvanized service lines by July of 2031.
- ❑ Ridgewood Water estimates that both requirements will add an additional budget burden of approximately \$4 to \$5 million dollars per year.



Known Lead Service Line Materials in Ridgewood Water Service Area



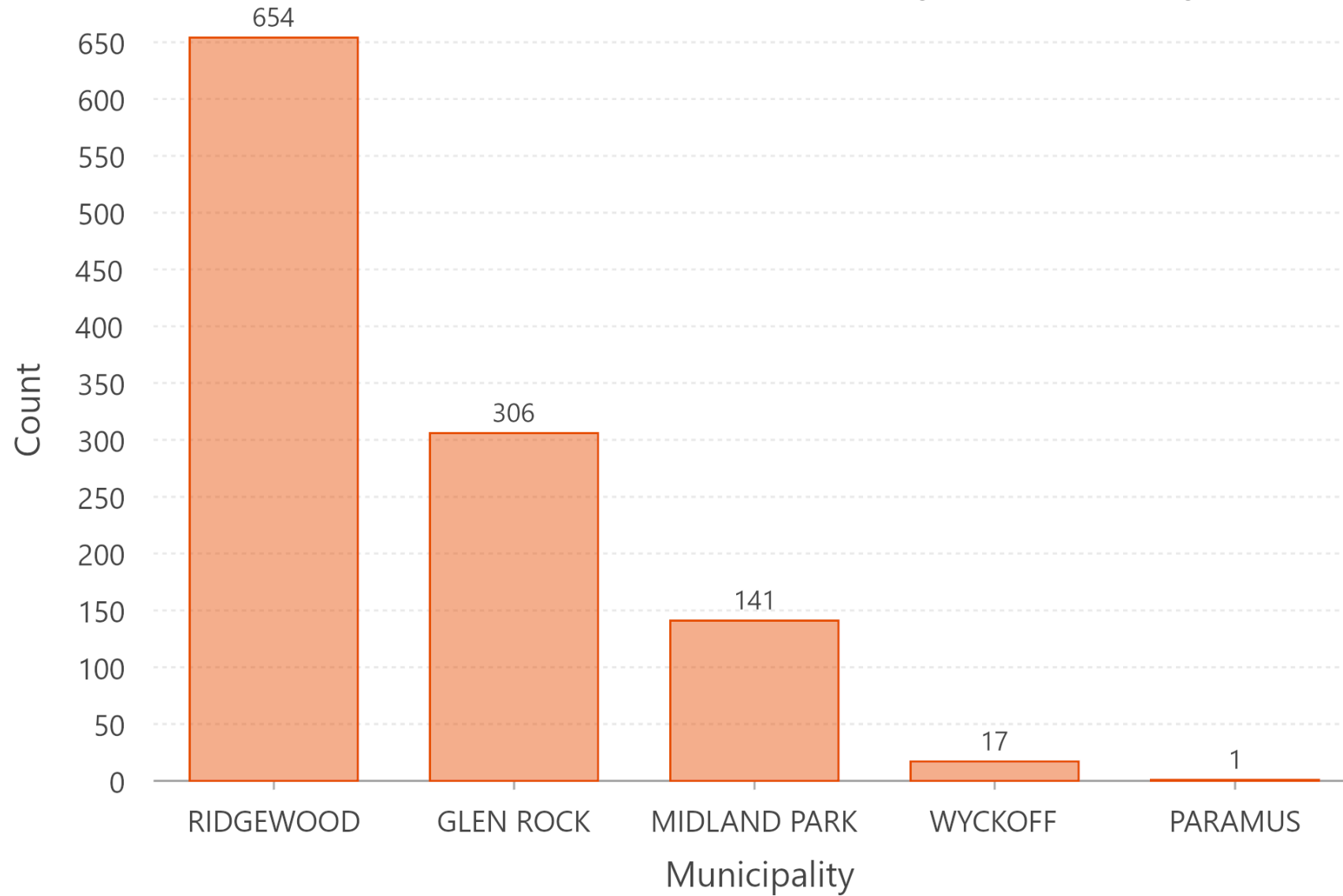
Legend

-  Municipality
-  Parcels containing lead service materials
-  Parcels

0 0.25 0.5 1 Miles



Count of Known Lead Services by Municipality



Next Steps with PFAS Treatment

- ❑ Carr treatment plant in operation.
- ❑ Twinney treatment plant under construction.
- ❑ Ravine/Marr and Carr/Linwood plants to be publically bid by July.
- ❑ Ames, Prospect, Cedar Hill, and Wortendyke plants under final engineering design, and to be publically bid in 1st quarter of 2023.
- ❑ Eastside, E. Ridgewood, Main, Mountain and West End plants under preliminary design.
- ❑ All plants operational by 2026.



2022 Budget Highlights

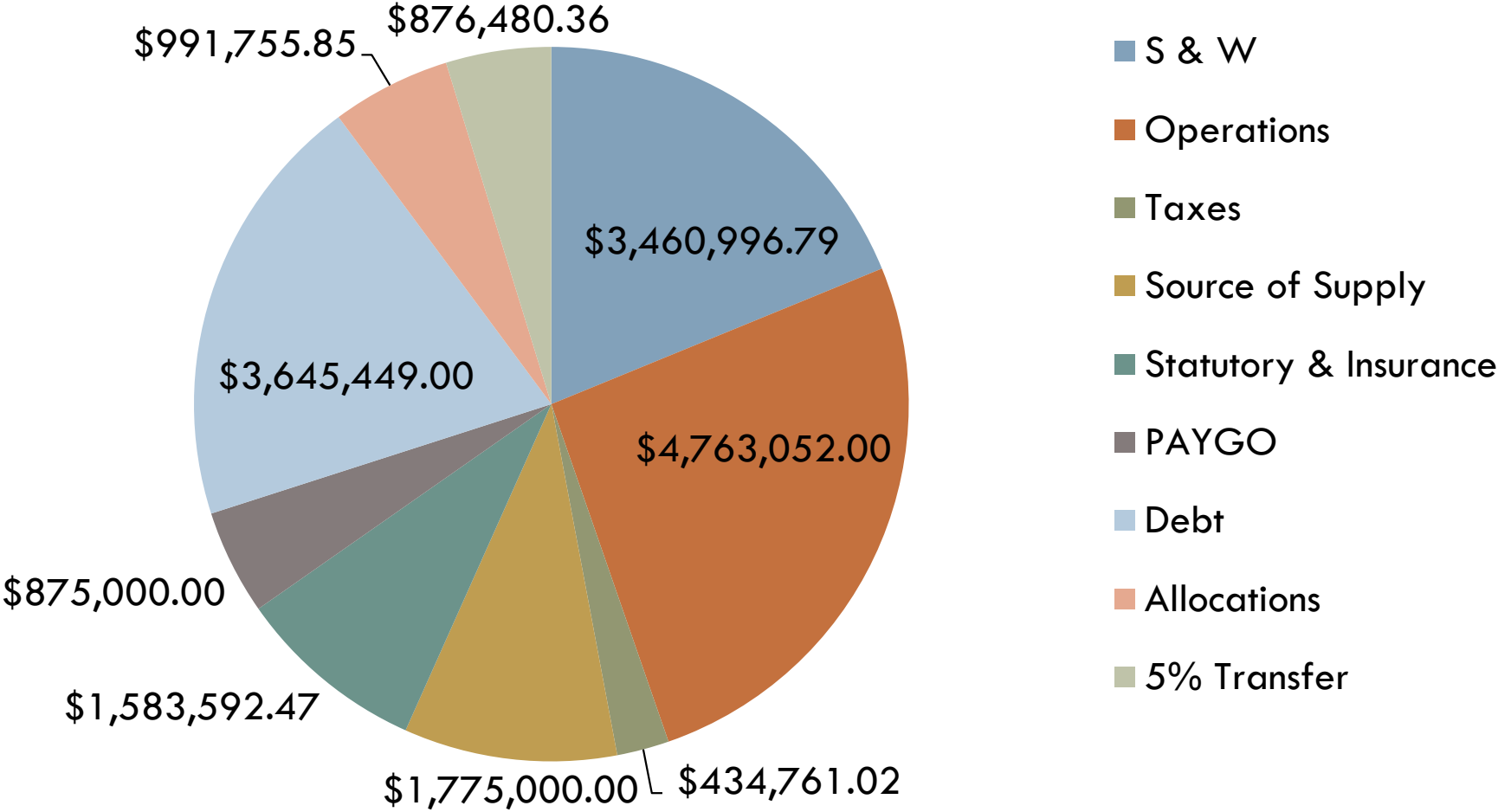
- Budget reviewed by rate consultant to verify revenue requirement, expense calculations and rate projections.
- For the second year, separated costs attributed to PFAS treatment installation, operations and maintenance.
- Budget increases for:
 - Pumping for HVAC maintenance and repairs
 - Transmission and Distribution for paving associated with lead service line replacements
 - Statutory for allocations of pension, social security and unemployment costs
 - PAYGO Capital for items to fit out new water office
 - Debt Service

Budget	Operations Budget	PFAS
Salary & Wages:	\$ 4,042,213.73	\$ 220,697.32
Other Expenses: Pumping, Treatment, Distribution, Source of Supply, Customer Service, Taxes, Insurance & Administration	\$ 7,908,469.57	\$ 420,277.50
Statutory & Any Deferred Expenses: Pension, Social Security, Unemployment	\$ 417,500.00	
PAYGO Capital (Cash Capital Improvements):	\$ 860,000.00	\$ 15,000.00
Debt Service (Bonds & Notes):	\$ 1,849,578.00	\$ 1,795,871.00
Current Fund 5% Transfer to Village Fund	\$ 753,888.07	\$ 122,592.29
Total Revenue Requirement:		\$ 18,406,087.48

Operating Expense

Operating Budget

Expense



	2022 BUDGET	2021 BUDGET	2021 ACTUAL (UNAUDITED)	2020 AUDITED
Salary & Wages	\$ 4,262,911.05	\$ 4,219,527.11	\$ 3,875,334.00	\$ 3,874,461.00
Other Expenses	\$ 8,328,747.07	\$ 8,535,616.53	\$ 7,114,241.50	\$ 7,199,176.00
Statutory & Any Deferred Expenses	\$ 417,500.00	\$ 376,061.00	\$ 376,061.00	\$ 337,965.00
PAYGO Capital	\$ 875,000.00	\$ 790,000.00	\$ 658,917.00	\$ 617,778.00
Debt Service	\$ 3,645,449.00	\$ 2,707,254.00	\$ 2,649,253.00	\$ 2,173,785.00
Current Fund Transfer	\$ 876,480.36	\$ 829,523.00	\$ 829,523.00	\$ 816,001.00
Total Revenue Requirement	\$ 18,406,087.48	\$ 17,457,981.64	\$ 15,503,329.50	\$ 15,019,166.00

Capital Expense

Supply, Transfer & Booster Improvements: **\$ 208,000**

- Additional funding for modifications to discharge piping at Lakeview & Lafayette Transfer Stations

Wells & Treatment Improvements: **\$ 707,200**

- Twinney Treatment Plant Phase 2

Distribution System Improvements at Various Locations: **\$ 3,016,000**

- Watermain and lead service line replacements

Tank & Reservoir Improvements: **\$ 156,000**

- Valley view mixer installation and rehab

Facility Improvements at Various Locations: **\$ 156,000**

- New fencing, driveway paving, interior and exterior lighting, roofs and security improvements.

Equipment & Vehicles: **\$ 390,000**

- Replace Distribution Service Truck #101

PFAS Treatment: **\$ 8,164,000**

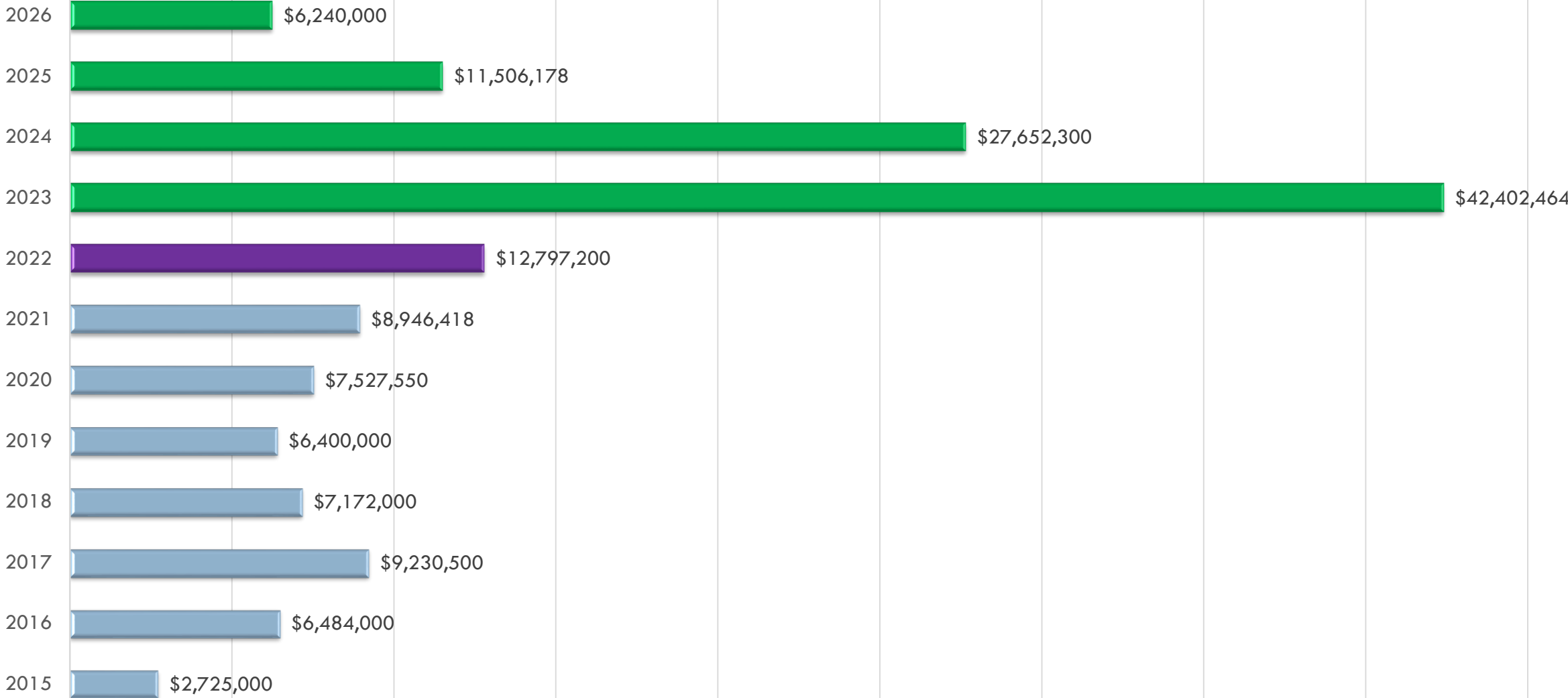
- Ravine Plant Construction, Raw watermain design for Ames, Wortendyke, Cedar Hill & Prospect, Final design for Eastside, Mountain and West End, Carr/Linwood Construction, Frac-Tank Purchase

PAYGO Capital: **\$ 875,000**

- Repairs & Replacements, Small Equipment, Security & Technology

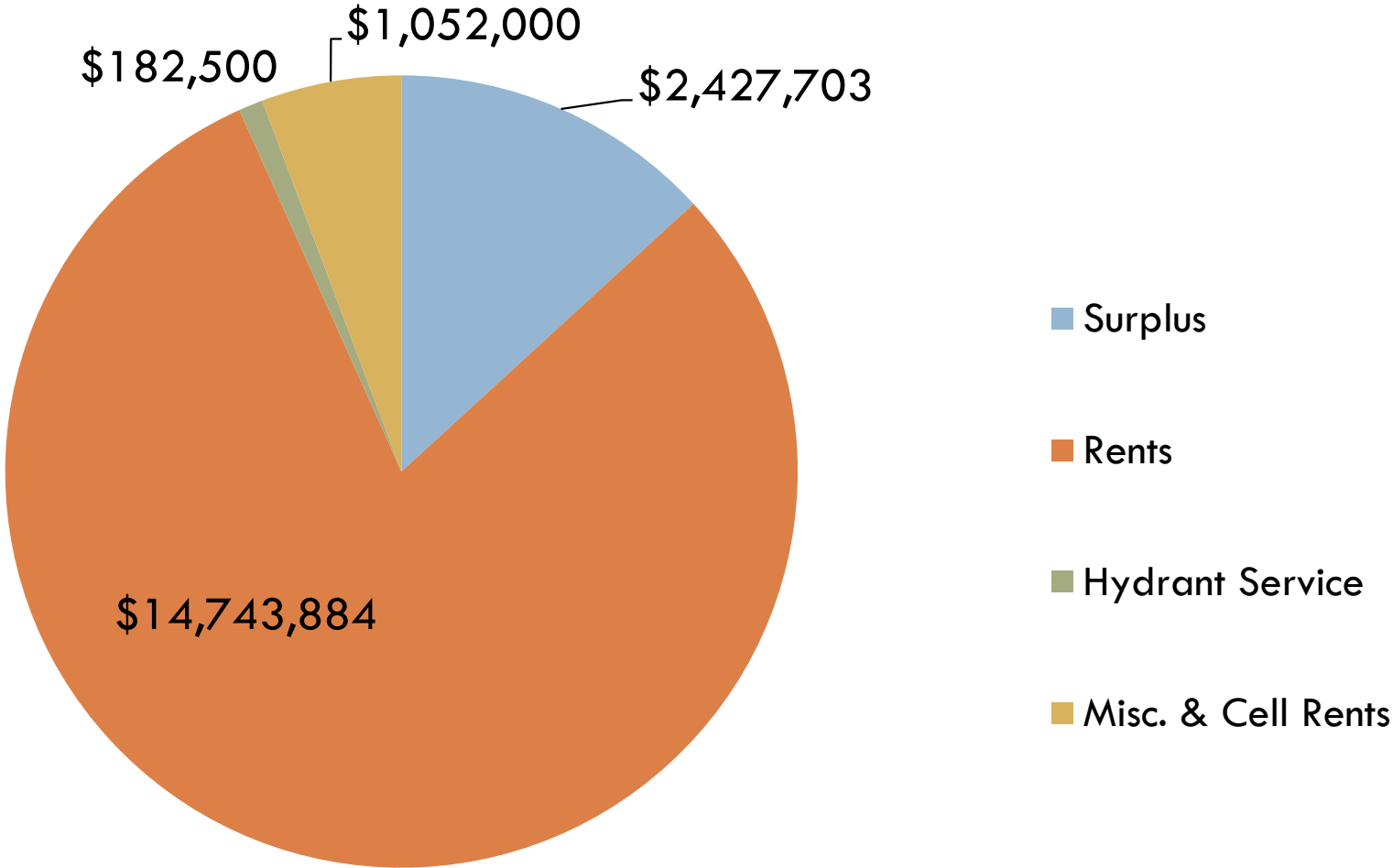
Water Capital

Funding by Year



	2021	2021	2022
	BUDGET	ACTUAL	BUDGET
<u>TITLE</u>	<u>ADOPTED</u>	<u>UNAUDITED</u>	<u>ANTICIPATED</u>
SURPLUS ANTICIPATED	\$ 2,459,972.00	\$ 2,459,972.00	\$ 2,427,703.23
WATER RENTS	\$ 12,874,000.00	\$ 13,957,799.00	\$ 13,750,000.00
HYDRANT SERVICE	\$ 182,266.00	\$ 182,262.00	\$ 182,500.00
<u>MISCELLANEOUS REVENUES</u>			
CELL TOWER RENTS	\$ -	\$ 477,258.00	\$ 477,000.00
GENERAL MISCELLANEOUS (CUBES)	\$ -	\$ 228,424.00	\$ 225,000.00
GENERAL MISCELLANEOUS (IN-HOUSE)	\$ -	\$ 182,114.00	\$ 175,000.00
WATER CAPITAL FUND BALANCE			
TOTAL MISCELLANEOUS	<u>\$ 875,235.00</u>	<u>\$ 887,796.00</u>	<u>\$ 877,000.00</u>
INCREASE FOR NEW CELL TOWER RENTS	\$ 300,000.00	\$ -	\$ 175,000.00
INCREASE IN FACILITY CHARGES	\$ -	\$ -	\$ -
INCREASE IN WATER RENT	\$ 570,542.00		\$ 497,961.40
INCREASE IN PFAS CHARGES	\$ 157,967.00	\$ -	\$ 495,922.84
TOTAL REVENUES	<u>\$ 17,419,982.00</u>	<u>\$ 17,487,829.00</u>	<u>\$ 18,406,087.47</u>

Anticipated Revenues



- **PFAS Treatment Charges:** To meet the funding demand for filtering PFAS from the drinking water, RW is proposing an increase in the PFAS Treatment charge. 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 higher 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 2022.

- **PFAS Treatment Charges**

Meter Size	Charge per Quarter
5/8"	\$7.06
3/4"	\$10.59
1"	\$17.85
1.5"	\$35.30
2"	\$56.48
3"	\$112.96
4"	\$176.50

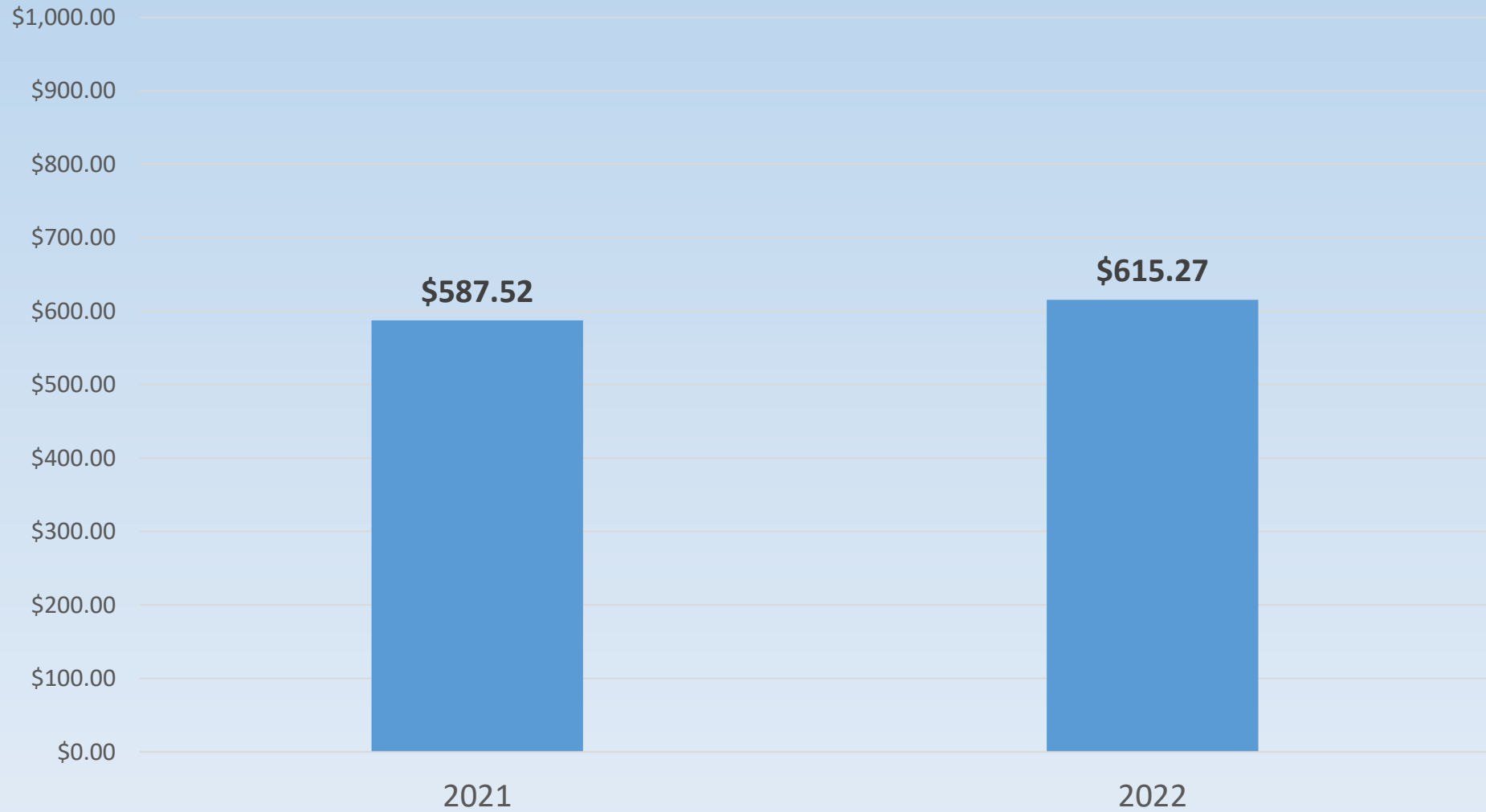
- **Volume Rate per 1000 gallons per calendar quarter**

\$5.52 plus \$0.01 state tax

\$5.53

*If approved, the new rate will be applied starting with third quarter bills in 2022.

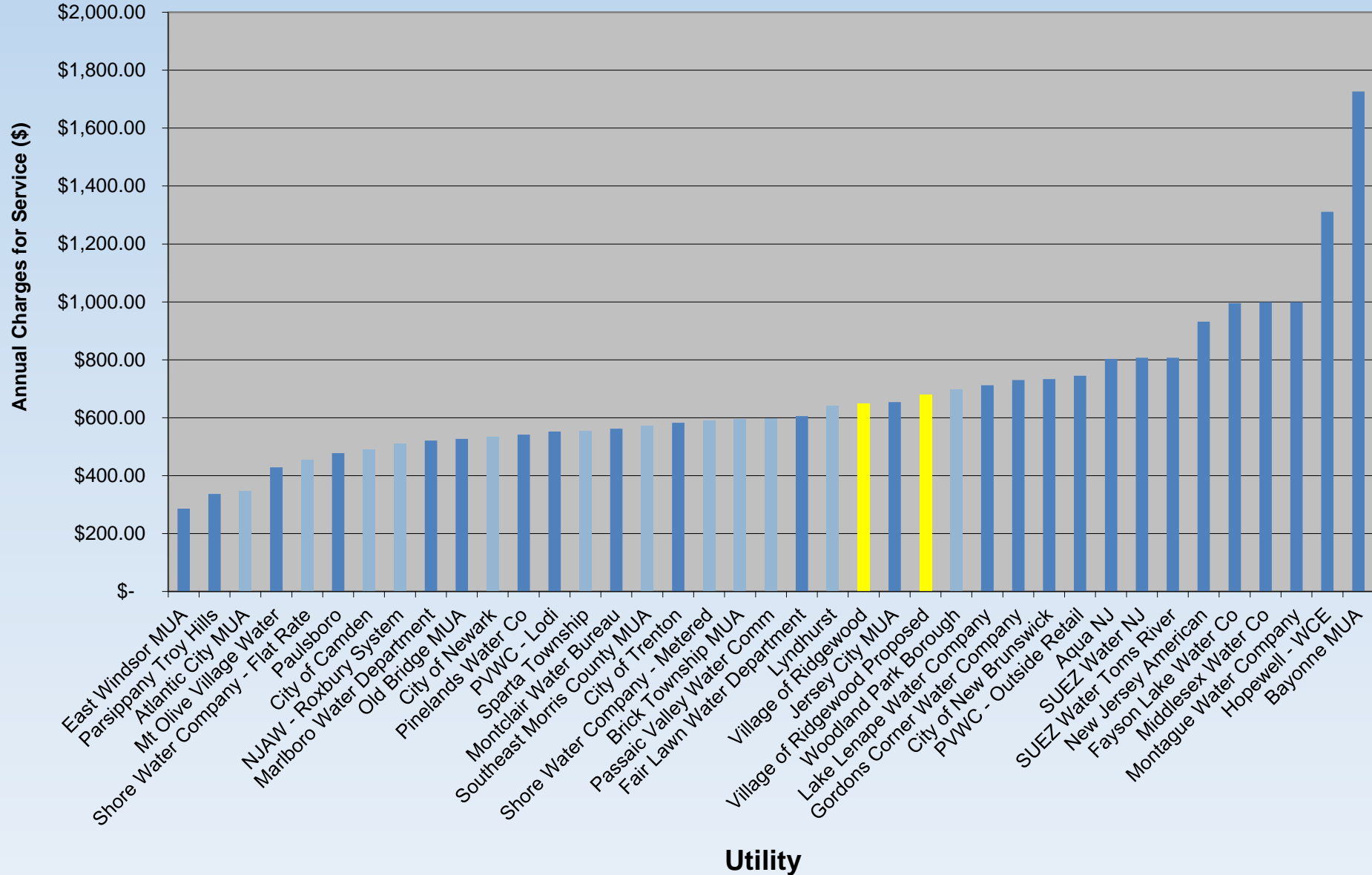
Annual Residential Water Cost Comparison (based on average residential bill w/ 5/8" meter)



2021/2022 Bill Comparison

Annual Charges of Select Water Utilities

Annual Charges Calculated for Average Monthly
Use of 7,820 gallons/month. Current Tariff as of December 15, 2021



Questions?

THANK YOU!

