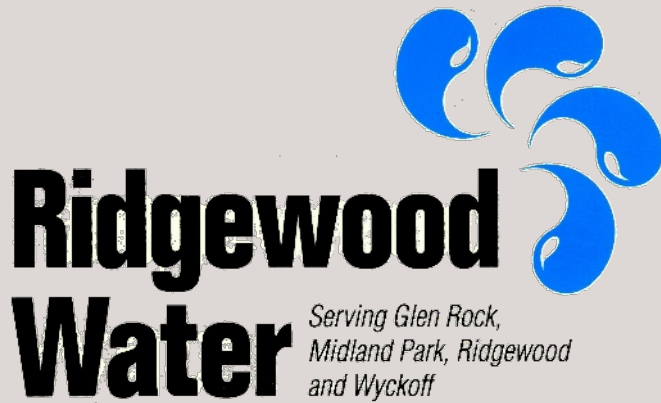




2024 Budget Presentation

Ridgewood Water



Feb. 21, 2024

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



2024 Ridgewood Water Governing Body

**Mayor
Paul Vagianos**



**Deputy Mayor
Pamela Perron**



**Councilman
Evan Weitz**



**Councilwoman
Lorraine Reynolds**



**Councilwoman
Siobhan Winograd**



IN LOVING MEMORY OF



HOWARD J. WOODS, JR.

October 11, 1955 - September 17, 2023



Ridgewood Water 2024 Budget Dedication

*Grieve not nor speak of me with
tears, but laugh and talk of me
as though I were besides you.
I loved you so, 'twas Heaven
here with you.*



2024 Ridgewood Water Leadership Team

Village of Ridgewood Manager Keith Kazmark



Director of Operations Richard Calbi Jr.



Business Manager Michael Cohrs





2024 Ridgewood Water Operations Staff

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: Daniel Labita

Supervisor: Brian Ten Hoeve

Plus 38 skilled programmers, labors, operators, repairers, technicians, inspectors and administrative representatives.





2024 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

Steps Taken With PFAS Treatment

- ❑ Carr and Twinney treatment facilities in operation.
- ❑ PVWC and Veolia interconnects active
- ❑ Carr/Linwood facility upgrade under construction
- ❑ Ravine/Marr and Prospect facilities under construction
- ❑ Ames facility publically bid, bid opening scheduled for 2/21/24
- ❑ E. Ridgewood and West End facilities completed for bid, pending I-Bank authorization to advertise
- ❑ Eastside, Main, & Mountain final design and permitting contracts were awarded.
- ❑ Operational Strategy in Effect



2024 Steps with PFAS Treatment

- ❑ Ravine PFAS Treatment Facility to become fully operational
- ❑ Prospect, Ames, Wortendyke construction contracts awarded and construction begins
- ❑ E. Ridgewood and West End Facilities to enter bidding and construction contracts awarded
- ❑ Cedar Hill, Eastside, Main, and Mountain to enter bidding phase



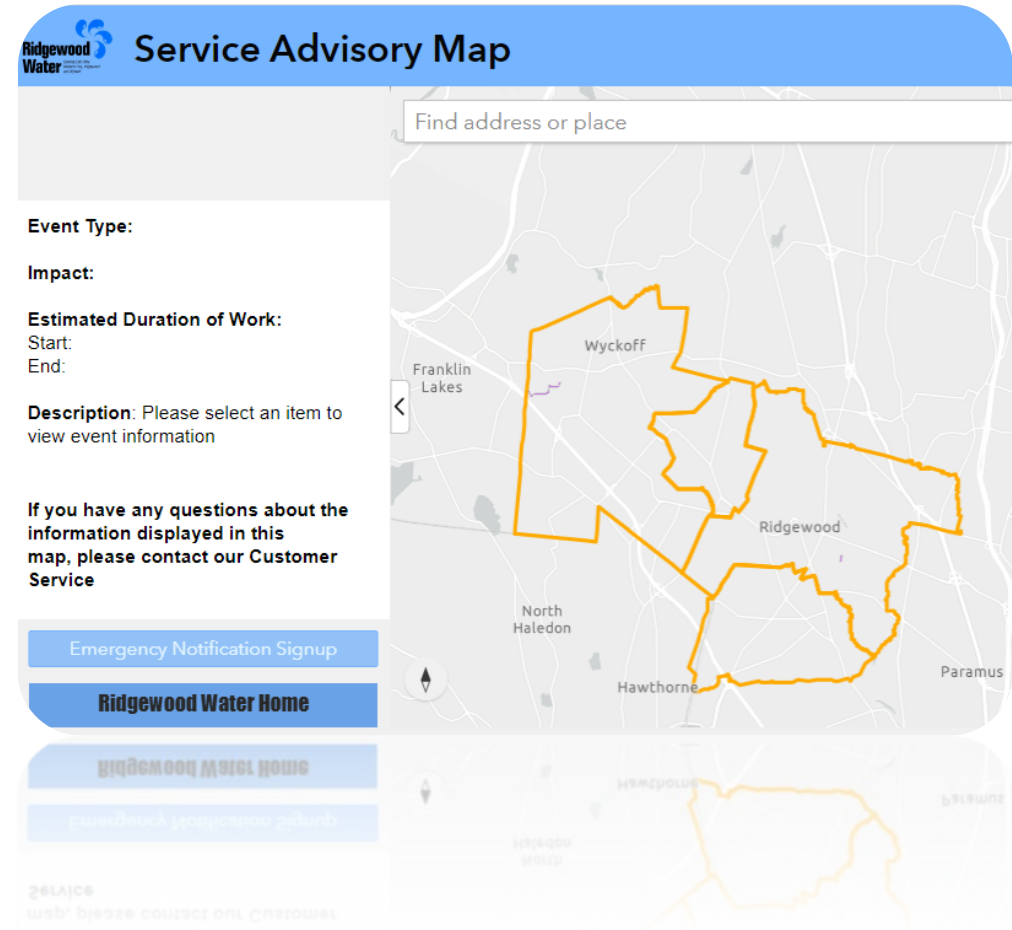
Next Steps: Lead Service Line (LSL's) Replacements

- Work already underway on utility owned sections (main to curbs)
- 326 main to curbs LSL's replaced to date
- Continue verifying materials for unknown service lines
- Attain ordinance approval from all 4 towns
- Begin Opt-in/Opt-out phase.
- Work with CDM Smith to complete final design, bid document preparation, and launch Customer Outreach Campaign.



Additional Goals for 2024

- ❑ Complete the rehab or replacement of 1.5 or approximately 7,900 linear feet of distribution water main.
- ❑ Launch the Emergency/Routine Construction Map and Construction Activity Page.
- ❑ Complete Lab Certification for GC/MS.
- ❑ Increase Water Conservation campaign and outreach.



2024 Budget Highlights

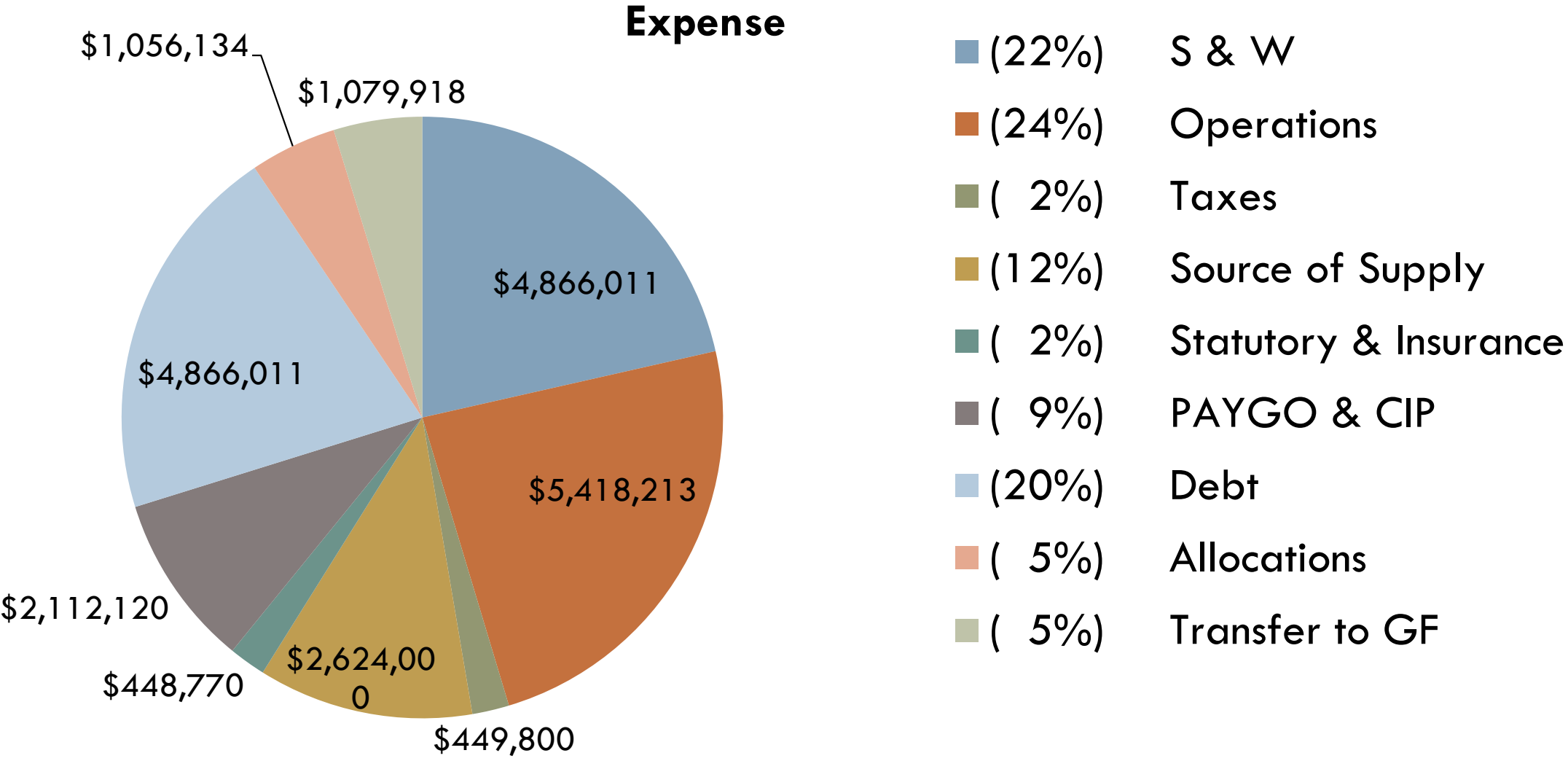
- Raftelis Financial Consultants, Inc. was commissioned to review and verify the 2024 budget continuing Howard J. Woods Model for
 - Revenue Requirement
 - Expense Calculations
 - Rate Projections
- Raftelis Review Completed on 2/14/24, Summary Memo will be Available on the Website
- Overall Budget increase of 13%

2024 Budget Highlights

- \$3,829,667 of Surplus Accounts to stabilize Rates and Reduce the Need to Plan for New Debt
- Overall Budget increase of 13%
 - 2% Operational Expense Increase - \$454,030
 - 11% due to Debt Service and Changes in PAYGO Capital.
 - Debt Service Increase – \$970,413
 - PAYGO Capital - \$1,106,000
- Expenses Moved to PAYGO
 - Ford F450 Phosphate Truck, F550 Dump Truck, Backhoe Jackhammer
 - Engineering for Transfer Stations between Pressure Zones
 - Engineering to Evaluate Disinfection Needs due to PFAS Centralization
 - Engineering for Next Phase of Distribution Requirements.

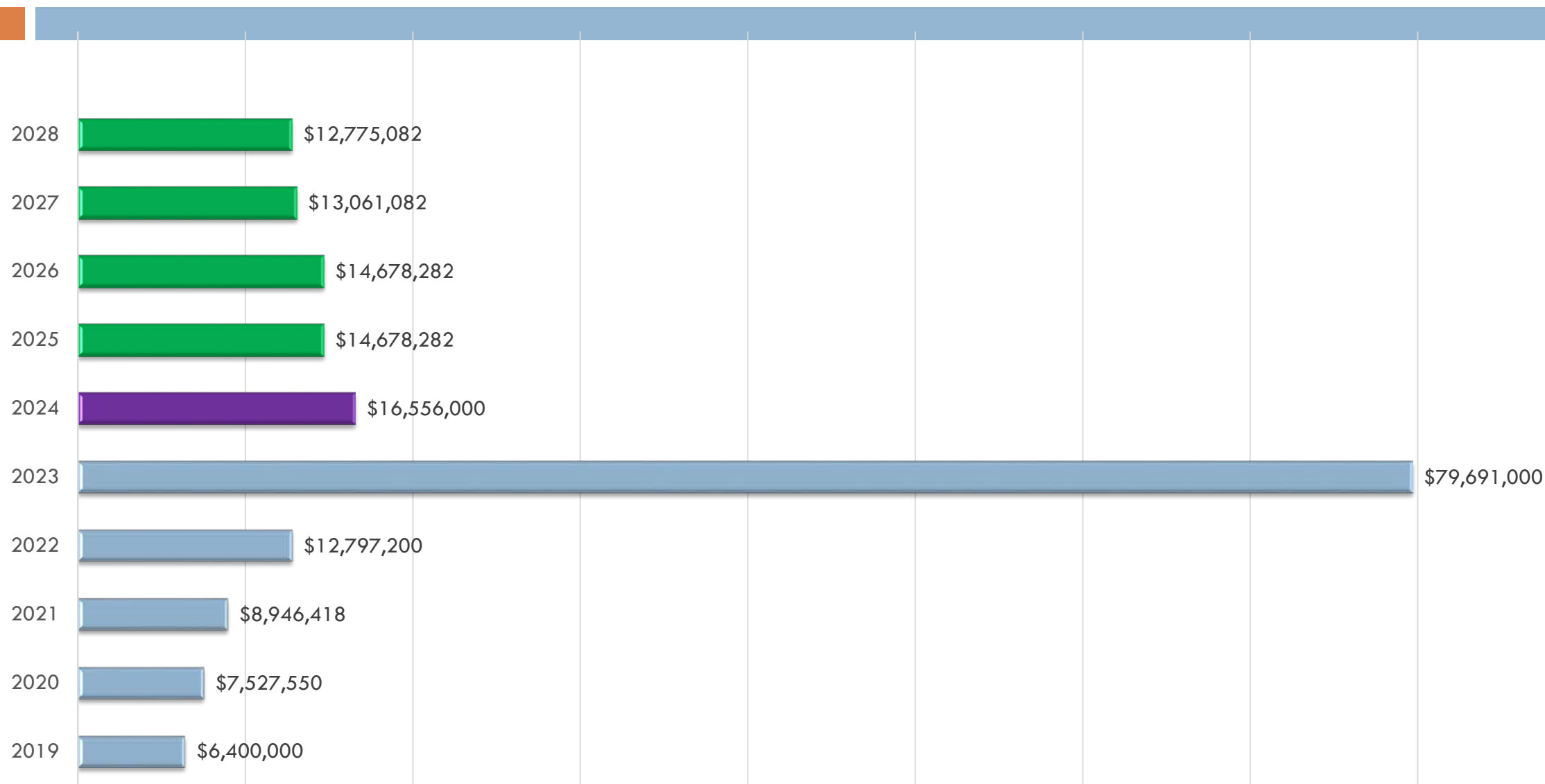
Budget	Operations Budget		PFAS
Salary & Wages (Including Allocations):	\$	4,337,393	\$ 528,618
Other Expenses (Including Allocations):	\$	7,565,847	\$ 1,982,300
Pumping, Treatment, Distribution, Source of Supply, Customer Service, Taxes, Insurance & Administration			
Statutory & Any Deferred Expenses:	\$	448,770	\$ 0
Pension, Social Security, Unemployment			
PAYGO Capital (Cash Capital Improvements) & Capital Improvement Fund	\$	1,962,120	\$ 150,000
Debt Service (Bonds & Notes):	\$	3,140,169	\$ 1,483,146
Current Fund 5% Transfer to Village Fund	\$	872,715	\$ 207,203
Total Revenue Requirement:	\$	18,327,014	\$ 4,351,267
		Operating Expense	\$ 22,678,281

Operating Budget



Water Capital

Funding by Year



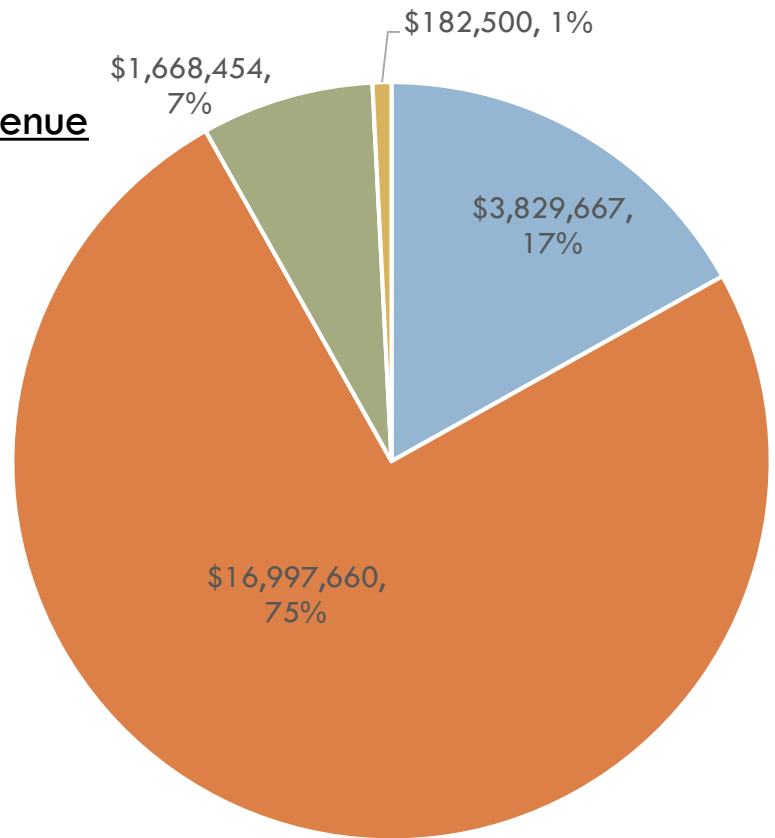
	2023	2023	2024
	BUDGET	ACTUAL	BUDGET
<u>TRADITIONAL REVENUES</u>	<u>ADOPTED</u>	<u>UNAUDITED</u>	<u>ANTICIPATED</u>
SURPLUS ANTICIPATED	\$ 2,944,212	\$ 2,944,212	\$ 3,829,667
WATER RENTS	\$ 14,954,367	\$ 16,003,173	\$ 16,310,921
HYDRANT SERVICE	\$ 183,500	\$ 111,563	\$ 182,500
<u>MISCELLANEOUS REVENUES</u>			
CELL TOWER RENTS	\$ -		
GENERAL MISCELLANEOUS (CUBES)	\$ -		
GENERAL MISCELLANEOUS (IN-HOUSE)	\$ -		
WATER CAPITAL FUND BALANCE			
TOTAL MISCELLANEOUS	<u>\$ 1,128,000</u>	<u>\$ 1,347,338</u>	<u>\$ 1,226,854</u>
INCREASE FOR NEW CELL TOWER RENT	\$ 175,000	\$ 175,000	\$ 441,600
INCREASE IN FACILITY CHARGES	\$ -	\$ -	\$ -
INCREASE IN WATER RENT	\$ 346,805	\$ 346,805	\$ 175,291
INCREASE IN PFAS CHARGES	\$ 385,955	\$ 385,955	\$ 511,448
TOTAL REVENUES	<u>\$ 20,117,839</u>	<u>\$ 21,314,045</u>	<u>\$ 22,678,281</u>

Water Utility Operating Revenue

- **PFAS Treatment Charges:** To meet the funding demand for filtering PFAS from the drinking water, RW initiated a PFAS Treatment charge in 2021.
 - This charge is in lieu of raising volume rates
 - Able be removed or offset in case of future recovery
 - \$1,013,865 - collected in 2023
 - \$1,875,260 - to be collected in 2024
- **Volume Charges (Variable):** Rate based on customer consumption.
 - Based on this year's budget review – a 3% rate increase is proposed.
 - Budget review evaluates the three year operation and capital needs
 - Designed to meet minimum surplus for Villages Surplus Policy (Resolution 16-114)
- **Service Charge (Fixed):** Base Charge applied by meter size

Anticipated Revenues

Total Revenue



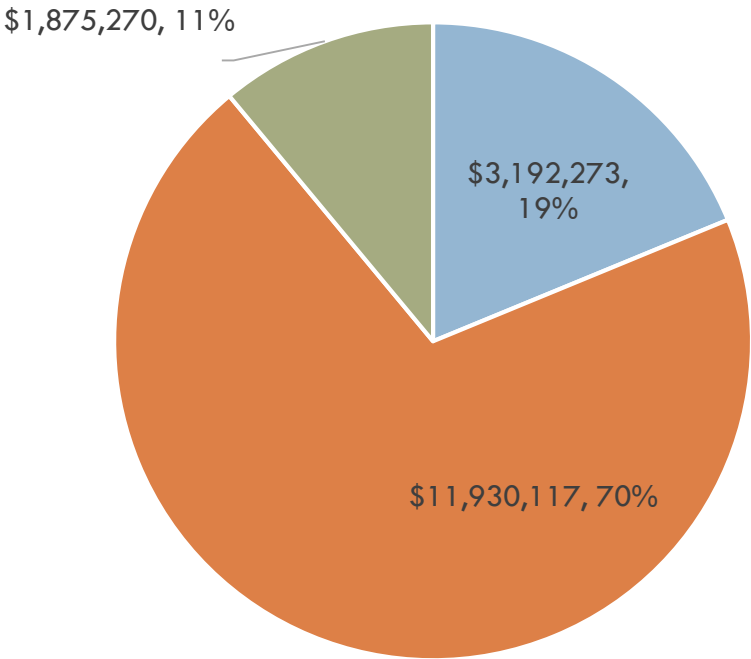
■ Surplus

■ Water Rents

■ Misc. Revenue

■ Hydrants

Rents



■ Fixed Charges

■ Volume Charges

■ PFAS Charges

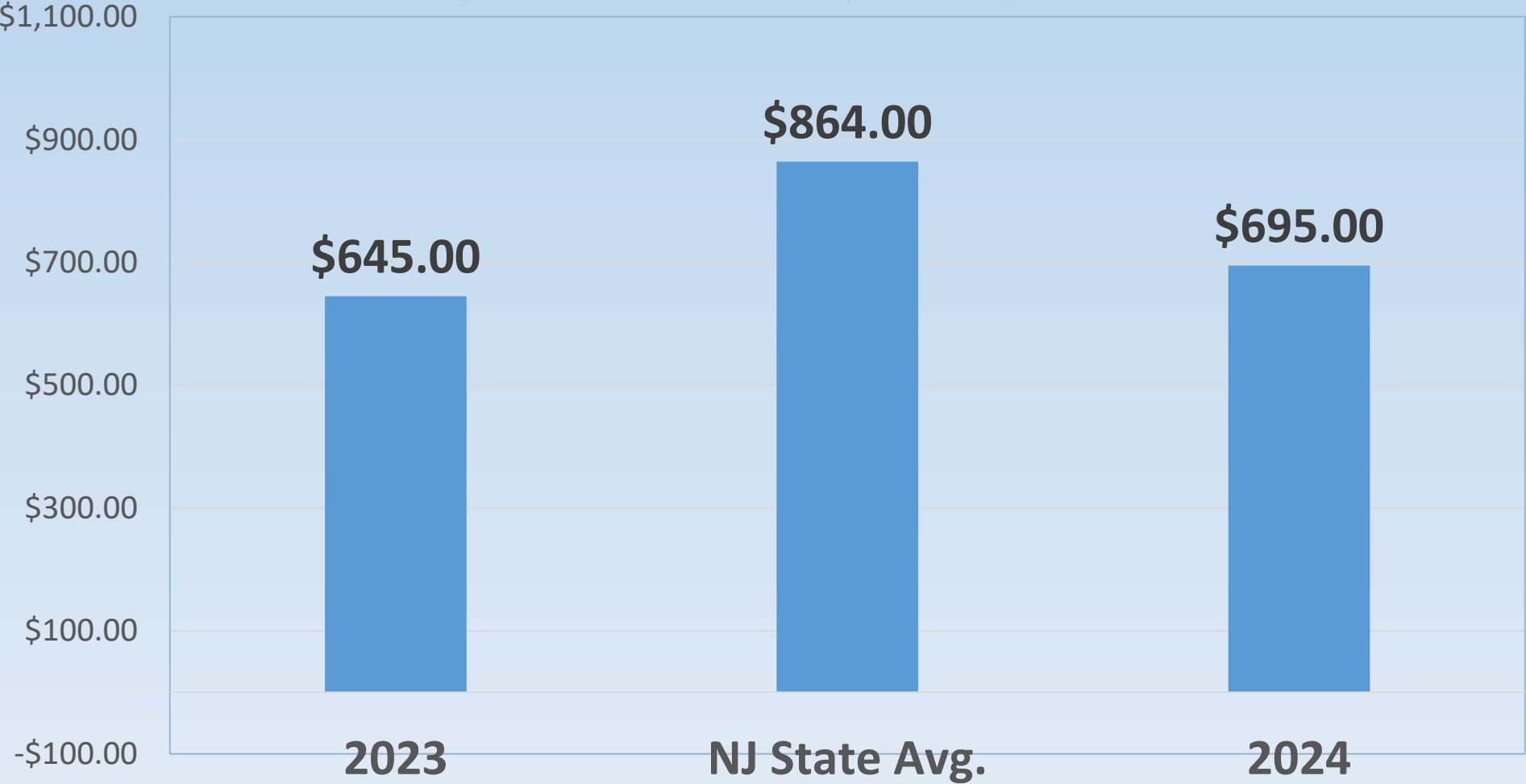
- **PFAS Treatment Charges** (Generates \$1,875,260 in 2024)

Meter Size	Charge per Quarter
5/8"	\$24.71
3/4"	\$37.07
1"	\$61.78
1.5"	\$123.55
2"	\$197.68
3"	\$395.36
4"	\$617.75

- **Volume Rate per 1000 gallons per calendar quarter**
\$5.86 plus \$0.01 state tax
\$5.87

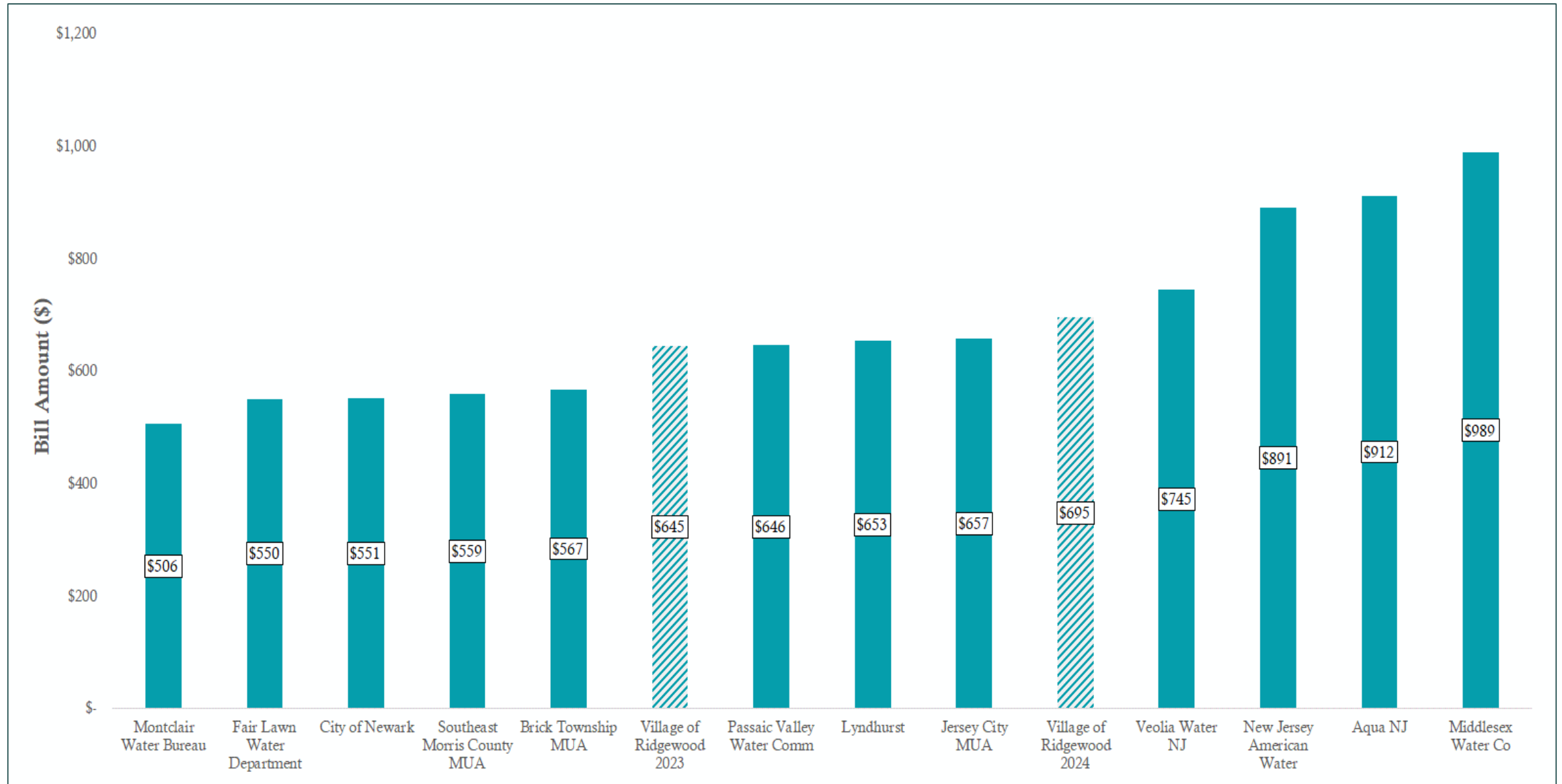
*If approved, the new rate will be applied starting with third quarter bills in 2024.

Annual Residential Water Cost Comparison
(RW usage based on 7000 gallons per month)



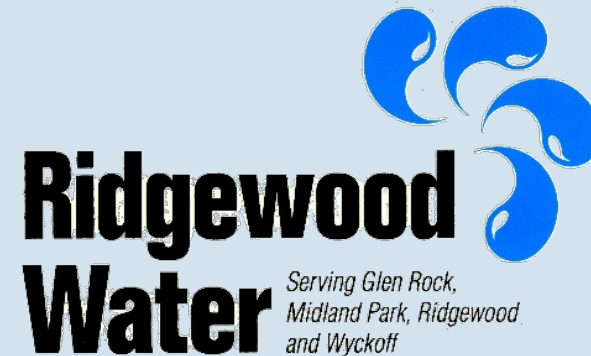
Annual Average Customer Bill of Comparable Utilities

Rate Based on January 2024 available data (5/8-inch meter; 7,820 gallons/month)



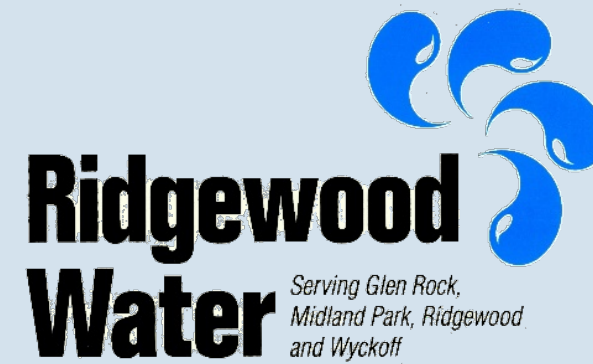
RW Budget Next Steps

- ❖ Budget Presentation and Rate Review will be published to the Ridgewood Water Website by 2/23/24
- ❖ Discussion of 2024 Rate Proposal – Village Council Work Session on 2/28/24 at 7:30pm
- ❖ Introduction of Budget and Rate Ordinance – Village Council Public Meeting on 3/13/24 at 7:30pm
- ❖ Final Reading and Hearing on Budget and Rate Ordinance Village Council Public Meeting on 4/10/24 at 7:30pm



Questions?

THANK YOU!



- 
- 
- Can we look into comparable systems that are also burdened with PFAS.