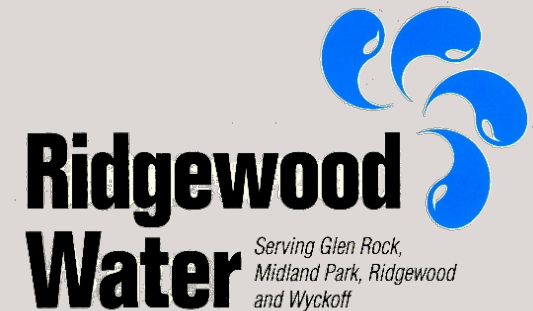


2019 Budget Presentation

Ridgewood Water



March 1, 2019

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



2019 Ridgewood Water Governing Body

Mayor Ramon Hache

Deputy Mayor Susan Knudsen

Councilman Michael Sedon

Councilman Jeff Voigt

Councilwoman Bernadette Walsh





2019 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

Assistant Supervisor: Brian Ten Hoeve

Assistant Supervisor: Ralph Ruggiero

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



2019 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

- Achieved closure on the USEPA Administrative Order, Ground Water Under the Direct Influence of Surface Water (GWUDI), including a commendation from the USEPA Division Chief on the improvements that have been made in the system and our improved communications with the Agency. (USEPA letter of 5/10/18)
- **Initiated public communication and education on emerging contaminants, with focus on PFAS compounds, including public notice, education forums and participation in policy and rule-making discussions in Trenton.**
- Completed the SUEZ water quality study and initiated a similar study of Passaic Valley Water Commission (PVWC) water to determine feasibility of purchasing volume to supplement the system.

Accomplishments

- **Successfully completed four consecutive rounds of Lead and Copper testing. The results yielded a 83% reduction in the 90th percentile of Lead sample results.**
- Initiated and completed capital improvements. Highlights include:
 - Ames, Lafayette, Southside and Cedar Hill Tank Improvements
 - Auxiliary Power Improvements
 - Booster Station Improvements
 - Water Main Replacements at Stream Crossings
 - New Water mains on Beechwood Road (Ridgewood) and Linwood Avenue (Midland Park)
 - Ravine Property Purchase for new water treatment equipment
 - Drilled replacement wells for Cedar Hill #4 and Linwood

Goals

- Manage completion of construction documents for the renovation of the Elks Club for utility operations.
- **Procure and complete the PFAS Action Plan items, including construction of the new Carr treatment facility.**
- Manage successful completion of utility capital projects, with emphasis on asset management plans and priorities, and projects that restore system capacity and prepare for future treatment requirements.
- Hire an IT professional that will serve the utilities growth needs and bolster the Village's technology plans.

Goals

- Complete PVWC water quality study, pipeline design and secure a contract that benefits the ratepayers of the utility.
- Continue to foster communication to the water utility consumers on conservation, budget, system progress and capital plans; including adoption of the new water conservation ordinance by Wyckoff, Midland Park and Glen Rock.
- **Restructure customer service and public relations to improve the front line of the utility, including launching a new website and new customer portal for looking up account data and communicating with customers.**



Every Drop Counts – 2019 Capacity Gain Goals & More

- **2019 – 2.3 Million Gallons Per Day (MGD) of Additional Yield**
 - Carr Well Field Return to Production +1.0 MGD
 - Cedar Hill #4 Replacement Well +0.4 MGD
 - Linwood Replacement Well +0.4 MGD
 - Well Rehabilitation +0.5 MGD
- **2020 – 3.7 MGD of Additional Yield**
 - PVWC Interconnection +3.0 MGD
 - Well Rehabilitation +0.5 MGD
 - Wortendyke #4 Replacement Well +0.2 MGD
- **2021 – 1.4 MGD of Additional Yield**
 - Ravine Reactivation & Proposed Marr Well Blend +0.7 MGD
 - King Replacement Well +0.2 MGD
 - Well Rehabilitation +0.5 MGD

2019 Budget Highlights

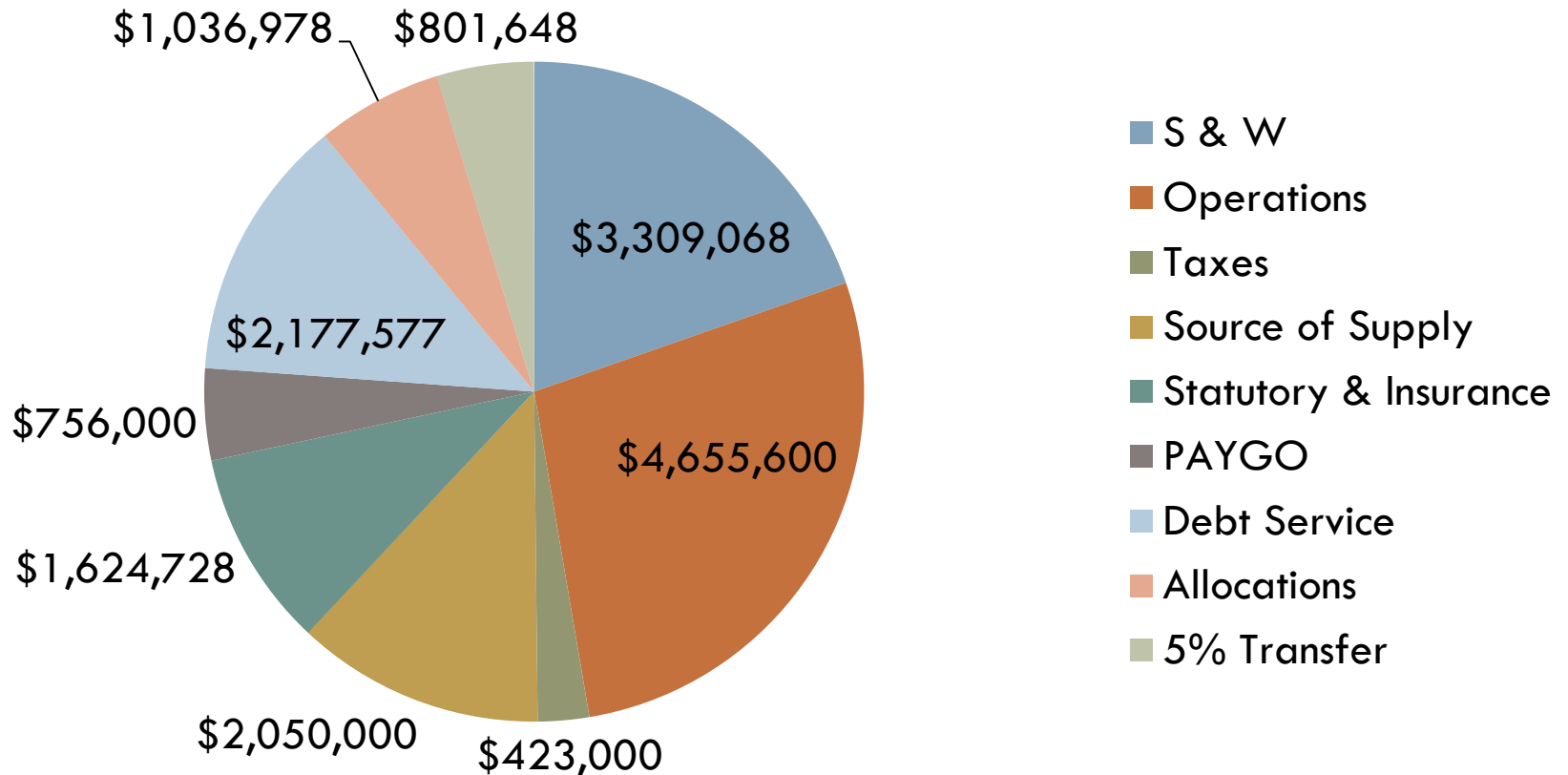
- Recalculation of indirect/direct expenses using rate consultant's allocation percentages
- Maintain headcount at 40 employees
- Budget increases for:
 - Generator service contract and well repairs/rehabilitations.
 - Lab fees for testing PFAS, UCMR4 and next phase of GWUDI
 - Paving & Traffic Protection for distribution repairs and replacements
 - Telephone charges for SCADA operations and field equipment
- Budget decreases for:
 - Modification of Water Smart services
 - Purchased water estimate
 - PAYGO capital budget reduced to \$750K

Salary & Wages: Salaries, Overtime, On Call	\$ 4,073,428.81
Other Expenses: Pumping, Treatment, Distribution, Source of Supply, Customer Service, Taxes, Insurance & Administration	\$ 8,647,412.99
Statutory & Any Deferred Expenses: Pension, Social Security, Unemployment	\$ 378,532.66
PAYGO Capital: Cash Capital Improvements	\$ 756,000.00
Debt Service: Bonds & Notes	\$ 2,177,577.50
Current Fund: 5% Transfer to Village Fund	\$ 801,647.60
Total Revenue Requirement:	\$ 16,834,599.56

Operating Expense

Operating Budget

Expense



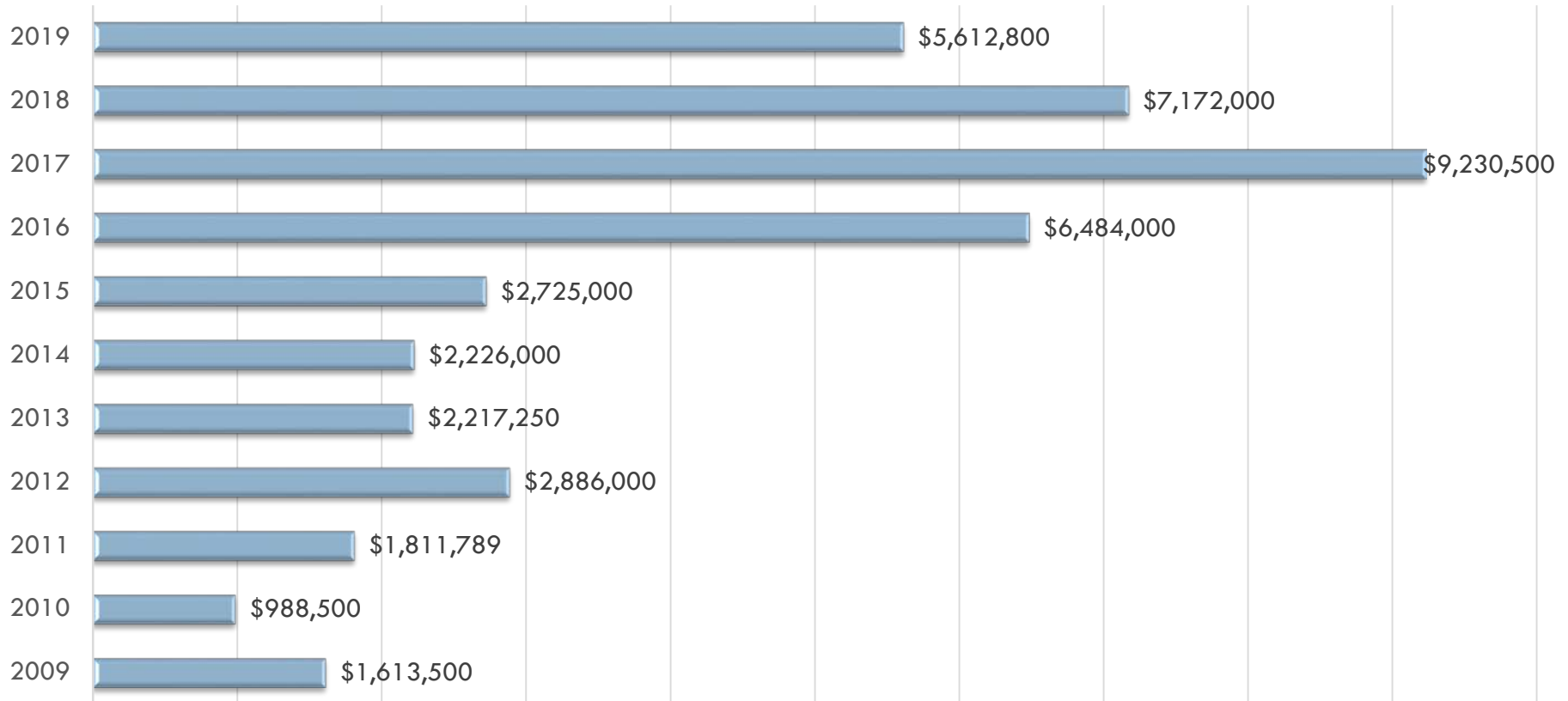
	2019 BUDGET	2018 ACTUAL	2017 ACTUAL	2016 ACTUAL
Salary & Wages	\$ 4,073,428.81	\$ 3,530,128.61	\$ 3,377,905.00	\$ 3,203,336.00
Other Expenses	\$ 8,647,412.99	\$ 6,020,015.70	\$ 5,784,149.00	\$ 6,225,118.00
Statutory & Any Deferred Expenses	\$ 378,532.66	\$ 643,476.00	\$ 639,911.00	\$ 727,762.00
PAYGO Capital	\$ 756,000.00	\$ 549,112.17	\$ 1,829,782.00	\$ 1,820,900.00
Debt Service	\$ 2,177,577.50	\$ 2,187,188.00	\$ 1,995,291.00	\$ 3,290,088.00
Current Fund Transfer	\$ 801,647.60	\$ 806,118.25	\$ 806,118.25	\$ 783,101.17
Total Revenue Requirement	\$ 16,834,599.56	\$ 13,736,038.73	\$ 14,433,156.25	\$ 16,050,305.17

Supply, Transfer & Booster Improvements:	\$ 395,200
<ul style="list-style-type: none"> • Upgrades for Farview & Eastside Stations (Engineering Only) • Eder, Lakeview & Southside Stations (Construction) 	
Interconnection Improvements:	\$ 2,080,000
<ul style="list-style-type: none"> • Interconnection and pipeline for purchase of water from PVWC (Construction) 	
Wells & Treatment Improvements:	\$ 998,400
<ul style="list-style-type: none"> • Installation of Tablet Chlorination at Weisch & Lafayette Wells • Linwood Well Raw Water Piping & Treatment (Engineering Only) • Ravine & Marr Well Blend Engineering Study for Required Treatment • Replacement well construction for Wortendyke #4 • Twinney PFAS Treatment (Engineering Only) 	
Distribution System Improvements at Various Locations:	\$ 1,040,000
Equipment & Vehicles:	\$ 343,200
<ul style="list-style-type: none"> • New Distribution Service Truck, Inspector vehicle, metering truck and utility trailer for shoring equipment. 	
PAYGO:	\$ 756,000
<ul style="list-style-type: none"> • Repairs & Replacements, Small Equipment, Security & Technology 	

Capital Expense

Water Capital

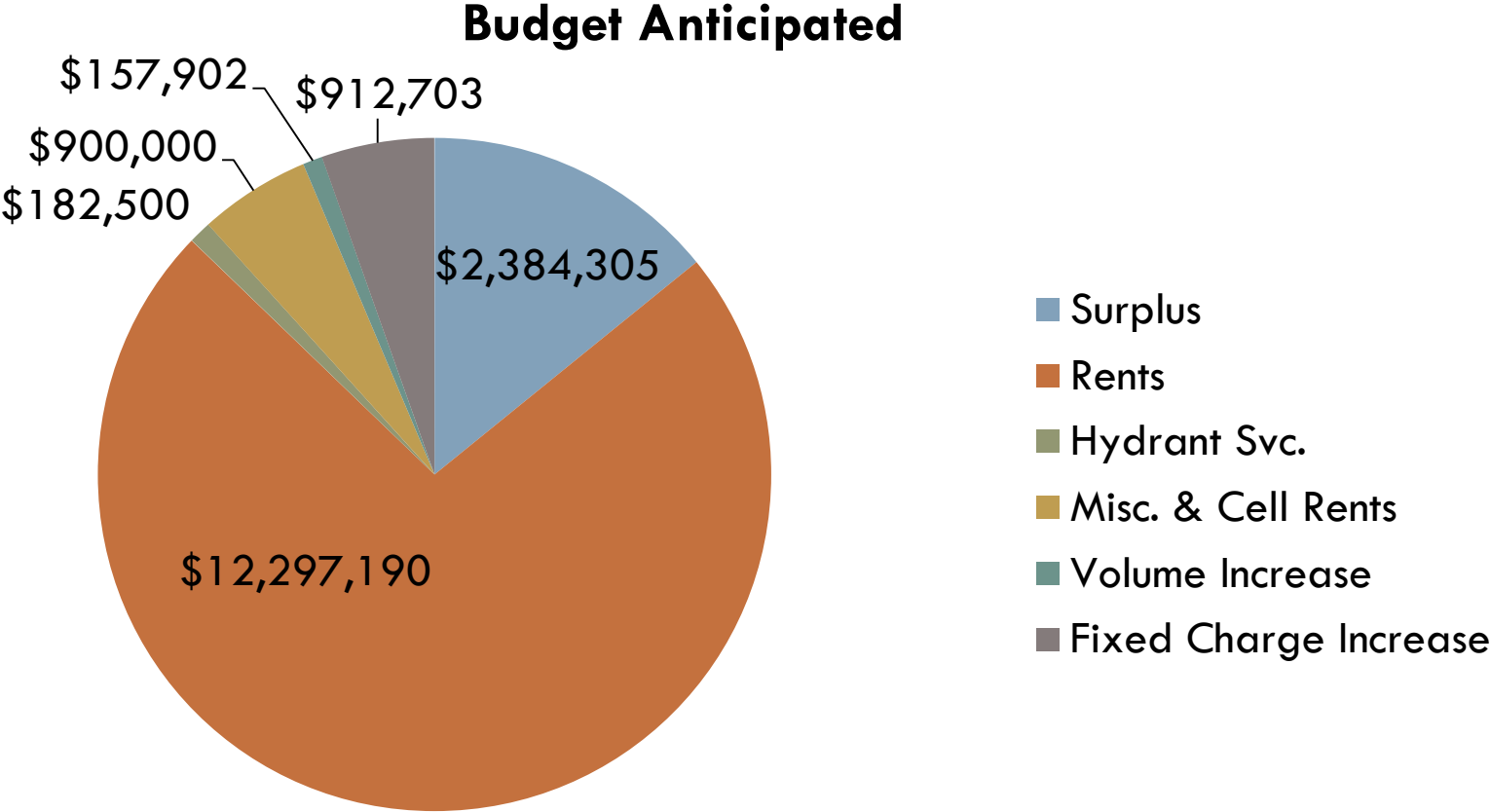
Funding by Year



■ Funding by Year

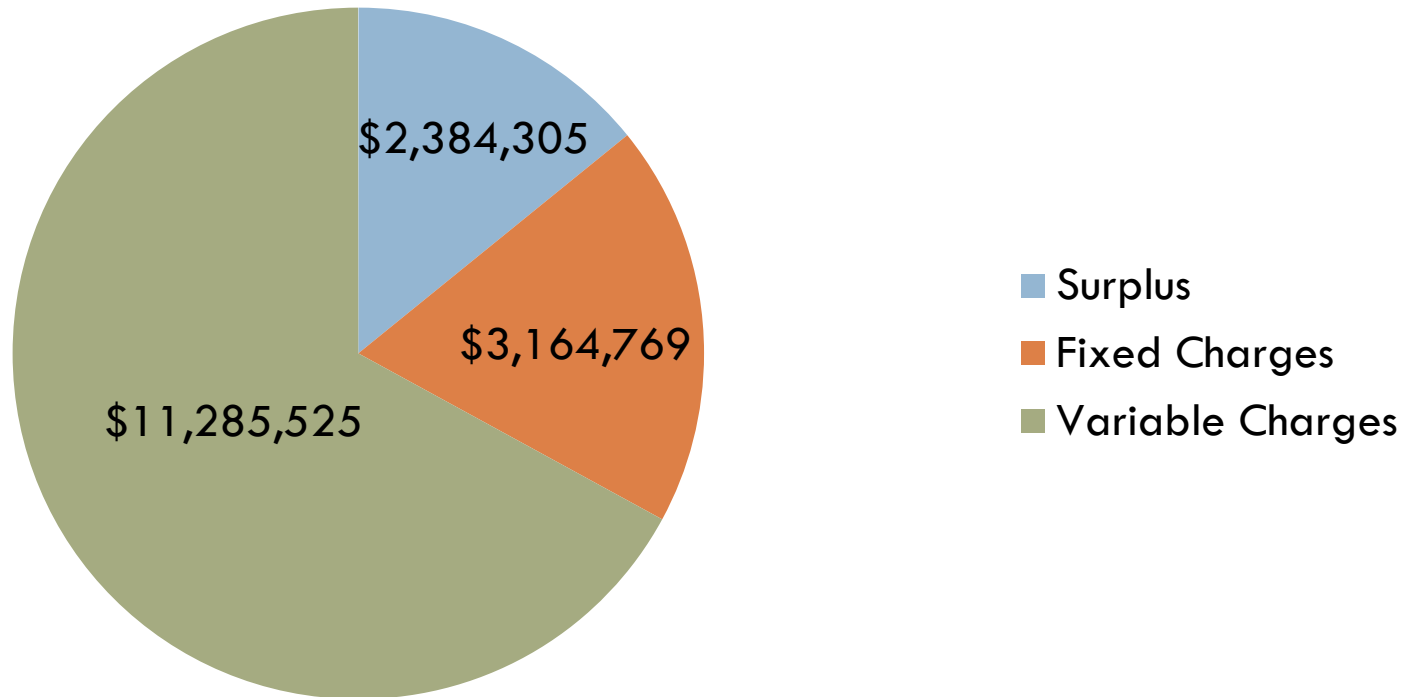
WATER UTILITY OPERATING REVENUES			
	2018	2018	2019
	BUDGET	ACTUAL	BUDGET
<u>TITLE</u>	<u>ADOPTED</u>	<u>UNAUDITED</u>	<u>ANTICIPATED</u>
SURPLUS ANTICIPATED	\$ 3,201,447.50	\$ 3,201,447.50	\$ 2,384,305.10
WATER RENTS	\$ 12,801,342.03	\$ 12,297,190.00	\$ 12,297,190.00
HYDRANT SERVICE	\$ 180,000.00	\$ 182,577.00	\$ 182,500.00
<u>MISCELLANEOUS REVENUES</u>			
CELL TOWER RENTS		\$ 547,351.00	\$ 500,000.00
GENERAL MISCELLANEOUS (CUBES)		\$ 214,663.00	\$ 250,000.00
GENERAL MISCELLANEOUS (IN-HOUSE)		\$ 237,017.00	\$ 150,000.00
WATER CAPITAL FUND BALANCE	\$ -	\$ -	\$ -
TOTAL MISCELLANEOUS	\$ 628,651.00	\$ 999,031.00	\$ 900,000.00
INCREASE FOR NEW CELL TOWER RENTS	\$ 240,000.00		
INCREASE IN FACILITY CHARGES			\$ 912,702.72
INCREASE IN WATER RENT			\$ 157,901.74
TOTAL REVENUES	\$ 17,051,440.53	\$ 16,680,245.50	\$ 16,834,599.56

Revenues



Fixed vs. Variable Revenues

Budget Anticipated



- **Facility Charges (Fixed):** In 2018, via Ordinance 3637, Ridgewood Water increased the fixed charge for 5/8” meter accounts and recalculated the rates for the meter sizes thereafter, up to 4” to align with AWWA meter capacity ratios. These new rates were implemented on the first quarter bills for 2019.
- **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 on the volume rate will be the first change instituted on this rate since 2014. This increase will help sustain the revenue need for 2019 and lessen the increases required to support future budget years.

- **Facility Charges (Fixed)** (Effective 1/1/19)

Meter Size

Charge per Quarter

5/8"

\$32.98

3/4"

\$49.47

1"

\$82.44

1.5"

\$164.88

2"

\$263.82

3"

\$494.65

4"

\$824.42

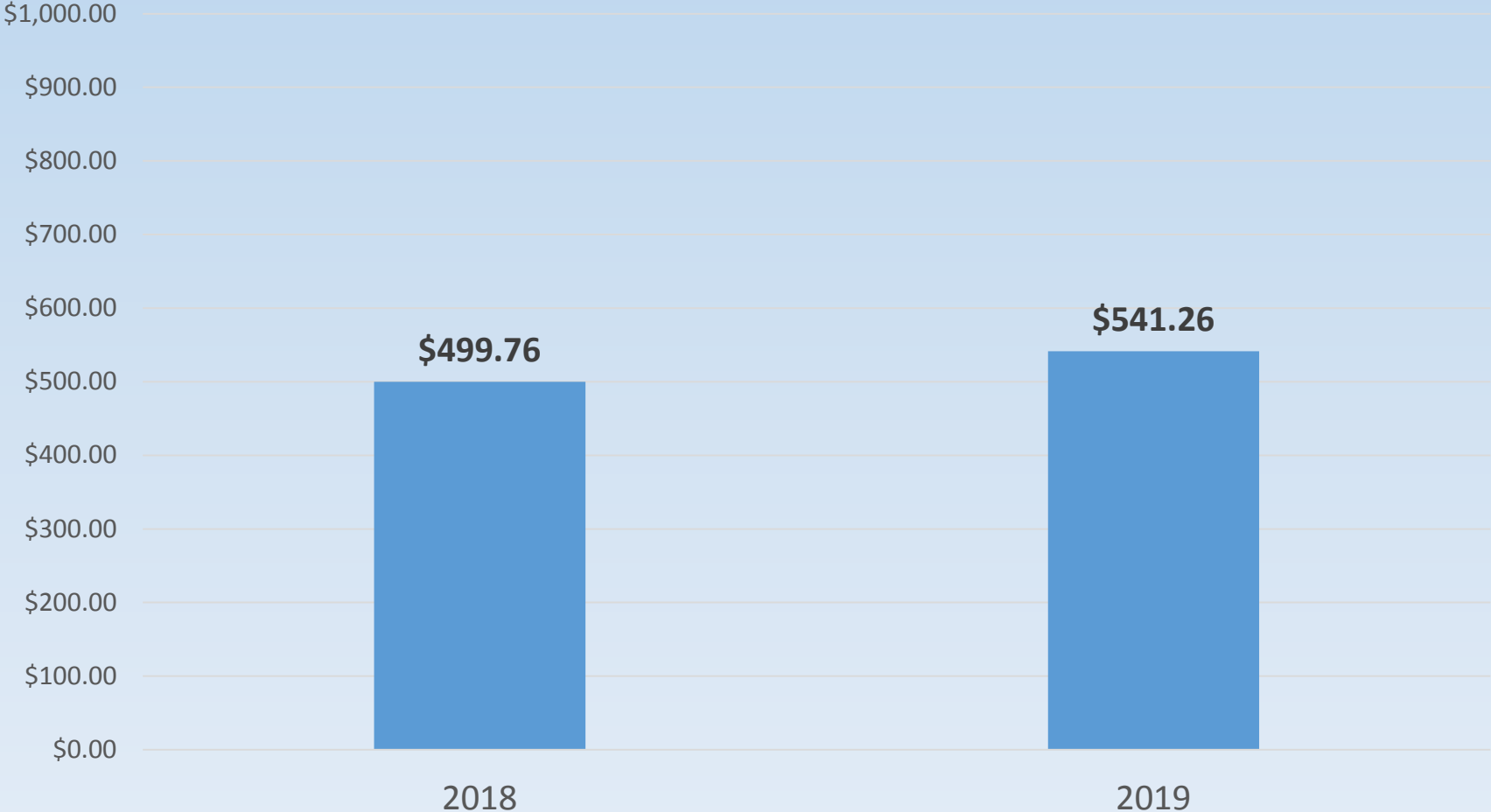
- **Volume Rate per 1000 gallons per calendar quarter**

\$4.82 plus \$0.01 state tax

\$4.83*

*If approved, the new rate will be applied starting with third quarter bills in 2019.

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



2018/2019 Bill Comparison

Questions?

THANK YOU!

