

Village of Ridgewood Water Rate Studies

Summary Report

Why Were These Rates Studies Done?

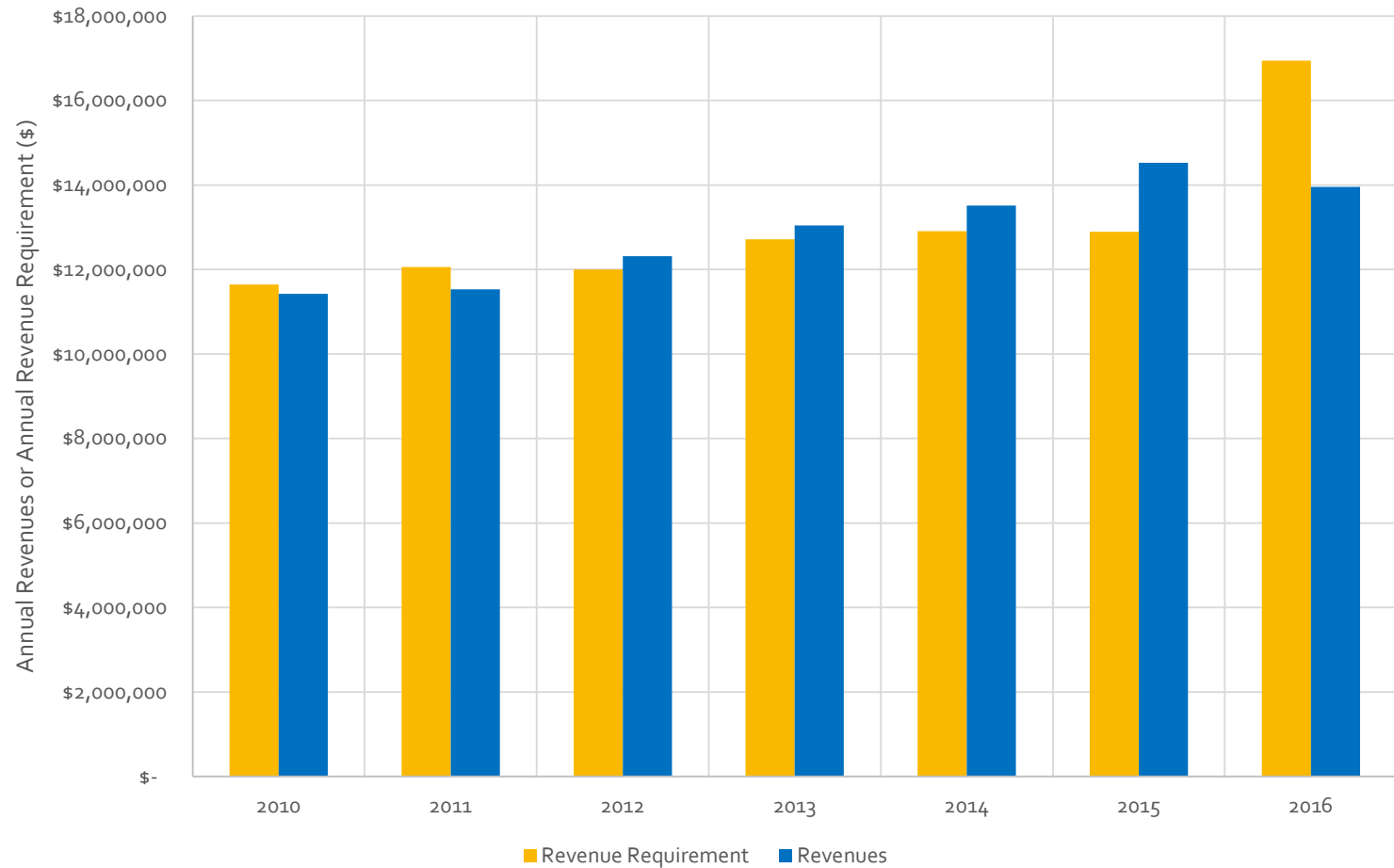
- 2010, 2011 and 2012 Rate Ordinances Challenged by Wyckoff, Glen Rock and Midland Park
- Complaint Filed on July 24, 2012
- Court Order on July 17, 2017
- Recalculate and Reestablish Rates for 2010, 2011 and 2012
- Village Requested 2013 - 2016

Rate Increases

Year	Increase (%)
2010	21%
2011	5%
2012	5%
2013	3%
2014	3%
2015	No Increase
2016	No Increase
2017	No Increase

Results

Comparison of Revenues from Sales at Actual Rates and Recalculated Revenue Requirement Per Budget



Recommendations

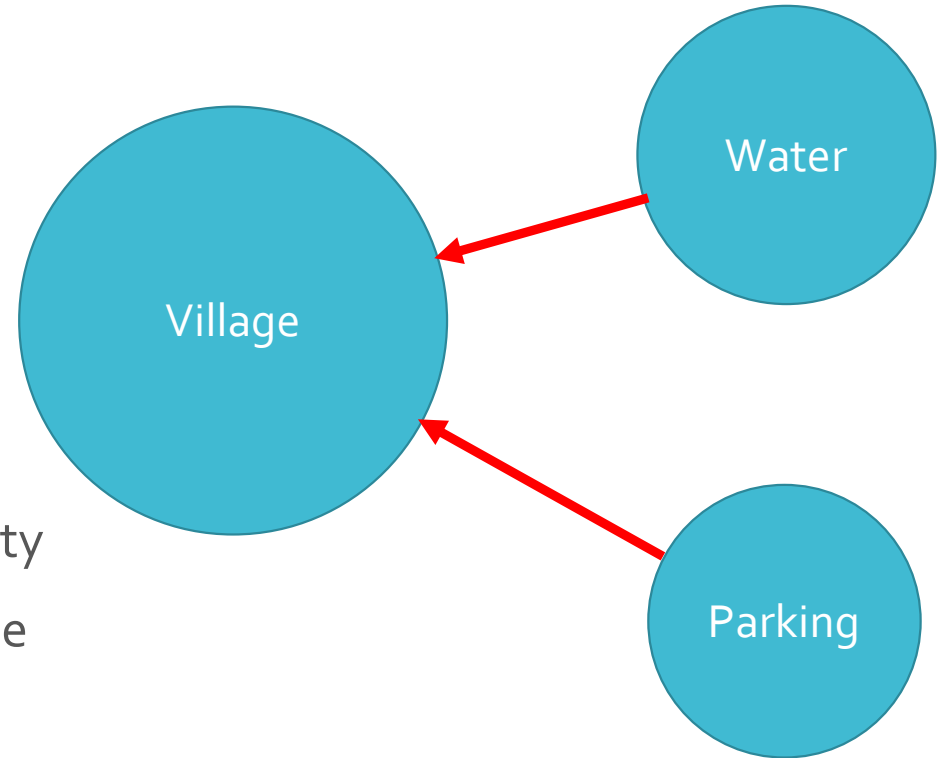
- Use new Allocation Factors in Budgeting
- No Change in Rates Adopted in 2010, 2011, 2012, 2013 and 2014
- Re-structure Fixed Charges to be Consistent with Industry Norms

Method

- American Water Works Association
 - Manual of Water Supply Practice M1: Principles of Water Rates Fees and Charges
- Acquired Detailed Budgets and Actual Expenses for 2009 through 2016
- Interviewed Staff

Method

- Reverse Village Expense Allocations to Parking Authority and Water Utility
- Identify All Direct Expense
- Identify Shared Services

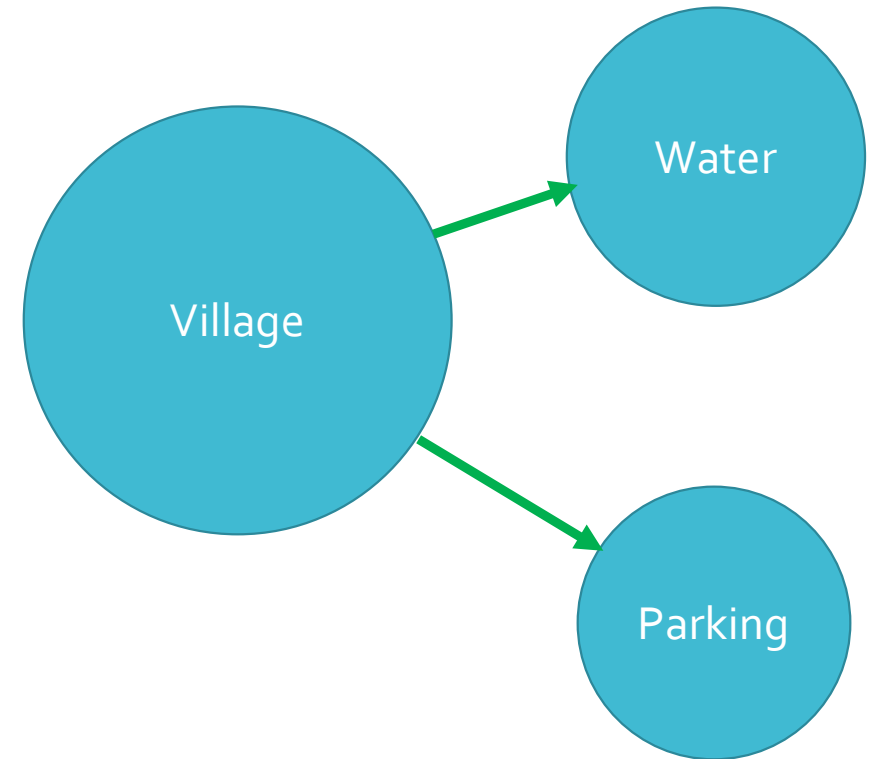


Method

- Develop Allocation Factors for All Expenses
 - Actual Expenses for 2009 through 2012
 - 14 Distinct Factors
 - 1,100 Budget Line Items
- Functions of the Village
- Direct Expenses of Water Utility
- Direct Expenses of Parking Authority
- Shared Services
 - Labor & Materials
 - Village Hall
 - Protective Services
 - Garage Services
 - Insurance

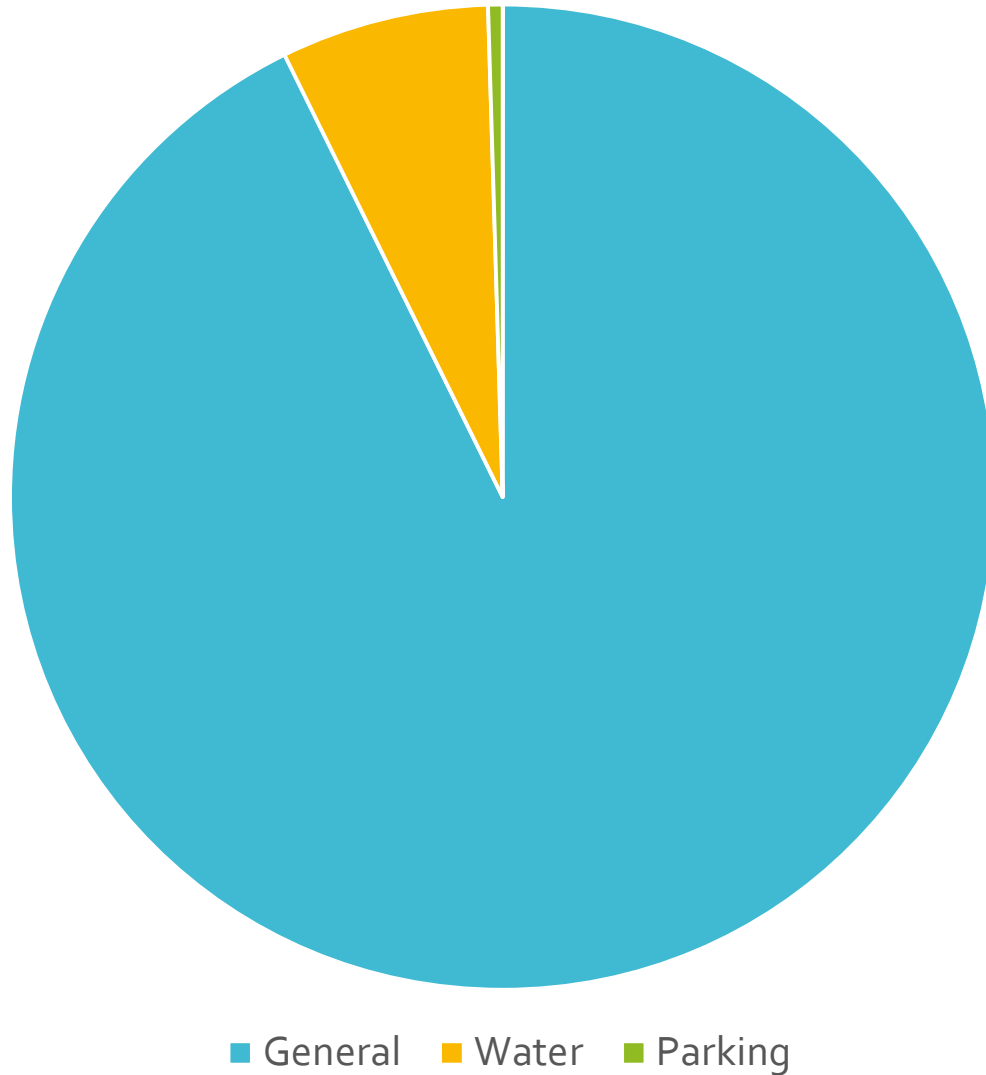
Allocation of Shared Services to Water

- Reallocate Shared Services to Water and Parking
 - Average: \$3.2 million/yr
 - 26% Shared Services
 - 74% Direct Expense



Allocation of Village Budget to Water & Parking

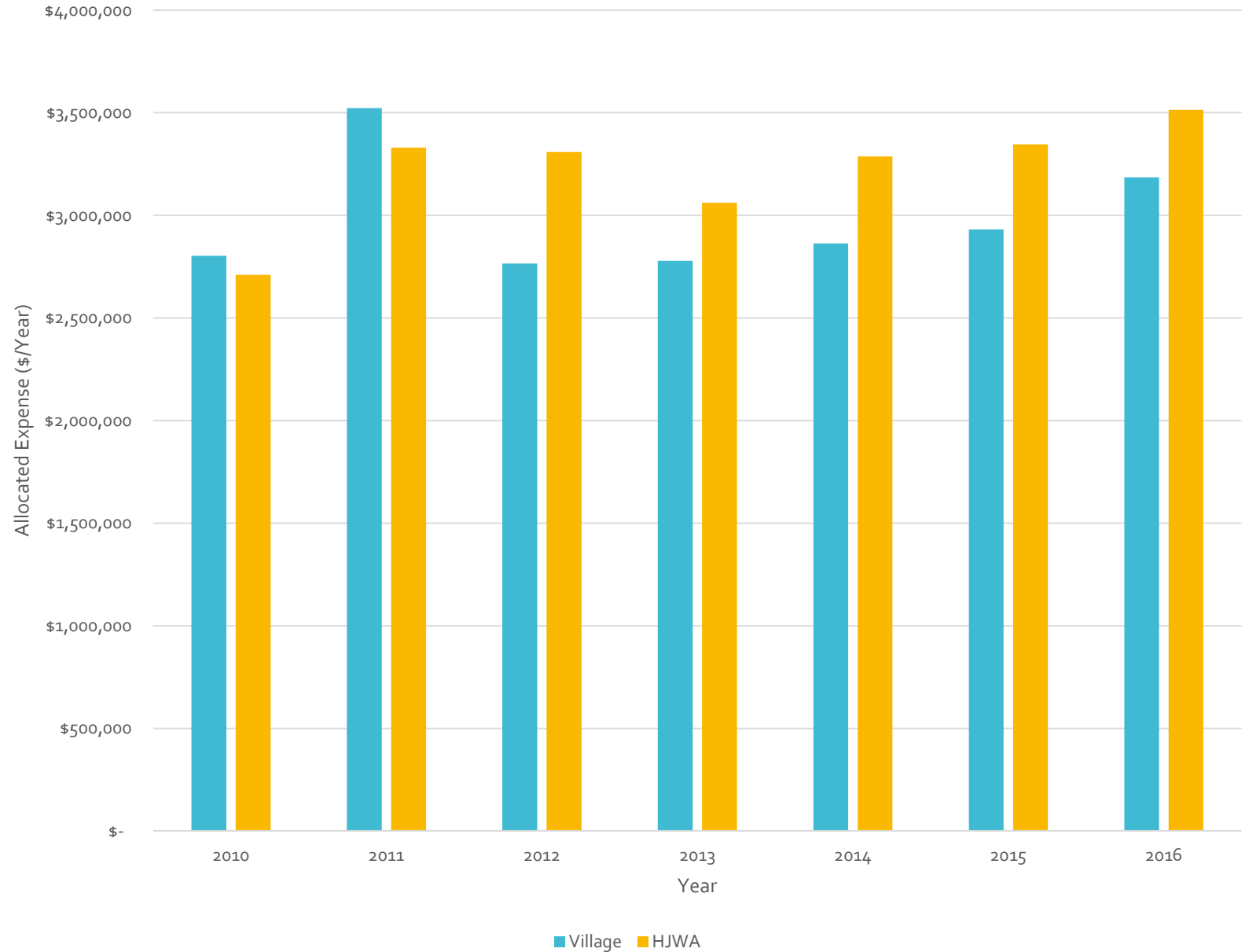
Functional Allocation of Village Budget



Actual vs. Recalculated Allocations

Average Under Allocation
- (\$244,000)

Comparison of Actual and Recalculated Shared Expenses



Results

- 2010-2012

- (\$429,000)

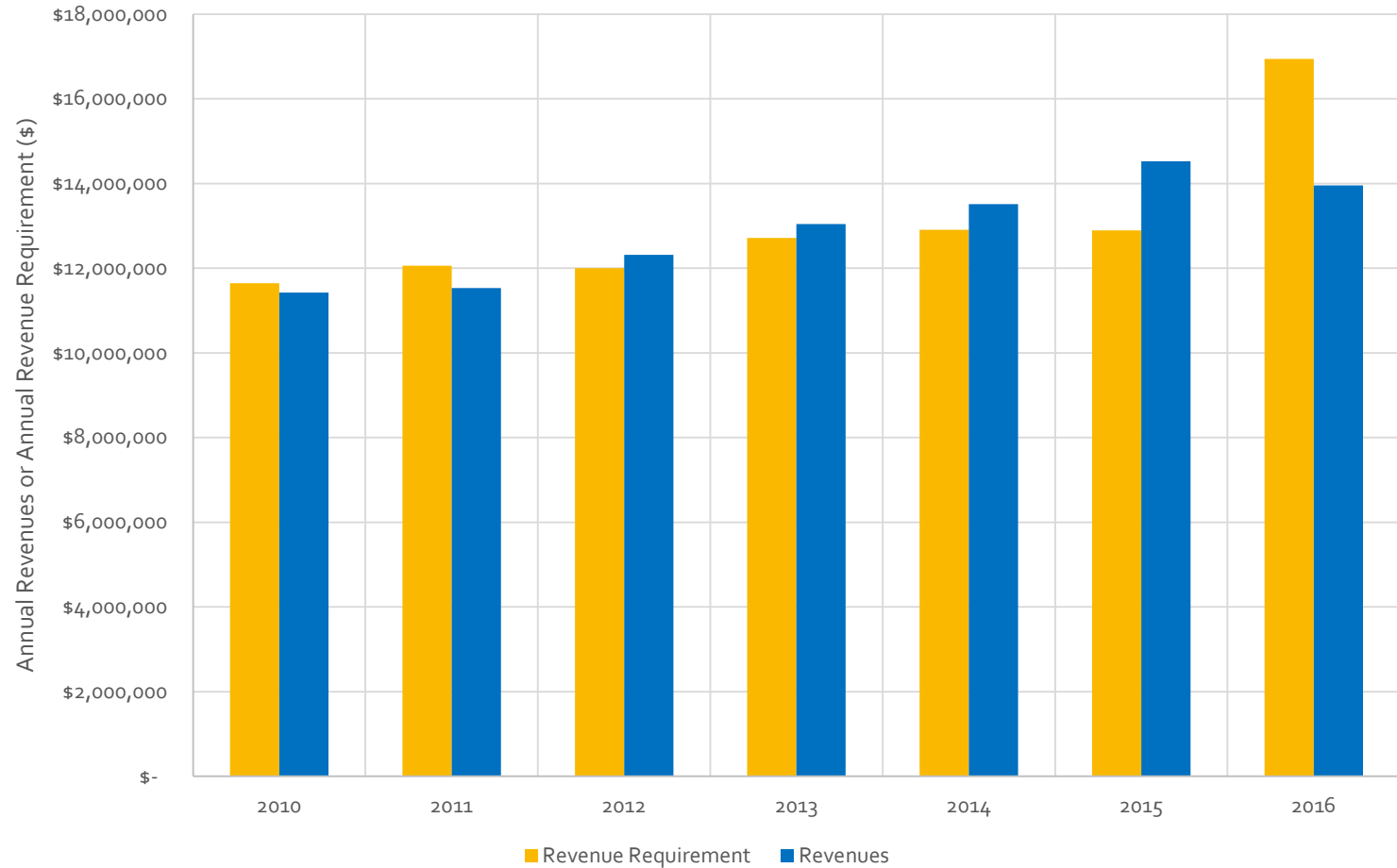
- (1.22%)

- 2013 -2016

- (\$404,000)

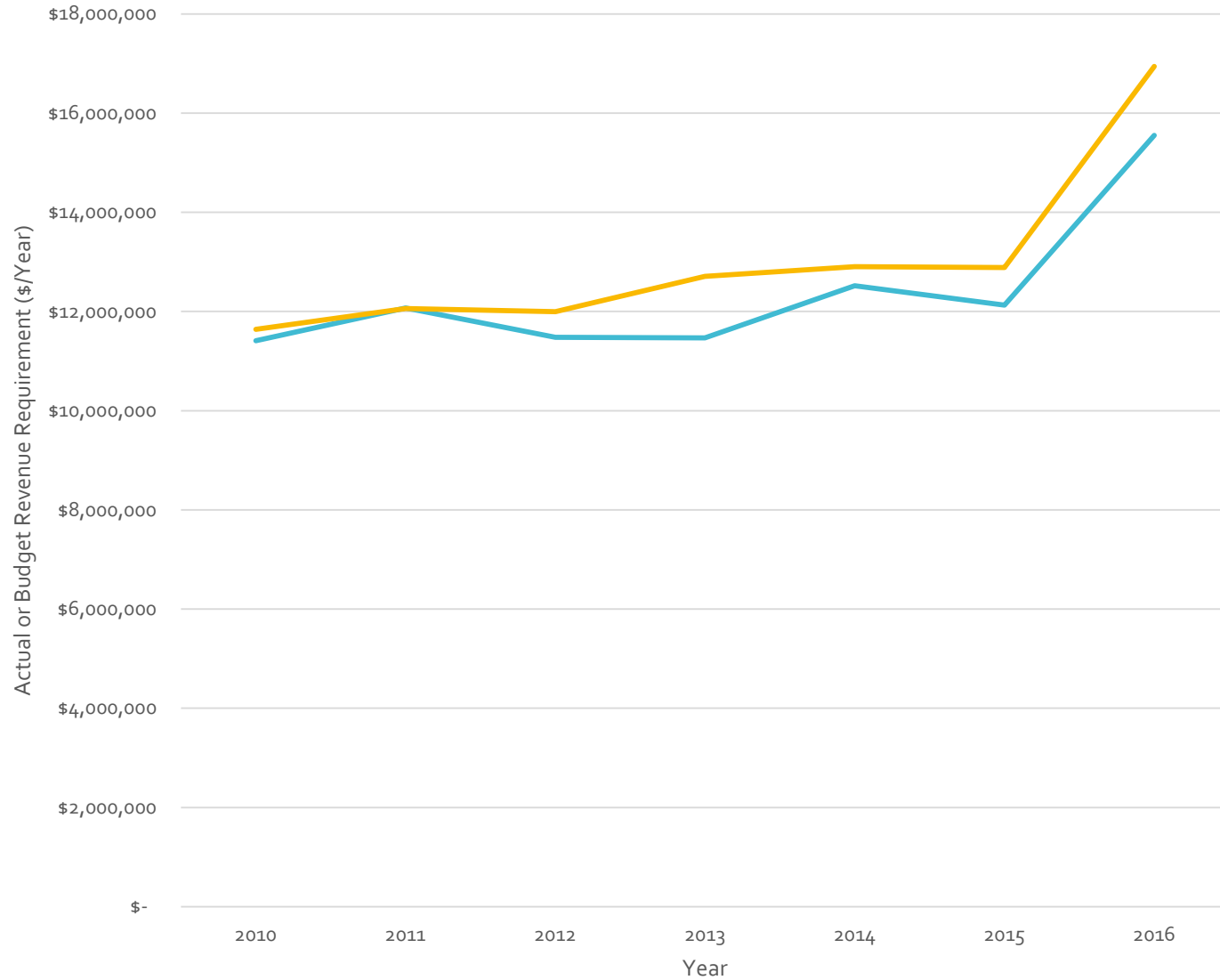
- (0.73%)

Comparison of Revenues from Sales at Actual Rates and Recalculated Budget Revenue Requirement



Budget Vs. Actual Revenue Requirement

Comparison of Recalculated Budget and Actual Revenue Requirement



Actual Revenue Requirement

Budget Revenue Requirement

Howard J. Woods, Jr. & Associates, L.L.C.

Results

- 2010-2012

+\$314,288
+0.88%

- 2013-2016

+\$3,367,000
+6.12%

Comparison of Revenues from Sales at Actual Rates and Recalculated Actual Revenue Requirement

