

PRESS RELEASE

THE ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY (ACMUA) WILL HOLD PUBLIC HEARINGS ON THE AUTHORITY'S PROPOSED 2025 BUDGET AND PROPOSED CHANGES TO THE RULES, RATES, AND REGULATIONS ON TUESDAY, NOVEMBER 26, 2024.

The Hearing will be held via Zoom at the ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY, located at 401 N. Virginia Avenue, Atlantic City, New Jersey, 08401 at 10:00 A.M. The budget is scheduled for adoption at the regularly scheduled Board Meeting on December 18, 2024.

The ACMUA will also accept written comments. Comments received before the hearing will be read into the hearing record. Written comments not read at the hearings will be presented at the Board Meeting. The Board Meeting is open to the public.

THERE WILL BE A TWELVE (12%) INCREASE IN FLAT RATE and A TWELVE (12%) INCREASE IN EXCESS RATE FOR WATER SERVICE IN 2025

The 2025 Proposed Budget is fully funded, providing for the continuation of all the Authority's major programs. Total Net Operating Appropriations are slated to increase by 8.7% to meet overall higher expenses due to inflation. Total Water Service Charges are expected to increase by 8.78% compared to the 2024 Budget, resulting from the annual increase rate of 12% in both the flat rate and the excess rate for all customers. The decline in water usage is also reflected in 2025 rates. Salaries and Wages for the Cost of Providing Services are expected to increase by 10.7%, due to the backfilling of vacant employee positions and cost-of-living adjustments. Repairs and Maintenance for Administration and the cost of Providing Services are expected to be 48.7% and 23.7% higher respectively as the Authority will begin leasing more vehicles to build and manage a more efficient fleet. Miscellaneous Administration appropriation is anticipated to increase by 26 % due to higher annual maintenance expenses for upgrading software systems, meter reading devices, and mapping systems. The rate changes will increase the Renewal and Replacement Reserve by 36.3% and provide the Authority with the funds needed for capital projects. The total interest Payment on Debt is slated to decrease by 22.4% resulting from the lower interest amount owed in 2025.

The 2025 rate increase was structured to ensure that the projected revenues would be sufficient to cover the year's anticipated appropriations. The Authority proposes a 12% increase in its flat rate and excess rate for all customers. The residential flat rate will increase from \$72.25 a quarter to \$80.75 a quarter, **an increase of \$8.50 per quarter**. Residential customers that exceed the quarterly allowed allotment of 2500 cubic feet will be charged at an excess rate of \$4.471 per 100 cubic feet. The Authority will generate additional revenue of approximately \$1,632,600 from the rate increase in 2025. The rate increase is needed to fund the Authority's capital projects to upgrade its aging infrastructure and to comply with the federal and State PFAS regulations and

the Water Quality Accountability Act. The Authority is finalizing a comprehensive water rate study and proposes to adopt its recommended rate increase in the 2025 budget.

The primary source of funding the debt service for the Debt Authorizations will be future rate increases as the rate study recommends. The Authority is aggressively seeking financial assistance in the form of grants and low-interest loans with principal forgiveness from State and Federal agencies and the New Jersey Infrastructure Bank to fund its significant major capital improvements, such as rehabilitating the existing Pleasantville Water Treatment Plant and Lead Pipe Replacement project.

THE CONNECTION FEE RATE WILL REMAIN THE SAME

State Law sets a formula mandating the specific calculation of Connection Fees. State Law further requires that Connection Fees be recalculated at the end of every calendar year and that all Debt Service and Capital Expenditures be included in the new calculation.

The Connection Fee rate will remain the same in 2025 at \$24.9408 per gallon of daily flow. Any revenue generated from the connection fee will be utilized for capital projects.

The MUA is also revising certain provisions in its Rules, Rates, and Regulations. The full text of the revisions is available by contacting the MUA's offices. It is also available on the MUA's website: www.acmua.org.

Submitted by: India P. Still
Executive Director