

PRESS RELEASE

THE ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY (ACMUA) WILL HOLD PUBLIC HEARINGS ON THE AUTHORITY'S PROPOSED 2026 BUDGET AND PROPOSED CHANGES TO THE RULES, RATES, AND REGULATIONS ON TUESDAY, NOVEMBER 25, 2025.

The hearing will be held at the Atlantic City Municipal Utilities Authority, 401 N. Virginia Avenue, Atlantic City, New Jersey 08401, and via Zoom, beginning at 10:00 a.m. The budget is scheduled for adoption at the regularly scheduled Board Meeting on December 18, 2025.

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 TEN (10%) INCREASE IN FLAT RATE and A TEN (10%) INCREASE IN EXCESS RATE FOR WATER SERVICE IN 2026

The 2026 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 10.3% due to overall higher expenses across various categories. Total Water Service Charges are expected to increase by 10.4% compared to the 2025 Budget, due to an annual increase of 10% for both the flat rate and the excess rate for all customers. The slight increase in water usage for industrial accounts is reflected in the 2026 rates, partly due to improvements in meter replacements and consumption tracking. Fringe benefits for both Admin and Cost of Providing Services are expected to rise by 17.2% and 27.4%, respectively, as a result of increased costs in State Health Benefits. Salaries related to the Cost of Providing Services are projected to increase by 14.6%, driven by an annual cost-of-living adjustment and the addition of new positions included in the Authority's updated organizational chart. Miscellaneous administration expenses are expected to increase by 13.4% due to the procurement of additional software and rising annual maintenance costs. Utility expenses for Admin and the Cost of Providing Services are expected to rise significantly by 35.2% and 43.2%, respectively, mainly due to an anticipated increase in electricity supply costs. Professional Services expenses are projected to decrease by 27.8%, as the Authority foresees a reduction in costs associated with water licensing services. Repairs & Maintenance expenses are expected to increase by 22.4%, largely due to the additional leasing of vehicles. Principal and Interest debt payments will decline as the 2005 NJIB loan has been fully paid off. Municipal Appropriation is projected to increase by 11.4%, reflecting the overall rise in total operating expenses.

The 2026 rate increase was structured to ensure that the projected revenue would be sufficient to cover the year's anticipated appropriations. The Authority proposes a 10% increase in its flat and excess rates for all customers. This increase is recommended by the Water Rate Study performed in 2024. The residential flat rate will increase from \$80.75 to \$89.00 per quarter, an increase of

\$8.25. Residential customers who exceed the quarterly allotment allowed of 2,500 cubic feet will be charged at an excess rate of \$4.918 per 100 cubic feet. A senior discount of \$6.00 per quarter or a senior residential rate of \$83.00 per quarter is proposed in the 2026 Budget. To qualify for the senior discount, customers must be eligible for the municipal senior freeze program or the senior tax deduction. The Authority will generate additional revenue of approximately \$1,870,600 from the rate increase in 2026. This 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's capital budget addresses significant capital needs over the five years, totaling approximately \$270 million, which addresses PFAS contamination, Water Accountability Act, lead service line replacement, 4" water mains replacement, security enhancement, meter replacements, and other upgrades to its aging infrastructure.

The primary source of funding for the debt service on the Debt Authorizations for the above-mentioned capital projects will be future rate increases, as recommended by the rate study. The Authority is also 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 date, the Authority has secured \$26,578,344 in principal forgiveness through the Affordable Clean Water, Drinking Water, and Lead Service Line Replacement programs for its Meter Replacement, Security Enhancements, and Lead Service Line Replacement projects.

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 2026 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