

PUBLIC NOTICE AND PRESS RELEASE

The Atlantic City Municipal Utilities Authority (ACMUA) will hold a **Public Hearing** on its **Proposed 2026 Budget and Proposed Changes to the Rules, Rates, and Regulations**, including a **10% increase in flat and excess water rates**, on **Tuesday, November 24, 2026, at 10:00 a.m.**

The hearing will be held at the **ACMUA Offices, 401 N. Virginia Avenue, Atlantic City, NJ 08401**, and via **Zoom**. The purpose of the hearing is to receive public comment on the proposed rates and budget in accordance with **N.J.S.A. 40:14B-23**.

Copies of the proposed budget, Rules, Rates, and Regulations are available for public inspection at the ACMUA offices and on the ACMUA website (www.acmua.org). Written comments may also be submitted prior to the hearing and will be included in the record. The **2027 Budget and Rates are scheduled for adoption at the Board Meeting on December 16, 2026**.

THERE WILL BE A TEN (10%) INCREASE IN FLAT RATE and A TEN (10%) INCREASE IN EXCESS RATE FOR WATER SERVICE IN 2027

The 2027 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 7.9% due to higher overall expenses across categories. Total Water Service Charges are expected to increase by 7.5% compared to the 2026 Budget, due to a 10% annual increase in both the flat rate and the excess rate for all customers. Service charge revenue from residential customers is expected to increase by 10.9%, reflecting the proposed 10% annual increase in flat and excess water usage rates for 2027. Interest income is projected to increase by \$89,500 due to anticipated earnings on short-term investments. Administrative outside services are expected to increase by 50.3%, or \$30,100, primarily due to anticipated janitorial services and repairs associated with the annual cleanup. Utility expenses are projected to decrease by 12.9%, as electricity costs in 2026 are expected to be lower than originally budgeted and are anticipated to remain at a similar level in 2027 under the Authority's existing electricity supply contract, which runs through 2028. Chemical expenses are projected to increase by 41.2% due to inflation and the anticipated cost of granular activated carbon (GAC) for PFAS treatment. GAC replacement needs vary from year to year based on treatment requirements and the condition of the existing carbon media; therefore, these costs may fluctuate depending on whether replacement is necessary in a given budget year. Interest payments on debt are expected to decrease by 31.1%, reflecting lower interest costs on the remaining outstanding debt after repayment of the 2006 NJIB loan in 2026. The Renewal and Replacement budget is expected to increase by 35.2%, or \$722,145, reflecting additional funds from revenues exceeding annual expenditures. These funds are essential to supporting the Authority's ongoing and planned capital improvement projects.

The 2027 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 \$89.00 a quarter to \$98.00 a quarter, an increase of \$9.00 per quarter. Residential customers who exceed the quarterly allowed allotment of 2,500 cubic feet will be charged at an excess rate of \$5.410 per 100 cubic feet. A senior discount of \$12.0 per quarter is proposed in the 2027 Budget. The requirement for the senior discount is that customers must be eligible for the municipal senior freeze program or the senior citizen property tax deduction program. The Authority will generate additional revenue of approximately \$ 1,686,718 from the rate increase in 2027. 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 next five years, totaling approximately \$274 million, which addresses PFAS contamination, the 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 debt service associated with the Debt Authorizations will be future rate increases. The Authority is actively pursuing financial assistance through grants, low-interest loans, and principal forgiveness from State and Federal agencies, including financing through the New Jersey Infrastructure Bank (NJIB). To date, the Authority has secured \$41,067,024 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 2027 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