

# TOWNSHIP OF DENVILLE

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## PRESS RELEASE

### PROPOSED INCREASE IN WATER CONSUMPTION CHARGES

Due to various factors, it has become necessary for the Denville Water Utility to increase its consumption charges for the first time since 2005. The Water Utility is a self-liquidating entity and operates solely on the revenue generated from its users and without any contribution from general property taxation.

During the past five years, the Water Utility has continually made efforts to improve the quality and performance of the local water distribution system. These improvements have included the replacement of sections of old/damaged water mains, the replacement/upgrade of residential water meters and requisite improvements to the public wells and water tanks. In addition to the foregoing, improvements to the water distribution system, the contractual salary, wages and benefit costs for the employees assigned to the Water Utility have steadily increased along with the standard operational costs for the utility (i.e. liability insurance, vehicle and equipment upkeep/replacement and energy/gasoline).

A variety of factors in 2008, 2009 and 2010 have resulted in a substantial decrease in the amount of water consumed as compared to previous years. Ironically, these factors included both the extraordinarily wet season experienced in 2009 as well as the extraordinarily dry season, resulting in water restrictions, experienced in 2010. In both scenarios, overall water consumption due to the climatic factors decreased, resulting in a decrease of revenue necessary to pay for the fixed costs related to operating the Water Utility.

In formulating a rate increase, the Township of Denville made an effort to develop a fair system in which those low volume customers would be least impacted. During the past five years, the base rate for the initial 6,000 gallons of consumption in a quarter has been \$25.00. This fee, under the proposed rate adjustment, shall only be \$30.00, an increase of

\$5.00 per quarter. For those customers utilizing more than the base of 6,000 gallons, there shall be a flat charge of \$5.95 per 1,000 gallons of consumption.

At the present time, the consumption rate beyond 6,000 gallons per quarter is based upon a complicated tiered system ranging from \$2.75 per 1,000 gallons to \$4.25 per 1,000 gallons. The new consumption charge shall provide a simpler formula to calculate billing, enhance the degree of fairness for all customers of the Water Utility and encourage water conservation regardless of consumption quantities.

The Denville Water Utility shall continue to strive to provide you with the highest quality water at the lowest possible cost. It is our hope that the proposed rate increase will provide a degree of rate stability for at least an additional five years. The aforementioned rate increase shall be reflected in the 1<sup>st</sup> Quarter billing of 2011.

If you have any questions on how the proposed rate increase may impact you directly, please feel free to contact the Denville Water Utility at (973) 625-8300 ext. 274.

DENVILLE WATER UTILITY  
REVISED WATER CONSUMPTION COST

CONSUMPTION IN GALLONS	NEW RATE
0 - 6,000	30.00
7,000	35.95
8,000	41.90
9,000	47.85
10,000	53.80
11,000	59.75
12,000	65.70
13,000	71.65
14,000	77.60
15,000	83.55
16,000	89.50
17,000	95.45
18,000	101.40
19,000	107.35
20,000	113.30
21,000	119.25
22,000	125.20
23,000	131.15
24,000	137.10
25,000	143.05
30,000	172.80
35,000	202.55
40,000	232.30

45,000	262.05
50,000	291.80
75,000	440.55
100,000	589.30
125,000	738.05
200,000	1,184.30
300,000	1,779.30
400,000	2,374.30
500,000	2,969.30
1,000,000	5,944.30
10,000,000	59,494.30