

RESOLUTION: 14-120
RESOLUTION OF PASSAIC VALLEY WATER COMMISSION
DATE OF ADOPTION: DECEMBER 17, 2014

Approved as to form and legality by the Law Department on basis of facts set forth by Yitzchak Weiss, Comptroller.

Introduced by Commissioner **BAZIAN**

Seconded by Commissioner **SANCHEZ**

WHEREAS, the provisions of N.J.S.A. 40:62-108, et. seq. (hereinafter the "Law") are applicable to Passaic Valley Water Commission (hereinafter "PVWC"); and

WHEREAS, N.J.S.A. 40:62-127 mandates that PVWC shall be self-supporting, with revenues sufficient to provide for all capital expenses, expenses of operation and maintenance, and debt service charges including interest, sinking fund and amortization, so as to prevent any deficit from accruing; and

WHEREAS, N.J.S.A. 40:62-127 authorizes PVWC to increase its rates from time to time for that purpose; and

WHEREAS, various provisions of the Law, including the obligations and authority with respect to rates conferred by N.J.S.A. 40:62-127 are part of the covenants and pledges made by PVWC to the holders of its bonds issued for the purpose of financing rehabilitation of infrastructure, extensions and enlargement of PVWC capital facilities pursuant to N.J.S.A. 40:62-127c; and

WHEREAS, PVWC is obligated by covenant with its bondholders and pursuant to the direction of the Local Finance Board of New Jersey to maintain a certain level of revenues and reserves for the security of the bondholders; and

WHEREAS, PVWC has embarked upon significant capital projects in its member cities and in systems owned by PVWC to renovate and reconstruct existing, but antiquated distribution systems; and

WHEREAS, PVWC has authorized certain capital projects and the financing thereof by the New Jersey Environmental Infrastructure Trust ("NJEIT"); and

WHEREAS, the NJEIT requires that the Commission reaffirm its intention to meet its rate covenant to its bondholders as of January 1, 2015; and

WHEREAS, PVWC's revenues have been affected by conservation and by other reductions in water consumption; and

WHEREAS, PVWC's operating expenses have increased through inflation notwithstanding stringent budget limitations, cost controls and an employee reduction of greater than 30 percent instituted by PVWC in recent years; and

WHEREAS, on December 18, 2013 PVWC adopted its Five Year Plan 2014-18, which sets forth PVWC's projected revenues, operating and maintenance expenses, and capital expenditures, together with projected changes in rates for that period; and

WHEREAS, a report by an independent rate consultant, Howard J. Woods, Jr. and Associates, LLC ("Woods Report") entitled "Cost of Service Allocation Study and Proposed Rates for the Period Ending December 31, 2014" recommends that PVWC's rates be increased to provide sufficient revenues to cover PVWC's operating expenses and needed capital improvement projects; and

WHEREAS, the Woods Report recommends that the rates of respective customer classes be adjusted in order to conform more closely to the cost of serving each class; and

WHEREAS, notwithstanding the rate increases recommended in the Woods Report, PVWC's rates will remain among the lowest of any water purveyor in the state and the region providing comparable services; and

WHEREAS, PVWC has duly reviewed its rates, revenues, and expenses, both as presently established and as anticipated in the future, and on the basis thereof, PVWC has determined to reduce the previously adopted rate increase for calendar year 2015 as set forth in the PVWC Five Year Plan 2014-2018, and still meet its statutory and contractual obligations due to

cost saving measures effected by management's imposition of improved efficiencies and fiscal discipline;

WHEREAS, a schedule of the revised rates for all customer classes, is attached hereto and made a part hereof as Exhibit A; a copy of Table 2, Projected Rate Adjustments from the Five Year Plan is attached hereto as Exhibit B, and a copy of updated Field Service Rates is attached hereto and made a part hereof as Exhibit C;


NOW THEREFORE, BE IT RESOLVED, by PVWC, in the County of Passaic, New Jersey:

1. Notwithstanding said reduction in scheduled increases for Calendar Year 2015 as set forth herein, scheduled increases as previously authorized and published shall remain in effect.
2. Said rates shall take effect annually on January 1, for years 2015-2018; and
3. That notice to all customers consistent herewith, as required pursuant to existing policy of PVWC, shall be given by forwarding to all wholesale customers of PVWC a copy of this Resolution, in full; and public notice thereof shall be given by publishing this Resolution, in full, in the official newspapers of PVWC in accordance therewith;

RECORD OF COMMISSION VOTE ON FINAL PASSAGE

	AYE	NAY	ABSTAIN	ABSENT
SANCHEZ, R.	<u>X</u>	—	—	—
LEVINE, J.	<u>X</u>	—	—	—
GRADDY, R.	<u>X</u>	—	—	—
CLEAVES, C.	<u>X</u>	—	—	—
BAZIAN, M.	<u>X</u>	—	—	—
DE VITA, T.	<u>X</u>	—	—	—
KOLODZIEJ, G.	<u>X</u>	—	—	—

Adopted at a meeting of Passaic Valley Water Commission.



President

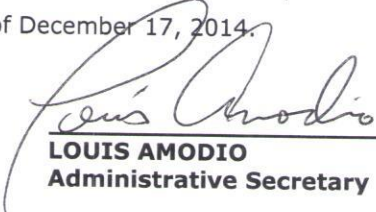


Secretary

This Resolution, when adopted, must remain in the custody of the Administrative Secretary.

CERTIFICATION

I, LOUIS AMODIO, Administrative Secretary of the Passaic Valley Water Commission in the County of Passaic, and the State of New Jersey do hereby certify that the foregoing Resolution is a true copy of the Original Resolution duly passed and adopted by a majority of the full membership of the Passaic Valley Water Commission at its meeting of December 17, 2014.



LOUIS AMODIO
Administrative Secretary

PASSAIC VALLEY WATER COMMISSION

**Projected Rate Adjustments
Excerpt From PVWC Five Year Plan
Dated December 18, 2013
Adjusted Rates for Calendar Year 2015**

EXHIBIT B

TABLE 2: PROJECTED RATE ADJUSTMENTS

Fixed Service Charges					
	Owner Cities	Out of Town	Lodi		
2015	3.50%	3.50%	4.00%		
2016	4.50%	4.50%	5.00%		
2017	5.00%	5.00%	5.00%		
2018	5.00%	5.00%	5.00%		
Volumetric Rates					
	Owner Cities	Out of Town	Lodi	Wholesale	Pass-Through
2015	3.50%	3.50%	4.00%	4.00%	4.00%
2016	4.50%	4.50%	5.00%	5.00%	5.00%
2017	5.00%	5.00%	5.00%	5.00%	5.00%
2018	5.00%	5.00%	5.00%	5.00%	5.00%
Fireline Rates					
	Owner Cities	Out of Town	Lodi		
2015	4.50%	4.50%	4.00%		
2016	4.50%	4.50%	5.00%		
2017	5.00%	5.00%	5.00%		
2018	5.00%	5.00%	5.00%		

PASSAIC VALLEY WATER COMMISSION

**Field Service Rates to be effective
January 1, 2015**

EXHIBIT C

**PASSAIC VALLEY WATER COMMISSION
FIELD SERVICE RATES for 2015**

MAIN TO CURB DOMESTIC LATERAL INSTALLATION** ** MAXIMUM DISTANCE CANNOT EXCEED 60FT	3/4"	NO CHARGE
	1"	NO CHARGE
	1 1/2"	\$4,390.00
	2"	\$4,670.00
	4"	\$6,450.00
	6"	\$6,935.00
	8"	\$7,520.00
	12"	\$9,190.00
CURB TO BUILDING DOMESTIC LATERAL INSTALLATION** ** MAXIMUM DISTANCE CANNOT EXCEED 60FT	3/4"	\$4,150.00
	1"	\$4,215.00
	1 1/2"	\$4,390.00
	2"	\$4,670.00
	4"	Must be installed by property owner.
	6"	
	8"	
12"		
FIRE PROTECTION LATERAL	2"	\$4,670.00
	4"	\$6,450.00
	6"	\$6,935.00
	8"	\$7,520.00
	12"	\$9,190.00
LEAK DETECTION/VALVE INSPECTION	UP TO 4 HRS	\$650.00
	4-8 HRS	\$1,275.00
	SUNDAYS UP TO 4 HRS	\$975.00
	SUNDAYS 4-8 HRS	\$1,780.00
METER VAULT/FORD BOX INSTALLATION	3/4" & 1"	\$1,185.00
	1 1/2" & 2"	\$4,850.00
	4" - 12"	\$11,275.00
ADDITIONAL/NEW METER SETS REDUCE/INCREASE METER SIZE **METERS ARE SUPPLIED BY PVWC & INSTALLED BY OWNER	5/8"	\$170.00
	3/4"	\$170.00
	1"	\$170.00
	1 1/2"	\$170.00
	2"	\$170.00
	3"	\$775.00
	3" COMPOUND	\$1,425.00
	4"	\$1,265.00
	4" COMPOUND	\$2,140.00
	6"	\$2,015.00
	6" COMPOUND	\$3,155.00
	8"	\$2,890.00
	10"	\$4,850.00
12"	\$5,560.00	
DAMAGED/MISSING METER BROKEN FROSTPLATE	5/8" - 1"	\$300.00
	1 1/2" - 2"	\$595.00
	3" - 10"	FIELD SUPERVISOR TO DETERMINE COST
HIT HYDRANT		\$6,015.00
HIT HYDRANT (BREAKAWAY)		\$3,000.00
HYDRANT RELOCATE		\$6,015.00
NEW HYDRANT INSTALL		\$6,015.00
STRIPPED VALVE	3/4" - 1"	\$135.00
	1 1/2" - 2"	\$220.00
	3" - 16"	FIELD SUPERVISOR TO DETERMINE COST
SPECIAL METER TEST	5/8" - 2"	\$155.00
	3" - 16"	\$275.00
AFTER HOURS FEE		\$150.00
CC CHARGEBACK FEE		\$54.00
DELINQUENCY TURN ON		\$115.00
FINAL LATE NOTICE FEE		\$40.00
FINAL READ		\$40.00
FLOW TEST		\$350.00
LEAD STUDY		\$17.00
NSF CHECK FEE		\$54.00
SHUT OFF FOR REPAIRS		\$40.00
TP REPAIR/REPLACE		\$76.00

PASSAIC VALLEY WATER COMMISSION

Revised Rates for All Customer Classes

EXHIBIT A

CLIFTON - PASSAIC - PATERSON RATES - EFFECTIVE 1/1/2015

BASE CHARGES		
METER SIZE	QUARTERLY	MONTHLY
5/8"	\$62.97	\$20.99
3/4"	\$94.44	\$31.50
1"	\$157.41	\$52.46
1 1/2"	\$314.82	\$104.94
2"	\$503.72	\$167.90
3"	\$944.48	\$314.82
4"	\$1,574.12	\$524.71
6"	\$3,148.23	\$1,049.42
8"	\$5,037.18	\$1,679.06
10"	n/a	\$2,098.81
12"	n/a	\$2,623.52
16"	n/a	\$10,494.11

CONSUMPTION CHARGES (PER 1CCF)	
CONS LIMITS	QUARTERLY
First 99,999,999,999 CCF	\$1.88
CONS LIMITS	MONTHLY
First 99,999,999,999 CCF	\$1.88

FIRELINE CHARGES	
SIZE	MONTHLY
2"	\$55.27
3"	\$102.89
4"	\$166.65
6"	\$322.58
8"	\$484.11
10"	\$734.74
12"	\$1,013.09

PASSAIC SEWER (FLAT RATES) *		
CLASSIFICATION	QUARTERLY	MONTHLY
Condo	\$67.50	\$22.50
Senior Condo	\$48.75	\$16.25
Senior 1 family	\$58.75	\$19.58
Senior 2 - 4 family	\$112.50	\$37.50
1 Family Residential	\$81.25	\$27.08
2 - 4 Family Residential	\$135.00	\$45.00
Condo 18 Units	\$1,215.00	\$405.00
Condo 25 Units	\$1,687.50	\$562.50
Condo 36 Units	\$2,430.00	\$810.00
Condo 46 Units	\$3,105.00	\$1,035.00
Condo 120 Units	\$8,100.00	\$2,700.00
Condo 228 Units	\$15,390.00	\$5,130.00

PASSAIC SEWER (METERED RATES) *		
	QUARTERLY	MONTHLY
Base	\$36.41	\$12.14
Consumption per 1CCF	\$1.741	\$1.741

* Sewer rates did not increase

WHOLESALE CHARGES EFFECTIVE 1/1/15	
	Rate per million gallons
2,389.12	Wheeling charge per million gallons
523.26	Wheeling charge per million gallons

OUT OF TOWN RATES -EFFECTIVE 1/1/2015

BASE CHARGES		
METER SIZE	QUARTERLY	MONTHLY
5/8"	\$74.23	\$24.76
3/4"	\$111.35	\$37.12
1"	\$185.58	\$61.86
1 1/2"	\$371.14	\$123.71
2"	\$593.83	\$197.94
3"	\$1,113.43	\$371.14
4"	\$1,855.72	\$618.58
6"	n/a	\$1,237.15
8"	n/a	\$1,979.43
10"	n/a	\$2,474.28
12"	n/a	\$3,092.86
16"	n/a	\$12,371.42

CONSUMPTION CHARGES (PER 1CCF)	
CONS LIMITS	QUARTERLY
First 99,999,999,999 CCF	\$2.47
CONS LIMITS	MONTHLY
First 99,999,999,999 CCF	\$2.47

FIRELINE CHARGES	
SIZE	MONTHLY
2"	\$59.73
3"	\$107.93
4"	\$180.31
6"	\$348.90
8"	\$523.60
10"	\$794.66
12"	\$1,095.82

** Effective January 1, 2008 North Arlington falls under Out of Town Rates **

LODI RATES - EFFECTIVE 1/1/2015

METER SIZE	ALLOTMENT	BASE CHARGE - QUARTERLY	BASE CHARGE - MONTHLY	CONS CHARGE (PER 1 CCF) QUARTERLY OR MONTHLY
5/8"	13 CCF	\$46.18	\$15.40	\$3.43
3/4"	15 CCF	\$51.30	\$17.10	\$3.43
1"	31 CCF	\$107.14	\$35.71	\$3.43
1 1/2"	51 CCF	\$175.52	\$58.51	\$3.43
2"	85 CCF	\$284.96	\$94.98	\$3.43
3"	183 CCF	\$622.28	\$207.43	\$3.43
4"	295 CCF	\$998.38	\$332.80	\$3.43
6"	560 CCF	\$1,896.50	\$632.17	\$3.43
8"	912 CCF	\$3,093.21	\$1,031.07	\$3.43

SEWER CHARGE (Effective 10/1/2010)	
MONTHLY	QUARTERLY
UP TO 33 CCF @ \$13.33 p/unit	UP TO 100 CCF @ \$40.00 p/unit
OVER 33 CCF @ \$2.00 P/ 1 CCF	OVER 100 CCF @ \$2.00 P/ 1 CCF

SEWER CHARGES (FLAT RATE) *	
QUARTERLY	MONTHLY
SW01	\$40.00
SW02	\$80.00
SW03	\$120.00
SW04	\$160.00
SW05***	\$633.00

*** Special rate created for account # 121853-52192 ONLY

FIRELINE CHARGES *	
SIZE	MONTHLY
3"	\$97.99
4"	\$137.03
6"	\$273.31
8"	\$390.44
10"	\$488.42

* Effective 1/1/2009 Lodi firelines do not bill 'with connection' or 'without connection'

* Sewer rates did not increase