



Legislation Text

File #: 23-0778, Version: 1

AN ORDINANCE AMENDING TITLE XXXIII, WATER, CHAPTER 4, RATES AND CHARGES, SECTION 1, RATES: GENERAL SCHEDULE, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, BY ADJUSTING THE WATER RATES GENERAL SCHEDULE.

WHEREAS, the water and sewer utilities infrastructure is over two hundred (200) years old and over the next decade requires an estimated One Billion (\$1,000,000,000.00) in improvements; and

WHEREAS, over the next ten (10) year's annual expenses are expected to increase by Forty-Seven Million Dollars and Zero Cents (\$47,000,000.00), resulting in increased deficits in 2025 which will increase to over Forty Million (\$40M) by 2032; and

WHEREAS, the COVID-19 pandemic caused a decrease of Six Million Nine Hundred Thousand Dollars and Zero Cents (\$6,900,000.00) in water and sewer collections combined adding further financial stress to systems; and

WHEREAS, the prior water rate increase was March 1, 2015, providing for over Three Hundred Million Dollars and Zero Cents (\$300,000,000.00) in improvements to both systems, including, but not limited to: [i] Upgrades at the Pequannock Treatment Plant; [ii] Watershed improvements; [iii] Distribution System Improvements; [iii] Collection System Improvements; [iv] Drainage System Improvements; and [v] Efficiency Improvements (further detailed in presentation provided to the Administration and Municipal Council); and

WHEREAS, the proposed water rate increases will allow for water utility improvements, including, but not limited to: [i] Consolidated and upgraded GIS; [ii] Continuing Cedar Grove Reservoir project; [iii] Cleaning, lining and water main replacements; [iv] Fire hydrant replacements; [v] Dam improvements; [vi] Pequannock Treatment Plant improvements; [vii] Watershed protection; [viii] Aqueduct Valve and access road projects; and [ix] Dissolved Air Flotation project; and

WHEREAS, the proposed water rate increases do not apply to Senior Citizens and/or Disabled Persons/Disabled Veterans and the annual Cost of Living Adjustment (COLA) for Senior Citizens and/or Disabled Persons/Disabled Veterans will cease commencing January 1, 2024; and

WHEREAS, the COLA increases from 2017 through 2023 are updated annually but are not reflected in the codified Ordinance; the 2023 increase to Senior Citizens and/or Disabled Persons/Disabled Veterans water rate reflects the annual 2017 through 2023 COLA increases only; and

WHEREAS, the Mayor of the City of Newark, Business Administrator and Director of the

Department of Water and Sewer Utilities deems it is in the best interest of the City of Newark to propose a water rate increase effective August 1, 2023, through December 31, 2027, and the Municipal Council concurs with the recommendation.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

(Editor's Note: Bold and Underlined text represents additions and strikethroughs represent deletions)

Section 1. Title 33, Chapter 4, Section 1, of the Revised General Ordinances of the City of Newark, New Jersey, 2000, as amended, be further amended to read as follows:

33:4-1 RATES: GENERAL SCHEDULE.

Effective March 1, 2015, **August 1, 2023**, the Director of Water and Sewer Utilities is implementing a ~~three-five~~ year water rate increase for the period ~~March 1, 2015 August 1, 2023~~ through December 31, 2017 **2027**.

- a. The charges for all water furnished by the City of Newark including private consumers in the Silver Lake District, Belleville and elsewhere outside of Newark (unless otherwise covered by special contract), shall not exceed the following:

(Rates as per monthly adjustment by the Director of Water and Sewer Utilities.)

~~Effective March 1, 2015 through December 31, 2015:~~

- ~~\$ 8.79 per 1,000 cubic feet for the first 300 cubic feet or less, per month;~~
- ~~\$ 26.37 per 1,000 cubic feet for the next 33,000 cubic feet, per month;~~
- ~~\$ 23.54 per 1,000 cubic feet for the next 133,300 cubic feet, per month;~~
- ~~\$ 21.12 per 1,000 cubic feet for the next 166,600 cubic feet, per month.~~

~~Effective January 1, 2016 through December 31, 2016:~~

- ~~\$ 9.49 per 1,000 cubic feet for the first 300 cubic feet or less, per month;~~
- ~~\$ 28.48 per 1,000 cubic feet for the next 33,000 cubic feet, per month;~~
- ~~\$ 25.43 per 1,000 cubic feet for the next 133,300 cubic feet, per month;~~
- ~~\$ 22.81 per 1,000 cubic feet for the next 166,600 cubic feet, per month.~~

~~Effective January 1, 2017 through December 31, 2017:~~

- ~~\$ 10.30 per 1,000 cubic feet for the first 300 cubic feet or less, per month;~~
- ~~\$ 30.90 per 1,000 cubic feet for the next 33,000 cubic feet, per month;~~
- ~~\$ 27.59 per 1,000 cubic feet for the next 133,300 cubic feet, per month;~~
- ~~\$ 24.75 per 1,000 cubic feet for the next 166,600 cubic feet, per month.~~

Effective August 1, 2023:

- \$12.18 per 1,000 cubic feet for the first 300 cubic feet or less, per month**
- \$36.54 per 1,000 cubic feet for the next 33,000 cubic feet, per month**
- \$32.63 per 1,000 cubic feet for the next 133,300 cubic feet, per month**
- \$29.27 per 1,000 cubic feet for the next 166,600 cubic feet, per month**

Effective January 1, 2024:

\$12.49 per 1,000 cubic feet for the first 300 cubic feet or less, per month

\$37.45 per 1,000 cubic feet for the next 33,000 cubic feet, per month

\$33.45 per 1,000 cubic feet for the next 133,300 cubic feet, per month

\$30.00 per 1,000 cubic feet for the next 166,600 cubic feet, per month

Effective January 1, 2025:

\$13.56 per 1,000 cubic feet for the first 300 cubic feet or less, per month

\$40.67 per 1,000 cubic feet for the next 33,000 cubic feet, per month

\$36.33 per 1,000 cubic feet for the next 133,300 cubic feet, per month

\$32.58 per 1,000 cubic feet for the next 166,600 cubic feet, per month

Effective January 1, 2026:

\$14.44 per 1,000 cubic feet for the first 300 cubic feet or less, per month

\$43.31 per 1,000 cubic feet for the next 33,000 cubic feet, per month

\$38.69 per 1,000 cubic feet for the next 133,300 cubic feet, per month

\$34.70 per 1,000 cubic feet for the next 166,600 cubic feet, per month

Effective January 1, 2027:

\$15.61 per 1,000 cubic feet for the first 300 cubic feet or less, per month

\$46.82 per 1,000 cubic feet for the next 33,000 cubic feet, per month

\$41.82 per 1,000 cubic feet for the next 133,300 cubic feet, per month

\$37.51 per 1,000 cubic feet for the next 166,600 cubic feet, per month

b. Senior Citizens and/or Disabled Persons/Disabled Veterans.

Effective March 1, 2015 through December 31, 2015:

~~\$ 7.59 per 1,000 cubic feet for the first 300 cubic feet or less, per month;~~

~~\$ 22.78 per 1,000 cubic feet for the next 33,000 cubic feet, per month;~~

Effective January 1, 2016 through December 31, 2016:

~~\$ 8.20 per 1,000 cubic feet for the first 300 cubic feet or less, per month;~~

~~\$ 24.60 per 1,000 cubic feet for the next 33,000 cubic feet, per month;~~

Effective January 1, 2017 through December 31, 2017:

~~\$ 8.90 per 1,000 cubic feet for the first 300 cubic feet or less, per month;~~

~~\$ 26.69 per 1,000 cubic feet for the next 33,000 cubic feet, per month;~~

Effective August 1, 2023

\$10.17 per 1,000 cubic feet for the first 300 cubic feet or less, per month

\$30.50 per 1,000 cubic feet for the next 33,000 cubic feet, per month

c. Beginning on **Commencing** January 1, 2007, and annually thereafter, ~~the~~ the Director of Water and Sewer Utilities shall adjust the water rate ~~not to exceed~~ **consistent with** the Cost of Living Adjustment. This **adjustment** shall be based on the Implicit Price Deflator for State and Local Governments for New Jersey and published by the U.S. Department of Commerce, Bureau of Economic Analysis. **Commencing January 1, 2024, and annually thereafter, the Cost of Living Adjustment shall not be imposed upon Senior Citizens and/or Disabled Persons/Disabled Veterans.**

Section 2. Any prior ordinance or part thereof which is inconsistent with this Ordinance is hereby repealed.

Section 3. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance amends Title XXXIII, Chapter 4 of the Revised General Ordinances of the City of Newark, New Jersey, 2000 by adjusting the water rate charges. This adjustment results in a five-year rate increase effective August 1, 2023 through December 31, 2027...