

NOTICE TO RESIDENTS - WATER RATES

The 2021 budget process included a comprehensive Water and Sewer Budget Analysis. Based on this year, there has been a change to the rates. The change in rates and to the rate structure is due in part to the following:

Balancing the Budget

Before the small increase in 2020 the last time water and sewer rates were increased in the Borough was 2009. While rates have remained consistent, the cost to operate the two utilities has significantly increased. A rate increase is necessary to cover the current costs of operating the utilities. The sewer fund base amount will increase from \$125.00 per quarter to \$165.00 a \$40.00 increase, due to increased costs including those from the Cape May County Municipal Utility Authority.

Infrastructure

The infrastructure in the Borough needs to be able to withstand the influx of usage during the peak season. In order to ensure our ability to maintain these services, this has to be consistent year-round. Paired with required annual maintenance means that each household connected to the service is charged a minimum, which guarantees the system will be in good working order.

Conservation of Water

Over the last five years, West Cape May has seen significant growth resulting in increased water usage and higher costs to the Borough. As a borough we buy our water from Cape May City who maintains the island aquifer, naturally our cost is higher than what they are charging their own residents.

Equitable Water Rate Structure

Prior to 2022 the rate structure was nearly flat, meaning that a property using 40,000 gallons per quarter is only paying marginally more than a property using 10,000 gallons per quarter. The new proposed rate structure will more equitably distribute the cost of operating the utility based on actual usage. This year the minimum was raised to 7,000 gallons, as we had a great number of residents seeing overages between 6,000 and 7,000 gallons. Please see the reverse side of this letter for a new rate guide to help you calculate how these changes will impact your bill.

As an example, under the previous 2020 rate structure, a property using 15,000 gallons of water pays \$190.50 per quarter. Under the new rate structure, the same property can expect to pay \$212.40 per quarter. With the new rate structure, the rate increases as more water is used. Please note these figures are for **example** only.

Customers can help reduce some of the impact of this ongoing rate restructuring by practicing water conservation and replacing older fixtures with new low-flow fixtures. For tips on how to conserve please go to: <https://www.state.nj.us/dep/watersupply/conserves.htm>

Thank you for your understanding, as we strive to ensure the safe quality of drinking water and services.

	<i>Minimum Quarterly Consumption</i>	<i>Quarterly Minimum Charge</i>
<i>All Meters 3/4" to 4"</i>	<i>[6]7,000 gallons</i>	<i>[\$105]130</i>

7,000 to 29,999 gallons will be billed at \$10.30 per thousand gallons.

30,000 to 49,999 gallons will be billed at \$11.65 per thousand gallons.

50,000 to 99,999 gallons will be billed at \$12.40 per thousand gallons

100,000 gallons and over will be billed at \$12.80 per thousand gallons.