

WATER SEWER RATE INCREASE

Dear Resident(s),

We want to inform you about an upcoming increase in the Borough's water and sewer rates. This change will commence with the billing cycle covering December 15, 2024, to March 15, 2025, with payments due on May 1, 2025.

The increase will affect water and sewer **base** rates, auxiliary residential water-only connections, fire service lines, and tanked water rates.

The water and sewer usage rate will remain unchanged. Additionally, the previous 1% annual rate increase has been eliminated.

Why is this increase necessary?

1. Aging Infrastructure

Hightstown operates its own water and sewer systems, which require significant upgrades to ensure reliable service and compliance with safety standards. Many components of our systems are decades old, have experienced prolonged wear, and need continuous repairs and upgrades to maintain reliable service and prevent disruptions.

2. State Mandates

Unfunded and costly regulatory mandates imposed by the New Jersey Department of Environmental Protection (NJDEP) and the Environmental Protection Agency have further placed a financial strain on these systems. One example is the mandated replacement of all lead service lines. The Borough must bear the cost of this project, further adding to financial pressures.

3. Decreased Water Consumption, Rising Costs, and Water-Sewer Utility Deficit

Water and sewer rates have remained relatively consistent over the past twelve years despite rising operational, maintenance, and infrastructure costs. This disparity, compounded by inflation and higher costs for materials, labor costs such as substantial increases in healthcare and pension costs, decreased water consumption, and regulatory compliance, has created a deficit and funding gap in the water-sewer utility operating budget that can only be addressed by increasing the rates. The proposed rate increase is intended to meet these challenges. Moving forward, we will continue to review rates to ensure the long-term financial stability of the water and sewer utilities.

We understand the impact this may have on our residents and appreciate your understanding as we secure the future of these vital services.

- The quarterly water base rate will increase to \$85.64.
- The quarterly sewer base rate will increase to \$143.79.
- The auxiliary residential water-only connection base rate will increase to \$54.79.