

PRESS RELEASE

For Immediate release

December 4, 2010

Contact: Gary Egnasko, 609-263-6359



MUA Charges - Sea Isle Losing the Race?

The Cape May County Municipal Utilities Authority (MUA) has proposed new municipal charges for 2011. The new treatment rates per 1,000 sewage gallons will be roughly \$17.01 for the summer months (June15 - Sept15) and \$0.79 for the rest of the year. Their summer rate is increasing 3%, while the off-season rate is decreasing 1%.

What is important for Sea Isle City taxpayers to know is that our share of the MUA budget is going up. Why? Because while Sea Isle's summer flows decreased 0.2%, 14 of the other 18 communities are decreasing their flows even more. Stone Harbor's decline is 2.7% and Ocean City's decline is 1.0%. A municipality's final MUA charges reflect the MUA rates as well as that city's flows. So Sea Isle is losing the flow reduction race and paying an increasing share of the MUA's budget.

How can Sea Isle reduce its share? Our sewage flows come from three overall categories: the public sector, infiltration & inflow and the private sector.

Public sector flows come from activities like our municipal buildings, public rest rooms, etc. Our City is the largest utility user in town by a wide margin, but it's not our largest utility customer. That's because its costs are buried in the utility rates we charge private customers. Treating the City like any other customer and charging the City budget for this usage would bring some focus to municipal conservation as well as provide a fairer distribution of these costs.

Infiltration & Inflow covers a wide variety of ways that water inappropriately leaks into our sanitary sewer system. We have yet to see any evidence of I&I reduction, and Sea Isle continues to pay the MUA for treating perhaps as much as 200 million gallons in "clean water" annually. City initiatives are progressing, but need a greater sense of urgency and a higher priority in our planning. Otherwise, our tax dollars are literally going 'down the drain'.

For the private sector, Sea Isle continues to charge its own utility customers an excess rate of only \$1.50 per 1,000 gallons, while paying the MUA \$17.01 summer rate. This makes little sense! Other towns in Cape May County apparently recognize this. It shows in their rates and their results. Larger customers in Sea Isle are not paying their fair share of the MUA costs, and it is made up by a higher minimum charge for everyone else. Since larger customers have less incentive to conserve, it is also harder for Sea Isle to keep pace with the water conservation results of the rest of the county.

Sea Isle needs to quickly change its sewage priorities. Reforming its water and sewer rates would be a great first step!