



City of Sea Isle City

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Dear Taxpayer:

PLEASE TAKE THE TIME TO REVIEW THIS DOCUMENT – WE WANT YOU TO UNDERSTAND THE FACTS ABOUT WATER AND SEWER RATES IN SEA ISLE CITY AND HOW THE SYSTEM OPERATES.

The City of Sea Isle City operates a system that includes approximately 7,000 users. The system is designed not to benefit one user but to provide water and sewer services to all users. The system is available 24 hours a day, seven days a week to whomever needs to access the system.

The City develops an annual budget to operate the water and sewer system, which is in excess of \$7,500,000. The primary costs are over \$3,000,000 to the County MUA, over \$1,500,000 to debt service; with the balance being for day-to-day operations. The costs to operate the system are primarily fixed in nature. Therefore, the users are assessed equally a fixed charge. In addition to the fixed charge, the City has established a rate for excess usage. The excess charge is applied to all users at the same rate. Therefore, the more excess water that is used, the more that user is charged.

As you can see from the chart below, a high user pays considerably more than the middle or low users.

	Equal Share of 7.5 mil costs			excess billed at same rate to all	total bill	% more paid
	Annual water	Annual sewer	Annual total fixed			
High User	\$ 280.00	\$ 740.00	\$ 1,020.00	\$ 1,027.76	\$ 2,047.76	101%
Middle User	\$ 280.00	\$ 740.00	\$ 1,020.00	\$ 32.82	\$ 1,052.82	3%
Low User	\$ 280.00	\$ 740.00	\$ 1,020.00	zero	\$ 1,020.00	0%
Water only User	\$ 280.00	zero	\$ 280.00	zero	\$ 280.00	

This is the bottom line – the current rate structure distributes **most** of our costs evenly among all users, regardless of the volume of water they utilize. This is based on **the fact that the vast majority of our costs are involved with putting a water and sewer system in place and maintaining it to serve the community at peak demand.**

We have debated for over two years on how to structure the charges for our water and sewer system. We have concluded that since the system is primarily a fixed cost system the method we have agreed upon is the most equitable to all users. The system is there for all 7,000 users whether they elect to use it daily, weekly, quarterly, or any other manner. Their usage does not affect our cost. The majority of Council has twice, in the past two years, ratified these rates, and is comfortable that they are fair and are the best rates for Sea Isle City.

Thank you for taking the time to read this important information. We hope this gives you a better understanding of how our system works and that the costs are fairly distributed to our users. If you have any additional questions, please feel free to contact us.

www.seaislecitynj.us

"The Sea and Sand Family Vacationland"