

**JANUARY 19, 2010
FOR IMMEDIATE RELEASE**

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PVSC Strikes 2010 Budget

- Budget Has Virtually No Increase To Residential Users -

NEWARK -- The Passaic Valley Sewerage Commissioners (PVSC) approved its operating budget for 2010, which includes virtually no increase for residential ratepayers – a mere average increase of 0.06% over last year. The costs to residential users will ensure PVSC continues to offer the lowest average residential sewer rates in the state.

PVSC's total budget for 2010 will be \$164,167,550. Most of the overall budget increase is attributable to industrial users within the PVSC service area. Other cost drivers include increased costs for employee pensions and healthcare, debt service and a spike in the cost of chemicals needed in the plant's treatment process.

Charges to municipalities are based on the agency's plant operating costs and effluent flow from each community to the PVSC treatment works in Newark, so some towns may see a larger percentage increase in their bills, others no increase at all or a reduction.

"The Commissioner's are constantly looking for ways to minimize the impact of our operating budget on member municipalities," said PVSC Executive Director Bryan Christiansen. "This year's increase in fixed-costs is offset somewhat by a decrease of more than \$2 million in energy costs, thanks to our bulk purchase agreements for electricity and natural gas.

"PVSC implemented a hiring freeze in October of 2005 that remains in effect," Christiansen continued. "Since that time, employee salaries, wages and benefits are down by more than \$7 million and the number of employees needed to operate the plant has been trimmed by over 100 positions through attrition, as we've automated some processes and made other upgrades."

Also, industrial flow to PVSC's plant in Newark is less than half of flow ten years ago. Industrial users are billed based on flow and the quality of effluent sent to the plant. With the sharp decline in industrial payments, more of PVSC's operating costs are shifted to residential users.

“We have continued to institute cost-saving measures wherever possible,” said Christiansen. “But almost all of our costs to operate the plant 24-hours a day, 7-days a week are fixed. Only through the implementation of efficiencies and upgrades to our processes and equipment can we squeeze additional savings. We think this budget reflects our commitment to finding and implementing those cost-saving measures.”

PVSC continues to operate as one of the nation’s premiere large-scale wastewater treatment plants. For 2009, PVSC was awarded the prestigious *Gold Award* from the National Association of Clean Water Agencies (NACWA) for operating without a single permit violation in the calendar year. It is the fourth consecutive year PVSC has received NACWA’s *Gold Award* for operational excellence.

And, despite rising costs, PVSC has pledged not to cut back on the programs it provides to member municipalities, which include the Passaic River/Newark Bay Restoration Program, Education Outreach Program and Fee Connect Rebate Program.

Since PVSC started its Passaic River/Newark Bay Restoration Program in 1998, it has organized over 590 shoreline clean-ups that have resulted in the removal of nearly 8,000 tons of debris from area shorelines and waterways. For its clean-up efforts, PVSC has been awarded an ***Environmental Excellence Award*** from the New Jersey Association of Environmental Authorities.

PVSC’s Education Outreach Program was delivered to over 24,000 Passaic Valley students last year. The program is designed to make children more aware of the affects their everyday life and actions have on the region’s water quality, and was awarded the ***Governor’s Environmental Excellence Award*** last year. This year PVSC also broadened the Education Outreach Program by adding curriculum geared to students in kindergarten through third grade.

The Municipal Rebate Incentive Program is a cooperative effort between PVSC and its contributing communities. Because the municipalities have invested large sums of money to help construct the PVSC treatment works, it is imperative that new projects seeking to expand the PVSC service base pay a proportionate share of this investment through a connection fee.

The program relies on the Code Enforcement Office of each municipality to ensure applicants for construction permits are also instructed to pay PVSC’s connection fee. In return for their efforts, the municipalities receive a percentage of the connection fees collected from their respective communities each year in the form of an annual rebate from PVSC. Since its inception, the Fee Connection Program has returned over \$1.8 million to towns in its service area.