



## Hoboken Water Utility Rate Increase – FAQ

**In response to rising bulk water fees, the Hoboken Water Utility will be increasing rates for its customers by 7%.**

**1. What are Bulk Water fees?**

Hoboken purchases water from the Jersey City Municipal Utilities Authority (JCMUA), which supplies water to Hoboken from the Jersey City Reservoir in Boonton and the Split Rock Reservoir in Rockaway Township. This purchased water is referred to as “bulk water” and Hoboken is a “bulk water customer.” JCMUA conducted a rate study that set standard bulk water fees for all bulk water customers. Hoboken cannot negotiate the bulk water fees.

**2. Why is the Hoboken Water Utility increasing rates?**

In October 2020, JCMUA increased the bulk water rate by 9%. It now intends to increase the bulk water rate by an additional 3.75% in February 2022, leaving the Hoboken Water Utility to fund what translates to a total 12.75% increase over the 18 months. The Hoboken Water Utility needs to increase rates to cover the cost of purchasing bulk water.

**3. If the bulk water rate has increased by 12.75%, why is Hoboken Water Utility only raising rates by 7%?**

The procurement of bulk water for the Hoboken Water Utility accounts for 47% of the Utility budget. Applied accordingly, the increase in rates will expressly cover the cost of that water.

**4. How often does Hoboken raise its water rates?**

Historically, Hoboken has never raised water rates beyond the Consumer Price Index. This unprecedented increase is solely in response to JCMUA’s increase in bulk water rates.

**5. How much will the rate increase add to the residential bill, on average?**

The rate increase will translate to an estimated increase of \$14.98 per quarter for a household of 4.

**6. How often will these increases impact Hoboken Water Utility customers?**

In the face of potential ongoing bulk water rate increases and other operating costs, the Hoboken Water Utility has contracted with an engineering firm to initiate a rate study, seeking to stabilize any future consumer rate increases while factoring in emergency response and ongoing critical investments in water infrastructure.

**7. When will this rate increase go into effect?**

The rate increase is pending approval by the Hoboken City Council and would take effect in March 2022.