OCEAN CITY RATES

Your Water and Wastewater Bill at Work

NEW JERSEY AMERICAN WATER

WE KEEP LIFE FLOWING®

When you turn on the tap, it's easy to see what your water bill buys. What's not as easy to see is what it takes to bring that water to your home and likewise carry the wastewater to the sewer treatment plant. And every time you make a water and wastewater payment, you help make it all possible.

WHAT YOUR BILL PAYS FOR

New Jersey American Water is regulated by the New Jersey Board of Public Utilities (NJBPU), and rates are established based upon the cost of providing service. The cost of delivering safe, reliable water and wastewater service depends on a number of factors, including needed capital investments in the infrastructure as well as the cost to operate and maintain the water and wastewater system. Below are Ocean City's water and wastewater rates as approved by the NJBPU.

ABOUT YOUR WATER RATES

Water Service Charge: This fixed service charge is based on the size of the water meter and is due with each bill.

Meter Size	Monthly Charge
5/8"	$22.65
3/4"	$34.00
1"	$56.61
1 1/2"	$113.30
2"	$181.38

Water Usage Charge: This is based on the amount of water you use. The rate is $0.88724 per 100 gallons.

Distribution System Improvement Charge (DSIC): The DSIC helps to fund improvements to the water delivery infrastructure, such as water service lines, mains and hydrants. Below are the DSIC charges effective November 29, 2025. The DSIC rates will increase again in May 2026.

Meter Size	Monthly Charge
5/8"	$2.56
3/4"	$3.83
1"	$6.39
1 1/2"	$12.78
2"	$20.45

Lead Service Line Replacement Charge (LSLRC): The LSLRC funds the replacement, and cost recovery for, customer-side lead service lines in New Jersey American Water's service territory. This charge is updated semi-annually based on the actual amount of expense incurred during each recovery period. The current rate is $0.06359 per 100 gallons.

Purchased Water Adjustment Clause: To continue to provide reliable service across the state, New Jersey American Water supplements its surface water and groundwater supplies by purchasing water from other water suppliers. The company then spreads those costs across water customers, as approved by the BPU, to recover the expense. This is known as a pass-through charge and is adjusted annually, increased or decreased, to recover the company's actual out of pocket expense. The current rate is $0.05330 per 100 gallons.

Resiliency and Environmental System Investment Charge (RESIC): The RESIC helps to fund water and wastewater system components that address existing or emerging requirements, and enhance water and wastewater system resiliency, and the health, safety or environmental protection of customers, employees, or the public. Below are the RESIC charges effective November 29, 2025. The RESIC rates will increase again in May 2026.

Meter Size	Monthly Charge
5/8"	$0.79
3/4"	$1.18
1"	$1.97
1 1/2"	$3.94
2"	$6.31

ABOUT YOUR WASTEWATER RATES

Wastewater Service Charge: The wastewater service charge represents a portion of New Jersey American Water's fixed costs to operate and maintain the collection system and collect the sewage from the customers. The company transfers the collected waste to Cape May County Municipal Utilities Authority (CMCMUA) who treats, and disposes of the treated sewage. To help cover those fixed costs, each customer is billed based on their usage during the three "high usage flow" months of July, August and September or "summer period." The total summer period usage is divided by 12 and is billed on each regular monthly bill the following year. The rate is $1.53000 per 100 gallons.

Volumetric Wastewater Charge: This is based on the amount of water you use. The rate is $0.37520 per 100 gallons.

Resiliency and Environmental System Investment Charge (RESIC) (see above)

Wastewater System Improvement Charge (WSIC): The WSIC helps to fund replacement and repairs of wastewater infrastructure, such as sewer mains, manholes and lateral lines. Below are the WSIC charges effective November 29, 2025. The WSIC rates will increase again in May 2026. For charges for larger meters, visit us online.

Meter Size	Monthly Charge
5/8"	$3.78
3/4"	$5.67
1"	$9.45
1 1/2"	$18.90
2"	$30.23

(continued)

Purchased Wastewater Surcharge: The Purchased Sewerage Treatment Adjustment Clause (PSTAC) charge, which is considered a pass-through charge, represents the cost New Jersey American Water pays to CMCMUA for treating all of Ocean City's wastewater. This cost, recently at a level of $10.5 million annually, can vary from year to year. Therefore, the PSTAC rate is adjusted annually based on the actual flow and cost payable to the CMCMUA for the treatment and disposal of the waste. The current rate is $3.47030 per 100 gallons.

FREQUENTLY ASKED QUESTIONS & ANSWERS

Why does New Jersey American Water charge for the CMCMUA's cost or service?

New Jersey American Water owns and maintains the collection system that is used to collect the wastewater from homes and businesses in Ocean City and then transfers it to CMCMUA. However, CMCMUA maintains the treatment plant, pumps and pipes necessary to treat and dispose of the treated sewage.

As such, New Jersey American Water, as per its contract with CMCMUA, is responsible to collect and charge for the entire wastewater process. Each of the municipalities or participants sending waste to CMCMUA follow this process and the costs paid to CMCMUA are based on the volume of flow they send for treatment.

Why is my wastewater service charge based on last year's summer period usage?

CMCMUA had to build its treatment plant so that it can handle the influx of seasonal usage that occurs during the summer months. Every November, CMCMUA determines its costs for the coming year. They then allocate those costs to each of the participants, including New Jersey American Water, based primarily on the volume of flow each participant sends for treatment during the summer months (July, August and September) of the previous year. Therefore, New Jersey American Water utilizes the actual customer usage for the same period to structure and bill the service charge and PSTAC on the same basis. This helps to ensure that customers in Ocean City share proportionately in the CMCMUA's cost of treating Ocean City's waste.

Why am I billed for service when I am not there?

Water Service: The fixed service charge is billed each month for an active account even when the property is not occupied. If a customer does not use any water, then no usage charge will be billed.

Wastewater Service: The wastewater service charge and PSTAC are billed to New Jersey American Water customers based on usage during the three month summer period, however, instead of burdening customers with a large one time charge for wastewater service, New Jersey American Water spreads the usage equally over 12 months. This is why customers receive a bill even when the property is not occupied.

How to calculate the wastewater service and PSTAC charges?

1. Add up your total monthly water "Meter units" (page 3 of your bill) recorded during the prior summer period (July, August and September) bills.

Sample calculation: Prior Year Summer Usage

July	60 (hundreds gallons)
August	50 (hundreds gallons)
Sept.	40 (hundreds gallons)
	150 (hundreds gallons)

2. Divide the figure from #1 by 12 for your monthly usage in gallons.

150/12 = 12.5

3. Multiply the monthly usage in gallons by the applicable rate per hundreds of gallons from Rate Schedule 1-A and 1-B in the New Jersey American Water tariff.

Purchased Wastewater Surcharge
12.5 x $3.47030 (PSTAC rate per 100 gallons) = $43.38/month

Volumetric Wastewater Charge
12.5 x $1.53 (rate per 100 gallons) = $19.13/month

*Sample calculation uses rates effective at 04-2026 (PSTAC) and 09-2024 (Volumetric Wastewater Charge).

For more information

Learn more about rates at **newjerseyamwater.com**. Under the Customer Service & Billing, select Your Water and Wastewater Rates.