

ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY  
PUBLIC HEARING

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Date: Tuesday - November 24, 2020

COMMENCING at 09:45 a.m.

ATLANTIC CITY MUNICIPAL AUTHORITY

8401 NORTH VIRGINIA AVENUE

ATLANTIC CITY, NEW JERSEY

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Computer-aided transcript of the Public Hearing  
taken stenographically in the above-entitled matter  
before Gena Nardone:

A P P E A R A N C E S:

CLAUDE SMITH, Acting Executive Director and Director  
of Engineering

1                   MR. SMITH: Good morning. Today is  
2                   November 24, 2020. This is the public hearing  
3                   for the budget of The Atlantic City Municipal  
4                   Utilities Authority.

5                   I'll read from the press release for the  
6                   budget hearing.

7                   The Atlantic City Municipal Utilities  
8                   Authority is holding public hearings on the  
9                   Authority's proposed 2021 budget and proposed  
10                  changes to the rules, rates and regulations on,  
11                  Tuesday, November 24, 2020 and Thursday,  
12                  December 3, 2020.

13                  The November 24, 2020 hearing will be held at  
14                  the Atlantic City Municipal Utilities Authority,  
15                  located at 401 North Virginia Avenue, Atlantic  
16                  City, New Jersey. Both hearings will begin at ten  
17                  a.m. and end at 12 noon.

18                  The budget is scheduled for adoption at a  
19                  regularly scheduled board meeting on December 16,  
20                  2020.

21                  The MUA will also accept written comments.  
22                  Comments received before the hearings will be read  
23                  into the hearing record. Written comments not read  
24                  at the hearings will be presented at the board

1 meeting. Due to COVID-19, the ACMUA office is  
2 closed to the public. Anyone interested in  
3 attending a board meeting may contact the Authority  
4 at (609)345-3315, Extension 216 and receive  
5 instructions to attend the meeting.

6 The 2021 proposed budget is a fully funded  
7 budget providing for the continuation of all the  
8 authority's major programs. The authority is  
9 expected an increase of 11.4 percent in total user  
10 water charges in 2021. Revenues from  
11 business/commercial and industrial customers are  
12 expected to decrease by 15.4 percent and  
13 20.7 percent respectively. These declines are  
14 mainly due to the adverse impact of the COVID-19  
15 outbreak on the economics and financial markets.  
16 Casinos and non-essential businesses are greatly  
17 impacted by the forced closure and reopening of  
18 businesses with a limited capacity in 2020. It is  
19 still unknown how long these operating conditions  
20 will last, consequently, the Authority's water  
21 usage has been greatly impacted in 2020. And this  
22 impact may continue until, at least, the first  
23 quarter of 2021. This decline in water usage  
24 caused as a result of the COVID-19 uncertainty was

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considered in the 2021 proposed annual budget.

The authority's total net appropriation is anticipated to decrease by 11.6 percent in 2021 compared to 2020. As the unprecedented COVID-19 outbreak has impacted the Authority's revenue, the management has reorganized and looked into areas where cost cutting is possible. The 2021 rate increase was structured to ensure that the projected revenues would be sufficient to cover the year's anticipated appropriations. The Authority is proposing a 2 percent increase in its flat rate for all customers. The Authority will generate additional revenues of \$133,900 from the 2 percent flat increase. The rate increase is needed to fund its future capital projects to upgrade its aging infrastructure and, most notably, to comply with the state PFAS regulations and Water Quality Accountability Act. The excess rate will remain the same at \$3.762 cents per one hundred cubic feet. The residential flat rate will increase to \$62.25 cents a quarter from \$61.00 a quarter. The connection fee rates will remain the same. State law sets a formula mandating the specific calculation of connection fees. State law further

1 requires that connection fees be recalculated at  
2 the end of every calendar year and that all debt  
3 service and capital expenditures be included in the  
4 new calculation. The connection fee will remain  
5 the same in 2021 of \$20.6188 cents per gallon of  
6 daily flow. Any revenue generated from the  
7 connection fee will be utilized for capital  
8 projects. The MUA is also making changes to the  
9 rules, rates and regulations. The full text of the  
10 changes is available by contacting the ACMUA's  
11 office. It is available on the ACMUA website at  
12 ACMUA.org.

13 It is approximately 10:05 a.m. There are no  
14 members from the public present at this time.  
15 Meeting is scheduled to proceed until 12 p.m.  
16 today. In that regard, I'm going to set a pause in  
17 the meeting and I will be upstairs in my office.  
18 And should anyone from the public appear or call in  
19 before 12:00 p.m., I will immediately come  
20 downstairs and reconvene the open meeting. So with  
21 that, we are going to take a pause.

22 Thank you.

23 (Whereupon a break is taken.)

24 MR. SMITH: It is now 12 p.m., the

1 public hearing of the Atlantic City Municipal  
2 Utilities Authority 2021 budget has come to a  
3 close. The next hearing is scheduled for  
4 Thursday, December 3, 2020, at 10 a.m. It will  
5 be the final public hearing for the Atlantic  
6 City Municipality Utilities Authority 2021  
7 budget. Thank you.

8 (Meeting concluded at 12:05 p.m.)  
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