



Atlantic City Municipal Utilities Authority

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PRESS RELEASE

CLAUDE E. SMITH, *Acting Executive Director*
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THE ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY WILL HOLD PUBLIC HEARINGS ON THE AUTHORITY'S PROPOSED 2021 BUDGET AND PROPOSED CHANGES TO THE RULES, RATES, AND REGULATIONS ON TUESDAY, NOVEMBER 24, 2020 AND THURSDAY, DECEMBER 3, 2020.

The November 24, 2020 hearing will be held at the ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY, located at 401 N. Virginia Avenue, Atlantic City, New Jersey. Both hearings will begin at 10:00 A.M. The budget is scheduled for adoption at the regularly scheduled Board Meeting on December 16, 2020.

The MUA will also accept written comments. Comments received before the hearings will be read into the hearing record. Written comments not read at the hearings will be presented at the Board Meeting. The Board Meeting is open to the public.

The 2021 Proposed Budget is a fully funded budget, providing for the continuations of all of the Authority's major programs. The Authority is expecting a decrease of 11.4% in total user water charges in 2021. Revenues from Business/Commercial and Industrial customers are expected to decrease by 15.4% and 20.7%, respectively. These declines in revenues are mainly due to an adverse impact of the COVID-19 outbreak on the economies and financial markets. Casinos and non-essential businesses are greatly impacted by the forced closures and reopening of businesses with a limited capacity in 2020. It is still unknown how long these outbreak conditions will last. Consequently, the Authority's water usage has been greatly impacted in 2020, and this impact may continue until at least the first quarter of 2021. This decline in water usage caused as a result of COVID-19 uncertainty was considered in the 2021 proposed Annual Budget.

The Authority's total net appropriation is anticipated to decrease by 11.6% 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% increase in its flat rate for all customers. The Authority will generate additional revenue of \$133,900 from the 2% flat rate 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 regulation and Water Quality Accountability Act. The excess rate will remain the same at \$3.762 per 100 cubic feet. The residential flat rate will increase to \$62.25 a quarter from \$61.00 a quarter. See the attached rate schedule.

THE CONNECTION FEE RATE WILL REMAIN THE SAME

State Law sets a formula mandating the specific calculation of Connection Fees. State Law further requires that Connection Fees be recalculated at the end of every calendar year, and that all Debt Service and Capital Expenditures be included in the new calculation.

The Connection Fee rate will remain the same in 2021 of \$20.6188 per gallon of daily flow. Any revenue generated from the connections fee will be utilized for capital projects.

The MUA is also making changes to the Rules, Rates and Regulations. The full text of the changes is available by contacting the MUA's offices. It is also available on the MUA's website: www.acmua.org.

Submitted by: Claude Smith
Acting Executive Director