

ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY
BOARD OF DIRECTORS PUBLIC HEARING

- - -

DATE: THURSDAY - DECEMBER 6, 2018
COMMENCING AT 10:00 A.M
ATLANTIC CITY MUNICIPAL UTILITIES AUTHORITY
401 North Virginia Avenue
Atlantic City, New Jersey 08404

- - -

ATLANTIC CITY COURT REPORTING, LLC
Certified Realtime Reporters & Videographers
1125 Atlantic Avenue, Suite 511
Atlantic City, New Jersey 08401
Phone : 609-345-8448
www.ACcourtreporting.com

1 Computer-aided transcript of
2 the Board of Directors Meeting, taken
3 stenographically in the above-entitled
4 matter before Molly A. Alber, License Number
5 30X1 00240100, New Jersey Certified
6 Shorthand Reporter.

7

8 - - -

9

10

11

12 PRESENT:

13 G. BRUCE WARD, Executive Director,
14 Atlantic City Municipal Utilities Authority

15 KELLY WILLIAMS, Executive Secretary
16 Atlantic City Municipal Utilities Authority

16

17

18

19

20

21

22

23

24

25

ACMUA Public Hearing - 12/6/18

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- - -

P R O C E E D I N G S

- - -

MR. WARD: Good morning. Today is December 6th of 2018. My name is Bruce Ward; I'm the Executive Director of the Atlantic City Municipal Utilities Authority. Today we are holding the second public hearing on the Authority's proposed 2019 budget.

The first hearing was on November the 27th and today is our second meeting to discuss the proposed budget. I will be on the record because at 10 a.m. it begins and it ends at 12 noon. So we have a two-hour schedule for this public session.

The MUA will also accept written comments on the budget. 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 and the Board will meet this December 19th to approve the budget.

ACMUA Public Hearing - 12/6/18

1 The 2019 proposed budget is a
2 fully funded budget provided for the
3 continuation of all of the Authority's major
4 programs. The proposed appropriations for
5 2019 are anticipated to be approximately
6 \$2,426,474 higher than the budgeted
7 appropriations for 2018. The increase is
8 due primarily to an increase in the 2019
9 renewal and replacement reserve that
10 approximated \$1,742,358.

11 The additional reserves are
12 needed and will be utilized to fund the
13 Authority's capital budget as the Authority
14 has to comply with recent New Jersey
15 regulations, such as, the Water
16 Accountability Act and the New Jersey Safe
17 Drinking Water Act.

18 The Authority will recognize a
19 38.3 percent increase in professional fees
20 due to the additional anticipation of other
21 profession services for an asset management
22 review plan, a roof replacement, and a wall
23 joint rehabilitation design for the
24 administration building.

25 The 17.8 percent increase in

ACMUA Public Hearing - 12/6/18

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

other costs of providing service chemicals is expected in 2019 due to new standard changes to the New Jersey Safe Drinking Water Act. The 9.7 percent increase for operations outside services/professional services is due to higher anticipated laboratory expenses as more water samplings and reportings are required by the state.

The 2019 rate increase was structured to ensure that the projected revenues would be sufficient to cover the anticipated appropriations for the year. As mentioned above, the rate increase is needed to assist in the funding of capital projects as specified in the Authority's capital improvement program.

The Authority is anticipating an increase of 19 percent in flat and ten percent in excess rates for all customers. The rates for residential customers will be increasing from the flat rate charge of \$51 a quarter to \$61 a quarter. Residential customers that will exceed the allowed allotment, 2500 cubic feet, will be subject to a ten percent

ACMUA Public Hearing - 12/6/18

1 increase in the excess rate.

2 The Authority anticipates that
3 the average annual bill for a residential
4 customer will be \$375.13 as compared to
5 \$323.21, a net annual increase of \$51.92.

6 As a result of this increase
7 the Authority is projecting additional
8 revenue of approximately \$1,041,500 from
9 residential customers.

10 The additional anticipated
11 revenue between commercial, industrial and
12 other intergovernmental customers will net
13 to approximately \$1,412,655 which results
14 primarily from the 19 percent increase in
15 the flat rate and ten percent in the excess
16 rate.

17 The connection fee rate will
18 increase. The city of Atlantic City has
19 experienced a steady decline in annual new
20 construction and development. As a result,
21 the Authority has recognized a significant
22 decline in connection fee income. In the
23 past connection fee income has been utilized
24 for capital projects recommended by way of
25 the Authority's capital improvement program.

ACMUA Public Hearing - 12/6/18

1 This anticipated decline in
2 income was considered when developing the
3 2018 rate structure, thus allowing for
4 additional income to be generated for the
5 use of capital projects.

6 State law sets a formula
7 mandating the specific calculation of
8 connection fees. State law further requires
9 that connection fees be recalculated at the
10 end of every calendar year and that debt
11 service and capital expenditure be included
12 in the new calculation.

13 The proposed connection fee in
14 2019 is 20.9025 per gallon of average daily
15 flow. This applies to new construction.
16 The MUA is also making changes to the rules,
17 rates and regulations. The full text of the
18 changes is available by contacting the MUA
19 offices. It is also available on the MUA
20 website which is www.ACMUA.org.

21 It is now ten minutes after the
22 hour. We have no members from the public
23 present. I'm going to pause the hearing and
24 proceed up to my office and continue
25 working. Should any member of the public

ACMUA Public Hearing - 12/6/18

1 arrive during the hearing period between now
2 and 12 p.m., I can be summoned and will
3 immediately come down and meet with and
4 explain the budget to any interested
5 individual.

6 So with that said, this portion
7 of the budget hearing is now closed. Thank
8 you.

9 (Whereupon, there was a pause
10 awaiting public inquiries.)

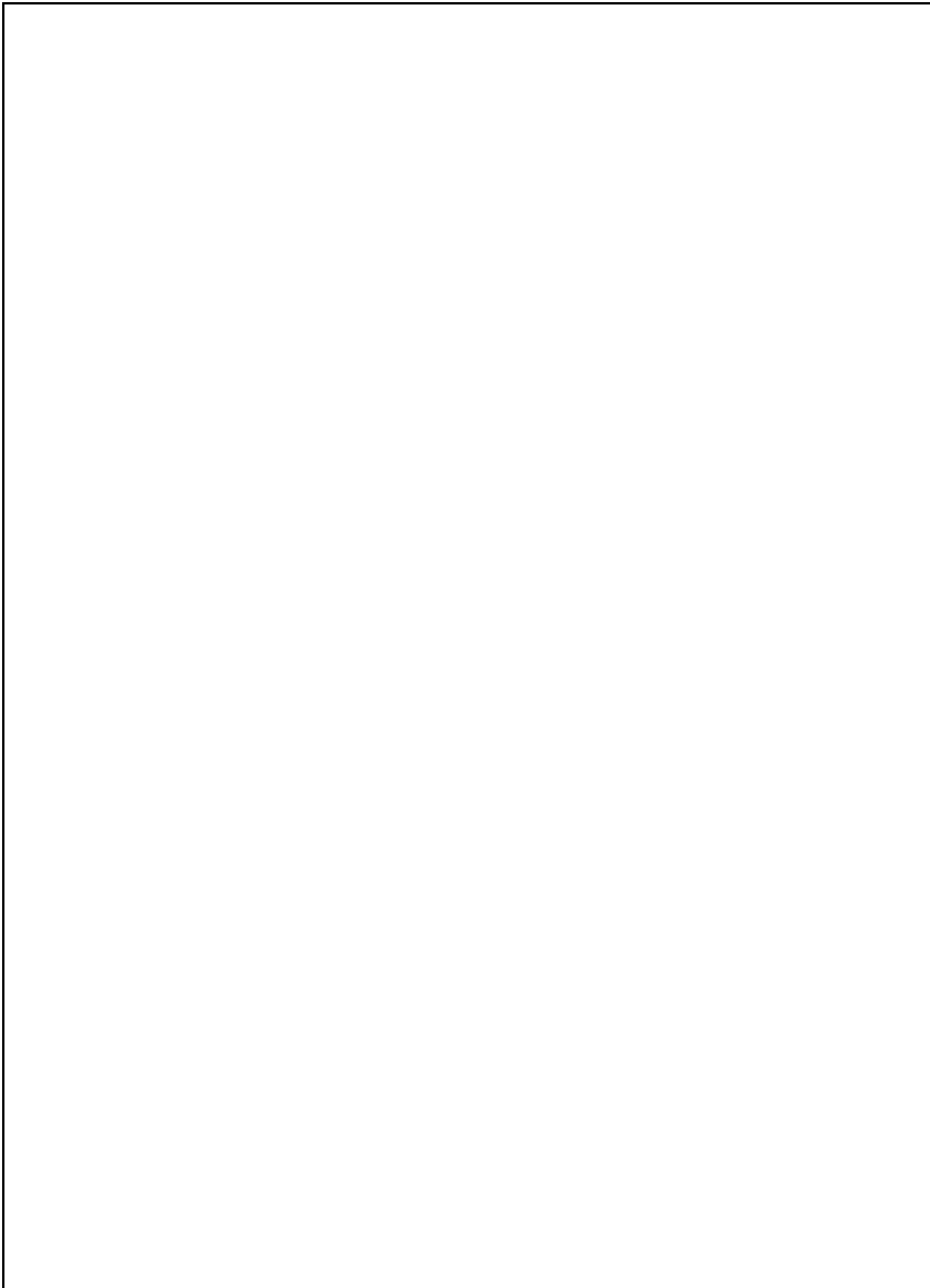
11 MR. WARD: It is 12 o'clock on
12 Thursday, December 6, 2018. My name is
13 Bruce Ward and I'm back on the record. And
14 it is the closing of the second public
15 hearing on the Atlantic City Municipal
16 Utilities' budget.

17 We've had two public hearings,
18 one on November 27th and also today,
19 December 6th. If any interested parties
20 have any desire to know more about the
21 budget they may contact me and, of course,
22 the budget is available on the Authority's
23 website, www.ACMUA.org. Thank you.

24 (Whereupon, the proceedings
25 were concluded at 12:06 p.m.)

ACMUA Public Hearing - 12/6/18

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATION

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me on the trial of the above cause and that this copy is a correct transcript of the same.

Molly A. Alber, RPR, CSR

(The foregoing certification of this transcript does not apply to any reproduction of the same by any means unless under the direct control and/or supervision of the certifying reporter.)

A	2:13,15 3:8 6:18 8:15 Authority 1:1 1:5 2:13,15 3:8 4:13,18 5:17 6:2,7 6:21 Authority's 3:10 4:3,13 5:15 6:25 8:22 available 7:18 7:19 8:22 Avenue 1:6,23 average 6:3 7:14 awaiting 8:10	certify 10:3 certifying 10:22 changes 5:3 7:16,18 charge 5:22 chemicals 5:1 city 1:1,5,6 1:22,23 2:13 2:15 3:8 6:18,18 8:15 closed 8:7 closing 8:14 come 8:3 COMMENCING 1:5 comments 3:19 3:19,21 commercial 6:11 compared 6:4 comply 4:14 Computer-a... 2:1 concluded 8:25 connection 6:17,22,23 7:8,9,13 considered 7:2 construction 6:20 7:15 contact 8:21 contacting 7:18 contained 10:4 continuation 4:3 continue 7:24 control 10:21 copy 10:7 correct 10:7 costs 5:1 course 8:21 COURT 1:22 cover 5:11 CSR 10:9 cubic 5:24	customer 6:4 customers 5:20 5:21,23 6:9 6:12
a.m 1:5 3:15 above-enti... 2:3 accept 3:18 Accountabi... 4:16 accurately 10:5 Act 4:16,17 5:4 additional 4:11,20 6:7 6:10 7:4 administra... 4:24 Alber 2:4 10:9 allotment 5:24 allowed 5:24 allowing 7:3 and/or 10:21 annual 6:3,5 6:19 anticipated 4:5 5:6,12 6:10 7:1 anticipates 6:2 anticipating 5:17 anticipation 4:20 applies 7:15 apply 10:19 appropriat... 4:4,7 5:12 approve 3:25 approximated 4:10 approximately 4:5 6:8,13 arrive 8:1 asset 4:21 assist 5:14 Atlantic 1:1,5 1:6,22,23,23	B	D	
back 8:13 begins 3:16 bill 6:3 board 1:1 2:2 3:23,23,24 Bruce 2:13 3:6 8:13 budget 3:11,14 3:19,25 4:1 4:2,13 8:4,7 8:16,21,22 budgeted 4:6 building 4:24	C	D 3:2 daily 7:14 DATE 1:4 debt 7:10 December 1:4 3:6,25 8:12 8:19 decline 6:19 6:22 7:1 design 4:23 desire 8:20 developing 7:2 development 6:20 direct 10:21 Director 2:13 3:7 Directors 1:1 2:2 discuss 3:14 Drinking 4:17 5:3 due 4:8,20 5:2 5:6	
C 3:2 calculation 7:7,12 calendar 7:10 capital 4:13 5:14,15 6:24 6:25 7:5,11 cause 10:6 certification 10:1,18 Certified 1:22 2:5	E	E 3:2,2 ends 3:16 ensure 5:10 evidence 10:4 exceed 5:24 excess 5:19 6:1,15 Executive 2:13 2:15 3:7 expected 5:2 expenditure 7:11 expenses 5:7 experienced	

6:19 explain 8:4	included 7:11 income 6:22, 23 7:2, 4 increase 4:7, 8 4:19, 25 5:4 5:9, 13, 18 6:1, 5, 6, 14 6:18 increasing 5:21 individual 8:5 industrial 6:11 inquiries 8:10 interested 8:4 8:19 intergover... 6:12	member 7:25 members 7:22 mentioned 5:13 minutes 7:21 Molly 2:4 10:9 morning 3:5 MUA 3:18 7:16 7:18, 19 Municipal 1:1 1:5 2:13, 15 3:8 8:15	6:15 period 8:1 Phone 1:24 plan 4:22 portion 8:6 present 2:12 7:23 presented 3:22 primarily 4:8 6:14 proceed 7:24 proceedings 8:24 10:4 profession 4:21 professional 4:19 program 5:16 6:25 programs 4:4 projected 5:10 projecting 6:7 projects 5:14 6:24 7:5 proposed 3:10 3:14 4:1, 4 7:13 provided 4:2 providing 5:1 public 1:1 3:9 3:17, 24 7:22 7:25 8:10, 14 8:17
<hr/> F <hr/> fee 6:17, 22, 23 7:13 fees 4:19 7:8 7:9 feet 5:25 first 3:12 flat 5:18, 21 6:15 flow 7:15 foregoing 10:18 formula 7:6 full 7:17 fully 4:2 10:4 fund 4:12 funded 4:2 funding 5:14 further 7:8	<hr/> J <hr/> Jersey 1:6, 23 2:5 4:14, 16 5:3 joint 4:23	<hr/> N <hr/> N 3:2 name 3:6 8:12 needed 4:12 5:13 net 6:5, 12 new 1:6, 23 2:5 4:14, 16 5:2 5:3 6:19 7:12, 15 noon 3:16 North 1:6 notes 10:5 November 3:13 8:18 Number 2:4	<hr/> Q <hr/> quarter 5:22 5:23
<hr/> G <hr/> G 2:13 3:2 gallon 7:14 generated 7:4 going 7:23 Good 3:5	<hr/> K <hr/> KELLY 2:15 know 8:20	<hr/> O <hr/> O 3:2 o'clock 8:11 office 7:24 offices 7:19 open 3:24 operations 5:5 outside 5:5	<hr/> R <hr/> R 3:2 rate 5:9, 13, 22 6:1, 15, 16, 17 7:3 rates 5:19, 20 7:17 read 3:20, 22
<hr/> H <hr/> hearing 1:1 3:10, 12, 21 7:23 8:1, 7 8:15 hearings 3:20 3:22 8:17 higher 4:6 5:6 holding 3:9 hour 7:22	<hr/> L <hr/> laboratory 5:7 law 7:6, 8 License 2:4 LLC 1:22	<hr/> P <hr/> P 3:2 p.m 8:2, 25 parties 8:19 pause 7:23 8:9 percent 4:19 4:25 5:4, 18 5:19, 25 6:14	
<hr/> I <hr/> immediately 8:3 improvement 5:16 6:25	<hr/> M <hr/> major 4:3 making 7:16 management 4:21 mandating 7:7 matter 2:4 means 10:20 meet 3:24 8:3 meeting 2:2 3:14, 23, 23		

Realtime 1:22	second 3:9, 13	two 8:17	08404 1:6
recalculated	8:14	two-hour 3:17	
7:9	Secretary 2:15		<hr/> 1 <hr/>
received 3:20	service 5:1	<hr/> U <hr/>	1,041,500 6:8
recognize 4:18	7:11	use 7:5	1,412,655 6:13
recognized	services 4:21	Utilities 1:1	1,742,358 4:10
6:21	5:6	1:5 2:13,15	10 3:15
recommended	services/p...	3:8	10:00 1:5
6:24	5:5	Utilities'	1125 1:23
record 3:15,21	session 3:17	8:16	12 3:16 8:2,11
8:13	sets 7:6	utilized 4:12	12:06 8:25
regulations	Shorthand 2:6	6:23	17.8 4:25
4:15 7:17	significant	<hr/> V <hr/>	19 5:18 6:14
rehabilita...	6:21	Videographers	19th 3:25
4:23	specific 7:7	1:22	<hr/> 2 <hr/>
renewal 4:9	specified 5:15	Virginia 1:6	2,426,474 4:6
replacement	standard 5:2	<hr/> W <hr/>	20.9025 7:14
4:9,22	state 5:8 7:6	wall 4:22	2018 1:4 3:6
reporter 2:6	7:8	Ward 2:13 3:5	4:7 7:3 8:12
10:22	steady 6:19	3:7 8:11,13	2019 3:10 4:1
Reporters 1:22	stenograph...	water 4:15,17	4:5,8 5:2,9
REPORTING 1:22	2:3	5:4,7	7:14
reportings 5:8	structure 7:3	way 6:24	2500 5:24
reproduction	structured	We've 8:17	27th 3:13 8:18
10:20	5:10	website 7:20	<hr/> 3 <hr/>
required 5:8	subject 5:25	8:23	30X1 2:5
requires 7:8	sufficient	WILLIAMS 2:15	323.21 6:5
reserve 4:9	5:11	working 7:25	375.13 6:4
reserves 4:11	Suite 1:23	written 3:19	38.3 4:19
residential	summoned 8:2	3:21	<hr/> 4 <hr/>
5:20,23 6:3	supervision	www.ACcour...	401 1:6
6:9	10:21	1:24	<hr/> 5 <hr/>
result 6:6,20	<hr/> T <hr/>	www.ACMUA.org	51 5:22
results 6:13	taken 2:2 10:5	7:20 8:23	51.92 6:5
revenue 6:8,11	ten 5:19,25	<hr/> X <hr/>	511 1:23
revenues 5:11	6:15 7:21	<hr/> Y <hr/>	<hr/> 6 <hr/>
review 4:22	text 7:17	year 5:12 7:10	61 4:8 8:12
roof 4:22	Thank 8:7,23	<hr/> Z <hr/>	609-345-8448
RPR 10:9	Thursday 1:4	<hr/> 0 <hr/>	1:24
rules 7:16	8:12	00240100 2:5	61 5:22
<hr/> S <hr/>	today 3:5,9,13	08401 1:23	6th 3:6 8:19
S 3:2	8:18		
Safe 4:16 5:3	transcript 2:1		
samplings 5:7	10:7,19		
schedule 3:17	trial 10:6		

7			
8			
9			
9.7 5:4			