



Board of Commissioners

Senator Robert Singer, Chairman

Mayor Raymond Coles, Vice Chairman

Craig Theibault, Treasurer

Anne Fish, Assistant Secretary

P. G. Waxman, Commissioner

Samuel Flancbaum, Alt. Commissioner

Meir Lichtenstein, Alt. Commissioner

THE LAKEWOOD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

Water Rate Hearing Minutes

January 4, 2022

- I. The Chairman opened the hearing at 10:00 A.M via teleconference.
- II. It was announced that in accordance with Chapter 231, Public Law, adequate notice of this hearing was given and that a notice of this scheduled meeting was filed with the Township Clerk and posted in the Municipal Building in a place accessible to the public and by means of public notices in the Asbury Park Press on December 2, 2021 and the Tri Town News on December 1, 2021.
- III. **Salute to the Flag**
- IV. **Roll Call of Commissioners**

On roll call the following Commissioners were present: Mrs. Fish, Mrs. Miller, Mr. Theibault, Mr. S. Flancbaum, Committeeman Lichtenstein and Senator Singer.
Mr. S. Flancbaum was seated in place of Mayor Coles.
The following professionals and key personnel were present: Mr. Adam Pfeffer, Esq. and Mr. Gerwin Bauer, Jr. Auditor. Mr. Justin Flancbaum, Executive Director, Mr. Donald Sondak, CFO, Mr. Adam Ponsi, P.E., Mr. Robert Farina, Director of Operations, Mr. Harry Robbins, Operations Manager, and Mr. Kyle Smith, P.E., Consulting Engineer to the Authority.
- V. **Water Rate Hearing**

The Chairman asked Mr. Pfeffer to conduct the hearing. Mr. Pfeffer swore in Mr. Donald Sondak as the expert witness and established his identity as the Chief Financial Officer of the Authority. Mr. Pfeffer asked Mr. Sondak if he prepared and reviewed the proposed Water Rate Schedule. Mr. Sondak responded he did. Mr. Pfeffer asked Mr. Sondak to give the Authority and the public just an overview as to how he calculated the proposed rate schedule and what went into that calculation. Mr. Sondak explained there is a preparation of a 10 year budget forecast starting with the current coming year and then running out for

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10 years and it includes operating expenses as well as the debt service requirements and compliance with bond covenants. The 10 year budget beginning in 2021 to 2022 includes the addition of two new GAC buildings and water treatment requirements required to meet DCA standards. The project will require capital in excess of \$12,000,000.00 which we are funding through the IBank to minimize our costs. In order to meet the bond covenants, we need to adjust water service rates. This will not impact sewer service rates.

The required rate adjustments are included in our 2021-2022 operating budget and will be phased in over a 4 year period as follows:

7.5% water rate increase for this year

3% the following year

2% for each of the next 2 years

It's a total of 14.5% over 4 years. Even with these increases, Mr. Sondak pointed out that we remain one of the lowest service providers compared to neighboring authorities and less than half that of New Jersey American Water.

Mr. Pfeffer asked his expert opinion if the proposed increase is required for the operation of the Authority. Mr. Sondak said yes, it is required. Mr. Pfeffer asked if the rate schedule meets the 110 percent debt service requirement. Mr. Sondak said yes, it does. Mr. Pfeffer asked if the rate schedule is in accordance with State regulations and generally accepted accounting practices. Mr. Sondak said yes, that is correct.

Senator Singer pointed out one correction that the new GAC buildings are being built to meet DEP not DCA requirements.

Mr. Pfeffer swore in Mr. Bauer as another expert witness and established his identity as a Certified Public Accountant in the State of New Jersey and Auditor of the Authority. Mr. Pfeffer asked Mr. Bauer if he had an opportunity to both hear Mr. Sondak's testimony as well as review the actual paperwork for the schedule, is there anything he wants to add or disagree with from Mr. Sondak's testimony? Mr. Bauer responded no, actually he worked hand in hand with Don and Justin in the preparation of this forecast and the projected amount to the new debt service, so everything is right on target with what he said. Mr. Pfeffer asked Mr. Bauer to confirm again for the record that he agreed also that the proposed increase is required for the operation of the Authority. Mr. Bauer responded absolutely yes he does agree. Mr. Pfeffer asked as a licensed CPA that he confirmed that the rate schedule is in accordance with the State regulations and generally accepted accounting practices. Mr. Bauer responded yes, he has confirmed.

VI. The Chairman Opened the Hearing to the Public.

No response from the public.

VII. The Chairman Closed the Hearing to the Public

- **Resolution #22-01 Adoption of Water Rates for 2022.** A motion was made by Mrs. Fish and seconded by Mr. S. Flancbaum. On roll call, all members present voted, "Yes". **Adopted.**

VIII. ADJOURNMENT

A motion was made by Mrs. Fish, seconded by Mr. S. Flancbaum to adjourn the hearing. On **roll call**, all members present voted, "**Yes**". The meeting was adjourned at 10:09 A.M.

Respectfully submitted,

Robyn Gray,
Secretary, LTMUA