

**OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY**  
**Rate Hearing**  
**January 20, 2016**

Call to Order: The Rate Hearing of January 20, 2016 was called to order at 6:30 p.m. with the Pledge of Allegiance by Arthur Haney, Chairman.

Announcement: Chairman Haney announced that this meeting is being held in conformance with the Open Public Meetings Act. Notice has been given to the newspapers and notice of the meeting has been posted in public places.

Roll Call: Present:  
Arthur Haney, Chairman  
Richard Greene, Vice Chairman  
Edward Testino, Secretary (arrived at 6:37 p.m.)  
Anita Greenberg, Treasurer  
Frank Weber, Assistant Treasurer (arrived at 6:31 p.m.)  
John Murphy III, 1<sup>st</sup> Alternate  
Paul Carlock, 2<sup>nd</sup> Alternate

Absent:  
None.

Also Present: Guy Donatelli, Executive Director  
Michelle Smith, Comptroller  
Michael Roy, P.E.  
Mitchell Jacobs, Esq.

Chairman Haney announced that this rate hearing pertains to connection fee charges for the Water and Sewer Divisions of the Municipal Utilities Authority.

Mr. Jacobs stated that this hearing is required by law pursuant to NJSA 40:B14-21 and NJSA 40:B14-22 and is being held in accordance therewith. This is a rate hearing open to the public.

The following exhibits will be part of the record:

1. Exhibit A-1 is an advertisement and accompanying documents of the public rate hearing published in the Home News Tribune on December 18, 2015.
2. Exhibit A-2 is an advertisement and accompanying documents of the public rate hearing published in the Asbury Park Press on December 18, 2015.
3. Exhibit B is the Old Bridge MUA Connection Fee calculations through May 31, 2015.
4. Exhibit C is the Participant Estimate Cost Comparison.
5. Exhibit D is the Old Bridge MUA Schedule of Current and Proposed Rates.

6. Exhibit E is the Old Bridge MUA Water Division Rate Structure Rate Resolution.
7. Exhibit F is the Old Bridge MUA Sewer Division Rate Structure Rate Resolution.

The two witnesses testifying were Michelle Smith and Brian Waldron

Ms. Smith stated that her position with the MUA was that of Comptroller and her duties include preparation of the connection rate calculations; preparation of the budgets and revenue and expense schedules. She admitted that she was familiar with the purpose of this meeting to seek an increase in the connection fees charged by the Authority.

In response to a question posed by Mr. Jacobs, Mrs. Smith identified Exhibit A-1 as the advertisement to the Home News Tribune advertising the rate hearing and acknowledged that an Affidavit of Publication had been received for this advertisement.

Mrs. Smith identified Exhibit A-2 as the advertisement to the Asbury Park Press as notice of the rate hearing and acknowledged that an Affidavit of Publication had been received for this advertisement.

Mrs. Smith identified Exhibit B as the Connection Fee Calculation which she used to devise the new connection fee rates. She recognized Exhibit C as the MUA's estimate of the Participant Cost Comparison for 2014 and 2015 which she used to determine the Authority's share of the MUA debt service and used in the connection fee calculation.

Mrs. Smith stated that Exhibit D shows the current and proposed rates and the dollar amount of the increase as well as the percent of increase.

In response to Mr. Jacobs' question, Mrs. Smith acknowledged that she conducted a financial analysis into the question of whether connection fee increases were warranted for 2016. After the completion of the audit per state statute, recalculation of the connection fee rates is required. As per Exhibit B, she took the historical cost at May 31, 2014 from the previous certification and added the debt services payments paid during the current fiscal year as well as facilities improvements from the operating budgets paid during that fiscal year as well as the Authority's share of the MUA's debt service. Adding that all together results in the total additional historical cost at May 31, 2015. The water division was \$81,172,971; the sewer division was \$103,080,021. Those amounts are divided by the equivalent units at May 31, 2015 which are 27,664 for the water division; and 26,793 for the sewer division. This gave her a connection fee rate for the water division of \$2,934. The sewer division connection fee rate is \$3,847.

In response to Mr. Jacobs' question, Mrs. Smith stated that it is her recommendation that the sewer connection fee should be increased by \$196 and that the water connection fee should be increased by \$109. As a result of her analysis and the information available to her, Mrs. Smith stated that it is her recommendation that the Authority pass a rate increase for connection fees for both the water and sewer divisions.

In response to Mr. Jacobs' request to view Exhibits E and F (resolutions authorizing

connection fee rate increases), Mrs. Smith acknowledged that these resolutions reflect the proposed increases.

Mr. Waldron, a certified public accountant, stated that he is an employee at Holman Frenia and Allison P.C. His duties for the Authority include the performance of annual audits and work with the Authority on various other projects in budget assistance such as in connection fee rate calculations. He also reviews certain financial documents as presented by the Authority. He stated that he has reviewed documents in connection with this hearing and the documents that have been marked into evidence. It is his opinion that the increase in the connection fees as proposed take place and he agrees with Mrs. Smith's testimony.

Mr. Jacobs moved all documents into evidence and opened the hearing to the Commissioners for questions.

Mr. Jacobs opened the hearing to the public. Seeing no hands Mr. Jacobs closed the public portion.

***Resolution***

A motion to authorize an increase to the connection fees rate structure in the Water Division was made by Mr. Weber and seconded by Mr. Testino.

The roll call was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney.

NAYS: None.

***Resolution***

A motion to authorize an increase to the connection fees rate structure in the Sewer Division was made by Mr. Testino and seconded by Mr. Weber.

The roll call was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney.

NAYS: None.

5 Ayes      0 Nays      0 Absent

***Adjournment***

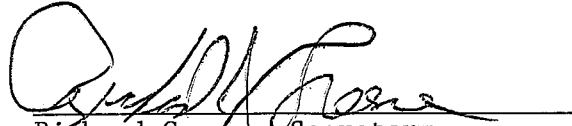
A motion to adjourn at 6:41 p.m. was made by Mr. Greene and seconded by Dr. Greenberg.

The roll call was as follows:

AYES: Greenberg, Greene, Testino, Weber, Haney.

NAYS: None.

5 Ayes      0 Nays      0 Absent



Richard Greene, Secretary