



MINUTES

Public Hearing on 2021 Rates, Fees, and Other Charges and Budget Meeting Niagara Falls Water Board

November 8, 2021 at 5:00 PM

*** As permitted by Chapter 417 of the Laws of 2021, Board Members and members of the public could participate in this meeting either in-person or via conference call.***

1. Attendance and Preliminary Matters

Chairman Forster calls the public hearing regarding the Niagara Falls Water Board's proposed 2022 rates, fees and other charges to order at 5:01 p.m.

Asklar (Board Member/Chairman of Finance/Member Exec. Staff Review Cmte.) *Present in Person*

Forster (Chairman) *Present in Person*

Kimble (Board Member) *Present via Conference Call*

Larkin (Board Member/Vice Chairwoman/Governance Chairwoman/
Chairwoman Exec. Staff Review Cmte.) *Present in Person*

Leffler (Board Member/Member Exec. Staff Review Cmte.) *Present in Person*

2. Public Hearing

a. Introduction by Chairperson

Chairman Forster opened the public hearing, explaining that it is being audio recorded. This hearing is being conducted in a hybrid format, both in person and via teleconference pursuant to Chapter 417 of the Laws of 2021. Chairman Forster notes that the Water Board has never conducted a public hearing in a hybrid format and asks all involved to please be patient. The public hearing notice required registration to speak. General Counsel has been working to identify call and in-person participants who wish to speak.

Chairman Forster states that the purpose of this hearing is to allow public comment and input on the Water Board's proposed 2022 rates, fees and other charges.

Speakers will be called in the order they registered to speak. Each speaker will be allotted three minutes.

The Water Board and staff will not answer questions or comments during the hearing itself but will discuss the budget and comments during the budget meeting which will immediately follow the hearing.

- b. Public Comments/Oral and Written, if Any** (Registration required. Speakers must register by 5:00 p.m. on November 8, 2021. Those who wish to speak at the hearing should contact the Board's Secretary by email: scostello@nfwb.org, telephone: (716) 283-9770 x 2110, or by mail to register no later than 12:00 p.m. on November 8, 2021. Additional registrations to speak will be accepted in person and on the teleconference line between 4:50 p.m. and 5:00 p.m. on November 8, 2021. Oral comments will be limited to three minutes duration. Written comments may be directed to the above email or mailing address.)

General Counsel noted that no one signed up or submitted comments prior to the meeting, and no member of the public present on the conference call or in person came forward. No public comments were received.

3. Motion to Close Public Hearing and Open Budget Meeting

Motion by Board Member Asklar and seconded by Board Member Larkin to close the public hearing and open the budget meeting at 5:04 p.m.

Asklar Y Forster Y Kimble Y Larkin Y Leffler Y

Motion carries, 5-0

The Chairman asked all Board members if they were opposed to holding one meeting in the month of November, eliminating the November 15, 2021 work session. There was no objection. The Board meeting will be held on November 22, 2021.

4. Presentation by Rate Consultants Drescher & Malecki Regarding Rate Covenant Analysis

Dresher & Malecki provided the Board members and staff with their financial projections and analysis of user rates.

Matthew Montalbo was present in person with Charles Trottier present via GoToMeeting.

Mr. Montalbo states the purpose of their analysis was to provide independent cash flow estimates, enough to meet the debt-service coverage ratio (1.15). Assumptions were based on historical trends and audited financial data from the prior years.

Based on year-to-date figures, 15% increase in contractual costs projected in 2021. An additional \$5.75 million in 2022 related to hypochlorite solutions (\$5 million) and sludge disposal (\$750k) in accordance with bids. 3.3% increase in costs is projected beyond 2022 based on a 10-year average.

Additional key findings – Customer changes – Cascades billing resulting in a one-time \$1.5 million increase in most recent third quarter. Occidental closure causes an \$800k impact over 3 years. Debt Service – A refunding proposal provides upfront savings of \$3.7 million between 2022-2025, but moving forward the short-term financing for current projects will result in a significant increase in annual debt service. Rate Increase – based on the results of the financial projection model, the Board should achieve a 1.20 debt ratio with a 17.5% rate increase in 2022.

5. Resolutions

2021-11-001 – ADOPTING 2022 BUDGET

a. Proposed 2022 Operations and Maintenance Budget

Chairman Forster thanked staff for their hard work on this budget. A 116% increase in chemicals, a 46% increase in sludge disposal, and a 37% increase in insurance. Not possible to have a balanced budget without a rate increase with this type of increase in contractual costs. The Water Board has done the best it could when faced with the increased cost of doing business but obviously this kind of rate increase cannot continue.

Motion by Board Member Larkin and seconded by Board Member Leffler to approve

Asklar Y Forster Y Kimble N Larkin Y Leffler Y

Motion carries, 4-1

2021-11-002 -- ESTABLISHING RATES, FEES, AND OTHER CHARGES EFFECTIVE JANUARY 1, 2022

a. Amendments to 21 NYCRR § 1950.20, Schedule of Rates, Fees, and Charges

Motion by Board Member Asklar and seconded by Board Member Larkin to approve

Asklar Y Forster Y Kimble N Larkin Y Leffler Y

Motion carries, 4-1

6. Adjournment

Motion by Board Member Larkin and seconded by Board Member Asklar to adjourn at 5:17 p.m.

Asklar __Y__ Forster __Y__ Kimble __Y__ Larkin __Y__ Leffler __Y__

Motion carries, 5-0

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