

## WATER AUTHORITY ANNOUNCES WATER RATE INCREASE

GREAT NECK, NY, October 19, 2020 -- Citing rising expenses associated with new drinking water quality standards recently established by New York State, which require public water suppliers to develop costly treatment plants to remove 1,4-dioxane, PFOS and PFAS from the water, prior to distribution, the Water Authority of Great Neck North Board of Directors has found it necessary, in order to be fiscally prudent, to increase water rates, effective January 1, 2021, following a public hearing on Monday, October 19, 2020.

Currently, customers of the Authority are charged \$4.74 per CCF, which is 100 cubic feet or 750 gallons of water. The average residential customer of the Authority, which accounts for nearly 95 percent of its 9,553 service connections, pays \$58.46 a month for water use.

The new rate is \$4.83 per CCF, plus a new regulations treatment fee of \$23.37 per quarter, which will together increase the average residential bill by \$8.90 per month or 30 cents per day. Additionally, the rate will increase to \$4.93 per CCF on January 1, 2022, resulting in an average monthly increase of \$1.23, and on January 1, 2023 to \$5.03 per CCF, which will amount to a \$1.23 monthly increase for the average residential customer. The New York State Department of Health recently enacted new requirements on water providers at 10 ppt (parts per trillion) for PFOA and 10 ppt for PFOS and 1 part per billion for 1,4-dioxane. The MCLs are amongst the most protective levels in the nation.

The proposed \$23.37 quarterly new regulations treatment fee will remain in effect until it is no longer needed to meet budgetary requirements. Details of the proposed changes are available on the Authority's website.

Although the Authority is currently in full compliance with all drinking water regulations, construction is underway to develop a treatment facility at Well 6 for the removal of 1,4-dioxane to prevent exceedances of the allowable maximum level of 1-part-per billion. Grant money from the state, in the amount of \$3 million, will be used to help offset expenses for that project, which are expected to exceed \$7.4 million.

The Authority anticipates that three additional 1,4-dioxane, PFOS and PFAS treatment plants may be needed at its Watermill Lane facility. Three wells at the Community Drive site are also being monitored closely to determine if it will be necessary to introduce treatment at that location for 1,4-dioxane, as well as PFOS and PFAS, for which the state has set maximum contaminant levels at 10-parts-per-trillion.

"As New York State Health Department regulations become more stringent, operating costs are increasing and raising capital is becoming more challenging for public water suppliers across Long Island," Authority Chairperson Michael Kalnick stated. "The Authority was recently issued \$19.8 million low-interest Water System Revenue Bonds, of which monies will

be drawn as needed to cover costs associated with 1,4-dioxane treatment plants as well as water main replacement projects and other components of the Authority's long-term capital improvements plan.

"Additional revenue will be needed to develop infrastructure that may be required to remove PFOS and PFAS and to maintain and modernize the Authority's aging water distribution system, some of which dates back more than 100 years," Kalnick added.

The Authority's \$9.7 million operating budget for 2021 is used to serve a population of 32,400. More than 1.5 billion gallons of water are provided annually to 9,553 service connections via 117 miles of water mains situated throughout 7.5 square miles on the Great Neck Peninsula. The Authority maintains 11 active drinking water wells, 2.5 million gallons of water storage capacity and 827 fire hydrants.

It is important to note that as to its capital improvements, the Authority has pursued and been awarded state grant funds, but they alleviate only a portion of the cost of needed treatment systems, and due to its financial reputation, has received the highest rating available from rating agencies to minimize the interest it must pay in the open market, all to the benefit of its customers.

Since the Great Neck community purchased the assets of the Citizen Water Supply Company in 1989, the Authority has been challenged with maintaining and upgrading an aging infrastructure that dates back to 1903; addressing the threat of salt-water intrusion; meeting homeland security requirements, a growing demand for water, conservation mandates and stricter federal and state quality standards; hardening the infrastructure to protect against flooding; and planning for future infrastructure needs and a growing demand for water.

During the past 12 years, the Authority has completed a long list of major capital improvement projects to maintain the existing infrastructure, improve the distribution system, meet drinking water quality standards and provide excellent customer service. A few examples include replacement of 8.5 miles of water mains; development of 2 new wells and 3 modern water treatment plants; introduction of a sophisticated Supervisory Control & Data Acquisition system to provide 24/7 ability to monitor and control the system from off-site locations, saving employee costs and allowing access to the system if weather or other events prevent on-site access; completion of a meter change out program; installation of 3 new backup generators and replacement of a water storage tank.

Long terms plans include replacing and improving more than 35 miles of old water main, protecting 3 well sites against flooding and re-painting 2 water storage tanks to protect against corrosion.

Consumers are encouraged to help reduce their own costs by taking steps to conserve water whenever possible. With irrigation accounting for about 50 percent of residential water use, an annual survey of the sprinkling system is recommended. Repairs and updates to the system, as well as the introduction of modern smart technology may result in a significant reduction in water use. Indoor leaks should be addressed and water-saving appliances purchased when possible. The public is also advised to log onto the Authority's website, which provides information about conservation and other water-saving initiatives, including the Authority's newly designed household water conservation kit, which is available free.

The Authority is playing its part in conservation efforts too. A sophisticated leak detection service was instituted that surveyed 117 miles of distribution system piping. Twenty-six leaks were located, saving approximately 138,000 gallons of water per day. The savings of reducing lost water more than pays for the survey cost.

# # #