

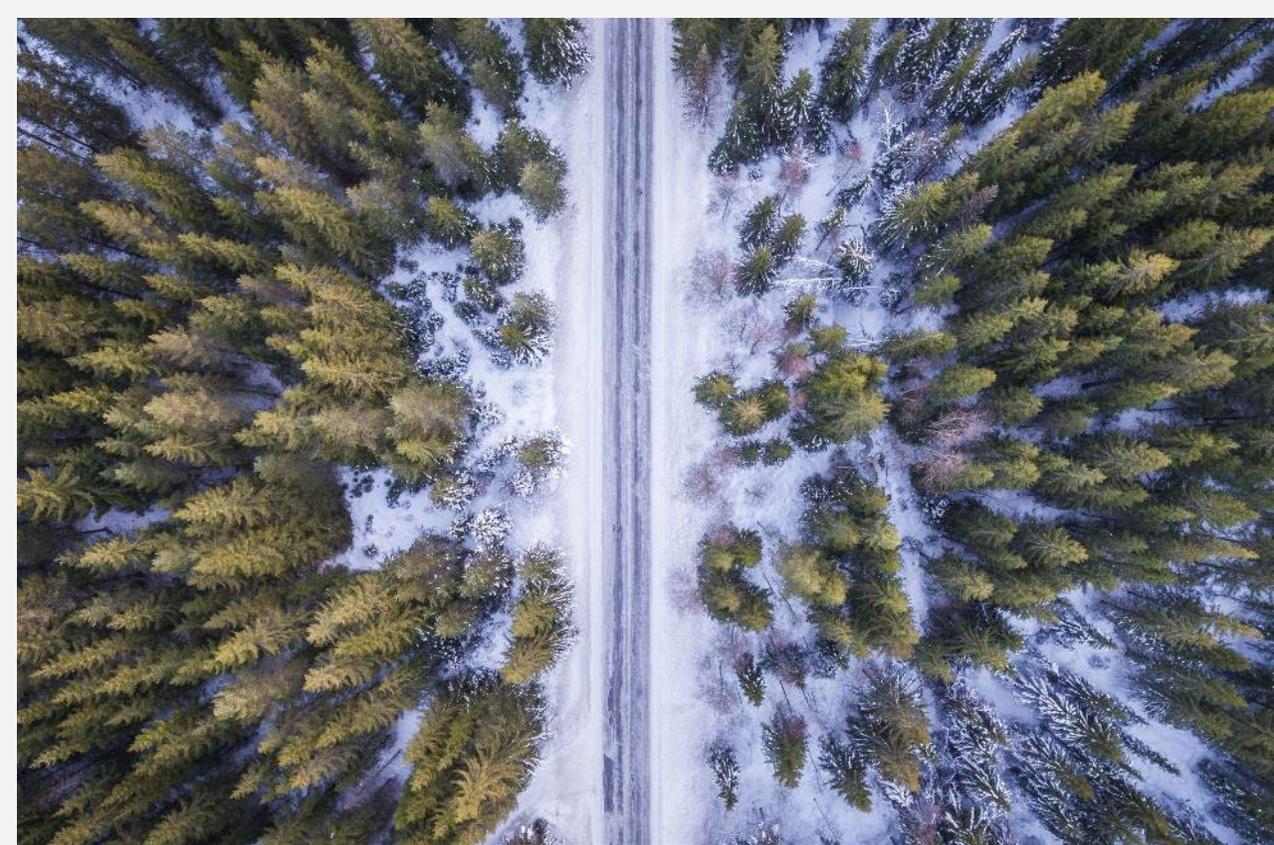


# Suffolk County Water Authority

2024 Budget Proposal

March 23, 2023

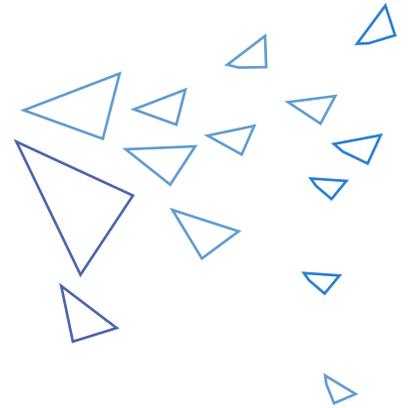




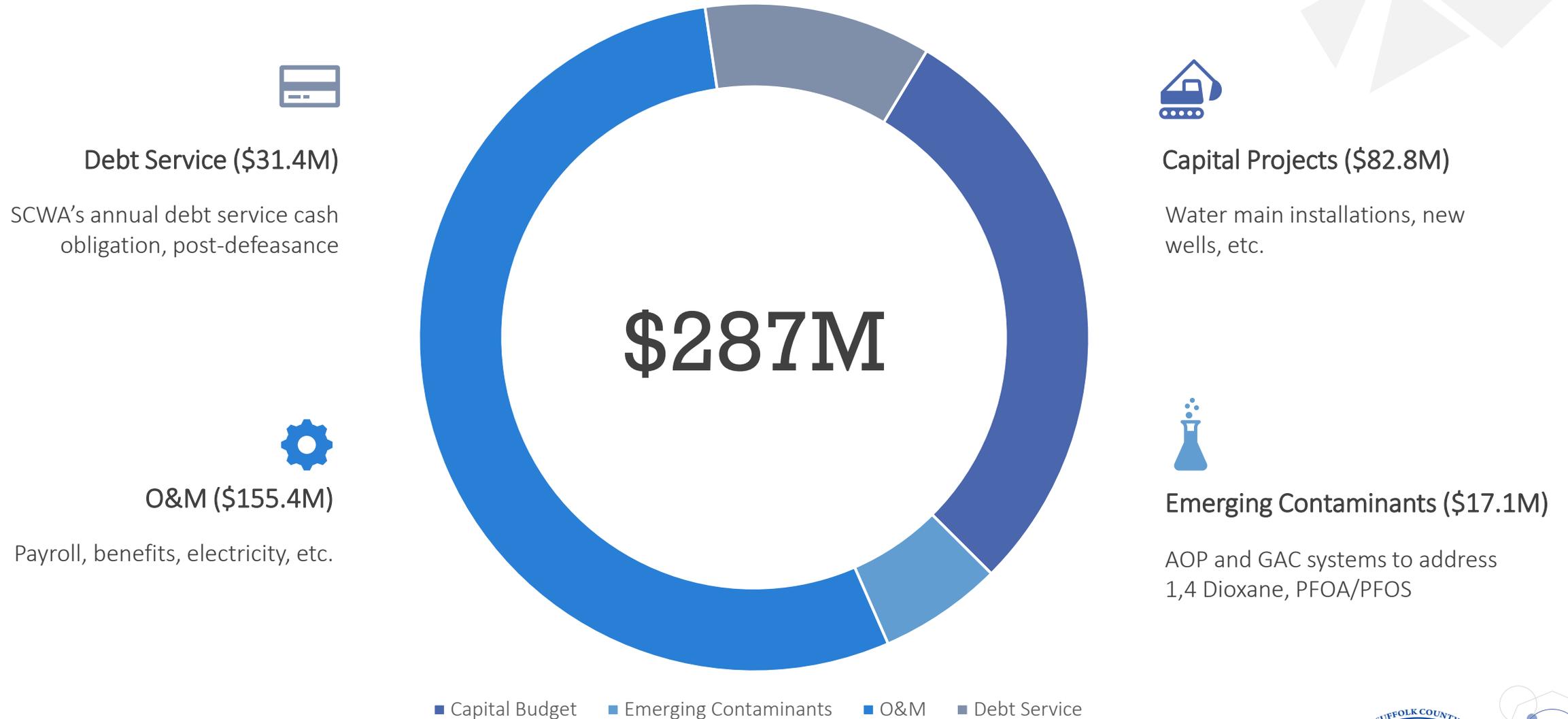
# Mission Statement

Suffolk County Water Authority

*It is our mission to provide our customers high quality water that is constantly tested at the lowest possible cost with exemplary customer service.*



# 2024 Budget Overview



Budgeted figures in \$ millions

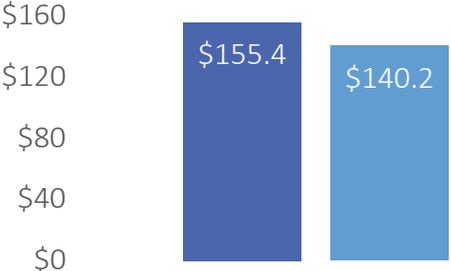
# Budget Comparison, Year Over Year



### O&M Budget

(in millions)

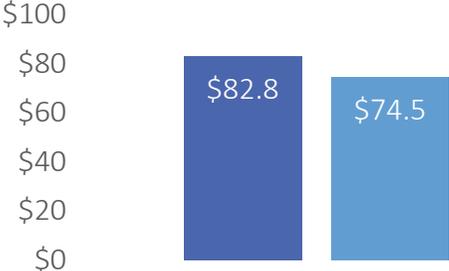
FY24 FY23



### Capital Budget

(in millions)

FY24 FY23



### Emerging Contaminants

(in millions)

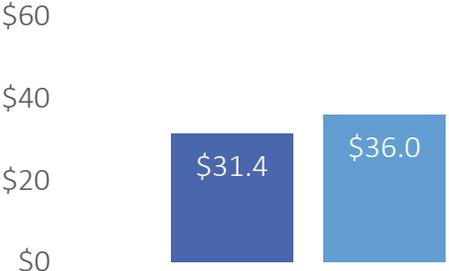
FY24 FY23



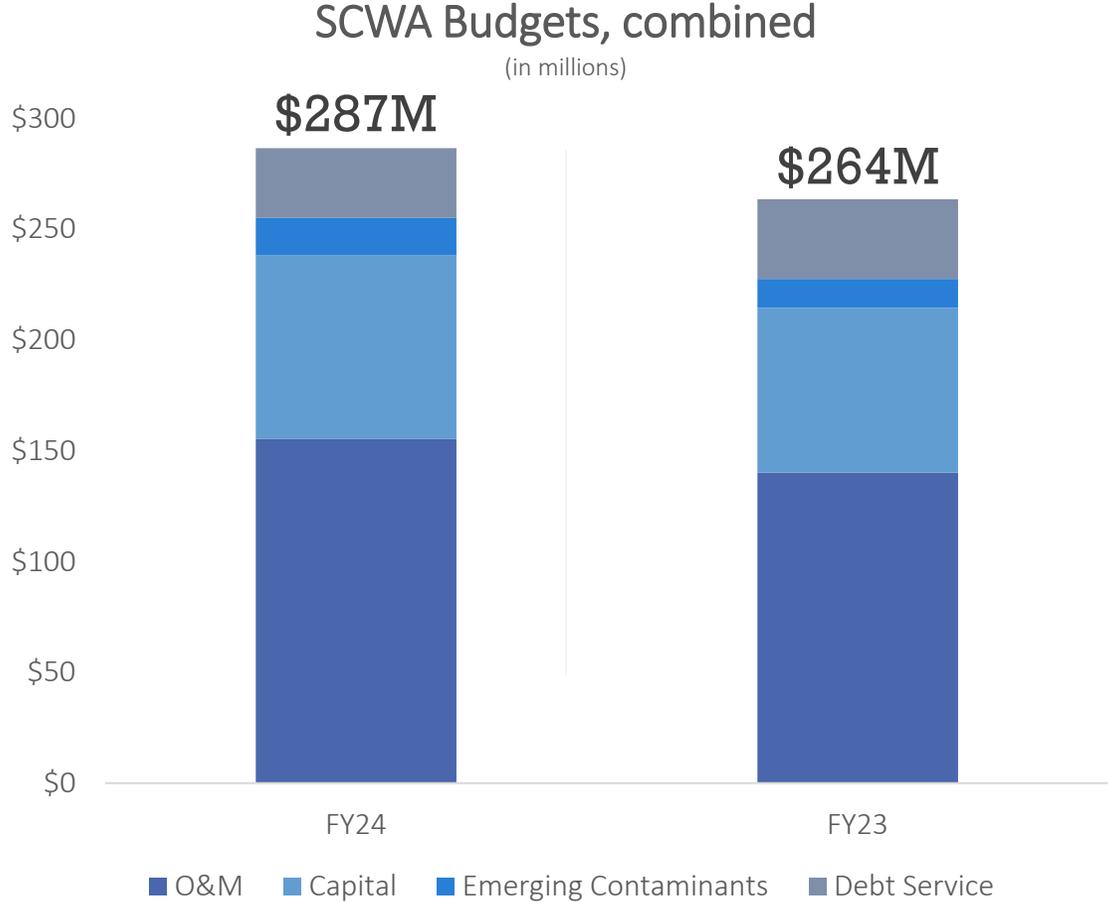
### Debt Service

(in millions)

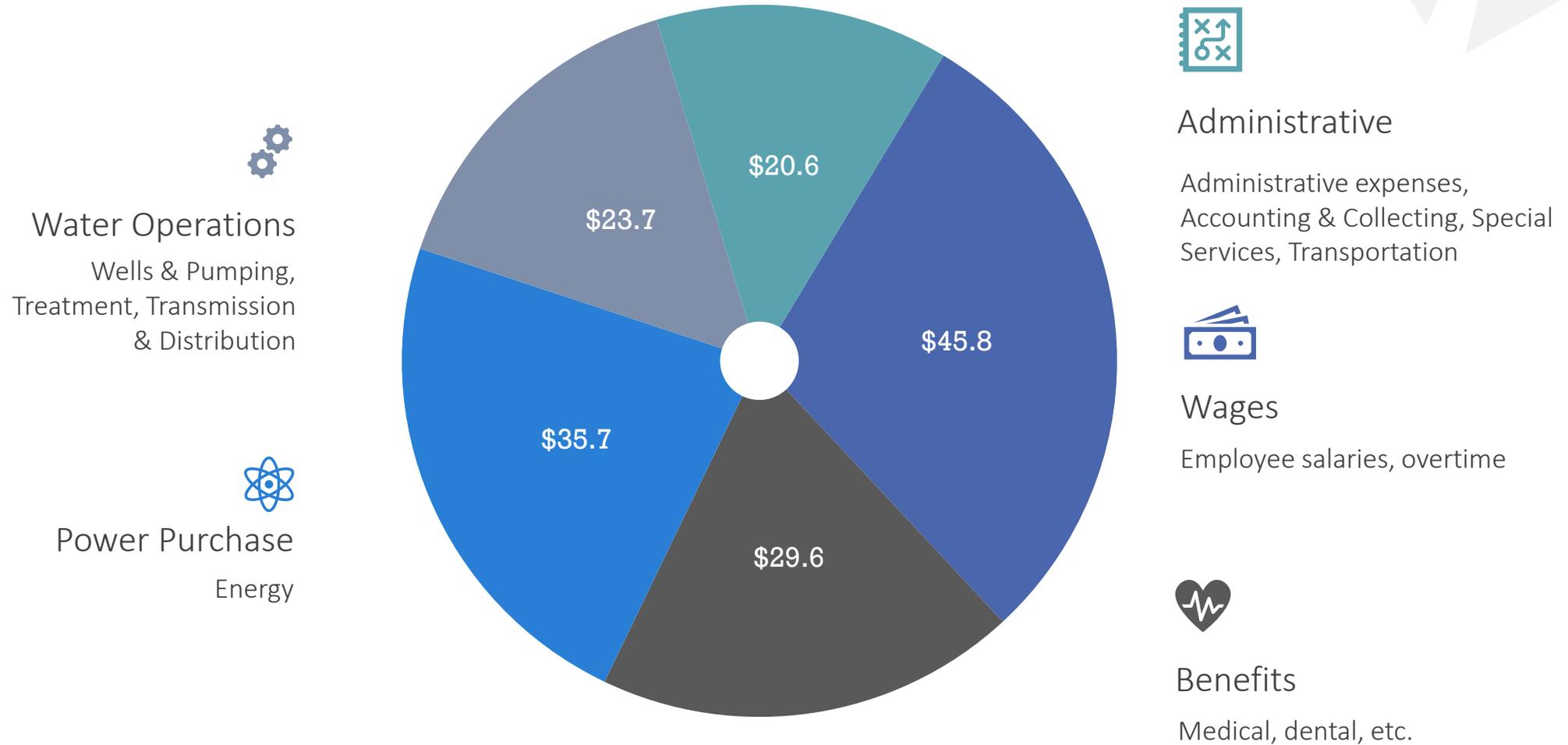
FY24 FY23



# Budget Comparison, Year Over Year



# 2024 Operating & Maintenance Budget



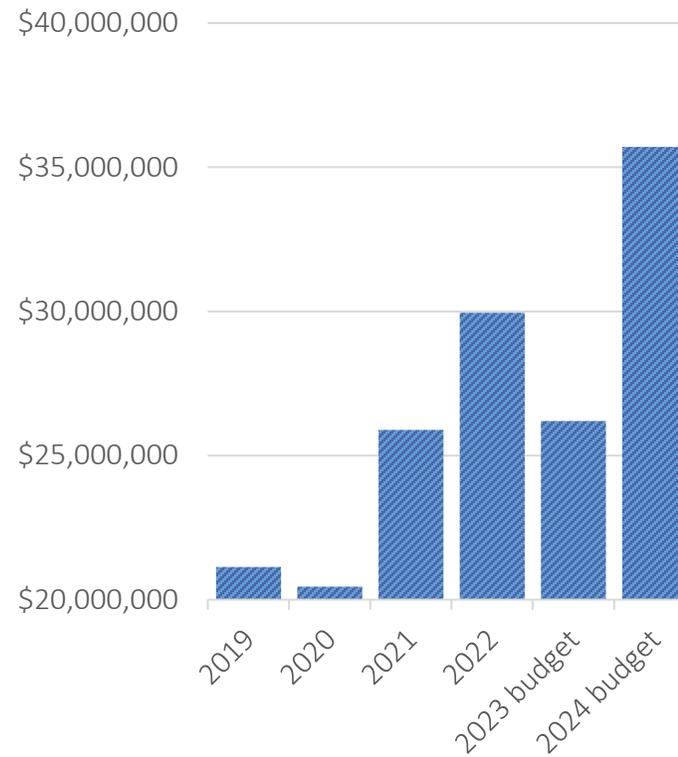
Budgeted figures in \$ millions

# Power

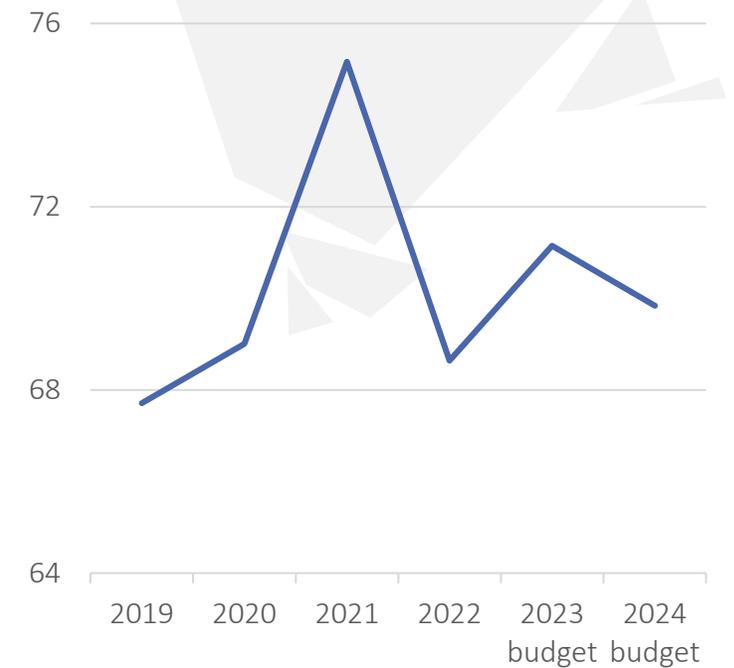
Power usage and pumpage

	Pumpage (gallons)	Cost (\$ millions)
2024 budget	-	\$35.7M
2023 budget	-	\$26.2M
2022	68.6B	\$29.9M
2021	75.2B	\$25.9M
2020	69.0B	\$20.5M
2019	67.7B	\$21.1M

### Annual Power Cost



### Annual Pumpage



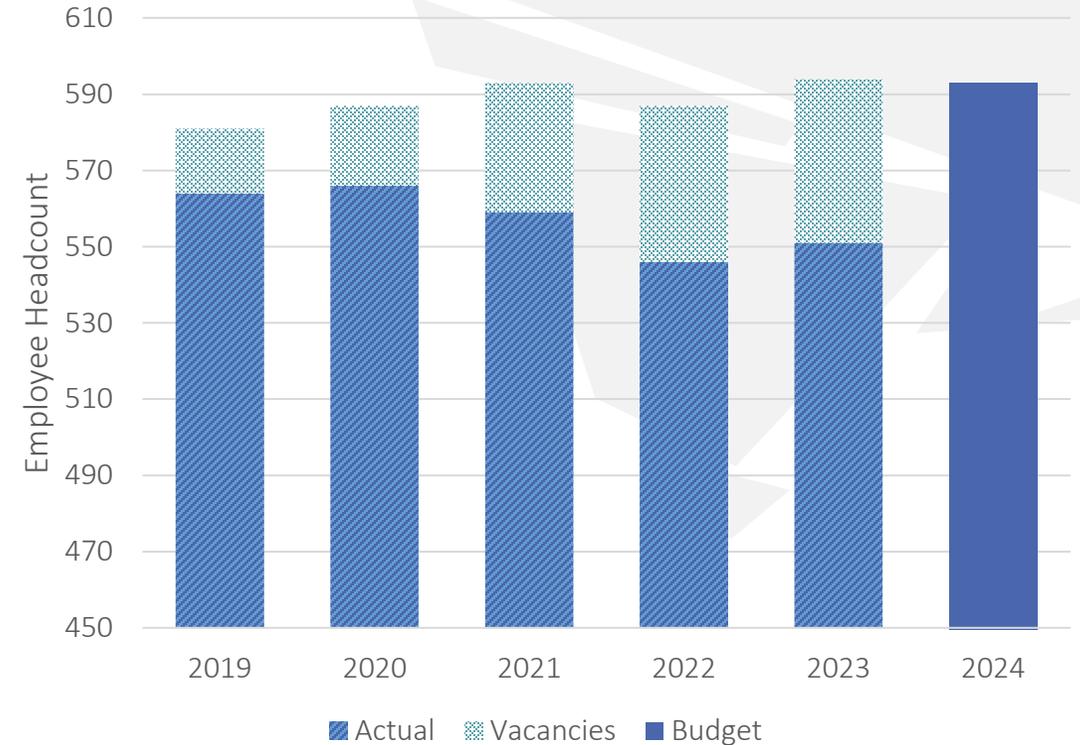
# Headcount

Actual, vacancies, and budget

	Headcount (actual)	Headcount (vacant)	Headcount (budget)
2024	-	-	593
2023	551	43	594
2022	546	41	587
2021	553	40	593
2020	560	27	587
2019	564	17	581

\* 2023 actual headcount figure as of January 3, 2023

## Headcount, Actual vs. Budget

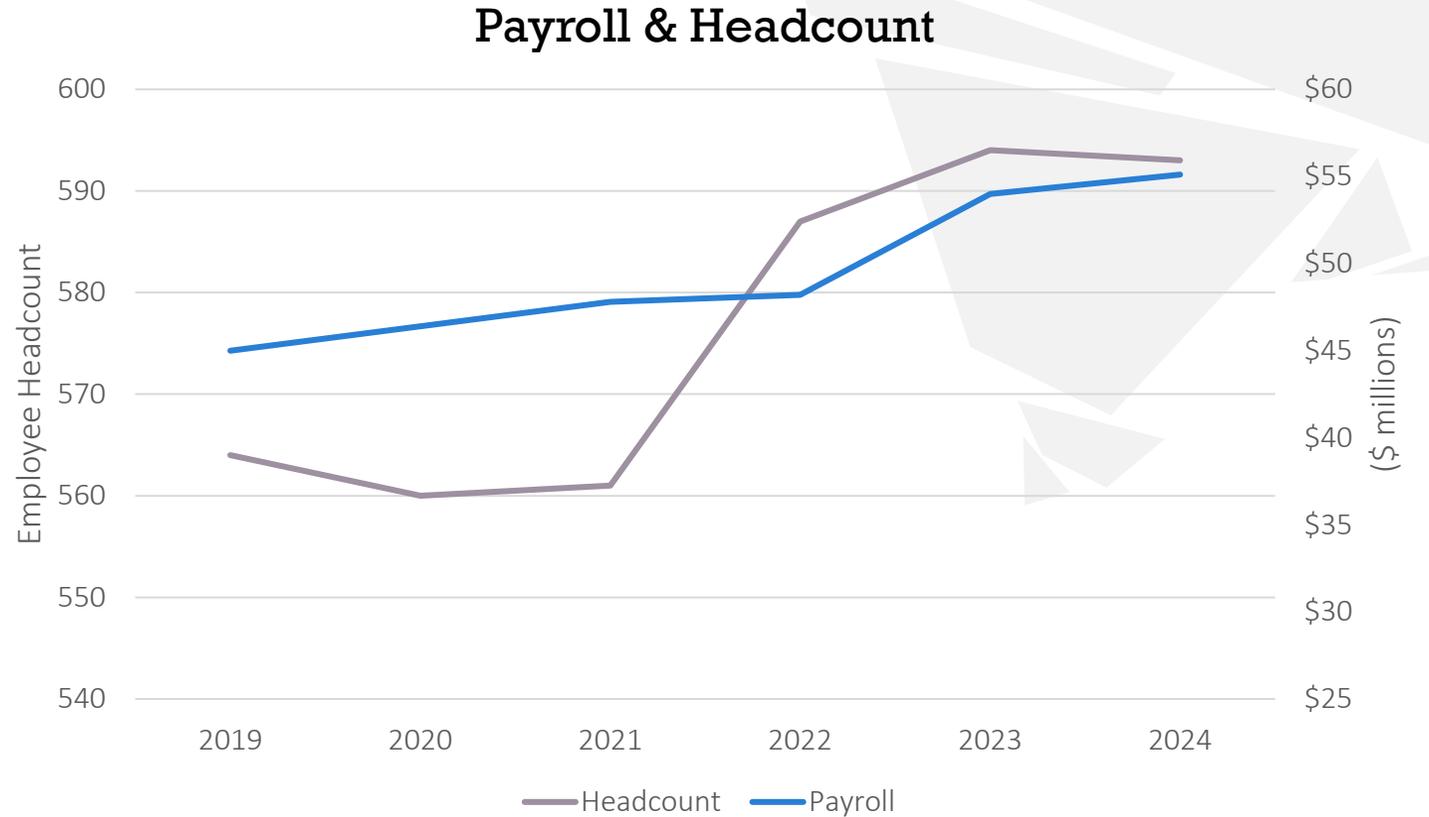


SCWA's active headcount in **2010** was **550**; active headcount has remained consistent for over **13 years**.

# Payroll

## Payroll & headcount

	Headcount	Payroll (exclude OT)
2024 budget	593	\$55.1M
2023 budget*	594	\$54.0M
2022	546	\$48.2M
2021	553	\$47.8M
2020	560	\$46.4M
2019	564	\$45.0M



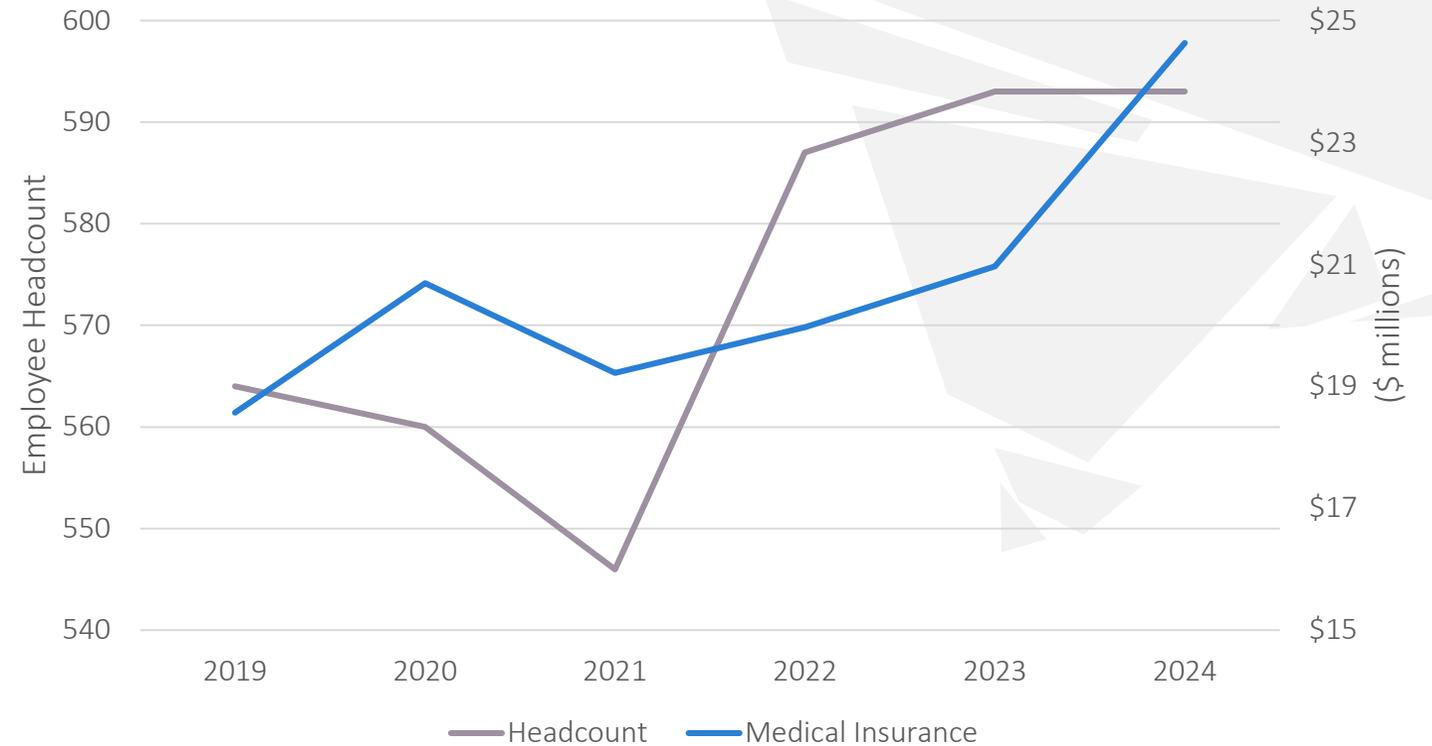
\* 2023 actual headcount figure as of January 3, 2023 is 551

# Medical Insurance

Medical insurance & headcount

	Headcount	Medical Insurance
2024 budget	593	\$24.6M
2023 budget*	594	\$20.9M
2022	546	\$19.2M
2021	553	\$19.2M
2020	560	\$20.7M
2019	564	\$19.20M

## Medical Insurance & Headcount

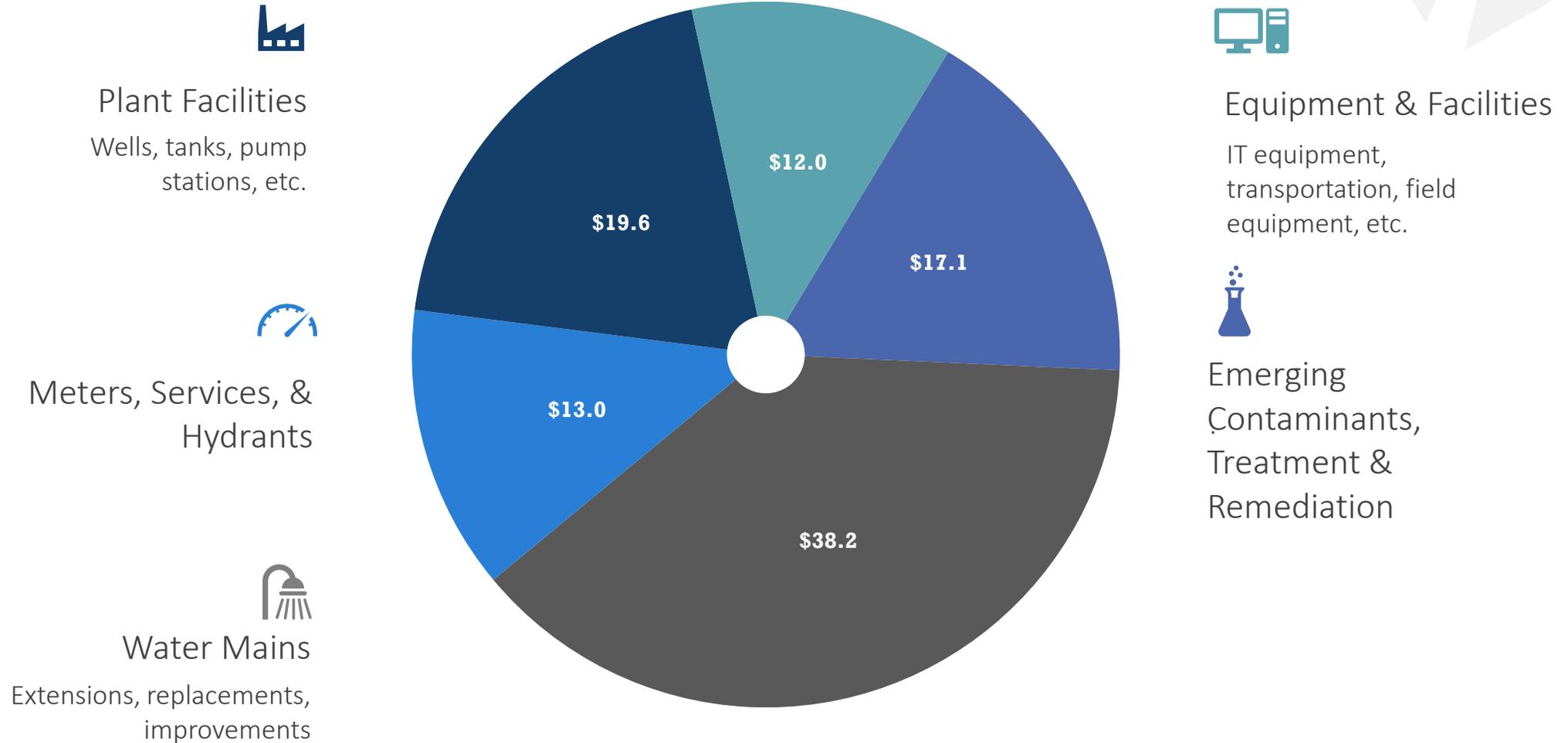


Approximately **25%** of SCWA employees contribute **15%** to their medical insurance benefits. In 2024, this is a projected cost savings of **\$0.6M**.

Medical insurance costs reflect both capital and O&M components.

\* 2023 actual headcount figure as of January 3, 2023 is 551

# 2024 Capital Budget



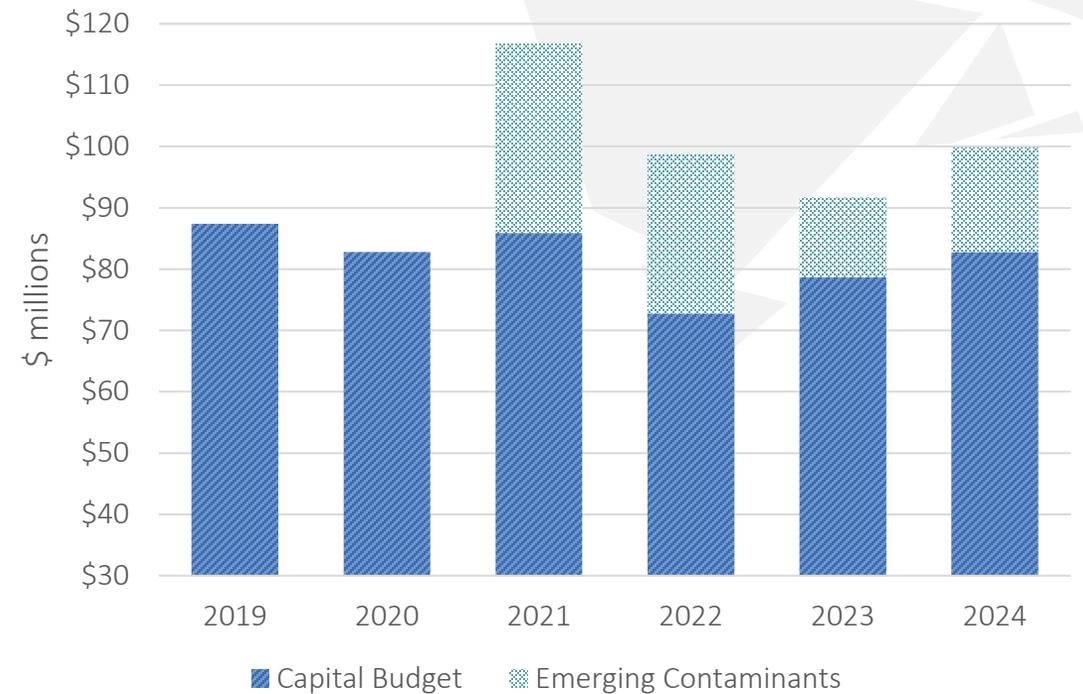
Budgeted figures in \$ millions

# Capital Budget Historical Comparison

Capital budgets by fiscal year

	Capital Budget	Emerging Contaminants	Total Capital Budget
2024	\$82.8M	\$17.1M	\$99.9M
2023	\$78.7M	\$13.0M	\$91.7M
2022	\$72.7M	\$26.0M	\$98.7M
2021	\$85.9M	\$30.9M	\$116.8M
2020	\$82.8M	-	\$82.8M
2019	\$87.4M	-	\$87.4M

## Capital Budgets by Fiscal Year (Amended)



# Organizational Initiatives



## General Services

BMS for all sites, East Hampton building renovation, CM building redesign & construction, security system upgrades



## Information Technology

Employee self-service portal, SAP upgrades, cyber security



## Construction Maintenance

Water main extensions for new customers, distribution system improvements



## Laboratory

GCMS for volatile organics compound analysis (EPA Method 524.2) & LCMSM (per-and polyfluoroalkyl testing)



## Customer Service

Large meter changeouts, continuation & expansion of AMR (cellular) pilot



## **Operating & Maintenance**

Payroll, benefits, energy, etc.



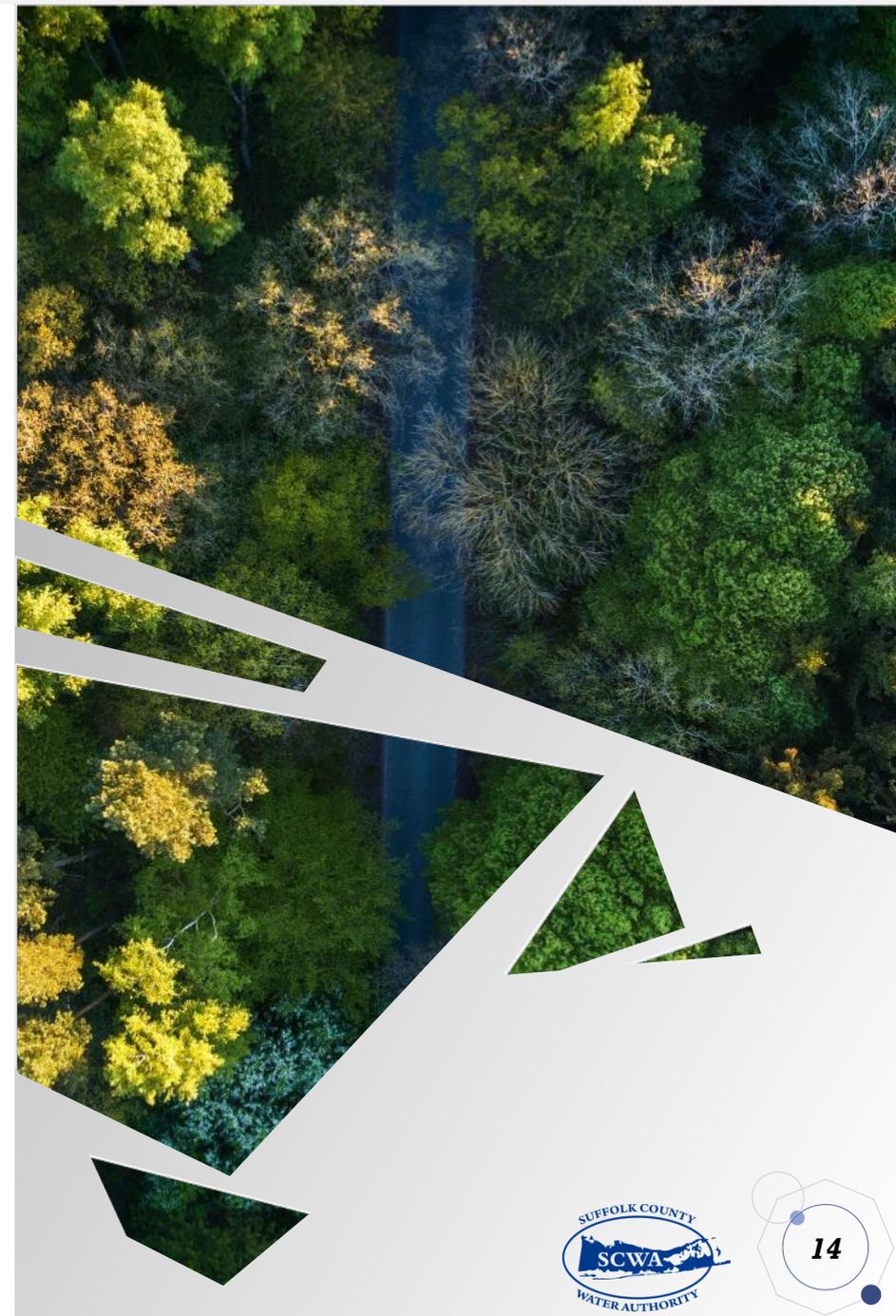
## **Capital Projects**

Water main installations, new wells, etc.



## **Emerging Contaminants**

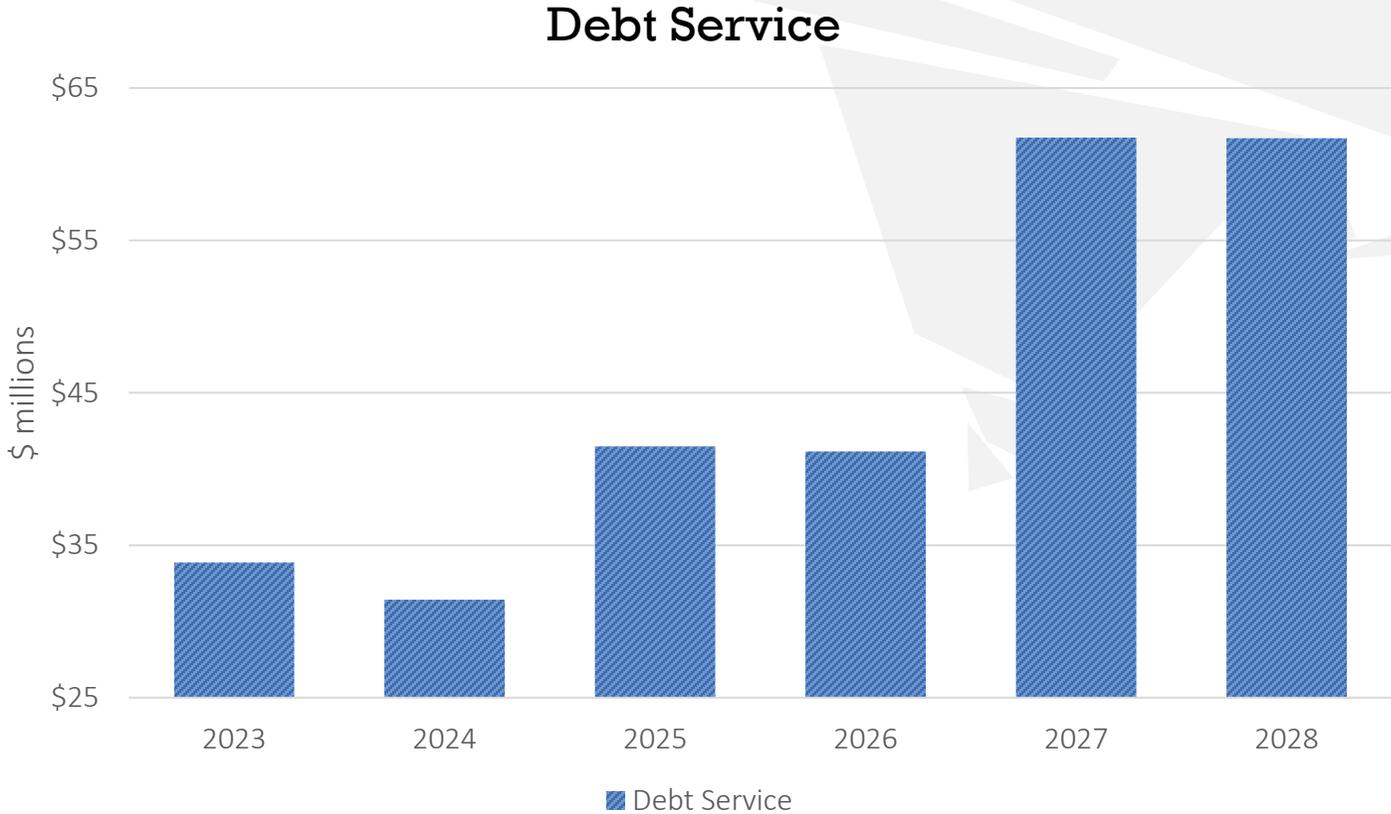
AOP and GAC systems to address 1,4 Dioxane, PFOA/PFOS



# Debt Service

Current levels of debt service by fiscal year, net of subsidies

	Debt Service
2023	\$33.9M
2024	\$31.4M
2025	\$41.5M
2026	\$41.2M
2027	\$61.7M
2028	\$61.7M

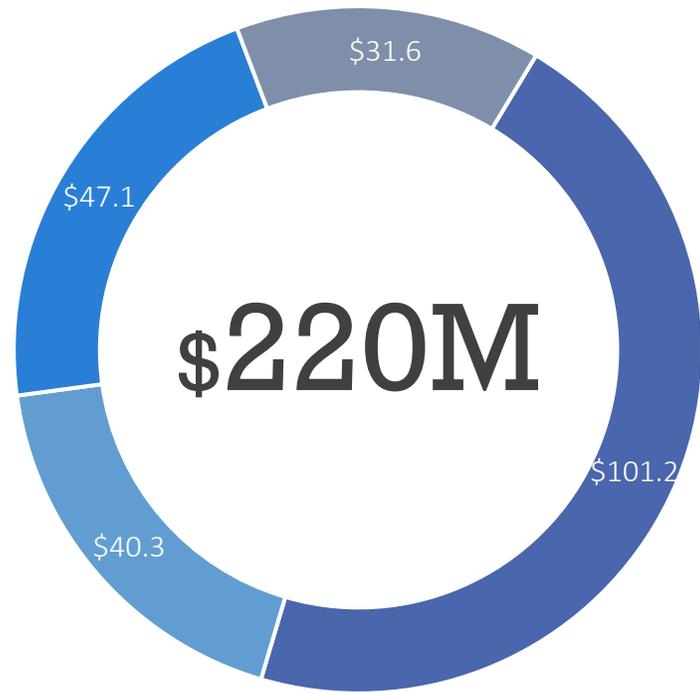


NOTE: FY23, FY24, FY25, & FY26 debt service figures are post-defeasance; all figures reflect cash requirement, not GAAP debt service



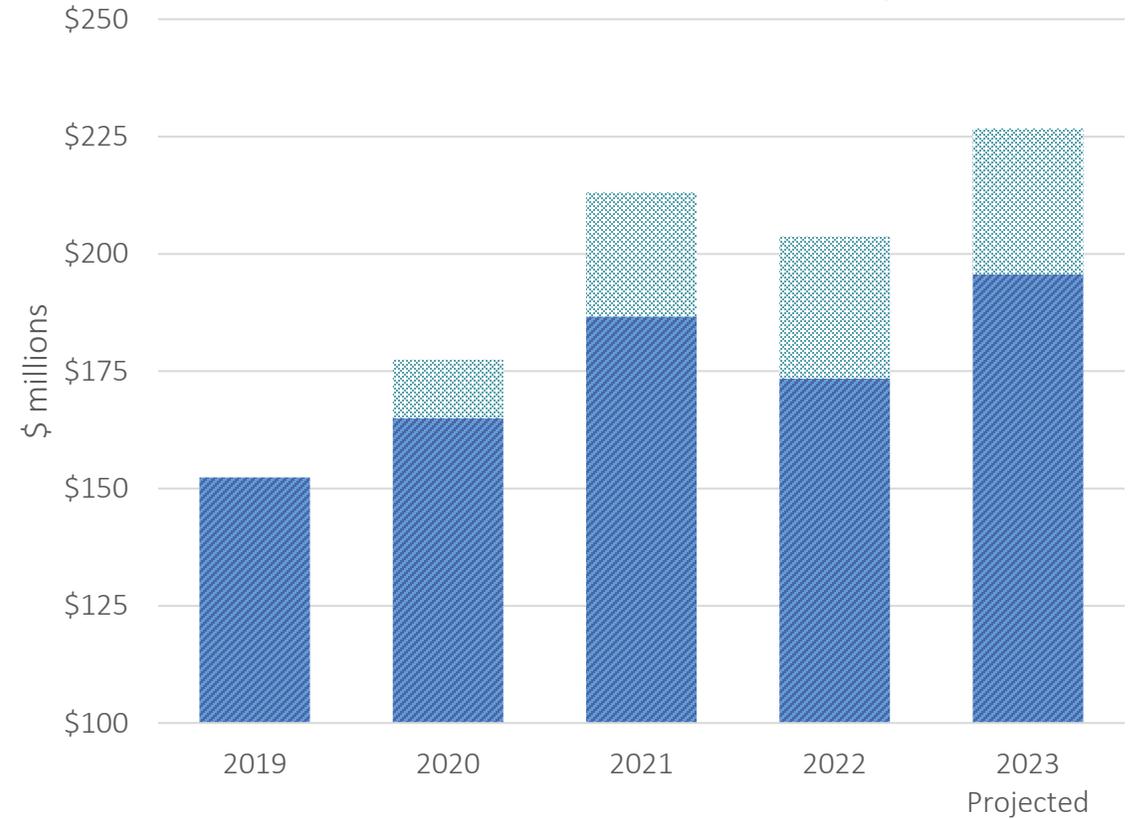
# Water Revenues

## 2024: No Rate Structure Modifications



■ Tier I ■ Tier II ■ Service Charge ■ WQ&T Charge

## Historical Water Revenues



■ Water Revenues ■ WQ&T Charge

# 2024 Water Revenue Targets



## \$229M

- Targeted revenues under a modified rate structure (4.90% rate increases, 4.17% blended)
- Revenues at this level support 92% of proposed capital budgets (post-defeasance)
- Capital budget cash reserve utilization requirement is effectively cut in half to \$7.9M
- Defeasance cash reserve utilization of \$26.0M
- Projected days cash on hand: 426



## \$220M

- Projected revenues under the current rate structure
- Revenues at this level support 82% of proposed capital budgets (post-defeasance)
- Cash reserve utilization of \$17.8M to supplement capital program (post-defeasance)
- Projected days cash on hand: 400 (post-defeasance)

# Thank You



**Chris Cecchetto, CFO** 👤  
christopher.cecchetto@scwa.com ✉

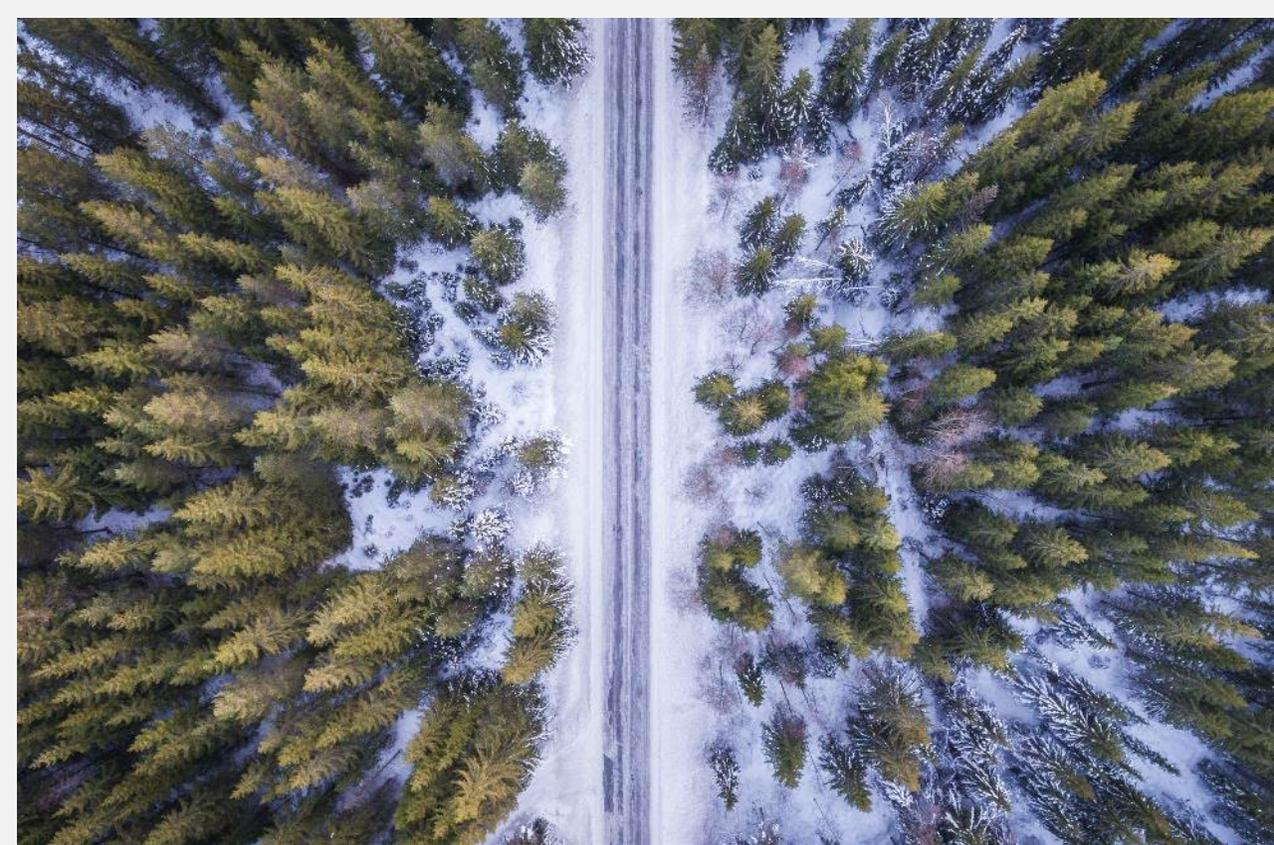


# Suffolk County Water Authority

2024 Rate Proposal

March 23, 2023

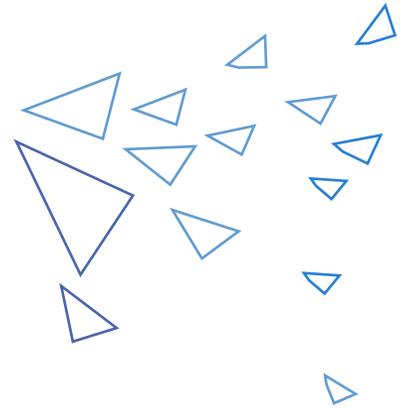




# Mission Statement

Suffolk County Water Authority

*It is our mission to provide our customers high quality water that is constantly tested at the lowest possible cost with exemplary customer service.*



# Strategic Directives



**2.0**

Debt service coverage ratio



**AAA**

Bond rating



**Break-even**

Adopt a financial strategy to achieve a “break-even”



**35%**

Target a reduced debt ratio

# Customer consideration



## **Lowest rates**

Achieve financial targets  
while maintaining the  
lowest possible rates

# Preliminary Implications



### **\$290M total spending**

Original budget submissions: capital, emerging contaminants, O&M, and debt service budgets



### **\$64.3M capital budget**

Without a rate increase or defeasance, capital budget must be reduced to achieve break-even



### **11.4% rate increase**

Single-year rate increase required to achieve break-even



### **Utilization of cash reserves**

\$21.5M projected cash reserve utilization without modifications to rates and budgets, including debt service

NOTE: all information noted above reflects pre-defeasance and pre-rate structure modification scenario

# Finance Action Plan

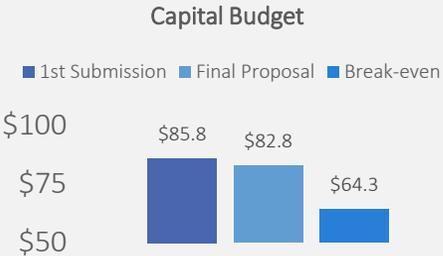
Step 1 – capital budget management

## Budget submissions

- Budget submissions of \$85.8M
- Requires reduction to \$64.3M under current rate structure for break-even

## Manage capital budget

- Discussions with departments to refine the capital budget
  - Continued focus on budget philosophy reflecting multi-year strategy, more indicative of actual cash flows
  - Efforts to prioritize and budget more precisely
- Budget proposals reduced by \$3.0M



# Finance Action Plan

## Step 2 - rate structure modifications

### Current rate structure

- After \$3.0M reduction to initial budget submissions, **9.80%** rate increase required to achieve break-even

### Proposed rate structure

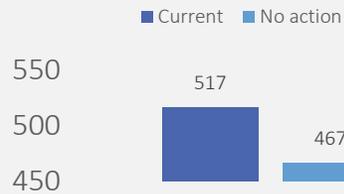
- Through a combination of budget management and cash reserves utilization, including defeasance opportunities, limit rate modifications to **4.90%** increases (4.17% blended)
  - Model various rate structures to meet financial targets
  - Consider impact to average customers and target modest rate increases

# Finance Action Plan

## Step 3 - cash reserves utilization, after budget reductions

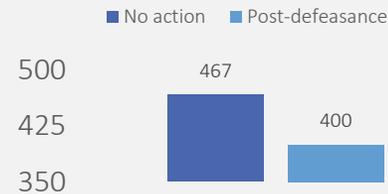
### Complete reliance on cash reserves

- Currently, **517** days cash on hand
- Days cash on hand sensitivity analysis: **467** days
  - **\$18.5M** cash reserves utilized to supplement capital program with **no rate increases** and **no defeasance**



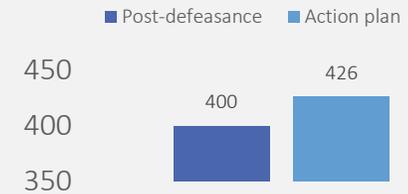
### Defeasance only

- Analyze cash levels to determine if reserves can be utilized to offer alternatives to bond offerings
  - Consider **\$26.0M** defeasance, reducing debt service requirements in FY24 by approximately \$1.2M
  - Long-term planning: reduces debt service requirements in FY25 and FY26 by \$16.6M and \$8.2M, respectively
- Days cash on hand sensitivity analysis: **400** days
  - **\$17.8M** cash reserves utilized to supplement capital program, **\$26.0M** defeasance, no rate increases



### Defeasance with rate increases

- Analyze cash levels to determine if reserves can be utilized to fund a component of the capital budget
  - Long-term project planning unrelated to water system infrastructure utilizing cash reserves (CM building)
  - Water quality infrastructure to be partially funded with cash reserves generated in previous years
- Days cash on hand sensitivity analysis: **426** days
  - **\$7.9M** cash reserves utilized to supplement capital program, **\$26.0M** defeasance, **with proposed rate increases**



# 2024 Water Revenue Targets



## \$229M

- Targeted revenues under a modified rate structure (4.90% rate increases, 4.17% blended)
- Revenues at this level support 92% of proposed capital budgets (post-defeasance)
- Capital budget cash reserve utilization requirement is effectively cut in half to \$7.9M
- Defeasance cash reserve utilization of \$26.0M
- Projected days cash on hand: 426



## \$220M

- Projected revenues under the current rate structure
- Revenues at this level support 82% of proposed capital budgets (post-defeasance)
- Cash reserve utilization of \$17.8M to supplement capital program (post-defeasance)
- Projected days cash on hand: 400 (post-defeasance)

# Benchmarking Scorecard (Projected)



### Break-even

\$7.9M of cash reserves utilized; cash level reduction within tolerance levels while maintaining low rates



### Debt service coverage ratio

Target of 2.0 surpassed; projected 3.93



### Improved debt ratio

Proposed \$26.0M defeasance reduces long-term debt balance, no borrowing transaction requirement



### Days cash on hand

Projected 426 days cash on hand

# Current Rate Structure



**\$30.57 / Quarter**

Service Charge



**\$1.661 / CCF**

Consumption Charge  
(\$2.220 / KGAL)



**\$2.398 / CCF**

Conservation Rate  
(\$3.202 / KGAL)



**\$20 / Quarter**

Water Quality &  
Treatment Charge



**Total Bill**

# Proposed Rate Structure



**\$32.07 / Quarter**

Service Charge



**\$1.742 / CCF**

Consumption Charge  
(\$2.329 / KGAL)



**\$2.516 / CCF**

Conservation Rate  
(\$3.359 / KGAL)



**\$20 / Quarter**

Water Quality &  
Treatment Charge



**Total Bill**

# Proposed Consumption Thresholds

Quarterly consumption thresholds (CCF and GAL)

	CCF	GAL
5/8"	120	89,760
3/4"	120	89,760
1"	120	89,760
1 1/2"	390	291,720
2"	390	291,720
3"	390	291,720
4"	2,400	1,795,200
6"	3,000	2,244,000
8"	3,000	2,244,000

Considering customer feedback regarding the current consumption thresholds, budget requests, and rate increase recommendations, no consumption threshold modifications are necessary

# Rate Proposal Summary



## Rate Increases

Effective overall rate increase of 4.17%



## Residential Consumption Thresholds

Unmodified



## Commercial Consumption Thresholds

Unmodified



# Average Customer Impacts

**4.17%**

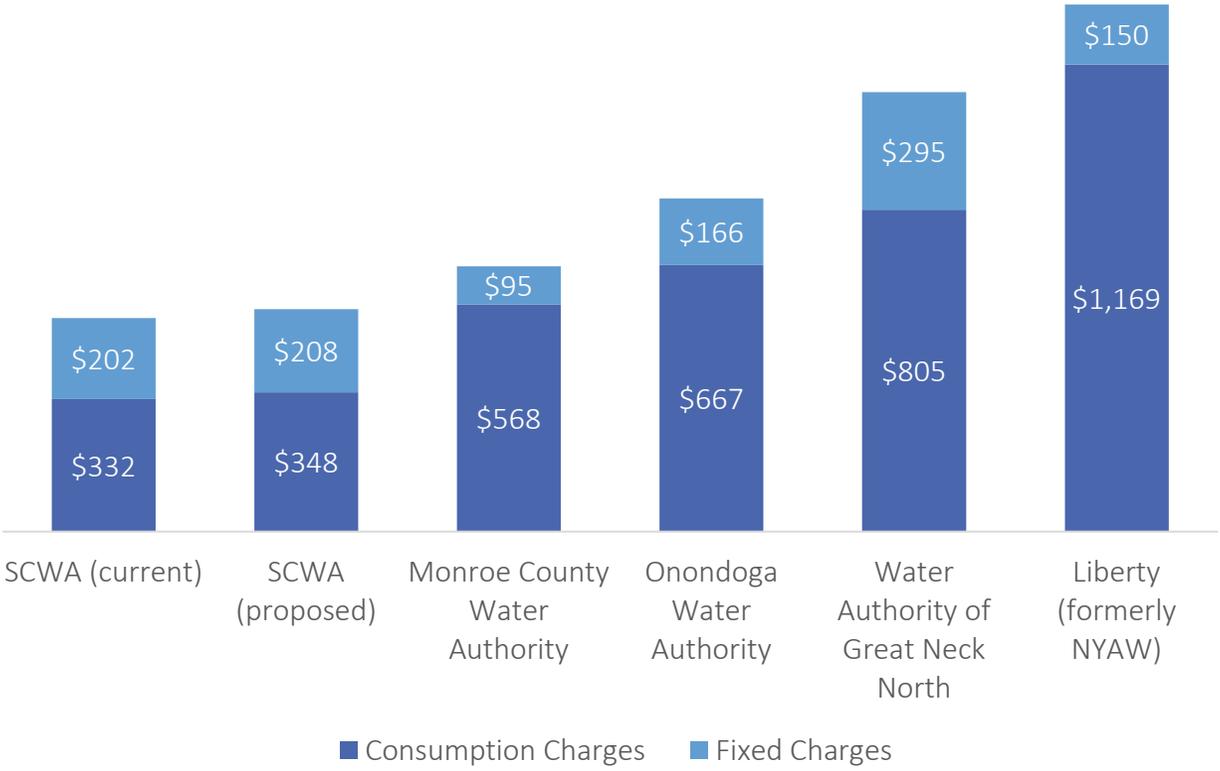
Overall effective increase

**\$22/year**

< \$6 per quarter, < \$2 per month

# Peer Benchmarking

Average Annual Bill



- SCWA fixed charges comprise a larger percentage of average bill total than our peers, a focal point for rating agencies as this reflects a fixed, predictable revenue stream
- Other providers have adopted SCWA’s fixed water treatment charge
- On average, SCWA customer bills are lowest compared to regional peers regardless of proposed rate increases

# 2024 Projected Performance

	Proposal (proposed rates, budgets, post-defeasance)	Current (current rates, budgets, post-defeasance)	\$ Change	%
Commodity Charge Revenue	106,137,000	101,180,000	4,957,000	4.90%
Conservation Rate Revenue	42,262,000	40,288,000	1,974,000	4.90%
Service Charge Revenue	49,382,000	47,075,000	2,307,000	4.90%
WQ&T Charge Revenue	31,600,000	31,600,000	-	-
<b>Total Water Revenues</b>	<b>\$229,381,000</b>	<b>\$220,143,000</b>	<b>9,238,000</b>	
Other Revenues	49,475,000	48,797,000	678,000	1.39%
<b>Total Revenues</b>	<b>\$278,856,000</b>	<b>\$268,940,000</b>	<b>\$9,916,000</b>	3.69%
Operating & Maintenance	(155,391,000)	(155,391,000)	-	-
<b>Net Revenues Before Debt Service</b>	<b>\$123,465,000</b>	<b>\$113,549,000</b>	<b>\$9,916,000</b>	8.73%
Debt Service (post-defeasance)	(31,433,000)	(31,433,000)		
<b>Debt Service Coverage Ratio</b>	<b>3.93</b>	<b>3.61</b>		
<b>Debt Service Coverage Ratio (excluding WQ&amp;T)</b>	<b>2.92</b>	<b>2.61</b>		
<b>Available for New Construction</b>	<b>\$92,032,000</b>	<b>\$82,116,000</b>	<b>\$9,916,000</b>	12.18%
Capital Improvements	(82,809,000)	(82,809,000)	-	-
Emerging Contaminants	(17,075,000)	(17,075,000)	-	-
<i>Bond or Retained Earnings Funded Capital Expenditures</i>	<b>(\$7,852,000)</b>	<b>(\$17,768,000)</b>	<b>\$9,916,000</b>	(55.81%)

# Thank You



**Chris Cecchetto, CFO** 👤  
christopher.cecchetto@scwa.com ✉

**SUFFOLK COUNTY WATER AUTHORITY**  
**Oakdale, Long Island, New York**

**I N T E R O F F I C E   C O R R E S P O N D E N C E**

DATE: March 9, 2023  
TO: Jeff Szabo, Chief Executive Officer  
FROM: Christopher Cecchetto, Chief Financial Officer   
SUBJECT: **BUDGETS – FISCAL YEAR ENDING MAY 31, 2024**

---

In accordance with the *2024 Budget Proposal* presentation, I respectfully submit the Suffolk County Water Authority budgets for the fiscal year ending May 31, 2024 for Board approval. In accordance with Public Authorities Law, these budgets must be approved by the Board and accessible to applicable agencies by March 31, 2023.

The following summarizes the proposed budgets for fiscal year ending, May 31, 2024:

**Operating & Maintenance Expenses: \$155.4M**  
**Capital Budget: \$99.9M**  
**Debt Service: \$31.4M**

I respectfully request this be placed on the agenda for the March 23, 2023 board meeting.

CC:ms

cc. S. Hannan

FIN-23-030

**SUFFOLK COUNTY WATER AUTHORITY  
Oakdale, Long Island, New York**

**INTEROFFICE CORRESPONDENCE**

DATE: March 1, 2023  
TO: Jeff Szabo, Chief Executive Officer  
FROM: Christopher Cecchetto, Chief Financial Officer   
SUBJECT: **Defeasance Recommendation**

---

In coordination with its financial advisor, Goldman Sachs, the Finance department of the Suffolk County Water Authority recommends to proceed with a defeasance of certain Suffolk County Water Authority outstanding Water System Revenue Bonds, not to exceed twenty-five million dollars (\$25,000,000) and authorize the execution and delivery of one or more escrow agreements.

If you are in agreement, please place the following items on the March 23, 2023 Board agenda.

c: S. Hannan

FIN-23-027

**SUPPLEMENTAL RESOLUTION**

No. \_\_\_ - \_\_\_-2023

**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE DEFEASANCE AND REDEMPTION, IF APPLICABLE, OF CERTAIN OF THE SUFFOLK COUNTY WATER AUTHORITY'S OUTSTANDING WATER SYSTEM REVENUE BONDS, AUTHORIZING THE CHAIRMAN, THE CHIEF EXECUTIVE OFFICER AND/OR THE CHIEF FINANCIAL OFFICER TO DETERMINE THE AGGREGATE PRINCIPAL AMOUNT OF BONDS TO BE DEFEASED AND REDEEMED, IF APPLICABLE, NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS \$25,000,000 AND THE IDENTITY OF SUCH BONDS TO BE DEFEASED AND REDEEMED, IF APPLICABLE AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS AND THE TAKING OF ANY AND ALL ACTION NECESSARY IN CONNECTION THEREWITH.**

WHEREAS, the Suffolk County Water Authority (the "Authority") adopted on September 27, 1988 a resolution authorizing and providing for the issuance of revenue bonds of the Authority for the purposes of the Water System of the Authority, as amended by resolutions adopted by the Authority on October 27, 1988, March 30, 1993 and November 29, 1994 (the "Bond Resolution"); and

WHEREAS, pursuant to the Bond Resolution and various supplemental resolutions adopted by the Authority from time to time (the "Prior Supplemental Resolutions"), the Authority has heretofore issued Bonds, certain of which Bonds are currently outstanding (the "Prior Bonds"); and

WHEREAS, the Authority has determined that it is financially sound and advantageous for the Authority to defease in advance of their maturities, an aggregate principal amount not to exceed twenty-five million dollars \$25,000,000 of Prior Bonds to their earliest call or their maturity date (the "Prior Bonds to be Defeased"); and

WHEREAS, the Authority has determined that it is financially sound and advantageous for the Authority, in connection with the defeasance of the Prior Bonds to be Defeased, to redeem the Prior Bonds to be Defeased on their earliest call date at their redemption price plus accrued interest.

WHEREAS, to effect these defeasances the Authority proposes to authorize the execution and delivery of, and the deposit of moneys under, one or more Escrow Agreement (as hereinafter defined) and to appoint The Bank of New York Mellon, New York, New York to act as Escrow Agent thereunder; and

NOW, THEREFORE, BE IT RESOLVED BY THE SUFFOLK COUNTY WATER AUTHORITY, as follows:

SECTION 1. Definitions. (A) Unless the context shall clearly indicate some other meaning, all words and terms used in this Supplemental Resolution which are defined in the Bond Resolution shall for all purposes of this Supplemental Resolution have the respective meanings given to them in the Bond Resolution.

(B) Unless or except as the context shall clearly indicate otherwise or may otherwise require in this Supplemental Resolution: (i) all references to a particular Article, section and/or subdivision of the Bond Resolution or this Supplemental Resolution, as the case may be, are to the corresponding Article, section or subdivision of the Bond Resolution only, or this Supplemental Resolution only, as the case may be; (ii) the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms refer to this Supplemental Resolution as a whole and not to any particular section or subdivision hereof; (iii) the terms “therein,” “thereunder,” “thereby,” “thereto,” “thereof,” and any similar terms, refer to the Bond Resolution and to the Bond Resolution as a whole and not to any particular Article, section or subdivision thereof; and (iv) the term “heretofore” means before the time of effectiveness of this Supplemental Resolution and the term “hereafter” means after the time of effectiveness of this Supplemental Resolution.

SECTION 2. Designation of Prior Bonds to be Defeased; Defeasance of Prior Bonds to be Defeased. The Chairman, the Chief Executive Officer and/or the Chief Financial Officer are hereby authorized to determine and designate the Prior Bonds to be Defeased. The Authority is hereby authorized to effect the defeasance, in whole or in part, of the Prior Bonds to be Defeased. The Chairman, Chief Executive Officer and/or the Chief Financial Officer are authorized to use surplus funds on deposit in the General Fund of the Authority as well as funds held in certain accounts established under the Bond Resolution and any applicable Supplemental Resolution in connection with the Prior Bonds to be Defeased to purchase the Investment Securities described in Section 13.1 of the General Resolution and to deposit said securities and cash, if any, with the Escrow Agent described below in trust for the benefit of the holders of the Prior Bonds to be Defeased; and the Chairman, Chief Executive Officer and/or the Chief Financial Officer are authorized to take any other actions necessary in connection with the defeasance of the Prior Bonds to be Defeased.

SECTION 3. Redemption of Prior Bonds to be Defeased. Pursuant to and in accordance with the provisions of the applicable prior Supplemental Resolutions adopted with respect to the issuance of the Prior Bonds to be Defeased, if applicable, the Chairman is hereby authorized and directed to call in, pay the redemption price of and accrued interest on and redeem the Prior Bonds to be Defeased on their earliest call date and to take any other actions necessary in connection therewith.

SECTION 4. Execution and Delivery of Escrow Agreement and Other Matters in Connection Therewith. (A) The Chairman, Secretary, Chief Executive Officer and/or the Chief Financial Officer of the Authority be and are hereby authorized to execute and deliver one or more escrow agreement(s) between the Authority and The Bank of New York Mellon, New York, New York as Escrow Agent thereunder (the “Escrow Agreement”) in such form and containing such terms and conditions as the Chairman, the Chief Executive Officer and/or the Chief Financial Officer deem necessary, advisable or desirable and which are approved by bond

counsel to the Authority as being necessary, advisable or desirable, for the purposes of effecting the defeasance and redemption of the Prior Bonds to be Defeased pursuant to the Escrow Agreement.

(B) The Chairman, the Chief Executive Officer and/or the Chief Financial Officer are also hereby authorized to take any and all actions necessary in connection with the defeasance of the Prior Bonds to be Defeased pursuant to the Escrow Agreement, including, the entering into a forward purchase agreement or forward purchase agreements, of such form, terms and conditions as the Chairman, Chief Executive Officer and/or Chief Financial Officer deem necessary, advisable or desirable and which are approved by bond counsel to the Authority as being necessary, advisable or desirable, for the purposes of effecting the defeasance of the Prior Bonds to be Defeased pursuant to the Escrow Agreement.

SECTION 5. Effect of Section Headings. The headings or titles to the several Sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Supplemental Resolution.

SECTION 6. Repeal of Inconsistent Resolutions. Any resolution (other than the Bond Resolution) of the Authority, or any portion thereof, in conflict or inconsistent with this Supplemental Resolution is hereby repealed to the extent of such conflict or inconsistency.

SECTION 7. Effective Date. This Supplemental Resolution shall take effect upon its adoption.

**SUFFOLK COUNTY WATER AUTHORITY  
Oakdale, Long Island, New York**

**I N T E R O F F I C E   C O R R E S P O N D E N C E**

DATE: March 9, 2023  
TO: Jeff Szabo, Chief Executive Officer  
FROM: Christopher Cecchetto, Chief Financial Officer   
SUBJECT: **Rate Recommendation**

---

Based upon analysis performed by the Finance department, it is recommended to amend the Authority's rates and fees in accordance with the attached schedule effective June 1, 2023.

These proposed rates will be published in Newsday on March 20, 2023.

If you are in agreement, please place the following items on the March 23, 2023 Board agenda.

cc. S. Hannan

FIN-23-029

NOTICE IS HEREBY GIVEN a Public Hearing will be held remotely at 1:30 p.m. on Thursday, March 23, 2023, to receive comment on the proposed rate increases for certain Suffolk County Water Authority service classifications as stated below. The Zoom Meeting link will be provided on Suffolk County Water Authority's website.

Please submit any questions to [info@scwa.com](mailto:info@scwa.com) by 12:00 PM EST on March 23, 2023.

		CURRENT June 1, 2022	PROPOSED June 1, 2023
<b>Minimum Service Charge</b>			
Service Classification 1 – Quarterly	General	30.57	32.07
Service Classification 1 – Monthly	General	10.19	10.69
Service Classification 1D – Annual	Fire Island	255.55	268.07
<b>Water Quality &amp; Treatment Charge</b>			
Service Classification 1 – Quarterly	General	20.00	20.00
Service Classification 1 – Monthly	General	6.67	6.67
Service Classification 1D – Quarterly	Fire Island	20.00	20.00
Service Classification 1D – Annual	Fire Island	80.00	80.00
<b>Commodity Charge <sup>1</sup></b>			
Service Classification 1 – Quarterly	General	1.661	1.742
Service Classification 1 – Monthly	General	1.661	1.742
Service Classification 1D – Annual	Fire Island	2.311	2.424
<b>Conservation Rate <sup>1 2</sup></b>			
Service Classification 1 – Quarterly	General	2.398	2.516
Service Classification 1 – Monthly	General	2.398	2.516
		CURRENT January 1, 2022	PROPOSED January 1, 2023
<b>Commodity Charge</b>			
Service Classification 1B – Special Service Water			
Districts wholesale rate per 1,000,000 gallons		1,695.00	1,778.00
Wholesale rate per 1,000 gallons		1.695	1.778

<sup>1</sup> Rates noted are per CCF (centum cubic feet); for estimated rates per 1,000 gallons, please visit SCWA.com after rate approval

<sup>2</sup> Consumption in excess of the following thresholds for the respective meter sizes will be billed at the Conservation Rate:

Meter Size	Quarterly Consumption (CURRENT: June 1, 2022)		Quarterly Consumption (PROPOSED, June 1, 2023)	
	Gallons	CCF	Gallons	CCF
5/8"	89,760	120	89,760	120
3/4"	89,760	120	89,760	120
1"	89,760	120	89,760	120
1 1/2"	291,720	390	291,720	390
2"	291,720	390	291,720	390
3"	291,720	390	291,720	390
4"	1,795,200	2,400	1,795,200	2,400
6"	2,244,000	3,000	2,244,000	3,000
8"	2,244,000	3,000	2,244,000	3,000

Tapping fee increases, effective June 1, 2023, are as follows:

Service Size	Current Fee	Proposed Fee	% Increase
1"	\$4,000 (includes vault)	\$4,100 (includes vault)	2.50%
1 1/2"	\$5,300	\$5,300	0.00%
2"	\$7,900	\$7,900	0.00%
4"	\$16,000	\$16,000	0.00%
6"	\$16,200	\$16,500	1.85%
8"	\$17,000	\$17,500	2.94%
10"	\$18,000	\$18,000	0.00%
12"	\$18,900	\$18,900	0.00%

Meter vault fee increases, effective June 1, 2023, are as follows:

Meter Vault	Current	Proposed	% Increase
1"	\$1,050	\$1,050	0.00%
1 1/2" (without labor)	\$1,000	\$1,000	0.00%
1 1/2" (with labor)	\$2,040	\$2,040	0.00%
2" (without labor)	\$1,920	\$2,050	6.77%
2" (with labor)	\$2,970	\$2,970	0.00%

Standard cost increases, effective June 1, 2023, are as follows:

<u>Current</u>	<u>Proposed</u>	<u>% Increase</u>
\$216	\$244	12.96%

Hydrant fee increases, effective June 1, 2023, are as follows:

<b>Hydrant Rate Category <sup>3</sup></b>	<b>Current (semi-annual)</b>	<b>Proposed (semi-annual)</b>	<b>% Increase</b>
SCWA Public Hydrant Public Main No Flow Test	\$80.10	\$82.50	3.00%
SCWA Private Hydrant Private Main No Flow Test	\$117.624	\$121.153	3.00%
SCWA Private Hydrant Public Main No Flow Test	\$117.624	\$121.153	3.00%
SCWA Private Hydrant Private Main With Flow Test	\$142.624	\$146.903	3.00%
SCWA Private Hydrant Public Main With Flow Test	\$142.624	\$146.903	3.00%

Fireline rate increases, effective June 1, 2023, are as follows:

<b>Fireline Rate Category <sup>3</sup></b>	<b>Current (quarterly)</b>	<b>Proposed (quarterly)</b>	<b>% Increase</b>
2" General Fireline	\$42.68	\$43.96	3.00%
3" General Fireline	\$42.68	\$43.96	3.00%
4" General Fireline	\$61.57	\$63.42	3.00%
6" General Fireline	\$127.87	\$131.71	3.00%
8" General Fireline	\$255.97	\$263.65	3.00%
10" General Fireline	\$364.78	\$375.72	3.00%
12" General Fireline	\$525.97	\$541.75	3.00%
16" General Fireline	\$1,120.86	\$1,154.49	3.00%

Flow Test rate increases, effective June 1, 2023, are as follows:

<b>Flow Test Rate Category <sup>3</sup></b>	<b>Current (semi-annual)</b>	<b>Proposed (semi-annual)</b>	<b>% Increase</b>
Flow Test Only	\$25.00	\$25.75	3.00%

<sup>3</sup> Hydrant, Fireline, and Flow Test rates will be increased 3.00%, effective June 1 of every year until otherwise directed by the SCWA Board.

**SUFFOLK COUNTY WATER AUTHORITY  
Oakdale, Long Island, New York**

**INTEROFFICE CORRESPONDENCE**

DATE: March 2, 2023  
 TO: Jeff Szabo, Chief Executive Officer  
 FROM: Christopher Cecchetto, Chief Financial Officer   
 SUBJECT: Hydrant, Fireline, and Flow Test Rates

Hydrant, fireline, and flow test rates have historically remained consistent at the Suffolk County Water Authority. To ensure that all costs associated with these services are recovered, the Finance department is recommending that a 3.0% rate increase be made effective June 1, 2023.

Additionally, it is recommended that a 3.0% rate increase be automatically applied to all hydrant, fireline, and flow test rates effective June 1 of every year until otherwise directed by the Board.

Current and proposed rates are as follows:

Hydrant Rate Category	Current (semi-annual)	Proposed (semi-annual)	% Increase
SCWA Public Hydrant Public Main No Flow Test	\$80.10	\$82.50	3.00%
SCWA Private Hydrant Private Main No Flow Test	\$117.624	\$121.153	3.00%
SCWA Private Hydrant Public Main No Flow Test	\$117.624	\$121.153	3.00%
SCWA Private Hydrant Private Main With Flow Test	\$142.624	\$146.903	3.00%
SCWA Private Hydrant Public Main With Flow Test	\$142.624	\$146.903	3.00%

Fireline Rate Category	Current (quarterly)	Proposed (quarterly)	% Increase
2" General Fireline	\$42.68	\$43.96	3.00%
3" General Fireline	\$42.68	\$43.96	3.00%
4" General Fireline	\$61.57	\$63.42	3.00%
6" General Fireline	\$127.87	\$131.71	3.00%
8" General Fireline	\$255.97	\$263.65	3.00%
10" General Fireline	\$364.78	\$375.72	3.00%
12" General Fireline	\$525.97	\$541.75	3.00%
16" General Fireline	\$1,120.86	\$1,154.49	3.00%

Flow Test Rate Category	Current (semi-annual)	Proposed (semi-annual)	% Increase
Flow Test Only	\$25.00	\$25.75	3.00%

If you are in agreement, please add this to the agenda for the March 2023 Board meeting.

c: J.Pokorny, J. Tinsley, B. Warner, C. Given, L. Cetta

**SUFFOLK COUNTY WATER AUTHORITY  
Oakdale, Long Island, New York**

**INTEROFFICE CORRESPONDENCE**

DATE: March 1, 2023  
TO: Jeff Szabo, Chief Executive Officer  
FROM: Christopher Cecchetto, Chief Financial Officer   
SUBJECT: **Tapping Fees**

---

An internal analysis was prepared to assess the appropriateness of tapping fees. This analysis considered current labor costs, materials, overhead, and restoration.

The Finance department recommends that the fee structure be modified as follows, effective June 1, 2023:

<b>Service Size</b>	<b>Current Fee</b>	<b>Proposed Fee</b>	<b>% Increase</b>
1"	\$4,000 (includes vault)	\$4,100 (includes vault)	2.50%
1 ½"	\$5,300	\$5,300	0.00%
2"	\$7,900	\$7,900	0.00%
4"	\$16,000	\$16,000	0.00%
6"	\$16,200	\$16,500	1.85%
8"	\$17,000	\$17,500	2.94%
10"	\$18,000	\$18,000	0.00%
12"	\$18,900	\$18,900	0.00%

Customers have the ability to finance 50% of a tapping fee over a period of 2, 5, 10, 15, 20, or 25 years, depending on if a surcharge is incorporated.

If you are in agreement, please add this to the agenda for the March 2023 Board meeting.

c: J.Pokorny, J. Tinsley, B. Warner, C. Given, L. Cetta

**SUFFOLK COUNTY WATER AUTHORITY  
Oakdale, Long Island, New York**

**INTEROFFICE CORRESPONDENCE**

DATE: March 1, 2023  
TO: Jeff Szabo, Chief Executive Officer  
FROM: Christopher Cecchetto, Chief Financial Officer *cc*  
SUBJECT: **Meter Vault Fees**

---

An internal analysis was prepared to assess the appropriateness of meter vault fees. This analysis considered current labor costs, materials, and overhead.

The Finance Department recommends that the fee structure for 1", 1 ½", and 2" meter vaults be modified as follows, effective June 1, 2023:

<b>Meter Vault</b>	<b>Current</b>	<b>Proposed</b>	<b>% Increase</b>
1"	\$1,050	\$1,050	0.00%
1 ½" (without labor)	\$1,000	\$1,000	0.00%
1 ½" (with labor)	\$2,040	\$2,040	0.00%
2" (without labor)	\$1,920	\$2,050	6.77%
2" (with labor)	\$2,970	\$2,970	0.00%

If you are in agreement, please add this to the agenda for the March 2023 Board meeting.

c: J.Pokorny, J. Tinsley, B. Warner, C. Given, L. Cetta

FIN-23-021

**SUFFOLK COUNTY WATER AUTHORITY**  
**Construction Maintenance - Oakdale, New York**

**INTER-OFFICE CORRESPONDENCE**

**DATE:** March 1, 2023

**TO:** Jeffrey W. Szabo, CEO

**FROM:** Brendan J. Warner, P.E. , Director, Construction-Maintenance *B. Warner*

**SUBJECT:** Standard Cost Per Foot Increase for FY24

---

As you are aware, in March 2022, the standard cost per foot for new water main extensions was set for Fiscal Year 2023. With new Pipeline and Paving contracts in place since February 2023, it is appropriate to determine the new standard cost per foot for new water main extensions. Analysis of our recent water main extension projects (Capital Budget Item #005) has determined that the current estimated cost per foot is \$244.03/Foot. As such we are recommending that the new standard cost be set at \$244/foot for the Fiscal Year 2024. This represents a 13% increase over our current standard cost and is in line with the average contract prices we have seen in the last year. This standard cost is evaluated on a yearly basis to reflect the current cost of construction most accurately. If you agree, please present to the Board for their approval at their March 2023 meeting.

Approved by:

  
\_\_\_\_\_  
Joseph M. Pokorny, P.E.  
Deputy CEO for Operations

*3/3/23*  
\_\_\_\_\_  
Date

Cc: D. Reynolds  
C. Cecchetto