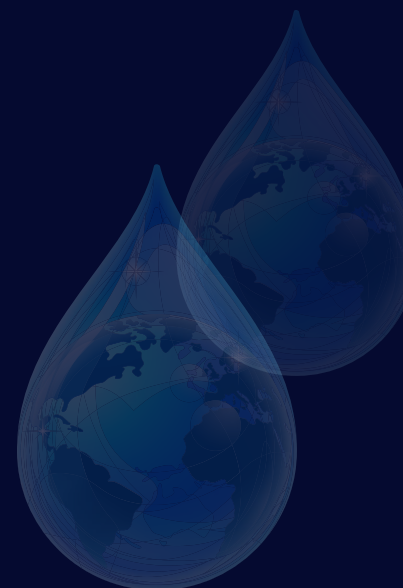




2023 ANNUAL REPORT

WATER YOU CAN TRUST, SERVICE YOU CAN RELY ON



4060 SUNRISE HIGHWAY
OAKDALE, NEW YORK 11769
SCWA.COM

Chairman Charles A. Lefkowitz
Board Member Timothy H. Bishop
Board Member Jacqueline A. Gordon
Board Member Elizabeth Mercado
Board Member John M. Porchia III



MESSAGE TO OUR STAKEHOLDERS



CHARLES A. LEFKOWITZ
CHAIRMAN

TO OUR STAKEHOLDERS:

The Suffolk County Water Authority is happy to report a successful 2023, where we continued to add to our reputation as a national leader in drinking water. Following a historic drought last summer, we worked to develop a new comprehensive multi-phase conservation plan that will allow us to meet the challenge of drier and hotter summers. That plan was adopted early in 2023 and was put to the test when we faced yet another major summer drought this year.

Our new conservation plan was developed with an eye on reducing peak demand that is largely driven by lawn watering. By providing incentives for our customers and implementing new restrictions, we are bringing down the demand curve to ensure that we can adequately supply our customers with the high-quality water they expect from us. While there is still a lot of work to be done, it is clear that our customers are responding and adopting water saving practices.

SCWA's commitment to conservation is a promise to future generations. We will preserve the aquifer that supplies 1.2 million Suffolk residents with their drinking water and be careful stewards of the most precious resource we have.

OPERATING AND FINANCIAL SUMMARY

	Year End May 31,		
Dollars in Thousands	2023	2022	2021
TOTAL REVENUES	\$300,426	\$251,247	\$260,047
OPERATING AND MAINTENANCE EXPENSES	\$139,133	\$119,984	\$135,618
WATER PLANT AT COST	\$1,259,971	\$1,223,641	\$1,203,123
BONDED INDEBTEDNESS	\$919,997	\$934,821	\$988,700
INTEREST ON BOND AND NOTES	\$29,643	\$30,750	\$31,506
CHANGE IN NET POSITION	\$71,298	\$40,781	\$36,873
CUSTOMERS IN ACTIVE SERVICE	403,042	401,656	400,191
MILES OF WATER MAIN IN SERVICE	6,060	6,045	6,030
FIRE HYDRANTS IN SERVICE	36,221	36,121	38,313
WATER PUMPED (IN BILLIONS OF GALLONS)	74.5	68.3	75.2
EMPLOYEES	543	551	565

\$300M
TOTAL REVENUES FOR 2023

403,042
CUSTOMERS IN ACTIVE SERVICE FOR 2023



PROMOTING CONSERVATION



FROM LEFT: CHAIRMAN CHARLES LEFKOWITZ, JOE POKORNY, BOARD MEMBER JACQUELINE GORDON, JEFFREY SZABO, MICHAEL O'CONNELL, DONNA MANCUSO

The situation was this: During the majority of summer 2022, Suffolk County experienced severe drought conditions, prompting the declaration of a Stage 1 Water Emergency in August. All residents were strongly urged to cease non-essential water usage and to refrain from watering lawns between 12 a.m. and 7 a.m.

A conservation working group was formed by our CEO including staff from the Construction Maintenance, Production Control, Engineering, Finance, Legal, Communications and Strategic Initiatives departments. The result was a new comprehensive conservation plan that will protect our aquifer for future generations.

SCWA picked the best proven conservation methods used by other drinking water suppliers, as well as initiatives developed by our own staff.

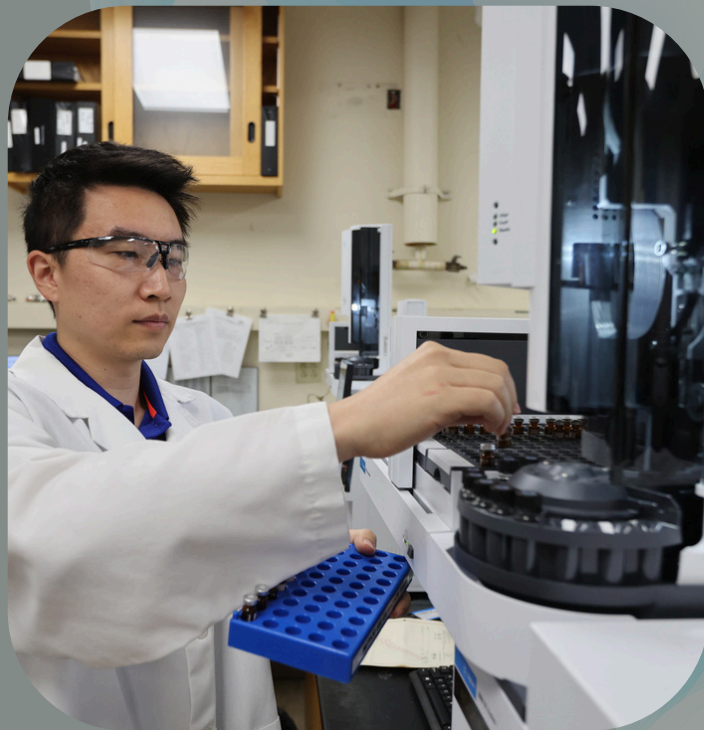
We focused on enhancing outreach efforts and revitalizing the WaterWise credit program, resulting in notable improvements. The program enables customers to purchase water-saving devices and receive rebates as a credit on their bill. In fiscal year 2023, we shattered our previous WaterWise credit record, achieving an impressive 71.6% increase, with a total of 1522 credits awarded.

WATERWISE CREDIT TOTALS

	Year End May 31,			
	2023	2022	2021	2020
WaterWise Credits	1522	536	887	142
	Year End May 31,			
	2019	2018	2017	2016
WaterWise Credits	22	31	42	7

PROVIDING THE HIGHEST QUALITY DRINKING WATER

In 2023, we conducted tests for approximately 403 chemical constituents, 253 more than we are legally required, showcasing our remarkable dedication to upholding water quality standards. This achievement, while significant, represents just a fraction of our overall commitment. Our own internal standards for water quality are more stringent than state and federal regulations. We test the quality of your drinking water around the clock and far more frequently than required. Furthermore, we continuously invest in cutting-edge technology to further enhance our state-of-the-art water quality testing laboratory, which stands as one of the nation's premier facilities.



The Suffolk County Water Authority Laboratory is currently participating in the Environmental Protection Agency's Unregulated Contaminant Monitoring Rule 5. The purpose of the rule is to analyze for 29 PFAS compounds and lithium and provide the EPA and other interested parties with scientifically valid data on the national occurrence of these contaminants in drinking water.

Our commitment to safety will continue into 2024. With the expansion of our laboratory in 2023, SCWA is prepared for the future.

EXPANDING OUR INFRASTRUCTURE TO SERVE MORE

In 2023, we prioritized extending water mains, boosting capacity to ease infrastructure stress, and implementing advanced water quality treatment systems.

During this time, SCWA broke ceremonial ground on the North Fork Halpin Transmission Line a 44,000-foot transmission water main project which will connect existing water main in the Central Pine Barrens region in the Town of Southampton to existing water main in the Town of Southold. This will ensure an adequate water supply which will meet the current demand of Southold residents.

A major milestone has been reached in the fight to bring clean water to communities that need it. SCWA officially broke ground on a project to bring public drinking water to homes in Manorville. The project will extend nearly four miles of new water main and could connect 116 homes when it is completed.

Also, we kept on track this year with constructing eight advanced oxidation process systems (AOP) to remove 1-4 dioxane. Our in-house engineering staff diligently worked to meet deadlines while ensuring full compliance with state regulations.



As we look back on a year filled with remarkable achievements and progress, we remain committed to our vision of infrastructure that meets the needs of our community today and lays a solid foundation for the challenges of tomorrow.

CONTINUING OUR COMMITMENT: DIVERSE, EQUITABLE, & INCLUSIVE WORKPLACE

In 2023, SCWA made remarkable strides in fostering Diversity, Equity, Inclusion, Belonging, and Justice (DEIBJ) initiatives, reflecting our commitment to creating a more inclusive and equitable workplace and community. Together with our consultant, we embarked on a comprehensive review of all company policies, ensuring they aligned with the highest standards of fairness and inclusivity. These policies were approved by the SCWA board 2023.

We proudly recognized World Day for Cultural Diversity throughout the Authority in 2023. These events served as a platform to celebrate various backgrounds, traditions and customs. By acknowledging and appreciating each other's uniqueness, we strengthen the bonds that unite us as a community.

During 2023, the Values and Culture Committee (VCC) was formed to establish the core principles of the Authority and was tasked with current and future assessment, development, maintenance, and promotion of the values and culture of the Authority.

Furthermore, in our dedication to inclusivity, employees from all levels of the organization participated in drafting our ambitious 2030 plan. By incorporating diverse perspectives and insights, we aim to shape a future that caters to the needs and aspirations of every employee.



ENSURING SAFE WATER THROUGH GRANTS

Drinking water is fundamental to a good quality of life. Yet for some who still get their water from private wells, that peace of mind becomes out of reach when they are impacted by contamination. In 2023, SCWA continued to seek new grant funds so we could connect contaminated wells. Through Congress and the Bipartisan Infrastructure Law, \$6.85 million was awarded to connect 98 homes in Calverton. New York State is providing \$1.4 million to connect 64 homes in Westhampton. SCWA reached an agreement with the Town of Riverhead to connect 64 homes in Manorville, fully funded by federal, state and county grants.

LOOKING TOWARDS THE FUTURE

SCWA is always striving to be a leader in the drinking water industry. In February, we adopted a new business plan, Strategic Plan 2030, that will allow us to remain at the cutting edge.

The plan was created after a year of work. More than 80 employees participated in its creation, both union and management, from all levels of the organization. It was truly a collaborative effort and sets the standard for employee driven strategic planning.

SCWA is already hard at work, implementing new strategies and working to meet our goals so we fulfill the priorities that make Strategic Plan 2030.



ONE OF THE LARGEST GROUNDWATER SUPPLIERS IN THE COUNTRY

MISSION

Our mission is to provide the customers of the Suffolk County Water Authority the highest quality water at the lowest possible cost with excellent customer service.

ABOUT US

The Suffolk County Water Authority is an independent public-benefit corporation operating under the authority of the Public Authorities Law of the State of New York. Serving approximately 1.2 million Suffolk County residents, the Authority operates without taxing power on a not-for-profit basis.

6,085 MILES OF WATER MAIN IN THE GROUND

403 CHEMICAL CONSTITUENTS TESTED

91,251 SAMPLES ANALYZED

CORPORATE INFORMATION



FROM LEFT: MICHAEL LITKA, BOARD MEMBER JOHN PORCHIA III, CHRISTOPHER CECCHETTO, JEFFREY SZABO, CHAIRMAN CHARLES LEFKOWITZ, BOARD MEMBER TIMOTHY BISHOP, DONNA MANCUSO, BOARD MEMBER ELIZABETH MERCADO, JOSEPH POKORNY, BOARD MEMBER JACQUELINE GORDON, AND JANICE TINSLEY

SENIOR MANAGEMENT

Jeffrey W. Szabo <i>Chief Executive Officer</i>	Christopher Cecchetto <i>Chief Financial Officer</i>	Timothy J. Kilcommons, P.E. <i>Chief Engineer & Director of Research & Development/</i>
Joseph M. Pokorny, P.E. <i>Deputy Chief Executive Officer for Operations</i>	Michael A. Litka <i>Chief Technology Officer</i>	Tyrand Fuller <i>Director of Strategic Initiatives/ Lead Hydrogeologist</i>
Janice E. Tinsley <i>Deputy Chief Executive Officer for Customer Service & Chief Diversity & Equity Officer</i>	Thomas Schneider <i>Director of Water Quality and Laboratory Services</i>	Steven Galante <i>Director of Information Technology</i>
Donna M. Mancuso <i>Deputy Chief Executive Officer for Administration</i>	Michael O'Connell <i>Director of Production Control</i>	Jeffrey Kleinman <i>Director of General Services</i>
Timothy H. Hopkins <i>Chief Legal Officer</i>	Brendan Warner <i>Director of Construction/ Maintenance</i>	Daniel Dubois <i>Director of External Affairs</i>

CONSULTANTS

Bank of New York <i>Bond Trustee</i>	Goldman, Sachs & Co. <i>Financial Consultant</i>	Harris Beach PLLC <i>Bond Counsel</i>	Bond, Schoeneck & King <i>Labor Counsel</i>
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