



2020

ANNUAL REPORT



Our primary mission is to provide drinking water that meets or surpasses some of the toughest regulations in the country.

4060 SUNRISE HIGHWAY OAKDALE, NY 11769 631-589-5200 SCWA.COM

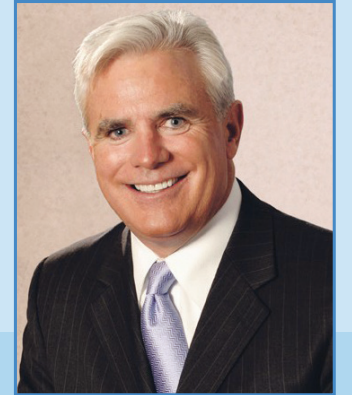


RESILIENCE



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, SCWA, which began operations in 1951, operates without taxing power on a not-for-profit basis. SCWA is one of the largest groundwater suppliers in the country.

TO OUR FELLOW STAKEHOLDERS



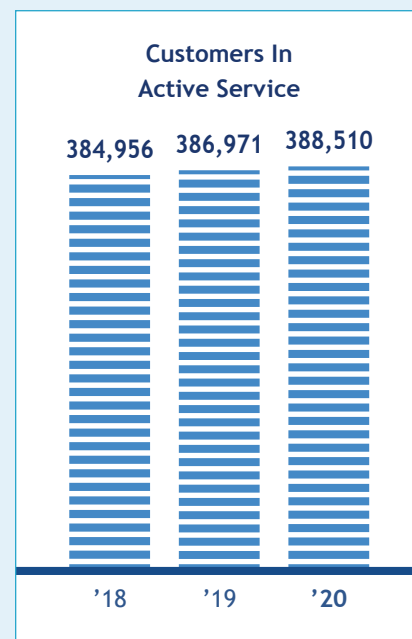
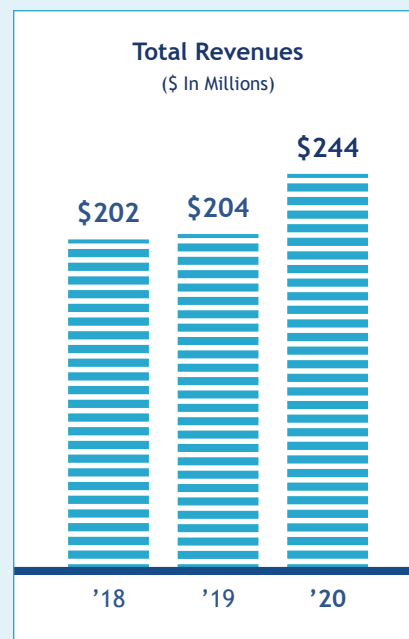
Patrick G. Halpin
Chairman

YOU DON'T NEED ME TO TELL YOU WHAT WE ALL LIVED THROUGH LAST YEAR—THE COVID-19 PANDEMIC TURNED ALL OF OUR LIVES UPSIDE DOWN HERE IN SUFFOLK COUNTY, AROUND THE COUNTRY AND AROUND THE WORLD.

But if you're reading this, we share an interest in the Suffolk County Water Authority and everything we do to make sure 1.2 million Suffolk County residents always have drinking water that meets or surpasses all drinking water regulations. So I wanted to provide you with a look at how we survived—and thrived—all throughout the pandemic, a time like no other in SCWA's long history of service.

Most importantly: all during the course of the pandemic, the skilled professionals that make up the SCWA workforce made sure that our customers had an uninterrupted drinking water supply at all times. I thought you might be interested to know how we accomplished this.

“*To make sure all employees always had the most up-to-date information, we communicated the latest health guidelines and other vital information to them constantly.*”



Operating and Financial Summary

YEAR ENDED MAY 31,			
Dollars in thousands	2020	2019	2018
Total Revenues	\$ 243,538	\$ 203,799	\$ 201,693
Operating and Maintenance Expense	\$ 132,837	\$ 124,370	\$ 131,619
Water Plant at Cost	\$ 1,985,051	\$ 1,923,789	\$ 1,860,074
Bonded Indebtedness	\$ 1,001,346	\$ 923,378	\$ 831,509
Interest on Bonds and Notes	\$ 32,967	\$ 31,147	\$ 27,368
Change in Net Position	\$ 25,948	\$ (1,925)	\$ (6,046)
Customers in Active Service	388,510	386,971	384,956
Miles of Water Main in Service	6,017	6,001	5,983
Fire Hydrants in Service	38,214	38,099	37,976
Water Pumped (in billions of gallons)	69.0	67.8	68.7
Employees	576	570	557

VIEW OUR FULL FINANCIAL STATEMENTS



To view the Suffolk County Water Authority's complete audited financial statements, go to:
www.scwa.com/assets/1/6/U_120081D-1A_SuffolkCountyWaterAuthority_FS.pdf

A SPIRIT OF ADAPTABILITY, RESILIENCE AND CREATIVITY

In short, it was due to a spirit of adaptability, resilience and creativity that permeated every office, every workstation, every project location. Employees readily adjusted to constantly changing conditions, balancing work and family, trying to protect their health while fulfilling their responsibilities. On behalf of the entire SCWA Board, we are extraordinarily proud of all of them.

A primary key to our success through the ordeal was preparation: our emergency management team was on top of the latest developments before most people had even heard of COVID-19 or coronavirus. The office began receiving information about a potential pandemic in early January of 2020. They kept in constant contact with our partners in federal intelligence. By mid-February, as our emergency managers reported to senior staff, it became clear that the situation was becoming a global event.

And so, with a critical mission to fulfill, our immediate focus was to move quickly to secure vital supplies, such as personal protective equipment for our employees so they could continue their vital work. Due to a nationwide run on critical supplies, this was an immense challenge; our emergency management team, coordinating their efforts through the Suffolk County Emergency Operations Center, drove all over looking for what they needed to keep the water flowing.

In some cases, when vital supplies simply could not be secured, our staff improvised. In one notable incident, in order to keep workplaces safe, our emergency managers developed their own disinfectant out of chlorine supplies used to keep the drinking water supply safe. Their idea was a main reason we are able to say that throughout the pandemic, the virus was not contracted or spread in SCWA workplaces. And that still holds true today.



The SCWA Drinking Water Quality Laboratory made sure that all water supplied to customers throughout the pandemic met or surpassed all water quality standards.



Despite the challenges brought on by the pandemic, SCWA continued work on its aggressive timetable to meet and surpass new state regulations on perfluorinated compounds and 1,4-dioxane. In this photo, Assistant Trades Superintendent of Production Control Joseph Daub collects preliminary samples at a brand new advanced oxidation process (AOP) treatment system to remove 1,4-dioxane from drinking water at a pump station in the Huntington area. SCWA is in the process of adding 16 new AOP systems to existing infrastructure.

A WHOLE NEW WORK ENVIRONMENT

Our commitment to a completely safe work environment extended well beyond proper disinfection, though. To make sure our employees felt safe and remained productive, we undertook massive physical changes in all of our offices and at all workstations. Vacant office spaces, some unused for years, were renovated and transformed to create as much space between workers as possible. We erected acrylic sheeting barriers between workstations, and placed hand sanitizer dispensers at locations readily available to all employees. Doors to restrooms were affixed with “occupied/vacant” signs to limit capacity to one person at a time.

That was the easy part. The challenge was to get our employees to buy in to brand new protocols that, while designed to keep them safe, were necessarily restrictive and limited social interactions. They were required to have their temperatures taken every morning and to answer questions about any COVID-19 symptoms or potential exposure to the virus. To ride solo in trucks when

they were accustomed to riding with a co-worker. To wear masks all day, even on hot days working in trenches to repair water mains.

We also employed a comprehensive plan to stagger work schedules wherever possible and have as many employees as feasible telecommute from home. Our Information Technology office developed the means to provide for more than 150 employees—more than a quarter of our workforce—to work from home. This effort was facilitated by the multi-million dollar investment made by SCWA over the past decade to move to a paperless operation. Though investments in mobile workforce technology were made primarily to make our operations more efficient, one unforeseen benefit was the ease with which we were able to quickly adapt to the changing circumstances brought on by the pandemic. We effectively redirected the primary phone number used by customers so that our Customer Service employees could address customer calls from their homes.

We were able to provide constantly tested, high quality drinking water without interruption.



THE CHALLENGES OF ENSURING CONTINUITY OF SERVICE

Of course, no matter how many precautions we took, employees went home at the end of their shifts and were thus potentially exposed to family members and others who may have contracted the virus. Therefore, rigorous protocols were put in place to make sure sick employees stayed home and those they had been in close contact with were quarantined for two weeks.

These measures, while designed to keep everyone safe at work, at times challenged our ability to ensure continuity of service—over the course of the year, 200 employees from just our

Construction/Maintenance and Production Control offices were either out of work sick or in precautionary quarantine, and some more than once.

To make sure all employees always had the most up-to-date information, we continuously communicated the latest health guidelines and other vital information to them. As a result of these efforts, and those of our Human Resources employees tracking the health of every impacted employee, we were able to provide constantly tested, high quality drinking water without interruption.

ADDRESSING THE NEEDS OF OUR CUSTOMERS

We always remained conscious of the fact that everyone was enduring a very difficult period in our country's history. So in addition to making sure our customers did not have to worry about their drinking water supply, we also worked closely with them to help make sure they could pay their bills. Many of our customers, like people all around the country, were out of work and facing financial hardship through no fault of their own. We therefore endeavored to understand the needs of each customer,

helping them set up delayed payment plans, among other measures.

In the field, our protocols in interacting with customers when responding to service calls were designed to protect both the health of our employees and the families and businesses they sought to help. Since this was uncharted territory, employees sometimes had to navigate their way through customer interactions, but they excelled at making sure everyone involved stayed safe.

71,982

SERVICE CALL
RESPONSES
IN 2020



SCWA employees responding to customer calls during the pandemic practiced safety measures that protected their own health and the health of customers.



A PRODUCTIVE LEARNING EXPERIENCE

Though it seems incredible, during all this, we put into service a brand new 900,000-gallon tank to bolster supply to help us meet peak demand on the South Fork, had our AAA bond ratings reaffirmed by multiple agencies and continued our efforts to provide safe public water to those with private wells impacted by emerging contaminants. So in some respects, business continued as usual.

But to be clear, in 2020, we were tested like never before, more than at any time in our seven decades of operations. We’ve learned from the experience, we’re stronger as an organization for having been through it and we’ve even adopted some of the business methods we began to use out of necessity as part of our standard operating procedures.

And, I think it’s safe to say, we’ve proven that we’re ready for any future challenge that comes along.


Patrick G. Halpin
Chairman



Progress on infrastructure projects continued at SCWA even during the pandemic, as with the construction of this 900,000-gallon storage tank in Amagansett.

CORPORATE INFORMATION

SENIOR MANAGEMENT

- | | |
|---|---|
| Jeffrey W. Szabo
<i>Chief Executive Officer</i> | Michael O’Connell
<i>Director of Production Control</i> |
| Joseph M. Pokorny, P.E.
<i>Deputy Chief Executive Officer for Operations</i> | Paul J. Kuzman
<i>Director of Construction/ Maintenance</i> |
| Janice E. Tinsley
<i>Deputy Chief Executive Officer for Customer Service</i> | Timothy J. Kilcommons, P.E.
<i>Chief Engineer/Director of Research and Development</i> |
| Timothy J. Hopkins, Esq.
<i>Chief Legal Officer</i> | Tyrand Fuller
<i>Director of Strategic Initiatives/ Lead Hydrogeologist</i> |
| Elizabeth K. Vassallo
<i>Chief Financial Officer</i> | Steven Galante
<i>Director of Information Technology</i> |
| Michael A. Litka
<i>Chief Technology Officer</i> | Christopher Cecchetto
<i>Deputy Chief Financial Officer</i> |
| Donna M. Mancuso
<i>Deputy Chief Executive Officer for Administration</i> | Richard Reinfrank
<i>Director of Customer Service</i> |
| Kevin Durk
<i>Director of Water Quality and Laboratory Services</i> | Tim Motz
<i>Director of Communications</i> |
| John Milazzo
<i>General Counsel</i> | Jeffrey Kleinman
<i>Director of General Services</i> |

CONSULTANTS

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

SCWA BOARD AND CHIEF EXECUTIVE OFFICER



From left: Board Member Timothy H. Bishop, Board Member Jacqueline Gordon, Board Chairman Patrick G. Halpin, Board Secretary Jane R. Devine, Board Member Elizabeth Mercado and Chief Executive Officer Jeffrey W. Szabo