

FINAL: June 17, 2019

**MEETING OF THE BOARD OF DIRECTORS OF
THE WATER AUTHORITY OF GREAT NECK NORTH
FOR A PUBLIC HEARING WITH REGARD TO**

**PROPOSED CHANGES TO THE RATES AND CHARGES FOR
THE USE OF THE FACILITIES OF, THE SERVICES RENDERED BY, AND
THE COMMODITIES FURNISHED BY THE WATER AUTHORITY**

**HELD ON May 28, 2019,
KINGS POINT VILLAGE HALL, GREAT NECK, NEW YORK.**

PRESENT:

Michael C. Kalnick, Chairperson
Jean Celender, Director
Jay Johnas, Director
Carol Frank, Director
Susan Lopatkin, Director
Dan Levy, Director
Michael Smiley, Director
Steven Weinberg, Director

Village of Kings Point
Village of Great Neck Plaza
Village of Great Neck
Town of North Hempstead
Village of Kensington
Village of Saddle Rock
Village of Great Neck Estates
Village of Thomaston

ALSO PRESENT:

Ralph J. Kreitzman, Vice-Chairperson
Robert Graziano, Deputy Chairperson
Gregory Graziano, Superintendent
Michael Rispoli, Assistant Superintendent
Sue Huang, Civil Engineer
Judith Flynn, Treasurer
Debra, Secretary
Stephen Limmer, Counsel
Keith Kelly, Senior VP/Partner

Water Authority of Great Neck North
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Water Authority of Great Neck North
McLaughlin and Stern, LLP
CDM Smith, Consulting Engineers

The Public Hearing was called to order at 6:00 p.m. Eight members, who together are authorized to cast a majority of the weighted vote (Chairperson/Director Kalnick, Directors Celender, Frank, Johnas, Levy, Lopatkin, Smiley and Weinberg) were present, constituting a quorum.

Chairperson Kalnick opened the hearing and confirmed that due notice of the hearing was provided in accordance with and in addition to that required by the Authority's enabling legislation by publishing a legal notice in the Great Neck News, in the Great Neck Record, and on the Authority's website.

Chairperson Kalnick then continued with the following statement:

Good evening and welcome to the Village of Kings Point, where I have had the honor to serve as mayor for many years. I also serve as Chairperson of the Board of Directors for the Water Authority of Great Neck North. I am joined this evening by all of my colleagues on the Board in thanking you for attending as I officially open the public hearing. If you have not done so already, anyone wishing to speak may register at the table in the back of the room.

The purpose of this meeting is to discuss proposed changes to the water rates as well as fees for use of fire hydrants and other services furnished by the Authority. After maintaining the same water rates for 11 years, the Authority is faced with rising costs associated with protecting the quality and quantity of the drinking water supply on the Great Neck peninsula. We believe it is necessary at this time to increase the rates to meet the revenue requirements placed upon us by law and to implement necessary capital improvements to the water system.

The Authority pledges to provide an uninterrupted supply of excellent quality drinking water that exceeds strict quality standards set by the federal, state and county governments. Additionally, the distribution system provides sufficient pressure and flow for fire protection. While we strive to keep costs down, we are committed to protecting public health and safety at all times, without compromise.

The water provided to consumers by the Authority is rigorously tested throughout the year by an independent laboratory for more than 140 parameters to ensure quality standards are met without fail. The process is so exacting that contaminants can be detected in quantities as small as one-part-per-billion. That's like finding a shiny copper penny among 1 billion dimes. If you piled them into a stack, it would exceed 838 miles in height.

As health department regulations become more stringent, operating costs are increasing and raising capital is becoming more challenging for public water suppliers across Long Island.

Currently, customers of the Authority are charged \$3.95 per CCF, which is 100 cubic feet or 750 gallons of water. The average residential customer of the Authority pays \$49.16 a month for water use. Excellent customer service, distribution system reliability and optimum quality control provide added value.

Water rates have been the same for the past 11 years, while the U.S. Department of Labor, Bureau of Labor Statistics estimates a 20 percent increase in the consumer price index over the same time period.

The Authority's \$7.8 million operating budget is used to serve a population of 32,400. More than 1.4 billion gallons of water are provided annually to 9,313 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 824 fire hydrants.

Since the Great Neck community purchased the assets of the Citizen Water Supply Company in 1989, the Authority has been challenged with:

- maintaining & 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 & state quality standards
- hardening the infrastructure to protect against flooding
- planning for future infrastructure needs

During the past 11 years, as water rates remained the same, the Authority 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.

Here are just a few examples:

- 8.5 miles (which equals 44,880 linear feet) of water mains replaced
- 2 new wells & 3 modern water treatment plants developed
- a sophisticated Supervisory Control & Data Acquisition system introduced
- meter change out program completed
- 3 new backup generators installed
- water storage tank replaced

Future planning includes replacing and improving more than 35 miles (which equals 184,800 linear feet) of old water main, protecting 3 well sites against flooding, and re-painting 2 water storage tanks.

After careful analysis and consideration, in an effort to raise capital needed to ensure it can continue to honor its commitment to only deliver water that meets or exceeds all federal, state and county standards, the Board of Directors of the Authority proposes a 15 percent increase in water rates as well as an increase of 10 percent for fees for use of fire hydrants. Other services furnished by the Authority will also be increased. The proposed effective date is July 1, 2019.

This increase would amount to an average increase of \$22.13 per quarter, which equates to 24 cents per day for residential consumers, or a little more than one-half of one cent per gallon. Residential consumers account for nearly 95 percent of the Authority's 9,313 service connections.

The Commercial rate, which accounts for about 4 percent of the Authority's service connections and currently pays an average of \$135.25 per month for water use, will see a monthly average increase of \$22.01, which equates to 72 cents per day, under the proposed increase. Details of the proposed changes are provided in the handout this evening and available on the Authority's website.

In closing, consumers are encouraged to continue to take steps to conserve water whenever possible to help reduce costs. Since irrigation accounts for about 50 percent of our residential water use, an annual survey of the sprinkling system is advised. 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 repaired and water-saving appliances purchased when possible. The Authority recently announced the availability of newly designed household water conservation kits, which are free to the public.

Please log onto the Authority's website for more information about conservation tips and initiatives.

Thank you for your attention. The hearing is now open to public comment.


The Board then discussed future capital requirements, when future increases in rates will be required, and its fiduciary responsibility to be prudent in assuring the necessary funds to provide for those capital improvements and operate the Authority's system in a manner that meets or exceeds all federal, state, and county requirements, and is safe and dependable. The Board decided to reconsider the original recommendation of the Authority staff and professionals for a 20% increase in water rates, instead of the proposed 15% increase.

One resident in attendance complimented the excellent job the Authority was performing and, not questioning the proposed increase, did comment upon the increases in so many costs to the residents.

No one else asking to be heard, the Chairperson closed the public hearing.

On the motion of Director Levy, seconded by Director Lopatkin, by Resolution #19-05-05, the Board agreed to the Rate and Fee Schedule attached to and made a part of these minutes. The vote was 8 for, 0 against, 0 abstentions.

The meeting was adjourned at 6:25 p.m.

Approved by Secretary: 

Date: June 17, 2019