



Monroe County Water Authority

Memorandum

To: MCWA Governance Committee*

Date: February 15, 2024

From: Nicholas Noce, Executive Director

Copy: S. Nasca, Ex-Officio
D. Hendrickson

Subject: Meeting Scheduled **Thursday, February 22, 2024 at 8:30 a.m.**

The first item for this meeting will be a review of the Authority's mission Statement.

The second item on the agenda is to review the Report on 2023 Performance Measurements Results.

The third item on the agenda is to review the 2024 ABO Performance Measurements.

The last item on the agenda is to confirm the next Governance Committee meeting scheduled for Thursday, November 7, 2024 at 8:30 a.m.

If you have any questions, please feel free to contact me. Please inform Diane or me if you are unable to attend the February 22nd meeting. Thank you.

NN/dlh
Attachment

*Committee Members:
Sheryal A. Volpe, Chairperson
Marcia Van Vechten
Sheila R. Mason

MISSION STATEMENT
RE-ADOPTED MARCH, ~~2023~~ 2024

The Monroe County Water Authority is a not-for-profit public benefit corporation that reliably provides quality, affordable water that fosters economic vitality and enhanced quality of life for Monroe County and area communities who request service.



REPORT ON 2023 PERFORMANCE MEASUREMENTS

The Monroe County Water Authority (Authority) evaluated and monitored the following goals and global performance measurements to assess our effectiveness in meeting our mission.

The **reliability** component of our mission was evaluated by the following:

- Continuity of production capacity is paramount. Unplanned outages from treatment plants and pumping stations are tracked by the number of events and duration of events. As each of these facilities is unique and will have a varying level of severity of impact, each outage event of greater than four hours is assessed and, if necessary, an action plan to minimize impacts is developed.
 - ✓ **Results for 2023:** *There were no unplanned outages of supply capacity lasting more than four hours. Outages of specific treatment components, tanks, pumps and water mains were either planned in advance or did not lead to a significant reduction in capacity. The Authority's treatment, distribution and storage systems have been designed with redundancy and flexibility so that individual components may be temporarily taken out of service while maintaining the Authority's full ability to meet customer demands.*
- Distribution system reliability is measured by an assessment of the combined number of leaks and main breaks per mile of water main as benchmarked against the most recent American Water Works Association Benchmarking Report. Our goal is to achieve a benchmark that is better than the national average ratio.
 - ✓ **Results for 2023:** *The AWWA benchmark to meet the system integrity goal is to be less than 18.5 combined leaks and main breaks per 100 miles of water main per year, which is the national median value for systems serving more than 500,000 people per their 2022 Benchmarking Report. Our distribution system includes approximately 3,465 miles of water main. In 2023 the combined number of leaks and main breaks repaired was 517 yielding a system integrity rating of 14.9, which is lower than AWWA's national median value.*
- Maintaining the long-term reliability of our infrastructure requires a planned reinvestment in its renewal. Our goal is to implement a budget that reinvests a minimum of 2% of annual revenues in the renewal and replacement of our infrastructure.
 - ✓ **Results for 2023:** *The Authority's 2023 budget for infrastructure related renewal and replacement reinvestment was as follows:*

▪ Production & Transmission:	\$ 5,750,000
▪ Engineering:	\$ 10,235,000
▪ Facilities Fleet Operations:	\$ 4,383,300
▪ Finance & Business Services	\$ 3,178,700
▪ Total	\$ 23,547,000

Although most projects in the budget were either initiated or completed in 2023, a few were delayed due to persistent pandemic-related supply chain impacts resulting

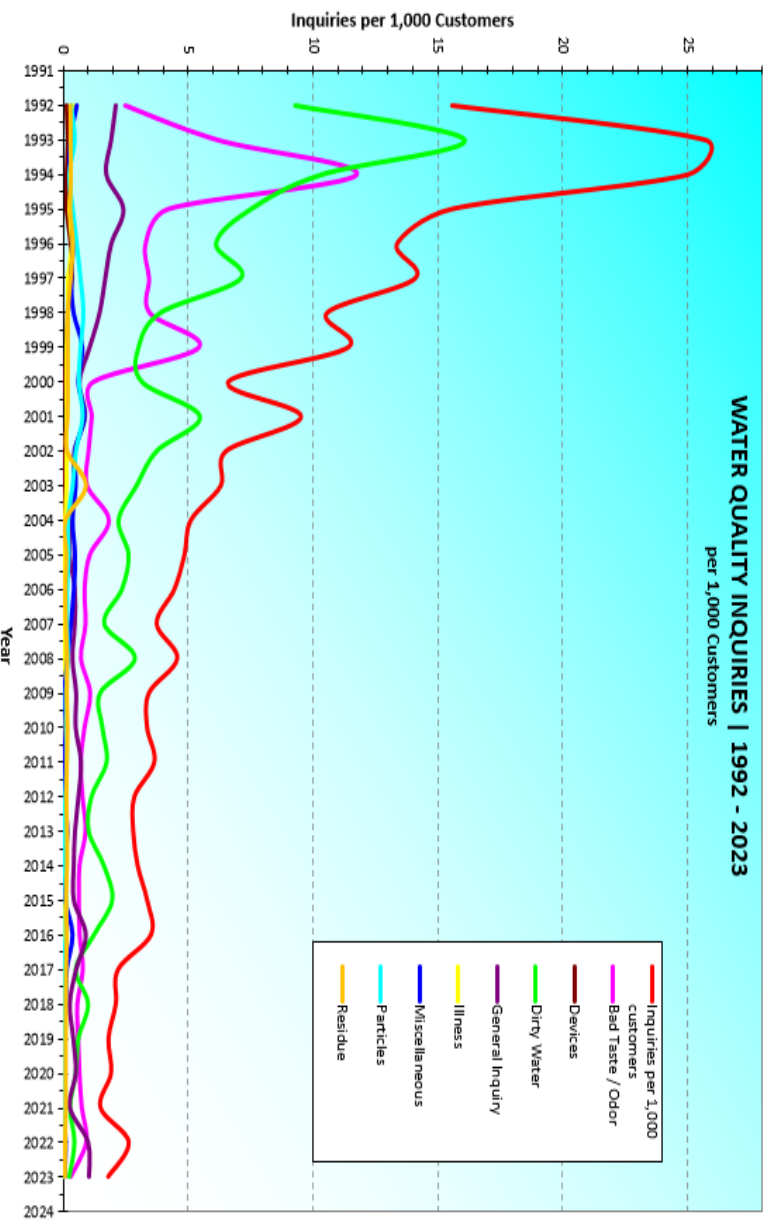
in significant increases in material lead times and cost. It is anticipated that these will be initiated and/or completed in 2024. This reinvestment in infrastructure replacement was significantly greater than the goal amount.

The **quality** aspect of our mission was evaluated by:

- Our goal is to produce and deliver water that meets or exceeds the requirements of state and federal water quality regulations. This is measured by compliance with each regulated parameter and is reported to the Board, and our customers, in an annual Water Quality Report.
- ✓ **Results for 2023:** *All of the Authority's produced and delivered water supplies were in full compliance with New York State Department of Health and United States Environmental Protection Agency regulatory requirements. Our Annual Water Quality Report reflecting this achievement will be made available to our customers on the MCWA.com website or delivered to customers in accordance with the revised USEPA regulations regarding the Consumer Confidence Report requirements.*

- Our Customer Service Information System includes tracking mechanisms for categorizing and measuring the number of customer calls and inquiries that are specific to quality. Trends and specific events are analyzed and, if necessary, action plans are to be implemented.

- ✓ **Results for 2023:** *The Authority received approximately 342 quality related calls and inquiries from customers in 2023 or approximately 1.8 calls per thousand customers, which is a 31% decrease from 2022. The Shoremont Water Treatment Plant Laboratory handled 150 of these calls and inquiries. The overall trend in calls per thousand customers remains downward.*



The **affordable** component of our mission was judged in relation to:

- Our goal is to achieve a better than average cost of service for a typical residential customer as benchmarked against our peer group of New York State water purveyors.

✓ **Results for 2023:** *The analysis of the rates charged for a typical residential customer for our peer group is presented below. The Authority rates just outside the lower quartile, significantly better than the 2023 goal.*

Comparison of January 2024 Water Charges^{1, 2, 3} (All amounts in \$)				
	Annual Fixed Charge	Annual Consumption-Based Charge	Annual Minimum Charge	Annual Total Charge
City of Syracuse	0	315	175	315
Albany Water Board	0	320	136	320
City of Watertown	0	355	162	355
City of Binghamton	51	315	156	366
Suffolk County Water Authority	208	163	208	371
Monroe County Water Authority	99	281	99	379
City of Rochester	115	277	115	393
New York City	0	420	179	420
Niagara Falls Water Board	15	419	233	434
Erie County Water Authority	111	325	278	436
City of Yonkers	235	204	235	440
Western Nassau Water Authority	0	454	259	454
Buffalo Water Board	220	235	220	455
Elmira Water Board	0	456	175	456
Onondaga County Water Authority	178	281	178	459
City of Poughkeepsie	11	477	153	488
Mohawk Valley Water Authority	153	401	319	554
Average	82	335	193	417
Notes				
¹ Charges are based on rates in effect in January 2024.				
² Charges assume a single family residential customer using a 5/8" meter and 70,000 gallons of water per year.				
³ Minimum charges include fixed charges.				

- The ratings on our bonds affect the cost of capital to our customers and also provide an outside perspective and analysis of the overall financial health of the Water Authority. Our goal is to maintain a double A rating or better from the rating agencies.

✓ **Results for 2023:** *Our Moody's and Standard & Poor's ratings are listed below. These were reviewed and assigned by both agencies in March 2020 with the issuance of the Water System Revenue Refunding Bonds Series 2020.*

- *Standard and Poor's: AA+*
- *Moody's: Aa1*

The measure of our water supply **fostering economic vitality** was judged by:

- Our goal is to produce and deliver water in a manner that meets both our residential and our commercial/industrial customer's needs; to both retain current users and attract those looking to locate in our service area.

✓ **Results for 2023:** *Presented below is a summary of new service inquiries:*

- *51 new Industrial/Commercial customer applications*
- *711 new residential water services:*
 - *356 generated by new residential subdivisions*
 - *145 generated by new water districts*
 - *40 generated by secondary source change-overs*
 - *143 generated by new construction*

The response to **requests for service** received from area communities' component of our mission was measured by:

- Requests for service can be accurately measured by reporting and tabulating contacts from local communities. Internal procedures require all such contacts of this nature be directed to the Executive Director, who will annually report all such requests and the status thereof to the Board.

✓ **Results for 2023:** *Presented below is a summary of contacts from existing communities for lease renewals, contacts made by water purveyors that are presently un-served, or communities looking to upgrade service from wholesale to retail:*

- *An inquiry to renew an existing retail lease agreement was made to the Executive Director by the Supervisor of the Town of Pembroke. The Town is considering a new water district and the proposed district funding will require the term of the lease to exist beyond the term of the financing. It is anticipated that a lease renewal will be presented to the Board for consideration in 2024.*
- *The Village Manager / Clerk of the Village of Hilton, on behalf of the Village Mayor, made an inquiry to the Executive Director to discuss upgrading the Wholesale Supply Agreement and Lease Agreement for Operation of Water System. The Water Authority currently leases the Village water storage tank from the Village and provides water to the Village on a Wholesale basis. Village staff is facing potential retirements in the near future, regulatory requirements, and other upcoming expenses to be undertaken by the Water Department. The current agreement with the Village of Hilton expires in 2025 and they were interested in evaluating their options.*
- *An inquiry to enter into a retail lease agreement with the City of Batavia was made to the Executive Director by the City Manager. The City of Batavia has a new City Manager that is interested in understanding and evaluating options for the future of the City's water supply. They are especially interested as it pertains to new regulatory requirements and the future of the City of Batavia Water Treatment Plant as it relates to the water supply plans between the Water Authority and Genesee County.*



PERFORMANCE MEASUREMENTS FOR 2024

The Monroe County Water Authority will evaluate and monitor the following goals and global performance measurements to assess our effectiveness in meeting our mission.

The **reliability** component of our mission will be evaluated by the following:

- Continuity of production capacity is paramount. Unplanned outages from treatment plants and pumping stations are tracked by the number of events and duration of events. As each of these facilities is unique and will have a varying level of severity of impact, each outage event of greater than four hours is assessed and, if necessary, an action plan to minimize impacts is to be developed.
- Distribution system reliability is measured by an assessment of the number of main breaks per mile of water main as benchmarked against the most recent American Water Works Association Benchmarking Report. Our goal is to achieve a benchmark that is better than the national average ratio.
- Maintaining the long-term reliability of our infrastructure requires a planned reinvestment in its renewal. Our goal is to implement a budget that reinvests a minimum of 2% of annual revenues in the renewal and replacement of our infrastructure.

The **quality** aspect of our mission will be evaluated by:

- Our goal is to produce and deliver water that meets or exceeds the requirements of state and federal water quality regulations. This is measured by compliance with each regulated parameter and is reported to the Board, and our customers, in an annual Water Quality Report.
- Our Customer Service Information System includes tracking mechanisms for categorizing and measuring the number of customer calls and inquiries that are specific to quality. Trends and specific events are analyzed and, if necessary, action plans are to be implemented.

The **affordable** component of our mission will be judged in relation to:

- Our goal is to achieve a better than average cost of service for a typical residential customer as benchmarked against our peer group of New York State water purveyors.
- The ratings on our bonds affect the cost of capital to our customers and also provide an outside perspective and analysis of the overall financial health of the Water Authority. Our goal is to maintain a double A rating or better from the rating agencies.

The measure of our water supply **fostering economic vitality** will be judged by:

- The availability of a plentiful, high quality water supply can be a critical differentiator for attracting new businesses, and the associated economic benefits of new jobs, to our service area. Our goal is to produce and deliver water in a manner that meets our residential and our commercial/industrial customer's needs; to both retain current users and attract those looking to locate in our service area. New service inquiries are handled by our Engineering Department who will annually report a summary of such requests and their status to the Board.

The response to **requests for service** received from area communities component of our mission will be measured by:

- Requests for service can be accurately measured by reporting and tabulating contacts from local communities. Internal procedures require all such contacts of this nature be directed to the Executive Director, who will annually report all such requests and the status thereof to the Board.

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