

## ERIE COUNTY WATER AUTHORITY

### NEWS RELEASE

#### FOR IMMEDIATE RELEASE

November 23, 2011

#### **ECWA APPROVES 2012 BUDGET** *Includes \$18 Million for Infrastructure Upgrades*

BUFFALO, NEW YORK, November 23, 2011 - The Erie County Water Authority (ECWA) today approved its 2012 budget, which holds the water rate at the current level and adds \$3.00 per quarter to the Infrastructure Investment Charge or about 3 cents per day for each customer. The Infrastructure Investment Charge is used for system-wide infrastructure upgrades to the ECWA's ratepayer owned system. The ECWA has spent \$115 Million on infrastructure upgrades over the past five years and today approved a new five year plan totaling \$87 Million, which is an average of \$20 Million spent annually on system-wide infrastructure over ten years.

Beginning January 1, customers will continue to pay a rate of \$2.96 per 1,000 gallons, which is **the lowest** rate among Western New York water authorities and the second lowest rate among all municipal water purveyors in Erie County. The ECWA did not raise its rate last year and increases have averaged 1 percent over the past five years. The Infrastructure Investment Charge is billed quarterly and is earmarked solely for infrastructure improvements.

The 2012 spending plan is approximately \$60,547,578. Next year's budget also cuts ECWA's full-time employees from 250 to 247, which represents a 27 percent reduction in employment levels from a total of 340 employees in 1996. During the same period, ECWA has increased its customer base by 30 percent as a result of several smaller municipal systems consolidating with ECWA. This year, the Town of Hamburg and Village of Blasdell merged with ECWA and are now completely out of the water business resulting in long term savings for their ratepayers.

"This is a fiscally responsible budget that contains spending, further decreases employee levels, provides a continual revenue source for ECWA's expansive infrastructure investment program, and will help streamline operations in the future," said Francis G. Warthling, ECWA Acting Chairman. "This significant investment in ECWA's infrastructure has allowed us to continue to improve system efficiencies and service delivery, provide a product of the highest quality, and maintain one of the lowest rates in Western New York, which benefits our ratepayers who ultimately own and use the system."

ECWA officials said several factors continue to put added pressure on ECWA's annual budget, including:

- The economic recession, which since 2009 has resulted in a more than 129 percent increase in ECWA's contribution to the New York State employee pension fund and decreased earnings on investments;

- Annual Increases in employee health insurance costs imposed by health insurance companies;
- Significant infrastructure needs resulting from ECWA’s service district expansion due to consolidations and mergers of smaller municipal systems;
- Continued decline in consumption and increased costs to maintain and upgrade a larger system over an expanded geographic area.

“All of these factors made this a challenging year filled with difficult decisions; however, we were able to adopt a budget for next year with a minimal impact on ratepayers,” said ECWA Executive Director Robert Mendez. “We have achieved this while continuing the most aggressive and necessary infrastructure investment program in ECWA history, which is not only improving the ratepayers’ system but putting local contractors and people to work.”

The 2012 capital budget totals \$18,754,000 for system-wide infrastructure upgrades to ECWA’s production facilities and extensive distribution system, including:

- \$10.8 Million for upgrades at the Sturgeon Point and Van De Water treatment plants
- \$2.4 Million for storage tank refurbishments
- \$2 Million in new remote read water meters
- \$1.45 Million for major transmission main replacement in Cheektowaga
- \$1.23 Million for new maintenance and construction equipment
- \$700,000 for distribution system improvements
- \$124,000 for computer system upgrades

ECWA also approved a new collective bargaining agreement with its blue collar work force, AFSCME Local 930. The new nine year contract includes no wage increases for the first three years and annual percentage increases of 1.75; 2.0; 2.5; 3.0; 3.0; 3.0; from 2011 through 2016. ECWA received concessions on health insurance premiums with current union members contributing \$1,500 to \$2,000 for family coverage and \$500 to \$700 for single coverage respectively, over the contract term. Future hires will pay 15 percent toward the total health insurance premium cost during their employment and in retirement.

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*The Erie County Water Authority is an independent, public water utility that provides safe, clean, affordable drinking water to more than 550,000 consumers in 35 municipalities throughout Western New York. Learn more at*

*[www.ecwa.org](http://www.ecwa.org).*



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