



FOR IMMEDIATE RELEASE

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Contact: Sean Costello

scostello@nfwb.org

(716) 283-9770

NFWB Passes 2020 Budget with No Rate or Fee Increases

Niagara Falls, NY – At its regular meeting on October 28, 2019, the Niagara Falls Water Board (NFWB) passed a 2020 operations and maintenance budget with no increases in rates or fees over 2019 rates.

The \$41 million plan leverages the Board's continuous focus on reducing overtime costs to offset modest contractual increases in personnel costs. Ongoing efforts to rehabilitate and to optimize the wastewater treatment plant have reduced the utilization of certain chemicals, and a lower cost for another chemical following a recent competitive bid both forecast lower overall chemical costs for 2020. These factors along with other favorable developments have been combined with tight controls on spending to keep anticipated 2020 expenses within established revenues even with increased costs for other contractual services, such as for emergency responses to major water main breaks.

"It was a priority for the Board to develop a sensible budget without a rate increase. It required time, effort, and the careful balancing of priorities, and to stay within the budget in 2020 will require restraint," said Board Member Gretchen Leffler, Chairperson of the NFWB's Finance and Audit Committee. "The Board will continue carefully to scrutinize expenses."

"The Water Board continues to closely monitor expenses, and 2019 revenues were slightly higher than forecast," said Director of Financial Services Kendra Walker. "Even in the face of increased costs in many areas, by controlling expenses it was possible to produce a balanced 2020 budget."

In a presentation at the Board's October 28, 2019 meeting, rate consultants Drescher & Malecki suggested that rate increases may be necessary for 2021 in order to cover the cost of repaying bonds that are expected to be issued for major capital upgrades. The Board is proceeding with construction projects totaling over \$27 million to stabilize and rehabilitate its wastewater treatment plant and has an overall capital infrastructure investment plan that projects spending of over \$47.5 million from 2019 to 2023. The Water Board has received substantial grant assistance for some of these projects, but generally must contribute matching amounts of its own funds. Even without inflationary growth in operations and maintenance costs, the costs of repaying new bonds to finance capital improvements may begin having an impact in the Board's 2021 operations and maintenance budget.

In the interim period however the NFWB has been able to keep rates stable.

"We have been careful about spending and the Water Board will continue to pursue any and all available grants and other sources of financial assistance," said Niagara Falls Water Board Chairperson Daniel T. O'Callaghan. "The Board of Directors – all of whom serve without

compensation and are ratepayers themselves – wanted a 0% increase, which we were able to deliver while still covering the Water Board’s expenses and debt covenants with its bondholders.”

For more information on the NFWB, go to: www.NFWB.org.

About the Niagara Falls Water Board

The Niagara Falls Water Board is a public benefit corporation created in 2002 by a special act of the New York State Legislature. Its mission is to provide safe and reliable water and wastewater management services to our community in an economical and efficient manner. In 2003, it acquired the drinking water, wastewater, and stormwater systems previously owned and operated by the City of Niagara Falls, a separate municipal entity. It owns and operates a water treatment plant, a wastewater treatment plant, a pumping station located in the Niagara Gorge, two elevated water storage tanks, seven lift stations, and more than 500 miles of water and sewer service lines. The Water Board serves nearly 18,000 residential, commercial, and industrial users.

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