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Increased Chemical Costs Drive Marginal Rate Increase for Niagara Falls Water Board's 2023 Budget

Rate increase set to take effect on January 1, 2023

NIAGARA FALLS, NY — The Niagara Falls Water Board (NFWB) today announced a marginal rate increase in its proposed 2023 budget, with the increase driven by a large jump in the cost for chemicals required to treat drinking water and wastewater. The projected 2023 rate increase will ensure safe, quality drinking water is provided to the surrounding community and equates to a \$0.88 increase per week for average small meter residential customers.

“The Water Board’s increase for 2023 thankfully is smaller than some other local utilities and mirrors what we all see at our kitchen tables. We all are contending with increasing costs for the items and services we must buy, supply chain issues, and inflation. Unfortunately, chemical costs are increasing at rates many times the rate of inflation, and because chemicals are such a large part of our budget it has a direct impact on the rates needed to sustain operations,” said Water Board Member Michael Asklar, who chairs the Board’s Finance and Audit Committee.

Over the past few years, the cost of treatment chemicals has skyrocketed: 2023 chemical costs are forecast to total \$10,775,000 or 26.36% of the Water Board’s budget, versus \$3,294,000 and 9.63% in 2018. The chemical that is most costly for the NFWB is sodium hypochlorite, used for disinfection of wastewater. The per-gallon cost of sodium hypochlorite has increased dramatically – from \$0.3954 in 2021, to \$1.18 in 2022 (a 198% increase), and \$2.389 in 2023 (a 102% increase).

The escalation in the cost of chemicals over which the NFWB has no control further supports the need and urgency of the NFWB’s ongoing campaign for State and Federal funds to convert the existing physical/chemical treatment process at the wastewater treatment plant to a biological treatment process. Biological treatment technology is used by almost every other municipal wastewater treatment plant in this country and implementing it at the NFWB’s plant would substantially diminish the quantity of disinfecting chemicals needed and the associated pressure on the NFWB’s budget.

“The Water Board is doing its best to control costs while maintaining its system in a safe, reliable operational status and meeting ever-increasing regulatory requirements. We look forward to discussing the issues and hearing directly from the community regarding the proposed budget at our public hearing scheduled for Monday, November 14,” said Asklar.

The NFWB continues to invest in infrastructure to better support its aging system. The Board has invested an average of \$9 million per year in capital improvements over the past three years and plans at least \$47 million in capital improvements over the next five years, furthering its ability to provide safe drinking water as well as wastewater treatment that protects human and environmental health in an economical manner for consumers. Some highlights of work planned for 2023 include continuing work on \$27 million in improvements to stabilize and rehabilitate the wastewater treatment plant, \$5.5 million in watermain improvements, beginning \$10 million in planned projects to maintain and improve the water treatment plant, plus many other improvements.

The Board will conduct a public hearing on Monday, November 14, 2022 at 5:00 p.m. to receive community feedback on the proposed rates and 2023 budget, available for review online at <https://nfwb.org/reports/budgets/>. The public is invited to submit oral or written comments on the proposed fees, rates, and other charges for all persons and users served by the water, wastewater, and stormwater facilities of the Niagara Falls Water Board. The hearing may be attended either in person at the Wastewater Treatment Plant Conference Room, 1201 Buffalo Ave., Niagara Falls, NY 14303 or by videoconference through the internet at <https://www.gotomeet.me/NFWB>. Written comments can be mailed to *Board Secretary, Michael C. O'Laughlin Municipal Water Plant, 5815 Buffalo Ave., Niagara Falls, NY 14304*.

For more information on the Niagara Falls Water Board and to view the proposed 2023 budget, please visit: <https://nfwb.org/>

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