

HORSHAM WATER AND SEWER AUTHORITY (HWSA)
PFC SURCHARGE
FREQUENTLY ASKED QUESTIONS (FAQs)

Why do the residents have to pay this surcharge? The Authority shares its customers' concern that the new PFC surcharge had to be implemented. Unfortunately, this action was made necessary by the now well-publicized advent of perfluorinated compound (PFC) contamination related to the military installations in our area. Five of the 14 groundwater wells supplying Horsham's public water system had PFC concentrations above the EPA combined lifetime health advisory (HA) of 70 ppt. The Navy is funding treatment systems for these 5 wells. Other sources of the public water supply include an additional 9 groundwater wells and 2 interconnections with neighboring suppliers, Aqua PA and the Forest Park Water Treatment Facility via the North Wales Water Authority (NWWA). PFCs have been detected in all of these sources except the water originating from Forest Park. Although these detected levels have been below the EPA HA, they are certainly of concern to the Authority and Horsham Council on behalf of Horsham residents.

In light of that concern, a short term plan to reduce the average concentration of PFOS and PFOA in the public water system was presented and adopted at a joint public meeting between the Authority Board and Horsham Township Council on June 26, 2016. After a presentation by the Authority of five options and hearing comments and concerns raised by the residents, Council and the Authority Board voted to adopt a plan that involves completing the Navy-funded treatment system work at the wells as noted above, then actively managing the use of remaining wells vs. purchasing additional water from Forest Park to further reduce PFC concentrations in Horsham's public supply with the goal of achieving an average concentration of less than 1 ppt in the public drinking water supply. Because purchasing water costs significantly more than producing it from our own wells, the surcharge is necessary primarily to cover this additional purchased water cost, which is not currently reimbursable by the military.

Why is the military not paying for this cost? The Authority recognizes that the residents did not create this problem, and together with Horsham Township are actively advocating that the military fund all costs associated with the PFC contamination so that residents do not have to bear any of the costs. The Authority has entered into Cooperative Agreements with both the Department of the Navy (Navy) and the National Guard Bureau (NGB) which collectively provide funding for the installation of treatment systems on the five public supply wells as described above, operation of those treatment systems *to remove PFCs to the 70 ppt HA level*, as well as public water connections for over 90 properties with private wells with PFC concentrations exceeding the HA. However, according to the military, the government is not authorized to fund any actions designed to reduce PFC concentrations below the EPA health advisory, a step that both the Authority and Horsham Council felt was necessary in order to make the public water supply as protective as possible of Township residents while the science regarding these contaminants continues to emerge. The Authority has made multiple funding requests of the Department of Defense, Navy, Air Force and National Guard Bureau, and continues to work with state and federal officials toward this end. These efforts will continue, and public participation is encouraged and welcomed.

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Why has the Authority adopted a short term plan to further reduce PFC concentrations and thus created a need for a surcharge when the EPA has adopted a lifetime health advisory of 70 ppt? Out of an abundance of caution, in light of concerns as to the evolving nature of the science regarding PFC contamination in drinking water and the chronic, historic consumption in our community in particular, we developed the short term plan as described above. This plan was overwhelmingly supported by the public in attendance at the meeting when the plan was presented. However, the short term plan carries additional costs which are not currently being reimbursed by the military and the military will only fund projects designed to meet the EPA health advisory or other future standards.

Were the residents ever informed of a potential cost to be imposed upon them? Costs of the short term plan, and the fact that those costs are not currently reimbursable, were presented at the June 26, 2017 meeting. The presentation from that meeting is also on Horsham Township and HWSA's websites. A direct mailer was also issued to all public water customers on September 2, 2016.

Didn't the Authority just receive \$10 million in funding from the State and why is that not being used to cover the surcharge? Legislation passed as part of the 2016-2017 state budget process allocates \$10 million in grant funding for projects that install infrastructure to ensure clean drinking water in Horsham after an application and approval process through Pennvest. In accordance with the prescribed deadline, the Pennvest application was completed and submitted to Pennvest on November 1, 2016 for consideration in early 2017. This funding is designated for costs associated only with physical infrastructure. Operating costs, such as carbon change-out, are excluded from eligibility under this funding. The Authority anticipates utilizing these funds to install permanent treatment systems at the interconnection with Aqua, as well as at 5 of the 9 additional public supply wells mentioned above, a new 1.0 million gallon storage tank, an additional interconnection with NWWA, and construction of approximately 2 miles of water mains to make public water service available to properties with private wells with PFC concentrations below the 70 ppt HA. Without this funding, the Authority has estimated that the proposed capital improvements would necessitate at least a 50% increase in water rates.

Will there be any additional funding? HWSA and Horsham Township are actively advocating for funding so that our residents do not have to bear the additional costs associated with removing PFCs below the HA. We believe that if uniform and statewide standards are adopted that scientifically supports a lower level than the EPA HA, the military may expand funding to achieve such Pennsylvania standards. Therefore, we support state and federal efforts to impose a lower regulatory limit for PFCs in drinking water.

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How is this surcharge calculated? The surcharge is proportioned based on the capacity in the water system allocated to each connection. A connection served by a 5/8" water meter represents a single unit of water capacity and is accordingly charged the base surcharge. Nearly all residential properties are served by a 5/8" meter. Larger meter sizes which typically serve commercial properties are allocated multiple units of capacity. For example, a 1" meter is allocated 2 units of capacity, a 1 1/2" meter, 5 units of capacity, and so on. Properties served by larger meters are charged the base surcharge times the respective units of capacity allocated to the property. Therefore, while the surcharge is not based specifically on the number of gallons used, the size of the meter serving each connection is the means by which the proportionate share of the costs is allocated among all users of the system.

Will this surcharge be separate and broken down on my bill? Yes, this will be reflected on your bill as a single line item, which will be located above the water section of your bill.

What is this money used for? To support the costs of reducing the average concentration of PFCs in the public water supply below 70 ppt. Such costs are not currently being funded by any outside revenue source.

How long will the surcharge be in effect? We anticipate that the surcharge will be in effect for as long as the short term plan is in effect. This is currently estimated for a period of up to 3 years. Unreimbursed costs of implementing a long term plan to address the PFC contamination will be built into future rate adjustments.

If the Authority gets reimbursed for the costs that make up the surcharge, will I get my money back? If all of the costs which make up the surcharge are reimbursed to the Authority, the surcharge will be "paid back", most likely through credits on future billings. If partial reimbursement of costs is received, the amount of the reimbursement will be proportioned back to our customers in the same proportion on which they were paid.

Besides this surcharge, are my rates also going to go up? The Authority is a non-profit organization. Accordingly, the Authority does not generate profits from the fees charged for our services, or from the new surcharge. Rates are calculated to meet the Authority's routine operating and capital costs and therefore will continue to be adjusted as necessary.

Will updates be provided as to how this money is being used? Yes, we anticipate providing a quarterly accounting of the PFC related costs which will be posted on our website.

To be sure you are receiving all communication and updates regarding your drinking water, be sure to sign up for Horsham Township's email alerts. You can do so by sending an email to water@horsham.org and typing the word "SUBSCRIBE" in the subject line.