



The Horsham Water and Sewer Authority (the Authority) Board recently approved a surcharge to all water customers to fund the implementation of a \$1.2 million per year short-term remediation plan approved by Horsham Township Council in June. The short term plan addresses the unacceptable levels of Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA) in the public water supply resulting from U.S. Department of Defense activities on the former Naval Air Station Joint Reserve Base (NASJRB) and the Horsham Air Guard Station.

The Navy is funding the installation of treatment systems on the five public supply wells which are or were at one time, above the PFOS and/or PFOA combined EPA health advisory (HA) level of 70 ppt. Those systems are currently in various stages of installation and are expected to be placed in service in succession through the end of the year. Once production from the five wells has been restored, the Authority will begin suspending from service other sources of supply which also have levels of PFOS and/or PFOA, but below the HA, while at the same time increasing purchased water produced at the Forest Park surface water treatment plant. In order to continue to meet demand and to avoid disruption to the water system while these operational changes are being made, the short term plan is being implemented methodically through the remaining months of the year. Upon full implementation, the target is for the average combined PFOS and PFOA concentration in Horsham's public water system to be reduced to less than one part per trillion (ppt).

Based on current operating costs, purchased water costs four to five times more than water produced through the Authority's public supply wells. Under normal operating conditions, and as calculated into the current water rates, approximately 15% of the average daily demand is met using purchased water. Under the short term plan, more than half of the average daily demand will be purchased. As such, this surcharge is necessary to fund the additional purchased water. To the average residential water customer, the surcharge will result in an increase of \$23.96 per quarter, or less than 27 cents a day, and will go into effect on all water service invoices issued starting on September 15, 2016.

This surcharge is separate and distinct from typical rate increases that are brought about by escalations in routine costs to operate the water and sewer systems and is strictly for the purpose of funding additional operational costs to implement the short term PFOS and PFOA remediation. In early July, State Representative Todd Stephens and Governor Tom Wolf announced that Pennsylvania's 2016-2017 budget includes \$10 million to fund grants for projects that install infrastructure to ensure clean drinking water in Horsham Township. It is anticipated that these funds will be used for the installation of infrastructure needed to carry out the long term PFOS and PFOA remediation. However, short or long term operating costs associated with the remediation are not eligible for reimbursement under this funding.

We understand that this surcharge will not be easy for our customers to bear. Although the U.S. Navy has committed to paying for filters for those wells which exceed the HA, the Authority and Horsham Township Council feel that the residents of Horsham are entitled to water that is free of PFOS and PFOA and that the military has an obligation to fully remediate the local groundwater resources.

The Authority and Horsham Council remain committed to ensuring the ongoing safety of the community's water supply and will continue to be vigilant in their collective efforts to recover all costs associated with this contamination.

Additional information about the surcharge is available at horshamwater-sewer.com or by calling 215-672-8011.