

VILLAGE WATER RATES

Dear Resident,

In March 2011 the Village of East Williston received notice from the Village of Williston Park that they were increasing the water rate they charge us from \$2.99 per thousand gallons to \$3.83 per thousand gallons, effective April 1, 2011. Our Village Board held a water rate hearing on May 9, 2011. Subsequent to this hearing, we adopted new water rates effective June 1, 2011.

Our new rates are \$5.47 per thousand gallons up to 100,000 gallons and \$5.72 per each thousand gallons over 100,000 gallons. In addition to the Williston Park rate increase, our new rates include an initial feasibility study for the cost to explore alternative suppliers of water, meter upgrade program, and due to recent operating losses in our water fund and increased Village Hall usage, a VEW water use-loss factor and contingency. Specifically \$1.04 is attributable to the actions taken by the Village of Williston Park, (.84 rate increase and .20 for the cost of a feasibility study). The remaining .58 will cover the costs of a meter replacement program and contingency account.

In light of receiving no explanation from the Village of Williston Park for their rate increase to us other than the Mayor stating, "Because I can.", our Village Board has also filed a lawsuit against the Village of Williston Park. We are continuing to seek other alternate suppliers of water, so in the future, we will not be locked-in to only one supplier and may potentially be able to lower our water rates.

The Mayor and Board of Trustees
Incorporated Village of East Williston

OLD RATES

(per thousand gallons - established mid-2007)

up to 100,000 gallons
\$3.85 Prior VEW Water

over 100,000 gallons
\$4.10 Prior VEW Water Rate

NEW RATES

(per thousand gallons - established mid-2011)

up to 100,000 gallons
\$3.85 Prior VEW Water
1.04 Rate increase due to WP ⁽¹⁾ .
.58 Rate increase for meter upgrade,
loss factor and contingency ⁽²⁾
\$ 5.47 New VEW Water Rate

over 100,000 gallons
\$4.10 Prior VEW Water
1.04 Rate increase due to WP ⁽¹⁾
.58 Rate increase for meter upgrade,
loss factor and contingency ⁽²⁾
\$5.72 NEW VEW Water Rate

NOTES:

- (1) The \$1.04 water rate increase results from a direct \$.84 increase from WP and a \$.20 expense for a feasibility study to find alternative water suppliers. The feasibility study would not be required if WP continued with the historical method of determining the rate it charges to VEW.
- (2) The \$.58 increase results from the planned implementation of a meter replacement program and a water fund contingency. The contingency is needed because the rate is calculated on a billable Village consumption of 130,000,000 gallons of water. If due to weather conditions and conservation due to higher rates, the billable Village consumption is lower than 130,000,000 gallons, the Village Water Fund will have an operating shortfall. The contingency will cover this situation. Going forward each year the need for a contingency will be evaluated based on the prior year's Water Fund performance.