

Modernizing Our Water System

The Fishers Island Water Works Corporation continues to work on a comprehensive plan to modernize the island's aging water infrastructure.

Phase 1 of the plan focuses on the adequacy of the island's water sources. The first project in this phase was completed last fall with the renovation of our two wells. Those renovations significantly increased both the volume and quality of the water produced by those wells.

This year, we plan to restore a closed third well, known at the Church well, just off the road by the driving range. This work will begin in late July. If this well's production rates and water quality prove viable, ground water from the three wells should be sufficient to supply the island at peak demand during the summer. Water levels in Barlow Pond, our surface water reservoir, would then become less critical.

A new filtration plant for well water is also planned to handle the increase in well water volume, while meeting current and, we expect, more stringent water quality regulations in the future.

Phase 1 also includes the installation of water meters that can be read remotely and the renovation of a high-lift pump that maintains water pressure.

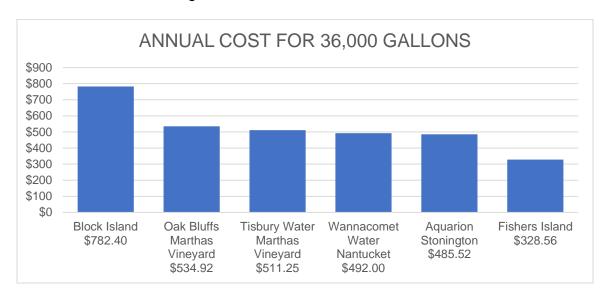
Later phases of the modernization plan encompass renovating or replacing the surface water treatment plant at Barlow Pond, adding water storage capacity and, over time, replacing parts of the island's 22 miles of water mains and control valves. In combination with these improvements to water distribution and pressure, we plan to begin replacing the fire hydrants used by the Fire District.

To support these capital investments, we are applying to the New York State Public Service Commission for an increase in water rates. The application seeks to relieve a long-standing shortfall between our revenues and our rising operating expenses and capital needs.

Rates previously approved by the Commission have proved inadequate to sustain, on a seasonal customer base, a water system called upon to serve the island's growing

demand. Other markets along the New England coastline, also with seasonal populations, have rates from 47% to 138% higher than our current rates, as illustrated in the table below.

The table compares the annual cost of 3,000 gallons per month (annual total of 36,000 gallons), at the minimum rate, in several of those markets with our purposed minimum rate of \$27.38 for 3,000 gallons.



Our proposed rates will remain below rates in these other markets. The table compares the annual cost of 3,000 gallons per month (annual total of 36,000 gallons), at the minimum rate, in several of those markets with our proposed minimum rate of \$36.57 for 3,000 gallons.



Securing the fresh water supply for our Fishers Island community is our primary mission and responsibility. The remarkable dedication and professionalism of water

superintendent, Chad Mrowka, and his crew, together with the work of hydrology engineers and other consultants, have produced an infrastructure development plan that is timely and well thought out. We are confident that our proposed rates are an essential next step to supporting the water needs of the island now and for the future.

A public notice with more detail on our rate application to the Commission will be issued shortly.

For more information, visit us on the web at: www.fiuc.net/water.