

**Executive Director Report by Jim Mueller  
April 27, 2022 Board Meeting**

**1) Operational Highlights**

Plant processes have been identified that are impacted by the current performance of controls as well as reliability issues due to overall equipment age and condition. As we begin to enter the reservoir storage tank program we are starting to evaluate how system storage will change over time from what exists now, through construction of new storage tanks, to the new operational mode once all storage tanks are online a decade from now. It appears system storage will be reduced at least during construction and that our tolerances for plant outages could be much less than currently exists. We are developing a plan to invest capital into upgrading the plant ahead of the anticipated loss of system storage so we can minimize process outages once less storage is available.

Additionally, a system-wide inventory of control systems has been undertaken and is ongoing to identify areas of vulnerability due to security, age and reliability. Power reliability is also being assessed for remote pumping and treatment sites that may identify additional capital and maintenance needs.

I will report out with more detailed recommendations as our assessments are completed and plans develop.

**2) Organizational Highlights – Succession Planning**

The Director positions approved by the Board in February and March 2022 are all posted with the current status provided in the table below.

<b>Position</b>	<b>Status</b>
Director, Organizational Development and Human Resources (ODHR)	Interviews starting this week
Director, Laboratory and Water Quality (LWQ)	Interviews starting this week
Director, Environmental Health and Safety (EHS)	Interviews being scheduled
Director, Information Technology (IT)	Posting being advertised
Director, Communications and Intergovernmental Coordination (CIC)	Posting being advertised

In addition to the Director roles listed above, there are other succession planning efforts ongoing. An assessment is being performed with key staff throughout the organization to document SOPs and workload to identify key issues that will inform future hiring priorities and/or resource allocations.

Finally, to support succession planning and retention and access to institutional knowledge we will be creating a framework for modernizing records management through archiving and digitization efforts. This will dovetail well with the ongoing development and eventual implementation of the computerized maintenance management system (CMMS), evolution of GIS and support for a long-term asset management program.

### 3) Regulatory Issues

#### Background

On May 26, 2021, PVWC received notice from the State via email that the main system entered Optimal Water Quality Control Parameters. This notice outlined limits and ranges and collection directions for the entry points to the distribution systems (EPTDS) and sites within our distribution system that receive corrosion control treatment (CCT). Within the distribution system PVWC is expected to keep a minimum pH of 7.3 at all sites and an orthophosphate minimum level of 0.50 mg/L for distribution sites that receive CCT. Our 5 EPTDS are expected to keep a minimum pH of 7.4 and minimum orthophosphate level of 0.60 mg/L. Limits were also set for pH at Little Falls Water Treatment Plant (LFWTP) of 7.4-8.4. We were expected to begin these measures in the compliance period beginning July 2021 which required changes in sample collection procedures to measure and report performance data versus the new limits.

#### Notice of Non-Compliance Received March 16, 2022

PVWC received an Official Notice of Non-Compliance (NONC) on March 16, 2022. The NONC stated that PVWC violated the Optimal Water Quality Parameters (OWQP) for pH and orthophosphate (corrosion control) 54 days out of the 6-month compliance period from July 1, 2021 to December 31, 2021. PVWC laboratory staff investigated the excursions listed and found that two pH samples submitted from Little Falls Water Treatment Plant (LFWTP) were above range via *weekly grab samples*. There is also *online monitoring equipment* at that location and upon more detailed review that data showed that the pH was within range during the entire period. There were also orthophosphate excursions reported at the single pump station, TP001WQ5 (Prospect Park Pump Station). These samples were collected by a single collector in the morning who was manually operating the pumps. In order to have a representative sample, the sample pumps need to be running not manually operated, thus the samples that were collected were stagnant water that was not dosed with CCT. This resulted in the sample not providing an accurate representation of the actual water in distribution.

Based on the data reported by PVWC, the resultant violation from the state required a Tier 2 (within 30 days of violation) public notification (PN) with a final mail date of 4/15/2022 and a remedial measures report (RMR) also due by 4/15/2022. The notice went to all customers in the main system. The state provided public notice templates for these notices which were followed and also included a brief explanation toward the end regarding the sampling issues described above with the following statement: *"At no point were any violations detected in the distribution system sampling results."*

#### Immediate Steps Taken to Address

**Orthophosphate sampling (Corrosion Control):** All staff have been reminded of proper sampling techniques. Notification has also been sent out to staff with a reminder that the laboratory information management system (LIMS) has triggers for the new limits to flag issues. New quality assurance procedures have also been implemented regarding review of preliminary results so all data is reviewed in a timely manner.

**pH Sampling:** Sampling plans and protocols have been updated to utilize the online monitoring equipment for reporting purposes. With that change a daily average taken from continuous readings every 15 minutes is being reported as opposed to a weekly grab sample. This data is initially reviewed by

PVWC operations staff as the report is formulated from SCADA. The Lab then utilizes the report and assigns the data specific identification numbers so it can be reported per State requirements.

Current Compliance Period Issues

During the current compliance period of January 2022 to June 2022 there may have been total excursions for pH and orthophosphate due to the sampling issues described previously. With this we are expecting another NONC at the end of the current sampling period (Jan-June 2022) although all corrective actions have been implemented and no violations have been detected in the distribution system. We will be discussing this with the State to develop a better communications strategy.

**4) Delinquent Account Summary**

As of March 2022, there was \$12.79M owed to PVWC from over 13,000 accounts. The breakdown of these delinquent accounts are as follows:

Account Type	Amount Owed	% Total
Residential	\$ 6,065,713	47.4%
Small Commercial < 2"	\$ 3,185,816	24.9%
Fireline	\$ 1,962,466	15.3%
Commercial to 6"	\$ 781,422	6.1%
Industrial 6" and above	\$ 699,684	5.5%
Elmwood Park (all)	\$ 63,103	0.5%
Municipal	\$ 31,122	0.2%
<b>Total</b>	<b>\$ 12,789,326</b>	<b>100%</b>

The shutoff moratorium was lifted on March 15, 2022 and we have been developing a three-pronged strategy to ramp back up collections. The first prong involves communications with the communities regarding the lifting of the moratorium including notes on monthly and quarterly bills, notes on delinquent notices, postcards sent to all postal patrons, bill stuffers and

website/social media communications. The second prong is developing a list of priority shutoff locations which is almost finalized. The third prong is developing an accounting strategy to not charge interest for accounts during the blackout period of the moratorium which is still under evaluation.

**5) Low Income Household Water Assistance Program (LIHWAP)**

We have been assessing the feasibility of participating in the LIHWAP program to provide up to \$1500 of subsidies for delinquent accounts for eligible households. Based on the reporting requirements significant changes to PVWC’s billing system may be necessary and/or additional staff to properly account for LIHWAP and report out to the State. It is not clear how many of the residential households would be eligible for LIHWAP nor how many would actually apply. The preliminary cost estimate for PVWC to institute accounting changes and hire additional staff is in the \$400,000 - \$500,000 range. We are in the process of clarifying the reporting requirements with the State to see if they can be streamlined.