



SUEZ WATER NEW YORK INC. PFAS PROGRESS REPORT

1st QUARTER OF 2021



1. OVERVIEW

PFOA and PFOS are chemical substances that have been used for decades to manufacture firefighting foam and many common household and consumer products the public uses frequently, including non-stick cookware, fast food packaging, adhesives, paints, shampoo and cosmetics.

For years, states and water providers have followed the Environmental Protection Agency (EPA) health advisory limit of 70 parts per trillion (ppt) for PFOA and PFOS in drinking water. Multiple laboratory tests confirm that SUEZ Water New York Inc.'s ("SUEZ" or the "Company") Chateau Ridge water system in Putnam County, New York (Public Water Supply ID# NY3905685) has tested well below the federal advisory levels for these substances.

While concentrations of PFOA and PFOS in our New York water supply have not changed, in late August 2020, the State of New York set a new standard of 10 ppt for these substances in drinking water.

In accordance with the new requirements, SUEZ took additional samples from its well water sources in October. Those sites that tested above the new state standard remain well below the federal level of 70 ppt, but will require treatment to meet the new State requirements.

SUEZ is working closely with the New York State Department of Health and the Putnam County Health Department to achieve compliance by installing advanced treatment.

In anticipation that the New York State Department of Health would set a new standard for PFOA and PFOS, as it has done in 2020, SUEZ engineers and water quality experts began investigating and designing treatment solutions in 2019.

SUEZ applied for and received a deferral from the New York State Department of Health on January 7, 2021 for the implementation of treatment, recognizing the design, testing, permitting, construction and other activities will take time to complete. As part of the deferral process, the company submitted a full action plan that will ensure that the water system will meet the new standard and has produced this report as a further requirement of the deferral process.

1.1. Test Results

The results of compliance and confirmation sampling are summarized in Table 1-1 for the sites with analytical results confirming a current or previous MCL exceedance.

Table 1-1: Sample Test Results

| Well Site | Sample Date | PFOS (ppt) | PFOA (ppt) |
|----------------|-------------|------------|------------|
| Chateau Well 3 | Oct-20 | 7 | 12 |
| Chateau Well 1 | Oct-20 | 12 | 14 |
| Chateau Well 2 | Oct-20 | 6.9 | 8.2 |
| Chateau Well 1 | Oct-20 | 15 | 14 |
| Chateau Well 3 | Oct-20 | 4.9 | 7.6 |
| Chateau Well 1 | Jan-21 | 9.6 | 11 |
| Chateau Well 2 | Jan-21 | 6.4 | 7.1 |
| Chateau Well 3 | * | * | * |

Notes:

Red font indicates concentrations greater than the new New York State Drinking Water Standard of 10 parts per trillion (ppt) and require treatment.
 Gray shading indicates sample results from previous periods

*Chateau Well 3 was out of service in Q1-21

1.2. Progress Update

SUEZ continues to identify treatment requirements, including design and construction needs for PFOA/PFOS treatment facilities and procurement of Granular Activated Carbon (GAC) vessels, which is identified as the Best Available Technology for the treatment of PFOA/PFOS. SUEZ’s proactive efforts, including bench testing studies for treatment alternatives, design for treatment equipment and facilities, and bidding for long-lead time equipment, began in advance of New York State’s adoption of the new state standard for PFOA and PFAS.

In the first quarter of 2021, SUEZ made progress on multiple fronts to meet the new standards

SUEZ elected to competitively bid the treatment equipment and construction services to ensure the best available quality, schedule and pricing. SUEZ awarded the treatment equipment to the best value vendor. Because the treatment equipment delivery times may extend well beyond one year due to demand, SUEZ received pricing commitments and estimated delivery dates for the equipment. Current estimated delivery dates for equipment range from nine to twelve months.

Additionally, SUEZ received bids for general construction to design and construct the required treatment facilities, including all structural, architectural, process piping, electrical, HVAC, and instrumentation and control components needed to provide a fully functional treatment system in compliance with state and local codes and regulations. SUEZ awarded contracts to add treatment at all 3 wells (1 well site) in the first quarter of 2021. SUEZ will finalize the award process for the site in the current quarter.

1.3. Action Plan Schedule – Key Milestones

SUEZ is moving as quickly as possible to complete the implementation of treatment solutions and expects to complete the work in less than 24 months. The current estimated completion dates and actual completion dates are summarized in Table 1-2 for the impacted sites.

Table 1-2: Project Schedule

| Milestone | Estimated Completion Date | Actual Completion Date |
|--------------------------------------------------|------------------------------|------------------------------|
| Treatment Equipment Bidding | 4 th Quarter 2020 | 4 th Quarter 2020 |
| Engineering, Procurement, and Construction Award | 1 st Quarter 2021 | 1 st Quarter 2021 |
| Complete Design / Submit for Permitting Review | 3 rd Quarter 2021 | - |
| Commence Project Construction / Implementation | 1 st Quarter 2022 | - |
| Treatment Facilities In Service | 3 rd Quarter 2022 | - |

1.4. Potential Schedule Impacts

The installation of water quality treatment must be planned and constructed carefully to ensure effectiveness. There are several steps that must be taken prior to implementation of treatment in a drinking water system, including:

- Bench testing and studies
- Issuance of a requests for proposal for design services, permitting services, equipment fabrication, and construction
- Contract award and execution for above services
- Detailed design
- Permitting
- Construction
- Start-up and commissioning

Similarly, several industry resources, many of whom are independent and outside of a water utility's management or control (as listed below), are needed to fully execute the treatment plan, which could result in unanticipated delays:

- Availability of laboratories to manage the volume and reporting of water quality data
- Availability of consulting services needed:
 - to conduct bench and/or pilot scale studies to develop treatment design criteria

- to detail treatment design and preparation of permit applications
- to develop construction bid documents
- to procure construction contracts,
- Availability of construction services needed install and commission treatment facilities
- Availability of appropriate commercial treatment equipment and media
- Availability of Health Department and local planning board for permitting and review processes

Permits and/or approvals are anticipated to be required from the following agencies:

- Putnam County Department of Health
- New York State Department of Health
- New York State Department of Environmental Conservation
- Town Planning Board and Building Department.
- Town Board, Architectural Commission and/or Zoning Board of Appeals may also be required, depending on whether the design requires a variance

In addition, many large and medium-sized public community water systems and non-community water systems will need to comply with the new regulations at approximately the same time, potentially creating bottlenecks in the above areas and resulting in schedule impacts.

1.5. Implementation of Interim Measures

There are no interim measures that can be taken at this time while maintaining adequate water supply.

1.6. Emergency Conditions

There are no interim measures that can be taken at this time while maintaining adequate water supply.