

NEW JERSEY WATER SUPPLY AUTHORITY

MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2020 BUDGET

(July 1, 2019 - June 30, 2020)

Adopted
May 6, 2019

RARITAN BASIN SYSTEM

FISCAL YEAR 2020 BUDGET

(July 1, 2019 - June 30, 2020)

Adopted
May 6, 2019

MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

FISCAL YEAR 2020 BUDGET

(July 1, 2019 - June 30, 2020)

Presentation Only

NEW JERSEY WATER SUPPLY AUTHORITY



MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2020 BUDGET

(July 1, 2019 - June 30, 2020)

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED

FISCAL YEAR 2020 BUDGET
(July 1, 2019-June 30, 2020)

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NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED FISCAL YEAR 2020 BUDGET SUMMARY

(7/1/19-6/30/20)

	ADOPTED F/Y2019 <u>Reservoir Budget</u>	PROPOSED F/Y2020 <u>Reservoir Budget</u>
Proposed Operating Expense Budget (Schedule 2)	\$ 2,551,580	\$ 2,663,030
Proposed Capital Equipment Budget (Schedule 13)	22,800	400
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 5)	<u>666,000</u>	<u>568,000</u>
 Total Operating Expense Budget & Capital Equipment Budget	 \$ 3,240,380	 \$ 3,231,430
 Adjustment for F/Y17 Salary & Fringe Expenses to be paid from the WTP/TS Account	 (114,905) *	 \$ -
Adjustment for F/Y18 Salary & Fringe Expenses to be paid from the WTP/TS Account	\$ -	\$ (79,552)
 Contributions to Debt Service and Reserve Funds		
Renewal & Replacement	\$ 120,000	\$ 120,000
Sediment Reserve	10,000	10,000
Formal Dam Inspection Reserve	5,000	5,000
High Voltage Testing Reserve	15,000	15,000
Initial Debt Service Fund (120 percent coverage)	3,125,431	3,125,441
Delayed Debt Service Fund (120 percent coverage)	1,076,414	1,076,417
NJEIFP Debt Service	176,917	176,917
Source Water Protection Program	106,450	106,450
Other Post Employment Benefits Reserve	-	-
Supplemental Renewal & Replacement	-	-
Total Contributions to Debt Service and Reserve Funds	<u>\$ 4,635,212</u>	<u>\$ 4,635,225</u>
 Total Proposed Budget	 <u>\$ 7,760,687</u>	 <u>\$ 7,787,103</u>
 Revenues		
Operating and Maintenance Component	\$ 3,069,826	\$ 3,069,858
Appropriation from General Fund (Rate Stabilization)	188,350	208,620
Debt Service (120 percent coverage)	3,125,431	3,125,441
Delayed Debt Service (120 percent coverage)	1,076,414	1,076,417
NJEIFP Debt Service	176,917	176,917
Source Water Protection Program Component	106,450	106,450
F/Y19 interest earnings were estimated at .25 percent, long-term investments were estimated at 1.3 percent.	<u>17,300</u>	<u>23,400</u>
Total Revenue	<u>\$ 7,760,687</u>	<u>\$ 7,787,103</u>

* Amount reclassified for presentation purposes

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY1999-FY2020 – INITIAL WATER USERS**

INITIAL WATER PURCHASER 14.98 mgd JULY 1, 2015
SHORELANDS .028 mgd July 1, 2006

<u>Effective Date</u>	<u>O&M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/91-8/01/20</u>	<u>NJEIFP Debt Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 1998	263.56		569.36		\$832.92	-11.29%
July 1, 1999	114.13		581.18		\$695.31	-16.52%
July 1, 2000	145.81		583		\$728.81	4.82%
July 1, 2001	212.29		585.63		\$797.92	9.48%
July 1, 2002	212.35		582.62		\$794.97	-0.37%
July 1, 2003	201.14	15	578.83		\$794.97	0.00%
July 1, 2004	321.69	15	584.95		\$921.64	15.93%
July 1, 2005	295.41	15	584.6		\$895.01	-2.89%
July 1, 2006	295.41	15	522.86		\$833.27	-6.90%
July 1, 2007	302.52	15	528.54		\$846.06	1.53%
July 1, 2008	302.52	15	566.59		\$884.11	4.50%
July 1, 2009	396.79	15	568.26		\$980.05	10.85%
July 1, 2010	396.79	15	568.69		\$980.48	0.04%
July 1, 2011	347.39	15	618.09	35.42	\$1,015.90	3.61%
July 1, 2012	345.95	15	619.53	35.42	\$1,015.90	0.00%
July 1, 2013	356.61	15	619.87	24.42	\$1,015.90	0.00%
July 1, 2014	356.61	15	619.87	24.42	\$1,015.90	0.00%
July 1, 2015	386.00	10.00	636.61	24.79	\$1,057.40	4.09%
July 1, 2016	432.87	10.00	636.61	25.10	\$1,104.58	4.46%
July 1, 2017	432.87	15.00	570.55	24.93	\$1,043.35	-5.54%
July 1, 2018	432.87	15.00	570.55	24.93	\$1,043.35	0.00%
July 1, 2019	432.87	15.00	570.55	24.93	\$1,043.35	0.00%

Table 2

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2004-FY2020 – DELAYED WATER USERS**

DELAYED WATER PURCHASER NJ-AMERICAN 1 mgd JULY 1, 2001
1.935 mgd OCTOBER 1, 2002
1.500 mgd JANUARY 1, 2005

<u>Effective Date</u>	<u>O&M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/02-8/01/31</u>	<u>NJEIFP Debt Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 2003	201.14	15.00	849.31		\$1,065.45	1.67%
July 1, 2004	321.69	15.00	849.31		\$1,186.00	11.31%
July 1, 2005	295.41	15.00	853.85		\$1,164.26	-1.83%
July 1, 2006	295.41	15.00	763.61		\$1,074.02	-7.75%
July 1, 2007	302.52	15.00	764.44		\$1,081.96	0.74%
July 1, 2008	302.52	15.00	762.28		\$1,079.80	-0.20%
July 1, 2009	396.79	15.00	763.24		\$1,175.03	8.82%
July 1, 2010	396.79	15.00	756.19		\$1,167.98	-0.60%
July 1, 2011	347.39	15.00	770.90	35.42	\$1,168.71	0.06%
July 1, 2012	345.95	15.00	772.12	35.42	\$1,168.49	-0.02%
July 1, 2013	356.61	15.00	772.46	24.42	\$1,168.49	0.00%
July 1, 2014	356.61	15.00	772.46	24.42	\$1,168.49	0.00%
July 1, 2015	386.00	10.00	770.07	24.79	\$1,190.86	1.91%
July 1, 2016	432.87	10.00	770.07	25.10	\$1,238.04	3.96%
July 1, 2017	432.87	15.00	664.96	24.93	\$1,137.76	-8.10%
July 1, 2018	432.87	15.00	664.96	24.93	\$1,137.76	0.00%
July 1, 2019	432.87	15.00	664.96	24.93	\$1,137.76	0.00%

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

DEBT SERVICE COVERAGE

FISCAL YEAR 2020
(7/1/19-6/30/20)

	Budgeted F/Y2020
<u>Revenues</u>	
Uninterruptible Water Sales	\$ 7,557,171
Interest Income	23,400
Total Revenues	\$ 7,580,571
 <u>Expenses</u>	
O&M Costs	\$ 2,663,030
Overhead Allocation	568,000
Total O&M	\$ 3,231,030
Cash Available for Debt Service - A	\$ 4,349,541
Net Debt Service Expense	\$ 3,501,548
Debt Service Coverage Calculation - A/B	1.24
Cash After Debt Service A-B	\$ 847,993

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

TOTAL OPERATIONS & MAINTENANCE BUDGET

FISCAL YEAR 2020
(7/01/19-6/30/20)

	F/Y2019 Reservoir Adopted	F/Y2020 Reservoir Proposed
	<u> </u>	<u> </u>
Salaries & Fringe Benefits (Schedule 6)	\$1,423,000	\$1,520,900
O & M Direct Expense (Schedule 3)	1,019,652	1,008,584
G&A Expenses (Schedule 4)	<u>108,929</u>	<u>133,543</u>
Total Operations & Maintenance Budget	<u>\$2,551,581</u>	<u>\$2,663,027</u>
Estimate	<u><u>\$2,551,580</u></u>	<u><u>\$2,663,030</u></u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (40)

FISCAL YEAR 2020
(7/01/19-6/30/20)

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>RESERVOIR</u> <u>DIRECT</u>	
		<u>ADOPTED</u> <u>FY19</u>	<u>PROPOSED</u> <u>FY20</u>
5200	Residences	\$	\$
5210	Heating Fuel	648	648
5220	Utilities -Electrical Service	90,500	90,500
5230	-Gas Service	8,000	8,000
5240	-Propane		
5250	Electricity for Pumping Station	333,000	305,000
5260	Fuel - Vehicular		
5270	Oil & Grease		
5280	Tires		
5290	Maintenance Supplies	2,000	4,000
5300	Maint. Supplies - Vehicular		
5310	Major Vehicle Service & Repair		
5320	Agricultural Supplies		
5330	Maintenance Equipment	51,500	51,500
5340	Serv. & Maintenance Contracts	42,450	42,450 (Sch. 9)
5350	Equipment Rental	6,500	6,500
5360	Household - Safety Supplies	1,000	1,000
5370	Uniforms		
5380	Special & Professional Services	110,186	123,686 (Sch. 11)
5390	Protective Services	283,868	239,000 (Sch. 14)
5400	Telephone	8,700	8,000
5410	Postage & Freight Out		
5420	Data Processing		
5430	Printing & Office Supplies	1,500	1,500
5440	Scientific & Photographic	5,500	5,500
5450	Dues & Subscriptions		
5460	Advertising & Promotional	2,000	2,000
5470	Travel & Subsistence		
5480	Staff Training & Tuition Aid		
5490	Fees & Permits	35,500	35,500
5500	In - Lieu Taxes	36,800	36,800
5510	Sediment Removal		47,000
TOTAL O&M DIRECT EXPENSE BUDGET		<u>\$1,019,652</u>	<u>\$1,008,584</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2020
(7/01/19-6/30/20)

<u>CODE</u>	<u>ACCOUNT</u>	<u>ADOPTED G&A FY19</u>	<u>PROPOSED G&A FY20</u>
	Salaries & Fringe Benefits	\$3,118,614	\$3,173,817
5200	Residences		
5210	Heating Fuel		
5220	Utilities -Electrical Service		
5230	-Gas Service		
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular	20,450	22,000
5270	Oil & Grease	8,200	5,700
5280	Tires	7,000	7,000
5290	Maintenance Supplies	27,300	27,300
5300	Maint. Supplies - Vehicular	10,600	10,600
5310	Major Vehicle Service & Repair	44,500	50,000
5320	Agricultural Supplies	7,600	7,600
5330	Maintenance Equipment	9,800	9,800
5340	Serv. & Maintenance Contracts	20,750 (Sch. 10)	20,550
5350	Equipment Rental	3,700	3,900
5360	Household - Safety Supplies	7,500	7,500
5380	Special & Professional Services	4,000 (Sch. 12)	7,300
5390	Protective Services		
5400	Telephone	7,000	7,000
5410	Postage & Freight Out	500	1,000
5420	Data Processing	5,000	5,000
5430	Printing & Office Supplies	7,800	5,800
5440	Scientific & Photographic	300	300
5450	Dues & Subscriptions	3,000	3,000
5460	Advertising & Promotional	1,500	2,000
5470	Travel & Subsistence	900	500
5480	Staff Training & Tuition Aid	11,900	11,900
5490	Fees & Permits	7,700	7,700
5500	In - Lieu Taxes		
5510	Residual Removal		
5520	Water Treatment Chemicals		
5525	GAC Replacement		
SUB-TOTAL G&A EXPENSE BUDGET		<u>\$217,000</u>	<u>\$223,450</u>
TOTAL G&A WITH SALARIES & FRINGE		<u>\$3,335,614</u>	<u>\$3,397,267</u>

Allocation of Direct General & Administrative Expense Budget - See Appendix I for basis of Allocation.

(Page 6, Columns 2, 3, & 4)

Reservoir System	\$108,929	\$133,543
Treatment/Transmission System	<u>\$108,071</u>	<u>\$89,907</u>
Total	<u>\$217,000</u>	<u>\$223,450</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**RECAP OF ALLOCATION OF HEADQUARTERS GENERAL AND ADMINISTRATIVE EXPENSES
CHARGED TO THE MANASQUAN RESERVOIR WATER SUPPLY SYSTEM**

FISCAL YEAR 2020
(7/01/19-6/30/20)

	<u>Total Headquarters Charge</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan WTP/TS</u>
Budgeted-Appendix I, amount to be charged to Manasquan System for FY20 (7/1/19-6/30/20)	\$753,893	\$649,479	\$104,414
F/Y18 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y18 (7/1/17-6/30/18). Amounts paid during F/Y18 to Raritan Basin System.	\$772,000	\$666,000	\$106,000
Actual allocation based upon audited expenditures F/Y18 (7/1/17-6/30/18) - Appendix II	<u>\$677,639</u>	<u>\$584,583</u>	<u>\$93,056</u>
Adjustments F/Y18	<u>(\$94,361)</u>	<u>(\$81,417)</u>	<u>(\$12,944)</u>
Net Allocation for F/Y2020 Budget	<u>\$659,532</u>	<u>\$568,062</u>	<u>\$91,470</u>
Estimate	<u>\$660,000</u>	<u>\$568,000</u>	<u>\$92,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

LABOR PROJECTION

FISCAL YEAR 2020
(7/01/19-6/30/20)

TITLES	RANGE	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION RESERVOIR %	AMOUNT RESERVOIR	ALLOCATION WTP/TS %	AMOUNT WTP/TS
Director	36	119,500	76,379	-	-	-	195,879	50%	98,000	50%	97,879
Project Engineer II	26	85,600	54,711	-	-	-	140,311	51%	71,900	49%	68,411
Water Supply Tech.	17	62,400	40,235	-	550	-	103,185	62%	63,900	38%	39,285
Administrative Assistant	18	67,400	43,079	-	-	-	110,479	50%	55,200	50%	55,279
Supervisor Technical Facilities Maint	23	84,900	60,764	9,619	550	-	155,833	47%	72,500	54%	83,333
Sr. Water Supply Tech.	20	73,900	47,747	253	550	-	122,450	43%	52,600	57%	69,850
Maintenance Worker I	10	46,100	29,817	-	550	-	76,467	93%	71,400	7%	5,067
Supervisor Operations	29	102,300	65,386	-	-	-	167,686	25%	41,100	76%	126,586
Equipment Operator	12	42,900	27,771	-	550	-	71,221	94%	66,900	6%	4,321
Foreman Bldg & Grounds Maint	19	73,900	47,816	360	550	-	122,626	94%	114,700	6%	7,926
Foreman Facilities Maintenance	20	73,900	48,491	1,417	550	-	124,358	47%	58,300	53%	66,058
Facilities Mechanic (3 Positions)	18	186,100	120,807	1,260	1,650	-	309,817	48%	148,500	52%	161,317
Supervisor Plant Operator	22	81,100	53,524	2,088	550	4	137,266	37%	50,500	63%	86,766
Maintenance Worker I Operations	10	46,100	29,817	-	550	-	76,467	92%	70,200	8%	6,267
Reservoir System Operator (3 Positions)	15	165,400	120,898	20,207	1,650	1,896	310,051	97%	301,900	3%	8,151
Asst. Reservoir System Operator (2 Positions)	13	78,500	57,181	9,863	1,100	-	146,644	95%	139,300	5%	7,344
Plant Operator (3 Positions)	20	217,800	160,362	31,447	1,650	-	411,259	6%	24,700	94%	386,559
Plant Operator (3 Positions)	19	207,900	152,781	29,486	1,650	-	391,817	5%	19,300	95%	372,517
TOTAL:		1,815,700	1,237,567	106,000	12,650	1,900	3,173,817		1,520,900		1,652,917

TOTAL = 27 Positions

NOTE: A. PERCENTAGES ARE FROM THE AVERAGE OF FISCAL YEARS 2015 THROUGH 2018 BASED ON ACTUAL TIME RECORDS.
B. PLANT OPERATOR TIME STUDY PERCENTAGES WERE ADJUSTED TO ACCOUNT FOR THE VALUE OF THE SHIFT DIFFERENTIAL PROVIDED TO THE RESERVOIR

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**DIRECT EXPENSE BUDGET (40) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL
YEAR 2020 AND EXPENDITURES THROUGH 3/31/19 FOR FISCAL YEAR 2019**

CODE	ACCOUNT	ADOPTED BUDGET FY19	PROPOSED BUDGET FY20	EXPENDITURES THRU 3/31/19
5200	ON-SITE RESIDENCE			
5210	HEATING FUEL	648	648	
5220	UTILITIES-ELECTRICAL SERVICE	90,500	90,500	61,669
5230	UTILITIES-GAS SERVICE & WATER	8,000	8,000	5,931
5240	UTILITIES-PROPANE			
5250	ELECTRICITY FOR PUMPING	333,000	305,000	145,854
5260	VEHICULAR FUEL			
5270	OIL & GREASE			
5280	TIRES			
5290	MAINTENANCE SUPPLIES	2,000	4,000	5,221
5300	MAINT. SUPPLIES-VEHICULAR EQUIPMENT			
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR			
5320	AGRICULTURAL SUPPLIES			
5330	MAINTENANCE OF EQUIPMENT	51,500	51,500	42,780
5340	SERVICE & MAINTENANCE CONTRACTS	42,450	42,450	47,024
5350	EQUIPMENT RENTAL	6,500	6,500	1,430
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	1,000	1,000	766
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	110,186	123,686	44,170
5390	PROTECTIVE SERVICES	283,868	239,000	179,086
5400	TELEPHONE	8,700	8,000	6,060
5410	POSTAGE & FREIGHT			
5420	DATA PROCESSING			
5430	PRINTING & OFFICE SUPPLIES	1,500	1,500	770
5440	SCIENTIFIC & PHOTOGRAPHIC	5,500	5,500	636
5450	DUES & SUBSCRIPTIONS			
5460	ADVERTISING	2,000	2,000	-
5470	TRAVEL & SUBSISTENCE			
5480	STAFF TRAINING & TUITION AID			
5490	FEES & PERMITS	35,500	35,500	31,510
5500	IN-LIEU TAXES	36,800	36,800	36,896
5510	SEDIMENT REMOVAL	-	47,000	-
TOTALS		\$1,019,652	\$1,008,584	\$609,804

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING
EXPENSE BUDGET FOR FISCAL YEAR 2020 AND EXPENDITURES THROUGH 3/31/19 FOR
FISCAL YEAR 2019**

CODE	ACCOUNT	ADOPTED BUDGET FY19	PROPOSED BUDGET FY20	EXPENDITURES THRU 3/31/19
5110	REGULAR SALARIES & WAGES	\$1,796,450	\$1,830,250	\$1,314,152
5120	OVERTIME-SALARIES & WAGES	106,000	106,000	63,807
5150	FRINGE BENEFITS	1,006,864	1,052,667	704,788
5160	RETIREE HEALTH BENEFITS	204,300	179,900	86,605
5168	WORKERS' COMP. (SELF INSURED)	5,000	5,000	1,149
	TOTAL SALARY, OVERTIME & FRINGE BENEFITS	\$3,118,614	\$3,173,817	\$2,170,499
5201	ON-SITE RESIDENCE (WINDELER HOUSE)			
5210	HEATING FUEL			
5220	UTILITIES-ELECTRICAL SERVICE			
5230	UTILITIES-GAS SERVICE & WATER			
5240	UTILITIES-PROPANE			
5250	ELECTRICITY FOR PUMPING			
5260	VEHICULAR FUEL	20,450	22,000	15,634
5270	OIL & GREASE	8,200	5,700	6,797
5280	TIRES	7,000	7,000	3,917
5290	MAINTENANCE SUPPLIES	27,300	27,300	5,654
5300	MAINT. SUPPLIES- VEHICULAR EQUIPMENT	10,600	10,600	7,068
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR	44,500	50,000	16,940
5320	AGRICULTURAL SUPPLIES	7,600	7,600	3,480
5330	MAINTENANCE OF EQUIPMENT	9,800	9,800	5,191
5340	SERVICE & MAINTENANCE CONTRACTS	20,750	20,550	8,200
5350	EQUIPMENT RENTAL	3,700	3,900	1,898
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	7,500	7,500	2,349
5370	UNIFORMS		0	
5380	SPECIAL & PROFESSIONAL SERVICES	4,000	7,300	1,466
5390	PROTECTIVE SERVICES		0	
5400	TELEPHONE	7,000	7,000	4,463
5410	POSTAGE & FREIGHT	500	1,000	587
5420	DATA PROCESSING	5,000	5,000	2,904
5430	PRINTING & OFFICE SUPPLIES	7,800	5,800	2,561
5440	SCIENTIFIC & PHOTOGRAPHIC	300	300	0
5450	DUES & SUBSCRIPTIONS	3,000	3,000	1,058
5460	ADVERTISING	1,500	2,000	1,214
5470	TRAVEL & SUBSISTENCE	900	500	204
5480	STAFF TRAINING & TUITION AID	11,900	11,900	3,826
5490	FEES & PERMITS	7,700	7,700	5,049
5500	IN-LIEU TAXES			
5510	SEDIMENT REMOVAL			
	SUB TOTALS	\$217,000	\$223,450	\$100,456
TOTALS		\$3,335,614	\$3,397,267	\$2,270,955

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS
FOR RESERVOIR (40)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
1 HVAC/Dehumidifier Service	\$ 500	\$ 500
2 Instrumentation & Control System Service/Upgrade	3,000	3,000
3 Electrical Upgrade & Repair	14,000	14,000
4 Overhead Crane Service & Inspection	3,000	3,000
5 Fire & Intrusion Alarm Service	1,500	1,500
6 Potable Well/Septic Service	1,500	1,500
7 Fertilization-Dam Dike	3,750	3,750
8 Roadway Crack Sealing	2,000	2,000
9 Wood Debris Removal	2,500	2,500
10 Access Roadway Repairs	2,500	2,500
11 Roofing System Maintenance & Repair	4,000	4,000
12 Reservoir Transmission Line Clearing	3,000	3,000
13 Fios Fiber Optic for Security Cameras	1,200	1,200
	<u>1,200</u>	<u>1,200</u>
Total Service & Maintenance Contracts	<u>\$ 42,450</u>	<u>\$ 42,450</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS
FOR G & A (60)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
	<u> </u>	<u> </u>
1 Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2 Office Equipment/Computers	1,800	1,800
3 Waste Oil Disposal	200	200
4 Fire Extinguisher Service	1,100	1,100
5 UST Monitor Service	-	2,000
6 Building Maintenance	1,750	1,750
7 Internet Service	2,000	2,000
8 Janitorial Service	8,200	6,000
9 Vehicle Lift Inspection	500	500
10 Generator Service & Maintenance	2,000	2,000
11 Forklift Service & Maintenance	<u>1,200</u>	<u>1,200</u>
 Total Service & Maintenance Contracts	 <u>\$ 20,750</u>	 <u>\$ 20,550</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**LIST OF CATEGORY 5380 ITEMS RECOMMENDED SPECIAL & PROFESSIONAL SERVICES FOR
RESERVOIR (40)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
	<u> </u>	<u> </u>
1 Laboratory Services - Water Quality Sampling	\$ 2,000	\$ 10,000
2 Services-USGS Cooperative Agreement	34,000	34,000
3 Annual Trustee Fund	9,500	9,500
4 Dam Management-Surveying	2,500	2,500
5 Wetland Monitoring Management	4,000	8,000
6 Lake Management Consultants	20,000	20,000
7 Engineering Services	2,500	4,000
8 Financial Advisory Services	4,850	4,850
9 USGS Gaging Station Squankum	<u>30,836</u>	<u>30,836</u>
 Total Special & Professional Services	 <u>\$ 110,186</u>	 <u>\$ 123,686</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**LIST OF CATEGORY 5380 ITEMS RECOMMENDED SPECIAL & PROFESSIONAL SERVICES
FOR G & A (60)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
	<u> </u>	<u> </u>
1 Pulmonary Testing	\$ 1,500	\$ 1,500
2 CDL Medical Testing	500	1,000
3 EAS Service	1,200	4,000
4 Pre-Employment Physicals	<u>800</u>	<u>800</u>
Total Special & Professional Services	<u>\$ 4,000</u>	<u>\$ 7,300</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

PROJECTED FY 2020 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM

Policy	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant and Transmission System	Total Premium
Property Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood	\$521,658	\$173,719	\$44,623	\$740,000
General/Products Liability Limit \$1 million Deduct: \$150k	\$102,350	\$8,625	\$4,025	\$115,000
Environmental Impairment Liability Limit \$10 million Deduct: \$100k	\$22,250	\$1,875	\$875	\$25,000
Workers' Compensation Limit \$1 million	\$186,027	\$23,915	\$25,058	\$235,000
Employer Liability Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
Umbrella Liability Limit \$23 million	\$267,000	\$22,500	\$10,500	\$300,000
Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$22,985	\$4,091	\$924	\$28,000
Management Liability Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$44,500 \$5,340 <hr/> \$49,840	\$3,750 \$450 <hr/> \$4,200	\$1,750 \$210 \$4,000 <hr/> \$5,960	\$50,000 \$6,000 \$4,000 <hr/> \$60,000
Travel Accident Limit \$2 million	\$890	\$75	\$35	\$1,000
TOTAL:	\$1,173,000	\$239,000	\$92,000	\$1,504,000

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION
FUND FOR FISCAL YEAR 2020**

	Amount																								
F/Y2018 Net Year-End Balance	\$ 169,900.00																								
Excess D/S Coverage FY2019	\$ -																								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Overdraft</th> <th style="text-align: left; border-bottom: 1px solid black;">Invoice No.</th> <th style="text-align: left; border-bottom: 1px solid black;">Inv. Date</th> <th style="text-align: right; border-bottom: 1px solid black;">Amount</th> </tr> </thead> <tbody> <tr> <td>NJ American</td> <td>M758</td> <td>Sep-17</td> <td style="text-align: right;">\$ 16,789.59</td> </tr> <tr> <td></td> <td>MM13</td> <td>Dec-17</td> <td style="text-align: right;">776.25</td> </tr> <tr> <td></td> <td>MM320</td> <td>Mar-18</td> <td style="text-align: right;">14,739.52</td> </tr> <tr> <td></td> <td>MM322</td> <td>Jun-18</td> <td style="text-align: right;">2,226.83</td> </tr> <tr> <td></td> <td>MM324</td> <td>Jul-18</td> <td style="text-align: right;">4,187.08</td> </tr> </tbody> </table>	Overdraft	Invoice No.	Inv. Date	Amount	NJ American	M758	Sep-17	\$ 16,789.59		MM13	Dec-17	776.25		MM320	Mar-18	14,739.52		MM322	Jun-18	2,226.83		MM324	Jul-18	4,187.08	
Overdraft	Invoice No.	Inv. Date	Amount																						
NJ American	M758	Sep-17	\$ 16,789.59																						
	MM13	Dec-17	776.25																						
	MM320	Mar-18	14,739.52																						
	MM322	Jun-18	2,226.83																						
	MM324	Jul-18	4,187.08																						
Used in FY19	-																								
Available for use in FY20	\$ 38,719.27																								

Additional Sources

Total Available	\$ 208,619.27
Estimate for FY/20	\$ 208,620.00
Available for Future Years	\$ -

NEW JERSEY WATER SUPPLY AUTHORITY
 MANASQUAN WATER SUPPLY SYSTEM
 MANASQUAN RESERVOIR SYSTEM

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for Fiscal Year 2020.

	Adopted F/Y19	Proposed F/Y20
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	\$1,796,450	\$1,830,250
Overtime	106,000	106,000
Fringe Benefits	1,006,864	1,052,667
Retiree Health Benefits	204,300	179,900
Worker's Compensation (self-insured)	5,000	5,000
Total Salaries and Fringe Benefits	\$3,118,614	\$3,173,817
Allocation to Reservoir	\$1,423,000	\$1,520,900
Anticipated Increase for F/Y20	\$97,900	

5120- OVERTIME
5140

5150 FRINGE BENEFITS

These expense items cover the fringe benefits based upon the compensation schedule currently in effect.

The fringe benefit account specifically covers all required and approved expenses such as employer contributions for social security, public employee retirement system, unemployment and temporary disability insurance as well as the health benefits program including prescription drugs, dental and vision care programs and allowances for unused sick leave and vacation balances upon retirement and annual allowances required by union agreement.

5210 HEATING FUEL

This account covers the cost of heating oil.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

<u>ACCOUNT CODE</u>	<u>TITLE</u>
5220	<u>UTILITIES - ELECTRICAL SERVICE (OTHER THAN PUMPING)</u> This account covers facilities electrical usage at the Administration Building, Reservoir Pump Station, Flow Meter/Valve Chamber, Inlet/Outlet Tower, On-Site Residences, and access roadway lighting for security and safety purposes.
5230	<u>NATURAL GAS</u> This account covers the cost of heating portions of the Administration Building.
5240	<u>PROPANE</u> This account covers the cost of propane fuel.
5250	<u>ELECTRICITY FOR PUMPING</u> This account covers the cost of electricity to operate pumps at the Intake Pump Station and Reservoir Pump Station.
5260	<u>VEHICULAR FUEL</u> This account covers the cost of unleaded regular and diesel fuel used by the Authority's motor vehicle fleet.
5270	<u>OIL AND GREASE</u> This account covers the amount of oil and grease used by the Authority's motor vehicles and equipment. Also included in this account is mineral oil and those specialty oils used in the pumps and motors at the Intake Pump Station, Reservoir Pump Station, Flow Meter/Valve Chamber, Inlet/Outlet Tower and Water Treatment Plant.
5280	<u>TIRES</u> This account covers the cost of tires used on the Authority's motor vehicles including cars, trucks, trailers and construction equipment. Also included in this account is tire repair, tubes, etc.
5290	<u>MAINTENANCE SUPPLIES</u> This account covers the entire spectrum of materials and tools used in the maintenance and repair of the Authority's assets. The types of material included in this account are kerosene, lumber, fasteners, masonry products, paint and related products, plumbing, (heating and cooling) products, insulation products, electrical items, lighting supplies, fixtures, signs, posts, fencing and fencing material, road, ditch, culvert and bank repair materials, emergency response supplies, small hand and power tools and welding gases.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5300 **MAINTENANCE SUPPLIES - VEHICULAR EQUIPMENT**

This account covers spare parts for vehicular and marine equipment, as well as, small maintenance equipment, pumps generators, chain saws, hand mowers and valve operators. Also included in this account are batteries and vehicular fluids.

5310 **MAJOR - SPECIALIZED VEHICLE SERVICE AND REPAIR**

This account is a supplement to account code 5300 and includes those services requiring vendors specializing in items such as body and fender work, major repairs to transmissions, front end alignments, radiator repairs and major power train overhauls. This account also includes vehicle and equipment preventive maintenance labor costs as performed by Raritan Basin System personnel or by a vendor.

5320 **AGRICULTURE SUPPLIES**

This account covers those supplies used in maintaining the appearance and control of the grounds, such as grass seed, lime, fertilizers, shrubs, trees, pest and weed control, and aquatic weed control.

5330 **MAINTENANCE OF EQUIPMENT**

This account covers normal repair and service to calculators, typewriters and other office machines and furniture which are not covered under service and maintenance of radio equipment. Also included in this account is maintenance of radio equipment, building maintenance, repairs to engineering and surveying equipment, service to system components of Intake and Reservoir Pumping Stations, Flow Meter/Valve Chamber, Inlet/Outlet Tower, confined space entry equipment, telemarks, recorders and flow meters and all spare parts needed at the reservoir system facilities to sustain continuous and dependable operations.

5340 **SERVICE AND MAINTENANCE CONTRACTS**

This account covers the contracts used for servicing plumbing (heating and cooling), electrical and instrumentation equipment, fire and intrusion alarms, appliances, exterminators, overhead cranes, well and septic systems, UST monitoring system, embankment fertilization, shop machinery and office equipment such as the copier and computers. Also included in this account is refuse disposal and waste removal by private contractors.

5350 **EQUIPMENT RENTAL**

This account covers the rental of specialized construction equipment such as pumps, compressors, etc., specialized office equipment, pagers, entry rugs, the postage machine, the parts washer, and gas cylinders.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5360 **HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES**

This account covers the cost of materials and supplies of a consumable nature. Covered in this account are such items as janitorial and sanitary supplies, locks and keys, fire extinguishers, first aid and safety supplies, film rentals and related costs for in-house programs, and materials handling and labeling supplies.

5380 **SPECIAL AND PROFESSIONAL SERVICES**

This account covers the estimated cost of professional services such as attorneys, physicians, annual audit fee, Governor's Authority Unit, court reporters, temporary services, engineers, consultants, laboratory services, gaging station agreement, CSL testing service, employee assistance services, etc.

5390 **PROTECTIVE SERVICES**

This account covers the yearly cost of insurance premiums prorated to the Manasquan Reservoir System, covering General Liability, Workmen's Compensation, Vehicular, etc.

5400 **TELEPHONE**

This account covers direct telephone charges including charges for repairs, equipment rental and related expenses.

5410 **POSTAGE AND FREIGHT**

This account covers all postage costs including express and overnight mail. Also covered in this account are charges for incoming and outgoing freight when applicable.

5420 **DATA PROCESSING**

This account covers charges for production of payrolls and required reports under contract with ADP.

5430 **PRINTING AND OFFICE**

This account covers the cost of computer supplies, computer software, letterhead, envelopes, publication costs and forms, archiving of our records, duplication products and all other stationery materials and supplies necessary for the operation of the office. Items that are classified as furniture and equipment with a value of \$1,000 or more are not to be included in this account. Items ordered directly from a vendor or withdrawn from inventory shall be included in this account.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

<u>ACCOUNT CODE</u>	<u>TITLE</u>
5440	<u>SCIENTIFIC AND PHOTOGRAPHIC</u> This account covers the cost of video and photographic supplies, blueprinting supplies, laboratory supplies, surveying and engineering supplies and recording charts and pens.
5450	<u>DUES AND SUBSCRIPTION</u> This account covers the cost of subscriptions to newspapers, magazines, periodicals, reference books, other publications and membership fees in professional societies and associations.
5460	<u>ADVERTISING</u> This account covers the cost of legal and classified advertising in newspapers for bids, recruiting, and public notifications.
5470	<u>TRAVEL AND SUBSISTENCE</u> This account covers the cost of travel and subsistence expenses reimbursable to an employee or chargeable to the Authority under the provisions of "The Regulations Governing Employee Expense Reimbursements". It includes travel expenses, employee allowances, entertainment of business guests, staff and departmental meal expenses.
5480	<u>STAFF TRAINING AND TUITION AID</u> This account provides funds for employees' attendance at various technically related and approved courses, training programs, conferences, etc.
5490	<u>FEES AND PERMITS</u> This account covers the estimated cost of fees for UST registration, physical connection, water diversion and stream encroachment permits from the NJDEP and small unclassified items such as notaries, hearing rooms and transcripts, easement renewals, vehicle and equipment registrations, etc.
5500	<u>IN-LIEU TAXES</u> This account covers the funds for Reservoir and Intake Facilities in-lieu tax payment.
5510	<u>SEDIMENT REMOVAL</u> This account covers the yearly costs associated with residuals handling, removal, moisture reduction and ultimate disposal as it pertains to river sediment.

DESCRIPTION OF RESERVE ACCOUNTS

Self Insurance Reserve (Liability)

This reserve is used to cover any excess liability payment above the Self-Insurance Retainer. Therefore, a Self-Insurance Fund was established and fully funded at \$250,000.

Depreciation Reserve Account

This reserve is intended to provide for the replacement of Authority machinery and equipment with a value of \$1,000 or more and a useful life in a range from three to ten years. The annual contribution to this reserve fund is predicated on the actual and/or estimated useful lives of three to ten years, depending upon the nature of this equipment. Depreciation has been determined for each such asset. These funds are needed to cushion the impact of replacement equipment purchases in order to provide more stable rates.

Reserve for Operations and Maintenance

A working cash reserve must be established at a level which reflects the amount of the regular annual operating costs plus an allowance for possible extraordinary requirements. The level of this reserve shall not exceed 25 percent of the amount appropriated by the Annual Budget for Operations and Maintenance Expenses for the current fiscal year.

Renewal and Replacement Reserve

The Renewal and Replacement Reserve is to be used for costs of Capital Improvements including repairs to facilities not covered by insurance and payment of extraordinary O & M costs. As per the terms of the project financing this Reserve is to be funded by the excess Debt Service Coverage revenues after 50 percent of the Debt Service Reserve amount has been accumulated.

Sediment Reserve

This reserve account is intended to provide in case extraordinary expenses are encountered with the sediment removal process from within the Intake Pumping Station. The reserve account may also be used to offset costs of future sediment removal projects from the Manasquan River or the sediment intake pool. The reserve account also provides funds that may be necessary to landfill the sediments if quality testing demonstrates some problem material. The reserve account has been determined to be held at a level near \$100,000.

Reserve for Formal Dam Inspection

This reserve, created in FY12, will receive annual contributions equal to one third the cost of the formal dam inspection which occurs every three years. The intention is to level the expenditure and eliminate the spike in expense that would otherwise occur every three years.

Other Post-Employment Benefits Reserve

The purpose of this fund is to establish a reserve for the payout of sick time to retired employees. Employees can receive up to a \$15,000 reimbursement for unused sick days upon their retirement.

NEW JERSEY WATER SUPPLY AUTHORITY



RARITAN BASIN SYSTEM

FISCAL YEAR 2020 BUDGET

(July 1, 2019 - June 30, 2020)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED

FISCAL YEAR 2020 BUDGET
(July 1, 2019 – June 30, 2020)

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NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED FISCAL YEAR 2020 BUDGET SUMMARY

(7/1/19-6/30/20)

	<u>ADOPTED F/Y2019 BUDGET</u>	<u>PROPOSED F/Y2020 BUDGET</u>
Proposed Operating Expense Budget (Schedule 3)	\$ 14,238,081	\$ 14,211,138
Proposed Capital Equipment Budget (Schedule 5)	140,500	167,900
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 1)	<u>(772,000)</u>	<u>(660,000)</u>
 Total Operating Expense Budget & Capital Equipment Budget	 \$ 13,606,581	 \$ 13,719,038
 Contributions to Debt Service and Reserve Funds		
Depreciation Reserve	\$ -	\$ -
Other Post Employment Benefits Reserve	-	-
Pumping Reserve	150,000	150,000
Formal Dam Inspection Reserve	10,000	10,000
Capital Equipment Reserve	150,000	150,000
Debt Service Fund (NJEIFP Debt)	5,692,172	5,692,172
Capital Fund Component	2,196,442	2,196,442
Source Water Protection Component	<u>1,597,412</u>	<u>1,597,412</u>
Total Contributions to Debt Service and Reserve Funds	<u>\$ 9,796,026</u>	<u>\$ 9,796,026</u>
 Total Proposed Budget	 <u>\$ 23,402,607</u>	 <u>\$ 23,515,064</u>
 Revenues		
Operating and Maintenance Component	\$ 12,934,491	\$ 12,934,658
NJEIFP Debt Service	5,692,172	5,692,172
Capital Fund Component	2,196,442	2,196,442
Source Water Protection Program Component	1,597,412	1,597,412
 Funds to be Appropriated from Rate Stabilization Fund (Schedule 2)	 890,290	 968,180
Employee Housing	47,200	47,200
Receivable from State of NJ	5,000	5,000
Interest Earnings	<u>39,600</u>	<u>74,000</u>
 Total Revenue	 <u>\$ 23,402,607</u>	 <u>\$ 23,515,064</u>

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

**DELAWARE AND RARITAN CANAL – SPRUCE RUN / ROUND VALLEY RESERVOIRS SYSTEM
RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2004-FY2020**

Effective Date	O&M Charge	1981 Bond Charge 7/1/86-10/30/06	1998 Bond Charge 8/1/98-11/1/13	NJEIFP Debt Component	Capital Fund Component	Source Water Protection Component	Total Charge per MG	Percent Increase -Decrease
July 1, 2003	\$111.68	\$31.62	\$49.15		\$7.55	\$10.00	\$210.00	2.44%
July 1, 2004	122.75	28.31	41.71		12.23	10.00	215.00	2.38%
July 1, 2005	111.80	28.24	41.51		20.45	13.00	215.00	0.00%
July 1, 2006	133.13	19.55	41.32		21.00	13.00	228.00	6.05%
July 1, 2007	138.71		41.29		33.00	15.00	228.00	0.00%
July 1, 2008	142.34		40.66		33.00	15.00	231.00	1.32%
July 1, 2009	142.39		40.61		33.00	15.00	231.00	0.00%
July 1, 2010	142.55		40.45		33.00	15.00	231.00	0.00%
July 1, 2011	145.66		40.34		30.00	15.00	231.00	0.00%
July 1, 2012	145.84		40.16		30.00	15.00	231.00	0.00%
July 1, 2013	152.00			25.00	30.00	24.00	231.00	0.00%
July 1, 2014	167.00			25.00	30.00	24.00	246.00	6.49%
July 1, 2015	171.00			25.00	33.00	24.00	253.00	2.85%
July 1, 2016	171.00			25.00	33.00	24.00	253.00	0.00%
July 1, 2017	194.00			85.00	33.00	24.00	336.00	32.81%
July 1, 2018	194.00			85.00	33.00	24.00	336.00	0.00%
July 1, 2019	194.00			85.00	33.00	24.00	336.00	0.00%

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

**RECAP OF ALLOCATION OF HEADQUARTERS GENERAL AND ADMINISTRATIVE EXPENSES
CHARGED TO MANASQUAN WATER SUPPLY SYSTEM**

FOR FISCAL YEAR 2020
(7/1/19-6/30/20)

	Total Headquarters Charge	Manasquan Reservoir System	Manasquan WTP/TS
Budgeted-Appendix I, amount to be charged to Manasquan System for FY20 (7/1/19-6/30/20)	\$753,893	\$649,479	\$104,414
F/Y18 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y18 (7/1/17-6/30/18). Amounts paid during F/Y18 to Raritan Basin System.	\$772,000	\$666,000	\$106,000
Actual allocation based upon audited expenditures F/Y18 (7/1/17-6/30/18) - Appendix II	<u>\$677,639</u>	<u>\$584,583</u>	<u>\$93,056</u>
Adjustments F/Y18	<u>(\$94,361)</u>	<u>(\$81,417)</u>	<u>(\$12,944)</u>
Net Allocation for F/Y2020 Budget	<u><u>\$659,532</u></u>	<u><u>\$568,062</u></u>	<u><u>\$91,470</u></u>
 Estimate	 <u>\$660,000</u>	 <u>\$568,000</u>	 <u>\$92,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

UNANTICIPATED REVENUE

FUNDS TO BE APPROPRIATED INTO THE RATE STABILIZATION FUND FOR FISCAL YEAR 2020

			<u>Amount</u>
F/Y2018 Net Year-End Balance			\$762,000.00
<u>Overdrafts</u>	<u>Invoice No.</u>	<u>Billed</u>	<u>Amount</u>
NJ American	1588	11/01/17	\$ 50,823.36
Stonebridge Community Associates	R-238	02/01/18	\$ 278.64
Stonebridge Community Associates	R-239	02/01/18	\$ 223.93
East Brunswick	R-236	12/14/17	\$ 154.59
		Total	\$ 51,480.52
		Amount used in FY2019	<u>-</u>
		NET	\$51,480.52
 <u>Overdrafts Not Billed, Accrued through July, 2018</u>			
NJ American, Greenbriar @ Stonebridge			\$119,698
 <u>Other Sources of Funds</u>			
<u>SWP funding of Watershed Vehicle</u>			\$35,000
		Grand Total	<u>\$968,178.52</u>
		FY20 Budget	<u>\$968,180.00</u>

Schedule 3

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

**PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2020 AND EXPENDITURES
THROUGH 3/31/19 FOR FISCAL YEAR 2019**

CODE	ACCOUNT	ADOPTED BUDGET FY19	PROPOSED BUDGET FY20	EXPENDITURES THRU 3/31/19
5110	Regular Salaries & Wages	\$6,147,550	\$6,267,850	\$4,329,546
5120	Overtime-Salaries & Wages	236,946	243,470	202,259
5150	Fringe Benefits	3,263,400	3,383,900	2,232,970
5160	Retiree Health Benefits	1,039,900	875,600	537,127
5168	Workers' Comp. (Self Insured)	10,000	10,000	1,579
	Total Salary, Overtime & Fringe Benefits	\$10,697,796	\$10,780,820	\$7,303,481
5200	Residences	\$23,600	\$21,600	\$24,994
5210	Heating Fuel	98,000	93,500	50,948
5220	Utilities-Electrical Service	104,100	102,900	75,950
5230	Utilities-Gas Service & Water	5,200	4,800	3,666
5240	Utilities-Propane	500	500	457
5250	Electricity For Pumping	92,000	87,000	50,151
5260	Vehicular Fuel	159,000	159,000	78,927
5270	Oil & Grease	9,600	9,600	9,255
5280	Tires	21,000	23,000	13,076
5290	Maintenance Supplies	186,100	193,300	146,467
5300	Maint. Supplies- Vehicular Equipment	58,000	60,000	37,863
5310	Major Special Vehicle Service & Repair	85,000	80,000	32,923
5320	Agricultural Supplies	7,500	7,000	2,619
5330	Maintenance Of Equipment	43,400	76,400	23,196
5340	Service & Maintenance Contracts	251,720	256,000	190,272
5350	Equipment Rental	57,550	57,550	22,097
5360	Household-Safety & Protective Supplies	35,700	37,700	33,615
5370	Uniforms	8,620	8,560	7,716
5380	Special & Professional Services	554,243	543,818	249,770
5390	Protective Services	1,326,442	1,173,000	857,099
5400	Telephone	85,400	85,400	56,301
5410	Postage & Freight	7,680	7,620	2,059
5420	Data Processing	39,000	27,420	20,318
5430	Printing & Office Supplies	63,450	93,050	35,728
5440	Scientific & Photographic	500	500	784
5450	Dues & Subscriptions	39,800	42,420	30,505
5460	Advertising & Promotional	4,500	6,000	1,691
5470	Travel & Subsistence	6,580	6,580	4,017
5480	Staff Training & Tuition Aid	23,550	23,550	12,315
5490	Fees & Permits	123,850	123,850	106,342
5500	In-Lieu Taxes	18,700	18,700	8,703
	Sub Totals	\$3,540,285	\$3,430,318	\$2,189,824
TOTALS		\$14,238,081	\$14,211,138	\$9,493,305

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

COMPARATIVE STATEMENT FISCAL YEAR 2020

CODE	ACCOUNT	FY'16 ACTUAL	FY'17 ACTUAL	FY'18 ACTUAL	FY'19 ADOPTED	FY'20 PROPOSED
5110	Regular Salaries & Wages	\$5,327,730	\$5,413,220	\$5,799,411	\$6,147,550	\$6,267,850
5120	Overtime-Salaries & Wages	193,406	265,792	244,222	236,946	243,470
5130	New positions-Salaries & Wages	0	150	0	0	0
5162	Retiree Unused Sick & Vacation	0	23,815	0	0	0
5150	Fringe Benefits	2,754,466	4,657,807	3,633,755	3,263,400	3,383,900
5167	Retiree Health Benefits	812,707	867,991	821,473	1,039,900	875,600
5168	Workers Comp. (Self Insured)	850	1,766	493	10,000	10,000
	Total Salary & Fringe	9,089,159	11,230,542	10,499,354	10,697,796	10,780,820
	Budget Salary & Fringe					
5200	Residences	\$25,013	\$24,679	\$17,161	\$23,600	\$21,600
5210	Heating Fuel	31,683	57,211	67,502	98,000	93,500
5220	Utilities -Electrical Service	80,151	92,554	98,336	104,100	102,900
5230	-Gas Service	4,093	4,171	4,531	5,200	4,800
5240	-Propane	834	219	403	500	500
5250	Electricity for Pumping Station	134,865	492,775	328,769	92,000	87,000
5260	Fuel - Vehicular	78,973	95,995	116,756	159,000	159,000
5270	Oil & Grease	5,606	7,650	4,033	9,600	9,600
5280	Tires	16,712	10,908	16,056	21,000	23,000
5290	Maintenance Supplies	152,302	151,949	163,391	186,100	193,300
5300	Maint. Supplies - Vehicular	69,029	58,231	61,576	58,000	60,000
5310	Major Vehicle Service & Repair	70,229	57,628	47,127	85,000	80,000
5320	Agricultural Supplies	2,550	4,472	2,317	7,500	7,000
5330	Maintenance Equipment	34,487	31,169	37,388	43,400	76,400
5340	Serv. & Maintenance Contracts	217,681	205,526	228,974	251,720	256,000
5350	Equipment Rental	38,002	32,345	54,332	57,550	57,550
5360	Household - Safety Supplies	31,543	39,518	34,163	35,700	37,700
5370	Uniforms	6,362	3,667	3,213	8,620	8,560
5380	Special & Professional Services	493,339	453,825	506,542	554,243	543,818
5390	Protective Services	1,142,799	1,126,790	1,138,434	1,326,442	1,173,000
5400	Telephone	81,248	82,167	78,449	85,400	85,400
5410	Postage & Freight Out	6,893	5,794	5,718	7,680	7,620
5420	Data Processing	36,336	34,933	35,453	39,000	27,420
5430	Printing & Office Supplies	42,595	31,846	41,272	63,450	93,050
5440	Scientific & Photographic	478	236	1,174	500	500
5450	Dues & Subscriptions	35,063	30,964	35,117	39,800	42,420
5460	Advertising & Promotional	5,746	23,078	5,219	4,500	6,000
5470	Travel & Subsistence	4,695	5,353	3,841	6,580	6,580
5480	Staff Training & Tuition Aid	9,507	19,111	12,460	23,550	23,550
5490	Fees & Permits	123,539	114,584	111,609	123,850	123,850
5500	In - Lieu Taxes	18,689	18,689	18,689	18,700	18,700
	Total Other Expenses	\$3,001,045	\$3,318,038	\$3,280,008	\$3,540,285	\$3,430,318
	Total Operating Expenses	\$12,090,204	\$14,548,580	\$13,779,362	\$14,238,081	\$14,211,138
	Annual Increase (Decrease)	2.86%	20.33%	-5.29%	3.33%	-0.19%
	Budget -other expenses	3,365,700	3,187,689	3,411,337	3,540,285	3,430,318
	ANNUAL BUDGET	\$13,157,000	\$13,491,339	\$13,890,887	\$14,238,081	\$14,211,138

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED CAPITAL EQUIPMENT BUDGET

FOR FISCAL YEAR 2020
(7/1/19-6/30/20)

	Description	(R) Replacement (A) Addition	Year of Purchase	Dollar Value	Depreciation Reserve
INFORMATION SYSTEMS	(1) SERVER - ADMIN. BUILDING	(R) FF2013	2006	10,000	4,987
	(1) BACKUP SOLUTION	(A)		5,000	
FACILITIES	(1) WALK BEHIND SWEEPER	(A)		5,500	
	(1) AIR COMPRESSOR RVMB	(R) 742	1986	7,000	1,685
	(1) NJWA-36 REPLACEMENT	(R) TR2070	2008	40,000	22,147
	(1) NJWA-42 REPLACEMENT	(R) TR2032	2007	45,000	34,048
GROUNDS	(1) PORTABLE LIGHT TOWER	(R) EQP105	1983	10,000	3,836
	(1) PORTABLE GENERATOR	(A)		3,200	
	(1) TOW BEHIND AIR COMPRESSOR	(A)		15,000	
	(1) CONCRETE SAW AND CART	(A)		2,500	
	(1) GUARDRAIL TENSIONER	(A)		6,000	
	(1) GAS POWERED PUMP	(A)		3,000	
CANAL	(1) TANDEM DUMP TRUCK (REPLACE NJWA-47)	(R) TR1907	2003	190,000	94,900
	(1) J.D. TRACTOR	(R) 679	1986	70,000	7,955
	(1) YORK RAKE	(A)		10,000	
	(1) FLAIL MOWER	(R) 1778	2000	9,000	2,629
	(2) TORO RIDING MOWERS	(R)2053	2007	50,000	42,310
AUTO SHOP	(1) SCANNER SOLUS EDGE	(R)2252	2015	3,500	2,921
	(1) I/R AIR COMPRESSOR	(R)1858	2002	8,000	6,315
	(1) SNAP-ON SOLUS EDGE DIAGNOSTIC SCAN	(R)1940	2004	4,000	7,207
SAFETY	(2) AED UNITS	(R)2203/2204	2012	4,000	3,235
SECURITY	(1) NJWA-64 REPLACEMENT	(R) TR2275	2016	32,000	15,668
WATERSHED	(1) VEHICLE 4WD FOR SAV MGT PLAN	(A)		35,000	

	TOTAL COST	\$567,700	\$249,843
LESS AMOUNT CHARGED TO DEPRECIATION RESERVE		(249,843)	
	NET TOTAL	<u>\$317,857</u>	
LESS AMOUNT CHARGED TO CAPITAL EQUIPMENT RESERVE		(\$150,000)	
	TOTAL	\$167,857	
	AMOUNT FUNDED FOR FY2020	\$167,900	

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2020

	ADOPTED F/Y19	PROPOSED F/Y20
1. Postage/Fax/ Misc. Machines (Dept. 16)	\$ 1,500	\$ 1,500
2. IHS-Safety Software (Dept. 17)	1,700	1,700
3. GO DADDY.COM - Remote Access Certificates (Dept. 17)	300	300
4. WMWARE (Dept. 17)	500	500
5. Sage Clients First MAS 100 (Dept. 17)	4,750	4,750
6. Western Technologies NJ Parcel Maps (Dept. 17)	1,400	1,400
7. Sage Fixed Asset (Dept. 17)	2,250	2,250
8. PV & Associates-Winslamm (Dept. 17)	500	500
9. People Trak Support Technical Difference (Dept. 17)	1,000	1,000
10. COMCAST - Cable Internet (Dept. 17)	4,800	8,000
11. Essention - Conservation Trak	5,000	5,000
12. Weebly (Web Hosting at Clinton) (Dept. 17)	200	200
13. Square Space (Web Hosting Watershed) (Dept. 17)	250	250
14. Symantec Anti-Virus Maintenance-Clinton (Dept. 17)	2,500	2,500
15. Sonic Wall Software (Dept. 17)	1,200	1,200
16. ESRI ArcView Maintenance-Watershed (Dept. 17)	5,400	5,400
17. CU Riverware Maintenance Agreement (Dept. 17)	3,500	3,500
18. Proofpoint Antispam (Dept. 17)	1,500	1,500
19. River Morph (Dept. 17)	500	500
20. DLT Solutions Autocad (Dept. 17)	1,500	1,500
21. Fastrax SBPS Monitoring Software (Dept. 17)	900	900
22. ESRI ArcView Maintenance-Clinton (Dept. 17)	500	500
23. Keystone Precision-GPS Software Maint. (Dept. 17)	800	800
24. HAAS Systems-Security Alarm Software Maint. (Dept. 17)	400	400
25. Clients First-Vipre Antivirus/Antispam (Dept. 17)	250	250
26. EZ Watch Security Video (Dept. 17)	900	900
27. Clients First - Server Software (Dept. 17)	1,000	1,000
28. Delmar Enterprises - Key Systems (Dept. 17)	520	520
29. Docusign (Dept. 17)	400	400
30. Yahoo for River Friendly (Dept. 20)	100	100
31. Janitorial Service (Dept. 20)	3,300	3,300
32. Trimble Catalyst for GPS (Dept. 30)	-	500
33. Refuse Collection (Dept. 31)	11,900	11,900
34. Janitorial Service (Dept. 31)	15,500	15,500
35. HVAC Service (Dept. 31)	5,500	5,500
36. Electrician & Plumber Services (Dept. 31)	5,000	5,000

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2020

	ADOPTED F/Y19	PROPOSED F/Y20
37. Instrumentation Services (Dept. 31)	\$ 4,500	\$ 4,500
38. Entry Rugs (Dept. 31)	5,000	5,000
39. Carpet Cleaning (Dept. 31)	8,000	8,000
40. Generator Service-Administration Building (Dept. 31)	1,200	1,200
41. Underground Plant Location Service Notifications (Dept. 31)	1,500	1,500
42. Crane Service and Inspection (Dept. 31)	2,200	2,200
43. Elevator Service-SBPS (Dept. 31)	2,800	2,800
44. Electrical Service-SBPS (Dept. 31)	20,000	20,000
45. Miscellaneous (Dept. 31)	6,900	6,900
46. Janitorial Service (Dept. 32)	8,000	8,000
47. Dumpster Service Canal Office (Dept. 32)	12,000	12,000
48. Dumpster Service Route 1 (Dept. 32)	42,000	42,000
49. UST Service (Dept. 32)	2,500	2,500
50. Instrumentation Service (Dept. 32)	1,000	1,000
51. Floor Mats (Dept. 32)	2,400	2,400
52. Grass Mowing Service (Dept. 32)	8,000	8,000
53. Boiler Service (Dept. 32)	500	500
54. Wood Disposal Fees (Dept. 32)	3,600	3,600
55. Generator Service-Scudders & Perdicaris (Dept. 32)	3,000	3,000
56. Johnny on the Spot - Rt. 202 (Dept. 32)	2,400	2,400
57. Welco Gas (Dept. 33)	1,000	1,000
58. Parts Washer & Hazardous Removal (Dept. 34)	1,000	1,000
59. Boom Lift Annual Inspection (Dept. 34)	900	900
60. Recycle Used Vehicle Fluids (Dept. 35)	500	1,500
61. Fire Extinguisher Maintenance (Dept. 36)	9,000	9,000
62. Hazardous Waste Control (Dept. 36)	1,500	1,500
63. Fire Alarm Testing (Dept. 36)	8,000	8,000
64. Vehicle Lifts Annual Testing (Dept. 36)	1,500	1,500
65. Delaware Electric Cellular Service (Dept. 37)	600	600
66. Dial My Calls (Dept. 37)	1,000	1,200
67. Geomoto GPS Tracking (Dept. 37)	-	1,200
68. Covert Wireless (Dept. 37)	-	180
69. Miscellaneous (Dept. 37)	2,000	-
TOTAL	\$ 251,720	\$ 256,000

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2020

	ADOPTED F/Y19	PROPOSED F/Y20
1. Services-Governor's Authorities Unit (Dept. 10)	\$ 25,000	\$ 25,000
2. Consultant-C.P.A. to Conduct Annual Audit (Dept. 13)	54,632	55,000
3. Services-GFOA Certificate Fee (Dept. 13)	500	-
4. 125 Plan-Family security Insurance Agency (Dept. 13)	2,496	2,730
5. Archiving (Dept. 13)	6,000	6,000
6. Services-Pre-Employment Exams & Tests (Dept. 14)	3,300	3,300
7. Fidelifax-Background Checks (Dept. 14)	2,248	2,248
8. Medical CDL Drug Testing (Dept. 14)	1,600	1,600
9. Employee Advisory Service (Dept. 14)	2,500	2,500
10. Consultant-Risk Management - to provide assistance to the Authority in the review of insurance coverage and continuation of a Comprehensive Coordinated Risk Management Program (Dept. 15)	43,500	40,000
11. Insurance Broker-HRH (Dept. 15)	45,000	42,000
12. GL Administrator (ESIS) (Dept. 15)	1,000	2,000
Services-Attorney General's Office - Assistance of Deputy Attorney General concerning a wide range of legal matters (Dept. 15)	40,000	20,000
13.		
14. MP Water Monitoring Costs - USGS SR @ Glen Gardner (Dept. 20)	9,560	9,860
15. MP Water Monitoring Costs - USGS SB Raritan @ Stanton (Dept. 20)	7,920	8,400
16. MP Water Monitoring Costs - USGS Landing Lane (Dept. 20)	34,804	35,700
17. MP Water Monitoring Costs - USGS Raritan River @ Manville (Dept. 20)	45,958	47,000
18. Continuous Record Gaging - USGS @ Washington Crossing (Dept. 20)	-	21,650
19. Water Quality Monitoring - USGS @ Washington Crossing (Dept. 20)	-	4,960
20. Water Monitoring Costs ASWQMN- USGS D&R Canal @ Landing Lane (Dept. 20)	7,500	13,350
21. Water Monitoring Costs ASWQMN - NJDEP Mulhockaway @ Van Syckel (Dept. 20)	7,500	7,320
22. Additional Flow Measure at SR, Stanton, Manville & Calco Dam (Dept. 20)	6,425	8,500
23. Water Monitoring-SBWA/URWA now RHA (Dept. 20)	2,000	2,000
24. Water Monitoring-SBMWA (Dept. 20)	1,500	1,500

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2020

	ADOPTED F/Y19	PROPOSED F/Y20
25. Dash for the Trash (Dept. 20)	\$ 1,000	\$ -
26. Lab Certification WPU/Water Sample Analysis (Dept. 20)	1,500	1,500
27. NJ Invasive Species Strike Team (Dept. 20)	300	300
28. Lockatong ISCO Monitoring (Dept. 20)	5,600	5,600
29. D&R Canal ISCO Monitoring (Dept. 20)	1,300	4,000
30. Cedar Grove Brook ISCO Monitoring (Dept. 20)	2,600	-
31. Services-Emergency Engineering Services (Dept 30)	2,500	2,500
32. Underground Storage Tank-CEA Report (Dept. 30)	11,000	11,000
33. Underground Storage Tank Groundwater Test (Dept. 30)	2,500	2,500
34. USGS Cooperative Agreement River Gaging - Maintenance of Raritan Basin Stream Gaging Stations and the Delaware & Raritan Canal Gauging at Kingston per USGS/DWR/NJWSA Agreement (Dept. 31)	68,000	68,000
35. USGS Spruce Run Gage at Glen Gardner (Dept. 31)	17,000	10,200
36. USGS Clinton Rain Gage (Dept. 31)	-	3,200
37. USGS Washington Crossing Rain Gage (Dept. 31)	-	3,200
38. Water Testing and Sampling to comply with the Safe Water Drinking Act (Dept. 31)	2,400	2,400
39. Water Sampling and Testing as per NJDWR Requirements - RT 202 Stockpile Site (Dept 32)	6,000	20,000
40. Maintenance of USGS Gauges at Washington Crossing and 10-mile and others (Dept. 32)	60,500	24,900
41. Vac Truck Service - IFW, 10 Mile PS (Dept. 32)	4,200	5,000
42. Safety Suggestion Program, Poster and Promotional Materials, Safety Incentive Program (Dept. 36)	9,700	9,700
43. Pulmonary Testing and Physicals (Dept. 36)	5,000	5,000
44. Annual Contributions to Fire Companies and Rescue Squads (Dept. 36)	500	500
45. Hepatitis Vaccinations (Dept. 36)	800	800
46. Calibration for the Pota-Count Respirator (Dept. 36)	900	900
TOTAL	<u>\$ 554,243</u>	<u>\$ 543,818</u>

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROJECTED FY 2020 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
Property Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood	\$521,658	\$173,719	\$44,623	\$740,000
General/Products Liability Limit \$1 million Deduct: \$150k	\$102,350	\$8,625	\$4,025	\$115,000
Environmental Impairment Liability Limit \$10 million Deduct: \$100k	\$22,250	\$1,875	\$875	\$25,000
Workers' Compensation Limit \$1 million	\$186,027	\$23,915	\$25,058	\$235,000
Employer Liability Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
Umbrella Liability Limit \$23 million	\$267,000	\$22,500	\$10,500	\$300,000
Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$22,985	\$4,091	\$924	\$28,000
Management Liability Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$44,500 \$5,340 <hr/> \$49,840	\$3,750 \$450 <hr/> \$4,200	\$1,750 \$210 \$4,000 <hr/> \$5,960	\$50,000 \$6,000 \$4,000 <hr/> \$60,000
Travel Accident Limit \$2 million	\$890	\$75	\$35	\$1,000
TOTAL:	\$1,173,000	\$239,000	\$92,000	\$1,504,000

JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5110 SALARIES AND WAGES

5120- OVERTIME
5140

5150- FRINGE BENEFITS
5168

These expense items cover the annual salaries and fringe benefits based upon the compensation schedule currently in effect.

The fringe benefit accounts specifically cover all required and approved expenses such as employer contributions for social security, public employee retirement system, unemployment and temporary disability insurance as well as the health benefits program including prescription drugs, dental and vision care programs and allowance for unused sick leave and vacation balance upon retirement and annual allowances required by union agreement.

The following is a comparison of the subject expenditures for Fiscal Year 2020.

	<u>Adopted F/Y19</u>	<u>Proposed F/Y20</u>
Budgeted Positions	100	100
Expenditures:		
Regular Salaries	\$6,147,550	\$6,267,850
Overtime	236,946	243,470
Fringe Benefits	3,263,400	3,383,900
Retiree Health Benefits	1,039,900	875,600
Worker's Compensation (self-insured)	<u>10,000</u>	<u>10,000</u>
Total Salaries and Fringe Benefits	<u>\$10,697,796</u>	<u>\$10,780,820</u>
Anticipated Increase for F/Y20		\$83,024

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

<u>ACCOUNT CODE</u>	<u>TITLE</u>
5200	<u>ON-SITE RESIDENCES</u> This account covers the cost of maintaining On-Site Residences for Authority personnel. This account covers electrical, heating and general maintenance items. All employees in the residences are subject to an employee housing maintenance fee.
5210	<u>HEATING FUEL</u> This account covers the cost of heating the Administration Building, South Branch Pumping Station, Langenfelder Maintenance Barn, and Facilities Maintenance Building.
5220	<u>UTILITIES - ELECTRICAL SERVICE (other than pumping)</u> This account covers regular electrical use at the Administration Building, South Branch Pumping Station, Langenfelder Maintenance Barn, Reservoir Towers (3) and Vaults (3), Whitehouse Station Release Works, the Raritan Basin System Canal Office, gates and telemarks and street lighting for security and safety purposes.
5230	<u>UTILITIES - GAS SERVICE & WATER</u> This account covers the cost of natural gas at the Raritan Basin System Canal Office. Also covered in this account is the potable water charge at the Langenfelder Maintenance Barn, and South Branch Pumping Station.
5240	<u>PROPANE</u> This account covers the cost of propane fuel at the South Branch Pumping Station.
5250	<u>ELECTRICITY FOR PUMPING</u> This account covers the cost of electricity to operate pumps at the South Branch Pumping Station. Any unanticipated pumping other than normal pumping at the Ten Mile Lock Pumping Station will be charged to the Pumping Reserve.
5260	<u>VEHICULAR FUEL</u> This account covers the cost of unleaded regular and diesel fuel used by the Authority's motor vehicles.
5270	<u>OIL & GREASE</u> This account covers the amount of oil and grease used by the Authority's motor vehicles. Also included in this account is mineral oil and those specialty oils used in the pumps and motors at the South Branch Pumping Station and the Ten Mile Lock Pumping Station.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5280

TIRES

This account covers the cost of tires used on the Authority's motor vehicles including cars, trucks, trailers, and construction equipment. Also included in this account is tire repair, tubes, etc.

5290

MAINTENANCE SUPPLIES

This account covers the entire spectrum of materials and tools used in the maintenance and repair of the Authority's assets. The types of material included in this account are kerosene, lumber, fasteners, masonry products, electrical items, fixtures, signs, posts, fencing and fencing material, road, ditch culvert and bank repair materials, small hand and power tools and welding gases.

5300

MAINTENANCE SUPPLIES - VEHICULAR EQUIPMENT

This account covers spare parts for vehicular and marine equipment, as well as small maintenance equipment, pumps, generators, chain saws, hand mowers and valve operators. Also included in this account are batteries and vehicular fluids.

5310

MAJOR - SPECIALIZED SERVICE AND REPAIR

This account is a supplement to account Code 5300 and includes those services that cannot be performed by the Authority's Auto Shop such as body and fender work, major repairs to transmissions, front-end alignments, radiator repairs and major power train overhauls.

5320

AGRICULTURE SUPPLIES

This account covers those supplies used in maintaining the appearance and control of the grounds such as grass seed, lime, fertilizers, shrubs, trees, pest and weed control and aquatic weed control.

5330

MAINTENANCE OF EQUIPMENT

This account is to cover normal repair and service to calculators, typewriters and other office machines and furniture, which are not covered under service and maintenance contracts. Also included in this account is maintenance of security clocks and radio equipment, repairs to engineering and surveying equipment, service to reservoir pumping stations, telemarks, recorders and flow meters and all spare parts needed at the pumping stations to sustain continuous and dependable operation.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

<u>ACCOUNT CODE</u>	<u>TITLE</u>
5340	<u>SERVICE AND MAINTENANCE CONTRACTS</u> This account covers contracts used for servicing plumbing (heating and cooling), electrical equipment, elevators, shop machinery and office equipment such as the copier and computers. Also included in this account is refuse disposal and waste removal by private contractors.
5350	<u>EQUIPMENT RENTAL</u> This account covers the rental of specialized construction equipment such as pumps, compressors, etc., specialized office equipment, pagers, entry rugs, and the postage machine.
5360	<u>HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES</u> This account is used to show the estimated cost of materials and supplies of a consumable nature. Covered in this account are such items as janitorial and sanitary supplies, locks and keys, lighting supplies, fire extinguishers, first aid and safety supplies, film rentals and related costs for in-house programs.
5370	<u>UNIFORMS</u> This account covers uniforms and related items for Security, Auto Shop Personnel, Survey Crew and Canal Flow Controlmen.
5380	<u>SPECIAL AND PROFESSIONAL SERVICES</u> This account covers the estimated cost of professional services such as attorneys, physicians, annual audit fee, Governor's Authority Unit, court reporters, temporary services, engineers, consultants, CDL testing service, employee assistance service, etc.
5390	<u>PROTECTIVE SERVICES</u> This account covers the yearly cost of insurance premiums prorated to the Raritan Basin System, covering General Liability, Workmen's Compensation, Vehicular, Etc.
5400	<u>TELEPHONE</u> This account covers direct telephone charges for repairs, equipment rental and related expenses.
5410	<u>POSTAGE AND FREIGHT</u> This account covers all postage costs including express and overnight mail. Also covered in this account are charges for incoming and outgoing freight when applicable.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5420

DATA PROCESSING

This account covers charges for production of payrolls and required reports under contract with ADP.

5430

PRINTING AND OFFICE

This account covers the cost of computer supplies, letterhead, envelopes publication costs and forms, archiving of our records, duplication product and all other stationery material and supplies necessary for the operation of the office. Items that are classified as furniture and equipment with a value of \$1,000 are not to be included in this account. Items ordered directly from a vendor or withdrawn from inventory shall be included in this account.

5440

SCIENTIFIC AND PHOTOGRAPHIC

This account covers the cost of photographic supplies, blueprinting supplies, surveying and engineering supplies, and other charts.

5450

DUES AND SUBSCRIPTIONS

This account covers the cost of subscriptions to newspapers, magazines, periodicals, reference books, other publications and membership fees in professional societies and associations.

5460

ADVERTISING

This account covers the cost of legal and classified advertising in newspapers for bids and recruiting.

5470

TRAVEL AND SUBSISTENCE

This account covers the cost of travel and subsistence expenses reimbursable to an employee or chargeable to the Authority under the provisions of, "The Regulations Governing Employee Expense Reimbursements". It includes travel expense, employee allowances, entertainment of business guests, staff and departmental meal expenses. It will also cover registration fees for attendance at meetings or conventions.

5480

STAFF TRAINING AND TUITION AID

This account provides funds for employee's attendance at various technically related and approved courses, training programs, etc.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5490

FEES AND PERMITS

This account covers the estimated cost of fees for water diversion and stream encroachment permits from the Division of Water Resources and small-unclassified items such as notaries, hearing rooms and transcripts from the Department of Transportation, etc.

5500

IN-LIEU TAXES

This account covers the funds for Reservoirs and Pumping Stations in-lieu tax payment.

DESCRIPTION OF RESERVE ACCOUNTS

Major Rehabilitation Fund

The purpose of this fund is to establish reserves for the following uses: (i) to complete any project or, to the extent required, any portion of the cost of a project, (ii) for the costs of capital improvements, (iii) for the payment of extraordinary operation and maintenance costs, and (iv) for contingencies, including payments with respect to the prevention or correction of any unusual loss or damage in connection with the System or to prevent a loss of revenue therefrom, all to the extent not provided for in the current Annual budget or by reserves in the Operating Fund or from the proceeds of Bonds. Amounts in the Major Rehabilitation Fund shall not be used for the purposes specified in clauses (i) and (ii) above, unless the Authority has received a certificate from a consulting engineer in connection with the Annual Budget.

The minimum recommended balance to be maintained in this account, after October 1988, is 1.4 million.

Depreciation

This reserve is intended to provide for the renewal and replacement of Authority machinery and equipment with a value of \$1,000 or more and a useful life in a range from three to ten years. The annual contribution to this reserve fund is predicated on the actual and/or estimated cost of communication, automotive, heavy construction, transportation, shop and office equipment depreciated over their estimated useful lives of three to ten years, depending upon the nature of the equipment. Depreciation has been determined for each such asset currently in use, as well as for the current Fiscal Year additions and/or renewals.

Pumping Reserve

This reserve is in addition to the annual electrical costs for pumping provided for under the operating cost category. The operating costs for pumping are related specifically to an annual short-term operation of each of the ten major pumps at the South Branch Pumping Station and related electrical equipment and mechanical components. This is considered to be a minimum requirement for the effective preventive maintenance needs of this large facility. The preventative maintenance program must assure the useful life of the equipment, and further insure that the equipment be operable when it is needed for long-term use.

However, it is also considered a prudent step to maintain a pumping reserve to deal with extraordinary electrical expenditures, which will be required whenever a drought period occurs in the normal water cycle.

Operating Fund (O & M Reserve)

In order for the Authority to operate successfully and maintain its financial integrity and ability to attract future investors, reasonable working cash reserves must be established which are consistent with the regular operating costs plus possible extraordinary requirements. It is a requirement of the Bond Resolution that the Authority maintain a level in this reserve equivalent to three months of operating costs. (See Resolution No. 416, Sec. 505 - Adopted 11/17/88)

Self-Insurance Reserve

This Reserve is used to cover any excess liability payments above the Self-Insurance Retainer.

Reserve for Formal Dam Inspection

This reserve, created in FY12, will receive annual contributions equal to one third the cost of the formal dam inspection which occurs every three years. The intention is to level the expenditure and eliminate the spike in expense that would otherwise occur every three years.

Capital Equipment Reserve

The purpose of this fund is to establish a reserve for purchases capital equipment, including computer and facilities equipment, vehicles, and other various pieces of operational equipment.

Other Post-Employment Benefits Reserve

The purpose of this fund is to establish a reserve for the payout of sick time to retired employees. Employees can receive up to a \$15,000 reimbursement for unused sick days upon their retirement.

NEW JERSEY WATER SUPPLY AUTHORITY



MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

FISCAL YEAR 2020 BUDGET

(July 1, 2019 - June 30, 2020)

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

PROPOSED

FISCAL YEAR 2020 BUDGET
(July 1, 2019 – June 30, 2020)

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NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

PROPOSED FISCAL YEAR 2020 BUDGET SUMMARY

(7/01/19-6/30/20)

	<u>ADOPTED F/Y19 WTP/TS BUDGET</u>	<u>PROPOSED F/Y20 WTP/TS BUDGET</u>
Proposed Operating Expense Budget (See Schedule 1)	\$2,733,345	\$2,598,224
Proposed Capital Equipment Budget (See Schedule 10)	15,201	9,750
Allocation of Headquarters General & Administrative Expense charged to the Manasquan WTP/TS (See Schedule 5)	<u>106,000</u>	<u>92,000</u>
Total Proposed Budget	<u><u>\$2,854,546</u></u>	<u><u>\$2,699,974</u></u>

NEW JERSEY WATER SUPPLY AUTHORITY
 MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

TOTAL PROPOSED OPERATIONS & MAINTENANCE BUDGET

FISCAL YEAR 2020
 (7/01/19-6/30/20)

	ADOPTED F/Y19 WATER TREATMENT PLANT & TRANSMISSION SYSTEM	PROPOSED F/Y20 WATER TREATMENT PLANT & TRANSMISSION SYSTEM
Salaries/Fringe (Schedule 4)	\$1,695,614	\$1,652,917
O & M Direct Expense (Schedule 2)	929,660	855,400
G & A Expenses (Schedule 3)	<u>108,071</u>	<u>89,907</u>
Total Operations & Maintenance Budget	<u><u>\$2,733,345</u></u>	<u><u>\$2,598,224</u></u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (50)

FISCAL YEAR 2020
(7/01/19-6/30/20)

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>ADOPTED FY19</u>	<u>PROPOSED FY20</u>
5210	Heating Fuel	\$6,000	\$6,000
5220	Utilities -Electrical Service	329,500	304,500
5230	-Gas Service	60,000	30,000
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular		
5270	Oil & Grease	4,000	4,000
5280	Tires		
5290	Maintenance Supplies	6,000	6,000
5300	Maint. Supplies - Vehicular		
5310	Major Vehicle Service & Repair		
5320	Agricultural Supplies		
5330	Maintenance Equipment	112,500	112,500
5340	Serv. & Maintenance Contracts	37,000 (Sch. 6)	37,000
5350	Equipment Rental	4,800	4,800
5360	Household - Safety Supplies	2,000	2,000
5370	Uniforms		
5380	Special & Professional Services	34,600 (Sch. 8)	34,600
5390	Protective Services	94,260 (Sch. 11)	92,000
5400	Telephone		
5410	Postage & Freight Out		
5420	Data Processing		
5430	Printing & Office Supplies	6,800	6,800
5440	Scientific & Photographic	15,000	15,000
5450	Dues & Subscriptions		
5460	Advertising & Promotional	1,500	1,500
5470	Travel & Subsistence		
5480	Staff Training & Tuition Aid	5,200	6,700
5490	Fees & Permits	8,600	9,600
5500	In - Lieu Taxes	400	400
5510	Residual Removal	22,000	15,000
5520	Water Treatment Chemicals	129,500	117,000
5525	GAC Replacement	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
	Total Other Expenses	<u>\$929,660</u>	<u>\$855,400</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2020
(7/01/19-6/30/20)

<u>CODE</u>	<u>ACCOUNT</u>	<u>ADOPTED G&A FY19</u>	<u>PROPOSED G&A FY20</u>
	Salaries & Fringe Benefits	\$3,118,614	\$3,173,817
5200	Residences		
5210	Heating Fuel		
5220	Utilities -Electrical Service		
5230	-Gas Service		
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular	20,450	22,000
5270	Oil & Grease	8,200	5,700
5280	Tires	7,000	7,000
5290	Maintenance Supplies	27,300	27,300
5300	Maint. Supplies - Vehicular	10,600	10,600
5310	Major Vehicle Service & Repair	44,500	50,000
5320	Agricultural Supplies	7,600	7,600
5330	Maintenance Equipment	9,800	9,800
5340	Serv. & Maintenance Contracts	20,750 (Sch. 7)	20,550
5350	Equipment Rental	3,700	3,900
5360	Household - Safety Supplies	7,500	7,500
5380	Special & Professional Services	4,000 (Sch. 9)	7,300
5390	Protective Services		
5400	Telephone	7,000	7,000
5410	Postage & Freight Out	500	1,000
5420	Data Processing	5,000	5,000
5430	Printing & Office Supplies	7,800	5,800
5440	Scientific & Photographic	300	300
5450	Dues & Subscriptions	3,000	3,000
5460	Advertising & Promotional	1,500	2,000
5470	Travel & Subsistence	900	500
5480	Staff Training & Tuition Aid	11,900	11,900
5490	Fees & Permits	7,700	7,700
5500	In - Lieu Taxes		
5510	Residual Removal		
5520	Water Treatment Chemicals		
5525	GAC Replacement		
	SUB-TOTAL G&A EXPENSE BUDGET	<u>\$217,000</u>	<u>\$223,450</u>
	TOTAL G&A WITH SALARIES & FRINGE	<u>\$3,335,614</u>	<u>\$3,397,267</u>

Allocation of Direct General & Administrative Expense Budget - See Appendix I for basis of Allocation.
(Page 6, Columns 2, 3, & 4)

Reservoir System	\$108,929	\$133,543
Treatment/Transmission System	<u>\$108,071</u>	<u>\$89,907</u>
Total	\$217,000	\$223,450

NEW JERSEY WATER SUPPLY AUTHORITY
 MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

LABOR PROJECTION

FISCAL YEAR 2020
 (7/01/19-6/30/20)

TITLES	RANGE	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION RESERVOIR %	AMOUNT RESERVOIR	ALLOCATION WTP/TS %	AMOUNT WTP/TS
Director	36	119,500	76,379	-	-	-	195,879	50%	98,000	50%	97,879
Project Engineer II	26	85,600	54,711	-	-	-	140,311	51%	71,900	49%	68,411
Water Supply Tech.	17	62,400	40,235	-	550	-	103,185	62%	63,900	38%	39,285
Administrative Assistant	18	67,400	43,079	-	-	-	110,479	50%	55,200	50%	55,279
Supervisor Technical Facilities Maint	23	84,900	60,764	9,619	550	-	155,833	47%	72,500	54%	83,333
Sr. Water Supply Tech.	20	73,900	47,747	253	550	-	122,450	43%	52,600	57%	69,850
Maintenance Worker I	10	46,100	29,817	-	550	-	76,467	93%	71,400	7%	5,067
Supervisor Operators	29	102,300	65,386	-	-	-	167,686	25%	41,100	76%	126,586
Equipment Operator	12	42,900	27,771	-	550	-	71,221	94%	66,900	6%	4,321
Foreman Bldg & Grounds Maint	19	73,900	47,816	360	550	-	122,626	94%	114,700	6%	7,926
Foreman Facilities Maintenance	20	73,900	48,491	1,417	550	-	124,358	47%	58,300	53%	66,058
Facilities Mechanic (3 Positions)	18	186,100	120,807	1,260	1,650	-	309,817	48%	148,500	52%	161,317
Supervisor Plant Operator	22	81,100	53,524	2,088	550	4	137,266	37%	50,500	63%	86,766
Maintenance Worker I Operations	10	46,100	29,817	-	550	-	76,467	92%	70,200	8%	6,267
Reservoir System Operator (3 Positions)	15	165,400	120,898	20,207	1,650	1,896	310,051	97%	301,900	3%	8,151
Asst. Reservoir System Operator (2 Positions)	13	78,500	57,181	9,863	1,100	-	146,644	95%	139,300	5%	7,344
Plant Operator (3 Positions)	20	217,800	160,362	31,447	1,650	-	411,259	6%	24,700	94%	386,559
Plant Operator (3 Positions)	19	207,900	152,781	29,486	1,650	-	391,817	5%	19,300	95%	372,517
TOTAL:		1,815,700	1,237,567	106,000	12,650	1,900	3,173,817		1,520,900		1,652,917

TOTAL = 27 Positions

NOTE: A. PERCENTAGES ARE FROM THE AVERAGE OF FISCAL YEARS 2015 THROUGH 2018 BASED ON ACTUAL TIME RECORDS.
 B. PLANT OPERATOR TIME STUDY PERCENTAGES WERE ADJUSTED TO ACCOUNT FOR THE VALUE OF THE SHIFT DIFFERENTIAL PROVIDED TO THE RESERVOIR

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

**RECAP OF ALLOCATION OF HEADQUARTERS GENERAL AND
ADMINISTRATIVE EXPENSES CHARGED TO THE MANASQUAN WATER
TREATMENT PLANT AND TRANSMISSION SYSTEM**

FISCAL YEAR 2020
(7/01/19-6/30/20)

	Total Headquarters Charge	Manasquan Reservoir System	Manasquan WTP/TS
Budgeted-Appendix I, amount to be charged to Manasquan System for FY20 (7/1/19-6/30/20)	\$753,893	\$649,479	\$104,414
F/Y18 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y18 (7/1/17-6/30/18). Amounts paid during F/Y18 to Raritan Basin System.	\$772,000	\$666,000	\$106,000
Actual allocation based upon audited expenditures F/Y18 (7/1/17-6/30/18) - Appendix II	<u>\$677,639</u>	<u>\$584,583</u>	<u>\$93,056</u>
Adjustments F/Y18	<u>(\$94,361)</u>	<u>(\$81,417)</u>	<u>(\$12,944)</u>
Net Allocation for F/Y2020 Budget	<u>\$659,532</u>	<u>\$568,062</u>	<u>\$91,470</u>
Estimate	<u>\$660,000</u>	<u>\$568,000</u>	<u>\$92,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

**LIST OF CATEGORY 5340 ITEMS - RECOMMENDED SERVICE &
MAINTENANCE CONTRACTS FOR THE WATER TREATMENT
PLANT/TRANSMISSION SYSTEM (50)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
1 HVAC Service	\$ 2,000	\$ 2,000
2 Electrical Service Contract	1,000	1,000
3 Instrumentation & Control System Service & Upgrade	5,000	5,000
4 Electrical Upgrade & Repair	2,000	2,000
5 Overhead Crane Service	1,500	1,500
6 UST Monitors Service and Upgrade	1,000	1,000
7 Fire & Intrusion Alarm Service	1,200	1,200
8 Air Compressor Service	1,200	1,200
9 Boiler Service	2,500	2,500
10 Auxiliary Generator Service	3,500	3,500
11 Lab Equipment Service	2,500	2,500
12 Backflow Preventor Service	500	500
13 Gas-Fired Hot Water Heater Service	700	700
14 Instrumentation & Control System Service & Upgrade (Transmission System)	5,000	5,000
15 Electrical Upgrade & Repair (Transmission System)	2,000	2,000
16 Meter Vault Internet Service (Transmission System)	5,400	5,400
Total Service & Maintenance Contracts	<u>\$ 37,000</u>	<u>\$ 37,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

**LIST OF CATEGORY 5340 ITEMS - RECOMMENDED SERVICE &
MAINTENANCE CONTRACTS FOR G & A (60)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
	<u> </u>	<u> </u>
1 Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2 Office Equipment/Computers	1,800	1,800
3 Waste Oil Disposal	200	200
4 Fire Extinguisher Service	1,100	1,100
5 UST Monitor Service	-	2,000
6 Building Maintenance	1,750	1,750
7 Internet Service	2,000	2,000
8 Janitorial Service	8,200	6,000
9 Vehicle Lift Inspection	500	500
10 Generator Service & Maintenance	2,000	2,000
11 Forklift Service & Maintenance	<u>1,200</u>	<u>1,200</u>
 Total Service & Maintenance Contracts	 <u>\$ 20,750</u>	 <u>\$ 20,550</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

**LIST OF CATEGORY 5380 ITEMS - RECOMMENDED SPECIAL &
PROFESSIONAL SERVICES FOR THE WATER TREATMENT
PLANT/TRANSMISSION SYSTEM (50)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
	<u> </u>	<u> </u>
1 Water Quality Sampling	\$ 17,200	\$ 17,200
2 Residual Quality Analysis	800	800
3 Consultant Services	4,000	4,000
4 USGA Allenwood Gage-Parameters	11,000	11,000
5 Underground Markout Service (Transmission System)	<u>1,600</u>	<u>1,600</u>
 Total Special & Professional Services	 <u>\$ 34,600</u>	 <u>\$ 34,600</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

**LIST OF CATEGORY 5380 ITEMS - RECOMMENDED SPECIAL &
PROFESSIONAL SERVICES FOR G & A (60)**

FISCAL YEAR 2020

	Adopted F/Y19	Proposed F/Y20
	<u> </u>	<u> </u>
1 Pulmonary Testing	\$ 1,500	\$ 1,500
2 CDL Medical Testing	500	1,000
3 EAS Service	1,200	4,000
4 Pre-Employment Physicals	<u>800</u>	<u>800</u>
 Total Special & Professional Services	 <u>\$ 4,000</u>	 <u>\$ 7,300</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

PROJECTED INSURANCE PROGRAM

FISCAL YEAR 2020

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
Property Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood	\$521,658	\$173,719	\$44,623	\$740,000
General/Products Liability Limit \$1 million Deduct: \$150k	\$102,350	\$8,625	\$4,025	\$115,000
Environmental Impairment Liability Limit \$10 million Deduct: \$100k	\$22,250	\$1,875	\$875	\$25,000
Workers' Compensation Limit \$1 million	\$186,027	\$23,915	\$25,058	\$235,000
Employer Liability Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
Umbrella Liability Limit \$23 million	\$267,000	\$22,500	\$10,500	\$300,000
Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$22,985	\$4,091	\$924	\$28,000
Management Liability Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1 million/\$1 million Deduct: \$100k/\$10k/\$50k	\$44,500 \$5,340 <hr/> \$49,840	\$3,750 \$450 <hr/> \$4,200	\$1,750 \$210 <hr/> \$4,000 <hr/> \$5,960	\$50,000 \$6,000 <hr/> \$4,000 <hr/> \$60,000
Travel Accident Limit \$2 million	\$890	\$75	\$35	\$1,000
TOTAL:	\$1,173,000	\$239,000	\$92,000	\$1,504,000

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020
OPERATING EXPENSE ACCOUNTS**

**ACCOUNT
CODE TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for Fiscal Year 2020.

	Adopted F/Y19	Proposed F/Y20
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	\$1,796,450	\$1,830,250
Overtime	106,000	106,000
Fringe Benefits	1,006,864	1,052,667
Retiree Health Benefits	204,300	179,900
Worker's Compensation (self-insured)	5,000	5,000
Total Salaries and Fringe Benefits	<u>\$3,118,614</u>	<u>\$3,173,817</u>
Allocation to Treatment Plant	<u>\$1,695,614</u>	<u>\$1,652,917</u>
Anticipated Decrease for F/Y20		\$42,697

5120- OVERTIME, NEW POSITIONS AND SEASONAL HELP
5140

5150 FRINGE BENEFITS

These expense items cover the annual salaries and fringe benefits based upon the compensation schedule currently in effect.

The fringe benefit account specifically covers all required and approved expenses such as employer contributions for social security, public employee retirement system, unemployment and temporary disability insurance as well as the health benefits program including prescription drugs, dental and vision care programs and allowances for unused sick leave and vacation balances upon retirement and annual allowances required by union agreement.

5210 HEATING FUEL

This account covers the cost of fuel required for the stand-by generator at the Water Treatment Plant.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

ACCOUNT
CODE TITLE

5220 UTILITIES - ELECTRICAL SERVICE (OTHER THAN PUMPING)

This account covers facilities electrical usage at the Water Treatment Plant/Transmission System Meter Vaults, and access roadway lighting for security and safety purposes.

5230 NATURAL GAS

This account covers the cost of heating the Water Treatment Plant.

5240 PROPANE

This account covers the cost of propane fuel at the Water Treatment Plant Laboratory.

5260 VEHICULAR FUEL

This account covers the cost of unleaded regular and diesel fuel used by the Authority's motor vehicle fleet.

5270 OIL AND GREASE

This account covers the amount of oil and grease used by the Authority's motor vehicles and equipment. Also included in this account is mineral oil and those specialty oils used in the pumps and motors at the Intake Pump Station, Reservoir Pump Station, Flow Meter/Valve Chamber, Inlet/Outlet Tower, and Water Treatment Plant.

5280 TIRES

This account covers the cost of tires used on the Authority's motor vehicle including cars, trucks, trailers and construction equipment. Also included in this account is tire repair, tubes, etc.

5290 MAINTENANCE SUPPLIES

This account covers the entire spectrum of materials and tools used in the maintenance and repair of the Authority's assets. The types of material included in this account are kerosene, lumber, fasteners, masonry products, paint and related products, plumbing (heating and cooling) products, insulation products, electrical items, lighting supplies, fixtures, signs, posts, fencing and fencing material, road, ditch, culvert and bank repair materials, emergency response supplies, small hand and power tools and welding gases.

5300 MAINTENANCE SUPPLIES-VEHICULAR EQUIPMENT

This account covers spare parts for vehicular and marine equipment, as well as, small maintenance equipment, pumps, generators, chain saws, hand mowers and valve operators. Also included in this account are batteries and vehicular fluids.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE TITLE**

5310 MAJOR - SPECIALIZED VEHICLE SERVICE AND REPAIR

This account is a supplement to account code 5300 and includes those services required by vendors specializing in items such as body and fender work, major repairs to transmissions, front end alignments, radiator repairs and major power train overhauls. This account also includes vehicle and equipment preventive maintenance labor costs as performed by Raritan Basin System personnel or by a vendor.

5320 AGRICULTURE SUPPLIES

This account covers those supplies used in maintaining the appearance and control of the grounds, such as grass seed, lime, fertilizers, shrubs, trees, pest and weed control, and aquatic weed control.

5330 MAINTENANCE OF EQUIPMENT

This account is to cover normal repair and service to calculators, typewriters and other office machines and furniture which are not covered under service and maintenance contracts. Also included in this account is maintenance of radio equipment, repairs to engineering and surveying equipment, building maintenance, service to system components of the Water Treatment Plant and Transmission System, confined space entry equipment, telemarks, recorders and flow meters and all spare parts needed at the Water Treatment Plant and Transmission System to sustain continuous and dependable operations.

5340 SERVICE AND MAINTENANCE CONTRACTS

This account covers the contracts used for servicing plumbing (heating and cooling), electrical and instrumentation equipment, fire and intrusion alarms, fire extinguishers, appliances, exterminators, overhead cranes, septic systems, auxiliary generator, UST monitoring system, embankment fertilization, shop machinery and office equipment such as the copier and computers. Also included in this account is refuse disposal and waste removal by private contractors and contact janitorial services.

5350 EQUIPMENT RENTAL

This account covers the rental of specialized construction equipment such as pumps, compressors, etc., specialized office equipment, pagers, entry rugs and the postage machine, the parts washer, and gas cylinder.

5360 HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES

This account is to show the estimated cost of materials and supplies of a consumable nature. Covered in this account are such items as janitorial and sanitary supplies, locks and keys, fire extinguishers, first aid and safety supplies, film rentals and related costs for in-house programs and materials handling and labeling supplies.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE TITLE**

5380 SPECIAL AND PROFESSIONAL SERVICES

This account is to show the estimated cost of Professional Services such as attorneys, physicians, annual audit fee, Governor's Authority Unit, court reporters, temporary services, engineers, consultants, laboratory services, CDL testing service, employee assistance service, etc.

5390 PROTECTIVE SERVICES

This account covers the yearly cost of insurance premiums prorated to the Water Treatment Plant/Transmission System covering General Liability, Workmen's Compensation, Vehicular, etc.

5400 TELEPHONE

This account covers direct telephone charges including charges for repairs, equipment rental and related expenses.

5410 POSTAGE AND FREIGHT

This account covers all postage costs including express and overnight mail. Also covered in this account are charges for incoming and outgoing freight when applicable.

5420 DATA PROCESSING

This account covers charges for production of payrolls and required reports under contract with ADP.

5430 PRINTING AND OFFICE

This account covers the cost of computer supplies, computer software, letterhead, envelopes, publication costs and forms, archiving of our records, duplication products and all other stationery materials and supplies necessary for the operation of the office. Items that are classified as furniture and equipment with a value of \$1,000 are not to be included in this account. Items ordered directly from a vendor or withdrawn from inventory shall be included in this account.

5440 SCIENTIFIC AND PHOTOGRAPHIC

This account covers the cost of video and photographic supplies, blueprinting supplies, laboratory supplies, surveying and engineering supplies and recording charts and pens.

5450 DUES AND SUBSCRIPTION

This account covers cost of subscriptions to newspapers, magazines, periodicals reference books, other publications and membership fees in professional societies and associations.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2020 OPERATING EXPENSE ACCOUNTS

ACCOUNT
CODE TITLE

5460 ADVERTISING

This account covers the cost of legal and classified advertising in newspapers for bids, recruiting and public notifications.

5470 TRAVEL AND SUBSISTENCE

This account covers the cost of travel and subsistence expense reimbursable to an employee or chargeable to the Authority under the provisions of, "The Regulations Governing Employee Expense Reimbursements". It includes travel expenses, employee allowances, entertainment of business guests, staff and departmental meal expenses. It will also cover registration fees for attendance at meetings or conventions.

5480 STAFF TRAINING AND TUITION AID

This account provides funds for employee's attendance at various technically related and approved courses, training programs, conferences, etc.

5490 FEES AND PERMITS

This account covers the estimated cost of fees for safe drinking water UST registration, physical connections, and other permits from the NJDEP and small unclassified items such as notaries, hearing rooms and transcripts, easement renewals, vehicle and equipment registrations, etc.

5500 IN-LIEU TAXES

This account covers the funds for the Water Treatment Plant in-lieu tax payment to the Manasquan Reservoir System.

5510 RESIDUALS REMOVAL

This account covers the yearly costs associated with residuals handling, removal, moisture reduction and ultimate disposal as it pertains to Water Treatment Plant residual solids.

5520 WATER TREATMENT CHEMICALS

This account covers the yearly costs required to treat the raw water to produce a finished drinking water supply. The treatment chemical costs have been based on anticipated chemical feed rates established as a result of plant operating experience.

5525 CARBON REPLACEMENT

This account covers the yearly removal and replacement of 40,000 pounds of granular activated carbon for the GAC System. The carbon replacement cost was initially based on a GAC life of 12 months, but it has been extended to a life of 36 months.

Appendix I

**NEW JERSEY WATER SUPPLY AUTHORITY
AGREED-UPON PROCEDURES REPORT
FORECASTED COST ALLOCATION SCHEDULES
YEAR ENDING JUNE 30, 2020**

NEW JERSEY WATER SUPPLY AUTHORITY
FORECASTED COST ALLOCATION SCHEDULES

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YEAR ENDING JUNE 30, 2020

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners of
New Jersey Water Supply Authority

We have performed the procedures enumerated below, which were agreed to by the Commissioners and Authority management, on the forecasted cost allocation schedules of the New Jersey Water Supply Authority (the "Authority"), a component unit of the State of New Jersey for the fiscal year ending June 30, 2020. These procedures were performed solely to assist you in evaluating the forecasted cost allocation schedules in connection with setting of water rates for each of the three operating systems (Raritan, Manasquan Reservoir and Manasquan Treatment Plant/Transmission). The Authority's management is responsible for preparing and presenting the schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

1. We were provided with the fiscal year 2020 budgeted expenses for each of the three operating systems by the Authority's Director of Finance and Administration, who advised us that the fiscal year 2020 budgeted expenses are based upon preliminary budgets that are subject to approval by the Authority's Commissioners. We performed no procedures in regard to these fiscal year 2020 budgeted expenses.
2. We recalculated the allocated costs on the forecasted cost allocation schedules. We found no exceptions as a result of these procedures.
3. We compared the methodologies used for cost allocation on the forecasted cost allocation schedules to the methodologies used in the Authority's cost allocation schedules for the year ended June 30, 2018, and found them to be consistent.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, about whether the forecast is presented in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants or whether the underlying assumptions are suitably supported or provide a reasonable basis for management's forecast. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES
(CONTINUED)**

There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

This report is intended solely for the information and use of the Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Mercadon, P.C.
Certified Public Accountants

April 29, 2019

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDED JUNE 30, 2020**

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMPENSATION	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE	
	BUILDING HQ	\$ -	\$ 119,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,500
	TELEPHONE HQ	-	-	-	-	83,000	-	-	-	-	-	83,000
36	SAFETY	214,300	-	-	(5,000)	-	-	-	-	-	-	209,300
37	SECURITY	1,026,230	-	-	-	-	-	-	-	-	-	1,026,230
14	HUMAN RESOURCES	346,748	-	-	(4,100)	-	-	-	(10,000)	-	-	332,648
16	PURCHASING	588,750	-	(121,875)	-	-	(83,000)	(16,000)	-	-	-	367,875
17	INFORMATION SYSTEMS	223,120	-	-	-	-	-	-	-	-	-	223,120
15	CONTRACTS & RISK MGMT.	1,654,700	-	-	(40,000)	(1,173,000)	-	(96,100)	-	(18,700)	-	326,900
13	FINANCIAL MGMT.	936,240	-	-	(2,730)	-	-	-	-	-	-	933,510
34	AUTO SHOP	309,500	-	121,875	-	-	-	16,000	-	-	-	447,375
35	AUTO SHOP-CANAL	225,460	-	-	-	-	-	-	-	-	-	225,460
10	EXEC OFFICE	263,300	4,650	-	-	-	-	-	-	-	-	267,950
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	8,422,790	(124,150)	-	51,830	1,173,000	-	96,100	10,000	18,700	(11,056)	9,637,214
		14,211,138	-	-	-	-	-	-	-	-	(11,056)	14,200,082
40-60	MANASQUAN SYSTEM	5,261,248	-	-	-	-	-	-	-	-	11,056	5,272,304
		<u>\$ 19,472,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,472,386</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDED JUNE 30, 2020**

DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	ALLOCATION BASIS												ALLOCATED COST CENTER COSTS	
			SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE		
	BUILDING HQ	\$ 119,500	\$ (119,500)													
	TELEPHONE HQ	83,000	-	\$ (83,000)												
36	SAFETY	209,300	803	902	\$ (211,005)											
37	SECURITY	1,026,230	4,518	3,609	16,231	\$ (1,050,588)										
14	HUMAN RESOURCES	332,648	5,345	2,707	3,607	-	\$ (344,307)									
16	PURCHASING	367,875	6,637	2,707	3,607	-	6,496	\$ (387,322)								
17	INFORMATION SYSTEMS	223,120	1,196	902	1,803	-	3,248	10,603	\$ (240,872)							
15	CONTRACTS & RISK MGMT.	326,900	3,908	1,804	3,607	-	6,496	8,222	7,411	\$ (358,348)						
13	FINANCIAL MGMT.	933,510	11,404	6,315	12,624	-	22,737	10,711	25,940	-	\$ (1,023,241)					
34	AUTO SHOP	447,375	17,961	902	3,607	-	6,496	20,015	3,706	-	28,881	\$ (528,943)				
35	AUTO SHOP-CANAL	225,460	-	1,804	1,803	-	3,248	15,579	7,411	-	14,555	-	\$ (269,860)			
10	EXEC OFFICE	267,950	15,782	7,217	1,803	-	3,248	3,462	3,706	-	17,298	-	-	\$ (320,466)		
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	9,637,214	51,946	54,131	113,620	1,050,588	204,637	178,515	133,406	323,821	622,145	528,943	269,860	288,419	\$ 13,457,245	
40-60	MANASQUAN SYSTEM	5,272,304	-	-	48,693	-	87,701	140,215	59,292	34,527	340,362	-	-	32,047	6,015,141	
		<u>\$19,472,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$19,472,386</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED COST ALLOCATION FACTORS
YEAR ENDED JUNE 30, 2020**

ALLOCATION OF:		BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	CONTRACTS & RISK MGMT	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF
ALLOCATION BASIS:		SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS	FUNCTIONAL COST	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE
DEPT. #	DEPT./COST CENTER											
	BUILDING HQ	-	-	-	-	-	-	-	-	-	-	-
	TELEPHONE HQ	-	-	-	-	-	-	-	-	-	-	-
36	SAFETY	100	1	-	-	-	-	-	-	-	-	-
37	SECURITY	563	4	9	-	-	-	-	-	-	-	-
14	HUMAN RESOURCES	666	3	2	-	-	-	-	-	-	-	-
16	PURCHASING	827	3	2	2	-	-	-	-	-	-	-
17	INFORMATION SYSTEMS	149	1	1	1	98	-	-	-	-	-	-
15	CONTRACTS & RISK MGMT.	487	2	2	2	76	2	-	-	-	-	-
13	FINANCIAL MGMT.	1,421	7	7	7	99	7	-	-	-	-	-
34	AUTO SHOP	2,238	1	2	2	185	1	-	\$ 447,375	-	-	-
35	AUTO SHOP-CANAL	-	2	1	1	144	2	-	225,460	-	-	-
10	EXEC OFFICE	1,967	8	1	1	32	1	-	267,950	-	-	-
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,473	60	63	63	1,650	36	182	9,637,214	48	48	90
40-60	MANASQUAN SYSTEM	-	-	27	27	1,296	16	19	5,272,304	-	-	10
		<u>14,890</u>	<u>92</u>	<u>117</u>	<u>106</u>	<u>3,580</u>	<u>65</u>	<u>202</u>	<u>\$ 15,850,303</u>	<u>48</u>	<u>48</u>	<u>100</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDED JUNE 30, 2020**

	COSTS	ALLOCATION BASIS					ALLOCATED COSTS
		1 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 VALUE OF WATER CONTRACTS	
<u>GENERAL & ADMINISTRATIVE</u>							
SALARIES & FRINGES	\$ 3,173,817	<u>\$ (3,173,817)</u>					
VEHICLE RELATED	95,300	-	<u>\$ (95,300)</u>				
MAINT. SUPPLIES & RELATED	76,650	-	-	<u>\$ (76,650)</u>			
OFFICE & MISC.	51,500	-	-	-	<u>\$ (51,500)</u>		
H.Q. OVERHEAD	753,893	-	-	-	-	<u>\$ (753,893)</u>	
RESERVOIR (40)	1,008,584	1,520,900	70,398	38,425	24,679	649,479	\$ 3,312,465
TREAT./TRANS. (50)	855,400	1,652,917	24,902	38,225	26,821	104,414	2,702,679
	<u>\$ 6,015,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,015,144</u>

NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO SCHEDULES
YEAR ENDING JUNE 30, 2020

NOTE 1 GENERAL

The New Jersey Water Supply Authority as part of its annual budget and rate making process performs a two step cost allocation calculation. During the first step, the Authority forecasts its actual expenses by Cost Center. For purposes of this calculation the Authority uses the following Cost Centers:

Raritan System

- Building Headquarters
- Telephone Headquarters
- Safety
- Security
- Human Resources
- Purchasing
- Information Systems
- Contracts & Risk Management
- Financial Management
- Auto Shop
- Auto Shop - Canal
- Executive Office
- Engineering, Watershed Management, Operations and Maintenance (Raritan System)
- Manasquan System

In deriving expenses by Cost Center several expense reclassifications are made on the Schedule of Forecasted Cost Center Expense Reclassification as follows:

1. Heating and electricity expenses related to Building Headquarters ("HQ") and Executive Office are reclassified from Engineering and Operations & Maintenance ("O & M").
2. Vehicular fuel expense related to Auto Shop is reclassified from Purchasing.
3. Professional fees related to O & M are reclassified from the various departments to which they have been charged.
4. Insurance premium expense related to the Raritan System is reclassified from Contracts and Risk Management.
5. Telephone expense is reclassified from Purchasing to a separate Telephone HQ Cost Center.
6. Permit expense related to the Raritan System is reclassified from Contracts and Risk Management and Purchasing.
7. Workers' compensation expense related to the Raritan System is reclassified from Contracts and Risk Management.
8. In-lieu taxes related to the Raritan System are reclassified from Contracts and Risk Management.
9. Chief Engineer Salary & Fringe Expenses related to the Manasquan System are reclassified from the Engineering Department.

NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO SCHEDULES
YEAR ENDING JUNE 30, 2020

NOTE 1 GENERAL (CONTINUED)

The second step entails a step-down allocation of eleven of the Authority's Cost Centers to the Raritan and Manasquan System Cost Centers. In making this step-down allocation the Authority allocates cost as follows:

1. Building HQ is allocated to each of the Cost Centers based on the amount of space utilized.
2. Telephone HQ is allocated to each of the Cost Centers based on the number of telephones utilized.
3. Safety is allocated to each of the Cost Centers based on the number of employees.
4. Security is allocated entirely to the Raritan System.
5. Human Resources is allocated to each of the Cost Centers based on the number of employees.
6. Purchasing is allocated to each of the respective Cost Centers based on the number of purchase orders issued.
7. Information Systems is allocated to each of the Cost Centers based on the number of computers.
8. Contracts and Risk Management is allocated to each of the Cost Centers based on the number of employees.
9. Financial Management is allocated based on a percentage of the four remaining Cost Centers' budgets.
10. Auto Shop and Auto Shop-Canal are allocated based on the number of vehicles used.
11. Executive Office is allocated based on the amount of executive time utilized in managing each of the Systems.

NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO SCHEDULES
YEAR ENDING JUNE 30, 2020

NOTE 2 MANASQUAN SYSTEM ALLOCATED COST

The Manasquan Water Supply System's direct and allocated costs are then allocated between the Reservoir System and the Water Treatment Plant/Transmission System. In making this allocation the Authority adds to each System's direct expenses, the indirect costs allocated as follows:

1. Salaries and Fringe Benefits are allocated based on actual time studies performed by each employee throughout Fiscal Year 2018.
2. Vehicle related expenses are allocated based on the dollar value of vehicles held by each System.
3. Maintenance Supplies and related expenses are allocated based on the dollar value of capital equipment held by each System.
4. Office and miscellaneous expenses are allocated based on the time studies performed by each employee throughout Fiscal Year 2018.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

Appendix II

NEW JERSEY WATER SUPPLY AUTHORITY
(A Component Unit of the State of New Jersey)

EXAMINATION REPORT AND FINANCIAL SCHEDULES

June 30, 2018

**NEW JERSEY WATER SUPPLY AUTHORITY
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YEAR ENDED JUNE 30, 2018**

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INDEPENDENT ACCOUNTANTS' REPORT

To the Commissioners of
New Jersey Water Supply Authority

We have examined the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, of New Jersey Water Supply Authority (the "Authority"), a component unit of the State of New Jersey, for the year ended June 30, 2018, listed in the foregoing table of contents. The Authority's management is responsible for conformity of the financial schedules in accordance with the criteria set forth in Notes 1 and 2. Our responsibility is to express an opinion on the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether financial schedules are in conformity with the cost allocation criteria set forth in Notes 1 and 2, in all material respects. An examination involves performing procedures to obtain evidence about the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the conformity of financial schedules with the cost allocation criteria set forth in Notes 1 and 2, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, present the Authority's allocation of costs to the Raritan and Manasquan Systems in accordance with the cost allocation criteria set forth in Notes 1 and 2, in all material respects.

This report is intended for the information and use of the Commissioners and management of the Authority, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mercadien, P.C.
Certified Public Accountants

April 29, 2019

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDED JUNE 30, 2018**

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMPENSATION	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE	
	BUILDING HQ	\$ -	\$ 66,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,405
	TELEPHONE HQ	-	-	-	-	78,449	-	-	-	-	-	78,449
36	SAFETY	206,470	-	-	-	-	-	-	-	-	-	206,470
37	SECURITY	967,730	-	-	-	-	-	-	-	-	-	967,730
14	HUMAN RESOURCES	328,297	-	-	(2,710)	-	-	-	(493)	-	-	325,094
16	PURCHASING	535,560	-	(116,756)	-	-	(78,449)	(15,130)	-	-	-	325,225
17	INFORMATION SYSTEMS	154,306	-	-	-	-	-	-	-	-	-	154,306
15	CONTRACTS & RISK MGMT.	1,585,945	-	-	(36,875)	(1,149,138)	-	(86,855)	-	(18,689)	-	294,388
13	FINANCIAL MGMT	879,820	-	-	(2,358)	-	-	-	-	-	-	877,462
34	AUTO SHOP	255,786	-	116,756	-	-	-	15,130	-	-	-	387,672
35	AUTO SHOP-CANAL	167,659	-	-	-	-	-	-	-	-	-	167,659
10	EXEC OFFICE	258,894	3,718	-	-	-	-	-	-	-	-	262,612
20, 30-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	7,538,757	(70,123)	-	41,943	1,149,138	-	86,855	493	18,689	(10,715)	8,755,037
		12,879,224	-	-	-	-	-	-	-	-	(10,715)	12,868,509
40-60	MANASQUAN SYSTEM	4,542,976	-	-	-	-	-	-	-	-	10,715	4,553,691
		<u>\$ 17,422,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,422,200</u>

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDED JUNE 30, 2018**

ALLOCATION BASIS															
DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE	ALLOCATED COST CENTER COSTS
	BUILDING HQ	\$ 66,405	\$ (66,405)												
	TELEPHONE HQ	78,449	-	\$ (78,449)											
36	SAFETY	206,470	446	853	\$ (207,769)										
37	SECURITY	967,730	2,511	3,411	15,982	\$ (989,634)									
14	HUMAN RESOURCES	325,094	2,970	2,558	3,552	-	\$ (334,174)								
16	PURCHASING	325,225	3,688	2,558	3,552	-	6,305	\$ (341,328)							
17	INFORMATION SYSTEMS	154,306	664	853	1,776	-	3,153	9,344	\$ (170,096)						
15	CONTRACTS & RISK MGMT.	294,388	2,172	1,705	3,552	-	6,305	7,246	5,234	\$ (320,602)					
13	FINANCIAL MGMT	877,462	6,337	5,969	12,431	-	22,068	9,439	18,318	-	\$ (952,024)				
34	AUTO SHOP	387,672	9,981	853	3,552	-	6,305	17,638	2,617	-	26,126	\$ (454,744)			
35	AUTO SHOP-CANAL	167,659	-	1,705	1,776	-	3,153	13,729	5,234	-	11,299	-	\$ (204,555)		
10	EXEC OFFICE	262,612	8,770	6,822	1,776	-	3,153	3,051	2,617	-	17,698	-	-	\$ (306,499)	
20, 30-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	8,755,037	28,866	51,162	111,873	989,634	198,612	157,316	94,206	289,712	590,019	454,744	204,555	275,849	\$ 12,201,585
40-60	MANASQUAN SYSTEM	4,553,691	-	-	47,947	-	85,120	123,565	41,870	30,890	306,882	-	-	30,650	5,220,615
		<u>\$ 17,422,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,422,200</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF COST ALLOCATION FACTORS
YEAR ENDED JUNE 30, 2018**

		REQUIRED STATISTICS										
ALLOCATION OF:		BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	RISK MGMT	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF
ALLOCATION BASIS:		SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS	FUNCTIONAL COST	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE
DEPT. #	DEPT./COST CENTER											
	BUILDING HQ											
	TELEPHONE HQ											
36	SAFETY	100	1									
37	SECURITY	563	4	9								
14	HUMAN RESOURCES	666	3	2								
16	PURCHASING	827	3	2	2							
17	INFORMATION SYSTEMS	149	1	1	1	98						
15	CONTRACTS & RISK MGMT.	487	2	2	2	76	2					
13	FINANCIAL MGMT	1,421	7	7	7	99	7					
34	AUTO SHOP	2,238	1	2	2	185	1	-	\$ 387,672			
35	AUTO SHOP-CANAL	-	2	1	1	144	2	-	167,659			
10	EXEC OFFICE	1,967	8	1	1	32	1	-	262,612	-		
20, 30-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,473	60	63	63	1,650	36	182	8,755,037	48	48	90
40-60	MANASQUAN SYSTEM	-	-	27	27	1,296	16	19	4,553,691	-	-	10
		<u>14,890</u>	<u>92</u>	<u>117</u>	<u>106</u>	<u>3,580</u>	<u>65</u>	<u>202</u>	<u>\$ 14,126,671</u>	<u>48</u>	<u>48</u>	<u>100</u>

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDED JUNE 30, 2018**

	COSTS	ALLOCATION BASIS					ALLOCATED COSTS
		1 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 VALUE OF WATER CONTRACTS	
<u>GENERAL & ADMINISTRATIVE</u>							
SALARIES & FRINGES	\$ 2,870,924	\$ (2,870,924)					
VEHICLE RELATED	72,233	-	\$ (72,233)				
MAINT. SUPPLIES & RELATED	41,125	-	-	\$ (41,125)			
OFFICE & MISC.	31,848	-	-	-	\$ (31,848)		
H.Q. OVERHEAD	677,639	-	-	-	-	\$ (677,639)	
RESERVOIR	829,677	1,368,929	53,359	20,616	16,068	584,583	\$ 2,873,232
TREAT./TRANS.	652,350	1,501,995	18,874	20,509	15,780	93,056	2,302,564
	<u>\$ 5,175,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,175,796</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2018**

NOTE 1 GENERAL

The New Jersey Water Supply Authority as part of its annual budget and rate making process performs a two step cost allocation calculation. During the first step, the Authority forecasts its actual expenses by Cost Center. For purposes of this calculation the Authority uses the following Cost Centers:

Raritan System

- Building Headquarters
- Telephone Headquarters
- Safety
- Security
- Human Resources
- Purchasing
- Information Systems
- Contracts & Risk Management
- Financial Management
- Auto Shop
- Auto Shop - Canal
- Executive Office
- Engineering, Watershed Management, Operations and Maintenance (Raritan System)
- Manasquan System

In deriving expenses by Cost Center several expense reclassifications are made on the Schedule of Forecasted Cost Center Expense Reclassification as follows:

1. Heating and electricity expenses related to Building Headquarters ("HQ") and Executive Office are reclassified from Engineering and Operations & Maintenance ("O & M").
2. Vehicular fuel expense related to Auto Shop is reclassified from Purchasing.
3. Professional fees related to O & M are reclassified from the various departments to which they have been charged.
4. Insurance premium expense related to the Raritan System is reclassified from Contracts and Risk Management.
5. Telephone expense is reclassified from Purchasing to a separate Telephone HQ Cost Center.
6. Permit expense related to the Raritan System is reclassified from Contracts and Risk Management and Purchasing.

**NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2018**

NOTE 1 GENERAL (CONTINUED)

7. Workers' compensation expense related to the Raritan System is reclassified from Contracts and Risk Management.
8. In-lieu taxes related to the Raritan System are reclassified from Contracts and Risk Management.
9. Chief Engineer Salary & Fringe Expenses related to the Manasquan System are reclassified from the Engineering Department.

The second step entails a step-down allocation of eleven of the Authority's Cost Centers to the Raritan and Manasquan System Cost Centers. In making this step-down allocation the Authority allocates cost as follows:

1. Building HQ is allocated to each of the Cost Centers based on the amount of space utilized.
2. Telephone HQ is allocated to each of the Cost Centers based on the number of telephones utilized.
3. Safety is allocated to each of the Cost Centers based on the number of employees.
4. Security is allocated entirely to the Raritan System.
5. Human Resources is allocated to each of the Cost Centers based on the number of employees.
6. Purchasing is allocated to each of the respective Cost Centers based on the number of purchase orders issued.
7. Information Systems is allocated to each of the Cost Centers based on the number of computers.
8. Contracts and Risk Management is allocated to each of the Cost Centers based on the number of employees.
9. Financial Management is allocated based on a percentage of the four remaining Cost Centers' budgets.
10. Auto Shop and Auto Shop-Canal are allocated based on the number of vehicles used.
11. Executive Office is allocated based on the amount of executive time utilized in managing each of the Systems.

**NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2018**

NOTE 2 MANASQUAN SYSTEM ALLOCATED COST

The Manasquan Water Supply System's direct and allocated costs are then allocated between the Reservoir System and the Water Treatment Plant/Transmission System. In making this allocation the Authority adds to each System's direct expenses, the indirect costs allocated as follows:

1. Salaries and Fringe Benefits are allocated based on actual time studies performed by each employee throughout Fiscal Year 2018.
2. Vehicle related expenses are allocated based on the dollar value of vehicles held by each System.
3. Maintenance Supplies and related expenses are allocated based on the dollar value of capital equipment held by each System.
4. Office and miscellaneous expenses are allocated based on the time studies performed by each employee throughout Fiscal Year 2018.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.