

# NEW JERSEY WATER SUPPLY AUTHORITY



## MANASQUAN RESERVOIR SYSTEM

### FISCAL YEAR 2017 BUDGET

(July 1, 2016 - June 30, 2017)

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**PROPOSED**

FISCAL YEAR 2017 BUDGET  
(July 1, 2016-June 30, 2017)

**Table of Contents**

PROPOSED FISCAL YEAR 2017 BUDGET SUMMARY . . . . . 1

RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY  
FY1996-FY2017 – INITIAL WATER USERS . . . . . 4

RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY  
FY2002-FY2017 – DELAYED WATER USERS . . . . . 5

2005 BOND DEBT SERVICE COVERAGE . . . . . 6

TOTAL OPERATIONS & MAINTENANCE BUDGET . . . . . 7

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (40) . . . . . 8

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) . . . . . 9

RECAP OF ALLOCATION OF HEADQUARTERS GENERAL AND ADMINISTRATIVE  
EXPENSES CHARGED TO THE MANASQUAN RESERVOIR WATER SUPPLY SYSTEM . . . . . 10

LABOR PROJECTION . . . . . 11

DIRECT EXPENSE BUDGET (40) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL  
YEAR 2017 AND EXPENDITURES THROUGH 3/31/16 FOR FISCAL YEAR 2016 . . . . . 12

GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING EXPENSE  
BUDGET FOR FISCAL YEAR 2017 AND EXPENDITURES THROUGH 3/31/16 FOR FISCAL  
YEAR 2016 . . . . . 13

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE  
CONTRACTS FOR RESERVOIR (40) . . . . . 18

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE  
CONTRACTS FOR G & A (60) . . . . . 19

LIST OF CATEGORY 5380 ITEMS RECOMMENDED SPECIAL & PROFESSIONAL SERVICES  
FOR RESERVOIR (40) . . . . . 20

LIST OF CATEGORY 5380 ITEMS RECOMMENDED SPECIAL & PROFESSIONAL SERVICES  
FOR G & A (60) . . . . . 21

PROPOSED CAPITAL EQUIPMENT BUDGET . . . . . 22

PROJECTED FY 2017 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM . . . . . 23

UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION  
FUND FOR FISCAL YEAR 2017 . . . . . 24

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2017 OPERATING EXPENSE  
ACCOUNTS . . . . . 25

DESCRIPTION OF RESERVE ACCOUNTS . . . . . 30

AUDITOR COST ALLOCATION REPORT FY17

APPENDIX I

AUDITOR COST ALLOCATION REPORT ACTUAL FY15

APPENDIX II

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**PROPOSED FISCAL YEAR 2017 BUDGET SUMMARY**

(7/1/16-6/30/17)

	ADOPTED F/Y2016 Reservoir Budget	PROPOSED F/Y2017 Reservoir Budget
Proposed Operating Expense Budget (Schedule 2)	\$ 2,619,460	\$ 2,677,270
Proposed Capital Equipment Budget (Schedule 13)	96,100	71,600
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 5)	640,000	640,000
 Total Operating Expense Budget & Capital Equipment Budget	 \$ 3,355,560	 \$ 3,388,870
 Adjustment for F/Y15 Salary & Fringe Expenses to be paid to the WTP/TS Account	 \$ -	 \$ 69,578
 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)	3,663,431	3,487,326
Delayed Debt Service Fund (120 percent coverage)	1,249,992	1,246,578
NJEIFP Debt Service	182,871	178,117
Source Water Protection Program	73,778	70,967
Other Post Employment Benefits Reserve	-	35,000
Supplemental Renewal & Replacement	-	350,000
Total Contributions to Debt Service and Reserve Funds	\$ 5,320,072	\$ 5,517,988
 Total Proposed Budget	 \$ 8,675,632	 \$ 8,976,436
 Revenues		
Operating and Maintenance Component	\$ 2,803,068	\$ 2,986,948
Adjustment for F/Y14 Salary & Fringe Expenses to be paid from the WTP/TS Account	51,292	-
Appropriation from General Fund (Rate Stabilization)	640,000	995,300
Debt Service (120 percent coverage)	3,663,431	3,487,326
Delayed Debt Service (120 percent coverage)	1,249,992	1,246,578
NJEIFP Debt Service	182,871	178,117
Source Water Protection Program Component	73,778	70,967
F/Y17 interest earnings were estimated at .25 percent, long-term investments were estimated at 1.3 percent.	11,200	11,200
Total Revenue	\$ 8,675,632	\$ 8,976,436

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY  
FY1996-FY2017 – INITIAL WATER USERS**

INITIAL WATER PURCHASER 15.695 mgd JULY 1, 2017  
SHORELANDS .028 mgd July 1, 2006

<u>Effective Date</u>	<u>O&amp;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, 1996	316.58		748.57		\$1,065.15	-3.65%
July 1, 1997	284.09		654.83		\$938.92	-11.85%
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%
<b>July 1, 2016</b>	<b>432.87</b>	<b>10.00</b>	<b>636.61</b>	<b>25.10</b>	<b>\$1,104.58</b>	<b>4.46%</b>

Table 2

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY  
FY2002-FY2017 – 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&amp;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, 2001	199.88		835.62		\$1,035.50	
July 1, 2002	212.35		835.61		\$1,047.96	1.20%
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%
<b>July 1, 2016</b>	<b>432.87</b>	<b>10.00</b>	<b>770.07</b>	<b>25.10</b>	<b>\$1,238.04</b>	<b>3.96%</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**2005 BOND DEBT SERVICE COVERAGE**

FISCAL YEAR 2017  
(7/1/16-6/30/17)

	Budgeted F/Y2017
<u>Revenues</u>	
Uninterruptible Water Sales	\$8,054,944
Interest Income	\$11,200
Total Revenues	\$8,066,144
Prior Years Surplus/Other	\$995,300
Less Projected Rev for Use in FY2018	(\$400,000)
<u>Expenses</u>	
O&M Costs	\$2,677,270
Overhead Allocation	\$640,000
Total O&M	\$3,317,270
Cash Available for Debt Service - A	\$5,344,174
Net Debt Service Expense	\$3,944,920
Debt Service Coverage Calculation - A/B	1.35
Cash After Debt Service A-B	\$1,399,254

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**TOTAL OPERATIONS & MAINTENANCE BUDGET**

FISCAL YEAR 2017  
(7/01/16-6/30/17)

	F/Y2016 Reservoir Adopted	F/Y2017 Reservoir Proposed
	<u>                    </u>	<u>                    </u>
Salaries & Fringe Benefits (Schedule 6)	\$1,432,000	\$1,556,900
O & M Direct Expense (Schedule 3)	1,072,500	1,018,478
G&A Expenses (Schedule 4)	114,960	101,890
Total Operations & Maintenance Budget	<u>\$2,619,460</u>	<u>\$2,677,268</u>
	Estimate	
	<u>\$2,619,460</u>	<u>\$2,677,270</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (40)**

FISCAL YEAR 2017  
(7/01/16-6/30/17)

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>RESERVOIR</u>	
		<u>ADOPTED</u>	<u>PROPOSED</u>
		<u>FY16</u>	<u>FY17</u>
5200	Residences	\$	\$
5211	Heating Fuel		
5220	Utilities -Electrical Service	80,500	90,500
5230	-Gas Service	8,000	8,000
5240	-Propane		
5250	Electricity for Pumping Station	346,900	336,300
5260	Fuel - Vehicular		
5270	Oil & Grease		
5280	Tires		
5290	Maintenance Supplies	2,000	2,000
5300	Maint. Supplies - Vehicular		
5310	Major Vehicle Service & Repair		
5320	Agricultural Supplies		
5330	Maintenance Equipment	45,500	51,500
5340	Serv. & Maintenance Contracts	33,000	39,750 (Sch. 9)
5350	Equipment Rental	6,500	6,500
5360	Household - Safety Supplies	500	500
5370	Uniforms		
5380	Special & Professional Services	124,900	112,700 (Sch. 11)
5390	Protective Services	285,300	227,528 (Sch. 14)
5400	Telephone	5,000	5,000
5410	Postage & Freight Out		
5420	Data Processing		
5430	Printing & Office Supplies	1,500	1,500
5440	Scientific & Photographic	5,000	5,000
5450	Dues & Subscriptions		
5460	Advertising & Promotional	1,500	2,000
5470	Travel & Subsistence		
5480	Staff Training & Tuition Aid		
5490	Fees & Permits	33,600	33,900
5500	In - Lieu Taxes	36,800	36,800
5510	Sediment Removal	56,000	59,000
		<u>56,000</u>	<u>59,000</u>
	<b>TOTAL O&amp;M DIRECT EXPENSE BUDGET</b>	<u><u>\$1,072,500</u></u>	<u><u>\$1,018,478</u></u>



NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)**

FISCAL YEAR 2017  
(7/01/16-6/30/17)

<u>CODE</u>	<u>ACCOUNT</u>	<u>ADOPTED G&amp;A FY16</u>	<u>PROPOSED G&amp;A FY17</u>
	Salaries & Fringe Benefits	\$3,036,350	\$3,158,911
5200	Residences		
5211	Heating Fuel		
5220	Utilities -Electrical Service		
5230	-Gas Service		
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular	35,000	22,450
5270	Oil & Grease	5,900	6,900
5280	Tires	6,000	6,000
5290	Maintenance Supplies	27,300	27,300
5300	Maint. Supplies - Vehicular	7,100	8,800
5310	Major Vehicle Service & Repair	29,000	29,000
5320	Agricultural Supplies	5,200	6,200
5330	Maintenance Equipment	10,000	7,500
5340	Serv. & Maintenance Contracts	12,500 (Sch. 10)	13,100
5350	Equipment Rental	3,400	3,000
5360	Household - Safety Supplies	8,500	7,500
5380	Special & Professional Services	3,600 (Sch. 12)	3,600
5390	Protective Services		
5400	Telephone	6,500	7,000
5410	Postage & Freight Out	1,000	500
5420	Data Processing	9,000	8,500
5430	Printing & Office Supplies	7,300	7,300
5440	Scientific & Photographic	300	300
5450	Dues & Subscriptions	2,500	3,000
5460	Advertising & Promotional	1,500	1,500
5470	Travel & Subsistence	500	700
5480	Staff Training & Tuition Aid	11,400	11,400
5490	Fees & Permits	7,000	7,700
5500	In - Lieu Taxes		
5510	Residual Removal		
5520	Water Treatment Chemicals		
5525	GAC Replacement		
	<b>SUB-TOTAL G&amp;A EXPENSE BUDGET</b>	<u>\$200,500</u>	<u>\$189,250</u>
	<b>TOTAL G&amp;A WITH SALARIES &amp; FRINGE</b>	<u>\$3,236,850</u>	<u>\$3,348,161</u>

Allocation of Direct General & Administrative Expense Budget - See Appendix I for basis of Allocation.  
(Page 6, Columns 2, 3, 4, & 5)

Reservoir System	\$114,960	\$101,890
Treatment/Transmission System	<u>\$85,540</u>	<u>\$87,360</u>
Total	<u>\$200,500</u>	<u>\$189,250</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 2017  
(7/01/16-6/30/17)

	<b>Total Headquarters Charge</b>	<b>Manasquan Reservoir System</b>	<b>Manasquan WTP/TS</b>
Budgeted-Appendix I, amount to be charged to Manasquan System for FY17 (7/1/16-6/30/17)	\$823,329	\$709,165	\$114,164
F/Y15 Adjustment as per audited expenditures:			
Budgeted as per rate schedule for FY15 (7/1/14-6/30/15). Amounts paid during FY15 to Raritan Basin System.	\$781,349	\$678,114	\$103,235
Actual allocation based upon audited expenditures FY15 (7/1/14-6/30/15) - Appendix II	<u>\$702,080</u>	<u>\$609,319</u>	<u>\$92,761</u>
Adjustments FY15	<u>(\$79,269)</u>	<u>(\$68,795)</u>	<u>(\$10,474)</u>
Net Allocation for FY2017 Budget	<u><u>\$744,060</u></u>	<u><u>\$640,370</u></u>	<u><u>\$103,690</u></u>
Estimate	<u>\$744,000</u>	<u>\$640,000</u>	<u>\$104,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**LABOR PROJECTION**

FISCAL YEAR 2017  
(7/01/16-6/30/17)

TITLES	RANGE	SALARY	FRINGE		CLOTHING	SHIFT	TOTAL	ALLOCATION	AMOUNT	ALLOCATION	AMOUNT
			BENEFITS	OVERTIME	ALLOWANCE	DIFFERENTIAL		RESERVOIR	RESERVOIR	WTP/TS	WTP/TS
Manager	34	117,000.00	75,281.00	0.00	0.00	0.00	192,281.00	60%	115,400.00	40%	76,881.00
Project Engineer II	26	92,500.00	59,517.00	0.00	0.00	0.00	152,017.00	50%	76,100.00	50%	75,917.00
Water Supply Tech.	14	51,800.00	33,986.00	470.00	550.00	0.00	86,806.00	58%	50,400.00	42%	36,406.00
Administrative Assistant	18	65,300.00	42,016.00	0.00	0.00	0.00	107,316.00	54%	58,000.00	46%	49,316.00
Supervisor Technical Facilities Maint	23	82,200.00	63,614.00	16,117.00	550.00	0.00	162,481.00	42%	68,300.00	58%	94,181.00
Sr. Water Supply Tech.	20	71,600.00	47,613.00	1,849.00	550.00	0.00	121,612.00	48%	58,400.00	52%	63,212.00
Maintenance Worker I	10	45,000.00	29,308.00	0.00	550.00	0.00	74,858.00	94%	70,300.00	6%	4,558.00
Supervisor Operations	28	94,000.00	60,482.00	0.00	0.00	0.00	154,482.00	25%	38,600.00	75%	115,882.00
Equipment Operator	12	49,200.00	32,010.00	0.00	550.00	0.00	81,760.00	90%	73,600.00	10%	8,160.00
Foreman Bldg & Grounds Maint	19	68,400.00	45,408.00	1,622.00	550.00	0.00	115,980.00	89%	103,200.00	11%	12,780.00
Foreman Facilities Maintenance	20	68,100.00	44,497.00	507.00	550.00	0.00	113,654.00	47%	53,400.00	53%	60,254.00
Facilities Mechanic (3 Positions)	18	193,500.00	126,414.00	1,321.00	1,650.00	0.00	322,885.00	47%	151,700.00	53%	171,185.00
Supervisor Plant Operator	22	78,500.00	53,903.00	4,655.00	550.00	70.00	137,678.00	36%	49,600.00	64%	88,078.00
Maintenance Worker I Operations	10	29,640.00	29,640.00	516.00	550.00	0.00	75,706.00	92%	69,700.00	8%	6,006.00
Reservoir System Operator (5 Positions)	15	267,500.00	194,614.00	30,385.00	2,750.00	1,830.00	497,079.00	97%	482,200.00	3%	14,879.00
Plant Operator (2 Positions)	20	141,600.00	102,419.00	16,477.00	1,100.00	0.00	261,596.00	5%	13,000.00	95%	248,596.00
Plant Operator (4 Positions)	19	<u>270,400.00</u>	<u>196,039.00</u>	<u>32,081.00</u>	<u>2,200.00</u>	0.00	500,720.00	5%	<u>25,000.00</u>	95%	<u>475,720.00</u>
<b>TOTAL:</b>		<u>1,801,600.00</u>	<u>1,236,760.00</u>	<u>106,000.00</u>	<u>12,650.00</u>	<u>1,900.00</u>	<u>3,158,911.00</u>		<u>1,556,900.00</u>		<u>1,602,011.00</u>

TOTAL = 27 Positions

NOTE: A. PERCENTAGES ARE FROM THE AVERAGE OF FISCAL YEARS 2012 THROUGH 2015 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 2017 AND EXPENDITURES THROUGH 3/31/16 FOR FISCAL YEAR 2016**

CODE	ACCOUNT	ADOPTED BUDGET FY16	PROPOSED BUDGET FY17	EXPENDITURES THRU 3/31/16
5200	ON-SITE RESIDENCE			
5211	HEATING FUEL			1,422
5220	UTILITIES-ELECTRICAL SERVICE	80,500	90,500	69,526
5230	UTILITIES-GAS SERVICE & WATER	8,000	8,000	3,385
5240	UTILITIES-PROPANE			
5250	ELECTRICITY FOR PUMPING	346,900	336,300	200,794
5260	VEHICULAR FUEL			
5270	OIL & GREASE			
5280	TIRES			
5290	MAINTENANCE SUPPLIES	2,000	2,000	4,324
5300	MAINT. SUPPLIES- VEHICULAR EQUIPMENT			
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR			
5320	AGRICULTURAL SUPPLIES			
5330	MAINTENANCE OF EQUIPMENT	45,500	51,500	35,600
5340	SERVICE & MAINTENANCE CONTRACTS	33,000	39,750	11,516
5350	EQUIPMENT RENTAL	6,500	6,500	1,182
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	500	500	1,623
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	124,900	112,700	95,315
5390	PROTECTIVE SERVICES	285,300	227,528	186,977
5400	TELEPHONE	5,000	5,000	6,098
5410	POSTAGE & FREIGHT			
5420	DATA PROCESSING			
5430	PRINTING & OFFICE SUPPLIES	1,500	1,500	606
5440	SCIENTIFIC & PHOTOGRAPHIC	5,000	5,000	2,975
5450	DUES & SUBSCRIPTIONS			
5460	ADVERTISING	1,500	2,000	257
5470	TRAVEL & SUBSISTENCE			
5480	STAFF TRAINING & TUITION AID			
5490	FEES & PERMITS	33,600	33,900	31,180
5500	IN-LIEU TAXES	36,800	36,800	36,756
5510	SEDIMENT REMOVAL	56,000	59,000	33,184
<b>TOTALS</b>		<b>\$1,072,500</b>	<b>\$1,018,478</b>	<b>\$722,719</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING  
EXPENSE BUDGET FOR FISCAL YEAR 2017 AND EXPENDITURES THROUGH 3/31/16 FOR  
FISCAL YEAR 2016**

CODE	ACCOUNT	ADOPTED BUDGET FY16	PROPOSED BUDGET FY17	EXPENDITURES THRU 3/31/16
5110	REGULAR SALARIES & WAGES	\$1,720,850	\$1,816,150	\$1,226,386
5120	OVERTIME-SALARIES & WAGES	106,000	106,000	76,235
5150	FRINGE BENEFITS	1,003,000	1,036,961	683,672
5160	RETIREE HEALTH BENEFITS	201,500	194,800	79,574
5168	WORKERS' COMP. (SELF INSURED)	5,000	5,000	652
	TOTAL SALARY, OVERTIME & FRINGE BENEFITS	\$3,036,350	\$3,158,911	\$2,066,520
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	35,000	22,450	10,389
5270	OIL & GREASE	5,900	6,900	466
5280	TIRES	6,000	6,000	2,722
5290	MAINTENANCE SUPPLIES	27,300	27,300	15,713
5300	MAINT. SUPPLIES- VEHICULAR EQUIPMENT	7,100	8,800	4,747
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR	29,000	29,000	25,152
5320	AGRICULTURAL SUPPLIES	5,200	6,200	1,810
5330	MAINTENANCE OF EQUIPMENT	10,000	7,500	9,946
5340	SERVICE & MAINTENANCE CONTRACTS	12,500	13,100	10,187
5350	EQUIPMENT RENTAL	3,400	3,000	1,535
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	8,500	7,500	4,273
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	3,600	3,600	1,123
5390	PROTECTIVE SERVICES			
5400	TELEPHONE	6,500	7,000	4,079
5410	POSTAGE & FREIGHT	1,000	500	636
5420	DATA PROCESSING	9,000	8,500	3,157
5430	PRINTING & OFFICE SUPPLIES	7,300	7,300	2,900
5440	SCIENTIFIC & PHOTOGRAPHIC	300	300	148
5450	DUES & SUBSCRIPTIONS	2,500	3,000	231
5460	ADVERTISING	1,500	1,500	883
5470	TRAVEL & SUBSISTENCE	500	700	291
5480	STAFF TRAINING & TUITION AID	11,400	11,400	4,420
5490	FEES & PERMITS	7,000	7,700	3,276
5500	IN-LIEU TAXES			
5510	SEDIMENT REMOVAL			
	SUB TOTALS	\$200,500	\$189,250	\$108,085
<b>TOTALS</b>		<b>\$3,236,850</b>	<b>\$3,348,161</b>	<b>\$2,174,604</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2017

	Adopted F/Y16	Proposed F/Y17
1 HVAC/Dehumidifier Service	\$ 500.00	\$ 500
2 Instrumentation & Control System Service/Upgrade	2,000	3,000
3 Electrical Upgrade & Repair	12,000	14,000
4 overhead Crane Service & Inspection	2,000	2,000
5 Fire & Intrusion Alarm Service	1,500	1,500
6 Potable Well/Septic Service	1,500	1,500
7 Fertilization-Dam Dike	3,000	3,750
8 Roadway Crack Sealing	1,500	1,500
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
	<u>          </u>	<u>          </u>
Total Service & Maintenance Contracts	<u>\$ 33,000</u>	<u>\$ 39,750</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 2017

	Adopted F/Y16	Proposed F/Y17
	<u>          </u>	<u>          </u>
1 Refuse & Waste Disposal	\$ 1,700.00	\$ 2,000
2 Office Equipment/Computers	1,600	1,800
3 Waste Oil Disposal	1,100	200
4 Fire Extinguisher Service	1,100	1,100
5 UST Monitor Service	750	750
6 Building Maintenance	750	750
7 Internet Service	2,000	2,000
8 Janitorial Service	2,100	2,100
9 Vehicle Lift Inspection	400	400
10 Generator Service & Maintenance	<u>1,000</u>	<u>2,000</u>
Total Service & Maintenance Contracts	<u>\$ 12,500</u>	<u>\$ 13,100</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 2017

		Adopted F/Y15	Proposed F/Y16
		<u>          </u>	<u>          </u>
1	Laboratory Services - Water Quality Sampling	\$ 2,000.00	\$ 2,000
2	Consultant Services	15,000	15,000
3	Services-USGS Cooperative Agreement	31,700	31,700
4	Annual Trustee Fund	9,500	9,500
5	Dam Management-Surveying	2,500	2,500
6	Wetland Monitoring Management	1,200	4,000
7	Lake Management Consultants	19,500	19,500
8	Engineering Services	2,500	2,500
9	Financial Advisory Services	1,000	1,000
11	USGS Gaging Station Squankum	<u>40,000</u>	<u>25,000</u>
	Total Special & Professional Services	<u><u>\$ 124,900</u></u>	<u><u>\$ 112,700</u></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 2017

	Adopted F/Y16	Proposed F/Y17
	<u>          </u>	<u>          </u>
1 Pulmonary Testing	\$ 1,500.00	\$ 1,500
2 CDL Medical Testing	500	500
3 EAS Service	1,200	1,200
4 Pre-Employment Physicals	<u>400</u>	<u>400</u>
 Total Special & Professional Services	 <u>\$ 3,600</u>	 <u>\$ 3,600</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**PROPOSED CAPITAL EQUIPMENT BUDGET**

FISCAL YEAR 2017

Description	(A)Addition (R)Replacement	Year of Purchase Vehicle/Equipment	Dollar Value	%	Manasquan Reservoir	Manasquan WTP/TS	Reservoir Depreciation Reserve	WTP/TS Depreciation Reserve
(1) REPLACE ELECTRIC GATE OPERATOR ADMIN BLDG	(R)	Original	4,000	100/0	4,000	0		
(1) REPLACE HEAT PUMP WITH AC UNIT FRONT AREA OF ADM	(R)	Original	20,000	100/0	20,000	0		
(1) REPLACE HEAT PUMP WITH AC UNIT SHOP AREA OF ADMIN	(R)	Original	15,000	100/0	15,000	0		
(1) REPLACE MOHAWK VEHICLE LIFT W/8 TON UNIT	(R) PE287	1994	18,000	100/0	18,000	0	7,889	
(1) NJWA29 - RSO VEHICLE	(R) TR516	2013	35,000	95/5	33,250	1,750	5,869	309
(1) 4-INCH TRASH PUMP - (#454)	(R) EQ454	2007	4,000	44/56	1,760	2,240	1,705	1,705
(1) POWERTRAC SLOPE TRACTOR - (#332)	(R) PE332	1997	46,000	100/0	46,000	0	35,429	
TOTAL			142,000		138,010	3,990		

*Per Resolution #861, dated 7/12/93 Asset Definition minimum is \$1,000.	0	
Less Amount charged to Reservoir Depreciation Reserve	50,892	
Less Amount charged to WTP/TS Depreciation Reserve		2,014

Total	87,118	1,976
Additional Depreciation Reserve	(15,551)	0
Estimate	\$71,600	\$1,976

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**PROJECTED FY 2017 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>
<b>Property</b> Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood	\$479,976	\$161,354	\$39,487	\$680,817
<b>General/Products Liability</b> Limit \$1 million Deduct: \$150k	\$96,774	\$9,048	\$1,879	\$107,701
<b>Environmental Impairment Liability</b> Limit \$10 million Deduct: \$100k	\$22,730	\$2,125	\$441	\$25,296
<b>Workers' Compensation</b> Limit \$1 million	\$180,515	\$23,206	\$24,315	\$228,036
<b>Employer Liability</b> Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
<b>Umbrella Liability</b> Limit \$23 million	\$262,492	\$24,541	\$5,096	\$292,129
<b>Business Automobile</b> Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$16,528	\$2,934	\$672	\$20,134
<b>Management Liability</b> Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$40,232 \$5,092 <hr/> \$45,324	\$3,761 \$476 <hr/> \$4,237	\$781 \$99 \$3,531 <hr/> \$4,411	\$44,774 \$5,667 \$3,531 <hr/> \$53,972
<b>Travel Accident</b> Limit \$2 million	\$876	\$82	\$17	\$975
<b>TOTAL:</b>	\$1,105,215	\$227,527	\$76,318	\$1,409,060

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION  
 FUND FOR FISCAL YEAR 2017**

			<u>Amount</u>
F/Y2015 Net Year-End Balance			\$327,740.50
Excess D/S Coverage FY2016			\$600,000.00
<u>Overdraft</u>	<u>Invoice No.</u>	<u>Received</u>	<u>Amount</u>
 <u>Additional Sources</u>			
Source Water Protection Fund			\$40,000.00
New Jersey American Overdrafts April-August 2015			\$27,609.00
<b>Total Available</b>			<u>\$995,349.50</u>
<b>Estimate for FY/17</b>			<u><u>\$995,300.00</u></u>

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

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2017 OPERATING EXPENSE ACCOUNTS**

**ACCOUNT  
CODE**

**TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for Fiscal Year 2016.

	Adopted F/Y16	Proposed F/Y17
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	\$1,720,850	\$1,816,150
Overtime	106,000	106,000
Fringe Benefits	1,003,000	1,036,961
Retiree Health Benefits	201,500	194,800
Worker's Compensation (self-insured)	5,000	5,000
Total Salaries and Fringe Benefits	\$3,036,350	\$3,158,911
Allocation to Reservoir	\$1,432,000	\$1,556,900
Anticipated Increase for F/Y17	\$124,900	

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.

5211 HEATING FUEL

This account covers the cost of heating oil.

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2017 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5220	<p><b><u>UTILITIES - ELECTRICAL SERVICE (OTHER THAN PUMPING)</u></b></p> <p>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.</p>
5230	<p><b><u>NATURAL GAS</u></b></p> <p>This account covers the cost of heating portions of the Administration Building.</p>
5240	<p><b><u>PROPANE</u></b></p> <p>This account covers the cost of propane fuel.</p>
5250	<p><b><u>ELECTRICITY FOR PUMPING</u></b></p> <p>This account covers the cost of electricity to operate pumps at the Intake Pump Station and Reservoir Pump Station.</p>
5260	<p><b><u>VEHICULAR FUEL</u></b></p> <p>This account covers the cost of unleaded regular and diesel fuel used by the Authority's motor vehicle fleet.</p>
5270	<p><b><u>OIL AND GREASE</u></b></p> <p>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.</p>
5280	<p><b><u>TIRES</u></b></p> <p>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.</p>
5290	<p><b><u>MAINTENANCE SUPPLIES</u></b></p> <p>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.</p>

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2017 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 2017 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5360	<p><b><u>HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES</u></b></p> <p>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.</p>
5380	<p><b><u>SPECIAL AND PROFESSIONAL SERVICES</u></b></p> <p>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.</p>
5390	<p><b><u>PROTECTIVE SERVICES</u></b></p> <p>This account covers the yearly cost of insurance premiums prorated to the Manasquan Reservoir System, covering General Liability, Workmen's Compensation, Vehicular, etc.</p>
5400	<p><b><u>TELEPHONE</u></b></p> <p>This account covers direct telephone charges including charges for repairs, equipment rental and related expenses.</p>
5410	<p><b><u>POSTAGE AND FREIGHT</u></b></p> <p>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.</p>
5420	<p><b><u>DATA PROCESSING</u></b></p> <p>This account covers charges for production of payrolls and required reports under contract with ADP.</p>
5430	<p><b><u>PRINTING AND OFFICE</u></b></p> <p>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.</p>



**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2017 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5440	<b><u>SCIENTIFIC AND PHOTOGRAPHIC</u></b>  This account covers the cost of video and photographic supplies, blueprinting supplies, laboratory supplies, surveying and engineering supplies and recording charts and pens.
5450	<b><u>DUES AND SUBSCRIPTION</u></b>  This account covers the cost of subscriptions to newspapers, magazines, periodicals, reference books, other publications and membership fees in professional societies and associations.
5460	<b><u>ADVERTISING</u></b>  This account covers the cost of legal and classified advertising in newspapers for bids, recruiting, and public notifications.
5470	<b><u>TRAVEL AND SUBSISTENCE</u></b>  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	<b><u>STAFF TRAINING AND TUITION AID</u></b>  This account provides funds for employees' attendance at various technically related and approved courses, training programs, conferences, etc.
5490	<b><u>FEES AND PERMITS</u></b>  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	<b><u>IN-LIEU TAXES</u></b>  This account covers the funds for Reservoir and Intake Facilities in-lieu tax payment.
5510	<b><u>SEDIMENT REMOVAL</u></b>  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.