

NEW JERSEY WATER SUPPLY AUTHORITY

MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2026 BUDGET

(July 1, 2025 - June 30, 2026)

**Proposed
May 5, 2025**

RARITAN BASIN SYSTEM

FISCAL YEAR 2026 BUDGET

(July 1, 2025 - June 30, 2026)

**Proposed
May 5, 2025**

MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

FISCAL YEAR 2026 BUDGET

(July 1, 2025 - June 30, 2026)

Presentation Only

NEW JERSEY WATER SUPPLY AUTHORITY



MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2026 BUDGET

(July 1, 2025 - June 30, 2026)

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED

FISCAL YEAR 2026 BUDGET
(July 1, 2025-June 30, 2026)

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NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED FISCAL YEAR 2026 BUDGET SUMMARY

(7/1/25-6/30/26)

| | ADOPTED F/Y2025 <u>Reservoir Budget</u> | PROPOSED F/Y2026 <u>Reservoir Budget</u> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|
| Proposed Operating Expense Budget (Schedule 2) | \$ 3,170,011 | \$3,201,042 |
| Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 5) | <u>\$ 805,000</u> | <u>\$ 770,000</u> |
| Proposed Total Expense Budget | \$ 3,975,011 | \$ 3,971,042 |
| Proposed Capital Equipment Budget (Schedule 13) | \$ - | \$ 44,353 |
| Contribution to Reserve Funds | | |
| - Sediment Reserve | \$ 10,000 | \$ 10,000 |
| - Formal Dam Inspection Reserve | \$ 5,000 | \$ 5,000 |
| - Renewal & Replacement Fund | \$ 120,000 | \$ 120,000 |
| - High Voltage Testing Reserve | \$ 15,000 | \$ 15,000 |
| - Other Post Employment Benefits Reserve | \$ - | \$ - |
| - Supplemental Renewal & Replacement | \$ - | \$ - |
| Adjustment for F/Y24 Salary and Fringe Expenses to be paid (from)/to WTP/TS Account | | \$ 149,359 |
| Adjustment for F/Y23 Salary and Fringe Expenses to be paid (from)/to WTP/TS Account | <u>\$ 86,605</u> | <u>\$ -</u> |
| Total Budget Requirements | <u>\$ 4,211,616</u> | <u>\$ 4,314,754</u> |
| Interest Earnings on Funds (Except Renewal and Replacement and Depreciation Reserve Fund) | \$ (225,400) | \$ (360,600) |
| Unanticipated Revenue (Schedule 15) | <u>\$ (824,500)</u> | <u>\$ (792,420)</u> |
| Total Miscellaneous Revenue & Interest Income | <u>\$ (1,049,900)</u> | <u>\$ (1,153,020)</u> |
| Net Amount to be paid for O & M Component | <u>\$ 3,161,716</u> | <u>\$ 3,161,734</u> |

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2007-FY2026 – INITIAL WATER USERS**

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

| Effective Date | O&M Charge | Source Water Protection | Debt Repayment 2/1/91-8/01/20 | NJEIFP Debt Component | Capital Fund Component | Total Charge per MG | Percent Increase (Decrease) |
|---------------------|---------------|-------------------------|-------------------------------|-----------------------|------------------------|---------------------|-----------------------------|
| 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% |
| July 1, 2020 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | -3.12% |
| July 1, 2021 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2022 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2023 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2024 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2025 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |

Table 2

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2007-FY2026 – 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

| Effective Date | O&M Charge | Source Water Protection | Debt Repayment 2/1/91-8/01/20 | NJEIFP Debt Component | Capital Fund Component | Total Charge per MG | Percent Increase (Decrease) |
|---------------------|---------------|-------------------------|-------------------------------|-----------------------|------------------------|---------------------|-----------------------------|
| 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% |
| July 1, 2020 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | -3.12% |
| July 1, 2021 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2022 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2023 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2024 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |
| July 1, 2025 | 445.82 | 15.00 | 0.00 | 24.93 | 525.00 | \$1,010.75 | 0.00% |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

DEBT SERVICE COVERAGE

FISCAL YEAR 2026
(7/1/25-6/30/26)

| DEBT SERVICE COVERAGE | Budgeted F/Y2026 |
|-----------------------------------------|---------------------|
| <u>Revenues</u> | |
| Uninterruptible Water Sales | \$ 7,073,972 |
| Interest Income | \$ 360,600 |
| Total Revenues | \$ 7,434,572 |
| <u>Expenses</u> | |
| O&M Costs | \$ 3,201,042 |
| Overhead Allocation | \$ 770,000 |
| Total O&M | \$ 3,971,042 |
| Cash Available for Debt Service - A | \$ 3,463,530 |
| Net Debt Service Expense | \$ 575,213 |
| Debt Service Coverage Calculation - A/B | 6.02 |
| Cash After Debt Service A-B | \$ 2,888,317 |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

TOTAL OPERATIONS & MAINTENANCE BUDGET

FISCAL YEAR 2026
(7/01/25-6/30/26)

| | F/Y2025 Reservoir Adopted | F/Y2026 Reservoir Proposed |
|---------------------------------------|---------------------------------|----------------------------------|
| Salaries & Fringe Benefits | \$1,732,508 | \$1,807,504 |
| O & M Direct Expense | 1,293,484 | 1,254,158 |
| G&A Expenses | <u>144,019</u> | <u>139,380</u> |
| Total Operations & Maintenance Budget | \$3,170,011 | \$3,201,042 |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (40)

FISCAL YEAR 2026
(7/01/25-6/30/26)

RESERVOIR

| <u>CODE</u> | <u>ACCOUNT DESCRIPTION</u> | <u>PROPOSED FY25</u> | | <u>PROPOSED FY26</u> |
|-------------|--------------------------------------------|--------------------------|-----------|--------------------------|
| 5200 | Residences | \$ - | | \$ - |
| 5210 | Heating Fuel | 2,000 | | 2,000 |
| 5220 | Utilities -Electrical Service | 92,100 | | 105,600 |
| 5230 | -Gas Service | 12,450 | | 12,450 |
| 5240 | -Propane | - | | - |
| 5250 | Electricity for Pumping Station | 356,000 | | 331,500 |
| 5260 | Fuel - Vehicular | - | | - |
| 5270 | Oil & Grease | - | | - |
| 5280 | Tires | - | | - |
| 5290 | Maintenance Supplies | 14,700 | | 12,400 |
| 5300 | Maint. Supplies - Vehicular | - | | - |
| 5310 | Major Vehicle Service & Repair | - | | - |
| 5320 | Agricultural Supplies | - | | - |
| 5330 | Maintenance Equipment | 51,500 | | 56,700 |
| 5340 | Serv. & Maintenance Contracts | 35,000 | (Sch. 9) | 46,650 |
| 5350 | Equipment Rental | 10,000 | | 6,500 |
| 5360 | Household - Safety Supplies | 1,000 | | 1,000 |
| 5370 | Uniforms | - | | - |
| 5380 | Special & Professional Services | 93,850 | (Sch. 11) | 66,850 |
| 5390 | Protective Services | 470,076 | (Sch. 14) | 520,000 |
| 5400 | Telephone | 9,008 | | 3,908 |
| 5410 | Postage & Freight Out | - | | - |
| 5420 | Data Processing | - | | - |
| 5430 | Printing & Office Supplies | 2,000 | | 2,960 |
| 5440 | Scientific & Photographic | 3,500 | | 6,140 |
| 5450 | Dues & Subscriptions | - | | - |
| 5460 | Advertising & Promotional | 2,000 | | 2,200 |
| 5470 | Travel & Subsistence | - | | - |
| 5480 | Anticipated Increase for F/Y26 | - | | - |
| 5490 | Fees & Permits | 38,000 | | 39,000 |
| 5500 | In - Lieu Taxes | 38,300 | | 38,300 |
| 5510 | Sediment Removal | 62,000 | | - |
| | | <u>62,000</u> | | <u>-</u> |
| | | - | | - |
| | TOTAL O&M DIRECT EXPENSE BUDGET | <u>\$ 1,293,484</u> | | <u>\$ 1,254,158</u> |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2026
(7/01/25-6/30/26)

| CODE | ACCOUNT | ADOPTED | PROPOSED |
|------|----------------------------------|------------------|--------------|
| | | G&A FY25 | G&A FY26 |
| | Salaries & Fringe Benefits | \$3,623,550 | \$3,774,850 |
| 5200 | Residences | - | - |
| 5210 | Heating Fuel | - | - |
| 5220 | Utilities -Electrical Service | - | - |
| 5230 | -Gas Service | - | - |
| 5240 | -Propane | - | - |
| 5250 | Electricity for Pumping Station | - | - |
| 5260 | Fuel - Vehicular | 33,600 | 33,600 |
| 5270 | Oil & Grease | 8,300 | 8,300 |
| 5280 | Tires | 12,000 | 12,000 |
| 5290 | Maintenance Supplies | 27,300 | 27,300 |
| 5300 | Maint. Supplies - Vehicular | 11,600 | 14,000 |
| 5310 | Major Vehicle Service & Repair | 35,000 | 35,000 |
| 5320 | Agricultural Supplies | 8,100 | 8,100 |
| 5330 | Maintenance Equipment | 10,100 | 7,100 |
| 5340 | Serv. & Maintenance Contracts | 28,100 (Sch. 10) | 25,300 |
| 5350 | Equipment Rental | 4,300 | 3,300 |
| 5360 | Household - Safety Supplies | 13,700 | 13,700 |
| 5380 | Special & Professional Services | 10,000 (Sch. 12) | 10,000 |
| 5390 | Protective Services | - | - |
| 5400 | Telephone | 7,200 | 4,560 |
| 5410 | Postage & Freight Out | 1,200 | 1,200 |
| 5420 | Data Processing | 5,000 | 3,600 |
| 5430 | Printing & Office Supplies | 5,960 | 5,960 |
| 5440 | Scientific & Photographic | 300 | 300 |
| 5450 | Dues & Subscriptions | 3,000 | 3,000 |
| 5460 | Advertising & Promotional | 2,000 | 2,000 |
| 5470 | Travel & Subsistence | 1,000 | 1,000 |
| 5480 | Staff Training & Tuition Aid | 8,400 | 8,400 |
| 5490 | Fees & Permits | 6,500 | 6,500 |
| 5500 | In - Lieu Taxes | - | - |
| 5510 | Anticipated Increase for F/Y26 | - | - |
| 5520 | Water Treatment Chemicals | - | - |
| 5525 | GAC Replacement | - | - |
| | | - | - |
| | SUB-TOTAL G&A EXPENSE BUDGET | \$ 242,660 | \$ 234,220 |
| | TOTAL G&A WITH SALARIES & FRINGE | \$ 3,866,210 | \$ 4,009,070 |

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

| | | |
|-------------------------------|------------|------------|
| Reservoir System | \$ 144,019 | \$ 139,380 |
| Treatment/Transmission System | \$ 98,641 | \$ 94,840 |
| Total | \$ 242,660 | \$ 234,220 |

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 2026
(7/01/25-6/30/26)

| | Total Headquarters Charge | Manasquan Reservoir System | Manasquan WTP/TS |
|--------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------|-----------------------------|
| Budgeted-Appendix I, amount to be charged to Manasquan System for FY26 (7/1/25-6/30/26) | \$953,852 | \$822,888 | \$130,964 |
| F/Y24 Adjustment as per audited Expenditures: | | | |
| Budgeted as per rate schedule for F/Y24 (7/1/23-6/30/24). Amounts paid during F/Y24 to Raritan Basin System. | \$893,996 | \$770,000 | \$123,996 |
| Actual allocation based upon audited expenditures F/Y24 (7/1/23-6/30/24) - Appendix II | <u>\$830,784</u> | <u>\$716,698</u> | <u>\$114,086</u> |
| Adjustments F/Y24 | <u>(\$63,212)</u> | <u>(\$53,302)</u> | <u>(\$9,910)</u> |
| Net Allocation for F/Y2026 Budget | <u>\$890,640</u> | <u>\$769,586</u> | <u>\$121,054</u> |
| Estimate | <u>\$891,000</u> | <u>\$770,000</u> | <u>\$121,000</u> |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

LABOR PROJECTION

FISCAL YEAR 2026
(7/01/25-6/30/26)

| TITLES | SALARY | FRINGE BENEFITS | OVERTIME | CLOTHING ALLOWANCE | SHIFT DIFFERENTIAL | TOTAL | ALLOCATION RESERVOIR % | AMOUNT RESERVOIR | ALLOCATION WTP/TS % | AMOUNT WTP/TS |
|--------------------------------------------|-----------|--------------------|----------|-----------------------|-----------------------|-----------|------------------------------|---------------------|---------------------------|------------------|
| Director | 165,500 | 110,585 | - | - | - | 276,085 | 50% | 138,043 | 50% | 138,042 |
| Project Engineer II | 127,000 | 84,859 | - | - | - | 211,859 | 70% | 148,301 | 30% | 63,558 |
| Water Supply Tech. | 78,300 | 52,686 | - | 550 | - | 131,536 | 62% | 81,552 | 38% | 49,984 |
| Administrative Assistant | 81,900 | 54,724 | - | - | - | 136,624 | 47% | 64,213 | 53% | 72,411 |
| Supervisor Technical Facilities Maint | 103,200 | 71,683 | 3,531 | 550 | - | 178,964 | 43% | 76,955 | 57% | 102,009 |
| Sr. Water Supply Tech. | 89,800 | 60,729 | 536 | 550 | - | 151,615 | 35% | 53,066 | 65% | 98,549 |
| Maintenance Worker I | 56,000 | 37,786 | - | 550 | - | 94,336 | 93% | 87,733 | 7% | 6,603 |
| Supervisor Operations | 121,400 | 81,118 | - | - | - | 202,518 | 25% | 50,630 | 75% | 151,888 |
| Equipment Operator | 53,800 | 36,316 | - | 550 | - | 90,666 | 94% | 85,226 | 6% | 5,440 |
| Foreman Bldg & Grounds Maint | 89,800 | 60,729 | 536 | 550 | - | 151,615 | 85% | 128,874 | 15% | 22,741 |
| Foreman Facilities Maintenance | 88,100 | 62,665 | 5,134 | 550 | - | 156,449 | 47% | 73,532 | 53% | 82,917 |
| Facilities Mechanic (3 Positions) | 212,000 | 145,257 | 3,741 | 1,650 | - | 362,648 | 45% | 163,192 | 55% | 199,456 |
| Supervisor Plant Operator | 78,800 | 56,417 | 5,084 | 550 | - | 140,851 | 37% | 52,115 | 63% | 88,736 |
| Maintenance Worker I Operations | 49,600 | 33,509 | - | 550 | - | 83,659 | 92% | 76,966 | 8% | 6,693 |
| Reservoir Sys Oper./Asst RSO (5 Positions) | 285,100 | 218,618 | 36,432 | 2,750 | 2,900 | 545,800 | 95% | 518,510 | 5% | 27,290 |
| Plant Operator (6 Positions) | 451,400 | 344,319 | 60,606 | 3,300 | - | 859,625 | 1% | 8,596 | 99% | 851,029 |
| TOTAL: (rounded) | 2,131,700 | 1,512,000 | 115,600 | 12,650 | 2,900 | 3,774,850 | | 1,807,504 | | 1,967,346 |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**DIRECT EXPENSE BUDGET (40) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL
YEAR 2026 AND EXPENDITURES THROUGH 12/31/24 FOR FISCAL YEAR 2025**

| CODE | ACCOUNT | ADOPTED BUDGET FY25 | PROPOSED BUDGET FY26 | EXPENDITURES THRU 12/31/24 |
|---------------|----------------------------------------|---------------------------|----------------------------|-------------------------------|
| 5200 | ON-SITE RESIDENCE | - | - | - |
| 5210 | HEATING FUEL | 2,000 | 2,000 | - |
| 5220 | UTILITIES-ELECTRICAL SERVICE | 92,100 | 105,600 | 36,619 |
| 5230 | UTILITIES-GAS SERVICE & WATER | 12,450 | 12,450 | 4,718 |
| 5240 | UTILITIES-PROPANE | - | - | - |
| 5250 | ELECTRICITY FOR PUMPING | 356,000 | 331,500 | 123,303 |
| 5260 | VEHICULAR FUEL | - | - | - |
| 5270 | OIL & GREASE | - | - | - |
| 5280 | TIRES | - | - | - |
| 5290 | MAINTENANCE SUPPLIES | 14,700 | 12,400 | 1,604 |
| 5300 | MAINT. SUPPLIES-VEHICULAR EQUIPMENT | - | - | - |
| 5310 | MAJOR SPECIAL VEHICLE SERVICE & REPAIR | - | - | - |
| 5320 | AGRICULTURAL SUPPLIES | - | - | - |
| 5330 | MAINTENANCE OF EQUIPMENT | 51,500 | 56,700 | 12,508 |
| 5340 | SERVICE & MAINTENANCE CONTRACTS | 35,000 | 46,650 | 19,532 |
| 5350 | EQUIPMENT RENTAL | 10,000 | 6,500 | 1,847 |
| 5360 | HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES | 1,000 | 1,000 | 167 |
| 5370 | UNIFORMS | - | - | - |
| 5380 | SPECIAL & PROFESSIONAL SERVICES | 93,850 | 66,850 | 33,359 |
| 5390 | PROTECTIVE SERVICES | 470,076 | 520,000 | 254,621 |
| 5400 | TELEPHONE | 9,008 | 3,908 | 1,750 |
| 5410 | POSTAGE & FREIGHT | - | - | - |
| 5420 | DATA PROCESSING | - | - | - |
| 5430 | PRINTING & OFFICE SUPPLIES | 2,000 | 2,960 | 57 |
| 5440 | SCIENTIFIC & PHOTOGRAPHIC | 3,500 | 6,140 | 4,218 |
| 5450 | DUES & SUBSCRIPTIONS | - | - | - |
| 5460 | ADVERTISING | 2,000 | 2,200 | 317 |
| 5470 | TRAVEL & SUBSISTENCE | - | - | 69 |
| 5480 | STAFF TRAINING & TUITION AID | - | - | 2,711 |
| 5490 | FEES & PERMITS | 38,000 | 39,000 | 798 |
| 5500 | IN-LIEU TAXES | 38,300 | 38,300 | 36,756 |
| 5510 | SEDIMENT REMOVAL | 62,000 | - | - |
| TOTALS | | \$1,293,484 | \$1,254,158 | \$534,954 |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING
EXPENSE BUDGET FOR FISCAL YEAR 2026 AND EXPENDITURES THROUGH 12/31/24 FOR
FISCAL YEAR 2025**

| CODE | ACCOUNT | ADOPTED BUDGET FY25 | PROPOSED BUDGET FY26 | EXPENDITURES THRU 12/31/24 |
|---------------|-----------------------------------------|---------------------------|----------------------------|-------------------------------|
| 5110 | REGULAR SALARIES & WAGES | \$2,020,950 | \$ 2,147,250 | \$ 981,412 |
| 5120 | OVERTIME-SALARIES & WAGES | \$115,600 | \$ 115,600 | 46,910 |
| 5150 | FRINGE BENEFITS | \$ 1,224,400 | \$ 1,254,050 | 592,954 |
| 5160 | RETIREE HEALTH BENEFITS | \$ 257,600 | \$ 252,950 | 108,178 |
| 5168 | WORKERS' COMP. (SELF INSURED) | \$ 5,000 | \$ 5,000 | |
| | TOTAL SALARY, OVERTIME & FRINGE BENEFIT | \$ 3,623,550 | \$ 3,774,850 | \$ 1,729,454 |
| 5201 | ON-SITE RESIDENCE (WINDELER HOUS | \$ - | \$ - | \$ - |
| 5210 | HEATING FUEL | - | \$ - | - |
| 5220 | UTILITIES-ELECTRICAL SERVICE | - | \$ - | - |
| 5230 | UTILITIES-GAS SERVICE & WATER | - | \$ - | - |
| 5240 | UTILITIES-PROPANE | - | \$ - | - |
| 5250 | ELECTRICITY FOR PUMPING | - | \$ - | - |
| 5260 | VEHICULAR FUEL | 33,600 | \$ 33,600 | 14,089 |
| 5270 | OIL & GREASE | 8,300 | \$ 8,300 | 3,182 |
| 5280 | TIRES | 12,000 | \$ 12,000 | 3,320 |
| 5290 | MAINTENANCE SUPPLIES | 27,300 | \$ 27,300 | 8,850 |
| 5300 | MAINT. SUPPLIES-VEHICULAR EQUIPMENT | 11,600 | \$ 14,000 | 3,926 |
| 5310 | MAJOR SPECIAL VEHICLE SERVICE & REPAIR | 35,000 | \$ 35,000 | 11,915 |
| 5320 | AGRICULTURAL SUPPLIES | 8,100 | \$ 8,100 | 300 |
| 5330 | MAINTENANCE OF EQUIPMENT | 10,100 | \$ 7,100 | 3,768 |
| 5340 | SERVICE & MAINTENANCE CONTRACTS | 28,100 | \$ 25,300 | 7,628 |
| 5350 | EQUIPMENT RENTAL | 4,300 | \$ 3,300 | 1,350 |
| 5360 | HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES | 13,700 | \$ 13,700 | 4,878 |
| 5370 | UNIFORMS | - | \$ - | - |
| 5380 | SPECIAL & PROFESSIONAL SERVICES | 10,000 | \$ 10,000 | 867 |
| 5390 | PROTECTIVE SERVICES | - | \$ - | - |
| 5400 | TELEPHONE | 7,200 | \$ 4,560 | 2,634 |
| 5410 | POSTAGE & FREIGHT | 1,200 | \$ 1,200 | 1,664 |
| 5420 | DATA PROCESSING | 5,000 | \$ 3,600 | 1,330 |
| 5430 | PRINTING & OFFICE SUPPLIES | 5,960 | \$ 5,960 | 2,606 |
| 5440 | SCIENTIFIC & PHOTOGRAPHIC | 300 | \$ 300 | - |
| 5450 | DUES & SUBSCRIPTIONS | 3,000 | \$ 3,000 | 370 |
| 5460 | ADVERTISING | 2,000 | \$ 2,000 | 824 |
| 5470 | TRAVEL & SUBSISTENCE | 1,000 | \$ 1,000 | 48 |
| 5480 | STAFF TRAINING & TUITION AID | 8,400 | \$ 8,400 | 725 |
| 5490 | FEES & PERMITS | 6,500 | \$ 6,500 | 709 |
| 5500 | IN-LIEU TAXES | - | \$ - | - |
| 5510 | SEDIMENT REMOVAL | - | \$ - | - |
| | SUB TOTALS | \$ 242,660 | \$ 234,220 | \$ 74,985 |
| TOTALS | | \$ 3,866,210 | \$ 4,009,070 | \$ 1,804,439 |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2026

| | Adopted F/Y25 | Proposed F/Y26 |
|----------------------------------------------------|------------------|-------------------|
| 1 HVAC/Dehumidifier Service | \$ 500 | \$ 500 |
| 2 Instrumentation & Control System Service/Upgrade | 3,000 | 3,000 |
| 3 Electrical Upgrade & Repair | 2,350 | 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 Underground Fuel Tank Testing & Repair | 2,000 | 2,000 |
| 9 Roadway Crack Sealing | 3,000 | 3,000 |
| 10 Wood Debris Removal/Herbicide Treatments | 2,500 | 2,500 |
| 11 Access Roadway Repairs | 2,500 | 2,500 |
| 12 Roofing System Maintenance & Repair | 4,000 | 4,000 |
| 13 Reservoir Transmission Line Clearing | 3,000 | 3,000 |
| 14 Fios Fiber Optic for Security Cameras | 2,400 | 2,400 |
| | <u>2,400</u> | <u>2,400</u> |
| Total Service & Maintenance Contracts | <u>\$ 35,000</u> | <u>\$ 46,650</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 2026

| | Adopted F/Y25 | Proposed F/Y26 |
|------------------------------------------|------------------|-------------------|
| 1 Refuse & Waste Disposal | \$ 2,000 | \$ 2,000 |
| 2 Office Equipment/Computers | 1,800 | 1,800 |
| 3 Waste Oil Disposal | 300 | 300 |
| 4 Fire Extinguisher Service | 1,100 | 1,100 |
| 5 UST Monitor Service | - | - |
| 6 SCADA Service Contract | 2,000 | 2,000 |
| 7 Building Maintenance | 6,000 | 6,000 |
| 8 Internet Service | 2,000 | 2,000 |
| 9 Janitorial Service | 10,000 | 7,200 |
| 10 Vehicle Lift Inspection | 500 | 500 |
| 11 Underground Fuel Storage Tank Service | 2,400 | 2,400 |
| Total Service & Maintenance Contracts | <u>\$ 28,100</u> | <u>\$ 25,300</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 2026

| | Adopted F/Y25 | Proposed F/Y26 |
|-------------------------------------------------|------------------|-------------------|
| 1 Laboratory Services - Water Quality Sampling | \$ 10,000 | \$ 240 |
| 3 Services-USGS Cooperative Agreement | 40,000 | 35,000 |
| 4 Annual Trustee Fund | 9,500 | 6,640 |
| 5 Dam Management-Surveying | 2,500 | 120 |
| 6 Wetland Monitoring Management | 8,000 | 8,000 |
| 7 Hydrilla Treatment and Water Quality Study | 15,000 | - |
| 8 Engineering Services | 4,000 | 4,000 |
| 9 Financial Advisory Services | 4,850 | 4,850 |
| 10 Reservoir Algae and Wetlands Weed Treatments | - | 8,000 |
| Total Special & Professional Services | <u>\$ 93,850</u> | <u>\$ 66,850</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 2026

| | <u>Adopted F/Y25</u> | <u>Proposed F/Y26</u> |
|---------------------------------------|--------------------------|---------------------------|
| 1 Pulmonary Testing | \$ 1,500 | \$ 1,500 |
| 2 CDL Medical Testing | 1,000 | 1,000 |
| 3 EAS Service | 4,000 | 4,000 |
| 4 The Bank ofNY - Melon | 2,300 | 2,300 |
| 5 Pre-Employment Physicals | <u>1,200</u> | <u>1,200</u> |
| Total Special & Professional Services | <u>\$ 10,000</u> | <u>\$ 10,000</u> |

NEW JERSEY WATER SUPPLY AUTHORITY
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

PROPOSED CAPITAL EQUIPMENT BUDGET

FISCAL YEAR 2026

| Description | (R)Replacement | Vehicle/Equipment | Value | % | Reservoir | WTP/TS | Reserve | Reserve |
|-------------------------------------------------------|----------------|-------------------|---------|-------|-----------|----------|---------|---------|
| Utility Body PU no Dump | R (515) | 2013 | 81,000 | 50/50 | 40,500 | 40,500 | 41,260 | 0 |
| Ford Escape | R (556) | 2016 | 45,000 | 50/50 | 22,500 | 22,500 | 26,477 | 0 |
| Ford F250 with Utility Body | R (530) | 2014 | 90,000 | 70/30 | 63,000 | 27,000 | 29,499 | 0 |
| Ford Escape | R (601) | 2018 | 45,000 | 69/31 | 31,050 | 13,950 | 15,461 | 6,946 |
| TOTAL | | | 261,000 | | 157,050 | 103,950 | 112,697 | 6,946 |
| *Per Resolution, Asset Definition minimum is \$5,000. | | | | | 0 | | | |
| Less Amount charged to Reservoir Depreciation Reserve | | | | | 112,697 | | | |
| Less Amount charged to WTP/TS Depreciation Reserve | | | | | | 6,946 | | |
| Total | | | | | 44,353 | 97,004 | | |
| Additional Depreciation Reserve | | | | | | 0 | | |
| Estimate | | | | | \$44,353 | \$97,004 | | |

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

PROJECTED FY 2026 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM

| Policy | Raritan Basin System | Manasquan Reservoir System | Manasquan Water Treatment Plant and Transmission | Total Premium |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|--------------------------------------------------------|------------------------------|
| Property Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood Earthen Dam:Builders Risk | \$1,046,051 | \$422,550 | \$127,860 | \$1,596,460 |
| General/Products Liability Limit \$1 million Deduct: \$150k | \$160,108 | \$14,304 | \$2,845 | \$177,258 |
| Environmental Impairment Liability Limit \$10 million Deduct: \$100k | \$0 | \$0 | \$0 | \$0 |
| Workers' Compensation Limit \$1 million | \$176,076 | \$22,672 | \$27,013 | \$225,760 |
| 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 | \$502,251 | \$44,873 | \$8,926 | \$556,050 |
| Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L | \$64,169 | \$9,261 | \$2,566 | \$75,996 |
| Management Liability Public Officials Liability | \$54,007 | \$4,825 | \$960 | \$59,792 |
| Cyber Risk | \$16,954 | \$1,514 | \$301 | \$18,769 |
| Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k | \$70,960 | \$6,340 | \$5,791 | \$83,091 |
| Travel Accident Limit \$2 million | \$0 | \$0 | \$0 | \$0 |
| Drone Coverage | \$1,166 | \$0 | \$0 | \$1,166 |
| UST | \$4,219 | \$0 | \$0 | \$4,219 |
| TOTAL: | \$2,025,000 | \$520,000 | \$175,000 | \$2,720,000 |

NEW JERSEY WATER SUPPLY AUTHORITY
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION
 FUND FOR FISCAL YEAR 2026**

| | | | <u>Amount</u> |
|------------------------------|--------------------|------------------|-------------------|
| F/Y2024 Net Year-End Balance | | | \$ 594,250 |
| Excess D/S Coverage FY2026 | | | \$ 115,000 |
| <u>Overdraft</u> | <u>Invoice No.</u> | <u>Inv. Date</u> | <u>Amount</u> |
| NJ American | MM-448-OD | 23-Oct | \$ 23,797 |
| | MM-448-OD | Oct-24 | \$ 56,194 |
| | MM-448-OD | Oct-24 | \$ 1,722 |
| | MM-455-OD | Feb-24 | \$ 643 |
| | MM-459-OD | Apr-24 | \$ 813 |
| Available for use in FY26 | | | \$ 83,169 |
| <u>Additional Sources</u> | | | ◀ |
| Total Available | | | <u>\$ 792,419</u> |
| Estimate for FY26 | | | <u>\$ 792,420</u> |

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for FISCAL YEAR 2026.

| | | |
|--------------------------------------|--------------------|--------------------|
| Budgeted Positions | 27 | 27 |
| Expenditures: | | |
| Regular Salaries | \$2,020,950 | \$2,147,250 |
| Overtime | 115,600 | 115,600 |
| Fringe Benefits | 1,224,400 | 1,254,050 |
| Retiree Health Benefits | 257,600 | 252,950 |
| Worker's Compensation (self-insured) | 5,000 | 5,000 |
| | <u>\$3,623,550</u> | <u>\$3,774,850</u> |
| Total Salaries and Fringe Benefits | | |
| Allocation to Reservoir | <u>\$1,732,508</u> | <u>\$1,807,504</u> |

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 2026 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026 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 are 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 2026 OPERATING EXPENSE ACCOUNTS

| <u>ACCOUNT CODE</u> | <u>TITLE</u> |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5300 | <p><u>MAINTENANCE SUPPLIES - VEHICULAR EQUIPMENT</u></p> <p>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.</p> |
| 5310 | <p><u>MAJOR - SPECIALIZED VEHICLE SERVICE AND REPAIR</u></p> <p>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.</p> |
| 5320 | <p><u>AGRICULTURE SUPPLIES</u></p> <p>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.</p> |
| 5330 | <p><u>MAINTENANCE OF EQUIPMENT</u></p> <p>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.</p> |
| 5340 | <p><u>SERVICE AND MAINTENANCE CONTRACTS</u></p> <p>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.</p> |
| 5350 | <p><u>EQUIPMENT RENTAL</u></p> <p>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.</p> |

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026 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 2026 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, 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.

Appendix I

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
AGREED-UPON PROCEDURES REPORT**

FORECASTED COST ALLOCATION SCHEDULES

YEAR ENDING JUNE 30, 2026

DRAFT

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

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DRAFT

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners of
New Jersey Water Supply Authority

We have performed the procedures enumerated below on the financial schedules for the fiscal year ending June 30, 2026. The procedures were agreed to by the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority") solely to assist the Authority in evaluating the financial 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 financial schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants ("AICPA").

An agreed-upon procedures engagement involves the practitioner performing specific procedures and reporting on findings based on the procedures performed. The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to assist the Authority with evaluating the underlying supporting documentation to determine the accuracy of the financial schedules in connection with setting water rates for each of the three operating systems. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1. We were provided with the fiscal year 2026 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 2026 budgeted expenses are based upon preliminary budgets that are subject to approval by the Authority's Commissioners. We performed no procedures in regard to the fiscal year 2026 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, 2024, and found them to be consistent.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review of the subject matter, the objective of which would be the expression of an opinion or conclusion, respectively, about whether the forecasted cost allocation schedules are presenting the schedules in accordance with the guidelines for the presentation of schedules established by the AICPA. 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 ACCOUNTANTS' 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

Mercadion, P.C.
Certified Public Accountants

Hamilton, New Jersey

October 23, 2024

DRAFT

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDING JUNE 30, 2026**

| DEPT./COST CENTER | COST CENTER COSTS | RECLASSIFICATIONS | | | | | | | | | REVISED COST CENTER COSTS |
|-------------------------------------------------|-------------------|----------------------|-------------------|----------------------|-------------|-----------|----------|-------------------|---------------|-----------------------------------------|---------------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| | | HEATING/ ELECTRIC | VEHICULAR FUEL | PROFESSIONAL FEES | INSURANCE | TELEPHONE | PERMITS | WORKERS' COMP. | IN LIEU TAXES | CHIEF ENGINEER SALARY & FRINGE | |
| BUILDING HQ | \$ - | \$ 93,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 93,000 |
| TELEPHONE HQ | - | - | - | - | - | 40,000 | - | - | - | - | 40,000 |
| SAFETY | 249,549 | - | - | (5,000) | - | - | - | - | - | - | 244,549 |
| SECURITY | 1,192,680 | - | - | - | - | - | - | - | - | - | 1,192,680 |
| HUMAN RESOURCES | 539,990 | - | - | (3,950) | - | - | - | (10,000) | - | - | 526,040 |
| PURCHASING | 588,442 | - | (171,000) | - | - | (40,000) | (20,000) | - | - | - | 357,442 |
| INFORMATION SYSTEMS | 262,980 | - | - | - | - | - | - | - | - | - | 262,980 |
| CONTRACTS & RISK MGMT. | 2,516,719 | - | - | (45,000) | (2,025,000) | - | - | - | (18,700) | - | 428,019 |
| FINANCIAL MGMT. | 1,268,520 | - | - | (2,725) | - | - | - | - | - | - | 1,265,795 |
| AUTO SHOP | 346,590 | - | 171,000 | - | - | - | 20,000 | - | - | - | 537,590 |
| AUTO SHOP-CANAL | 298,110 | - | - | - | - | - | - | - | - | - | 298,110 |
| EXEC OFFICE | 314,217 | 5,673 | - | - | - | - | - | - | - | - | 319,890 |
| WATERSHED, ENGINEERING & O&M (RARTAN SYSTEM) | 10,315,890 | (98,673) | - | 56,675 | 2,025,000 | - | - | 10,000 | 18,700 | (17,289) | 12,310,303 |
| MANASQUAN SYSTEM | 17,894,687 | - | - | - | - | - | - | - | - | (17,289) | 17,877,398 |
| | 6,460,528 | - | - | - | - | - | - | - | - | 17,289 | 6,477,817 |
| | \$ 24,355,215 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,355,215 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDING JUNE 30, 2026**

| 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 | \$ 93,000 | \$ (93,000) | | | | | | | | | | | | |
| | TELEPHONE HQ | 40,000 | - | (40,000) | | | | | | | | | | | |
| 36 | SAFETY | 244,549 | 625 | 440 | \$ (245,614) | | | | | | | | | | |
| 37 | SECURITY | 1,192,680 | 3,516 | 1,319 | 19,737 | \$ (1,217,252) | | | | | | | | | |
| 14 | HUMAN RESOURCES | 526,040 | 4,160 | 1,758 | 6,579 | | | | | | | | | | |
| 16 | PURCHASING | 357,442 | 5,165 | 1,319 | 4,386 | | | | | | | | | | |
| 17 | INFORMATION SYSTEMS | 262,980 | 931 | 440 | 2,193 | | | 13,072 | \$ (285,001) | | | | | | |
| 15 | CONTRACTS & RISK MGMT. | 428,019 | 3,042 | 879 | 4,386 | | | 8,501 | 9,194 | \$ (464,792) | | | | | |
| 13 | FINANCIAL MGMT. | 1,265,795 | 8,875 | 2,637 | 13,158 | | | 32,312 | 4,753 | | \$ (1,355,111) | | | | |
| 34 | AUTO SHOP | 537,590 | 13,978 | 879 | 4,386 | | | 10,771 | 18,008 | | 36,526 | \$ (626,735) | | | |
| 35 | AUTO SHOP-CANAL | 299,110 | - | 879 | 2,193 | | | 5,385 | 16,088 | | 20,323 | | \$ (348,575) | | |
| 10 | EXEC OFFICE | 319,890 | 12,282 | 3,516 | 2,193 | | | 5,385 | 1,188 | | 21,794 | | | \$ (375,382) | |
| 20 30 31 32 33 | WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 12,310,303 | 40,426 | 25,934 | 127,192 | 1,217,252 | 312,352 | 164,816 | 160,886 | 420,856 | 836,403 | 626,735 | 348,575 | 349,105 | \$ 16,940,835 |
| 40-60 | MANASQUAN SYSTEM | 6,477,817 | - | - | 59,211 | - | 145,405 | 152,657 | 68,952 | 43,936 | 440,125 | - | - | 26,277 | 7,414,380 |
| | | \$ 24,355,215 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,355,215 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDING JUNE 30, 2026**

| COSTS | ALLOCATION BASIS | | | | | ALLOCATED COSTS |
|---------------------------|------------------|---------------------------------------|----------------------------|-----------------|-------------------------------|-----------------|
| | 1 TIME STUDY | 2 \$ VALUE OF VEHICLES OF VEHICLES | 3 \$ VALUE OF EQUIPMENT | 4 TIME STUDY | 5 VALUE OF WATER CONTRACTS | |
| GENERAL & ADMINISTRATIVE | | | | | | |
| SALARIES & FRINGES | \$ 3,774,850 | \$ (3,774,850) | | | | |
| VEHICLE RELATED | 102,900 | (102,900) | | | | |
| MAINT. SUPPLIES & RELATED | 84,800 | - | (84,800) | | | |
| OFFICE & MISC. | 46,520 | - | - | (46,520) | | |
| H.Q. OVERHEAD | 953,852 | - | - | - | (953,852) | |
| RESERVOIR (40) | 1,254,158 | 1,807,504 | 45,020 | 22,275 | 822,888 | \$ 4,023,875 |
| TREAT./TRANS. (50) | 1,197,300 | 30,870 | 39,780 | 24,245 | 130,964 | 3,390,505 |
| | \$ 7,414,380 | \$ - | \$ - | \$ - | \$ - | \$ 7,414,380 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2026**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2026**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2026**

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 a Fiscal Year 2026 labor projection as prepared by the Authority.
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 a Fiscal Year 2026 budget prepared by the Authority.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

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Appendix II

Appendix II. Report of Mercadien PC – Allocation of Headquarters General and Administrative Expenses – Audited FY 2024 Expenditures

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

EXAMINATION REPORT AND FINANCIAL SCHEDULES

June 30, 2024

DRAFT

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

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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 to Financial Schedules ("Notes 1 and 2"), of the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority"), for the year ended June 30, 2024, 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, and, accordingly, included procedures we considered necessary in the circumstances. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the 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 on the conformity of the 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our examination agreement.

In our opinion, the financial schedules 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.

Mercadieu, P.C.
Certified Public Accountants

Hamilton, New Jersey

October 23, 2024

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDED JUNE 30, 2024**

| DEPT. # | DEPT./COST CENTER | COST CENTER COSTS | RECLASSIFICATIONS | | | | | | | | | REVISED COST CENTER COSTS |
|----------------|--------------------------------------------------|-------------------------|----------------------|-------------------|----------------------|-------------|-----------|-----------|-------------------|---------------|-----------------------------------------|------------------------------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| | | | HEATING/ ELECTRIC | VEHICULAR FUEL | PROFESSIONAL FEES | INSURANCE | TELEPHONE | PERMITS | WORKERS' COMP. | IN LIEU TAXES | CHIEF ENGINEER SALARY & FRINGE | |
| | BUILDING HQ | \$ - | \$ 78,894 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 78,894 |
| | TELEPHONE HQ | - | - | - | - | - | 40,827 | - | - | - | - | 40,827 |
| 36 | SAFETY | 216,298 | - | - | - | - | - | - | - | - | - | 216,298 |
| 37 | SECURITY | 1,097,183 | - | - | - | - | - | - | - | - | - | 1,097,183 |
| 14 | HUMAN RESOURCES | 523,590 | - | - | (4,430) | - | - | - | (1,018) | - | - | 518,142 |
| 16 | PURCHASING | 476,222 | - | (110,722) | - | - | (40,827) | (17,175) | - | - | - | 307,498 |
| 17 | INFORMATION SYSTEMS | 217,664 | - | - | - | - | - | - | - | - | - | 217,664 |
| 15 | CONTRACTS & RISK MGMT. | 2,299,231 | - | - | (28,888) | (1,774,434) | - | (106,441) | - | (18,689) | - | 370,779 |
| 13 | FINANCIAL MGMT | 1,052,396 | - | - | (2,232) | - | - | - | - | - | - | 1,050,164 |
| 34 | AUTO SHOP | 305,062 | - | 110,722 | - | - | - | 17,175 | - | - | - | 432,959 |
| 35 | AUTO SHOP-CANAL | 211,242 | - | - | - | - | - | - | - | - | - | 211,242 |
| 10 | EXEC OFFICE | 286,456 | 6,650 | - | - | - | - | - | - | - | - | 293,106 |
| 20 30 31 32 33 | WATERSHED, ENGINEERING & O&M (PARITAN SYSTEM) | 9,628,125 | (85,544) | - | 35,550 | 1,774,434 | - | 106,441 | 1,018 | 18,689 | (16,949) | 11,461,764 |
| | | 16,313,469 | - | - | - | - | - | - | - | - | (16,949) | 16,296,520 |
| 40-60 | MANASQUAN SYSTEM | 5,942,652 | - | - | - | - | - | - | - | - | 16,949 | 5,959,601 |
| | | \$ 22,256,121 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 22,256,121 |

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDED JUNE 30, 2024**

| 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 | \$ 78,894 | \$ (78,894) | | | | | | | | | | | | |
| | TELEPHONE HQ | 40,827 | - | \$ (40,827) | | | | | | | | | | | |
| 36 | SAFETY | 216,298 | 530 | 449 | \$ (217,277) | | | | | | | | | | |
| 37 | SECURITY | 1,087,183 | 2,983 | 1,346 | 17,460 | \$ (1,116,972) | | | | | | | | | |
| 14 | HUMAN RESOURCES | 518,142 | 3,529 | 1,795 | 5,820 | - | \$ (529,286) | | | | | | | | |
| 16 | PURCHASING | 307,498 | 4,382 | 1,346 | 3,880 | - | 10,586 | \$ (327,692) | | | | | | | |
| 17 | INFORMATION SYSTEMS | 217,664 | 789 | 449 | 1,940 | - | 5,293 | 11,300 | \$ (237,435) | | | | | | |
| 15 | CONTRACTS & RISK MGMT. | 370,779 | 2,580 | 887 | 3,880 | - | 10,586 | 7,349 | 7,659 | \$ (403,730) | | | | | |
| 13 | FINANCIAL MGMT | 1,050,164 | 7,529 | 2,692 | 11,640 | - | 31,757 | 4,109 | 22,978 | - | \$ (1,130,869) | | | | |
| 34 | AUTO SHOP | 432,959 | 11,858 | 887 | 3,880 | - | 10,586 | 15,567 | 3,830 | - | 26,670 | \$ (506,247) | | | |
| 35 | AUTO SHOP-CANAL | 211,242 | - | 887 | 1,940 | - | 5,293 | 13,907 | 3,830 | - | 13,012 | - | \$ (250,121) | | |
| 10 | EXEC OFFICE | 293,106 | 10,420 | 3,589 | 1,940 | - | 5,293 | 1,027 | 7,659 | - | 18,085 | - | - | \$ (341,089) | |
| 20-30 | 31-32-33 WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 11,461,764 | 34,294 | 26,470 | 112,518 | 1,116,972 | 306,985 | 142,471 | 134,035 | 385,866 | 706,029 | 506,247 | 250,121 | 317,213 | \$ 15,482,685 |
| 40-60 | MANASQUAN SYSTEM | 5,959,601 | - | - | 52,379 | - | 142,907 | 131,962 | 57,444 | 38,164 | 387,103 | - | - | 23,876 | 6,773,436 |
| | | \$ 22,256,121 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 22,256,121 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST ALLOCATION FACTORS
YEAR ENDED JUNE 30, 2024**

| | | REQUIRED STATISTICS | | | | | | | | | | | | | | | |
|-------------------|-----------------------------------------------|---------------------|----------------|-----------------|-------------|---------------------|---------------|-----------------|---------------|---------------|-----------------|---------------------|---------------|-----------------|---------------|---------------|---------------|
| ALLOCATION OF: | BUILDING HQ | TELEPHONES | SAFETY | HUMAN RESOURCES | PURCHASING | INFORMATION SYSTEMS | RISK MGMT | FINANCE O&M | AUTO SHOP | AUTO SHOP | FINANCE O&M | INFORMATION SYSTEMS | RISK MGMT | FINANCE O&M | AUTO SHOP | AUTO SHOP | 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 | FUNCTIONAL COST | # 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 | 3 | 9 | | | | | | | | | | | | | |
| 14 | HUMAN RESOURCES | 666 | 4 | 3 | | | | | | | | | | | | | |
| 16 | PURCHASING | 827 | 3 | 2 | 2 | | | | | | | | | | | | |
| 17 | INFORMATION SYSTEMS | 149 | 1 | 1 | 1 | 143 | | | | | | | | | | | |
| 15 | CONTRACTS & RISK MGMT. | 487 | 2 | 2 | 2 | 93 | 2 | | | | | | | | | | |
| 13 | FINANCIAL MGMT | 1,421 | 6 | 6 | 6 | 52 | 6 | | | | | | | | | | |
| 34 | AUTO SHOP | 2,238 | 2 | 2 | 2 | 197 | 1 | \$ 432,959 | | | | | | | | | |
| 35 | AUTO SHOP-CANAL | - | 2 | 1 | 1 | 176 | 1 | 211,242 | | | | | | | | | |
| 10 | EXEC OFFICE | 1,967 | 8 | 1 | 1 | 13 | 2 | 293,106 | | | | | | | | | |
| 20 30 31 32 33 | WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 6,472 | 59 | 58 | 58 | 1,803 | 35 | 11,461,764 | 52 | 52 | | | | | | | 93 |
| 40-60 | MANASQUAN SYSTEM | - | - | 27 | 27 | 1,670 | 15 | 5,959,601 | - | - | | | | | | | 7 |
| | | 14,890 | 91 | 112 | 100 | 4,147 | 62 | \$ 18,358,672 | 52 | 52 | | | | | | | 100 % |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDED JUNE 30, 2024**

| | ALLOCATION BASIS | | | | | ALLOCATED COSTS |
|-------------------------------------|------------------|---------------------------|----------------------------|-----------------|-------------------------------|-----------------|
| | 1 TIME STUDY | 2 \$ VALUE OF VEHICLES | 3 \$ VALUE OF EQUIPMENT | 4 TIME STUDY | 5 VALUE OF WATER CONTRACTS | |
| COSTS | | | | | | |
| <u>GENERAL & ADMINISTRATIVE</u> | | | | | | |
| SALARIES & FRINGES | \$ 3,297,951 | \$ (3,297,951) | | | | |
| VEHICLE RELATED | 90,961 | \$ (90,961) | | | | |
| MAINT. SUPPLIES & RELATED | 63,358 | - | \$ (63,358) | | | |
| OFFICE & MISC. | 39,209 | - | - | \$ (39,209) | | |
| H.Q. OVERHEAD | 830,784 | - | - | - | \$ (830,784) | |
| RESERVOIR | 1,152,203 | 1,663,180 | 63,673 | 33,637 | 19,773 | \$ 3,649,164 |
| TREAT./TRANS. | 1,298,970 | 1,634,771 | 27,288 | 29,721 | 19,436 | 3,124,272 |
| | \$ 6,773,436 | \$ - | \$ - | \$ - | \$ - | \$ 6,773,436 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDED JUNE 30, 2024**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDED JUNE 30, 2024**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDED JUNE 30, 2024**

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 2024.
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 2024.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

DRAFT

NEW JERSEY WATER SUPPLY AUTHORITY



RARITAN BASIN SYSTEM

FISCAL YEAR 2026 BUDGET

(July 1, 2025 - June 30, 2026)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED

FISCAL YEAR 2026 BUDGET
(July 1, 2025 – June 30, 2026)

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NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED FISCAL YEAR 2026 BUDGET SUMMARY

(7/1/25-6/30/26)

| | ADOPTED F/Y25 | PROPOSED F/Y26 |
|---------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| Proposed Operating Expense Budget (Schedule 3) | \$17,286,974 | \$17,894,687 |
| Net Allocation of Headquarters General and Administrative Expenses to the Manasquan Water Supply System - (Schedule 1) | \$ (933,000) | \$ (891,000) |
| Proposed Total Expense Budget | \$ 16,353,974 | \$ 17,003,687 |
| Proposed Capital Equipment Budget (Schedule 5) | \$ 367,354 | \$ 369,604 |
| Total Operating Expense & Capital Equipment Budgets | \$ 16,721,328 | \$ 17,373,291 |
| Contribution to Reserve Funds | | |
| - Other Post Employment Benefits Reserve | \$ - | \$ - |
| - Reserve for Formal Dam Inspection | \$ 10,000 | \$ 10,000 |
| - Pumping Reserve | \$ 150,000 | \$ 150,000 |
| - Capital Equipment Reserve | \$ 150,000 | \$ 150,000 |
| Total Budget Requirements | \$ 17,031,328 | \$ 17,683,291 |
| <u>MISCELLANEOUS REVENUES:</u> | | |
| Employee Housing/Land Rental | \$ (47,200) | \$ (47,200) |
| Interest | \$ (254,300) | \$ (406,800) |
| | \$ (301,500) | \$ (454,000) |
| <u>OTHER AVAILABLE FUNDS:</u> | | |
| Unanticipated Revenue (Schedule 2) | \$ (3,292,070) | \$ (3,669,350) |
| Total Other Available Funds | \$ (3,292,070) | \$ (3,669,350) |
| Net Amount to be paid for O & M Component | \$ 13,437,758 | \$ 13,559,941 |

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
FY2008-FY2026**

| Effective Date | O&M Charge | 1981 Bond Charge 7/1/86-10/30/06 | 1998 Bond Charge 8/1/98-11/1/13 | NJEIFP/NJIB Debt Component | Capital Fund Component | Source Water Protection Component | Total Charge per MG | Percent Increase -Decrease |
|----------------|------------|-------------------------------------|------------------------------------|----------------------------|------------------------|-----------------------------------|---------------------|----------------------------|
| 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% |
| July 1, 2020 | 194.00 | | | 85.00 | 33.00 | 24.00 | 336.00 | 0.00% |
| July 1, 2021 | 194.00 | | | 85.00 | 33.00 | 24.00 | 336.00 | 0.00% |
| July 1, 2022 | 194.00 | | | 85.00 | 33.00 | 24.00 | 336.00 | 0.00% |
| July 1, 2023 | 203.00 | | | 109.00 | 33.00 | 20.00 | 365.00 | 8.63% |
| July 1, 2024 | 203.00 | | | 109.00 | 33.00 | 20.00 | 365.00 | 0.00% |
| July 1, 2025 | 203.00 | | | 109.00 | 33.00 | 20.00 | 365.00 | 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 2026
(7/1/25-6/30/26)

| | Total Headquarters Charge | Manasquan Reservoir System | Manasquan WTP/TS |
|-------------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------|-----------------------------|
| Budgeted-Appendix I, amount to be charged to Manasquan System for FY26 (7/1/25-6/30/26) | \$953,852 | \$822,888 | \$130,964 |
| F/Y24 Adjustment as per audited Expenditures: | | | |
| Budgeted as per rate schedule for F/Y24(7/1/23-6/30/24). Amounts paid during F/Y24 to Raritan Basin System. | \$893,996 | \$770,000 | \$123,996 |
| Actual allocation based upon audited expenditures F/Y24 (7/1/23-6/30/24) - Appendix II | <u>\$830,784</u> | <u>\$716,698</u> | <u>\$114,086</u> |
| Adjustments F/Y24 | <u>(\$63,212)</u> | <u>(\$53,302)</u> | <u>(\$9,910)</u> |
| Net Allocation for F/Y2026 Budget | <u><u>\$890,640</u></u> | <u><u>\$769,586</u></u> | <u><u>\$121,054</u></u> |
| Estimate | <u>\$891,000</u> | <u>\$770,000</u> | <u>\$121,000</u> |

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

UNANTICIPATED REVENUE

FUNDS TO BE APPROPRIATED INTO THE RATE STABILIZATION FUND FOR FISCAL YEAR 2026

| | |
|-------------------------------|--------------------|
| | <u>Amount</u> |
| F/Y2024 Net Year-End Balance | \$2,450,000 |
| Transfer from SWP fund | \$200,000 |
| | |
| <u>Overdrafts</u> | <u>Amount</u> |
| NJ American | \$621,921 |
| NJ American | \$395,627 |
| Roxiticus | \$947 |
| Roxiticus | \$74 |
| Trump National GC | \$760 |
| Mt Olive Twp. | \$18 |
| | |
| Total | \$1,019,346 |
| <u>Other Sources of Funds</u> | |
| | |
| Grand Total | <u>\$3,669,346</u> |
| | <u>\$3,669,350</u> |

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

**PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2026 AND EXPENDITURES
THROUGH 12/31/24 FOR FISCAL YEAR 2025**

| | | ADOPTED BUDGET | PROPOSED BUDGET | EXPENDITURES |
|------|------------------------------------------|---------------------|----------------------|---------------------|
| CODE | ACCOUNT | FY25 | FY26 | THRU 12/31/24 |
| 5110 | Regular Salaries & Wages | \$ 7,522,400 | \$ 7,522,400 | \$ 3,348,778 |
| 5120 | Overtime-Salaries & Wages | 288,390 | 288,390 | 98,263 |
| 5150 | Fringe Benefits | 4,050,700 | 4,050,700 | 1,759,982 |
| 5160 | Retiree Health Benefits | 826,900 | 826,900 | 461,136 |
| 5168 | Workers' Comp. (Self Insured) | 10,000 | 10,000 | 29 |
| | Total Salary, Overtime & Fringe Benefits | \$ 12,698,390 | \$ 12,698,390 | \$ 5,668,188 |
| 5200 | Residences | \$ 25,100 | \$ 25,100 | \$ 4,260 |
| 5210 | Heating Fuel | 128,000 | 128,000 | 8,815 |
| 5220 | Utilities-Electrical Service | 120,000 | 120,000 | 51,542 |
| 5230 | Utilities-Gas Service & Water | 5,900 | 5,900 | 2,377 |
| 5240 | Utilities-Propane | 500 | 500 | 68 |
| 5250 | Electricity For Pumping | 87,000 | 87,000 | 35,374 |
| 5260 | Vehicular Fuel | 179,750 | 179,750 | 66,965 |
| 5270 | Oil & Grease | 19,000 | 19,000 | 8,398 |
| 5280 | Tires | 27,000 | 27,000 | 3,912 |
| 5290 | Maintenance Supplies | 220,880 | 220,880 | 112,527 |
| 5300 | Maint. Supplies- Vehicular Equipment | 82,000 | 82,000 | 50,668 |
| 5310 | Major Special Vehicle Service & Repair | 85,000 | 85,000 | 30,514 |
| 5320 | Agricultural Supplies | 9,250 | 9,250 | 973 |
| 5330 | Maintenance Of Equipment | 64,800 | 64,800 | 28,441 |
| 5340 | Service & Maintenance Contracts | 429,634 | 429,634 | 149,467 |
| 5350 | Equipment Rental | 51,123 | 51,123 | 14,338 |
| 5360 | Household-Safety & Protective Supplies | 46,040 | 46,040 | 22,429 |
| 5370 | Uniforms | 9,660 | 9,660 | 2,818 |
| 5380 | Special & Professional Services | 774,944 | 774,944 | 503,996 |
| 5390 | Protective Services | 1,834,420 | 1,834,420 | 972,843 |
| 5400 | Telephone | 43,600 | 43,600 | 25,623 |
| 5410 | Postage & Freight | 9,255 | 9,255 | 10,250 |
| 5420 | Data Processing | 30,000 | 30,000 | 14,775 |
| 5430 | Printing & Office Supplies | 48,250 | 48,250 | 23,193 |
| 5440 | Scientific & Photographic | 2,000 | 2,000 | 9,888 |
| 5450 | Dues & Subscriptions | 37,937 | 37,937 | 21,496 |
| 5460 | Advertising & Promotional | 11,200 | 11,200 | 2,876 |
| 5470 | Travel & Subsistence | 6,180 | 6,180 | 774 |
| 5480 | Staff Training & Tuition Aid | 48,200 | 48,200 | 15,863 |
| 5490 | Fees & Permits | 133,261 | 133,261 | 7,096 |
| 5500 | In-Lieu Taxes | 18,700 | 18,700 | 18,689 |
| | Sub Totals | \$ 4,588,584 | \$ 4,588,584 | \$ 2,221,248 |
| | TOTALS | \$17,286,974 | \$ 17,286,974 | \$ 7,889,436 |

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

COMPARATIVE STATEMENT FISCAL YEAR 2026

| CODE | ACCOUNT | FY'22 ACTUAL | FY'23 ACTUAL | FY'24 ACTUAL | FY'25 ADOPTED | FY'26 PROPOSED |
|-----------------------------------|---------------------------------|-----------------|-----------------|-----------------|------------------|-------------------|
| 5110 | Regular Salaries & Wages | \$6,220,845 | \$6,286,573 | \$6,499,177 | \$7,522,400 | \$7,680,500 |
| 5120 | Overtime-Salaries & Wages | 224,347 | 223,876 | 260,798 | 288,390 | 298,120 |
| 5130 | New positions-Salaries & Wages | 0 | 0 | 0 | 0 | 0 |
| 5162 | Retiree Unused Sick & Vacation | 0 | 0 | 0 | 0 | 0 |
| 5150 | Fringe Benefits* | 2,881,719 | 3,018,587 | 3,487,936 | 4,050,700 | 3,844,840 |
| 5167 | Retiree Health Benefits | 631,394 | 690,192 | 856,842 | 826,900 | 1,014,960 |
| 5168 | Workers Comp. (Self Insured) | 10,000 | 1,018 | 1,018 | 10,000 | 10,000 |
| | Total Salary & Fringe | 9,968,305 | 10,220,245 | 11,105,771 | 12,698,390 | 12,848,420 |
| Budget Salary & Fringe | | | | | | |
| 5200 | Residences | \$20,854 | \$27,183 | \$22,277 | \$25,100 | \$25,100 |
| 5210 | Heating Fuel | 95,642 | 83,834 | 82,406 | 128,000 | 112,000 |
| 5220 | Utilities -Electrical Service | 122,051 | 143,640 | 130,244 | 120,000 | 131,000 |
| 5230 | -Gas Service | 5,661 | 5,794 | 4,968 | 5,900 | 5,900 |
| 5240 | -Propane | 0 | 263 | 503 | 500 | 500 |
| 5250 | Electricity for Pumping Station | 70,334 | 571,996 | 1,445,731 | 87,000 | 85,000 |
| 5260 | Fuel - Vehicular | 156,251 | 139,392 | 110,722 | 179,750 | 171,000 |
| 5270 | Oil & Grease | 8,049 | 12,053 | 16,638 | 19,000 | 19,500 |
| 5280 | Tires | 23,398 | 25,097 | 19,952 | 27,000 | 28,000 |
| 5290 | Maintenance Supplies | 166,595 | 220,452 | 216,548 | 220,880 | 233,865 |
| 5300 | Maint. Supplies - Vehicular | 67,914 | 86,285 | 99,997 | 82,000 | 113,000 |
| 5310 | Major Vehicle Service & Repair | 43,039 | 78,520 | 51,976 | 85,000 | 85,000 |
| 5320 | Agricultural Supplies | 4,851 | 4,114 | 4,487 | 9,250 | 9,475 |
| 5330 | Maintenance Equipment | 40,549 | 41,819 | 36,066 | 64,800 | 107,285 |
| 5340 | Serv. & Maintenance Contracts | 291,030 | 370,053 | 361,524 | 429,634 | 437,980 |
| 5350 | Equipment Rental | 31,101 | 23,192 | 18,245 | 51,123 | 49,402 |
| 5360 | Household - Safety Supplies | 39,723 | 41,988 | 45,351 | 46,040 | 49,694 |
| 5370 | Uniforms | 5,995 | 7,840 | 8,453 | 9,660 | 10,260 |
| 5380 | Special & Professional Services | 684,138 | 646,820 | 673,577 | 774,944 | 901,663 |
| 5390 | Protective Services | 1,264,101 | 1,466,128 | 1,767,940 | 1,834,420 | 2,025,000 |
| 5400 | Telephone | 51,731 | 58,025 | 43,722 | 43,600 | 43,600 |
| 5410 | Postage & Freight Out | 8,107 | 8,745 | 13,526 | 9,255 | 16,120 |
| 5420 | Data Processing | 26,188 | 27,403 | 29,347 | 30,000 | 31,500 |
| 5430 | Printing & Office Supplies | 49,538 | 28,284 | 34,413 | 48,250 | 51,150 |
| 5440 | Scientific & Photographic | 8,701 | 7,051 | 8,352 | 2,000 | 22,600 |
| 5450 | Dues & Subscriptions | 42,138 | 29,216 | 32,787 | 37,937 | 42,732 |
| 5460 | Advertising & Promotional | 3,517 | 5,561 | 10,549 | 11,200 | 12,200 |
| 5470 | Travel & Subsistence | 1,348 | 1,260 | 2,363 | 6,180 | 6,480 |
| 5480 | Staff Training & Tuition Aid | 15,059 | 22,624 | 20,384 | 48,200 | 48,450 |
| 5490 | Fees & Permits | 121,919 | 132,061 | 134,245 | 133,261 | 152,111 |
| 5500 | In - Lieu Taxes | 18,689 | 18,689 | 18,689 | 18,700 | 18,700 |
| | Total Other Expenses | \$3,488,212 | \$4,335,382 | \$5,465,982 | \$4,588,584 | \$5,046,267 |
| | Total Operating Expenses | \$13,456,518 | \$14,555,627 | \$16,571,753 | \$17,286,974 | \$17,894,687 |
| | Annual Increase (Decrease) | 40.68% | 8.17% | 13.85% | 4.32% | 3.52% |
| | Budget -other expenses | 3,526,581 | 3,576,750 | 4,194,063 | 4,588,584 | |
| | ANNUAL BUDGET | \$14,298,436 | \$14,730,184 | \$15,968,713 | \$17,286,974 | \$17,894,687 |

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2026

| | ADOPTED F/Y25 | PROPOSED F/Y26 |
|---------------------------------------------------------|------------------|-------------------|
| 1. Postage/Fax/ Misc. Machines (Dept. 16) | \$ 1,377 | \$ 1,800 |
| 2. Stewart Business (Dept. 17) | - | 1,200 |
| 3. SHPERA-Safety Software (Dept. 17) | 2,200 | 2,400 |
| 4. Comodo- Remote Access Certificates (Dept. 17) | 300 | |
| 5. WMWARE (Dept. 17) | 1,000 | 1,000 |
| 6. Sage Clients First MAS 100 (Dept. 17) | 6,500 | 6,700 |
| 7. Property Fax - Parcel Maps (Dept. 17) | 1,400 | 1,400 |
| 8. Sage Fixed Asset (Dept. 17) | 3,400 | 4,000 |
| 9. DigiCert Certificate (Dept. 17) | 950 | 950 |
| 10. People Trak Support Technical Difference (Dept. 17) | 1,600 | 1,800 |
| 11. COMCAST - Cable Internet (Dept. 17) | 28,000 | 24,000 |
| 12. Dendroyka - Landscape Software (Dept. 17) | 2,000 | 2,000 |
| 13. Weebly (Web Hosting at Clinton) (Dept. 17) | 300 | 500 |
| 14. Square Space (Web Hosting Watershed) (Dept. 17) | 300 | 500 |
| 15. Symantec Anti-Virus Maintenance-Clinton (Dept. 17) | 2,500 | 1,500 |
| 16. Sonic Wall Software (Dept. 17) | 1,500 | 1,500 |
| 17. ESRI ArcView Maintenance-Watershed (Dept. 17) | 5,400 | 6,000 |
| 18. KNOWBE4 Internet Security (Dept. 17) | 1,500 | 1,800 |
| 19. Proofpoint Antispam (Dept. 17) | 1,800 | 2,000 |
| 20. Dossier Fleet Maintenance (Dept. 17) | 3,000 | - |
| 21. DLT Solutions Autocad (Dept. 17) | 3,500 | 3,500 |
| 22. ESRI ArcView Maintenance-Clinton (Dept. 17) | 700 | 700 |
| 23. Keystone Precision-GPS Software Maint. (Dept. 17) | 600 | 600 |
| 24. DATTO SAAS Protection (Dept. 17) | 6,000 | 6,000 |
| 25. Clients First-Vipre Antivirus/Antispam (Dept. 17) | 600 | 600 |
| 26. Clients First - Server Software (Dept. 17) | 1,000 | 1,000 |
| 27. Docusign (Dept. 17) | 400 | 400 |
| 28. Microsoft 365 (Dept. 17) | 16,000 | 17,000 |
| 29. Backup Service (Dept. 17) | 10,000 | 10,000 |
| 30. MFA Service (Dept. 17) | 3,900 | 3,900 |
| 31. Drivestrike Laptop Protection (Dept. 17) | 800 | 900 |
| 32. WebTitan Laptop Software (Dept. 17) | 800 | 900 |
| 33. Gasboy (Dept. 17) | 5,500 | - |
| 34. ManageEngine (Dept. 17) | 500 | 600 |
| 35. Zoho Assist (Dept. 17) | 150 | 150 |
| 36. Purehost - NJWSA Domain (Dept. 17) | | 100 |
| 37. Zentra = SR Monitoring (Dept. 17) | | 300 |
| 38. Clients First Bitdefender (Dept. 17) | | 500 |
| 39. Wix for Web (Dept. 20) | 357 | - |
| 40. Trimble Catalyst for GPS (Dept. 20) | 500 | 500 |
| 41. CAAS Cube Maintenance Contract (Dept. 20) | | 7,500 |
| 42. Hazardous Waste Disposal (Dept. 20) | | 7,500 |
| 43. Trimble Catalyst for GPS (Dept. 30) | 500 | 500 |
| 44. Refuse Collection (Dept. 31) | 7,500 | 7,500 |
| 45. Janitorial Service (Dept. 31) | 33,600 | 33,600 |

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2026

| | ADOPTED <u>F/Y25</u> | PROPOSED <u>F/Y26</u> |
|-----------------------------------------------------------------|-------------------------|--------------------------|
| 46. HVAC Service (Dept. 31) | \$ 5,500 | \$ 5,500 |
| 47. Electrician & Plumber Services (Dept. 31) | 5,000 | 5,000 |
| 48. Instrumentation Services (Dept. 31) | 4,500 | 4,500 |
| 49. Entry Rugs (Dept. 31) | 5,000 | 5,000 |
| 50. Carpet Cleaning (Dept. 31) | 10,000 | 10,000 |
| 51. Generator Service-Administration Building (Dept. 31) | 1,200 | 1,200 |
| 52. Underground Plant Location Service Notifications (Dept. 31) | 1,500 | 1,500 |
| 53. Crane Service and Inspection (Dept. 31) | 4,000 | 4,000 |
| 54. Elevator Service-SBPS (Dept. 31) | 2,800 | 2,800 |
| 55. Electrical Service-SBPS (Dept. 31) | - | - |
| 56. UST Testing and Inspections (Dept. 31) | 40,000 | 29,500 |
| 57. Miscellaneous (Dept. 31) | 31,900 | 31,900 |
| 58. Janitorial Service (Dept. 32) | 18,600 | 18,000 |
| 59. Dumpster Service Canal Office (Dept. 32) | 33,000 | 36,000 |
| 60. Dumpster Service Route 1 (Dept. 32) | 40,000 | 47,000 |
| 61. CFO Building | 4,000 | 4,000 |
| 62. Instrumentation Service (Dept. 32) | 3,000 | 3,000 |
| 63. One Call Concepts (Dept. 32) | 2,400 | 2,400 |
| 64. ATS Environmental (Dept. 32) | 3,600 | 3,600 |
| 65. HVAC (Dept. 32) | 4,000 | 4,000 |
| 66. Wood Disposal Fees (Dept. 32) | 4,800 | 4,800 |
| 67. Generator Service-Scudders & Perdicaris (Dept. 32) | 3,000 | 3,000 |
| 68. Viking Pest (Dept. 32) | 1,200 | 1,200 |
| 69. Johnny on the Spot - Rt. 202 (Dept. 32) | 2,400 | 2,400 |
| 70. Pest Control (Dept. 32) | | 600 |
| 71. Welco Gas (Dept. 33) | 1,000 | 1,000 |
| 72. Tree Stump Recycling (Dept. 33) | 2,500 | 2,500 |
| 73. Miscellaneous Recycling (Dept. 33) | 1,500 | 1,500 |
| 74. Parts Washer & Hazardous Removal (Dept. 34) | 1,000 | 1,000 |
| 75. Boom Lift Annual Inspection (Dept. 34) | 1,200 | 1,200 |
| 76. Recycle Used Vehicle Fluids (Dept. 35) | 400 | 400 |
| 77. Fire Extinguisher Maintenance (Dept. 36) | 10,800 | 12,800 |
| 78. Hazardous Waste Control (Dept. 36) | 1,500 | 1,500 |
| 79. Fire Alarm Testing (Dept. 36) | 10,000 | 10,380 |
| 80. Vehicle Lifts Annual Testing (Dept. 36) | 1,500 | 1,500 |
| 81. Delaware Electric Cellular Service (Dept. 37) | 1,200 | 1,200 |
| 82. Emergency Notification System (Dept. 37) | 3,600 | 3,600 |
| 83. GPS Tracking (Dept. 37) | 1,600 | 1,600 |
| 84. Covert Wireless (Dept. 37) | 1,600 | 1,600 |
| | <u>1,600</u> | <u>1,600</u> |
| TOTAL | <u>\$ 428,734</u> | <u>\$ 437,980</u> |

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2026

| | ADOPTED F/Y25 | PROPOSED F/Y26 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| 1. Services-Governor's Authorities Unit (Dept. 10) | \$ 23,000 | \$ 25,000 |
| 2. Consultant-C.P.A. to Conduct Annual Audit (Dept. 13) | 62,000 | 64,500 |
| 3. 125 Plan-Family security Insurance Agency (Dept. 13) | 2,730 | 2,725 |
| 4. Archiving (Dept. 13) | 6,000 | 6,000 |
| 5. NJEIT Fee (Dept. 13) | 25,000 | 152,475 |
| 6. Services-Pre-Employment Exams & Tests (Dept. 14) | 2,250 | 2,250 |
| 7. Fidelifax-Background Checks (Dept. 14) | 1,800 | 1,800 |
| 8. Medical CDL Drug Testing (Dept. 14) | 1,800 | 1,800 |
| 9. Employee Advisory Service (Dept. 14) | 2,150 | 2,150 |
| 10. ACA 1095 filing/printing and mailing (Dept 14) | | 2,500 |
| 11. 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) | 45,000 | 45,000 |
| 12. Insurance Broker-HRH (Dept. 15) | 45,000 | 45,000 |
| 13. GL Administrator (ESIS) (Dept. 15) | 5,000 | 30,584 |
| 14. Services-Attorney General's Office - Assistance of Deputy Attorney General concerning a wide range of legal matters (Dept. 15) | 55,000 | 55,000 |
| 15. MP Water Monitoring Costs - USGS SR @ Glen Gardner (Dept. 20) | 16,080 | 18,693 |
| 16. MP Water Monitoring Costs - USGS SB Raritan @ Stanton (Dept. 20) | 13,467 | 18,186 |
| 17. MP Water Monitoring Costs - USGS Landing Lane (Dept. 20) | 72,539 | 56,487 |
| 18. MP Water Monitoring Costs - USGS Raritan River @ Manville (Dept. 20) | 82,654 | 70,213 |
| 19. Continuous Record Gaging - USGS @ Washington Crossing (Dept. 20) | 24,095 | 24,095 |
| 20. Water Quality Monitoring - USGS @ Washington Crossing (Dept. 20) | 5,507 | 5,507 |
| 21. Water Monitoring Costs ASWQMN- USGS D&R Canal @ Landing Lane (Dept. 20) | 18,467 | 22,568 |
| 22. Water Monitoring Costs ASWQMN - NJDEP Mulhockaway @ Van Syckel (Dept. 20) | 19,068 | |
| 23. Additional Flow Measure at SR, Stanton, Manville & Calco Dam (Dept. 20) | 8,500 | |
| 24. Water Monitoring-SBWA/URWA now RHA (Dept. 20) | 2,000 | |
| 25. Water Monitoring-SBMWA (Dept. 20) | 1,500 | |

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2026

| | ADOPTED F/Y25 | PROPOSED F/Y26 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| 26. Lab Certification WPU/Water Sample Analysis (Dept. 20) | \$ 2,000 | |
| 27. USGS Millstone River at Millstone Discharge (Dept. 20) | | \$ 9,630 |
| 28. NJ Invasive Species Strike Team (Dept. 20) | 300 | |
| 29. ISCO Monitoring (Dept. 20) | 8,000 | |
| 30. Support for Community Monitoring Programs (Dept.20) | | 5,000 |
| 31. General Lab Analysis (Dept. 20) | 4,000 | 18,000 |
| 32. Services-Emergency Engineering Services (Dept 30) | 15,000 | 15,000 |
| 35. 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) | 93,636 | 75,000 |
| 36. USGS Spruce Run Gage at Glen Gardner (Dept. 31) | 11,200 | 13,000 |
| 37. USGS Clinton Rain Gage (Dept. 31) | 3,000 | 3,500 |
| 38. USGS Washington Crossing Rain Gage (Dept. 31) | 3,000 | 3,500 |
| 39. Water Testing and Sampling to comply with the Safe Water Drinking Act (Dept. 31) | 20,000 | 20,000 |
| 40. Water Sampling and Testing as per NJDWR Requirements - RT 202 Stockpile Site (Dept 32) | 20,500 | 27,000 |
| 41. Maintenance of USGS Gauges at Washington Crossing and 10-mile and others (Dept. 32) | 34,000 | 31,500 |
| 42. Vac Truck Service - IFW, 10 Mile PS (Dept. 32) | 500 | 8,000 |
| 43. Safety Suggestion Program, Poster and Promotional Materials, Safety Incentive Program (Dept. 36) | 12,000 | 10,700 |
| 44. Pulmonary Testing and Physicals (Dept. 36) | 5,000 | 5,000 |
| 45. Annual Contributions to Fire Companies and Rescue Squads (Dept. 36) | 500 | 500 |
| 46. Hepatitis Vaccinations (Dept. 36) | 800 | 800 |
| 47. Calibration for the Pota-Count Respirator (Dept. 36) | 900 | 3,000 |
| TOTAL | \$ 774,943 | \$ 901,663 |

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROJECTED FY 2026 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 Earthen Dam:Builders Risk | \$1,046,051 | \$422,550 | \$127,860 | \$1,596,460 |
| General/Products Liability Limit \$1 million Deduct: \$150k | \$160,108 | \$14,304 | \$2,845 | \$177,258 |
| Environmental Impairment Liability Limit \$10 million Deduct: \$100k | \$0 | \$0 | \$0 | \$0 |
| Workers' Compensation Limit \$1 million | \$176,076 | \$22,672 | \$27,013 | \$225,760 |
| 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 | \$502,251 | \$44,873 | \$8,926 | \$556,050 |
| Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L | \$64,169 | \$9,261 | \$2,566 | \$75,996 |
| Management Liability Public Officials Liability | \$54,007 | \$4,825 | \$960 | \$59,792 |
| Cyber Risk | \$16,954 | \$1,514 | \$301 | \$18,769 |
| Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k | \$70,960 | \$6,340 | \$5,791 | \$83,091 |
| Travel Accident Limit \$2 million | \$0 | \$0 | \$0 | \$0 |
| Drone Coverage | \$1,166 | \$0 | \$0 | \$1,166 |
| UST | \$4,219 | \$0 | \$0 | \$4,219 |
| TOTAL: | \$2,025,000 | \$520,000 | \$175,000 | \$2,720,000 |

JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026 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 2026.

| | Adopted F/Y25 | Proposed F/Y26 |
|-------------------------------------------|---------------------|---------------------|
| Budgeted Positions | 96 | 96 |
| Expenditures: | | |
| Regular Salaries | \$7,522,400 | \$7,680,500 |
| Overtime | 288,390 | 298,120 |
| Fringe Benefits | 4,050,700 | 3,844,840 |
| Retiree Health Benefits | 826,900 | 1,014,960 |
| Worker's Compensation (self-insured) | 10,000 | 10,000 |
| Total Salaries and Fringe Benefits | \$12,698,390 | \$12,848,420 |

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5200

ON-SITE RESIDENCES

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

HEATING FUEL

This account covers the cost of heating the Administration Building, South Branch Pumping Station, Langenfelder Maintenance Barn, and Facilities Maintenance Building.

5220

UTILITIES - ELECTRICAL SERVICE (other than pumping)

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

UTILITIES - GAS SERVICE & WATER

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

PROPANE

This account covers the cost of propane fuel at the South Branch Pumping Station.

5250

ELECTRICITY FOR PUMPING

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

VEHICULAR FUEL

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

5270

OIL & GREASE

This account covers the amount of oil and grease used by the Authority's motor vehicles. Also included in this account are 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 2026 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 2026 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5340

SERVICE AND MAINTENANCE CONTRACTS

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

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.

5360

HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES

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

UNIFORMS

This account covers uniforms and related items for Security, Auto Shop Personnel, Survey Crew and Canal Flow Controlmen.

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, CDL testing service, employee assistance service, etc.

5390

PROTECTIVE SERVICES

This account covers the yearly cost of insurance premiums prorated to the Raritan Basin System, covering General Liability, Workmen's Compensation, Vehicular, Etc.

5400

TELEPHONE

This account covers direct telephone 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.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026 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 and 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 employees' attendance at various technically related and approved courses, training programs, etc.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026 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.

DRAFT

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 ensure the useful life of the equipment, and further ensure 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.

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Appendix I

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
AGREED-UPON PROCEDURES REPORT**

FORECASTED COST ALLOCATION SCHEDULES

YEAR ENDING JUNE 30, 2026

DRAFT

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

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DRAFT

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners of
New Jersey Water Supply Authority

We have performed the procedures enumerated below on the financial schedules for the fiscal year ending June 30, 2026. The procedures were agreed to by the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority") solely to assist the Authority in evaluating the financial 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 financial schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants ("AICPA").

An agreed-upon procedures engagement involves the practitioner performing specific procedures and reporting on findings based on the procedures performed. The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to assist the Authority with evaluating the underlying supporting documentation to determine the accuracy of the financial schedules in connection with setting water rates for each of the three operating systems. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1. We were provided with the fiscal year 2026 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 2026 budgeted expenses are based upon preliminary budgets that are subject to approval by the Authority's Commissioners. We performed no procedures in regard to the fiscal year 2026 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, 2024, and found them to be consistent.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review of the subject matter, the objective of which would be the expression of an opinion or conclusion, respectively, about whether the forecasted cost allocation schedules are presenting the schedules in accordance with the guidelines for the presentation of schedules established by the AICPA. 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 ACCOUNTANTS' 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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.

Mercadion, P.C.
Certified Public Accountants

Hamilton, New Jersey

October 23, 2024

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**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDING JUNE 30, 2026**

| DEPT./COST CENTER | COST CENTER COSTS | RECLASSIFICATIONS | | | | | | | | | REVISED COST CENTER COSTS |
|-------------------------------------------------|-------------------|----------------------|-------------------|----------------------|-------------|-----------|----------|-------------------|---------------|-----------------------------------------|---------------------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| | | HEATING/ ELECTRIC | VEHICULAR FUEL | PROFESSIONAL FEES | INSURANCE | TELEPHONE | PERMITS | WORKERS' COMP. | IN LIEU TAXES | CHIEF ENGINEER SALARY & FRINGE | |
| BUILDING HQ | \$ - | \$ 93,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 93,000 |
| TELEPHONE HQ | - | - | - | - | - | 40,000 | - | - | - | - | 40,000 |
| SAFETY | 249,549 | - | - | (5,000) | - | - | - | - | - | - | 244,549 |
| SECURITY | 1,192,680 | - | - | - | - | - | - | - | - | - | 1,192,680 |
| HUMAN RESOURCES | 539,990 | - | - | (3,950) | - | - | - | (10,000) | - | - | 526,040 |
| PURCHASING | 588,442 | - | (171,000) | - | - | (40,000) | (20,000) | - | - | - | 357,442 |
| INFORMATION SYSTEMS | 262,980 | - | - | - | - | - | - | - | - | - | 262,980 |
| CONTRACTS & RISK MGMT. | 2,516,719 | - | - | (45,000) | (2,025,000) | - | - | - | (18,700) | - | 428,019 |
| FINANCIAL MGMT. | 1,268,520 | - | - | (2,725) | - | - | - | - | - | - | 1,265,795 |
| AUTO SHOP | 346,590 | - | 171,000 | - | - | - | 20,000 | - | - | - | 537,590 |
| AUTO SHOP-CANAL | 298,110 | - | - | - | - | - | - | - | - | - | 298,110 |
| EXEC OFFICE | 314,217 | 5,673 | - | - | - | - | - | - | - | - | 319,890 |
| WATERSHED, ENGINEERING & O&M (RARTAN SYSTEM) | 10,315,890 | (98,673) | - | 56,675 | 2,025,000 | - | - | 10,000 | 18,700 | (17,289) | 12,310,303 |
| MANASQUAN SYSTEM | 17,894,687 | - | - | - | - | - | - | - | - | (17,289) | 17,877,398 |
| | 6,460,528 | - | - | - | - | - | - | - | - | 17,289 | 6,477,817 |
| | \$ 24,355,215 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,355,215 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDING JUNE 30, 2026**

| 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 | \$ 93,000 | \$ (93,000) | | | | | | | | | | | | |
| | TELEPHONE HQ | 40,000 | - | (40,000) | | | | | | | | | | | |
| 36 | SAFETY | 244,549 | 625 | 440 | \$ (245,614) | | | | | | | | | | |
| 37 | SECURITY | 1,192,680 | 3,516 | 1,319 | 19,737 | \$ (1,217,252) | | | | | | | | | |
| 14 | HUMAN RESOURCES | 526,040 | 4,160 | 1,758 | 6,579 | | | | | | | | | | |
| 16 | PURCHASING | 357,442 | 5,165 | 1,319 | 4,386 | | | | | | | | | | |
| 17 | INFORMATION SYSTEMS | 262,980 | 931 | 440 | 2,193 | | | 13,072 | \$ (285,001) | | | | | | |
| 15 | CONTRACTS & RISK MGMT. | 428,019 | 3,042 | 879 | 4,386 | | | 8,501 | 9,194 | \$ (464,792) | | | | | |
| 13 | FINANCIAL MGMT. | 1,265,795 | 8,875 | 2,637 | 13,158 | | | 32,312 | 4,753 | | \$ (1,355,111) | | | | |
| 34 | AUTO SHOP | 537,590 | 13,978 | 879 | 4,386 | | | 10,771 | 18,008 | | 36,526 | \$ (626,735) | | | |
| 35 | AUTO SHOP-CANAL | 299,110 | - | 879 | 2,193 | | | 5,385 | 16,088 | | 20,323 | | \$ (348,575) | | |
| 10 | EXEC OFFICE | 319,890 | 12,282 | 3,516 | 2,193 | | | 5,385 | 1,188 | | 21,794 | | | \$ (375,382) | |
| 20-30 31 32 33 | WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 12,310,303 | 40,426 | 25,934 | 127,192 | 1,217,252 | 312,352 | 164,816 | 160,886 | 420,856 | 836,403 | 626,735 | 348,575 | 349,105 | \$ 16,940,835 |
| 40-60 | MANASQUAN SYSTEM | 6,477,817 | - | - | 59,211 | - | 145,405 | 152,657 | 68,952 | 43,936 | 440,125 | - | - | 26,277 | 7,414,380 |
| | | \$24,355,215 | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$24,355,215 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDING JUNE 30, 2026**

| COSTS | ALLOCATION BASIS | | | | | ALLOCATED COSTS |
|---------------------------|------------------|---------------------------------------|----------------------------|-----------------|-------------------------------|-----------------|
| | 1 TIME STUDY | 2 \$ VALUE OF VEHICLES OF VEHICLES | 3 \$ VALUE OF EQUIPMENT | 4 TIME STUDY | 5 VALUE OF WATER CONTRACTS | |
| GENERAL & ADMINISTRATIVE | | | | | | |
| SALARIES & FRINGES | \$ 3,774,850 | \$ (3,774,850) | | | | |
| VEHICLE RELATED | 102,900 | (102,900) | | | | |
| MAINT. SUPPLIES & RELATED | 84,800 | - | (84,800) | | | |
| OFFICE & MISC. | 46,520 | - | - | (46,520) | | |
| H.Q. OVERHEAD | 953,852 | - | - | - | (953,852) | |
| RESERVOIR (40) | 1,254,158 | 1,807,504 | 45,020 | 22,275 | 822,888 | \$ 4,023,875 |
| TREAT./TRANS. (50) | 1,197,300 | 30,870 | 39,780 | 24,245 | 130,964 | 3,390,505 |
| | \$ 7,414,380 | \$ - | \$ - | \$ - | \$ - | \$ 7,414,380 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2026**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2026**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2026**

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 a Fiscal Year 2026 labor projection as prepared by the Authority.
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 a Fiscal Year 2026 budget prepared by the Authority.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

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Appendix II

Appendix II. Report of Mercadien PC – Allocation of Headquarters General and Administrative Expenses – Audited FY 2024 Expenditures

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

EXAMINATION REPORT AND FINANCIAL SCHEDULES

June 30, 2024

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**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

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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 to Financial Schedules ("Notes 1 and 2"), of the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority"), for the year ended June 30, 2024, 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, and, accordingly, included procedures we considered necessary in the circumstances. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the 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 on the conformity of the 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our examination agreement.

In our opinion, the financial schedules 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.

Mercadieu, P.C.
Certified Public Accountants

Hamilton, New Jersey

October 23, 2024

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDED JUNE 30, 2024**

| DEPT. # | DEPT./COST CENTER | COST CENTER COSTS | RECLASSIFICATIONS | | | | | | | | | REVISED COST CENTER COSTS |
|----------------|-------------------------------------------------|-------------------------|----------------------|-------------------|----------------------|-------------|-----------|-----------|-------------------|---------------|-----------------------------------------|------------------------------------|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| | | | HEATING/ ELECTRIC | VEHICULAR FUEL | PROFESSIONAL FEES | INSURANCE | TELEPHONE | PERMITS | WORKERS' COMP. | IN LIEU TAXES | CHIEF ENGINEER SALARY & FRINGE | |
| | BUILDING HQ | \$ - | \$ 78,894 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 78,894 |
| | TELEPHONE HQ | - | - | - | - | - | 40,827 | - | - | - | - | 40,827 |
| 36 | SAFETY | 216,298 | - | - | - | - | - | - | - | - | - | 216,298 |
| 37 | SECURITY | 1,097,183 | - | - | - | - | - | - | - | - | - | 1,097,183 |
| 14 | HUMAN RESOURCES | 523,590 | - | - | (4,430) | - | - | - | (1,018) | - | - | 518,142 |
| 16 | PURCHASING | 476,222 | - | (110,722) | - | - | (40,827) | (17,175) | - | - | - | 307,498 |
| 17 | INFORMATION SYSTEMS | 217,664 | - | - | - | - | - | - | - | - | - | 217,664 |
| 15 | CONTRACTS & RISK MGMT. | 2,299,231 | - | - | (28,888) | (1,774,434) | - | (106,441) | - | (18,689) | - | 370,779 |
| 13 | FINANCIAL MGMT | 1,052,396 | - | - | (2,232) | - | - | - | - | - | - | 1,050,164 |
| 34 | AUTO SHOP | 305,062 | - | 110,722 | - | - | - | 17,175 | - | - | - | 432,959 |
| 35 | AUTO SHOP-CANAL | 211,242 | - | - | - | - | - | - | - | - | - | 211,242 |
| 10 | EXEC OFFICE | 286,456 | 6,650 | - | - | - | - | - | - | - | - | 293,106 |
| 20 30 31 32 33 | WATERSHED, ENGINEERING & O&M (PARTAN SYSTEM) | 9,628,125 | (85,544) | - | 35,550 | 1,774,434 | - | 106,441 | 1,018 | 18,689 | (16,949) | 11,461,764 |
| | | 16,313,469 | - | - | - | - | - | - | - | - | (16,949) | 16,296,520 |
| 40-60 | MANASQUAN SYSTEM | 5,942,652 | - | - | - | - | - | - | - | - | 16,949 | 5,959,601 |
| | | \$ 22,256,121 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 22,256,121 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDED JUNE 30, 2024**

| 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 | \$ 78,894 | \$ (78,894) | | | | | | | | | | | | |
| | TELEPHONE HQ | 40,827 | - | \$ (40,827) | | | | | | | | | | | |
| 36 | SAFETY | 216,298 | 530 | 449 | \$ (217,277) | | | | | | | | | | |
| 37 | SECURITY | 1,087,183 | 2,983 | 1,346 | 17,460 | \$ (1,116,972) | | | | | | | | | |
| 14 | HUMAN RESOURCES | 518,142 | 3,529 | 1,795 | 5,820 | - | \$ (529,286) | | | | | | | | |
| 16 | PURCHASING | 307,498 | 4,382 | 1,346 | 3,880 | - | 10,586 | \$ (327,692) | | | | | | | |
| 17 | INFORMATION SYSTEMS | 217,664 | 789 | 449 | 1,940 | - | 5,293 | 11,300 | \$ (237,435) | | | | | | |
| 15 | CONTRACTS & RISK MGMT. | 370,779 | 2,580 | 887 | 3,880 | - | 10,586 | 7,349 | 7,659 | \$ (403,730) | | | | | |
| 13 | FINANCIAL MGMT | 1,050,164 | 7,529 | 2,692 | 11,640 | - | 31,757 | 4,109 | 22,978 | - | \$ (1,130,869) | | | | |
| 34 | AUTO SHOP | 432,959 | 11,858 | 887 | 3,880 | - | 10,586 | 15,567 | 3,830 | - | 26,670 | \$ (506,247) | | | |
| 35 | AUTO SHOP-CANAL | 211,242 | - | 887 | 1,940 | - | 5,293 | 13,907 | 3,830 | - | 13,012 | - | \$ (250,121) | | |
| 10 | EXEC OFFICE | 293,106 | 10,420 | 3,589 | 1,940 | - | 5,293 | 1,027 | 7,659 | - | 18,085 | - | - | \$ (341,089) | |
| 20-30 | 31-32-33 WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 11,461,764 | 34,294 | 26,470 | 112,518 | 1,116,972 | 306,985 | 142,471 | 134,035 | 385,866 | 706,029 | 506,247 | 250,121 | 317,213 | \$ 15,482,685 |
| 40-60 | MANASQUAN SYSTEM | 5,959,601 | - | - | 52,379 | - | 142,907 | 131,962 | 57,444 | 38,164 | 387,103 | - | - | 23,876 | 6,773,436 |
| | | \$ 22,256,121 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 22,256,121 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF COST ALLOCATION FACTORS
YEAR ENDED JUNE 30, 2024**

| | | REQUIRED STATISTICS | | | | | | | | | | | | | | | |
|-------------------|-----------------------------------------------|---------------------|----------------|-----------------|-------------|---------------------|---------------|-----------------|---------------|---------------|-----------------|---------------------|---------------|-----------------|---------------|---------------|---------------|
| ALLOCATION OF: | BUILDING HQ | TELEPHONES | SAFETY | HUMAN RESOURCES | PURCHASING | INFORMATION SYSTEMS | RISK MGMT | FINANCE O&M | AUTO SHOP | AUTO SHOP | FINANCE O&M | INFORMATION SYSTEMS | RISK MGMT | FINANCE O&M | AUTO SHOP | AUTO SHOP | 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 | FUNCTIONAL COST | # 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 | 3 | 9 | | | | | | | | | | | | | |
| 14 | HUMAN RESOURCES | 666 | 4 | 3 | | | | | | | | | | | | | |
| 16 | PURCHASING | 827 | 3 | 2 | 2 | | | | | | | | | | | | |
| 17 | INFORMATION SYSTEMS | 149 | 1 | 1 | 1 | 143 | | | | | | | | | | | |
| 15 | CONTRACTS & RISK MGMT. | 487 | 2 | 2 | 2 | 93 | 2 | | | | | | | | | | |
| 13 | FINANCIAL MGMT | 1,421 | 6 | 6 | 6 | 52 | 6 | | | | | | | | | | |
| 34 | AUTO SHOP | 2,238 | 2 | 2 | 2 | 197 | 1 | \$ 432,959 | | | | | | | | | |
| 35 | AUTO SHOP-CANAL | - | 2 | 1 | 1 | 176 | 1 | 211,242 | | | | | | | | | |
| 10 | EXEC OFFICE | 1,967 | 8 | 1 | 1 | 13 | 2 | 293,106 | | | | | | | | | |
| 20 30 31 32 33 | WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM) | 6,472 | 59 | 58 | 58 | 1,803 | 35 | 11,461,764 | 52 | 52 | | | 182 | | | | 93 |
| 40-60 | MANASQUAN SYSTEM | - | - | 27 | 27 | 1,670 | 15 | 5,959,601 | - | - | | | 19 | | | | 7 |
| | | 14,890 | 91 | 112 | 100 | 4,147 | 62 | \$ 18,358,672 | 52 | 52 | | | 201 | | | | 100 % |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDED JUNE 30, 2024**

| | ALLOCATION BASIS | | | | | ALLOCATED COSTS |
|-------------------------------------|------------------|---------------------------|----------------------------|-----------------|-------------------------------|-----------------|
| | 1 TIME STUDY | 2 \$ VALUE OF VEHICLES | 3 \$ VALUE OF EQUIPMENT | 4 TIME STUDY | 5 VALUE OF WATER CONTRACTS | |
| COSTS | | | | | | |
| <u>GENERAL & ADMINISTRATIVE</u> | | | | | | |
| SALARIES & FRINGES | \$ 3,297,951 | \$ (3,297,951) | | | | |
| VEHICLE RELATED | 90,961 | \$ (90,961) | | | | |
| MAINT. SUPPLIES & RELATED | 63,358 | - | \$ (63,358) | | | |
| OFFICE & MISC. | 39,209 | - | - | \$ (39,209) | | |
| H.Q. OVERHEAD | 830,784 | - | - | - | \$ (830,784) | |
| RESERVOIR | 1,152,203 | 1,663,180 | 63,673 | 33,637 | 19,773 | \$ 3,649,164 |
| TREAT./TRANS. | 1,298,970 | 1,634,771 | 27,288 | 29,721 | 19,436 | 3,124,272 |
| | \$ 6,773,436 | \$ - | \$ - | \$ - | \$ - | \$ 6,773,436 |

**NEW JERSEY WATER SUPPLY AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDED JUNE 30, 2024**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDED JUNE 30, 2024**

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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL SCHEDULES
YEAR ENDED JUNE 30, 2024**

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 2024.
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 2024.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

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NEW JERSEY WATER SUPPLY AUTHORITY



MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

FISCAL YEAR 2026 BUDGET

(July 1, 2025 - June 30, 2026)

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

PROPOSED

FISCAL YEAR 2026 BUDGET
(July 1, 2025 – June 30, 2026)

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

PROPOSED FISCAL YEAR 2026 BUDGET SUMMARY

(7/01/25-6/30/26)

| | <u>ADOPTED F/Y25 WTP/TS BUDGET</u> | <u>PROPOSED F/Y26 WTP/TS BUDGET</u> |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|
| O&M Budget (See Schedule 1) | \$3,173,608 | \$3,259,486 |
| Proposed Capital Equipment Budget (See Schedule 10) | 12,570 | 97,004 |
| Allocation of Headquarters General & Administrative Expense charged to the Manasquan WTP/TS (See Schedule 5) | <u>128,000</u> | <u>121,000</u> |
| Total Proposed Budget | <u>\$3,314,178</u> | <u>\$3,477,490</u> |

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

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (50)

FISCAL YEAR 2026
(7/01/25-6/30/26)

| <u>CODE</u> | <u>ACCOUNT DESCRIPTION</u> | <u>FY25 Adopted</u> | | <u>FY26 Proposed</u> |
|-------------|---------------------------------|---------------------|-----------|----------------------|
| C | Heating Fuel | \$ 7,000 | | \$ 5,000 |
| 5220 | Utilities -Electrical Service | 410,000 | | 390,000 |
| 5230 | - Gas Service | 38,000 | | 29,600 |
| 5240 | - Propane | | | 0 |
| 5250 | Electricity for Pumping Station | | | - |
| 5260 | Fuel - Vehicular | | | - |
| 5270 | Oil & Grease | 2,000 | | 2,000 |
| 5280 | Tires | | | - |
| 5290 | Maintenance Supplies | 7,700 | | 7,700 |
| 5300 | Maint. Supplies - Vehicular | | | - |
| 5310 | Major Vehicle Service & Repair | | | - |
| 5320 | Agricultural Supplies | | | - |
| 5330 | Maintenance Equipment | 105,500 | | 124,300 |
| 5340 | Serv. & Maintenance Contracts | 45,000 | (Sch. 6) | 37,240 |
| 5350 | Equipment Rental | 3,200 | | 3,200 |
| 5360 | Household - Safety Supplies | 2,000 | | 2,000 |
| 5370 | Uniforms | | | - |
| 5380 | Special & Professional Services | 35,000 | (Sch. 8) | 33,200 |
| 5390 | Protective Services | 155,865 | (Sch. 11) | 175,000 |
| 5400 | Telephone | 1,200 | | 1,200 |
| 5410 | Postage & Freight Out | 300 | | 300 |
| 5420 | Data Processing | | | - |
| 5430 | Printing & Office Supplies | 9,800 | | 9,800 |
| 5440 | Scientific & Photographic | 15,000 | | 15,000 |
| 5450 | Dues & Subscriptions | | | - |
| 5460 | Advertising & Promotional | 1,000 | | 1,000 |
| 5470 | Travel & Subsistence | | | - |
| 5480 | Staff Training & Tuition Aid | 1,320 | | 1,320 |
| 5490 | Fees & Permits | 7,640 | | 8,040 |
| 5500 | In - Lieu Taxes | 400 | | 400 |
| 5510 | Residual Removal | 16,000 | | 16,000 |
| 5520 | Water Treatment Chemicals | 225,000 | | 240,000 |
| 5525 | GAC Replacement | 95,000 | | 95,000 |
| | Anticipated Increase for F/Y26 | | | |
| | Total Other Expenses | <u>\$ 1,183,925</u> | | <u>\$ 1,197,300</u> |

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

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2026
 (7/01/25-6/30/26)

| CODE | ACCOUNT | ADOPTED G&A FY25 | | PROPOSED G&A FY26 |
|------|----------------------------------|------------------------|-----------|-------------------------|
| | Salaries & Fringe Benefits | \$3,623,550 | | \$3,774,850 |
| 5200 | Residences | - | | - |
| 5210 | Heating Fuel | - | | - |
| 5220 | Utilities -Electrical Service | - | | - |
| 5230 | -Gas Service | - | | - |
| 5240 | -Propane | - | | - |
| 5250 | Electricity for Pumping Station | - | | - |
| 5260 | Fuel - Vehicular | 33,600 | | 33,600 |
| 5270 | Oil & Grease | 8,300 | | 8,300 |
| 5280 | Tires | 12,000 | | 12,000 |
| 5290 | Maintenance Supplies | 27,300 | | 27,300 |
| 5300 | Maint. Supplies - Vehicular | 11,600 | | 14,000 |
| 5310 | Major Vehicle Service & Repair | 35,000 | | 35,000 |
| 5320 | Agricultural Supplies | 8,100 | | 8,100 |
| 5330 | Maintenance Equipment | 10,100 | | 7,100 |
| 5340 | Serv. & Maintenance Contracts | 28,100 | (Sch. 10) | 25,300 |
| 5350 | Equipment Rental | 4,300 | | 3,300 |
| 5360 | Household - Safety Supplies | 13,700 | | 13,700 |
| 5380 | Special & Professional Services | 10,000 | (Sch. 12) | 10,000 |
| 5390 | Protective Services | - | | - |
| 5400 | Telephone | 7,200 | | 4,560 |
| 5410 | Postage & Freight Out | 1,200 | | 1,200 |
| 5420 | Data Processing | 5,000 | | 3,600 |
| 5430 | Printing & Office Supplies | 5,960 | | 5,960 |
| 5440 | Scientific & Photographic | 300 | | 300 |
| 5450 | Dues & Subscriptions | 3,000 | | 3,000 |
| 5460 | Advertising & Promotional | 2,000 | | 2,000 |
| 5470 | Travel & Subsistence | 1,000 | | 1,000 |
| 5480 | Staff Training & Tuition Aid | 8,400 | | 8,400 |
| 5490 | Fees & Permits | 6,500 | | 6,500 |
| 5500 | In - Lieu Taxes | - | | - |
| 5510 | Anticipated Increase for F/Y26 | - | | - |
| 5520 | Water Treatment Chemicals | - | | - |
| 5525 | GAC Replacement | - | | - |
| | | | | |
| | SUB-TOTAL G&A EXPENSE BUDGET | \$ 242,660 | | \$ 234,220 |
| | TOTAL G&A WITH SALARIES & FRINGE | \$ 3,866,210 | | \$ 4,009,070 |

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

| | | |
|-------------------------------|------------|------------|
| Reservoir System | \$ 144,019 | \$ 139,380 |
| Treatment/Transmission System | \$ 98,641 | \$ 94,840 |
| Total | \$ 242,660 | \$ 234,220 |

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

LABOR PROJECTION

FISCAL YEAR 2026
 (7/01/25-6/30/26)

| TITLES | SALARY | FRINGE BENEFITS | OVERTIME | CLOTHING ALLOWANCE | SHIFT DIFFERENTIAL | TOTAL | ALLOCATION RESERVOIR % | AMOUNT RESERVOIR | ALLOCATION WTP/TS % | AMOUNT WTP/TS |
|--------------------------------------------|-----------|--------------------|----------|-----------------------|-----------------------|-----------|------------------------------|---------------------|---------------------------|------------------|
| Director | 165,500 | 110,585 | - | - | - | 276,085 | 50% | 138,043 | 50% | 138,042 |
| Project Engineer II | 127,000 | 84,859 | - | - | - | 211,859 | 70% | 148,301 | 30% | 63,558 |
| Water Supply Tech. | 78,300 | 52,686 | - | 550 | - | 131,536 | 62% | 81,552 | 38% | 49,984 |
| Administrative Assistant | 81,900 | 54,724 | - | - | - | 136,624 | 47% | 64,213 | 53% | 72,411 |
| Supervisor Technical Facilities Maint | 103,200 | 71,683 | 3,531 | 550 | - | 178,964 | 43% | 76,955 | 57% | 102,009 |
| Sr. Water Supply Tech. | 89,800 | 60,729 | 536 | 550 | - | 151,615 | 35% | 53,066 | 65% | 98,549 |
| Maintenance Worker I | 56,000 | 37,786 | - | 550 | - | 94,336 | 93% | 87,733 | 7% | 6,603 |
| Supervisor Operators | 121,400 | 81,118 | - | - | - | 202,518 | 25% | 50,630 | 75% | 151,888 |
| Equipment Operator | 53,800 | 36,316 | - | 550 | - | 90,666 | 94% | 85,226 | 6% | 5,440 |
| Foreman Bldg & Grounds Maint | 89,800 | 60,729 | 536 | 550 | - | 151,615 | 85% | 128,874 | 15% | 22,741 |
| Foreman Facilities Maintenance | 88,100 | 62,665 | 5,134 | 550 | - | 156,449 | 47% | 73,532 | 53% | 82,917 |
| Facilities Mechanic (3 Positions) | 212,000 | 145,257 | 3,741 | 1,650 | - | 362,648 | 45% | 163,192 | 55% | 199,456 |
| Supervisor Plant Operator | 78,800 | 56,417 | 5,084 | 550 | - | 140,851 | 37% | 52,115 | 63% | 88,736 |
| Maintenance Worker I Operations | 49,600 | 33,509 | - | 550 | - | 83,659 | 92% | 76,966 | 8% | 6,693 |
| Reservoir Sys Oper./Asst RSO (5 Positions) | 285,100 | 218,618 | 36,432 | 2,750 | 2,900 | 545,800 | 95% | 518,510 | 5% | 27,290 |
| Plant Operator (6 Positions) | 451,400 | 344,319 | 60,606 | 3,300 | - | 859,625 | 1% | 8,596 | 99% | 851,029 |
| TOTAL: (rounded) | 2,131,700 | 1,512,000 | 115,600 | 12,650 | 2,900 | 3,774,850 | | 1,807,504 | | 1,967,346 |

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 2026
(7/01/25-6/30/26)

| | Total Headquarters Charge | Manasquan Reservoir System | Manasquan WTP/TS |
|--------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|---------------------|
| Budgeted-Appendix I, amount to be charged to Manasquan System for FY26 (7/1/25-6/30/26) | \$953,852 | \$822,888 | \$130,964 |
| F/Y24 Adjustment as per audited Expenditures: | | | |
| Budgeted as per rate schedule for F/Y24 (7/1/23-6/30/24). Amounts paid during F/Y24 to Raritan Basin System. | \$893,996 | \$770,000 | \$123,996 |
| Actual allocation based upon audited expenditures F/Y24 (7/1/23-6/30/24) - Appendix II | <u>\$830,784</u> | <u>\$716,698</u> | <u>\$114,086</u> |
| Adjustments F/Y24 | <u>(\$63,212)</u> | <u>(\$53,302)</u> | <u>(\$9,910)</u> |
| Net Allocation for F/Y2026 Budget | <u>\$890,640</u> | <u>\$769,586</u> | <u>\$121,054</u> |
| Estimate | <u>\$891,000</u> | <u>\$770,000</u> | <u>\$121,000</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 2026

| | Adopted F/Y25 | Proposed F/Y26 |
|------------------------------------------------------|------------------|-------------------|
| 1 Electrical Service Contract | \$ 2,400 | \$ 2,400 |
| 2 Instrumentation & Control System Service & Upgrade | 6,000 | 4,000 |
| 3 Electrical Upgrade & Repair | 3,000 | 2,000 |
| 4 Overhead Crane Service | 2,500 | 2,500 |
| 5 Fire & Intrusion Alarm Service | 3,000 | 3,000 |
| 6 Boiler Service | 1,200 | 1,440 |
| 7 Auxiliary Generator Service | 3,000 | 3,000 |
| 8 Lab Equipment Service | 3,500 | 3,500 |
| 9 UPS Battery PM Service and Batteries | 3,600 | 3,600 |
| 10 Four Year Electrical Switchgear Testing Service | 2,000 | 2,000 |
| 11 Internet Service | 9,800 | 4,800 |
| 12 Network Routers | 2,500 | 2,500 |
| 13 XLReporter Software Program Support | 2,500 | 2,500 |
| | <u>2,500</u> | <u>2,500</u> |
| Total Service & Maintenance Contracts | <u>\$ 45,000</u> | <u>\$ 37,240</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 2026

| | Adopted F/Y25 | Proposed F/Y26 |
|------------------------------------------|------------------|-------------------|
| 1 Refuse & Waste Disposal | \$ 2,000 | \$ 2,000 |
| 2 Office Equipment/Computers | 1,800 | 1,800 |
| 3 Waste Oil Disposal | 300 | 300 |
| 4 Fire Extinguisher Service | 1,100 | 1,100 |
| 5 UST Monitor Service | - | - |
| 6 SCADA Service Contract | 2,000 | 2,000 |
| 7 Building Maintenance | 6,000 | 6,000 |
| 8 Internet Service | 2,000 | 2,000 |
| 9 Janitorial Service | 10,000 | 7,200 |
| 10 Vehicle Lift Inspection | 500 | 500 |
| 11 Underground Fuel Storage Tank Service | 2,400 | 2,400 |
| | <u>2,400</u> | <u>2,400</u> |
| Total Service & Maintenance Contracts | <u>\$ 28,100</u> | <u>\$ 25,300</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 2026

| | Adopted F/Y25 | Proposed F/Y26 |
|---------------------------------------|------------------|-------------------|
| 1 Water Quality Sampling | \$ 14,900 | \$ 12,900 |
| 2 Residual Quality Analysis | 800 | 800 |
| 3 Consultant Services | 4,000 | 4,000 |
| 4 USGA Allenwood Gage-Parameters | 13,500 | 13,500 |
| 5 Underground Markout Service | 1,800 | 2,000 |
| Total Special & Professional Services | <u>\$ 35,000</u> | <u>\$ 33,200</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 2026

| | Adopted F/Y25 | Proposed F/Y26 |
|--------------------------------------------------|------------------|-------------------|
| 1 Pulmonary Testing | \$ 1,500 | \$ 1,500 |
| 2 CDL Medical Testing | 1,000 | 1,000 |
| 3 EAS Service | 4,000 | 4,000 |
| 4 The Bank of NY - Melon | 2,300 | 2,300 |
| 5 Pre-Employment Physicals | 1,200 | 1,200 |
| Total Special & Professional Services | \$ 10,000 | \$ 10,000 |

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

PROPOSED CAPITAL EQUIPMENT BUDGET

FISCAL YEAR 2026

| Description | (R)ReplacemerVehicle/Equipment | Value | % | Reservoir | WTP/TS | Reserve | Reserve | |
|-------------------------------------------------------|--------------------------------|-------|---------|-----------|----------|----------|---------|-------|
| Utility Body PU no Dump | R (515) | 2013 | 81,000 | 50/50 | 40,500 | 40,500 | 41,260 | 0 |
| Ford Escape | R (556) | 2016 | 45,000 | 50/50 | 22,500 | 22,500 | 26,477 | 0 |
| Ford F250 with Utility Body | R (530) | 2014 | 90,000 | 70/30 | 63,000 | 27,000 | 29,499 | 0 |
| Ford Escape | R (601) | 2018 | 45,000 | 69/31 | 31,050 | 13,950 | 15,461 | 6,946 |
| TOTAL | | | 261,000 | | 157,050 | 103,950 | 112,697 | 6,946 |
| *Per Resolution, Asset Definition minimum is \$5,000. | | | | | 0 | | | |
| Less Amount charged to Reservoir Depreciation Reserve | | | | | 112,697 | | | |
| Less Amount charged to WTP/TS Depreciation Reserve | | | | | | 6,946 | | |
| Total | | | | | 44,353 | 97,004 | | |
| Additional Depreciation Reserve | | | | | | 0 | | |
| Estimate | | | | | \$44,353 | \$97,004 | | |

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

PROJECTED INSURANCE PROGRAM

FISCAL YEAR 2026

| Policy | Raritan Basin System | Manasquan Reservoir System | Manasquan Water Treatment Plant and Transmission | Total Premium |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|--------------------------------------------------------|------------------------------|
| Property Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood Earthen Dam:Builders Risk | \$1,046,051 | \$422,550 | \$127,860 | \$1,596,460 |
| General/Products Liability Limit \$1 million Deduct: \$150k | \$160,108 | \$14,304 | \$2,845 | \$177,258 |
| Environmental Impairment Liability Limit \$10 million Deduct: \$100k | \$0 | \$0 | \$0 | \$0 |
| Workers' Compensation Limit \$1 million | \$176,076 | \$22,672 | \$27,013 | \$225,760 |
| 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 | \$502,251 | \$44,873 | \$8,926 | \$556,050 |
| Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L | \$64,169 | \$9,261 | \$2,566 | \$75,996 |
| Management Liability Public Officials Liability | \$54,007 | \$4,825 | \$960 | \$59,792 |
| Cyber Risk | \$16,954 | \$1,514 | \$301 | \$18,769 |
| Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k | \$70,960 | \$6,340 | \$5,791 | \$83,091 |
| Travel Accident Limit \$2 million | \$0 | \$0 | \$0 | \$0 |
| Drone Coverage | \$1,166 | \$0 | \$0 | \$1,166 |
| UST | \$4,219 | \$0 | \$0 | \$4,219 |
| TOTAL: | \$2,025,000 | \$520,000 | \$175,000 | \$2,720,000 |

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

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2026
 OPERATING EXPENSE ACCOUNTS**

**ACCOUNT
CODE TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for FISCAL YEAR 2026.

| | <u>Adopted FY25</u> | <u>Proposed FY26</u> |
|--------------------------------------|-------------------------|--------------------------|
| Budgeted Positions | 27 | 27 |
| Expenditures: | | |
| Regular Salaries | \$2,020,950 | \$2,147,250 |
| Overtime | 115,600 | 115,600 |
| Fringe Benefits | 1,224,400 | 1,254,050 |
| Retiree Health Benefits | 257,600 | 252,950 |
| Worker's Compensation (self-insured) | <u>5,000</u> | <u>5,000</u> |
| Total Salaries and Fringe Benefits | <u>\$3,623,550</u> | <u>\$3,774,850</u> |
| Allocation to Treatment Plant | <u>\$1,891,042</u> | <u>\$1,967,346</u> |

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 2026 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 are 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 2026 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 2026 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 2026 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, and 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.