

# **NEW JERSEY WATER SUPPLY AUTHORITY**

## **MANASQUAN RESERVOIR SYSTEM**

### **FISCAL YEAR 2018 BUDGET**

(July 1, 2017 - June 30, 2018)

Adopted  
June 5, 2017

## **RARITAN BASIN SYSTEM**

### **FISCAL YEAR 2018 BUDGET**

(July 1, 2017 - June 30, 2018)

Adopted  
June 5, 2017

## **MANASQUAN WATER TREATMENT PLANT AND**

### **TRANSMISSION SYSTEM**

### **FISCAL YEAR 2018 BUDGET**

(July 1, 2017 - June 30, 2018)

Presentation Only

# NEW JERSEY WATER SUPPLY AUTHORITY



## MANASQUAN RESERVOIR SYSTEM

### FISCAL YEAR 2018 BUDGET

(July 1, 2017 - June 30, 2018)

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**ADOPTED**

FISCAL YEAR 2018 BUDGET  
(July 1, 2017-June 30, 2018)

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NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**ADOPTED FISCAL YEAR 2018 BUDGET SUMMARY**

(7/1/17-6/30/18)

	ADOPTED F/Y2017 <u>Reservoir Budget</u>	PROPOSED F/Y2018 <u>Reservoir Budget</u>
Proposed Operating Expense Budget (Schedule 2)	\$ 2,677,270	\$ 2,687,830
Proposed Capital Equipment Budget (Schedule 13)	71,600	17,600
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 5)	<u>640,000</u>	<u>652,000</u>
 Total Operating Expense Budget & Capital Equipment Budget	 \$ 3,388,870	 \$ 3,357,430
 Adjustment for F/Y16 Salary & Fringe Expenses to be paid to the WTP/TS Account	 \$ 69,578	 \$ 30,181
 Contributions to Debt Service and Reserve Funds		
Renewal & Replacement	\$ 120,000	\$ 120,000
Sediment Reserve	10,000	10,000
Formal Dam Inspection Reserve	5,000	5,000
High Voltage Testing Reserve	15,000	15,000
Initial Debt Service Fund (120 percent coverage)	3,487,326	3,125,430
Delayed Debt Service Fund (120 percent coverage)	1,246,578	1,076,414
NJEIFP Debt Service	178,117	176,917
Source Water Protection Program	70,967	106,450
Other Post Employment Benefits Reserve	35,000	-
Supplemental Renewal & Replacement	350,000	-
Total Contributions to Debt Service and Reserve Funds	<u>\$ 5,517,988</u>	<u>\$ 4,635,211</u>
 Total Proposed Budget	 <u>\$ 8,976,436</u>	 <u>\$ 8,022,822</u>
 Revenues		
Operating and Maintenance Component	\$ 2,986,948	\$ 3,069,810
Adjustment for F/Y15 Salary & Fringe Expenses to be paid from the WTP/TS Account	-	-
Appropriation from General Fund (Rate Stabilization)	995,300	454,600
Debt Service (120 percent coverage)	3,487,326	3,125,430
Delayed Debt Service (120 percent coverage)	1,246,578	1,076,414
NJEIFP Debt Service	178,117	176,917
Source Water Protection Program Component	70,967	106,450
F/Y18 interest earnings were estimated at .25 percent, long-term investments were estimated at 1.3 percent.	<u>11,200</u>	<u>13,200</u>
Total Revenue	<u>\$ 8,976,436</u>	<u>\$ 8,022,822</u>

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY  
FY1997-FY2018 – INITIAL WATER USERS**

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

<u>Effective Date</u>	<u>O&amp;M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/91-8/01/20</u>	<u>NJEIFP Debt Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 1996	316.58		748.57		\$1,065.15	-3.65%
July 1, 1997	284.09		654.83		\$938.92	-11.85%
July 1, 1998	263.56		569.36		\$832.92	-11.29%
July 1, 1999	114.13		581.18		\$695.31	-16.52%
July 1, 2000	145.81		583		\$728.81	4.82%
July 1, 2001	212.29		585.63		\$797.92	9.48%
July 1, 2002	212.35		582.62		\$794.97	-0.37%
July 1, 2003	201.14	15	578.83		\$794.97	0.00%
July 1, 2004	321.69	15	584.95		\$921.64	15.93%
July 1, 2005	295.41	15	584.6		\$895.01	-2.89%
July 1, 2006	295.41	15	522.86		\$833.27	-6.90%
July 1, 2007	302.52	15	528.54		\$846.06	1.53%
July 1, 2008	302.52	15	566.59		\$884.11	4.50%
July 1, 2009	396.79	15	568.26		\$980.05	10.85%
July 1, 2010	396.79	15	568.69		\$980.48	0.04%
July 1, 2011	347.39	15	618.09	35.42	\$1,015.90	3.61%
July 1, 2012	345.95	15	619.53	35.42	\$1,015.90	0.00%
July 1, 2013	356.61	15	619.87	24.42	\$1,015.90	0.00%
July 1, 2014	356.61	15	619.87	24.42	\$1,015.90	0.00%
July 1, 2015	386.00	10.00	636.61	24.79	\$1,057.40	4.09%
July 1, 2016	432.87	10.00	636.61	25.10	\$1,104.58	4.46%
<b>July 1, 2017</b>	<b>432.87</b>	<b>15.00</b>	<b>570.55</b>	<b>24.93</b>	<b>\$1,043.35</b>	<b>-5.54%</b>

Table 2

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY  
FY2002-FY2018 – DELAYED WATER USERS**

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

<u>Effective Date</u>	<u>O&amp;M Charge</u>	<u>Source Water Protection</u>	<u>Debt Repayment 2/1/02-8/01/31</u>	<u>NJEIFP Debt Component</u>	<u>Total Charge per MG</u>	<u>Percent Increase (Decrease)</u>
July 1, 2001	199.88		835.62		\$1,035.50	
July 1, 2002	212.35		835.61		\$1,047.96	1.20%
July 1, 2003	201.14	15.00	849.31		\$1,065.45	1.67%
July 1, 2004	321.69	15.00	849.31		\$1,186.00	11.31%
July 1, 2005	295.41	15.00	853.85		\$1,164.26	-1.83%
July 1, 2006	295.41	15.00	763.61		\$1,074.02	-7.75%
July 1, 2007	302.52	15.00	764.44		\$1,081.96	0.74%
July 1, 2008	302.52	15.00	762.28		\$1,079.80	-0.20%
July 1, 2009	396.79	15.00	763.24		\$1,175.03	8.82%
July 1, 2010	396.79	15.00	756.19		\$1,167.98	-0.60%
July 1, 2011	347.39	15.00	770.90	35.42	\$1,168.71	0.06%
July 1, 2012	345.95	15.00	772.12	35.42	\$1,168.49	-0.02%
July 1, 2013	356.61	15.00	772.46	24.42	\$1,168.49	0.00%
July 1, 2014	356.61	15.00	772.46	24.42	\$1,168.49	0.00%
July 1, 2015	386.00	10.00	770.07	24.79	\$1,190.86	1.91%
July 1, 2016	432.87	10.00	770.07	25.10	\$1,238.04	3.96%
<b>July 1, 2017</b>	<b>432.87</b>	<b>15.00</b>	<b>664.96</b>	<b>24.93</b>	<b>\$1,137.76</b>	<b>-8.10%</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**DEBT SERVICE COVERAGE**

FISCAL YEAR 2018  
(7/1/17-6/30/18)

	<u>Budgeted F/Y2018</u>
<u>Revenues</u>	
Uninterruptible Water Sales	\$ 7,557,158
Interest Income	<u>\$ 13,200</u>
Total Revenues	<u><u>\$ 7,570,358</u></u>
<u>Expenses</u>	
O&M Costs	\$ 2,687,830
Overhead Allocation	<u>\$ 652,000</u>
Total O&M	<u><u>\$ 3,339,830</u></u>
Cash Available for Debt Service - A	\$ 4,230,528
Net Debt Service Expense	\$ 3,501,537
Debt Service Coverage Calculation - A/B	1.21
Cash After Debt Service A-B	\$ 728,991

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**TOTAL OPERATIONS & MAINTENANCE BUDGET**

FISCAL YEAR 2018  
(7/01/17-6/30/18)

	F/Y2017 Reservoir Adopted	F/Y2018 Reservoir Proposed
	<u>                    </u>	<u>                    </u>
Salaries & Fringe Benefits (Schedule 6)	\$1,556,900	\$1,512,000
O & M Direct Expense (Schedule 3)	1,018,478	1,049,600
G&A Expenses (Schedule 4)	101,890	126,227
Total Operations & Maintenance Budget	<u>\$2,677,268</u>	<u>\$2,687,827</u>
Estimate	<u><u>\$2,677,270</u></u>	<u><u>\$2,687,830</u></u>



NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

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

FISCAL YEAR 2018  
(7/01/17-6/30/18)

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>RESERVOIR</u> <u>DIRECT</u>	
		<u>ADOPTED</u> <u>FY17</u>	<u>PROPOSED</u> <u>FY18</u>
5200	Residences	\$	\$
5211	Heating Fuel		
5220	Utilities -Electrical Service	90,500	90,500
5230	-Gas Service	8,000	8,000
5240	-Propane		
5250	Electricity for Pumping Station	336,300	301,000
5260	Fuel - Vehicular		
5270	Oil & Grease		
5280	Tires		
5290	Maintenance Supplies	2,000	2,000
5300	Maint. Supplies - Vehicular		
5310	Major Vehicle Service & Repair		
5320	Agricultural Supplies		
5330	Maintenance Equipment	51,500	51,500
5340	Serv. & Maintenance Contracts	39,750	42,450 (Sch. 9)
5350	Equipment Rental	6,500	6,500
5360	Household - Safety Supplies	500	500
5370	Uniforms		
5380	Special & Professional Services	112,700	120,850 (Sch. 11)
5390	Protective Services	227,528	279,000 (Sch. 14)
5400	Telephone	5,000	7,500
5410	Postage & Freight Out		
5420	Data Processing		
5430	Printing & Office Supplies	1,500	1,500
5440	Scientific & Photographic	5,000	5,000
5450	Dues & Subscriptions		
5460	Advertising & Promotional	2,000	2,000
5470	Travel & Subsistence		
5480	Staff Training & Tuition Aid		
5490	Fees & Permits	33,900	35,500
5500	In - Lieu Taxes	36,800	36,800
5510	Sediment Removal	59,000	59,000
<b>TOTAL O&amp;M DIRECT EXPENSE BUDGET</b>		<u>\$1,018,478</u>	<u>\$1,049,600</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

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

FISCAL YEAR 2018  
(7/01/17-6/30/18)

<u>CODE</u>	<u>ACCOUNT</u>	<u>ADOPTED</u> G&A FY17	<u>PROPOSED</u> G&A FY18
	Salaries & Fringe Benefits	\$3,158,911	\$3,090,050
5200	Residences		
5211	Heating Fuel		
5220	Utilities -Electrical Service		
5230	-Gas Service		
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular	22,450	33,225
5270	Oil & Grease	6,900	7,900
5280	Tires	6,000	6,500
5290	Maintenance Supplies	27,300	27,300
5300	Maint. Supplies - Vehicular	8,800	9,600
5310	Major Vehicle Service & Repair	29,000	42,600
5320	Agricultural Supplies	6,200	7,600
5330	Maintenance Equipment	7,500	10,450
5340	Serv. & Maintenance Contracts	13,100	19,150
5350	Equipment Rental	3,000	3,400
5360	Household - Safety Supplies	7,500	8,200
5380	Special & Professional Services	3,600	3,600
5390	Protective Services		
5400	Telephone	7,000	7,000
5410	Postage & Freight Out	500	500
5420	Data Processing	8,500	5,000
5430	Printing & Office Supplies	7,300	7,800
5440	Scientific & Photographic	300	300
5450	Dues & Subscriptions	3,000	3,000
5460	Advertising & Promotional	1,500	1,500
5470	Travel & Subsistence	700	700
5480	Staff Training & Tuition Aid	11,400	11,400
5490	Fees & Permits	7,700	7,700
5500	In - Lieu Taxes		
5510	Residual Removal		
5520	Water Treatment Chemicals		
5525	GAC Replacement		
	SUB-TOTAL G&A EXPENSE BUDGET	<u>\$189,250</u>	<u>\$224,425</u>
	TOTAL G&A WITH SALARIES & FRINGE	<u>\$3,348,161</u>	<u>\$3,314,475</u>

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

Reservoir System	\$101,890	\$126,227
Treatment/Transmission System	<u>\$87,360</u>	<u>\$98,198</u>
Total	<u>\$189,250</u>	<u>\$224,425</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

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

FISCAL YEAR 2018  
(7/01/17-6/30/18)

	<u>Total Headquarters Charge</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan WTP/IS</u>
Budgeted- Appendix I, amount to be charged to Manasquan System for F/Y18 (7/1/17-6/30/18)	\$792,622	\$682,867	\$109,755
F/Y16 Adjustment as per audited expenditures:			
Budgeted as per rate schedule for F/Y16 (7/1/15-6/30/16). Amounts paid during F/Y16 to Raritan Basin System.	\$737,000	\$640,000	\$97,000
Actual allocation based upon audited expenditures F/Y16 (7/1/15-6/30/16) - Appendix II	<u>\$707,416</u>	<u>\$609,460</u>	<u>\$97,956</u>
Adjustments F/Y16	<u>(\$29,584)</u>	<u>(\$30,540)</u>	<u>\$956</u>
Net Allocation for F/Y2018 Budget	<u><u>\$763,038</u></u>	<u><u>\$652,327</u></u>	<u><u>\$110,711</u></u>
Estimate	<u>\$763,000</u>	<u>\$652,000</u>	<u>\$111,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**LABOR PROJECTION**

FISCAL YEAR 2018  
(7/01/17-6/30/18)

TITLES	RANGE	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION RESERVOIR %	AMOUNT RESERVOIR	ALLOCATION WTP/TS %	AMOUNT WTP/TS
Director	34	117,000	74,903	-	-	-	191,903	60%	115,100	40%	76,803
Project Engineer II	26	75,100	48,079	-	-	-	123,179	50%	61,600	50%	61,579
Water Supply Tech.	14	57,500	37,763	937	550	-	96,750	62%	59,500	39%	37,250
Administrative Assistant	18	64,700	41,421	-	-	-	106,121	60%	63,700	40%	42,421
Supervisor Technical Facilities Maint	23	81,900	61,093	12,978	550	-	156,521	44%	68,100	57%	88,421
Sr. Water Supply Tech.	20	70,900	47,306	2,443	550	-	121,199	43%	52,100	57%	69,099
Maintenance Worker I	10	44,600	28,905	-	550	-	74,055	95%	70,000	6%	4,055
Supervisor Operations	28	94,600	60,563	-	-	-	155,163	24%	37,200	76%	117,963
Equipment Operator	12	39,500	25,640	-	550	-	65,690	94%	61,400	6%	4,290
Foreman Bldg & Grounds Maint	19	71,300	46,111	176	550	-	118,137	92%	109,000	8%	9,137
Foreman Facilities Maintenance	20	67,700	45,556	2,910	550	-	116,716	46%	54,000	54%	62,716
Facilities Mechanic (3 Positions)	18	190,200	129,082	9,778	1,650	-	330,710	47%	154,600	53%	176,110
Supervisor Plant Operator	22	78,200	52,049	2,543	550	8	133,350	36%	48,000	64%	85,350
Maintenance Worker I Operations	10	45,000	29,161	-	550	-	74,711	93%	69,500	7%	5,211
Reservoir System Operator (5 Positions)	15	252,000	179,912	24,384	2,750	1,892	460,938	97%	447,100	3%	13,838
Plant Operator (2 Positions)	20	211,500	146,534	16,288	1,100	-	375,422	6%	22,600	94%	352,822
Plant Operator (4 Positions)	19	201,700	152,023	33,562	2,200	-	389,485	5%	18,500	95%	370,985
<b>TOTAL:</b>		<b>1,763,400</b>	<b>1,206,100</b>	<b>106,000</b>	<b>12,650</b>	<b>1,900</b>	<b>3,090,050</b>		<b>1,512,000</b>		<b>1,578,050</b>

TOTAL = 27 Positions

NOTE: A. PERCENTAGES ARE FROM THE AVERAGE OF FISCAL YEARS 2013 THROUGH 2016 BASED ON ACTUAL TIME RECORDS.  
B. PLANT OPERATOR TIME STUDY PERCENTAGES WERE ADJUSTED TO ACCOUNT FOR THE VALUE OF THE SHIFT DIFFERENTIAL PROVIDED TO THE RESERVOIR

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**DIRECT EXPENSE BUDGET (40) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL  
YEAR 2018 AND EXPENDITURES THROUGH 3/31/17 FOR FISCAL YEAR 2017**

CODE	ACCOUNT	ADOPTED BUDGET FY17	PROPOSED BUDGET FY18	EXPENDITURES THRU 3/31/17
5200	ON-SITE RESIDENCE			
5211	HEATING FUEL			
5220	UTILITIES-ELECTRICAL SERVICE	90,500	90,500	68,122
5230	UTILITIES-GAS SERVICE & WATER	8,000	8,000	6,083
5240	UTILITIES-PROPANE			
5250	ELECTRICITY FOR PUMPING	336,300	301,000	232,120
5260	VEHICULAR FUEL			
5270	OIL & GREASE			
5280	TIRES			
5290	MAINTENANCE SUPPLIES	2,000	2,000	2,682
5300	MAINT. SUPPLIES- VEHICULAR EQUIPMENT			
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR			
5320	AGRICULTURAL SUPPLIES			
5330	MAINTENANCE OF EQUIPMENT	51,500	51,500	41,449
5340	SERVICE & MAINTENANCE CONTRACTS	39,750	42,450	8,781
5350	EQUIPMENT RENTAL	6,500	6,500	1,476
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	500	500	487
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	112,700	120,850	53,062
5390	PROTECTIVE SERVICES	227,528	279,000	171,946
5400	TELEPHONE	5,000	7,500	5,097
5410	POSTAGE & FREIGHT			
5420	DATA PROCESSING			
5430	PRINTING & OFFICE SUPPLIES	1,500	1,500	806
5440	SCIENTIFIC & PHOTOGRAPHIC	5,000	5,000	2,942
5450	DUES & SUBSCRIPTIONS			
5460	ADVERTISING	2,000	2,000	487
5470	TRAVEL & SUBSISTENCE			
5480	STAFF TRAINING & TUITION AID			
5490	FEES & PERMITS	33,900	35,500	31,255
5500	IN-LIEU TAXES	36,800	36,800	36,755
5510	SEDIMENT REMOVAL	59,000	59,000	0
<b>TOTALS</b>		<b>\$1,018,478</b>	<b>\$1,049,600</b>	<b>\$663,550</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR SYSTEM

**GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING  
EXPENSE BUDGET FOR FISCAL YEAR 2018 AND EXPENDITURES THROUGH 3/31/17 FOR  
FISCAL YEAR 2017**

ACCOUNT	ADOPTED BUDGET FY17	PROPOSED BUDGET FY18	EXPENDITURES THRU 3/31/17
REGULAR SALARIES & WAGES	\$1,816,150	\$1,777,950	\$1,251,480
OVERTIME-SALARIES & WAGES	106,000	106,000	61,005
FRINGE BENEFITS	1,036,961	1,036,100	880,558
RETIREE HEALTH BENEFITS	194,800	165,000	79,099
WORKERS' COMP. (SELF INSURED)	5,000	5,000	83
TOTAL SALARY, OVERTIME & FRINGE BENEFITS	\$3,158,911	\$3,090,050	\$2,272,225
ON-SITE RESIDENCE (WINDELER HOUSE)			
HEATING FUEL			
UTILITIES-ELECTRICAL SERVICE			
UTILITIES-GAS SERVICE & WATER			
UTILITIES-PROPANE			
ELECTRICITY FOR PUMPING			
VEHICULAR FUEL	22,450	33,225	9,629
OIL & GREASE	6,900	7,900	4,764
TIRES	6,000	6,500	2,149
MAINTENANCE SUPPLIES	27,300	27,300	7,750
MAINT. SUPPLIES- VEHICULAR EQUIPMENT	8,800	9,600	4,339
MAJOR SPECIAL VEHICLE SERVICE & REPAIR	29,000	42,600	16,866
AGRICULTURAL SUPPLIES	6,200	7,600	1,619
MAINTENANCE OF EQUIPMENT	7,500	10,450	3,200
SERVICE & MAINTENANCE CONTRACTS	13,100	19,150	7,039
EQUIPMENT RENTAL	3,000	3,400	1,603
HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	7,500	8,200	6,986
UNIFORMS			
SPECIAL & PROFESSIONAL SERVICES	3,600	3,600	1,112
PROTECTIVE SERVICES			
TELEPHONE	7,000	7,000	4,227
POSTAGE & FREIGHT	500	500	658
DATA PROCESSING	8,500	5,000	3,128
PRINTING & OFFICE SUPPLIES	7,300	7,800	4,059
SCIENTIFIC & PHOTOGRAPHIC	300	300	0
DUES & SUBSCRIPTIONS	3,000	3,000	469
ADVERTISING	1,500	1,500	417
TRAVEL & SUBSISTENCE	700	700	316
STAFF TRAINING & TUITION AID	11,400	11,400	4,941
FEES & PERMITS	7,700	7,700	2,259
IN-LIEU TAXES			
SEDIMENT REMOVAL			
SUB TOTALS	\$189,250	\$224,425	\$87,530
<b>TOTALS</b>	<b>\$3,348,161</b>	<b>\$3,314,475</b>	<b>\$2,359,755</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2018

	Adopted F/Y17	Proposed F/Y18
	<u>          </u>	<u>          </u>
1 HVAC/Dehumidifier Service	\$ 500	\$ 500
2 Instrumentation & Control System Service/Upgrade	3,000	3,000
3 Electrical Upgrade & Repair	14,000	14,000
4 Overhead Crane Service & Inspection	2,000	3,000
5 Fire & Intrusion Alarm Service	1,500	1,500
6 Potable Well/Septic Service	1,500	1,500
7 Fertilization-Dam Dike	3,750	3,750
8 Roadway Crack Sealing	1,500	2,000
9 Wood Debris Removal	2,500	2,500
10 Access Roadway Repairs	2,500	2,500
11 Roofing System Maintenance & Repair	4,000	4,000
12 Reservoir Transmission Line Clearing	3,000	3,000
13 Fios Fiber Optic for Security Cameras	<u>          -</u>	<u>          1,200</u>
 Total Service & Maintenance Contracts	 <u><u>\$ 39,750</u></u>	 <u><u>\$ 42,450</u></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 2018

	Adopted F/Y17	Proposed F/Y18
	<u>          </u>	<u>          </u>
1 Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2 Office Equipment/Computers	1,800	1,800
3 Waste Oil Disposal	200	200
4 Fire Extinguisher Service	1,100	1,100
5 UST Monitor Service	750	1,000
6 Building Maintenance	750	750
7 Internet Service	2,000	2,000
8 Janitorial Service	2,100	7,800
9 Vehicle Lift Inspection	400	500
10 Generator Service & Maintenance	<u>2,000</u>	<u>2,000</u>
 Total Service & Maintenance Contracts	 <u>\$ 13,100</u>	 <u>\$ 19,150</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 2018

	Adopted F/Y17	Proposed F/Y18
	<u>          </u>	<u>          </u>
1 Laboratory Services - Water Quality Sampling	\$ 2,000	\$ 2,000
2 Consultant Services	15,000	15,000
3 Services-USGS Cooperative Agreement	31,700	34,000
4 Annual Trustee Fund	9,500	9,500
5 Dam Management-Surveying	2,500	2,500
6 Wetland Monitoring Management	4,000	4,000
7 Lake Management Consultants	19,500	19,500
8 Engineering Services	2,500	2,500
9 Financial Advisory Services	1,000	4,850
11 USGS Gaging Station Squankum	<u>25,000</u>	<u>27,000</u>
Total Special & Professional Services	<u>\$ 112,700</u>	<u>\$ 120,850</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 2018

	Adopted F/Y17	Proposed F/Y18
	<hr/>	<hr/>
1 Pulmonary Testing	\$ 1,500	\$ 1,500
2 CDL Medical Testing	500	500
3 EAS Service	1,200	1,200
4 Pre-Employment Physicals	<hr/> 400	<hr/> 400
Total Special & Professional Services	<hr/> <b>\$ 3,600</b>	<hr/> <b>\$ 3,600</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**PROPOSED CAPITAL EQUIPMENT BUDGET**

FISCAL YEAR 2018

Description	(A)Addition (R)Replacement	Year of Purchase Vehicle/Equipment	Dollar Value	%	Manasquan Reservoir	Manasquan WTP/TS	Reservoir Depreciation Reserve	WTP/TS Depreciation Reserve
(I) SCOTT AIR PAK	(R) EQ481	2010	4,000	50/50	2,000	2,000	958	958
(I) 72" PLUGGER - (CORE AERATOR ATTACHMENT FOR SLOPE	(A)		3,000	100/0	3,000	0		
(I) MILLER SPECTRUM 625 EXTREME PLASMA CUTTER	(A)		2,800	50/50	1,400	1,400		
(I) TORO GROUNDMASTER FRONT MOUNT MOWER	(R) PE371	1999	26,000	100/0	26,000	0	13,803	0
TOTAL			35,800		32,400	3,400	14,761	958

*Per Resolution #861, dated 7/12/93 Asset Definition minimum is \$1,000.	0	
Less Amount charged to Reservoir Depreciation Reserve	14,761	
Less Amount charged to WTP/TS Depreciation Reserve		958

Total	17,640	2,443
Additional Depreciation Reserve		0
Estimate	\$17,600	\$2,443

NEW JERSEY WATER SUPPLY AUTHORITY  
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**PROJECTED FY 2018 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM**

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
<b>Property</b> Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood	\$618,526	\$207,930	\$50,886	\$877,342
<b>General/Products Liability</b> Limit \$1 million Deduct: \$150k	\$114,067	\$10,665	\$2,214	\$126,946
<b>Environmental Impairment Liability</b> Limit \$10 million Deduct: \$100k	\$21,456	\$2,006	\$417	\$23,879
<b>Workers' Compensation</b> Limit \$1 million	\$205,001	\$26,354	\$27,613	\$258,968
<b>Employer Liability</b> Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
<b>Umbrella Liability</b> Limit \$23 million	\$283,672	\$26,521	\$5,507	\$315,700
<b>Business Automobile</b> Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$6,813	\$1,210	\$277	\$8,300
<b>Management Liability</b> Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$44,961 \$5,092 <hr/> \$50,053	\$4,204 \$476 <hr/> \$4,680	\$873 \$99 <hr/> \$3,531 \$4,503	\$50,038 \$5,667 <hr/> \$3,531 \$59,236
<b>Travel Accident</b> Limit \$2 million	\$876	\$82	\$17	\$975
<b>TOTAL:</b>	\$1,300,464	\$279,448	\$91,434	\$1,671,346

NEW JERSEY WATER SUPPLY AUTHORITY  
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION  
 FUND FOR FISCAL YEAR 2018**

	<u>Amount</u>	
F/Y2016 Net Year-End Balance	\$ -	
Excess D/S Coverage FY2017	285,930.00	
<u>Overdraft</u>	<u>Invoice No.</u>	
<u>Received</u>	<u>Amount</u>	
NJ American	M-672	\$ 4,905.73
	M-658	147,507.30
	M-642	2,742.93
	M-643	<u>1,097.17</u>
		\$ 156,253.13
Used in FY17		<u>(27,609.90)</u>
Available for use in FY18		\$ 128,643.23

Additional Sources

Source Water Protection Fund	\$ 40,000.00
New Jersey American Overdrafts Summer 2016	-
<b>Total Available</b>	<u>454,573.23</u>
<b>Estimate for FY/18</b>	<u><b>\$ 454,600.00</b></u>

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

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

**ACCOUNT  
CODE**

**TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for Fiscal Year 2017.

	<u>Adopted F/Y17</u>	<u>Proposed F/Y18</u>
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	\$1,816,150	\$1,777,950
Overtime	106,000	106,000
Fringe Benefits	1,036,961	1,036,100
Retiree Health Benefits	194,800	165,000
Worker's Compensation (self-insured)	<u>5,000</u>	<u>5,000</u>
Total Salaries and Fringe Benefits	<u>\$3,158,911</u>	<u>\$3,090,050</u>
Allocation to Reservoir	<u>\$1,556,900</u>	<u>\$1,512,000</u>
Anticipated Decrease for F/Y18	\$44,900	

5120- OVERTIME  
5140

5150 FRINGE BENEFITS

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

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

5211 HEATING FUEL

This account covers the cost of heating oil.

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5220	<b><u>UTILITIES - ELECTRICAL SERVICE (OTHER THAN PUMPING)</u></b>  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	<b><u>NATURAL GAS</u></b>  This account covers the cost of heating portions of the Administration Building.
5240	<b><u>PROPANE</u></b>  This account covers the cost of propane fuel.
5250	<b><u>ELECTRICITY FOR PUMPING</u></b>  This account covers the cost of electricity to operate pumps at the Intake Pump Station and Reservoir Pump Station.
5260	<b><u>VEHICULAR FUEL</u></b>  This account covers the cost of unleaded regular and diesel fuel used by the Authority's motor vehicle fleet.
5270	<b><u>OIL AND GREASE</u></b>  This account covers the amount of oil and grease used by the Authority's motor vehicles and equipment. Also included in this account is mineral oil and those specialty oils used in the pumps and motors at the Intake Pump Station, Reservoir Pump Station, Flow Meter/Valve Chamber, Inlet/Outlet Tower and Water Treatment Plant.
5280	<b><u>TIRES</u></b>  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	<b><u>MAINTENANCE SUPPLIES</u></b>  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 2018 OPERATING EXPENSE ACCOUNTS**

**ACCOUNT  
CODE**

**TITLE**

5300            **MAINTENANCE SUPPLIES - VEHICULAR EQUIPMENT**

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

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

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

5320            **AGRICULTURE SUPPLIES**

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

5330            **MAINTENANCE OF EQUIPMENT**

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

5340            **SERVICE AND MAINTENANCE CONTRACTS**

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

5350            **EQUIPMENT RENTAL**

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



**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5360	<p><b><u>HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES</u></b></p> <p>This account covers the cost of materials and supplies of a consumable nature. Covered in this account are such items as janitorial and sanitary supplies, locks and keys, fire extinguishers, first aid and safety supplies, film rentals and related costs for in-house programs, and materials handling and labeling supplies.</p>
5380	<p><b><u>SPECIAL AND PROFESSIONAL SERVICES</u></b></p> <p>This account covers the estimated cost of professional services such as attorneys, physicians, annual audit fee, Governor's Authority Unit, court reporters, temporary services, engineers, consultants, laboratory services, gaging station agreement, CSL testing service, employee assistance services, etc.</p>
5390	<p><b><u>PROTECTIVE SERVICES</u></b></p> <p>This account covers the yearly cost of insurance premiums prorated to the Manasquan Reservoir System, covering General Liability, Workmen's Compensation, Vehicular, etc.</p>
5400	<p><b><u>TELEPHONE</u></b></p> <p>This account covers direct telephone charges including charges for repairs, equipment rental and related expenses.</p>
5410	<p><b><u>POSTAGE AND FREIGHT</u></b></p> <p>This account covers all postage costs including express and overnight mail. Also covered in this account are charges for incoming and outgoing freight when applicable.</p>
5420	<p><b><u>DATA PROCESSING</u></b></p> <p>This account covers charges for production of payrolls and required reports under contract with ADP.</p>
5430	<p><b><u>PRINTING AND OFFICE</u></b></p> <p>This account covers the cost of computer supplies, computer software, letterhead, envelopes, publication costs and forms, archiving of our records, duplication products and all other stationery materials and supplies necessary for the operation of the office. Items that are classified as furniture and equipment with a value of \$1,000 or more are not to be included in this account. Items ordered directly from a vendor or withdrawn from inventory shall be included in this account.</p>

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

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

## DESCRIPTION OF RESERVE ACCOUNTS

### **Self Insurance Reserve (Liability)**

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

### **Depreciation Reserve Account**

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

### **Reserve for Operations and Maintenance**

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

### **Renewal and Replacement Reserve**

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

### **Sediment Reserve**

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

### **Reserve for Formal Dam Inspection**

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

### **Other Post-Employment Benefits Reserve**

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

# NEW JERSEY WATER SUPPLY AUTHORITY



**RARITAN BASIN SYSTEM**

**FISCAL YEAR 2018 BUDGET**

(July 1, 2017 - June 30, 2018)

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**ADOPTED**

FISCAL YEAR 2018 BUDGET  
(July 1, 2017 – June 30, 2018)

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NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**PROPOSED FISCAL YEAR 2018 BUDGET SUMMARY**

(7/1/17-6/30/18)

	ADOPTED F/Y2017 BUDGET	PROPOSED F/Y2018 BUDGET
Proposed Operating Expense Budget (Schedule 3)	\$ 13,491,339	\$ 13,890,887
Proposed Capital Equipment Budget (Schedule 5)	182,900	104,600
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 1)	(744,000)	(763,000)
 Total Operating Expense Budget & Capital Equipment Budget	 \$ 12,930,239	 \$ 13,232,487
 Contributions to Debt Service and Reserve Funds		
Depreciation Reserve	\$ -	\$ -
Other Post Employment Benefits Reserve	181,000	-
Pumping Reserve	150,000	150,000
Formal Dam Inspection Reserve	10,000	10,000
Capital Equipment Reserve	150,000	150,000
Debt Service Fund (NJEIFP Debt)	1,664,100	5,672,032
Capital Fund Component	2,196,273	2,196,442
Source Water Protection Component	1,597,290	1,597,412
Total Contributions to Debt Service and Reserve Funds	\$ 5,948,663	\$ 9,775,886
 Total Proposed Budget	 \$ 18,878,902	 \$ 23,008,373
 Revenues		
Operating and Maintenance Component	\$ 11,404,279	\$ 12,667,597
NJEIFP Debt Service	1,664,100	5,672,032
Capital Fund Component	2,196,273	2,196,442
Source Water Protection Program Component	1,597,290	1,597,412
 Funds to be Appropriated from Rate Stabilization Fund (Schedule 2)	 1,929,360	 781,990
Employee Housing	47,200	47,200
Receivable from State of NJ	5,000	5,000
Interest Earnings	35,400	40,700
Total Revenue	\$ 18,878,902	\$ 23,008,373

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**

FY2002-FY2018

Effective Date	O&M Charge	1981 Bond Charge 7/1/86-10/30/06	1998 Bond Charge 8/1/98-11/1/13	2018 Bond Component 8/1/13-8/1/23	Capital Fund Component	Source Water Protection Component	Total Charge per MG	Percent Increase -Decrease
July 1, 2002	105.46	31.73	49.28		13.53	5.00	\$205.00	0.00%
July 1, 2003	111.68	31.62	49.15		7.55	10.00	\$210.00	2.44%
July 1, 2004	122.75	28.31	41.71		12.23	10.00	\$215.00	2.38%
July 1, 2005	111.80	28.24	41.51		20.45	13.00	\$215.00	0.00%
July 1, 2006	133.13	19.55	41.32		21.00	13.00	\$228.00	6.05%
July 1, 2007	138.71		\$41.29		\$33.00	15.00	\$228.00	0.00%
July 1, 2008	142.34		\$40.66		\$33.00	15.00	\$231.00	1.32%
July 1, 2009	142.39		\$40.61		\$33.00	15.00	\$231.00	0.00%
July 1, 2010	142.55		\$40.45		\$33.00	15.00	\$231.00	0.00%
July 1, 2011	145.66		\$40.34		\$30.00	15.00	\$231.00	0.00%
July 1, 2012	145.84		\$40.16		\$30.00	15.00	\$231.00	0.00%
July 1, 2013	152.00			\$25.00	\$30.00	24.00	\$231.00	0.00%
July 1, 2014	167.00			25.00	30.00	24.00	\$246.00	6.49%
July 1, 2015	171.00			25.00	33.00	24.00	\$253.00	2.85%
July 1, 2016	171.00			25.00	33.00	24.00	\$253.00	0.00%
July 1, 2017	194.00			85.00	33.00	24.00	\$336.00	32.81%

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 2018  
(7/1/17-6/30/18)

	<b>Total Headquarters Charge</b>	<b>Manasquan Reservoir System</b>	<b>Manasquan WTP/TS</b>
Budgeted-Appendix I, amount to be charged to Manasquan System for F/Y18 (7/1/17-6/30/18)	\$792,622	\$682,867	\$109,755
F/Y16 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y16 (7/1/15-6/30/16). Amounts paid during F/Y16 to Raritan Basin System.	\$737,000	\$640,000	\$97,000
Actual allocation based upon audited expenditures F/Y16 (7/1/15-6/30/16) - Appendix II	<u>\$707,416</u>	<u>\$609,460</u>	<u>\$97,956</u>
Adjustments F/Y16	<u>(\$29,584)</u>	<u>(\$30,540)</u>	<u>\$956</u>
Net Allocation for F/Y2018 Budget	<u><u>\$763,038</u></u>	<u><u>\$652,327</u></u>	<u><u>\$110,711</u></u>
 Estimate	 <u>\$763,000</u>	 <u>\$652,000</u>	 <u>\$111,000</u>



NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**UNANTICIPATED REVENUE**

FUNDS TO BE APPROPRIATED INTO THE RATE STABILIZATION FUND FOR FISCAL YEAR 2018

	<u>Amount</u>
F/Y2016 Net Year-End Balance	\$514,655

<u>Overdrafts</u>	<u>Invoice No.</u>	<u>Billed</u>	<u>Amount</u>	
City of New Brunswick	1084	12/02/15	\$41,066.15	
Hamilton Farms	1082	12/02/15	78.68	
Heron Glen	1083	12/02/15	290.33	
NJ American	1080	12/02/15	269,423.75	
	1150	03/07/16	78,012.04	
Raritan Valley Country Club	1122	1/15/16	3,275.39	
	1085	12/02/15	4,210.33	
Roxiticus	1086	12/02/15	667.79	
	1149	03/02/16	331.17	
Royce Brook Golf Club	1087	12/02/15	159.43	
Somerset County Park Commission	1088	12/02/15	87.88	
Stonebridge Community Associates	1135	02/03/16	502.04	
	1081	12/02/15	179.90	
Township of East Brunswick	1079	12/02/15	10,448.39	
Trump National Golf Course	1089	12/02/15	1,951.43	
Washington Twp. MUA	1090	12/02/15	115.19	
		Total	\$410,799.89	
		Amount used in FY2017	<u>-\$206,052.00</u>	
		NET		\$204,748

Overdrafts Not Billed, Accrued through July, 2016

NJ American, Raritan Valley Country Club, Royce Brook Golf Club, Roxiticus, Somerset County Parks, Trump National Golf Course	\$62,589
<u>Other Sources of Funds</u>	

	<u>Grand Total</u>	<u>\$781,992</u>
	FY18 Budget	<u>\$781,990</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2018 AND EXPENDITURES  
THROUGH 3/31/17 FOR FISCAL YEAR 2017**

<b>CODE</b>	<b>ACCOUNT</b>	<b>ADOPTED BUDGET FY17</b>	<b>PROPOSED BUDGET FY18</b>	<b>EXPENDITURES THRU 3/31/17</b>
5110	REGULAR SALARIES & WAGES	\$5,886,650	\$5,990,050	\$3,971,740
5120	OVERTIME-SALARIES & WAGES	190,000	214,500	184,283
5150	FRINGE BENEFITS	3,171,500	3,172,900	2,692,341
5160	RETIREE HEALTH BENEFITS	1,045,500	1,092,100	666,699
5168	WORKERS' COMP. (SELF INSURED)	10,000	10,000	970
	TOTAL SALARY, OVERTIME & FRINGE BENEFITS	\$10,303,650	\$10,479,550	\$7,516,033
5201	ON-SITE RESIDENCE	\$35,600	\$26,600	\$21,431
5210	HEATING FUEL	107,100	91,800	51,959
5220	UTILITIES-ELECTRICAL SERVICE	112,500	110,500	73,190
5230	UTILITIES-GAS SERVICE & WATER	5,000	4,800	3,214
5240	UTILITIES-PROPANE	200	500	219
5250	ELECTRICITY FOR PUMPING	92,000	92,000	160,430
5260	VEHICULAR FUEL	159,000	159,000	70,101
5270	OIL & GREASE	8,700	9,200	7,373
5280	TIRES	29,000	28,000	10,080
5290	MAINTENANCE SUPPLIES	194,300	183,800	110,800
5300	MAINT. SUPPLIES-VEHICULAR EQUIPMENT	48,000	56,000	42,984
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR	80,000	90,000	26,870
5320	AGRICULTURAL SUPPLIES	5,000	5,500	2,488
5330	MAINTENANCE OF EQUIPMENT	44,200	36,400	26,998
5340	SERVICE & MAINTENANCE CONTRACTS	197,600	234,500	152,276
5350	EQUIPMENT RENTAL	38,050	51,550	19,568
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	31,600	33,800	29,799
5370	UNIFORMS	6,800	8,620	1,874
5380	SPECIAL & PROFESSIONAL SERVICES	498,140	491,839	270,809
5390	PROTECTIVE SERVICES	1,105,215	1,300,000	849,465
5400	TELEPHONE	75,000	83,000	62,099
5410	POSTAGE & FREIGHT	7,600	7,680	5,130
5420	DATA PROCESSING	42,284	38,788	26,657
5430	PRINTING & OFFICE SUPPLIES	52,150	51,800	25,236
5440	SCIENTIFIC & PHOTOGRAPHIC	500	500	168
5450	DUES & SUBSCRIPTIONS	40,600	40,530	28,118
5460	ADVERTISING	3,500	4,500	22,330
5470	TRAVEL & SUBSISTENCE	6,500	6,580	4,393
5480	STAFF TRAINING & TUITION AID	19,050	20,050	13,822
5490	FEES & PERMITS	123,800	124,800	103,364
5500	IN-LIEU TAXES	18,700	18,700	18,689
	SUB TOTALS	\$3,187,689	\$3,411,337	\$2,241,934
	<b>TOTALS</b>	<b>\$13,491,339</b>	<b>\$13,890,887</b>	<b>\$9,757,967</b>

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**COMPARATIVE STATEMENT FISCAL YEAR 2018**

CODE	ACCOUNT	FY'14 ACTUAL	FY'15 ACTUAL	FY'16 ACTUAL	FY'17 ADOPTED	FY'18 PROPOSED
5110	Regular Salaries & Wages	\$5,227,901	\$5,232,036	\$5,327,730	\$5,886,650	\$5,990,050
5120	Overtime-Salaries & Wages	186,907	176,438	193,406	190,000	\$214,500
5130	New positions-Salaries & Wages	0	0	0	0	\$0
5162	Retiree Unused Sick & Vacation	41,044	38,788	0	0	\$0
5150	Fringe Benefits	2,549,057	2,478,311	2,754,466	3,171,500	\$3,172,900
5167	Retiree Health Benefits	711,226	769,820	812,707	1,045,500	\$1,092,100
5168	Workers Comp. (Self Insured)	4,384	5,707	850	10,000	\$10,000
	Total Salary & Fringe	8,720,519	8,701,100	9,089,159	10,303,650	10,479,550
	Budget Salary & Fringe	\$9,700,250				
5200	Residences	\$85,031	\$77,320	\$25,013	\$35,600	\$26,600
5211	Heating Fuel	99,709	71,915	31,683	107,100	91,800
5220	Utilities -Electrical Service	106,609	105,818	80,151	112,500	110,500
5230	-Gas Service	4,980	4,234	4,093	5,000	4,800
5240	-Propane	520	271	834	200	500
5250	Electricity for Pumping Station	77,401	79,790	134,865	92,000	92,000
5260	Fuel - Vehicular	144,641	143,557	78,973	159,000	159,000
5270	Oil & Grease	5,222	6,041	5,606	8,700	9,200
5280	Tires	31,557	23,157	16,712	29,000	28,000
5290	Maintenance Supplies	161,555	147,168	152,302	194,300	183,800
5300	Maint. Supplies - Vehicular	51,614	47,617	69,029	48,000	56,000
5310	Major Vehicle Service & Repair	102,034	72,802	70,229	80,000	90,000
5320	Agricultural Supplies	653	3,008	2,550	5,000	5,500
5330	Maintenance Equipment	35,808	26,502	34,487	44,200	36,400
5340	Serv. & Maintenance Contracts	167,202	184,660	217,681	197,600	234,500
5350	Equipment Rental	60,514	42,988	38,002	38,050	51,550
5360	Household - Safety Supplies	26,771	26,899	31,543	31,600	33,800
5370	Uniforms	3,266	4,828	6,362	6,800	8,620
5380	Special & Professional Services	411,176	436,850	493,339	498,140	491,839
5390	Protective Services	1,133,656	1,188,766	1,142,799	1,105,215	1,300,000
5400	Telephone	73,113	83,797	81,248	75,000	83,000
5410	Postage & Freight Out	3,464	6,157	6,893	7,600	7,680
5420	Data Processing	36,203	40,023	36,336	42,284	38,788
5430	Printing & Office Supplies	56,904	46,225	42,595	52,150	51,800
5440	Scientific & Photographic	0	995	478	500	500
5450	Dues & Subscriptions	33,520	34,206	35,063	40,600	40,530
5460	Advertising & Promotional	5,925	3,898	5,746	3,500	4,500
5470	Travel & Subsistence	2,939	2,274	4,695	6,500	6,580
5480	Staff Training & Tuition Aid	11,220	8,352	9,507	19,050	20,050
5490	Fees & Permits	114,616	113,970	123,539	123,800	124,800
5500	In - Lieu Taxes	18,689	18,689	18,689	18,700	18,700
	Total Other Expenses	\$3,066,512	\$3,052,777	\$3,001,045	\$3,187,689	\$3,411,337
	Total Operating Expenses	\$11,787,031	\$11,753,877	\$12,090,204	\$13,491,339	\$13,890,887
	Annual Increase (Decrease)	-0.14%	-0.28%	2.86%	11.59%	2.96%
	Budget -other expenses	3,077,600	3,290,600	3,365,700	3,187,689	
	ANNUAL BUDGET	\$12,777,850	\$12,823,900	\$13,157,000	\$13,491,339	

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**PROPOSED CAPITAL EQUIPMENT BUDGET**

FOR FISCAL YEAR 2018  
(7/1/17-6/30/18)

	Description	(R) Replacement (A) Addition	Year of Purchase	Dollar Value	Depreciation Reserve
<b>INFORMATION SYSTEMS</b>	(1) LAPTOP ADMIN	(R) FF2095	2008	1,500	1,159
	(1) LAPTOP WATERSHED	(R) FF2128	2009	1,500	1,565
	(1) LAPTOP ADMIN	(R) FF2184	2011	1,500	1,240
	(1) LAPTOP WATERSHED	(R) FF1943	2004	1,500	1,723
<b>FACILITIES</b>	(1) A/C UNIT FOR ENGINEER'S OFFICE SBPS	(A)		3,000	
	(1) ELECTRIC CHAIN HOIST SBPS	(R) EQ1854	2002	3,000	2,681
	(1) SINGLE DOOR - BAY 19	(R) ORIGINAL		3,500	
	(1) NJWA-04 REPLACEMENT	(R) TR2000	2006	35,000	24,617
<b>GROUNDS</b>	(2) BRUSH HOG MOWER DECKS	(R) EQ2064/EQ2065	2007	14,000	5,636
	(1) 6-7 TON DECK OVER TRAILER	(R) TR1631	1998	7,000	4,925
	(1) 22" STUMP CUTTER ATTACHMENT FOR POWER TRAC	(A)		2,200	
	(1) 18 CU. FT. BUCKET ATTACHMENT FOR POWER TRAC	(A)		1,000	
<b>CANAL</b>	(1) NJWA-09 PICKUP W/CAP	(R) TR2198	2011	35,000	22,528
	(1) NJWA-39 CLASS II PICKUP 4WD	(R) TR2001	2006	40,000	20,377
	(1) FLAIL MOWER (90") W/SPARE BLADES	(R) PE1778	2000	9,000	2,629
	(1) NJWA-52 MACK ROLLOFF	(R) TR0811	1988	225,000	71,877
<b>AUTO SHOP</b>	(1) PASSENGER/LIGHT TRUCK TIRE BALANCER -CANAL	(R) EQ1953	2005	7,000	2,996
	(1) VEHICLE FLEET MANAGEMENT SOFTWARE -CANAL	(R) FF1109	1990	3,500	2,000
<b>SAFETY</b>	(2) REPLACE TWO AED UNITS	(R) EQ2203/EQ2204	2012	4,000	2,642
<b>SECURITY</b>	(1) SECURITY VEHICLE - NJWA-03 FORD EXPLORER	(R) TR2235	2014	32,000	6,964

	TOTAL COST	\$430,200	\$175,559
LESS AMOUNT CHARGED TO DEPRECIATION RESERVE		(175,559)	
	NET TOTAL	\$254,641	
LESS AMOUNT CHARGED TO CAPITAL EQUIPMENT RESERVE		(\$150,000)	
	TOTAL	\$104,641	
	AMOUNT FUNDED FOR FY2018	<b>\$104,600</b>	

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NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS**

FISCAL YEAR 2018

	ADOPTED F/Y17	PROPOSED F/Y18
1. Postage/Fax/ Misc. Machines (Dept. 16)	\$1,500	\$1,500
2. HIS-Safety Software (Dept. 17)	1,700	1,700
3. GO DADDY.COM - Remote Access Certificates (Dept. 17)	300	300
4. WMWARE (Dept. 17)	500	500
5. Sage MAS 200 (Dept. 17)	4,500	0
6. Clients First MAS 100 (Dept. 17)	0	4,750
7. Western Technologies NJ Parcel Maps (Dept. 17)	1,300	1,400
8. Sage Fixed Asset (Dept. 17)	2,500	2,250
9. PV & Associates-Winslamm (Dept. 17)	500	500
10. People Trak Support Technical Difference (Dept. 17)	1,000	1,000
11. COMCAST - Cable Internet (Dept. 17)	4,280	4,280
12. Essention - Conservation Trak	2,500	5,000
13. Pure Host Web Hosting Administration (Dept. 17)	200	200
14. Pure Host Web Hosting Watershed (Dept. 17)	250	250
15. Symantec Anti-Virus Maintenance-Clinton (Dept. 17)	2,200	2,500
16. Sonic Wall Software (Dept. 17)	1,200	1,200
17. ESRI ArcView Maintenance-Watershed (Dept. 17)	5,400	5,400
18. CU Riverware Maintenance Agreement (Dept. 17)	3,400	3,400
19. McAfee Antispam (Dept. 17)	1,500	1,500
20. River Morph (Dept. 17)	500	500
21. DLT Solutions Autocad (Dept. 17)	1,500	1,500
22. Fastrax SBPS Monitoring Software (Dept. 17)	900	900
23. ESRI ArcView Maintenance-Clinton (Dept. 17)	800	800
24. Keystone Precision-GPS Software Maint. (Dept. 17)	800	800
25. HAAS Systems-Security Alarm Software Maint. (Dept. 17)	400	400
26. Clients First-Vipre Antivirus/Antispam (Dept. 17)	250	250
27. EZ Watch Security Video (Dept. 17)	900	900
28. Clients First - Server Software (Dept. 17)	1,000	1,000
29. Delmar Enterprises - Key Systems (Dept. 17)	520	520
30. Docusign (Dept. 17)	0	400
31. Yahoo for River Friendly (Dept. 20)	100	100
32. Refuse Collection (Dept. 31)	11,900	11,900
33. Janitorial Service (Dept. 31)	15,500	15,500
34. HVAC Service (Dept. 31)	5,500	5,500
35. Electrician & Plumber Services (Dept. 31)	5,000	5,000

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NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS**

FISCAL YEAR 2018

	ADOPTED F/Y17	PROPOSED F/Y18
36. Instrumentation Services (Dept. 31)	\$4,500	\$4,500
37. Entry Rugs (Dept. 31)	2,700	5,000
38. Carpet Cleaning (Dept. 31)	2,300	8,000
39. Generator Service-Administration Building (Dept. 31)	1,200	1,200
40. Underground Plant Location Service Notifications (Dept. 31)	1,000	1,500
41. Crane Service and Inspection (Dept. 31)	1,200	1,200
42. Elevator Service-SBPS (Dept. 31)	2,800	2,800
43. Electrical Service-SBPS (Dept. 31)	6,400	20,000
44. Miscellaneous (Dept. 31)	0	6,900
45. Floor Cleaning Maintenance-Office (Dept. 32)	2,400	2,600
46. Janitorial Service (Dept. 32)	7,300	8,000
47. Dumpster Service Canal Office (Dept. 32)	3,000	12,000
48. Dumpster Service Route 1 (Dept. 32)	31,000	30,000
49. Dumpster Service-Extra (Dept. 32)	2,000	2,000
50. Instrumentation Testing (Dept. 32)	1,000	1,000
51. Floor Mats (Dept. 32)	1,000	2,400
52. Grass Mowing Service (Dept. 32)	5,800	6,000
53. Boiler Service (Dept. 32)	300	500
54. Wood Disposal Fees (Dept. 32)	3,100	3,100
55. Generator Service-Scudders & Perdicaris (Dept. 32)	3,000	3,000
56. Vac Truck Service-IFW, 10 Mile PS (Dept. 32)	3,900	4,200
57. Tire Recycling (Dept. 32)	1,000	0
58. Floor Mats (Dept. 33)	2,800	0
59. Carpet Cleaning (Dept. 33)	8,000	0
60. Welco Gas (Dept. 33)	600	1,000
61. Parts Washer & Hazardous Removal (Dept. 34)	1,000	1,000
62. Boom Lift Annual Inspection (Dept. 34)	0	900
63. Recycle Used Vehicle Fluids (Dept. 35)	0	500
64. Fire Extinguisher Maintenance (Dept. 36)	7,000	7,000
65. Hazardous Waste Control (Dept. 36)	1,500	1,500
66. Fire Alarm Testing (Dept. 36)	8,000	8,000
67. Vehicle Lifts Annual Testing (Dept. 36)	1,500	1,500
68. Delaware Electric Cellular Service (Dept. 37)	0	600
69. Dial My Calls (Dept. 37)	0	1,000
70. Miscellaneous (Dept. 37)	0	2,000
<b>TOTAL</b>	<u>\$197,600</u>	<u>\$234,500</u>

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES**

FISCAL YEAR 2018

	ADOPTED F/Y17	PROPOSED F/Y18
1. Services-Governor's Authorities Unit (Dept. 10)	\$25,000	\$25,000
2. Consultant-C.P.A. to Conduct Annual Audit (Dept. 13)	60,610	62,495
3. Services-GFOA Certificate Fee (Dept. 13)	500	500
4. 125 Plan-Family security Insurance Agency (Dept. 13)	2,730	2,496
5. Archiving (Dept. 13)	5,000	0
6. Services-Pre-Employment Exams & Tests (Dept. 14)	2,400	3,300
7. Fidelifax-Background Checks (Dept. 14)	1,600	2,248
8. Medical CDL Drug Testing (Dept. 14)	1,600	1,600
9. Employee Advisory Service (Dept. 14)	2,500	2,500
10. Consultant-Risk Management - to provide assistance to the Authority in the review of insurance coverage and continuation of a Comprehensive Coordinated Risk Management Program (Dept. 15)	29,000	36,500
11. Insurance Broker-HRH (Dept. 15)	42,000	40,000
12. GL Administrator (ESIS) (Dept. 15)	800	800
13. Services-Attorney General's Office - Assistance of Deputy Attorney General concerning a wide range of legal matters (Dept. 15)	40,000	40,000
14. Miscellaneous (Dept. 15)	10,000	10,300
15. Water Monitoring Costs - USGS SR @ Glen Gardner (Dept. 20)	15,100	17,600
16. Water Monitoring Costs - USGS Mulhockaway @ Van Syckel (Dept. 20)	5,400	5,500
17. Water Monitoring Costs - USGS Lockatong Creek @ Raven Rock (Dept. 20)	11,900	0
18. Water Monitoring Costs - USGS Raritan River @ Manville (Dept. 20)	44,300	45,100
19. USGS Continuous Water Quality for D&R Canal, Landing Lane (Dept. 20)	33,600	34,100
20. Water Monitoring-SBWA/URWA now RHA (Dept. 20)	2,000	2,000
21. Water Monitoring-SBMWA (Dept. 20)	1,500	1,500

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES**

FISCAL YEAR 2018

	ADOPTED <u>F/Y17</u>	PROPOSED <u>F/Y18</u>
22. Dash for the Trash (Dept. 20)	\$1,000	\$1,000
23. Lab Certification WPU/Water Sample Analysis (Dept. 20)	1,500	1,500
24. NJ Invasive Species Strike Team (Dept. 20)	300	300
25. Lockatong ISCO Monitoring (Dept. 20)	4,000	5,600
26. D&R Canal ISCO Monitoring (Dept. 20)	4,000	1,300
27. Cedar Grove Brook ISCO Monitoring (Dept. 20)	0	2,600
28. Services-Emergency Engineering Services (Dept 30)	2,500	2,500
29. Underground Storage Tank-CEA Report (Dept. 30)	11,000	11,000
30. Underground Storage Tank Groundwater Test (Dept. 30)	2,500	2,500
31. Services - USGS Cooperative Agreement River Gauging - Maintenance of Raritan Basin Stream Gauging Stations and the Delaware & Raritan Canal Gauging at Kingston per USGS/DWR/NJWSA Agreement (Dept. 31)	72,000	68,000
32. Services-USGS Spruce Run Gauging	17,000	17,000
33. Maintenance of two stations on Streams feeding Spruce Run not covered under State Cooperative Agreement (Dept. 31)		
34. Water Testing and Sampling to comply with the Safe Water Drinking Act (Dept. 31)	2,400	2,400
35. Services-Water Sampling and Testing as per NJDWR Requirements - A) RT 202 Stockpile Site (Dept 32)	5,500	5,700
36. Maintenance of USGS Gauges at Washington Crossing and Pricaris Waste Gate (Dept. 32)	20,000	20,000
37. Safety Suggestion Program, Poster and Promotional Materials, Safety Incentive Program (Dept. 36)	9,700	9,700
38. Pulmonary Testing and Physicals (Dept. 36)	5,000	5,000
39. Annual Contributions to Fire Companies and Rescue Squads (Dept. 36)	500	500
40. Hepatitis Vaccinations (Dept. 36)	800	800
41. Calibration for the Pota-Count Respirator (Dept. 36)	900	900
<b>TOTAL</b>	<u>\$498,140</u>	<u>\$491,839</u>



NEW JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**PROJECTED FY 2018 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM**

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
<b>Property</b> Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood	\$618,526	\$207,930	\$50,886	\$877,342
<b>General/Products Liability</b> Limit \$1 million Deduct: \$150k	\$114,067	\$10,665	\$2,214	\$126,946
<b>Environmental Impairment Liability</b> Limit \$10 million Deduct: \$100k	\$21,456	\$2,006	\$417	\$23,879
<b>Workers' Compensation</b> Limit \$1 million	\$205,001	\$26,354	\$27,613	\$258,968
<b>Employer Liability</b> Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
<b>Umbrella Liability</b> Limit \$23 million	\$283,672	\$26,521	\$5,507	\$315,700
<b>Business Automobile</b> Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$6,813	\$1,210	\$277	\$8,300
<b>Management Liability</b> Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$44,961 \$5,092 <hr/> \$50,053	\$4,204 \$476 <hr/> \$4,680	\$873 \$99 <hr/> \$3,531 \$4,503	\$50,038 \$5,667 <hr/> \$3,531 \$59,236
<b>Travel Accident</b> Limit \$2 million	\$876	\$82	\$17	\$975
<b>TOTAL:</b>	\$1,300,464	\$279,448	\$91,434	\$1,671,346

JERSEY WATER SUPPLY AUTHORITY  
RARITAN BASIN SYSTEM

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 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 2017.

	Adopted F/Y17	Proposed F/Y18
Budgeted Positions	99	99
Expenditures:		
Regular Salaries	\$5,886,650	\$5,990,050
Overtime	190,000	214,500
Fringe Benefits	3,171,500	3,172,900
Retiree Health Benefits	1,045,500	1,092,100
Worker's Compensation (self-insured)	10,000	10,000
Total Salaries and Fringe Benefits	\$10,303,650	\$10,479,550
Anticipated Increase for F/Y18		\$175,900

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.

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5211	<u>HEATING FUEL</u>  This account covers the cost of heating the Administration Building, South Branch Pumping Station, Langenfelder Maintenance Barn, and Facilities Maintenance Building.
5220	<u>UTILITIES - ELECTRICAL SERVICE (other than pumping)</u>  This account covers regular electrical use at the Administration Building, South Branch Pumping Station, Langenfelder Maintenance Barn, Reservoir Towers (3) and Vaults (3), Whitehouse Station Release Works, the Raritan Basin System Canal Office, gates and telemarks and street lighting for security and safety purposes.
5230	<u>UTILITIES - GAS SERVICE &amp; WATER</u>  This account covers the cost of natural gas at the Raritan Basin System Canal Office. Also covered in this account is the potable water charge at the Langenfelder Maintenance Barn, and South Branch Pumping Station.
5240	<u>PROPANE</u>  This account covers the cost of propane fuel at the South Branch Pumping Station.
5250	<u>ELECTRICITY FOR PUMPING</u>  This account covers the cost of electricity to operate pumps at the South Branch Pumping Station. Any unanticipated pumping other than normal pumping at the Ten Mile Lock Pumping Station will be charged to the Pumping Reserve.
5260	<u>VEHICULAR FUEL</u>  This account covers the cost of unleaded regular and diesel fuel used by the Authority's motor vehicles.
5270	<u>OIL &amp; GREASE</u>  This account covers the amount of oil and grease used by the Authority's motor vehicles. Also included in this account is mineral oil and those specialty oils used in the pumps and motors at the South Branch Pumping Station and the Ten Mile Lock Pumping Station.

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5280	<b><u>TIRES</u></b>  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	<b><u>MAINTENANCE SUPPLIES</u></b>  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	<b><u>MAINTENANCE SUPPLIES - VEHICULAR EQUIPMENT</u></b>  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	<b><u>MAJOR - SPECIALIZED SERVICE AND REPAIR</u></b>  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	<b><u>AGRICULTURE SUPPLIES</u></b>  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	<b><u>MAINTENANCE OF EQUIPMENT</u></b>  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 2018 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5340	<b><u>SERVICE AND MAINTENANCE CONTRACTS</u></b>  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	<b><u>EQUIPMENT RENTAL</u></b>  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	<b><u>HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES</u></b>  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	<b><u>UNIFORMS</u></b>  This account covers uniforms and related items for Security, Auto Shop Personnel, Survey Crew and Canal Flow Controlmen.
5380	<b><u>SPECIAL AND PROFESSIONAL SERVICES</u></b>  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	<b><u>PROTECTIVE SERVICES</u></b>  This account covers the yearly cost of insurance premiums prorated to the Raritan Basin System, covering General Liability, Workmen's Compensation, Vehicular, Etc.
5400	<b><u>TELEPHONE</u></b>  This account covers direct telephone charges for repairs, equipment rental and related expenses.

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

<b><u>ACCOUNT CODE</u></b>	<b><u>TITLE</u></b>
5410	<b><u>POSTAGE AND FREIGHT</u></b>  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	<b><u>DATA PROCESSING</u></b>  This account covers charges for production of payrolls and required reports under contract with ADP.
5430	<b><u>PRINTING AND OFFICE</u></b>  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	<b><u>SCIENTIFIC AND PHOTOGRAPHIC</u></b>  This account covers the cost of photographic supplies, blueprinting supplies, surveying and engineering supplies, and other charts.
5450	<b><u>DUES AND SUBSCRIPTIONS</u></b>  This account covers the cost of subscriptions to newspapers, magazines, periodicals, reference books, other publications and membership fees in professional societies and associations.
5460	<b><u>ADVERTISING</u></b>  This account covers the cost of legal and classified advertising in newspapers for bids and recruiting.
5470	<b><u>TRAVEL AND SUBSISTENCE</u></b>  This account covers the cost of travel and subsistence expenses reimbursable to an employee or chargeable to the Authority under the provisions of, "The Regulations Governing Employee Expense Reimbursements". It includes travel expense, employee allowances, entertainment of business guests, staff and departmental meal expenses. It will also cover registration fees for attendance at meetings or conventions.

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018 OPERATING EXPENSE ACCOUNTS**

**ACCOUNT  
CODE**

**TITLE**

5480            **STAFF TRAINING AND TUITION AID**

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

5490            **FEES AND PERMITS**

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

5500            **IN-LIEU TAXES**

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

## DESCRIPTION OF RESERVE ACCOUNTS

### **Major Rehabilitation Fund**

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

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

### **Depreciation**

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

### **Pumping Reserve**

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

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

### **Operating Fund (O & M Reserve)**

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

### **Self-Insurance Reserve**

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

### **Reserve for Formal Dam Inspection**

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



### **Capital Equipment Reserve**

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

### **Other Post-Employment Benefits Reserve**

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

# NEW JERSEY WATER SUPPLY AUTHORITY



## MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

### FISCAL YEAR 2018 BUDGET

(July 1, 2017 - June 30, 2018)

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

FISCAL YEAR 2018 BUDGET  
(July 1, 2017– June 30, 2018)

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

**PROPOSED FISCAL YEAR 2018 BUDGET SUMMARY**

(7/01/17-6/30/18)

	<u>ADOPTED F/Y17</u> <u>WTP/TS BUDGET</u>	<u>PROPOSED F/Y18</u> <u>WTP/TS BUDGET</u>
Proposed Operating Expense Budget (See Schedule 1)	\$2,748,917	\$2,618,108
Proposed Capital Equipment Budget (See Schedule 10)	1,976	2,443
Allocation of Headquarters General & Administrative Expense charged to the Manasquan WTP/TS (See Schedule 5)	<u>104,000</u>	<u>111,000</u>
Total Proposed Budget	<u><u>\$2,854,893</u></u>	<u><u>\$2,731,551</u></u>

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

**TOTAL PROPOSED OPERATIONS & MAINTENANCE BUDGET**

FISCAL YEAR 2018  
(7/01/17-6/30/18)

	<u>ADOPTED F/Y17</u> <u>WATER TREATMENT PLANT</u> <u>&amp; TRANSMISSION SYSTEM</u>	<u>PROPOSED F/Y18</u> <u>WATER TREATMENT PLANT</u> <u>&amp; TRANSMISSION SYSTEM</u>
Salaries/Fringe (Schedule 4)	\$1,602,011	\$1,578,050
O & M Direct Expense (Schedule 2)	1,059,546	941,860
G & A Expenses (Schedule 3)	<u>87,360</u>	<u>98,198</u>
 Total Operations & Maintenance Budget	 <u><u>\$2,748,917</u></u>	 <u><u>\$2,618,108</u></u>

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

**PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (50)**

FISCAL YEAR 2018  
(7/01/17-6/30/18)

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>ADOPTED FY17</u>	<u>PROPOSED FY18</u>
5210	Heating Fuel	\$9,540	\$8,460
5220	Utilities -Electrical Service	476,500	329,500
5230	-Gas Service	40,000	60,000
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular		
5270	Oil & Grease		4,000
5280	Tires		
5290	Maintenance Supplies	6,000	6,000
5300	Maint. Supplies - Vehicular		
5310	Major Vehicle Service & Repair		
5320	Agricultural Supplies		
5330	Maintenance Equipment	90,500	112,500
5340	Serv. & Maintenance Contracts	31,300 (Sch. 6)	36,000
5350	Equipment Rental	4,800	4,800
5360	Household - Safety Supplies	1,000	2,000
5370	Uniforms		
5380	Special & Professional Services	45,600 (Sch. 8)	34,600
5390	Protective Services	91,406 (Sch. 11)	92,000
5400	Telephone	1,000	2,000
5410	Postage & Freight Out		
5420	Data Processing		
5430	Printing & Office Supplies	6,800	6,800
5440	Scientific & Photographic	14,500	15,000
5450	Dues & Subscriptions		
5460	Advertising & Promotional	1,000	1,500
5470	Travel & Subsistence		
5480	Staff Training & Tuition Aid	5,200	5,200
5490	Fees & Permits	8,000	8,600
5500	In - Lieu Taxes	400	400
5510	Residual Removal	41,000	33,000
5520	Water Treatment Chemicals	126,000	129,500
5525	GAC Replacement	59,000	50,000
	Total Other Expenses	<u>\$1,059,546</u>	<u>\$941,860</u>

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

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

FISCAL YEAR 2018  
(7/01/17-6/30/18)

<u>CODE</u>	<u>ACCOUNT</u>	<u>ADOPTED G&amp;A FY17</u>	<u>PROPOSED G&amp;A FY18</u>
	Salaries & Fringe Benefits	\$3,158,911	\$3,090,050
5200	Residences		
5211	Heating Fuel		
5220	Utilities -Electrical Service		
5230	-Gas Service		
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular	22,450	33,225
5270	Oil & Grease	6,900	7,900
5280	Tires	6,000	6,500
5290	Maintenance Supplies	27,300	27,300
5300	Maint. Supplies - Vehicular	8,800	9,600
5310	Major Vehicle Service & Repair	29,000	42,600
5320	Agricultural Supplies	6,200	7,600
5330	Maintenance Equipment	7,500	10,450
5340	Serv. & Maintenance Contracts	13,100	19,150
5350	Equipment Rental	3,000	3,400
5360	Household - Safety Supplies	7,500	8,200
5380	Special & Professional Services	3,600	
5390	Protective Services		3,600
5400	Telephone	7,000	
5410	Postage & Freight Out	500	7,000
5420	Data Processing	8,500	500
5430	Printing & Office Supplies	7,300	5,000
5440	Scientific & Photographic	300	7,800
5450	Dues & Subscriptions	3,000	300
5460	Advertising & Promotional	1,500	3,000
5470	Travel & Subsistence	700	1,500
5480	Staff Training & Tuition Aid	11,400	700
5490	Fees & Permits	7,700	11,400
5500	In - Lieu Taxes		7,700
5510	Residual Removal		
5520	Water Treatment Chemicals		
5525	GAC Replacement		
	<b>SUB-TOTAL G&amp;A EXPENSE BUDGET</b>	<u>\$189,250</u>	<u>\$224,425</u>
	<b>TOTAL G&amp;A WITH SALARIES &amp; FRINGE</b>	<u>\$3,348,161</u>	<u>\$3,314,475</u>

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

Reservoir System	\$101,890	\$126,227
Treatment/Transmission System	<u>\$87,360</u>	<u>\$98,198</u>
Total	<u>\$189,250</u>	<u>\$224,425</u>

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

**LABOR PROJECTION**

FISCAL YEAR 2018  
(7/01/17-6/30/18)

TITLES	RANGE	SALARY	FRINGE		CLOTHING	SHIFT	TOTAL	ALLOCATION	AMOUNT	ALLOCATION	AMOUNT
			BENEFITS	OVERTIME	ALLOWANCE	DIFFERENTIAL		RESERVOIR	RESERVOIR	WTP/TS	WTP/TS
								%		%	
Director	34	117,000	74,903	-	-	-	191,903	60%	115,100	40%	76,803
Project Engineer II	26	75,100	48,079	-	-	-	123,179	50%	61,600	50%	61,579
Water Supply Tech.	14	57,500	37,763	937	550	-	96,750	62%	59,500	39%	37,250
Administrative Assistant	18	64,700	41,421	-	-	-	106,121	60%	63,700	40%	42,421
Supervisor Technical Facilities Maint	23	81,900	61,093	12,978	550	-	156,521	44%	68,100	57%	88,421
Sr. Water Supply Tech.	20	70,900	47,306	2,443	550	-	121,199	43%	52,100	57%	69,099
Maintenance Worker I	10	44,600	28,905	-	550	-	74,055	95%	70,000	6%	4,055
Supervisor Operations	28	94,600	60,563	-	-	-	155,163	24%	37,200	76%	117,963
Equipment Operator	12	39,500	25,640	-	550	-	65,690	94%	61,400	6%	4,290
Foreman Bldg & Grounds Maint	19	71,300	46,111	176	550	-	118,137	92%	109,000	8%	9,137
Foreman Facilities Maintenance	20	67,700	45,556	2,910	550	-	116,716	46%	54,000	54%	62,716
Facilities Mechanic (3 Positions)	18	190,200	129,082	9,778	1,650	-	330,710	47%	154,600	53%	176,110
Supervisor Plant Operator	22	78,200	52,049	2,543	550	8	133,350	36%	48,000	64%	85,350
Maintenance Worker I Operations	10	45,000	29,161	-	550	-	74,711	93%	69,500	7%	5,211
Reservoir System Operator (5 Positions)	15	252,000	179,912	24,384	2,750	1,892	460,938	97%	447,100	3%	13,838
Plant Operator (2 Positions)	20	211,500	146,534	16,288	1,100	-	375,422	6%	22,600	94%	352,822
Plant Operator (4 Positions)	19	<u>201,700</u>	<u>152,023</u>	<u>33,562</u>	<u>2,200</u>	-	389,485	5%	<u>18,500</u>	95%	<u>370,985</u>
TOTAL:		<u>1,763,400</u>	<u>1,206,100</u>	<u>106,000</u>	<u>12,650</u>	<u>1,900</u>	<u>3,090,050</u>		<u>1,512,000</u>		<u>1,578,050</u>

TOTAL = 27 Positions

NOTE: A. PERCENTAGES ARE FROM THE AVERAGE OF FISCAL YEARS 2013 THROUGH 2016 BASED ON ACTUAL TIME RECORDS.  
B. PLANT OPERATOR TIME STUDY PERCENTAGES WERE ADJUSTED TO ACCOUNT FOR THE VALUE OF THE SHIFT DIFFERENTIAL PROVIDED TO THE RESERVOIR



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

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

FISCAL YEAR 2018  
(7/01/17-6/30/18)

	<b>Total Headquarters Charge</b>	<b>Manasquan Reservoir System</b>	<b>Manasquan WTP/TS</b>
Budgeted-Appendix I, amount to be charged to Manasquan System for F/Y18 (7/1/17-6/30/18)	\$792,622	\$682,867	\$109,755
F/Y16 Adjustment as per audited expenditures:			
Budgeted as per rate schedule for F/Y16 (7/1/15-6/30/16). Amounts paid during F/Y16 to Raritan Basin System.	\$737,000	\$640,000	\$97,000
Actual allocation based upon audited expenditures F/Y16 (7/1/15-6/30/16) - Appendix II	<u>\$707,416</u>	<u>\$609,460</u>	<u>\$97,956</u>
Adjustments F/Y16	<u>(\$29,584)</u>	<u>(\$30,540)</u>	<u>\$956</u>
Net Allocation for F/Y2018 Budget	<u>\$763,038</u>	<u>\$652,327</u>	<u>\$110,711</u>
Estimate	<u>\$763,000</u>	<u>\$652,000</u>	<u>\$111,000</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 2018

	Adopted F/Y17	Proposed F/Y18
1 HVAC Service	\$ 1,000	\$ 2,000
2 Electrical Service Contract	1,000	1,000
3 Instrumentation & Control System Service & Upgrade	8,000	4,000
4 Electrical Upgrade & Repair	4,000	2,000
5 Overhead Crane Service	1,000	1,500
6 UST Monitors Service and Upgrade	1,000	1,000
7 Fire & Intrusion Alarm Service	1,200	1,200
8 Air Compressor Service	1,200	1,200
9 Boiler Service	1,500	2,500
10 Auxiliary Generator Service	3,000	3,500
11 Lab Equipment Service	2,000	2,500
12 Backflow Preventor Service	500	500
13 Gas-Fired Hot Water Heater Service	500	700
Instrumentation & Control System Service & 14 Upgrade (Transmission System)	-	5,000
15 Electrical Upgrade & Repair (Transmission System)	-	2,000
16 Meter Vault Internet Service (Transmission System)	<u>5,400</u>	<u>5,400</u>
Total Service & Maintenance Contracts	<u>\$ 31,300</u>	<u>\$ 36,000</u>

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

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

FISCAL YEAR 2018

	Adopted F/Y17	Proposed F/Y18
	<u>          </u>	<u>          </u>
1 Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2 Office Equipment/Computers	1,800	1,800
3 Waste Oil Disposal	200	200
4 Fire Extinguisher Service	1,100	1,100
5 UST Monitor Service	750	1,000
6 Building Maintenance	750	750
7 Internet Service	2,000	2,000
8 Janitorial Service	2,100	7,800
9 Vehicle Lift Inspection	400	500
10 Generator Service & Maintenance	<u>2,000</u>	<u>2,000</u>
 Total Service & Maintenance Contracts	 <u>\$ 13,100</u>	 <u>\$ 19,150</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 2018

	Adopted F/Y17	Proposed F/Y18
	<u>          </u>	<u>          </u>
1 Water Quality Sampling	\$ 17,200	\$ 17,200
2 Residual Quality Analysis	800	800
3 Consultant Services	4,000	4,000
4 USGA Allenwood Gage-Parameters	11,000	11,000
5 Underground Markout Service (Transmission System)	1,600	1,600
6 Water Quality Sampling and Analysis for LT2	<u>11,000</u>	<u>-</u>
 Total Special & Professional Services	 <u>\$ 45,600</u>	 <u>\$ 34,600</u>

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

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

FISCAL YEAR 2018

	Adopted <u>F/Y17</u>	Proposed <u>F/Y18</u>
1 Pulmonary Testing	\$ 1,500	\$ 1,500
2 CDL Medical Testing	500	500
3 EAS Service	1,200	1,200
4 Pre-Employment Physicals	<u>400</u>	<u>400</u>
Total Special & Professional Services	<u>\$ 3,600</u>	<u>\$ 3,600</u>

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

**PROPOSED CAPITAL EQUIPMENT BUDGET**

FISCAL YEAR 2018

Description	(A)Addition (R)Replacement	Year of Purchase Vehicle/Equipment	Dollar Value	%	Manasquan Reservoir	Manasquan WTP/TS	Reservoir Depreciation Reserve	WTP/TS Depreciation Reserve
(1) SCOTT AIR PAK	(R) EQ481	2010	4,000	50/50	2,000	2,000	958	958
(1) 72" PLUGGER - (CORE AERATOR ATTACHMENT FOR SLOPE	(A)		3,000	100/0	3,000	0		
(1) MILLER SPECTRUM 625 EXTREME PLASMA CUTTER	(A)		2,800	50/50	1,400	1,400		
(1) TORO GROUNDMASTER FRONT MOUNT MOWER	(R) PE371	1999	26,000	100/0	26,000	0	13,803	0
TOTAL			35,800		32,400	3,400	14,761	958
*Per Resolution #861, dated 7/12/93 Asset Definition minimum is \$1,000.						0		
Less Amount charged to Reservoir Depreciation Reserve						14,761		
Less Amount charged to WTP/TS Depreciation Reserve								958

Total                     17,640             2,443

Additional Depreciation Reserve                     0

Estimate                     \$17,600             \$2,443

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

**PROJECTED INSURANCE PROGRAM**

FISCAL YEAR 2018

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
<b>Property</b> Limit \$150 million, Limit \$25m BI Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood	\$618,526	\$207,930	\$50,886	\$877,342
<b>General/Products Liability</b> Limit \$1 million Deduct: \$150k	\$114,067	\$10,665	\$2,214	\$126,946
<b>Environmental Impairment Liability</b> Limit \$10 million Deduct: \$100k	\$21,456	\$2,006	\$417	\$23,879
<b>Workers' Compensation</b> Limit \$1 million	\$205,001	\$26,354	\$27,613	\$258,968
<b>Employer Liability</b> Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
<b>Umbrella Liability</b> Limit \$23 million	\$283,672	\$26,521	\$5,507	\$315,700
<b>Business Automobile</b> Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$6,813	\$1,210	\$277	\$8,300
<b>Management Liability</b> Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1 million/\$1 million Deduct: \$100k/\$10k/\$50k	\$44,961 \$5,092 <hr/> \$50,053	\$4,204 \$476 <hr/> \$4,680	\$873 \$99 <hr/> \$3,531 \$4,503	\$50,038 \$5,667 <hr/> \$3,531 \$59,236
<b>Travel Accident</b> Limit \$2 million	\$876	\$82	\$17	\$975
<b>TOTAL:</b>	\$1,300,464	\$279,448	\$91,434	\$1,671,346

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

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2018  
OPERATING EXPENSE ACCOUNTS**

**ACCOUNT  
CODE TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for Fiscal Year 2018.

	Adopted F/Y17	Proposed F/Y18
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	\$1,816,150	\$1,777,950
Overtime	106,000	106,000
Fringe Benefits	1,036,961	1,036,100
Retiree Health Benefits	194,800	165,000
Worker's Compensation (self-insured)	5,000	5,000
Total Salaries and Fringe Benefits	\$3,158,911	\$3,090,050
Allocation to Treatment Plant	\$1,602,011	\$1,578,050
Anticipated Decrease for F/Y18	\$23,961	

5120-  
5140 OVERTIME, NEW POSITIONS AND SEASONAL HELP

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 2018 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.

5250        VEHICULAR FUEL

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

5260        OIL AND GREASE

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

5270        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.

5280        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.

5290        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 FISCALYEAR 2018 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 2018 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 FISCALYEAR 2018 OPERATING EXPENSE ACCOUNTS**

**ACCOUNT**

**CODE    TITLE**

5460        ADVERTISING

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

5470        TRAVEL AND SUBSISTENCE

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

5480        STAFF TRAINING AND TUITION AID

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

5490        FEES AND PERMITS

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

5500        IN-LIEU TAXES

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

5510        RESIDUALS REMOVAL

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

5520        WATER TREATMENT CHEMICALS

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

5530        CARBON REPLACEMENT

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

# Appendix I

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

**FORECASTED COST ALLOCATION SCHEDULES**

**YEAR ENDED JUNE 30, 2018**

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

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## INDEPENDENT ACCOUNTANTS' REPORT

Commissioners  
New Jersey Water Supply Authority

At your request, we have performed certain agreed-upon procedures, as enumerated below, with respect to the accompanying forecasted cost allocation schedules of the New Jersey Water Supply Authority (the "Authority"), a component unit of the State of New Jersey for the fiscal year ending June 30, 2018. These procedures, which were agreed to by the Commissioners and Authority management, were performed solely to assist you in evaluating the forecasted cost allocation schedules in connection with the 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 the schedules. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Authority's management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures that we performed are as follows:

1. We were provided with the fiscal year 2018 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 2018 budgeted expenses are based upon preliminary budgets that are subject to approval by the Authority's Commissioners. We performed no procedures in regard to these fiscal year 2018 budgeted expenses.
2. We recalculated the allocated costs on the schedules. We found no exceptions as a result of these procedures.
3. We compared the methodologies used for cost allocation on the forecasted schedules to the methodologies used in the Authority's cost allocation schedules for the year ended June 30, 2016 and found them to be consistent.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying forecasted cost allocation schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Furthermore, 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.



Commissioners  
New Jersey Water Supply Authority

This report is intended solely for the information and use of the Commissioners and management of the Authority and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 3, 2016

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION**  
**YEAR ENDED JUNE 30, 2018**  
*(See Independent Accountants' Report)*

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMP.	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE	
	BUILDING HQ	\$ -	\$117,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$117,800
	TELEPHONE HQ					83,000						83,000
36	SAFETY	218,100			(5,000)							213,100
37	SECURITY	956,150										956,150
14	HUMAN RESOURCES	336,648			(4,100)				(10,000)			322,548
16	PURCHASING	593,250		(121,875)			(83,000)	(16,000)				372,375
17	INFORMATION SYSTEMS	164,900										164,900
15	CONTRACTS & RISK MGMT.	1,799,230			(36,500)	(1,300,000)		(96,100)		(18,700)		347,930
13	FINANCIAL MGMT.	1,040,559			(2,496)							1,038,063
34	AUTO SHOP	287,300		121,875				16,000				425,175
35	AUTO SHOP-CANAL	232,520										232,520
10	EXEC OFFICE	254,500	4,757									259,257
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	8,118,630	(122,557)		48,096	1,300,000		96,100	10,000	18,700	(11,247)	9,457,722
		14,001,787	0	0	0	0	0	0	0	0	(11,247)	13,990,540
40-60	MANASQUAN SYSTEM	5,305,899									11,247	5,317,146
		<u>\$19,307,686</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,307,686</u>

See accompanying Notes to Financial Schedules.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATION COSTS**  
**YEAR ENDED JUNE 30, 2018**  
*(See Independent Accountants' Report)*

DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	ALLOCATION BASIS												ALLOCATED COST CENTER COSTS
			SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE	
	BUILDING HQ	\$117,800	<u>(\$117,800)</u>												
	TELEPHONE HQ	\$83,000	0	<u>(\$83,000)</u>											
36	SAFETY	\$213,100	884	922	<u>(\$214,906)</u>										
37	SECURITY	\$956,150	4,525	3,689	17,583	<u>(\$981,947)</u>									
14	HUMAN RESOURCES	\$322,548	5,449	2,767	3,907	0	<u>(\$334,671)</u>								
16	PURCHASING	\$372,375	6,012	2,767	3,907	0	6,761	<u>(\$391,822)</u>							
17	INFORMATION SYSTEMS	\$164,900	1,254	922	1,954	0	3,381	12,954	<u>(\$185,365)</u>						
15	CONTRACTS & RISK MGMT.	\$347,930	3,914	1,844	3,907	0	6,761	6,878	6,620	<u>(\$377,854)</u>					
13	FINANCIAL MGMT.	\$1,038,063	11,405	6,456	13,676	0	23,664	10,088	26,481	0	<u>(\$1,129,833)</u>				
34	AUTO SHOP	\$425,175	18,574	1,844	1,954	0	3,381	18,915	6,620	0	30,613	<u>(\$507,076)</u>			
35	AUTO SHOP-CANAL	\$232,520	0	1,844	1,954	0	3,381	14,100	6,620	0	16,742	0	<u>(\$277,161)</u>		
10	EXEC OFFICE	\$259,257	15,806	6,456	1,954	0	3,381	2,981	3,310	0	18,667	0	0	<u>(\$311,812)</u>	
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	\$9,457,722	49,977	53,489	115,268	981,947	199,448	168,627	99,303	341,445	680,969	507,076	277,161	276,733	\$13,209,165
40-60	MANASQUAN SYSTEM	\$5,317,146	0	0	48,842	0	84,513	157,279	36,411	36,409	382,842	0	0	35,079	6,098,521
		<u>\$19,307,686</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,307,686</u>

See accompanying Notes to Financial Schedules.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF FORECASTED COST ALLOCATION FACTORS**  
**YEAR ENDED JUNE 30, 2018**  
*(See Independent Accountants' Report)*

REQUIRED STATISTICS												
ALLOCATION OF:	BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	CONTRACTS & RISK MGMT	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF	
ALLOCATION BASIS:	SQ. FT.	# OF	# OF	# OF	# OF	# OF	MGD	FUNCTIONAL	# OF	# OF	TIME	
DEPT. #	DEPT./COST CENTER	#	TELEPHONES	EMPLOYEES	EMPLOYEES	P.O.'S	COMPUTERS	CONTRACTS	COST	VEHICLES	VEHICLES	ESTIMATE
	BUILDING HQ											
	TELEPHONE HQ											
36	SAFETY	110	1									
37	SECURITY	563	4	9								
14	HUMAN RESOURCES	678	3	2								
16	PURCHASING	748	3	2	2							
17	INFORMATION SYSTEMS	156	1	1	1	113						
15	CONTRACTS & RISK MGMT.	487	2	2	2	60	2					
13	FINANCIAL MGMT.	1,419	7	7	7	88	8	0				
34	AUTO SHOP	2,311	2	1	1	165	2	0	\$425,175			
35	AUTO SHOP-CANAL	0	2	1	1	123	2	0	232,520			
10	EXEC OFFICE	1,967	7	1	1	26	1	0	259,257	0		
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,218	58	59	59	1,471	30	182	9,457,722	40	40	88.75
40-60	MANASQUAN SYSTEM			25	25	1,372	11	19	5,317,146			11.25
		14,657	90	110	99	3,418	56	202	\$15,691,820	40	40	100 %

See accompanying Notes to Financial Schedules.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS**  
**YEAR ENDED JUNE 30, 2018**  
*(See Independent Accountants' Report)*

COSTS	ALLOCATION BASIS					ALLOCATED COSTS	
	1 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 VALUE OF WATER CONTRACTS		
<u>GENERAL &amp; ADMINISTRATIVE</u>							
SALARIES & FRINGES	\$3,090,050	<u>(\$3,090,050)</u>					
VEHICLE RELATED	99,825	<u>(\$99,825)</u>					
MAINT. SUPPLIES & RELATED	76,100		<u>(\$76,100)</u>				
OFFICE & MISC.	48,500			<u>(\$48,500)</u>			
H.Q. OVERHEAD	792,622				<u>(\$792,622)</u>		
RESERVOIR (40)	1,049,600	1,512,000	72,553	30,394	23,732	682,867	\$3,371,146
TREAT./TRANS. (50)	941,860	1,578,050	27,272	45,706	24,768	109,755	2,727,411
	<u>\$6,098,557</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,098,557</u>

See accompanying Notes to Financial Schedules.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**NOTES TO FINANCIAL SCHEDULES**  
**JUNE 30, 2018**  
*(See Independent Accountants' Report)*

**NOTE 1 GENERAL**

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

Raritan System

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

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

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

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**NOTES TO FINANCIAL SCHEDULES**  
**JUNE 30, 2018**  
*(See Independent Accountants' Report)*

**NOTE 1 GENERAL (CONTINUED)**

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

The second step entails a step-down allocation of eleven of the Authority's Cost Centers to the Raritan and Manasquan System Cost Centers. In making this step-down allocation the Authority allocates costs 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 value of water contracts for each system.
9. Financial Management is allocated based on a percentage of the four remaining Cost Centers' budgets.
10. Auto Shop and Auto Shop-Canal are allocated based on the number of vehicles used.
11. Executive Office is allocated based on the amount of executive time utilized in managing each of the systems.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**NOTES TO FINANCIAL SCHEDULES**  
**JUNE 30, 2018**  
*(See Independent Accountants' Report)*

**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 Plan/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 2016.
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 2016.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.



# Appendix II

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

**COST ALLOCATION SCHEDULES**

**YEAR ENDED JUNE 30, 2016**

**NEW JERSEY WATER SUPPLY AUTHORITY  
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YEAR ENDED JUNE 30, 2016**

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**CliftonLarsonAllen**

CliftonLarsonAllen LLP  
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## **INDEPENDENT ACCOUNTANTS' REPORT**

Commissioners  
New Jersey Water Supply Authority

We have examined management's assertion that the accompanying financial schedules of New Jersey Water Supply Authority (the "Authority"), a component unit of the State of New Jersey, for the year ended June 30, 2016, listed in the foregoing table of contents are presented in accordance with the cost allocation criteria set forth in Notes 1 and 2. The Authority's management is responsible for the assertion. Our responsibility is to express an opinion 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 examining, on a test basis, evidence supporting the financial schedules and performing such procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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

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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 3, 2016

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION**  
**YEAR ENDED JUNE 30, 2016**  
*(See Independent Accountants' Report)*

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS	
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMP.	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE		
	BUILDING HQ		\$50,672										50,672
	TELEPHONE HQ							\$81,248					81,248
36	SAFETY	190,952											190,952
37	SECURITY	878,951											878,951
14	HUMAN RESOURCES	317,144			(\$2,773)					(\$850)			313,521
16	PURCHASING	480,925		(\$78,973)				(81,248)		(\$15,388)			305,316
17	INFORMATION SYSTEMS	149,113											149,113
15	CONTRACTS & RISK MGMT.	1,604,589			(35,546)		(\$1,176,991)					(\$18,689)	280,555
13	FINANCIAL MGMT	918,449			(2,358)								916,091
34	AUTO SHOP	214,392		78,973						15,388			308,753
35	AUTO SHOP-CANAL	187,542											187,542
10	EXEC OFFICE	239,026	4,180										243,206
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,889,166	(54,852)		40,677		1,176,991		92,808	850		18,689	8,152,985
		12,070,249	0	0	0	0	0	0	0	0		(11,344)	12,058,905
40-60	MANASQUAN SYSTEM	4,782,588										11,344	4,793,932
		<u>\$16,852,837</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,852,837</u>

See accompanying Notes to Financial Schedules.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS**  
**YEAR ENDED JUNE 30, 2016**  
*(See Independent Accountants' Report)*

ALLOCATION BASIS															
DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE	ALLOCATED COST CENTER COSTS
	BUILDING HQ	\$50,672	<u>(\$50,672)</u>												
	TELEPHONE HQ	\$81,248	0	<u>(\$81,248)</u>											
36	SAFETY	\$190,952	380	903	<u>(\$192,235)</u>										
37	SECURITY	\$878,951	1,946	3,611	15,728	<u>(\$900,236)</u>									
14	HUMAN RESOURCES	\$313,521	2,344	2,708	3,495	0	<u>(\$322,068)</u>								
16	PURCHASING	\$305,316	2,586	2,708	3,495	0	6,506	<u>(\$320,611)</u>							
17	INFORMATION SYSTEMS	\$149,113	539	903	1,748	0	3,253	10,599	<u>(\$166,155)</u>						
15	CONTRACTS & RISK MGMT.	\$280,555	1,684	1,806	3,495	0	6,506	5,628	5,934	<u>(\$305,608)</u>					
13	FINANCIAL MGMT	\$916,091	4,906	6,319	12,233	0	22,772	8,254	23,736	0	<u>(\$994,311)</u>				
34	AUTO SHOP	\$308,753	7,990	1,806	1,748	0	3,253	15,477	5,934	0	22,431	<u>(\$367,392)</u>			
35	AUTO SHOP-CANAL	\$187,542	0	1,806	1,748	0	3,253	11,537	5,934	0	13,625	0	<u>(\$225,445)</u>		
10	EXEC OFFICE	\$243,206	6,799	6,319	1,748	0	3,253	2,439	2,967	0	17,669	0	0	<u>(\$284,400)</u>	
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	\$8,152,985	21,498	52,359	103,107	900,236	191,942	137,982	89,012	276,161	592,309	367,392	225,445	252,405	\$11,362,833
40-60	MANASQUAN SYSTEM	\$4,793,932	0	0	43,690	0	81,330	128,695	32,638	29,447	348,277	0	0	31,995	5,490,004
		<u>\$16,852,837</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,852,837</u>

See accompanying Notes to Financial Schedules.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF COST ALLOCATION FACTORS**  
**YEAR ENDED JUNE 30, 2016**  
*(See Independent Accountants' Report)*

		REQUIRED STATISTICS										
ALLOCATION OF:	BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	RISK MGMT	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF	
ALLOCATION BASIS:	SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS	FUNCTIONAL COST	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE	
DEPT. #	DEPT./COST CENTER											
	BUILDING HQ											
	TELEPHONE HQ											
36	SAFETY	110	1									
37	SECURITY	563	4	9								
14	HUMAN RESOURCES	678	3	2								
16	PURCHASING	748	3	2	2							
17	INFORMATION SYSTEMS	156	1	1	1	113						
15	CONTRACTS & RISK MGMT.	487	2	2	2	60	2					
13	FINANCIAL MGMT	1,419	7	7	7	88	8	0				
34	AUTO SHOP	2,311	2	1	1	165	2	0	\$308,753			
35	AUTO SHOP-CANAL	0	2	1	1	123	2	0	\$187,542			
10	EXEC OFFICE	1,967	7	1	1	26	1	0	243,206			
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,218	58	59	59	1,471	30	182	8,152,985	42	42	88.75
40-60	MANASQUAN SYSTEM			25	25	1,372	11	19	4,793,932			11.25
		14,657	90	110	99	3,418	56	202	\$13,686,418	42	42	100 %

See accompanying Notes to Financial Schedules.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS**  
**YEAR ENDED JUNE 30, 2016**  
*(See Independent Accountants' Report)*

COSTS	ALLOCATION BASIS					ALLOCATED COSTS
	1 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 VALUE OF WATER CONTRACTS	
<b>GENERAL &amp; ADMINISTRATIVE</b>						
SALARIES & FRINGES	\$2,911,342	<u>(\$2,911,342)</u>				
VEHICLE RELATED	56,943	<u>(\$56,943)</u>				
MAINT. SUPPLIES & RELATED	54,738		<u>(\$54,738)</u>			
OFFICE & MISC.	27,700			<u>(\$27,700)</u>		
H.Q. OVERHEAD	707,416				<u>(\$707,416)</u>	
RESERVOIR	954,521	1,349,167	41,386	21,862	12,687	609,460
TREAT./TRANS.	777,344	1,562,175	15,557	32,876	15,013	97,956
	<u>\$5,490,004</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$0)</u>
						<u>\$5,490,004</u>

See accompanying Notes to Financial Schedules.



**NEW JERSEY WATER SUPPLY AUTHORITY**  
**NOTES TO FINANCIAL SCHEDULES**  
**JUNE 30, 2016**  
*(See Independent Accountants' Report)*

**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 calculates 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 Cost Center Expense Reclassification as follows:

1. Heating and electricity expenses related to Building Headquarters (“HQ”) and Executive Office are reclassified from Engineering & Operations and 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 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 Risk Management and Purchasing.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**NOTES TO FINANCIAL SCHEDULES**  
**JUNE 30, 2016**  
*(See Independent Accountants' Report)*

**NOTE 1 GENERAL (CONTINUED)**

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

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

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

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**NOTES TO FINANCIAL SCHEDULES**  
**JUNE 30, 2016**  
*(See Independent Accountants' Report)*

**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 2016.
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 2016.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.