

NEW JERSEY WATER SUPPLY AUTHORITY

MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2021 BUDGET

(July 1, 2020 - June 30, 2021)

**Adopted
May 4, 2020**

RARITAN BASIN SYSTEM

FISCAL YEAR 2021 BUDGET

(July 1, 2020 - June 30, 2021)

**Adopted
May 4, 2020**

MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

FISCAL YEAR 2021 BUDGET

(July 1, 2020 - June 30, 2021)

Presentation Only

NEW JERSEY WATER SUPPLY AUTHORITY



MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2021 BUDGET

(July 1, 2020 - June 30, 2021)

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED

FISCAL YEAR 2021 BUDGET
(July 1, 2020-June 30, 2021)

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NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED FISCAL YEAR 2021 BUDGET SUMMARY

(7/1/20-6/30/21)

	ADOPTED F/Y2020 <u>Reservoir Budget</u>	PROPOSED F/Y2021 <u>Reservoir Budget</u>
Proposed Operating Expense Budget (Schedule 2)	\$ 2,663,030	\$ 2,560,530
Proposed Capital Equipment Budget (Schedule 13)	400	14,900
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 5)	<u>568,000</u>	<u>542,000</u>
 Total Operating Expense Budget & Capital Equipment Budget	 \$ 3,231,430	 \$ 3,117,430
 Adjustment for F/Y19 Salary & Fringe Expenses to be paid from the WTP/TS Account	 -	 \$ 178,643
Adjustment for F/Y18 Salary & Fringe Expenses to be paid from the WTP/TS Account	\$ (79,552)	\$ -
 Contributions to Debt Service and Reserve Funds		
Renewal & Replacement	\$ 120,000	\$ 120,000
Sediment Reserve	10,000	10,000
Formal Dam Inspection Reserve	5,000	5,000
High Voltage Testing Reserve	15,000	15,000
Initial Debt Service Fund (120 percent coverage)	3,125,441	-
Delayed Debt Service Fund (120 percent coverage)	1,076,417	710,505
NJEIFP Debt Service	176,917	176,917
Source Water Protection Program	106,450	106,450
Capital Fund Component	-	3,199,663
Other Post Employment Benefits Reserve	-	-
Supplemental Renewal & Replacement	-	-
Total Contributions to Debt Service and Reserve Funds	<u>\$ 4,635,225</u>	<u>\$ 4,343,535</u>
 Total Proposed Budget	 <u>\$ 7,787,103</u>	 <u>\$ 7,639,608</u>
 Revenues		
Operating and Maintenance Component	\$ 3,069,858	\$ 3,138,783
Appropriation from General Fund (Rate Stabilization)	208,620	223,490
Debt Service (120 percent coverage)	3,125,441	-
Delayed Debt Service (120 percent coverage)	1,076,417	710,505
NJEIFP Debt Service	176,917	176,917
Source Water Protection Program Component	106,450	106,450
Capital Fund Component	-	\$ 3,199,663
F/Y19 interest earnings were estimated at .25 percent, long-term investments were estimated at 1.3 percent.	<u>23,400</u>	<u>83,800</u>
Total Revenue	<u>\$ 7,787,103</u>	<u>\$ 7,639,608</u>

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2002-FY2021 – INITIAL WATER USERS**

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

Effective Date	O&M Charge	Source Water Protection	Debt Repayment 2/1/91-8/01/20	NJEIFP Debt Component	Capital Fund Component	Total Charge per MG	Percent Increase (Decrease)
July 1, 2001	212.29		585.63			\$797.92	9.48%
July 1, 2002	212.35		582.62			\$794.97	-0.37%
July 1, 2003	201.14	15	578.83			\$794.97	0.00%
July 1, 2004	321.69	15	584.95			\$921.64	15.93%
July 1, 2005	295.41	15	584.6			\$895.01	-2.89%
July 1, 2006	295.41	15	522.86			\$833.27	-6.90%
July 1, 2007	302.52	15	528.54			\$846.06	1.53%
July 1, 2008	302.52	15	566.59			\$884.11	4.50%
July 1, 2009	396.79	15	568.26			\$980.05	10.85%
July 1, 2010	396.79	15	568.69			\$980.48	0.04%
July 1, 2011	347.39	15	618.09	35.42		\$1,015.90	3.61%
July 1, 2012	345.95	15	619.53	35.42		\$1,015.90	0.00%
July 1, 2013	356.61	15	619.87	24.42		\$1,015.90	0.00%
July 1, 2014	356.61	15	619.87	24.42		\$1,015.90	0.00%
July 1, 2015	386.00	10.00	636.61	24.79		\$1,057.40	4.09%
July 1, 2016	432.87	10.00	636.61	25.10		\$1,104.58	4.46%
July 1, 2017	432.87	15.00	570.55	24.93		\$1,043.35	-5.54%
July 1, 2018	432.87	15.00	570.55	24.93		\$1,043.35	0.00%
July 1, 2019	432.87	15.00	570.55	24.93		\$1,043.35	0.00%
July 1, 2020	445.82	15.00	0.00	24.93	525.00	\$1,010.75	-3.12%

Table 2

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2007-FY2021 – DELAYED WATER USERS**

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

Effective Date	O&M Charge	Source Water Protection	Debt Repayment <u>2/1/02-8/01/31</u>	NJEIFP Debt Component	Capital Fund Component	Total Charge per MG	Percent Increase (Decrease)
July 1, 2006	295.41	15.00	763.61			\$1,074.02	-7.75%
July 1, 2007	302.52	15.00	764.44			\$1,081.96	0.74%
July 1, 2008	302.52	15.00	762.28			\$1,079.80	-0.20%
July 1, 2009	396.79	15.00	763.24			\$1,175.03	8.82%
July 1, 2010	396.79	15.00	756.19			\$1,167.98	-0.60%
July 1, 2011	347.39	15.00	770.90	35.42		\$1,168.71	0.06%
July 1, 2012	345.95	15.00	772.12	35.42		\$1,168.49	-0.02%
July 1, 2013	356.61	15.00	772.46	24.42		\$1,168.49	0.00%
July 1, 2014	356.61	15.00	772.46	24.42		\$1,168.49	0.00%
July 1, 2015	386.00	10.00	770.07	24.79		\$1,190.86	1.91%
July 1, 2016	432.87	10.00	770.07	25.10		\$1,238.04	3.96%
July 1, 2017	432.87	15.00	664.96	24.93		\$1,137.76	-8.10%
July 1, 2018	432.87	15.00	664.96	24.93		\$1,137.76	0.00%
July 1, 2019	432.87	15.00	664.96	24.93		\$1,137.76	0.00%
July 1, 2020	445.82	15.00	438.92	24.93	200.00	\$1,124.67	-1.15%

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

DEBT SERVICE COVERAGE

FISCAL YEAR 2021
(7/1/20-6/30/21)

	<u>Budgeted F/Y2021</u>
<u>Revenues</u>	
Uninterruptible Water Sales	\$ 7,357,388
Interest Income	<u>\$ 83,800</u>
Total Revenues	<u><u>\$ 7,441,188</u></u>
<u>Expenses</u>	
O&M Costs	\$ 2,560,530
Overhead Allocation	<u>\$ 542,000</u>
Total O&M	<u><u>\$ 3,102,530</u></u>
Cash Available for Debt Service - A	\$ 4,338,658
Net Debt Service Expense	\$ 3,090,168
Debt Service Coverage Calculation - A/B	1.40
Cash After Debt Service A-B	\$ 1,248,490

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

TOTAL OPERATIONS & MAINTENANCE BUDGET

FISCAL YEAR 2021
(7/01/20-6/30/21)

	F/Y2020 Reservoir Adopted	F/Y2021 Reservoir Proposed
	<u> </u>	<u> </u>
Salaries & Fringe Benefits (Schedule 6)	\$1,520,900	\$1,415,510
O & M Direct Expense (Schedule 3)	1,008,584	1,005,936
G&A Expenses (Schedule 4)	<u>133,543</u>	<u>139,086</u>
Total Operations & Maintenance Budget	<u>\$2,663,027</u>	<u>\$2,560,532</u>
Estimate	<u><u>\$2,663,030</u></u>	<u><u>\$2,560,530</u></u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (40)

FISCAL YEAR 2021
(7/01/20-6/30/21)

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	RESERVOIR <u>DIRECT</u>	
		<u>ADOPTED FY20</u>	<u>PROPOSED FY21</u>
5200	Residences	\$ -	\$ -
5210	Heating Fuel	648	800
5220	Utilities -Electrical Service	90,500	90,500
5230	-Gas Service	8,000	8,000
5240	-Propane	-	-
5250	Electricity for Pumping Station	305,000	305,000
5260	Fuel - Vehicular	-	-
5270	Oil & Grease	-	-
5280	Tires	-	-
5290	Maintenance Supplies	4,000	4,000
5300	Maint. Supplies - Vehicular	-	-
5310	Major Vehicle Service & Repair	-	-
5320	Agricultural Supplies	-	-
5330	Maintenance Equipment	51,500	51,500
5340	Serv. & Maintenance Contracts	42,450	(Sch. 9) 43,450
5350	Equipment Rental	6,500	6,500
5360	Household - Safety Supplies	1,000	1,000
5370	Uniforms	-	-
5380	Special & Professional Services	123,686	(Sch. 11) 138,686
5390	Protective Services	239,000	(Sch. 14) 266,200
5400	Telephone	8,000	8,000
5410	Postage & Freight Out	-	-
5420	Data Processing	-	-
5430	Printing & Office Supplies	1,500	1,500
5440	Scientific & Photographic	5,500	5,500
5450	Dues & Subscriptions	-	-
5460	Advertising & Promotional	2,000	2,000
5470	Travel & Subsistence	-	-
5480	Staff Training & Tuition Aid	-	-
5490	Fees & Permits	35,500	36,500
5500	In - Lieu Taxes	36,800	36,800
5510	Sediment Removal	47,000	-
TOTAL O&M DIRECT EXPENSE BUDGET		<u>\$ 1,008,584</u>	<u>\$ 1,005,936</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2021
(7/01/20-6/30/21)

<u>ACCOUNT</u>	<u>ADOPTED G&A FY20</u>	<u>PROPOSED G&A FY21</u>
Salaries & Fringe Benefits	\$ 3,173,817	\$2,999,300
Residences		
Heating Fuel		
Utilities -Electrical Service		
-Gas Service		
-Propane		
Electricity for Pumping Station		
Fuel - Vehicular	22,000	22,750
Oil & Grease	5,700	5,700
Tires	7,000	7,000
Maintenance Supplies	27,300	27,300
Maint. Supplies - Vehicular	10,600	10,600
Major Vehicle Service & Repair	50,000	52,000
Agricultural Supplies	7,600	8,600
Maintenance Equipment	9,800	17,100
Serv. & Maintenance Contracts	20,550 (Sch. 10)	22,550
Equipment Rental	3,900	4,300
Household - Safety Supplies	7,500	7,500
Special & Professional Services	7,300 (Sch. 12)	7,700
Protective Services		
Telephone	7,000	7,000
Postage & Freight Out	1,000	1,200
Data Processing	5,000	5,000
Printing & Office Supplies	5,800	5,800
Scientific & Photographic	300	300
Dues & Subscriptions	3,000	3,000
Advertising & Promotional	2,000	2,000
Travel & Subsistence	500	1,000
Staff Training & Tuition Aid	11,900	12,400
Fees & Permits	7,700	7,700
In - Lieu Taxes		
Residual Removal		
Water Treatment Chemicals		
GAC Replacement		
 AL G&A EXPENSE BUDGET	 <u>\$ 223,450</u>	 <u>\$ 238,500</u>
&A WITH SALARIES & FRINGE	<u>\$ 3,397,267</u>	<u>\$ 3,237,800</u>
 of Direct General & Administrative Expense Budget - See Appendix I for basis of Allocation. Columns 2, 3, & 4)		
Reservoir System	\$ 133,543	\$ 139,086
Treatment/Transmission System	<u>\$ 89,907</u>	<u>\$ 99,414</u>
Total	<u>\$ 223,450</u>	<u>\$ 238,500</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 2021
(7/01/20-6/30/21)

	Total Headquarters Charge	Manasquan Reservoir System	Manasquan WTP/TS
Budgeted-Appendix I, amount to be charged to Manasquan System for FY21 (7/1/20-6/30/21)	\$703,604	\$606,999	\$96,605
F/Y19 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y19 (7/1/18-6/30/19). Amounts paid during F/Y19 to Raritan Basin System.	\$772,000	\$666,000	\$106,000
Actual allocation based upon audited expenditures F/Y19 (7/1/18-6/30/19) - Appendix II	<u>\$697,111</u>	<u>\$601,381</u>	<u>\$95,730</u>
Adjustments F/Y19	<u>(\$74,889)</u>	<u>(\$64,619)</u>	<u>(\$10,270)</u>
Net Allocation for F/Y2021 Budget	<u><u>\$628,715</u></u>	<u><u>\$542,380</u></u>	<u><u>\$86,335</u></u>
 Estimate	 <u>\$629,000</u>	 <u>\$542,000</u>	 <u>\$87,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

LABOR PROJECTION

FISCAL YEAR 2021
(7/01/20-6/30/21)

TITLES	RANGE	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION RESERVOIR %	AMOUNT RESERVOIR	ALLOCATION WTP/TS %	AMOUNT WTP/TS
Director	36	119,500	64,757	-	-	-	184,257	50%	92,130	50%	92,130
Project Engineer II	26	91,600	49,638	-	-	-	141,238	51%	72,345	49%	68,895
Water Supply Tech.	17	64,400	35,196	-	550	-	100,146	62%	62,069	38%	38,081
Administrative Assistant	18	68,800	37,351	125	-	-	106,276	50%	53,200	50%	53,050
Supervisor Technical Facilities Maint	23	86,600	51,388	7,680	550	-	146,218	47%	68,025	54%	78,215
Sr. Water Supply Tech.	20	75,400	41,639	889	550	-	118,478	43%	50,959	57%	67,532
Maintenance Worker I	10	47,100	25,821	-	550	-	73,471	93%	68,593	7%	4,877
Supervisor Operations	29	104,400	56,574	-	-	-	160,974	25%	39,478	76%	121,492
Equipment Operator	12	46,000	25,408	337	550	-	72,295	94%	67,899	6%	4,361
Foreman Bldg & Grounds Maint	19	75,400	41,428	499	550	-	117,877	94%	110,361	6%	7,519
Foreman Facilities Maintenance	20	75,400	42,118	1,774	550	-	119,842	47%	56,054	53%	63,816
Facilities Mechanic (3 Positions)	18	192,900	106,428	1,849	1,650	-	302,827	48%	145,162	52%	157,618
Supervisor Plant Operator	22	80,700	46,087	3,798	550	-	131,135	37%	48,159	63%	82,981
Maintenance Worker I Operations	10	47,100	25,857	65	550	-	73,572	92%	67,519	8%	6,091
Reservoir System Operator (2 Positions)	15	95,900	58,894	10,335	1,650	796	167,575	97%	163,164	3%	4,372
Asst. Reservoir System Operator (3 Positions)	13	124,000	77,169	16,201	1,100	1,104	219,574	95%	208,594	5%	10,980
Plant Operator (3 Positions)	20	214,100	135,070	33,503	1,650	-	384,323	6%	23,045	94%	361,275
Plant Operator (3 Positions)	19	212,100	133,280	32,200	1,650	-	379,230	5%	18,754	95%	360,476
TOTAL: (rounded)		<u>1,821,400</u>	<u>1,054,100</u>	<u>109,250</u>	<u>12,650</u>	<u>1,900</u>	<u>2,999,300</u>		<u>1,415,510</u>		<u>1,583,760</u>

TOTAL = 27 Positions

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

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**DIRECT EXPENSE BUDGET (40) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL
YEAR 2021 AND EXPENDITURES THROUGH 3/31/20 FOR FISCAL YEAR 2020**

CODE	ACCOUNT	ADOPTED BUDGET FY20	PROPOSED BUDGET FY21	EXPENDITURES THRU 3/31/20
5200	ON-SITE RESIDENCE			
5210	HEATING FUEL	648	800	399
5220	UTILITIES-ELECTRICAL SERVICE	90,500	90,500	52,246
5230	UTILITIES-GAS SERVICE & WATER	8,000	8,000	5,657
5240	UTILITIES-PROPANE			
5250	ELECTRICITY FOR PUMPING	305,000	305,000	162,333
5260	VEHICULAR FUEL			
5270	OIL & GREASE			
5280	TIRES			
5290	MAINTENANCE SUPPLIES	4,000	4,000	9,437
5300	MAINT. SUPPLIES- VEHICULAR EQUIPMENT			
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR			
5320	AGRICULTURAL SUPPLIES			
5330	MAINTENANCE OF EQUIPMENT	51,500	51,500	24,237
5340	SERVICE & MAINTENANCE CONTRACTS	42,450	43,450	30,908
5350	EQUIPMENT RENTAL	6,500	6,500	10,714
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	1,000	1,000	2,518
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	123,686	138,686	55,926
5390	PROTECTIVE SERVICES	239,000	266,200	190,226
5400	TELEPHONE	8,000	8,000	6,896
5410	POSTAGE & FREIGHT			
5420	DATA PROCESSING			
5430	PRINTING & OFFICE SUPPLIES	1,500	1,500	698
5440	SCIENTIFIC & PHOTOGRAPHIC	5,500	5,500	1,724
5450	DUES & SUBSCRIPTIONS			
5460	ADVERTISING	2,000	2,000	-
5470	TRAVEL & SUBSISTENCE			
5480	STAFF TRAINING & TUITION AID			
5490	FEES & PERMITS	35,500	36,500	31,680
5500	IN-LIEU TAXES	36,800	36,800	36,756
5510	SEDIMENT REMOVAL	47,000		59,961
TOTALS		\$1,008,584	\$1,005,936	\$682,315

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

**GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING
EXPENSE BUDGET FOR FISCAL YEAR 2021 AND EXPENDITURES THROUGH 3/31/20 FOR
FISCAL YEAR 2020**

CODE	ACCOUNT	ADOPTED BUDGET FY20	PROPOSED BUDGET FY21	EXPENDITURES THRU 3/31/20
5110	REGULAR SALARIES & WAGES	\$1,830,250	\$1,835,950	\$1,303,261
5120	OVERTIME-SALARIES & WAGES	106,000	109,250	55,402
5150	FRINGE BENEFITS	1,052,667	949,300	672,056
5160	RETIREE HEALTH BENEFITS	179,900	99,800	75,436
5168	WORKERS' COMP. (SELF INSURED)	5,000	5,000	172
	TOTAL SALARY, OVERTIME & FRINGE BENEFITS	\$3,173,817	\$2,999,300	\$2,106,327
5201	ON-SITE RESIDENCE (WINDELER HOUSE)			
5210	HEATING FUEL			
5220	UTILITIES-ELECTRICAL SERVICE			
5230	UTILITIES-GAS SERVICE & WATER			
5240	UTILITIES-PROPANE			
5250	ELECTRICITY FOR PUMPING			
5260	VEHICULAR FUEL	22,000	22,750	12,986
5270	OIL & GREASE	5,700	5,700	3,628
5280	TIRES	7,000	7,000	7,574
5290	MAINTENANCE SUPPLIES	27,300	27,300	6,326
5300	MAINT. SUPPLIES- VEHICULAR EQUIPMENT	10,600	10,600	5,755
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR	50,000	52,000	15,579
5320	AGRICULTURAL SUPPLIES	7,600	8,600	1,460
5330	MAINTENANCE OF EQUIPMENT	9,800	17,100	2,184
5340	SERVICE & MAINTENANCE CONTRACTS	20,550	22,550	9,072
5350	EQUIPMENT RENTAL	3,900	4,300	1,820
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	7,500	7,500	9,659
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	7,300	7,700	1,713
5390	PROTECTIVE SERVICES			
5400	TELEPHONE	7,000	7,000	4,278
5410	POSTAGE & FREIGHT	1,000	1,200	940
5420	DATA PROCESSING	5,000	5,000	1,959
5430	PRINTING & OFFICE SUPPLIES	5,800	5,800	2,400
5440	SCIENTIFIC & PHOTOGRAPHIC	300	300	0
5450	DUES & SUBSCRIPTIONS	3,000	3,000	952
5460	ADVERTISING	2,000	2,000	459
5470	TRAVEL & SUBSISTENCE	500	1,000	257
5480	STAFF TRAINING & TUITION AID	11,900	12,400	2,412
5490	FEES & PERMITS	7,700	7,700	3,265
5500	IN-LIEU TAXES			
5510	SEDIMENT REMOVAL			
	SUB TOTALS	\$223,450	\$238,500	\$94,678
TOTALS		\$3,397,267	\$3,237,800	\$2,201,005

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2021

	Adopted F/Y20	Proposed F/Y21
	<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	3,000	3,000
5 Fire & Intrusion Alarm Service	1,500	1,500
6 Potable Well/Septic Service	1,500	1,500
7 Fertilization-Dam Dike	3,750	3,750
8 Roadway Crack Sealing	2,000	3,000
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>1,200</u>	<u>1,200</u>
Total Service & Maintenance Contracts	<u>\$ 42,450</u>	<u>\$ 43,450</u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2021

		Adopted F/Y20	Proposed F/Y21
1	Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2	Office Equipment/Computers	1,800	1,800
3	Waste Oil Disposal	200	200
4	Fire Extinguisher Service	1,100	1,100
5	UST Monitor Service	2,000	2,000
6	Building Maintenance	1,750	1,750
7	Internet Service	2,000	2,000
8	Janitorial Service	6,000	8,000
9	Vehicle Lift Inspection	500	500
10	Generator Service & Maintenance	2,000	2,000
11	Forklift Service & Maintenance	1,200	1,200
	Total Service & Maintenance Contracts	\$ 20,550	\$ 22,550

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2021

		Adopted F/Y20	Proposed F/Y21
1	Laboratory Services - Water Quality Sampling	\$ 10,000	\$ 10,000
2	Consultant Services - Dam Inspection	-	15,000
3	Services-USGS Cooperative Agreement	34,000	34,000
4	Annual Trustee Fund	9,500	9,500
5	Dam Management-Surveying	2,500	2,500
6	Wetland Monitoring Management	8,000	8,000
7	Lake Management Consultants	20,000	20,000
8	Engineering Services	4,000	4,000
9	Financial Advisory Services	4,850	4,850
10	USGS Gaging Station Squankum	30,836	30,836
	Total Special & Professional Services	\$ 123,686	\$ 138,686

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 2021

	Adopted F/Y20	Proposed F/Y21
	<u> </u>	<u> </u>
1 Pulmonary Testing	\$ 1,500	\$ 1,500
2 CDL Medical Testing	1,000	1,000
3 EAS Service	4,000	4,000
4 Pre-Employment Physicals	<u>800</u>	<u>1,200</u>
 Total Special & Professional Services	 <u><u>\$ 7,300</u></u>	 <u><u>\$ 7,700</u></u>

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

PROJECTED FY 2021 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
Property Limit \$150 million, Limit \$25m BI	\$585,160	\$196,749	\$48,091	\$830,000
Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood Earthen Dam:Builders Risk	\$15,000			\$15,000
General/Products Liability Limit \$1 million Deduct: \$150k	\$103,332	\$9,661	\$2,007	\$115,000
Environmental Impairment Liability Limit \$10 million Deduct: \$100k	\$24,261	\$2,268	\$471	\$27,000
Workers' Compensation Limit \$1 million	\$186,027	\$23,915	\$25,058	\$235,000
Employer Liability Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
Umbrella Liability Limit \$23 million	\$269,563	\$25,203	\$5,234	\$300,000
Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$24,627	\$4,372	\$1,001	\$30,000
Management Liability Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$35,942 \$5,391 <hr/> \$41,333	\$3,360 \$504 <hr/> \$3,864	\$698 \$105 <hr/> \$3,000 <hr/> \$3,803	\$40,000 \$6,000 <hr/> \$3,000 <hr/> \$49,000
Travel Accident Limit \$2 million	\$1,797	\$168	\$35	\$2,000
TOTAL:	\$1,251,100	\$266,200	\$85,700	\$1,603,000

NEW JERSEY WATER SUPPLY AUTHORITY
 MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

**UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION
 FUND FOR FISCAL YEAR 2021**

			<u>Amount</u>
F/Y2019 Net Year-End Balance			\$ 75,000
Excess D/S Coverage FY2020			\$ 118,000
<u>Overdraft</u>	<u>Invoice No.</u>	<u>Inv. Date</u>	<u>Amount</u>
NJ American	MM-329	Nov-18	\$ 4,971
	MM-336	Jan-19	\$ 789
	MM-336	May-19	\$ 11,373
	MM-341	Jun-19	\$ 1,538
	MM-343	Aug-19	\$ 11,816
Used in FY20			\$ -
Available for use in FY21			\$ 30,485

Additional Sources

Total Available	\$ 223,485
Estimate for FY/21	\$ 223,490
Available for Future Years	\$ -

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for Fiscal Year 2021.

	<u>Adopted F/Y20</u>	<u>Proposed F/Y21</u>
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	\$1,830,250	\$1,835,950
Overtime	106,000	109,250
Fringe Benefits	1,052,667	949,300
Retiree Health Benefits	179,900	99,800
Worker's Compensation (self-insured)	<u>5,000</u>	<u>5,000</u>
 Total Salaries and Fringe Benefits	 <u>\$3,173,817</u>	 <u>\$2,999,300</u>
 Allocation to Reservoir	 <u>\$1,520,900</u>	 <u>\$1,415,500</u>
 Anticipated Decrease for F/Y21	 \$105,400	

5120- OVERTIME
5140

5150 FRINGE BENEFITS

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

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

5210 HEATING FUEL

This account covers the cost of heating oil.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 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 2021 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5360 **HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES**

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

5380 **SPECIAL AND PROFESSIONAL SERVICES**

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

5390 **PROTECTIVE SERVICES**

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

5400 **TELEPHONE**

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

5410 **POSTAGE AND FREIGHT**

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

5420 **DATA PROCESSING**

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

5430 **PRINTING AND OFFICE**

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

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

DESCRIPTION OF RESERVE ACCOUNTS

Self Insurance Reserve (Liability)

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

Depreciation Reserve Account

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

Reserve for Operations and Maintenance

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

Renewal and Replacement Reserve

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

Sediment Reserve

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

Reserve for Formal Dam Inspection

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

Other Post-Employment Benefits Reserve

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

NEW JERSEY WATER SUPPLY AUTHORITY



RARITAN BASIN SYSTEM

FISCAL YEAR 2021 BUDGET

(July 1, 2021 - June 30, 2021)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED

FISCAL YEAR 2021 BUDGET
(July 1, 2021 – June 30, 2021)

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NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED FISCAL YEAR 2021 BUDGET SUMMARY

(7/1/20-6/30/21)

	<u>ADOPTED F/Y2020 BUDGET</u>	<u>PROPOSED F/Y2021 BUDGET</u>
Proposed Operating Expense Budget (Schedule 3)	\$ 14,211,138	\$ 13,936,857
Proposed Capital Equipment Budget (Schedule 5)	167,900	294,700
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 1)	<u>(660,000)</u>	<u>(629,000)</u>
 Total Operating Expense Budget & Capital Equipment Budget	 \$ 13,719,038	 \$ 13,602,557
 Contributions to Debt Service and Reserve Funds		
Depreciation Reserve	\$ -	\$ -
Other Post Employment Benefits Reserve	-	-
Pumping Reserve	150,000	150,000
Formal Dam Inspection Reserve	10,000	10,000
Capital Equipment Reserve	150,000	150,000
Debt Service Fund (NJEIFP Debt)	5,692,172	5,692,172
Capital Fund Component	2,196,442	2,196,442
Source Water Protection Component	<u>1,597,412</u>	<u>1,597,412</u>
Total Contributions to Debt Service and Reserve Funds	<u>\$ 9,796,026</u>	<u>\$ 9,796,026</u>
 Total Proposed Budget	 <u>\$ 23,515,064</u>	 <u>\$ 23,398,583</u>
 Revenues		
Operating and Maintenance Component	\$ 12,934,658	\$ 12,927,307
NJEIFP Debt Service	5,692,172	5,692,172
Capital Fund Component	2,196,442	2,196,442
Source Water Protection Program Component	1,597,412	1,597,412
 Funds to be Appropriated from Rate Stabilization Fund (Schedule 2)	 968,180	 851,650
Employee Housing	47,200	47,200
Receivable from State of NJ	5,000	5,000
Interest Earnings	<u>74,000</u>	<u>81,400</u>
 Total Revenue	 <u>\$ 23,515,064</u>	 <u>\$ 23,398,583</u>

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

**DELAWARE AND RARITAN CANAL – SPRUCE RUN / ROUND VALLEY RESERVOIRS SYSTEM
RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2005-FY2021**

Effective Date	O&M Charge	1981 Bond Charge 7/1/86-10/30/06	1998 Bond Charge 8/1/98-11/1/13	NJEIFP/NJIB Debt Component	Capital Fund Component	Source Water Protection Component	Total Charge per MG	Percent Increase -Decrease
July 1, 2004	122.75	28.31	41.71		12.23	10.00	215.00	2.38%
July 1, 2005	111.80	28.24	41.51		20.45	13.00	215.00	0.00%
July 1, 2006	133.13	19.55	41.32		21.00	13.00	228.00	6.05%
July 1, 2007	138.71		41.29		33.00	15.00	228.00	0.00%
July 1, 2008	142.34		40.66		33.00	15.00	231.00	1.32%
July 1, 2009	142.39		40.61		33.00	15.00	231.00	0.00%
July 1, 2010	142.55		40.45		33.00	15.00	231.00	0.00%
July 1, 2011	145.66		40.34		30.00	15.00	231.00	0.00%
July 1, 2012	145.84		40.16		30.00	15.00	231.00	0.00%
July 1, 2013	152.00			25.00	30.00	24.00	231.00	0.00%
July 1, 2014	167.00			25.00	30.00	24.00	246.00	6.49%
July 1, 2015	171.00			25.00	33.00	24.00	253.00	2.85%
July 1, 2016	171.00			25.00	33.00	24.00	253.00	0.00%
July 1, 2017	194.00			85.00	33.00	24.00	336.00	32.81%
July 1, 2018	194.00			85.00	33.00	24.00	336.00	0.00%
July 1, 2019	194.00			85.00	33.00	24.00	336.00	0.00%
July 1, 2020	194.00			85.00	33.00	24.00	336.00	0.00%

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

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

FOR FISCAL YEAR 2021
(7/1/20-6/30/21)

	Total Headquarters Charge	Manasquan Reservoir System	Manasquan WTP/TS
Budgeted-Appendix I, amount to be charged to Manasquan System for FY21 (7/1/20-6/30/21)	\$703,604	\$606,999	\$96,605
F/Y19 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y19 (7/1/18-6/30/19). Amounts paid during F/Y19 to Raritan Basin System.	\$772,000	\$666,000	\$106,000
Actual allocation based upon audited expenditures F/Y19 (7/1/18-6/30/19) - Appendix II	<u>\$697,111</u>	<u>\$601,381</u>	<u>\$95,730</u>
Adjustments F/Y19	<u>(\$74,889)</u>	<u>(\$64,619)</u>	<u>(\$10,270)</u>
Net Allocation for F/Y2021 Budget	<u>\$628,715</u>	<u>\$542,380</u>	<u>\$86,335</u>
 Estimate	 <u>\$629,000</u>	 <u>\$542,000</u>	 <u>\$87,000</u>

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

UNANTICIPATED REVENUE

FUNDS TO BE APPROPRIATED INTO THE RATE STABILIZATION FUND FOR FISCAL YEAR 2021

	<u>Amount</u>
F/Y2019 Net Year-End Balance	\$650,000

<u>Overdrafts</u>	<u>Invoice No.</u>	<u>Billed</u>	<u>Amount</u>
Renaissance at Monroe	R259	Dec 18	\$346
Stonebridge Community Assoc.	R258	Dec 18	\$1,153
NJ American	R257	Dec 18	\$119,452
Mount Olive Township	R256	Dec 18	\$3
		Total	\$120,954
		Amount used in FY2020	-
		NET	\$120,954

Overdrafts Not Billed, Accrued through July, 2019

Renaissance at Monroe	\$498
NJ American	\$80,201

Other Sources of Funds

Grand Total	\$851,653
FY21 Budget	\$851,650

Schedule 3

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

**PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2021 AND EXPENDITURES
THROUGH 3/31/20 FOR FISCAL YEAR 2020**

CODE	ACCOUNT	ADOPTED BUDGET FY20	PROPOSED BUDGET FY21	EXPENDITURES THRU 3/31/20
5110	Regular Salaries & Wages	\$6,267,850	\$6,475,650	\$4,426,924
5120	Overtime-Salaries & Wages	243,470	269,270	134,215
5150	Fringe Benefits	3,383,900	3,120,000	2,156,735
5160	Retiree Health Benefits	875,600	539,500	395,311
5168	Workers' Comp. (Self Insured)	10,000	10,000	3,311
	Total Salary, Overtime & Fringe Benefits	\$10,780,820	\$10,414,420	\$7,116,496
5200	Residences	\$21,600	\$19,600	\$16,627
5210	Heating Fuel	93,500	93,500	42,386
5220	Utilities-Electrical Service	102,900	102,900	77,783
5230	Utilities-Gas Service & Water	4,800	5,200	4,218
5240	Utilities-Propane	500	500	219
5250	Electricity For Pumping	87,000	87,000	42,709
5260	Vehicular Fuel	159,000	121,875	73,194
5270	Oil & Grease	9,600	12,100	7,528
5280	Tires	23,000	23,000	19,582
5290	Maintenance Supplies	193,300	194,600	127,758
5300	Maint. Supplies- Vehicular Equipment	60,000	57,500	36,742
5310	Major Special Vehicle Service & Repair	80,000	85,000	50,043
5320	Agricultural Supplies	7,000	7,000	1,150
5330	Maintenance Of Equipment	76,400	50,900	38,678
5340	Service & Maintenance Contracts	256,000	287,356	198,332
5350	Equipment Rental	57,550	55,850	43,267
5360	Household-Safety & Protective Supplies	37,700	39,500	25,535
5370	Uniforms	8,560	8,660	3,887
5380	Special & Professional Services	543,818	591,136	301,996
5390	Protective Services	1,173,000	1,251,100	885,500
5400	Telephone	85,400	85,200	44,881
5410	Postage & Freight	7,620	5,620	2,540
5420	Data Processing	27,420	27,420	18,887
5430	Printing & Office Supplies	93,050	85,050	26,574
5440	Scientific & Photographic	500	6,500	3,260
5450	Dues & Subscriptions	42,420	42,220	29,962
5460	Advertising & Promotional	6,000	11,500	9,238
5470	Travel & Subsistence	6,580	6,580	3,548
5480	Staff Training & Tuition Aid	23,550	25,450	13,887
5490	Fees & Permits	123,850	123,920	105,585
5500	In-Lieu Taxes	18,700	8,700	28,675
	Sub Totals	\$3,430,318	\$3,522,437	\$2,284,171
TOTALS		\$14,211,138	\$13,936,857	\$9,400,667

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

COMPARATIVE STATEMENT FISCAL YEAR 2021

CODE	ACCOUNT	FY'17 ACTUAL	FY'18 ACTUAL	FY'19 ACTUAL	FY'20 ADOPTED	FY'21 PROPOSED
5110	Regular Salaries & Wages	\$5,413,220	\$5,799,411	\$5,959,265	\$6,267,850	\$6,475,650
5120	Overtime-Salaries & Wages	265,792	244,222	239,713	243,470	269,270
5130	New positions-Salaries & Wages	150	0	0	0	0
5162	Retiree Unused Sick & Vacation	23,815	0	0	0	0
5150	Fringe Benefits	4,657,807	3,633,755	3,047,059	3,383,900	3,120,000
5167	Retiree Health Benefits	867,991	821,473	1,498,763	875,600	539,500
5168	Workers Comp. (Self Insured)	1,766	493	4,590	10,000	10,000
	Total Salary & Fringe	11,230,542	10,499,354	10,749,390	10,780,820	10,414,420
	Budget Salary & Fringe					
5200	Residences	\$24,679	\$17,161	\$27,122	\$21,600	\$19,600
5210	Heating Fuel	57,211	67,502	61,012	93,500	93,500
5220	Utilities -Electrical Service	92,554	98,336	93,556	102,900	102,900
5230	-Gas Service	4,171	4,531	4,571	4,800	5,200
5240	-Propane	219	403	457	500	500
5250	Electricity for Pumping Station	492,775	328,769	59,993	87,000	87,000
5260	Fuel- Vehicular	95,995	116,756	106,304	159,000	121,875
5270	Oil & Grease	7,650	4,033	9,317	9,600	12,100
5280	Tires	10,908	16,056	15,540	23,000	23,000
5290	Maintenance Supplies	151,949	163,391	184,818	193,300	194,600
5300	Maint. Supplies - Vehicular	58,231	61,576	50,108	60,000	57,500
5310	Major Vehicle Service & Repair	57,628	47,127	103,843	80,000	85,000
5320	Agricultural Supplies	4,472	2,317	5,758	7,000	7,000
5330	Maintenance Equipment	31,169	37,388	28,372	76,400	50,900
5340	Serv. & Maintenance Contracts	205,526	228,974	241,120	256,000	287,356
5350	Equipment Rental	32,345	54,332	35,066	57,550	55,850
5360	Household - Safety Supplies	39,518	34,163	39,576	37,700	39,500
5370	Uniforms	3,667	3,213	9,581	8,560	8,660
5380	Special & Professional Services	453,825	506,542	455,218	543,818	591,136
5390	Protective Services	1,126,790	1,138,434	1,154,913	1,173,000	1,251,100
5400	Telephone	82,167	78,449	75,123	85,400	85,200
5410	Postage & Freight Out	5,794	5,718	6,285	7,620	5,620
5420	Data Processing	34,933	35,453	25,995	27,420	27,420
5430	Printing & Office Supplies	31,846	41,272	47,991	93,050	85,050
5440	Scientific & Photographic	236	1,174	784	500	6,500
5450	Dues & Subscriptions	30,964	35,117	36,715	42,420	42,220
5460	Advertising & Promotional	23,078	5,219	1,966	6,000	11,500
5470	Travel & Subsistence	5,353	3,841	5,433	6,580	6,580
5480	Staff Training & Tuition Aid	19,111	12,460	14,222	23,550	25,450
5490	Fees & Permits	114,584	111,609	118,400	123,850	123,920
5500	In - Lieu Taxes	18,689	18,689	8,703	18,700	8,700
	Total Other Expenses	\$3,318,038	\$3,280,008	\$3,027,860	\$3,430,318	\$3,522,437
	Total Operating Expenses	\$14,548,580	\$13,779,362	\$13,777,251	\$14,211,138	\$13,936,857
	Annual Increase (Decrease)	20.33%	-5.29%	-0.02%	3.15%	-1.93%
	Budget -other expenses	3,187,689	3,411,337	3,540,285	3,540,285	3,522,437
	ANNUAL BUDGET	\$13,491,339	\$13,890,887	\$14,238,081	\$14,211,138	\$13,936,857

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED CAPITAL EQUIPMENT BUDGET

FOR FISCAL YEAR 2021
(7/1/20-6/30/21)

	Description	(R) Replacement (A) Addition	Year of Purchase	Dollar Value	Depreciation Reserve	
ENG/FACILITIES	DRONE AND CAMERA FOR MONITORING - ENG.	A		12,000		
	DEWALT CHOP SAW FOR METAL	A		1,200		
	JET MODEL IDP-22 DRILL PRESS	R <1000		3,000		
	(3) REPLACEMENT DOORS ANNEX	R		12,000		
	SEAMLESS GUTTERS AT BUSHER RESIDENCE	R		3,500		
	HONDA 2200 WATT GENERATOR	R		1,250		
	GENIE ELECTRIC SCISSOR LIFT GS-1930	A		15,000		
	TRAILER FOR SCISSOR LIFT	A		9,500		
	NJWA-12 2006 HYBRID ESCAPE	R (1995)	2006	40,000	25,953	
	NJWA-18 2006 F250 W/BUMPER CRANE	R (1991)	2006	40,000	20,328	
GROUND	14' JON BOAT	A		1,500		
	DUAL AXLE DUMP TRUCK	R (1964)	2005	175,000	104,988	
CANAL	J.D. 450K BULL DOZER W/WINCH	R	1996	150,000	64,860	
	SKID STEER / FORK LIFT/ SNOW PLOW / AUGER	R/A (1739 reconditioned)	2000	80,000	4,500	
	ROLL-OFF DEMOLITION CONTAINER 22' x 8'	R (849)	1988	6,000	6,040	
	TRACTOR	R (1540)	1996	75,000	21,562	
	8-TON TRAILER	A		11,000		
	(2) 2" TRASH PUMPS	R (2104 & 2105)	2008	4,000	4,800	
	NEW SNOW PLOW DR41	R (1237)	1991	6,000	1,475	
	F150 P/U w/ CAP (WSO)	R (2242)	2014	40,000	30,195	
SCUDDERS FALLS X-FER SWITCH	R		5,000			
AUTO SHOP - CANAL	SNAP-ON - DIAGNOSTIC SMOKE MACHINE	A		1,600		
	NJWA 50 -F250 UTE BODY W/LIFT GATE (MECHANIC)	R (2227)	2013	58,000	33,045	
	HOT WATER PRESSURE WASHER	R (892)	1989	6,000	3,445	
SAFETY	(2) AED UNITS	(R)2205/2206	2012	4,000	3,235	
SECURITY	NJWA 03 - 4WD PICK-UP	(R) 2235	2014	32,000	23,400	
				TOTAL COST	\$792,550	\$347,826
LESS AMOUNT CHARGED TO DEPRECIATION RESERVE					(347,826)	
				NET TOTAL	\$444,724	
LESS AMOUNT CHARGED TO CAPITAL EQUIPMENT RESERVE					(\$150,000)	
TOTAL					\$294,724	
AMOUNT FUNDED FOR FY2021					\$294,700	

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2021

	ADOPTED F/Y20	PROPOSED F/Y21
1. Postage/Fax/ Misc. Machines (Dept. 16)	\$ 1,500	\$ 500
2. IHS-Safety Software (Dept. 17)	1,700	2,000
3. Comodo- Remote Access Certificates (Dept. 17)	300	300
4. WMWARE (Dept. 17)	500	500
5. Sage Clients First MAS 100 (Dept. 17)	4,750	5,000
6. Property Fax - Parcel Maps (Dept. 17)	1,400	1,400
7. Sage Fixed Asset (Dept. 17)	2,250	2,600
8. PV & Associates-Winslamm (Dept. 17)	500	500
9. People Trak Support Technical Difference (Dept. 17)	1,000	1,000
10. COMCAST - Cable Internet (Dept. 17)	8,000	12,000
11. Essention - Conservation Trak	5,000	5,000
12. Weebly (Web Hosting at Clinton) (Dept. 17)	200	200
13. Square Space (Web Hosting Watershed) (Dept. 17)	250	250
14. Symantec Anti-Virus Maintenance-Clinton (Dept. 17)	2,500	2,500
15. Sonic Wall Software (Dept. 17)	1,200	1,200
16. ESRI ArcView Maintenance-Watershed (Dept. 17)	5,400	5,400
17. CU Riverware Maintenance Agreement (Dept. 17)	3,500	3,500
18. Proofpoint Antispam (Dept. 17)	1,500	1,500
19. River Morph (Dept. 17)	500	500
20. DLT Solutions Autocad (Dept. 17)	1,500	1,600
21. Fastrax SBPS Monitoring Software (Dept. 17)	900	900
22. ESRI ArcView Maintenance-Clinton (Dept. 17)	500	500
23. Keystone Precision-GPS Software Maint. (Dept. 17)	800	800
24. HAAS Systems-Security Alarm Software Maint. (Dept. 17)	400	400
25. Clients First-Vipre Antivirus/Antispam (Dept. 17)	250	250
26. EZ Watch Security Video (Dept. 17)	900	900
27. Clients First - Server Software (Dept. 17)	1,000	1,000
28. Delmar Enterprises - Key Systems (Dept. 17)	520	520
29. Docusign (Dept. 17)	400	400
30. Wix for Web (Dept. 20)	100	156
31. Janitorial Service (Dept. 20)	3,300	3,300
32. Trimble Catalyst for GPS (Dept. 30)	500	500
33. Refuse Collection (Dept. 31)	11,900	7,500
34. Janitorial Service (Dept. 31)	15,500	15,500
35. HVAC Service (Dept. 31)	5,500	5,500
36. Electrician & Plumber Services (Dept. 31)	5,000	5,000

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NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2021

	ADOPTED F/Y20	PROPOSED F/Y21
37. Instrumentation Services (Dept. 31)	\$ 4,500	\$ 4,500
38. Entry Rugs (Dept. 31)	5,000	5,000
39. Carpet Cleaning (Dept. 31)	8,000	8,000
40. Generator Service-Administration Building (Dept. 31)	1,200	1,200
41. Underground Plant Location Service Notifications (Dept. 31)	1,500	1,500
42. Crane Service and Inspection (Dept. 31)	2,200	2,200
43. Elevator Service-SBPS (Dept. 31)	2,800	2,800
44. Electrical Service-SBPS (Dept. 31)	20,000	20,000
45. UST Testing and Inspections	-	15,000
46. Miscellaneous (Dept. 31)	6,900	6,900
47. Janitorial Service (Dept. 32)	8,000	8,400
48. Dumpster Service Canal Office (Dept. 32)	12,000	18,000
49. Dumpster Service Route 1 (Dept. 32)	42,000	48,000
50. UST Service (Dept. 32)	2,500	2,500
51. Instrumentation Service (Dept. 32)	1,000	1,000
52. Floor Mats (Dept. 32)	2,400	2,400
53. Grass Mowing Service (Dept. 32)	8,000	8,000
54. Boiler Service (Dept. 32)	500	500
55. Wood Disposal Fees (Dept. 32)	3,600	4,800
56. Generator Service-Scudders & Perdicaris (Dept. 32)	3,000	3,000
57. Viking Pest	-	600
58. Johnny on the Spot - Rt. 202 (Dept. 32)	2,400	2,400
59. Welco Gas (Dept. 33)	1,000	1,000
60. Tree Stump Recycling	-	2,500
61. Parts Washer & Hazardous Removal (Dept. 34)	1,000	1,000
62. Boom Lift Annual Inspection (Dept. 34)	900	900
63. Recycle Used Vehicle Fluids (Dept. 35)	1,500	1,500
64. Fire Extinguisher Maintenance (Dept. 36)	9,000	9,000
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)	600	600
69. Dial My Calls (Dept. 37)	1,200	1,200
70. Geomoto GPS Tracking (Dept. 37)	1,200	1,200
71. Covert Wireless (Dept. 37)	180	180
TOTAL	<u>\$ 256,000</u>	<u>\$ 287,356</u>

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2021

	ADOPTED F/Y20	PROPOSED F/Y21
1. Services-Governor's Authorities Unit (Dept. 10)	\$ 25,000	\$ 25,000
2. Consultant-C.P.A. to Conduct Annual Audit (Dept. 13)	55,000	55,000
3. 125 Plan-Family security Insurance Agency (Dept. 13)	2,730	2,730
4. Archiving (Dept. 13)	6,000	6,000
5. Services-Pre-Employment Exams & Tests (Dept. 14)	3,300	3,300
6. Fidelifax-Background Checks (Dept. 14)	2,248	2,248
7. Medical CDL Drug Testing (Dept. 14)	1,600	1,600
8. Employee Advisory Service (Dept. 14)	2,500	2,500
Consultant-Risk Management - to provide assistance to the Authority in the review of insurance coverage and continuation of a Comprehensive		
9. Coordinated Risk Management Program (Dept. 15)	40,000	45,000
10. Insurance Broker-HRH (Dept. 15)	42,000	42,000
11. GL Administrator (ESIS) (Dept. 15)	2,000	2,000
12. Services-Attorney General's Office - Assistance of Deputy Attorney General concerning a wide range of legal matters (Dept. 15)	20,000	20,000
13. Appraisals - Canal Leases	-	5,000
14. MP Water Monitoring Costs - USGS SR @ Glen Gardner (Dept. 20)	9,860	10,057
15. MP Water Monitoring Costs - USGS SB Raritan @ Stanton (Dept. 20)	8,400	8,568
16. MP Water Monitoring Costs - USGS Landing Lane (Dept. 20)	35,700	36,414
17. MP Water Monitoring Costs - USGS Raritan River @ Manville (Dept. 20)	47,000	47,940
18. Continuous Record Gaging - USGS @ Washington Crossing (Dept. 20)	21,650	22,083
19. Water Quality Monitoring - USGS @ Washington Crossing (Dept. 20)	4,960	5,059
20. Water Monitoring Costs ASWQMN- USGS D&R Canal @ Landing Lane (Dept. 20)	13,350	13,617
Water Monitoring Costs ASWQMN - NJDEP Mulhockaway @ Van Syckel		
21. (Dept. 20)	7,320	7,320
22. Additional Flow Measure at SR, Stanton, Manville & Calco Dam (Dept. 20)	8,500	8,500
23. Water Monitoring-SBWA/URWA now RHA (Dept. 20)	2,000	2,000
24. Water Monitoring-SBMWA (Dept. 20)	1,500	1,500

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2021

	ADOPTED <u>F/Y20</u>	PROPOSED <u>F/Y21</u>
25. Dash for the Trash (Dept. 20)	\$ -	\$ -
26. Lab Certification WPU/Water Sample Analysis (Dept. 20)	1,500	2,000
27. NJ Invasive Species Strike Team (Dept. 20)	300	300
28. ISCO Monitoring (Dept. 20)	9,600	8,000
29. General Lab Analysis	-	4,000
30. Services-Emergency Engineering Services (Dept 30)	2,500	2,500
31. Underground Storage Tank-CEA Report (Dept. 30)	11,000	16,000
32. Underground Storage Tank Groundwater Test (Dept. 30)	2,500	6,000
33. USGS Cooperative Agreement River Gaging - Maintenance of Raritan Basin Stream Gaging Stations and the Delaware & Raritan Canal Gauging at Kingston per USGS/DWR/NJWSA Agreement (Dept. 31)	68,000	68,000
34. USGS Spruce Run Gage at Glen Gardner (Dept. 31)	10,200	10,200
35. USGS Clinton Rain Gage (Dept. 31)	3,200	3,200
36. USGS Washington Crossing Rain Gage (Dept. 31)	3,200	3,200
37. Water Testing and Sampling to comply with the Safe Water Drinking Act (Dept. 31)	2,400	2,400
38. Water Sampling and Testing as per NJDWR Requirements - RT 202 Stockpile Site (Dept 32)	20,000	20,000
39. Maintenance of USGS Gauges at Washington Crossing and 10-mile and others (Dept. 32)	24,900	48,000
40. Vac Truck Service - IFW, 10 Mile PS (Dept. 32)	5,000	5,000
41. Safety Suggestion Program, Poster and Promotional Materials, Safety Incentive Program (Dept. 36)	9,700	9,700
42. Pulmonary Testing and Physicals (Dept. 36)	5,000	5,000
43. Annual Contributions to Fire Companies and Rescue Squads (Dept. 36)	500	500
44. Hepatitis Vaccinations (Dept. 36)	800	800
45. Calibration for the Pota-Count Respirator (Dept. 36)	900	900
TOTAL	<u>\$ 543,818</u>	<u>\$ 591,136</u>

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROJECTED FY 2021 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
Property Limit \$150 million, Limit \$25m BI	\$585,160	\$196,749	\$48,091	\$830,000
Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood Earthen Dam:Builders Risk	\$15,000			\$15,000
General/Products Liability Limit \$1 million Deduct: \$150k	\$103,332	\$9,661	\$2,007	\$115,000
Environmental Impairment Liability Limit \$10 million Deduct: \$100k	\$24,261	\$2,268	\$471	\$27,000
Workers' Compensation Limit \$1 million	\$186,027	\$23,915	\$25,058	\$235,000
Employer Liability Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
Umbrella Liability Limit \$23 million	\$269,563	\$25,203	\$5,234	\$300,000
Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$24,627	\$4,372	\$1,001	\$30,000
Management Liability Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$35,942 \$5,391 <hr/> \$41,333	\$3,360 \$504 <hr/> \$3,864	\$698 \$105 <hr/> \$3,000 <hr/> \$3,803	\$40,000 \$6,000 <hr/> \$3,000 <hr/> \$49,000
Travel Accident Limit \$2 million	\$1,797	\$168	\$35	\$2,000
TOTAL:	\$1,251,100	\$266,200	\$85,700	\$1,603,000

JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 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 2021.

	<u>Adopted F/Y20</u>	<u>Proposed F/Y21</u>
Budgeted Positions	100	100
Expenditures:		
Regular Salaries	\$6,267,850	\$6,475,650
Overtime	243,470	269,270
Fringe Benefits	3,383,900	3,120,000
Retiree Health Benefits	875,600	539,500
Worker's Compensation (self-insured)	10,000	10,000
Total Salaries and Fringe Benefits	\$10,780,820	\$10,414,420
Anticipated Decrease for F/Y21		\$366,400

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5280

TIRES

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

5290

MAINTENANCE SUPPLIES

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

5300

MAINTENANCE SUPPLIES - VEHICULAR EQUIPMENT

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

5310

MAJOR - SPECIALIZED SERVICE AND REPAIR

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

5320

AGRICULTURE SUPPLIES

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

5330

MAINTENANCE OF EQUIPMENT

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5340

SERVICE AND MAINTENANCE CONTRACTS

This account covers contracts used for servicing plumbing (heating and cooling), electrical equipment, elevators, shop machinery and office equipment such as the copier and computers. Also included in this account is refuse disposal and waste removal by private contractors.

5350

EQUIPMENT RENTAL

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

5360

HOUSEHOLD, SAFETY AND PROTECTIVE SUPPLIES

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

5370

UNIFORMS

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

5380

SPECIAL AND PROFESSIONAL SERVICES

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

5390

PROTECTIVE SERVICES

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

5400

TELEPHONE

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

5410

POSTAGE AND FREIGHT

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

<u>ACCOUNT CODE</u>	<u>TITLE</u>
5420	<u>DATA PROCESSING</u> This account covers charges for production of payrolls and required reports under contract with ADP.
5430	<u>PRINTING AND OFFICE</u> 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	<u>SCIENTIFIC AND PHOTOGRAPHIC</u> This account covers the cost of photographic supplies, blueprinting supplies, surveying and engineering supplies, and other charts.
5450	<u>DUES AND SUBSCRIPTIONS</u> This account covers the cost of subscriptions to newspapers, magazines, periodicals, reference books, other publications and membership fees in professional societies and associations.
5460	<u>ADVERTISING</u> This account covers the cost of legal and classified advertising in newspapers for bids and recruiting.
5470	<u>TRAVEL AND SUBSISTENCE</u> This account covers the cost of travel and subsistence expenses reimbursable to an employee or chargeable to the Authority under the provisions of, "The Regulations Governing Employee Expense Reimbursements". It includes travel expense, employee allowances and staff and departmental meal expenses. It will also cover registration fees for attendance at meetings or conventions.
5480	<u>STAFF TRAINING AND TUITION AID</u> This account provides funds for employee's attendance at various technically related and approved courses, training programs, etc.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE**

TITLE

5490

FEES AND PERMITS

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

5500

IN-LIEU TAXES

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

DESCRIPTION OF RESERVE ACCOUNTS

Major Rehabilitation Fund

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

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

Depreciation

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

Pumping Reserve

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

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

Operating Fund (O & M Reserve)

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

Self-Insurance Reserve

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

Reserve for Formal Dam Inspection

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

Capital Equipment Reserve

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

Other Post-Employment Benefits Reserve

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

NEW JERSEY WATER SUPPLY AUTHORITY



MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

FISCAL YEAR 2021 BUDGET

(July 1, 2020 - June 30, 2021)

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

PROPOSED

FISCAL YEAR 2021 BUDGET
(July 1, 2020 – June 30, 2021)

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

PROPOSED FISCAL YEAR 2021 BUDGET SUMMARY

(7/01/20-6/30/21)

	<u>ADOPTED F/Y20 WTP/TS BUDGET</u>	<u>PROPOSED F/Y21 WTP/TS BUDGET</u>
Proposed Operating Expense Budget (See Schedule 1)	\$2,598,224	\$2,547,174
Proposed Capital Equipment Budget (See Schedule 10)	9,750	(3,461)
Allocation of Headquarters General & Administrative Expense charged to the Manasquan WTP/TS (See Schedule 5)	<u>92,000</u>	<u>87,000</u>
Total Proposed Budget	<u><u>\$2,699,974</u></u>	<u><u>\$2,630,713</u></u>

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

TOTAL PROPOSED OPERATIONS & MAINTENANCE BUDGET

FISCAL YEAR 2021
 (7/01/20-6/30/21)

	<u>ADOPTED F/Y20</u> <u>WATER TREATMENT PLANT</u> <u>& TRANSMISSION SYSTEM</u>	<u>PROPOSED F/Y21</u> <u>WATER TREATMENT PLANT</u> <u>& TRANSMISSION SYSTEM</u>
Salaries/Fringe (Schedule 4)	\$1,652,917	\$1,583,760
O & M Direct Expense (Schedule 2)	855,400	864,000
G & A Expenses (Schedule 3)	<u>89,907</u>	<u>99,414</u>
Total Operations & Maintenance Budget	<u><u>\$2,598,224</u></u>	<u><u>\$2,547,174</u></u>

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

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (50)

FISCAL YEAR 2021
(7/01/20-6/30/21)

<u>CODE</u>	<u>ACCOUNT DESCRIPTION</u>	<u>ADOPTED FY20</u>	<u>PROPOSED FY21</u>
5210	Heating Fuel	\$6,000	\$6,000
5220	Utilities -Electrical Service	304,500	304,500
5230	-Gas Service	30,000	31,000
5240	-Propane		
5250	Electricity for Pumping Station		
5260	Fuel - Vehicular		
5270	Oil & Grease	4,000	4,000
5280	Tires		
5290	Maintenance Supplies	6,000	6,000
5300	Maint. Supplies - Vehicular		
5310	Major Vehicle Service & Repair		
5320	Agricultural Supplies		
5330	Maintenance Equipment	112,500	112,500
5340	Serv. & Maintenance Contracts	37,000 (Sch. 6)	42,000
5350	Equipment Rental	4,800	3,000
5360	Household - Safety Supplies	2,000	2,000
5370	Uniforms		
5380	Special & Professional Services	34,600 (Sch. 8)	34,800
5390	Protective Services	92,000 (Sch. 11)	85,700
5400	Telephone		1,000
5410	Postage & Freight Out		
5420	Data Processing		
5430	Printing & Office Supplies	6,800	9,800
5440	Scientific & Photographic	15,000	13,000
5450	Dues & Subscriptions		
5460	Advertising & Promotional	1,500	1,000
5470	Travel & Subsistence		
5480	Staff Training & Tuition Aid	6,700	6,700
5490	Fees & Permits	9,600	9,600
5500	In - Lieu Taxes	400	400
5510	Residual Removal	15,000	15,000
5520	Water Treatment Chemicals	117,000	131,000
5525	GAC Replacement	50,000	45,000
	Total Other Expenses	<u>\$855,400</u>	<u>\$864,000</u>

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

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2021
(7/01/20-6/30/21)

<u>ACCOUNT</u>	<u>ADOPTED G&A FY20</u>	<u>PROPOSED G&A FY21</u>
Salaries & Fringe Benefits	\$3,173,817	\$2,999,300
Residences		
Heating Fuel		
Utilities -Electrical Service		
-Gas Service		
-Propane		
Electricity for Pumping Station		
Fuel - Vehicular	22,000	22,750
Oil & Grease	5,700	5,700
Tires	7,000	7,000
Maintenance Supplies	27,300	27,300
Maint. Supplies - Vehicular	10,600	10,600
Major Vehicle Service & Repair	50,000	52,000
Agricultural Supplies	7,600	8,600
Maintenance Equipment	9,800	17,100
Serv. & Maintenance Contracts	20,550	22,550 (Sch. 7)
Equipment Rental	3,900	4,300
Household - Safety Supplies	7,500	7,500
Special & Professional Services	7,300	7,700 (Sch. 9)
Protective Services		
Telephone	7,000	7,000
Postage & Freight Out	1,000	1,200
Data Processing	5,000	5,000
Printing & Office Supplies	5,800	5,800
Scientific & Photographic	300	300
Dues & Subscriptions	3,000	3,000
Advertising & Promotional	2,000	2,000
Travel & Subsistence	500	1,000
Staff Training & Tuition Aid	11,900	12,400
Fees & Permits	7,700	7,700
In - Lieu Taxes		
Residual Removal		
Water Treatment Chemicals		
GAC Replacement		
AL G&A EXPENSE BUDGET	<u>\$223,450</u>	<u>\$238,500</u>
&A WITH SALARIES & FRINGE	<u>\$3,397,267</u>	<u>\$3,237,800</u>

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

Reservoir System	\$133,543	\$139,086
Treatment/Transmission System	<u>\$89,907</u>	<u>\$99,414</u>
Total	\$223,450	\$238,500

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

LABOR PROJECTION

FISCAL YEAR 2021
(7/01/20-6/30/21)

TITLES	RANGE	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION RESERVOIR %	AMOUNT RESERVOIR	ALLOCATION WTP/TS %	AMOUNT WTP/TS
Director	36	119,500	64,757	-	-	-	184,257	50%	92,130	50%	92,130
Project Engineer II	26	91,600	49,638	-	-	-	141,238	51%	72,345	49%	68,895
Water Supply Tech.	17	64,400	35,196	-	550	-	100,146	62%	62,069	38%	38,081
Administrative Assistant	18	68,800	37,351	125	-	-	106,276	50%	53,200	50%	53,050
Supervisor Technical Facilities Maint	23	86,600	51,388	7,680	550	-	146,218	47%	68,025	54%	78,215
Sr. Water Supply Tech.	20	75,400	41,639	889	550	-	118,478	43%	50,959	57%	67,532
Maintenance Worker I	10	47,100	25,821	-	550	-	73,471	93%	68,593	7%	4,877
Supervisor Operations	29	104,400	56,574	-	-	-	160,974	25%	39,478	76%	121,492
Equipment Operator	12	46,000	25,408	337	550	-	72,295	94%	67,899	6%	4,361
Foreman Bldg & Grounds Maint	19	75,400	41,428	499	550	-	117,877	94%	110,361	6%	7,519
Foreman Facilities Maintenance	20	75,400	42,118	1,774	550	-	119,842	47%	56,054	53%	63,816
Facilities Mechanic (3 Positions)	18	192,900	106,428	1,849	1,650	-	302,827	48%	145,162	52%	157,618
Supervisor Plant Operator	22	80,700	46,087	3,798	550	-	131,135	37%	48,159	63%	82,981
Maintenance Worker I Operations	10	47,100	25,857	65	550	-	73,572	92%	67,519	8%	6,091
Reservoir System Operator (2 Positions)	15	95,900	58,894	10,335	1,650	796	167,575	97%	163,164	3%	4,372
Asst. Reservoir System Operator (3 Positions)	13	124,000	77,169	16,201	1,100	1,104	219,574	95%	208,594	5%	10,980
Plant Operator (3 Positions)	20	214,100	135,070	33,503	1,650	-	384,323	6%	23,045	94%	361,275
Plant Operator (3 Positions)	19	212,100	133,280	32,200	1,650	-	379,230	5%	18,754	95%	360,476
TOTAL: (rounded)		1,821,400	1,054,100	109,250	12,650	1,900	2,999,300		1,415,510		1,583,760

TOTAL = 27 Positions

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

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

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

FISCAL YEAR 2021
(7/01/20-6/30/21)

	Total Headquarters Charge	Manasquan Reservoir System	Manasquan WTP/TS
Budgeted-Appendix I, amount to be charged to Manasquan System for FY21 (7/1/20-6/30/21)	\$703,604	\$606,999	\$96,605
F/Y19 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y19 (7/1/18-6/30/19). Amounts paid during F/Y19 to Raritan Basin System.	\$772,000	\$666,000	\$106,000
Actual allocation based upon audited expenditures F/Y19 (7/1/18-6/30/19) - Appendix II	<u>\$697,111</u>	<u>\$601,381</u>	<u>\$95,730</u>
Adjustments F/Y19	<u>(\$74,889)</u>	<u>(\$64,619)</u>	<u>(\$10,270)</u>
Net Allocation for F/Y2021 Budget	<u><u>\$628,715</u></u>	<u><u>\$542,380</u></u>	<u><u>\$86,335</u></u>
Estimate	<u>\$629,000</u>	<u>\$542,000</u>	<u>\$87,000</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 2021

		Adopted F/Y20	Proposed F/Y21
1	HVAC Service	\$ 2,000	\$ 2,000
2	Electrical Service Contract	1,000	1,500
3	Instrumentation & Control System Service & Upgrade	5,000	6,000
4	Electrical Upgrade & Repair	2,000	4,000
5	Overhead Crane Service	1,500	3,000
6	UST Monitors Service and Upgrade	1,000	1,000
7	Fire & Intrusion Alarm Service	1,200	1,200
8	Air Compressor Service	1,200	1,200
9	Boiler Service	2,500	2,500
10	Auxiliary Generator Service	3,500	3,500
11	Lab Equipment Service	2,500	2,500
12	Backflow Preventor Service	500	500
13	Gas-Fired Hot Water Heater Service	700	700
14	Instrumentation & Control System Service & Upgrade (Transmission System)	5,000	5,000
15	Electrical Upgrade & Repair (Transmission System)	2,000	2,000
16	Meter Vault Internet Service (Transmission System)	5,400	5,400
Total Service & Maintenance Contracts		<u>\$ 37,000</u>	<u>\$ 42,000</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 2021

	Adopted F/Y20	Proposed F/Y21
	<u> </u>	<u> </u>
1 Refuse & Waste Disposal	\$ 2,000	\$ 2,000
2 Office Equipment/Computers	1,800	1,800
3 Waste Oil Disposal	200	200
4 Fire Extinguisher Service	1,100	1,100
5 UST Monitor Service	2,000	2,000
6 Building Maintenance	1,750	1,750
7 Internet Service	2,000	2,000
8 Janitorial Service	6,000	8,000
9 Vehicle Lift Inspection	500	500
10 Generator Service & Maintenance	2,000	2,000
11 Forklift Service & Maintenance	<u>1,200</u>	<u>1,200</u>
 Total Service & Maintenance Contracts	 <u>\$ 20,550</u>	 <u>\$ 22,550</u>

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

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

FISCAL YEAR 2021

	Adopted F/Y20	Proposed F/Y21
	<u> </u>	<u> </u>
1 Water Quality Sampling	\$ 17,200	\$ 17,200
2 Residual Quality Analysis	800	800
3 Consultant Services	4,000	4,000
4 USGA Allenwood Gage-Parameters	11,000	11,000
5 Underground Markout Service (Transmission System)	<u>1,600</u>	<u>1,800</u>
 Total Special & Professional Services	 <u>\$ 34,600</u>	 <u>\$ 34,800</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 2021

	Adopted F/Y20	Proposed F/Y21
	<u> </u>	<u> </u>
1 Pulmonary Testing	\$ 1,500	\$ 1,500
2 CDL Medical Testing	1,000	1,000
3 EAS Service	4,000	4,000
4 Pre-Employment Physicals	<u>800</u>	<u>1,200</u>
Total Special & Professional Services	<u>\$ 7,300</u>	<u>\$ 7,700</u>

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

PROPOSED CAPITAL EQUIPMENT BUDGET

FISCAL YEAR 2021

Description	(A)Addition (R)Replacement	Year of Purchase Vehicle/Equipment	Dollar Value	%	Manasquan Reservoir	Manasquan WTP/TS	Reservoir Depreciation Reserve	WTP/TS Depreciation Reserve
NJWA07 - Replace w Chevy Colorado	(R) 487		38,500	75/25	28,875	9,625	14,977	14,977
Front Mount Mower	(R) 471		20,000	93/7	18,600	1,400	21,049	1,584
SKF Tkti 21 Thermal Imaging Camera	(A)		4,000	50/50	2,000	2,000		
T3196 6 cu ft Fertilizer spreader for power mower			1,500	95/5	1,425	75		
TOTAL			64,000		50,900	13,100	36,026	16,561
*Per Resolution #861, dated 7/12/93 Asset Definition minimum is \$1,000.					0			
Less Amount charged to Reservoir Depreciation Reserve					36,026			
Less Amount charged to WTP/TS Depreciation Reserve						16,561		
Total					14,874	(3,461)		
Additional Depreciation Reserve							0	
Estimate					\$14,900	(\$3,461)		

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

PROJECTED INSURANCE PROGRAM

FISCAL YEAR 2021

<u>Policy</u>	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Manasquan Water Treatment Plant and Transmission System</u>	<u>Total Premium</u>
Property Limit \$150 million, Limit \$25m BI	\$585,160	\$196,749	\$48,091	\$830,000
Deduct: \$100k all perils \$250k Deduct dams, dikes / \$1m Deduct Canal flood Earthen Dam:Builders Risk	\$15,000			\$15,000
General/Products Liability Limit \$1 million Deduct: \$150k	\$103,332	\$9,661	\$2,007	\$115,000
Environmental Impairment Liability Limit \$10 million Deduct: \$100k	\$24,261	\$2,268	\$471	\$27,000
Workers' Compensation Limit \$1 million	\$186,027	\$23,915	\$25,058	\$235,000
Employer Liability Limit \$1 million	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp	Included in Workers' Comp
Umbrella Liability Limit \$23 million	\$269,563	\$25,203	\$5,234	\$300,000
Business Automobile Limit: \$1 million G/L, \$0 pd Deduct: \$50k, G/L	\$24,627	\$4,372	\$1,001	\$30,000
Management Liability Public Officials Liability Cyber Risk Fidelity & Crime Limit \$5 million/\$1million/\$1 million Deduct: \$100k/\$10k/\$50k	\$35,942 \$5,391 \$41,333	\$3,360 \$504 \$3,864	\$698 \$105 \$3,000 \$3,803	\$40,000 \$6,000 \$3,000 \$49,000
Travel Accident Limit \$2 million	\$1,797	\$168	\$35	\$2,000
TOTAL:	\$1,251,100	\$266,200	\$85,700	\$1,603,000

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

**DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021
OPERATING EXPENSE ACCOUNTS**

**ACCOUNT
CODE TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for Fiscal Year 2021.

	Adopted F/Y20	Proposed F/Y21
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	\$1,830,250	\$1,835,950
Overtime	106,000	109,250
Fringe Benefits	1,052,667	949,300
Retiree Health Benefits	179,900	99,800
Worker's Compensation (self-insured)	5,000	5,000
Total Salaries and Fringe Benefits	\$3,173,817	\$2,999,300
Allocation to Treatment Plant	\$1,652,917	\$1,583,800
Anticipated Decrease for F/Y21		\$69,117

5120- OVERTIME, NEW POSITIONS AND SEASONAL HELP
5140

5150 FRINGE BENEFITS

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

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

5210 HEATING FUEL

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

ACCOUNT
CODE TITLE

5220 UTILITIES - ELECTRICAL SERVICE (OTHER THAN PUMPING)

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

5230 NATURAL GAS

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

5240 PROPANE

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

5260 VEHICULAR FUEL

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

5270 OIL AND GREASE

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

5280 TIRES

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

5290 MAINTENANCE SUPPLIES

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

5300 MAINTENANCE SUPPLIES-VEHICULAR EQUIPMENT

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 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 2021 OPERATING EXPENSE ACCOUNTS

**ACCOUNT
CODE TITLE**

5380 SPECIAL AND PROFESSIONAL SERVICES

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

5390 PROTECTIVE SERVICES

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

5400 TELEPHONE

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

5410 POSTAGE AND FREIGHT

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

5420 DATA PROCESSING

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

5430 PRINTING AND OFFICE

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

5440 SCIENTIFIC AND PHOTOGRAPHIC

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

5450 DUES AND SUBSCRIPTION

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2021 OPERATING EXPENSE ACCOUNTS

ACCOUNT
CODE TITLE

5460 ADVERTISING

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

5470 TRAVEL AND SUBSISTENCE

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

5480 STAFF TRAINING AND TUITION AID

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

5490 FEES AND PERMITS

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

5500 IN-LIEU TAXES

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

5510 RESIDUALS REMOVAL

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

5520 WATER TREATMENT CHEMICALS

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

5525 CARBON REPLACEMENT

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

Appendix I

**NEW JERSEY WATER SUPPLY AUTHORITY
AGREED-UPON PROCEDURES REPORT
FORECASTED COST ALLOCATION SCHEDULES
YEAR ENDING JUNE 30, 2021**

**NEW JERSEY WATER SUPPLY AUTHORITY
FORECASTED COST ALLOCATION SCHEDULES**

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners of
New Jersey Water Supply Authority

We have performed the procedures enumerated below, which were agreed to by the Commissioners and Authority management, on the forecasted cost allocation schedules of the New Jersey Water Supply Authority (the "Authority"), a component unit of the State of New Jersey for the fiscal year ending June 30, 2021. These procedures were performed solely to assist you in evaluating the forecasted cost allocation schedules in connection with setting of water rates for each of the three operating systems (Raritan, Manasquan Reservoir and Manasquan Treatment Plant/Transmission). The Authority's management is responsible for preparing and presenting the schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

1. We were provided with the fiscal year 2021 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 2021 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 2021 budgeted expenses.
2. We recalculated the allocated costs on the forecasted cost allocation schedules. We found no exceptions as a result of these procedures.
3. We compared the methodologies used for cost allocation on the forecasted cost allocation schedules to the methodologies used in the Authority's cost allocation schedules for the year ended June 30, 2019, and found them to be consistent.

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

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

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

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

Mercadon, P.C.
Certified Public Accountants

October 16, 2019

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDED JUNE 30, 2021**

DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	ALLOCATION BASIS												ALLOCATED COST CENTER COSTS	
			SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P.O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE		
	BUILDING HQ	\$ 119,500	\$ (119,500)													
	TELEPHONE HQ	81,000	-	\$ (81,000)												
36	SAFETY	197,900	803	880	\$ (199,583)											
37	SECURITY	980,030	4,519	3,522	15,485	\$ (1,003,556)										
14	HUMAN RESOURCES	315,748	5,345	2,641	3,441	-	\$ (327,175)									
16	PURCHASING	295,950	6,637	2,641	3,441	-	6,232	\$ (314,901)								
17	INFORMATION SYSTEMS	220,520	1,196	880	1,721	-	3,116	10,366	\$ (237,799)							
15	CONTRACTS & RISK MGMT.	288,700	3,909	1,761	3,441	-	6,232	6,856	7,317	\$ (318,216)						
13	FINANCIAL MGMT.	908,010	11,405	5,283	10,323	-	18,696	7,020	25,609	-	\$ (986,346)					
34	AUTO SHOP	442,875	17,962	1,761	3,441	-	6,232	13,876	3,658	-	27,935	\$ (517,740)				
35	AUTO SHOP-CANAL	223,360	-	1,761	1,721	-	3,116	9,958	7,317	-	14,089	-	\$ (261,322)			
10	EXEC. OFFICE	263,050	15,783	7,043	1,721	-	3,116	2,530	3,658	-	16,592	-	-	\$ (313,493)		
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	9,588,028	51,941	52,827	108,393	1,003,556	196,304	143,820	131,705	287,556	604,782	517,740	261,322	285,279	\$ 13,233,253	
40-60	MANASQUAN SYSTEM	5,119,922	-	-	46,455	-	84,131	120,475	58,535	30,660	322,948	-	-	28,214	5,811,340	
		<u>\$ 19,044,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,044,593</u>	

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDED JUNE 30, 2021**

DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	ALLOCATION BASIS												ALLOCATED COST CENTER COSTS	
			SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	100 % RARITAN O&M	# OF EMPLOYEES	# OF P. O.s	# OF COMPUTERS	MGD CONTRACTS	O&M BUDGET	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE		
	BUILDING HQ	\$ 119,500	\$ (119,500)													
	TELEPHONE HQ	81,000	-	\$ (81,000)												
36	SAFETY	197,900	803	880	\$ (199,583)											
37	SECURITY	980,030	4,519	3,522	15,485	\$ (1,003,556)										
14	HUMAN RESOURCES	315,748	5,345	2,641	3,441	-	\$ (327,175)									
16	PURCHASING	295,950	6,637	2,641	3,441	-	6,232	\$ (314,901)								
17	INFORMATION SYSTEMS	220,520	1,196	880	1,721	-	3,116	10,366	\$ (237,799)							
15	CONTRACTS & RISK MGMT.	288,700	3,909	1,761	3,441	-	6,232	6,856	7,317	\$ (318,216)						
13	FINANCIAL MGMT.	908,010	11,405	5,283	10,323	-	18,696	7,020	25,609	-	\$ (986,346)					
34	AUTO SHOP	442,875	17,962	1,761	3,441	-	6,232	13,876	3,658	-	27,935	\$ (517,740)				
35	AUTO SHOP-CANAL	223,360	-	1,761	1,721	-	3,116	9,958	7,317	-	14,089	-	\$ (261,322)			
10	EXEC. OFFICE	263,050	15,783	7,043	1,721	-	3,116	2,530	3,658	-	16,592	-	-	\$ (313,493)		
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	9,588,028	51,941	52,827	108,393	1,003,556	196,304	143,820	131,705	287,556	604,782	517,740	261,322	285,279	\$ 13,233,253	
40-60	MANASQUAN SYSTEM	5,119,922	-	-	46,455	-	84,131	120,475	58,535	30,660	322,948	-	-	28,214	5,811,340	
		<u>\$ 19,044,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,044,593</u>	

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED COST ALLOCATION FACTORS
YEAR ENDED JUNE 30, 2021**

ALLOCATION OF:		BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	CONTRACTS & RISK MGMT.	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF
ALLOCATION BASIS:		SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS	FUNCTIONAL COST	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE
DEPT. #	DEPT./COST CENTER											
	BUILDING HQ	-	-	-	-	-	-	-	-	-	-	-
	TELEPHONE HQ	-	-	-	-	-	-	-	-	-	-	-
36	SAFETY	100	1	-	-	-	-	-	-	-	-	-
37	SECURITY	563	4	9	-	-	-	-	-	-	-	-
14	HUMAN RESOURCES	666	3	2	-	-	-	-	-	-	-	-
16	PURCHASING	827	3	2	2	-	-	-	-	-	-	-
17	INFORMATION SYSTEMS	149	1	1	1	127	-	-	-	-	-	-
15	CONTRACTS & RISK MGMT.	487	2	2	2	84	2	-	-	-	-	-
13	FINANCIAL MGMT.	1,421	6	6	6	86	7	-	-	-	-	-
34	AUTO SHOP	2,238	2	2	2	170	1	-	\$ 442,875	-	-	-
35	AUTO SHOP-CANAL	-	2	1	1	122	2	-	223,360	-	-	-
10	EXEC. OFFICE	1,967	8	1	1	31	1	-	263,050	-	-	-
20 30 31 32 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,472	60	63	63	1,762	36	182	9,588,028	52	52	91
40-60	MANASQUAN SYSTEM	-	-	27	27	1,476	16	19	5,119,922	-	-	9
		<u>14,890</u>	<u>92</u>	<u>116</u>	<u>105</u>	<u>3,858</u>	<u>65</u>	<u>202</u>	<u>\$ 15,637,235</u>	<u>52</u>	<u>52</u>	<u>100</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDED JUNE 30, 2021**

	COSTS	ALLOCATION BASIS					ALLOCATED COSTS
		1 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 VALUE OF WATER CONTRACTS	
<u>GENERAL & ADMINISTRATIVE</u>							
SALARIES & FRINGES	\$ 2,999,300	\$ (2,999,300)					
VEHICLE RELATED	98,050	-	\$ (98,050)				
MAINT. SUPPLIES & RELATED	87,350	-	-	\$ (87,350)			
OFFICE & MISC.	53,100	-	-	-	\$ (53,100)		
H.Q. OVERHEAD	703,604	-	-	-	-	\$ (703,604)	
RESERVOIR (40)	1,005,936	1,416,780	70,351	43,247	25,083	606,999	\$ 3,168,396
TREAT./TRANS. (50)	864,000	1,582,520	27,699	44,103	28,017	96,605	2,642,944
	<u>\$ 5,811,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,811,340</u>

NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO SCHEDULES
YEAR ENDING JUNE 30, 2021

NOTE 1 GENERAL

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

Raritan System

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

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

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

NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO SCHEDULES
YEAR ENDING JUNE 30, 2021

NOTE 1 GENERAL (CONTINUED)

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

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

NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO SCHEDULES
YEAR ENDING JUNE 30, 2021

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 2019.
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 2019.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.

Appendix II

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

EXAMINATION REPORT AND FINANCIAL SCHEDULES

June 30, 2019

**NEW JERSEY WATER SUPPLY AUTHORITY
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YEAR ENDED JUNE 30, 2019**

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INDEPENDENT ACCOUNTANTS' REPORT

To the Commissioners of
New Jersey Water Supply Authority

We have examined the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, of New Jersey Water Supply Authority (the "Authority"), a component unit of the State of New Jersey, for the year ended June 30, 2019, listed in the foregoing table of contents. The Authority's management is responsible for conformity of the financial schedules in accordance with the criteria set forth in Notes 1 and 2. Our responsibility is to express an opinion on the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, based on our examination.

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

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

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

Mercadien, P.C.
Certified Public Accountants

October 16, 2019

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDED JUNE 30, 2019**

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS									REVISED COST CENTER COSTS
			1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMPENSATION	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE	
	BUILDING HQ	\$ -	\$56,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,593
	TELEPHONE HQ	-	-	-	-	75,123	-	-	-	-	-	75,123
36	SAFETY	183,064	-	-	-	-	-	-	-	-	-	183,064
37	SECURITY	1,025,147	-	-	-	-	-	-	-	-	-	1,025,147
14	HUMAN RESOURCES	332,148	-	-	(3,209)	-	-	-	(4,590)	-	-	324,349
16	PURCHASING	510,419	-	(106,304)	-	-	(75,123)	(17,062)	-	-	-	311,930
17	INFORMATION SYSTEMS	172,073	-	-	-	-	-	-	-	-	-	172,073
15	CONTRACTS & RISK MGMT.	1,632,015	-	-	(43,425)	(1,162,566)	-	(86,272)	-	(8,703)	-	331,049
13	FINANCIAL MGMT	923,019	-	-	(2,208)	-	-	-	-	-	-	920,811
34	AUTO SHOP	311,390	-	106,304	-	-	-	17,062	-	-	-	434,756
35	AUTO SHOP-CANAL	193,837	-	-	-	-	-	-	-	-	-	193,837
10	EXEC. OFFICE	256,655	4,218	-	-	-	-	-	-	-	-	260,873
20, 30-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	7,551,206	(60,811)	-	48,842	1,162,566	-	86,272	4,590	8,703	(12,186)	8,789,182
		13,090,973	-	-	-	-	-	-	-	-	(12,186)	13,078,787
40-60	MANASQUAN SYSTEM	4,207,590	-	-	-	-	-	-	-	-	12,186	4,219,776
		<u>\$ 17,298,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,298,563</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDED JUNE 30, 2019**

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	\$56,593	<u>\$ (56,593)</u>												
	TELEPHONE HQ	\$75,123	-	<u>\$ (75,123)</u>											
36	SAFETY	\$183,064	380	817	<u>\$ (184,261)</u>										
37	SECURITY	\$1,025,147	2,140	3,266	14,296	<u>\$ (1,044,849)</u>									
14	HUMAN RESOURCES	\$324,349	2,531	2,450	3,177	-	<u>\$ (332,507)</u>								
16	PURCHASING	\$311,930	3,143	2,450	3,177	-	6,333	<u>\$ (327,033)</u>							
17	INFORMATION SYSTEMS	\$172,073	566	817	1,588	-	3,167	10,765	<u>\$ (188,976)</u>						
15	CONTRACTS & RISK MGMT.	\$331,049	1,851	1,633	3,177	-	6,333	7,120	5,815	<u>\$ (356,978)</u>					
13	FINANCIAL MGMT.	\$920,811	5,401	4,899	9,531	-	19,000	7,290	20,351	-	<u>\$ (987,283)</u>				
34	AUTO SHOP	\$434,756	8,506	1,633	3,177	-	6,333	14,410	2,907	-	30,883	<u>\$ (502,605)</u>			
35	AUTO SHOP-CANAL	\$193,837	-	1,633	1,588	-	3,167	10,342	5,815	-	13,769	-	<u>\$ (230,151)</u>		
10	EXEC. OFFICE	\$260,873	7,474	6,532	1,588	-	3,167	2,628	2,907	-	18,531	-	-	<u>\$ (303,700)</u>	
20, 30-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	\$8,789,182	24,601	48,993	100,074	1,044,849	199,505	149,361	104,664	322,585	624,346	502,605	230,151	276,367	\$ 12,417,283
40-60	MANASQUAN SYSTEM	\$4,219,776	-	-	42,888	-	85,502	125,117	46,517	34,393	299,754	-	-	27,333	4,881,280
		<u>\$ 17,298,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,298,563</u>

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF COST ALLOCATION FACTORS
YEAR ENDED JUNE 30, 2019**

ALLOCATION OF:		REQUIRED STATISTICS										
		BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	RISK MGMT.	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF
ALLOCATION BASIS:		SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS	FUNCTIONAL COST	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE
DEPT. #	DEPT./COST CENTER											
	BUILDING HQ											
	TELEPHONE HQ											
36	SAFETY	100	1									
37	SECURITY	563	4	9								
14	HUMAN RESOURCES	666	3	2								
16	PURCHASING	827	3	2	2							
17	INFORMATION SYSTEMS	149	1	1	1	127						
15	CONTRACTS & RISK MGMT.	487	2	2	2	84	2					
13	FINANCIAL MGMT.	1,421	6	6	6	86	7	-				
34	AUTO SHOP	2,238	2	2	2	170	1	-	\$ 434,756			
35	AUTO SHOP-CANAL	-	2	1	1	122	2	-	193,837			
10	EXEC. OFFICE	1,967	8	1	1	31	1	-	260,873	-		
20, 30-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,473	60	63	63	1,762	36	182	8,789,182	52	52	91
40-60	MANASQUAN SYSTEM	-	-	27	27	1,476	16	19	4,219,776	-	-	9
		<u>14,890</u>	<u>92</u>	<u>116</u>	<u>105</u>	<u>3,858</u>	<u>65</u>	<u>202</u>	<u>\$ 13,898,424</u>	<u>52</u>	<u>52</u>	<u>100</u>

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY
SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDED JUNE 30, 2019**

	COSTS	ALLOCATION BASIS					ALLOCATED COSTS
		1 TIME STUDY	2 \$ VALUE OF VEHICLES	3 \$ VALUE OF EQUIPMENT	4 TIME STUDY	5 VALUE OF WATER CONTRACTS	
<u>GENERAL & ADMINISTRATIVE</u>							
SALARIES & FRINGES	\$ 2,555,697	\$ (2,555,697)					
VEHICLE RELATED	65,777	-	\$ (65,777)				
MAINT. SUPPLIES & RELATED	38,937	-	-	\$ (38,937)			
OFFICE & MISC.	34,055	-	-	-	\$ (34,055)		
H.Q. OVERHEAD	673,692	-	-	-	-	\$ (673,692)	
RESERVOIR	766,347	1,290,544	47,195	19,278	14,941	581,178	\$ 2,719,483
TREAT./TRANS.	746,777	1,265,153	18,582	19,659	19,114	92,514	2,161,799
	<u>\$ 4,881,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,881,281</u>

See Independent Accountants' Report.

**NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2019**

NOTE 1 GENERAL

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

Raritan System

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

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

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

**NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2019**

NOTE 1 GENERAL (CONTINUED)

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

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

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

**NEW JERSEY WATER SUPPLY AUTHORITY
NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2019**

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 2019.
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 2019.
5. Headquarters Overhead expenses are allocated based on the value of water contracts for each System.