DRAFT

NEW JERSEY WATER SUPPLY AUTHORITY

MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2023 BUDGET

(July 1, 2022 - June 30, 2023)

Proposed
May 2, 2022

RARITAN BASIN SYSTEM

FISCAL YEAR 2023 BUDGET

(July 1, 2022 - June 30, 2023)

Proposed
May 2, 2022

MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM

FISCAL YEAR 2023 BUDGET

(July 1, 2022 - June 30, 2023)

Presentation Only

NEW JERSEY WATER SUPPLY AUTHORITY

MANASQUAN RESERVOIR SYSTEM

FISCAL YEAR 2023 BUDGET

(July 1, 2022 - June 30, 2023)

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED

FISCAL YEAR 2023 BUDGET
(July 1, 2022-June 30, 2023)

Table of Contents

PROPOSED FISCAL YEAR 2023 BUDGET SUMMARY 1

RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY FY2004-FY2023 – INITIAL WATER USERS 2

RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY FY2009-FY2023 – DELAYED WATER USERS 3

DEBT SERVICE COVERAGE 4

TOTAL OPERATIONS & MAINTENANCE BUDGET 5

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (40) 6

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) 7

RECAP OF ALLOCATION OF HEADQUARTERS GENERAL AND ADMINISTRATIVE EXPENSES CHARGED TO THE MANASQUAN RESERVOIR WATER SUPPLY SYSTEM 8

LABOR PROJECTION 9

DIRECT EXPENSE BUDGET (40) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2023 AND EXPENDITURES THROUGH 2/28/22 FOR FISCAL YEAR 2022 10

GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2023 AND EXPENDITURES THROUGH 2/28/22 FOR FISCAL YEAR 2022 11

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS FOR RESERVOIR (40) 12

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS FOR G & A (60) 13

LIST OF CATEGORY 5380 ITEMS RECOMMENDED SPECIAL & PROFESSIONAL SERVICES FOR RESERVOIR (40) 14

LIST OF CATEGORY 5380 ITEMS RECOMMENDED SPECIAL & PROFESSIONAL SERVICES FOR G & A (60) 15

PROPOSED CAPITAL EQUIPMENT BUDGET 16

PROJECTED FY 2023 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM 17

UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION FUND FOR FISCAL YEAR 2023 18

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 OPERATING EXPENSE ACCOUNTS 19

DESCRIPTION OF RESERVE ACCOUNTS 24

AUDITOR COST ALLOCATION REPORT FY23 APPENDIX I

AUDITOR COST ALLOCATION REPORT ACTUAL FY21 APPENDIX II

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED FISCAL YEAR 2023 BUDGET SUMMARY

(7/1/22-6/30/23)

	ADOPTED F/Y2022 Reservoir Budget	PROPOSED F/Y2023 Reservoir Budget
Proposed Operating Expense Budget (Schedule 2)	$ 2,761,170	$ 2,818,990
Proposed Capital Equipment Budget (Schedule 13)	17,700	17,800
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 5)	583,000	646,000
Total Operating Expense Budget & Capital Equipment Budget	$ 3,361,870	$ 3,482,790
Adjustment for F/Y21 Salary & Fringe Expenses to be paid from the WTP/TS Account	$ -	$ 139,651
Adjustment for F/Y20 Salary & Fringe Expenses to be paid from the WTP/TS Account	$ 79,801	$ -
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
Delayed Debt Service Fund (120 percent coverage)	710,513	710,513
NJEIFP Debt Service	176,921	176,921
Source Water Protection Program	106,450	106,450
Capital Fund Component	3,199,663	3,199,663
Other Post Employment Benefits Reserve	-	-
Supplemental Renewal & Replacement	-	-
Total Contributions to Debt Service and Reserve Funds	$ 4,343,547	$ 4,343,547
Total Proposed Budget	$ 7,785,218	$ 7,965,988
Revenues		
Operating and Maintenance Component	$ 3,138,801	$ 3,161,711
Appropriation from General Fund (Rate Stabilization)	409,570	584,130
Delayed Debt Service (120 percent coverage)	710,513	710,513
NJEIFP Debt Service	176,921	176,921
Source Water Protection Program Component	106,450	106,450
Capital Fund Component	3,199,663	$ 3,199,663
F/Y20 interest earnings were estimated at .25 percent, long-term investments were estimated at 1.3 percent.	43,300	26,600
Total Revenue	$ 7,785,218	$ 7,965,988

Table 1

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2004-FY2023 – 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, 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%
July 1, 2021	445.82	15.00	0.00	24.93	525.00	$1,010.75	0.00%
July 1, 2022	**445.82**	**15.00**	**0.00**	**24.93**	**525.00**	**$1,010.75**	**0.00%**

Table 2

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY
FY2009-FY2023 – DELAYED WATER USERS

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

Effective Date	O&M Charge	Source Water Protection	Debt Repayment 2/1/02-8/01/31	NJEIFP Debt Component	Capital Fund Component	Total Charge per MG	Percent Increase (Decrease)
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%
July 1, 2021	445.82	15.00	438.92	24.93	200.00	$1,124.67	0.00%
July 1, 2022	**445.82**	**15.00**	**438.92**	**24.93**	**200.00**	**$1,124.67**	**0.00%**

Schedule 1

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

DEBT SERVICE COVERAGE

FISCAL YEAR 2023
(7/1/22-6/30/23)

	Budgeted F/Y2023
Revenues	
Uninterruptible Water Sales	$ 7,357,403
Interest Income	$ 26,600
Total Revenues	$ 7,384,003
Expenses	
O&M Costs	$ 2,818,990
Overhead Allocation	$ 646,000
Total O&M	$ 3,464,990
Cash Available for Debt Service - A	$ 3,919,013
Net Debt Service Expense	$ 591,588
Debt Service Coverage Calculation - A/B	6.62
Cash After Debt Service A-B	$ 3,327,425

Schedule 2

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

TOTAL OPERATIONS & MAINTENANCE BUDGET

FISCAL YEAR 2023
(7/01/22-6/30/23)

	F/Y2022 Reservoir Adopted	F/Y2023 Reservoir Proposed
Salaries & Fringe Benefits (Schedule 6)	1,503,432	$1,520,516
O & M Direct Expense (Schedule 3)	1,116,400	1,157,613
G&A Expenses (Schedule 4)	141,339	140,864
Total Operations & Maintenance Budget	$2,761,172	$2,818,993
Estimate	$2,761,170	$2,818,990

Schedule 3

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (40)

FISCAL YEAR 2023
(7/01/22-6/30/23)

CODE	ACCOUNT DESCRIPTION	RESERVOIR DIRECT ADOPTED FY22		PROPOSED FY23
5200	Residences	$ -		$ -
5210	Heating Fuel	900		800
5220	Utilities -Electrical Service	90,500		85,000
5230	-Gas Service	8,000		9,800
5240	-Propane			
5250	Electricity for Pumping Station	305,000		305,000
5260	Fuel - Vehicular	-		-
5270	Oil & Grease	-		-
5280	Tires	-		-
5290	Maintenance Supplies	4,000		10,000
5300	Maint. Supplies - Vehicular	-		-
5310	Major Vehicle Service & Repair	-		-
5320	Agricultural Supplies	-		-
5330	Maintenance Equipment	51,500		51,500
5340	Serv. & Maintenance Contracts	43,450	(Sch. 9)	46,650
5350	Equipment Rental	6,500		10,000
5360	Household - Safety Supplies	1,000		1,000
5370	Uniforms	-		-
5380	Special & Professional Services	138,686	(Sch. 11)	138,686
5390	Protective Services	328,564	(Sch. 14)	342,869
5400	Telephone	8,000		9,008
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	37,500		38,000
5500	In - Lieu Taxes	36,800		38,300
5510	Sediment Removal	47,000		62,000
TOTAL O&M DIRECT EXPENSE BUDGET		$ 1,116,400		$ 1,157,613

Schedule 4

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2023
(7/01/22-6/30/23)

CODE	ACCOUNT	ADOPTED G&A FY22		PROPOSED G&A FY23
	Salaries & Fringe Benefits	$ 3,156,600		$3,144,050
5200	Residences			
5210	Heating Fuel			
5220	Utilities -Electrical Service			
5230	-Gas Service			
5240	-Propane			
5250	Electricity for Pumping Station			
5260	Fuel - Vehicular	22,750		22,750
5270	Oil & Grease	5,700		5,700
5280	Tires	7,000		7,000
5290	Maintenance Supplies	27,300		15,000
5300	Maint. Supplies - Vehicular	10,600		20,000
5310	Major Vehicle Service & Repair	52,000		52,000
5320	Agricultural Supplies	8,600		9,100
5330	Maintenance Equipment	17,100		12,000
5340	Serv. & Maintenance Contracts	26,550	(Sch. 10)	25,852
5350	Equipment Rental	4,300		4,300
5360	Household - Safety Supplies	7,500		7,500
5380	Special & Professional Services	7,700	(Sch. 12)	7,700
5390	Protective Services			
5400	Telephone	7,000		7,000
5410	Postage & Freight Out	1,200		1,200
5420	Data Processing	5,000		5,000
5430	Printing & Office Supplies	5,800		5,800
5440	Scientific & Photographic	300		300
5450	Dues & Subscriptions	3,000		3,000
5460	Advertising & Promotional	2,000		2,000
5470	Travel & Subsistence	1,000		1,000
5480	Staff Training & Tuition Aid	12,400		12,400
5490	Fees & Permits	7,700		7,700
5500	In - Lieu Taxes			
5510	Residual Removal			
5520	Water Treatment Chemicals			
5525	GAC Replacement			
SUB-TOTAL G&A EXPENSE BUDGET		$ 242,500		$ 234,302
TOTAL G&A WITH SALARIES & FRINGE		$ 3,399,100		$ 3,378,352

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

Reservoir System	$ 141,339	$ 140,864
Treatment/Transmission System	$ 101,161	$ 93,438
Total	$ 242,500	$ 234,302

Schedule 5

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 2023
(7/01/22-6/30/23)

	Total Headquarters Charge	**Manasquan Reservoir System**	**Manasquan WTP/TS**
Budgeted-Appendix I, amount to be charged to Manasquan System for FY23 (7/1/22-6/30/23)	$747,244	$644,647	$102,597
F/Y21 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y21 (7/1/20-6/30/21). Amounts paid during F/Y21 to Raritan Basin System.	$629,000	$542,000	$87,000
Actual allocation based upon audited expenditures F/Y21 (7/1/20-6/30/21) - Appendix II	$630,412	$543,842	$86,570
Adjustments F/Y21	$1,412	$1,842	($430)
Net Allocation for F/Y2023 Budget	$748,656	$646,489	$102,167
Estimate	$749,000	$646,000	$103,000

Note:

Amounts in this schedule may differ from the allocation reports attached because of adjustments made as a result of OPEB-related data released from the State of NJ after this schedule was prepared. Any differences will be addressed in this schedule in following year(s).

Schedule 6

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

LABOR PROJECTION

FISCAL YEAR 2023
(7/01/22-6/30/23)

TITLES	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION RESERVOIR %	AMOUNT RESERVOIR	ALLOCATION WTP/TS %	AMOUNT WTP/TS
Director	141,700	79,097	-	-	-	220,797	50%	110,400	50%	110,400
Project Engineer II	100,200	55,931	-	-	-	156,131	70%	109,340	30%	46,790
Water Supply Tech.	68,400	38,488	-	550	-	107,438	62%	66,649	38%	40,791
Administrative Assistant	73,050	40,910	239	-	-	114,199	50%	57,125	50%	57,035
Supervisor Technical Facilities Maint	91,650	59,410	14,232	550	-	165,842	47%	77,073	54%	88,737
Sr. Water Supply Tech.	79,950	45,855	1,648	550	-	128,003	43%	55,015	57%	72,935
Maintenance Worker I	49,700	28,049	-	550	-	78,299	93%	73,121	7%	5,179
Supervisor Operations	120,800	67,430	-	-	-	188,230	25%	47,100	75%	141,130
Equipment Operator	50,400	28,800	644	550	-	80,394	94%	75,429	6%	4,921
Foreman Bldg & Grounds Maint	79,950	45,451	924	550	-	126,875	85%	107,825	15%	19,025
Foreman Facilities Maintenance	79,950	46,770	3,287	550	-	130,557	47%	61,084	53%	69,486
Facilities Mechanic (3 Positions)	208,300	119,106	3,427	1,650	-	332,483	50%	166,275	50%	166,185
Supervisor Plant Operator	86,000	52,240	7,038	550	-	145,828	37%	53,607	63%	92,183
Maintenance Worker I Operations	51,200	28,956	124	550	-	80,830	92%	74,181	8%	6,629
Reservoir System Operator (5 Positions)	232,500	143,067	19,152	2,750	1,900	399,369	95%	379,393	5%	20,028
Plant Operator (6 Positions)	376,650	246,748	62,094	3,300	-	688,792	1%	6,900	99%	681,901
TOTAL: (rounded)	1,890,400	1,126,300	112,800	12,650	1,900	3,144,000		1,520,516		1,623,354

TOTAL = 27 Positions

Director and Adm. Assistant, Water Supply Tech and Sr. Water Supply Tech percentages modified based on work load. All others are four-year average.

Schedule 7

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

DIRECT EXPENSE BUDGET (40) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2023 AND EXPENDITURES THROUGH 2/28/22 FOR FISCAL YEAR 2022

CODE	ACCOUNT	ADOPTED BUDGET FY22	PROPOSED BUDGET FY23	EXPENDITURES THRU 2/28/22
5200	ON-SITE RESIDENCE			
5210	HEATING FUEL	900	800	-
5220	UTILITIES-ELECTRICAL SERVICE	90,500	85,000	52,477
5230	UTILITIES-GAS SERVICE & WATER	8,000	9,800	7,988
5240	UTILITIES-PROPANE			
5250	ELECTRICITY FOR PUMPING	305,000	305,000	158,426
5260	VEHICULAR FUEL			
5270	OIL & GREASE			
5280	TIRES			
5290	MAINTENANCE SUPPLIES	4,000	10,000	11,734
5300	MAINT. SUPPLIES-VEHICULAR EQUIPMENT			
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR			
5320	AGRICULTURAL SUPPLIES			
5330	MAINTENANCE OF EQUIPMENT	51,500	51,500	21,147
5340	SERVICE & MAINTENANCE CONTRACTS	43,450	46,650	15,202
5350	EQUIPMENT RENTAL	6,500	10,000	3,123
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	1,000	1,000	480
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	138,686	138,686	52,378
5390	PROTECTIVE SERVICES	328,564	342,869	202,380
5400	TELEPHONE	8,000	9,008	8,080
5410	POSTAGE & FREIGHT			
5420	DATA PROCESSING			
5430	PRINTING & OFFICE SUPPLIES	1,500	1,500	1,232
5440	SCIENTIFIC & PHOTOGRAPHIC	5,500	5,500	1,489
5450	DUES & SUBSCRIPTIONS			
5460	ADVERTISING	2,000	2,000	442
5470	TRAVEL & SUBSISTENCE			
5480	STAFF TRAINING & TUITION AID			
5490	FEES & PERMITS	37,500	38,000	33,260
5500	IN-LIEU TAXES	36,800	38,300	36,756
5510	SEDIMENT REMOVAL	47,000	62,000	60,932
	TOTALS	**$1,116,400**	**$1,157,613**	**$667,524**

Schedule 8

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR SYSTEM

GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60) PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2023 AND EXPENDITURES THROUGH 2/28/22 FOR FISCAL YEAR 2022

CODE	ACCOUNT	ADOPTED BUDGET FY22	PROPOSED BUDGET FY23	EXPENDITURES THRU 2/28/22
5110	REGULAR SALARIES & WAGES	$1,919,250	$1,904,950	$1,067,078
5120	OVERTIME-SALARIES & WAGES	109,250	112,800	56,551
5150	FRINGE BENEFITS	964,600	907,700	565,502
5160	RETIREE HEALTH BENEFITS	158,500	213,600	112,008
5168	WORKERS' COMP. (SELF INSURED)	5,000	5,000	823
	TOTAL SALARY, OVERTIME & FRINGE BENEFITS	$3,156,600	$3,144,050	$1,801,962
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	22,750	22,750	15,971
5270	OIL & GREASE	5,700	5,700	2,201
5280	TIRES	7,000	7,000	1,517
5290	MAINTENANCE SUPPLIES	27,300	15,000	7,648
5300	MAINT. SUPPLIES-VEHICULAR EQUIPMENT	10,600	20,000	4,192
5310	MAJOR SPECIAL VEHICLE SERVICE & REPAIR	52,000	52,000	14,293
5320	AGRICULTURAL SUPPLIES	8,600	9,100	1,923
5330	MAINTENANCE OF EQUIPMENT	17,100	12,000	3,083
5340	SERVICE & MAINTENANCE CONTRACTS	26,550	25,852	11,484
5350	EQUIPMENT RENTAL	4,300	4,300	1,652
5360	HOUSEHOLD-SAFETY & PROTECTIVE SUPPLIES	7,500	7,500	7,392
5370	UNIFORMS			
5380	SPECIAL & PROFESSIONAL SERVICES	7,700	7,700	1,495
5390	PROTECTIVE SERVICES			
5400	TELEPHONE	7,000	7,000	4,191
5410	POSTAGE & FREIGHT	1,200	1,200	574
5420	DATA PROCESSING	5,000	5,000	2,333
5430	PRINTING & OFFICE SUPPLIES	5,800	5,800	3,033
5440	SCIENTIFIC & PHOTOGRAPHIC	300	300	0
5450	DUES & SUBSCRIPTIONS	3,000	3,000	302
5460	ADVERTISING	2,000	2,000	697
5470	TRAVEL & SUBSISTENCE	1,000	1,000	147
5480	STAFF TRAINING & TUITION AID	12,400	12,400	3,505
5490	FEES & PERMITS	7,700	7,700	770
5500	IN-LIEU TAXES			
5510	SEDIMENT REMOVAL			
	SUB TOTALS	$242,500	$234,302	$88,402
	TOTALS	**$3,399,100**	**$3,378,352**	**$1,890,364**

Schedule 9

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2023

		Adopted F/Y22	Proposed F/Y23
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	Underground Fuel Tank Testing & Repair	-	2,000
9	Roadway Crack Sealing	3,000	3,000
10	Wood Debris Removal	2,500	2,500
11	Access Roadway Repairs	2,500	2,500
12	Roofing System Maintenance & Repair	4,000	4,000
13	Reservoir Transmission Line Clearing	3,000	3,000
14	Fios Fiber Optic for Security Cameras	1,200	2,400
	Total Service & Maintenance Contracts	$ 43,450	$ 46,650

Schedule 10

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 2023

		Adopted F/Y22	Proposed F/Y23
1	Refuse & Waste Disposal	$ 2,000	$ 2,000
2	Office Equipment/Computers	1,800	1,800
3	Waste Oil Disposal	200	300
4	Fire Extinguisher Service	1,100	1,100
5	UST Monitor Service	2,000	1,752
6	Building Maintenance	1,750	6,000
7	Internet Service	2,000	2,000
8	Janitorial Service	8,000	8,000
9	Vehicle Lift Inspection	500	500
10	Generator Service & Maintenance	2,000	-
11	Forklift Service & Maintenance	1,200	-
12	Underground Fuel Storage Tank Service	4,000	2,400
	Total Service & Maintenance Contracts	$ 26,550	$ 25,852

Schedule 11

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

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

FISCAL YEAR 2023

		Adopted F/Y22	Proposed F/Y23
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	Hydrilla Treatment and Water Quality Study	-	25,000
8	Lake Management Consultants	20,000	10,000
9	Engineering Services	4,000	4,000
10	Financial Advisory Services	4,850	4,850
11	USGS Gaging Station Squankum	30,836	30,836
	Total Special & Professional Services	$ 138,686	$ 138,686

Schedule 12

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 2023

		Adopted F/Y22	Proposed F/Y23
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	1,200	1,200
	Total Special & Professional Services	$ 7,700	$ 7,700

Schedule 13

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

PROPOSED CAPITAL EQUIPMENT BUDGET

FISCAL YEAR 2023

Description	(A)Addition (R)Replacement	Year of Purchase Vehicle/Equipment	Dollar Value	%	Manasquan Reservoir	Manasquan WTP/TS	Reservoir Depreciation Reserve	WTP/TS Depreciation Reserve
Ford Pickup (Replacing NJWA 56)	R (528)		65,000	25/75	16,250	48,750	6,009	18,026
Mid Size pickup truck (Replacing NJWA 28)	R (511)		45,000	45/55	20,250	24,750	13,250	16,195
3 bottom field plow attachment for 70 Hp. John Deere tractor			2,000	30/70	600	1,400		
		TOTAL	112,000		37,100	74,900	19,259	34,221
*Per Resolution #861, dated 7/12/93 Asset Definition minimum is $1,000.					0			
Less Amount charged to Reservoir Depreciation Reserve					19,259			
Less Amount charged to WTP/TS Depreciation Reserve						34,221		
			Total		17,841	40,679		
		Additional Depreciation Reserve				0		
			Estimate		$17,800	$40,679		

Schedule 14

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

PROJECTED FY 2023 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM

Policy	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant and Transmission System	Total Premium
Property Limit $150 million, Limit $25m BI Deduct: $100k all perils $250k Deduct dams, dikes / $1m Deduct Canal flood Earthen Dam:Builders Risk	$527,656	$256,740	$75,604	$860,000
General/Products Liability Limit $1 million Deduct: $150k	$133,213	$14,205	$2,583	$150,001
Environmental Impairment Liability Limit $10 million Deduct: $100k	$26,643	$2,841	$517	$30,001
Workers' Compensation Limit $1 million	$131,487	$18,101	$20,412	$170,000
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	$377,436	$40,246	$7,317	$424,999
Business Automobile Limit: $1 million G/L, $0 pd Deduct: $50k, G/L	$44,304	$4,012	$1,684	$50,000
Management Liability				
Public Officials Liability	$44,404	$4,735	$861	$50,000
Cyber Risk	$17,762	$1,894	$344	$20,000
Fidelity & Crime			$5,000	$5,000
Limit $5 million/$1million/$1 million Deduct: $100k/$10k/$50k	$62,166	$6,629	$6,205	$75,000
Travel Accident Limit $2 million	$888	$95	$17	$1,000
TOTAL:	$1,303,793	$342,869	$114,339	$1,761,001

Schedule 15

NEW JERSEY WATER SUPPLY AUTHORITY
MANASQUAN RESERVOIR WATER SUPPLY SYSTEM

UNANTICIPATED REVENUE - FUNDS TO BE APPROPRIATED INTO RATE STABILIZATION FUND FOR FISCAL YEAR 2023

				Amount
F/Y2021 Net Year-End Balance			$	430,250
Excess D/S Coverage FY2022			$	118,000
Overdraft	Invoice No.	Inv. Date		Amount
NJ American	MM-382	Mar-21	$	15,913
	MM-384	Apr-21	$	9,982
	MM-385	May-21	$	1,747
	MM-389	Jun-21	$	8,236
Used in FY21			$	-
Available for use in FY23			$	35,878

Additional Sources

Total Available	$	584,128
Estimate for FY23	**$**	**584,130**
Available for Future Years	$	-

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 OPERATING EXPENSE ACCOUNTS

ACCOUNT CODE **TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for FISCAL YEAR 2023.

	Adopted F/Y22	Proposed F/Y23
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	$1,919,250	$1,904,950
Overtime	109,250	112,800
Fringe Benefits	964,600	907,700
Retiree Health Benefits	158,500	213,600
Worker's Compensation (self-insured)	5,000	5,000
Total Salaries and Fringe Benefits	$3,156,600	$3,144,050
Allocation to Reservoir	$1,503,500	$1,520,516
Anticipated Increase for F/Y23		$17,016

5120-5140 OVERTIME

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 2023 OPERATING EXPENSE ACCOUNTS

ACCOUNT CODE	TITLE
5220	UTILITIES - ELECTRICAL SERVICE (OTHER THAN PUMPING)

This account covers facilities electrical usage at the Administration Building, Reservoir Pump Station, Flow Meter/Valve Chamber, Inlet/Outlet Tower, On-Site Residences, and access roadway lighting for security and safety purposes.

5230 NATURAL GAS

This account covers the cost of heating portions of the Administration Building.

5240 PROPANE

This account covers the cost of propane fuel.

5250 ELECTRICITY FOR PUMPING

This account covers the cost of electricity to operate pumps at the Intake Pump Station and Reservoir Pump Station.

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 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, paint and related products, plumbing, (heating and cooling) products, insulation products, electrical items, lighting supplies, fixtures, signs, posts, fencing and fencing material, road, ditch, culvert and bank repair materials, emergency response supplies, small hand and power tools and welding gases.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 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 2023 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 2023 OPERATING EXPENSE ACCOUNTS

ACCOUNT CODE	TITLE
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 the cost of subscriptions to newspapers, magazines, periodicals, reference books, other publications and membership fees in professional societies and associations.

5460 ADVERTISING

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

5470 TRAVEL AND SUBSISTENCE

This account covers the cost of travel and subsistence expenses reimbursable to an employee or chargeable to the Authority under the provisions of "The Regulations Governing Employee Expense Reimbursements". It includes travel expenses, employee allowances, staff and departmental meal expenses.

5480 STAFF TRAINING AND TUITION AID

This account provides funds for employees' 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 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 IN-LIEU TAXES

This account covers the funds for Reservoir and Intake Facilities in-lieu tax payment.

5510 SEDIMENT REMOVAL

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 2023 BUDGET

(July 1, 2022 - June 30, 2023)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED

FISCAL YEAR 2023 BUDGET
(July 1, 2022 – June 30, 2023)

Table of Contents

PROPOSED FISCAL YEAR 2023 BUDGET SUMMARY 1

DELAWARE AND RARITAN CANAL – SPRUCE RUN / ROUND VALLEY RESERVOIRS SYSTEM RATE HISTORY OF WATER CHARGES PER MILLION GALLONS OF RAW WATER DAILY FY2007-FY2023 2

RECAP OF ALLOCATION OF HEADQUARTERS GENERAL AND ADMINISTRATIVE EXPENSES CHARGED TO MANASQUAN WATER SUPPLY SYSTEM 3

UNANTICIPATED REVENUE 4

PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2023 AND EXPENDITURES THROUGH 2/28/22 FOR FISCAL YEAR 2022 5

COMPARATIVE STATEMENT FISCAL YEAR 2023 6

PROPOSED CAPITAL EQUIPMENT BUDGET 7

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS 8

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES 10

PROJECTED FY 2023 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM 12

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 OPERATING EXPENSE ACCOUNTS 13

DESCRIPTION OF RESERVE ACCOUNTS 19

AUDITOR COST ALLOCATION REPORT FY23 APPENDIX I

AUDITOR COST ALLOCATION REPORT ACTUAL FY21 APPENDIX II

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED FISCAL YEAR 2023 BUDGET SUMMARY

(7/1/22-6/30/23)

	ADOPTED F/Y2022 BUDGET	PROPOSED F/Y2023 BUDGET
Proposed Operating Expense Budget (Schedule 3)	$ 14,298,436	$ 14,730,184
Proposed Capital Equipment Budget (Schedule 5)	368,900	29,738
Allocation of Headquarters General & Administrative Expenses to the Manasquan Reservoir System (Schedule 1)	(674,000)	(749,000)
Total Operating Expense Budget & Capital Equipment Budget	$ 13,993,336	$ 14,010,922
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)	5,657,067	5,657,067
Capital Fund Component	2,196,273	2,196,273
Source Water Protection Component	1,597,290	1,597,290
Total Contributions to Debt Service and Reserve Funds	$ 9,760,630	$ 9,760,630
Total Proposed Budget	$ 23,753,966	$ 23,771,552
Revenues		
Operating and Maintenance Component	$ 12,961,146	$ 12,965,382
NJEIFP Debt Service	5,657,067	5,657,067
Capital Fund Component	2,196,273	2,196,273
Source Water Protection Program Component	1,597,290	1,597,290
Funds to be Appropriated from Rate Stabilization Fund (Schedule 2)	1,262,390	1,286,340
Employee Housing	47,200	47,200
Interest Earnings	32,600	22,000
Total Revenue	$ 23,753,966	$ 23,771,552

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
FY2007-FY2023

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, 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%
July 1, 2021	194.00			85.00	33.00	24.00	336.00	0.00%
July 1, 2022	194.00			85.00	33.00	24.00	336.00	0.00%

Schedule 1

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 2023
(7/1/22-6/30/23)

	Total Headquarters Charge	**Manasquan Reservoir System**	**Manasquan WTP/TS**
Budgeted-Appendix I, amount to be charged to Manasquan System for FY23 (7/1/22-6/30/23)	$747,244	$644,647	$102,597
F/Y21 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y21 (7/1/20-6/30/21). Amounts paid during F/Y20 to Raritan Basin System.	$629,000	$542,000	$87,000
Actual allocation based upon audited expenditures F/Y21 (7/1/20-6/30/21) - Appendix II	$630,412	$543,842	$86,570
Adjustments F/Y21	$1,412	$1,842	($430)
Net Allocation for F/Y2023 Budget	$748,656	$646,489	$102,167
Estimate	$749,000	$646,000	$103,000

Note:

Amounts in this schedule may differ from the allocation reports attached because of adjustments made as a result of OPEB-related data released from the State of NJ after this schedule was prepared. Any differences will be addressed in this schedule in following year(s).

Schedule 2

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

UNANTICIPATED REVENUE

FUNDS TO BE APPROPRIATED INTO THE RATE STABILIZATION FUND FOR FISCAL YEAR 2023

				Amount
F/Y2021 Net Year-End Balance				$870,000
Transfer from SWP fund for labor/fringe on grant projects				$200,000
Overdrafts	Invoice No.	Billed	Amount	
NJ American	R298	Nov-20	$24,244	
Morris County MUA	R301	Nov-20	$426	
Roxiticus	R305	Nov-20	$1,595	
Stonebridge Community Assoc.	R300	Nov-20	$477	
Village Grande	R304	Nov-20	$695	
Mt Olive Twp.	R308	Nov-20	$179	
Unbilled:				
Mt. Olive (Mar-June)			$281	
NJ American (June '21)			$83,132	
NJ American (July '21)			$105,308	
		Total	$216,337	
	Amount used in FY2021		-	
		NET		$216,337

Overdrafts Not Billed, Accrued through July, 2021

Renaissance at Monroe

NJ American

Other Sources of Funds

Grand Total	$1,286,337
FY23 Budget	$1,286,340

Schedule 3

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED OPERATING EXPENSE BUDGET FOR FISCAL YEAR 2023 AND EXPENDITURES THROUGH 2/28/22 FOR FISCAL YEAR 2022

CODE	ACCOUNT	ADOPTED BUDGET FY22	PROPOSED BUDGET FY23	EXPENDITURES THRU 2/28/22
5110	Regular Salaries & Wages	$6,640,500	$6,912,300	$3,707,059
5120	Overtime-Salaries & Wages	254,555	249,034	148,709
5150	Fringe Benefits	3,322,800	3,306,100	1,840,713
5160	Retiree Health Benefits	544,000	676,000	437,144
5168	Workers' Comp. (Self Insured)	10,000	10,000	2,126
	Total Salary, Overtime & Fringe Benefits	$10,771,855	$11,153,434	$6,135,751
5200	Residences	$19,600	$19,600	$14,601
5210	Heating Fuel	80,250	74,250	70,355
5220	Utilities-Electrical Service	102,500	103,300	61,437
5230	Utilities-Gas Service & Water	5,500	7,700	3,733
5240	Utilities-Propane	500	500	0
5250	Electricity For Pumping	83,400	83,400	42,402
5260	Vehicular Fuel	109,688	120,030	82,558
5270	Oil & Grease	12,500	13,000	6,797
5280	Tires	25,000	24,000	14,716
5290	Maintenance Supplies	198,100	199,000	101,524
5300	Maint. Supplies-Vehicular Equipment	59,000	59,000	45,458
5310	Major Special Vehicle Service & Repair	85,000	85,000	19,276
5320	Agricultural Supplies	8,000	9,750	2,555
5330	Maintenance Of Equipment	64,200	72,700	18,098
5340	Service & Maintenance Contracts	304,696	344,096	188,412
5350	Equipment Rental	65,650	61,650	24,617
5360	Household-Safety & Protective Supplies	40,600	40,600	28,041
5370	Uniforms	8,900	9,360	2,476
5380	Special & Professional Services	581,536	574,736	236,077
5390	Protective Services	1,278,616	1,303,793	805,964
5400	Telephone	88,200	47,200	33,996
5410	Postage & Freight	5,620	5,620	2,486
5420	Data Processing	27,420	27,420	18,076
5430	Printing & Office Supplies	45,550	46,050	15,815
5440	Scientific & Photographic	6,500	5,500	4,258
5450	Dues & Subscriptions	41,525	42,165	37,245
5460	Advertising & Promotional	11,200	10,700	2,388
5470	Travel & Subsistence	6,680	6,680	606
5480	Staff Training & Tuition Aid	26,750	30,350	5,378
5490	Fees & Permits	125,200	130,900	101,329
5500	In-Lieu Taxes	8,700	18,700	18,689
	Sub Totals	$3,526,581	$3,576,750	$2,009,364
	TOTALS	**$14,298,436**	**$14,730,184**	**$8,145,115**

Schedule 4

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

COMPARATIVE STATEMENT FISCAL YEAR 2023

CODE	ACCOUNT		FY'19 ACTUAL	FY'20 ACTUAL	FY'21 ACTUAL	FY'22 ADOPTED	FY'23 PROPOSED
5110	Regular Salaries & Wages		$5,959,265	$6,020,542	$5,887,597	$6,640,500	$6,912,300
5120	Overtime-Salaries & Wages		239,713	151,734	209,809	254,555	249,034
5130	New positions-Salaries & Wages		0	0	0	0	0
5162	Retiree Unused Sick & Vacation		0	0	0	0	0
5150	Fringe Benefits*		3,047,059	3,178,400	814,296	3,322,800	3,306,100
5167	Retiree Health Benefits		1,498,763	(433,886)	(315,911)	544,000	676,000
5168	Workers Comp. (Self Insured)		4,590	3,311	0	10,000	10,000
	Total Salary & Fringe		10,749,390	8,920,101	6,595,791	10,771,855	11,153,434
	Budget Salary & Fringe						
5200	Residences		$27,122	$18,485	$17,096	$19,600	$19,600
5210	Heating Fuel		61,012	47,955	56,739	80,250	74,250
5220	Utilities -Electrical Service		93,556	98,579	110,014	102,500	103,300
5230	-Gas Service		4,571	4,997	5,665	5,500	7,700
5240	-Propane		457	219	244	500	500
5250	Electricity for Pumping Station		59,993	55,878	58,927	83,400	83,400
5260	Fuel - Vehicular		106,304	77,299	77,029	109,688	120,030
5270	Oil & Grease		9,317	7,787	8,996	12,500	13,000
5280	Tires		15,540	25,046	20,564	25,000	24,000
5290	Maintenance Supplies		184,818	166,538	154,004	198,100	199,000
5300	Maint. Supplies - Vehicular		50,108	46,362	51,228	59,000	59,000
5310	Major Vehicle Service & Repair		103,843	68,448	70,862	85,000	85,000
5320	Agricultural Supplies		5,758	5,004	7,516	8,000	9,750
5330	Maintenance Equipment		28,372	43,132	27,023	64,200	72,700
5340	Serv. & Maintenance Contracts		241,120	252,173	222,655	304,696	344,096
5350	Equipment Rental		35,066	56,110	36,896	65,650	61,650
5360	Household - Safety Supplies		39,576	35,372	41,993	40,600	40,600
5370	Uniforms		9,581	6,233	7,856	8,900	9,360
5380	Special & Professional Services		455,218	442,967	549,634	581,536	574,736
5390	Protective Services		1,154,913	1,194,269	1,130,377	1,278,616	1,303,793
5400	Telephone		75,123	58,899	51,862	88,200	47,200
5410	Postage & Freight Out		6,285	3,005	7,656	5,620	5,620
5420	Data Processing		25,995	24,451	25,156	27,420	27,420
5430	Printing & Office Supplies		47,991	32,114	32,383	45,550	46,050
5440	Scientific & Photographic		784	4,194	1,627	6,500	5,500
5450	Dues & Subscriptions		36,715	35,716	28,891	41,525	42,165
5460	Advertising & Promotional		1,966	10,156	8,822	11,200	10,700
5470	Travel & Subsistence		5,433	4,080	741	6,680	6,680
5480	Staff Training & Tuition Aid		14,222	15,140	11,461	26,750	30,350
5490	Fees & Permits		118,400	117,155	126,875	125,200	130,900
5500	In - Lieu Taxes		8,703	28,675	18,689	8,700	18,700
	Total Other Expenses		$3,027,860	$2,986,441	$2,969,482	$3,526,581	$3,576,750
	Total Operating Expenses		$13,777,251	$11,906,541	$9,565,274	$14,298,436	$14,730,184
	Annual Increase (Decrease)		-0.02%	-13.59%	-30.58%	3.78%	3.02%
	Budget -other expenses		3,540,285	3,540,285	3,522,437	3,526,581	3,572,690
	ANNUAL BUDGET		$14,238,081	$14,211,138	$13,936,857	$14,298,436	$14,730,184

Schedule 5

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROPOSED CAPITAL EQUIPMENT BUDGET

FOR FISCAL YEAR 2023
(7/1/22-6/30/23)

	Description	Replacement (R) Addition (A)	Year of Purchase	Dollar Value	Depreciaton Reserve
ENG/FACILITIES	Small Pickup truck - subject to Authority wide evaluation of vehicles	R(2267)	2003	$ 35,000	1,000
	Jet JWJ-8HH Wood Jointer (Carp Shop)	R <$1000		$ 2,500	
	Shaft Alignment Laser System (SBPS)	R (1944)	2004	$ 12,000	11,008
	Sewerage Lift Pumps (SBPS) (2)	R <$1000		$ 3,000	
	Drill Press Jet IDP-22 (SBPS)	R (561) <$1000	1985	$ 3,000	
GROUNDS	Power Trac Slope Mower PT 1850	R (2231)	2014	$ 50,000	35,000
	Power Trac Mower Deck With Finishing Kit	R (2233)	2014	$ 7,500	9,535
	Utility Grapple Attachment for Power Trac	A		$ 2,000	
	John Deere 60in Snow Blower Attachement	A		$ 5,750	
	John Deere Front Mount Debris Blower	A		$ 7,500	
	Current Year UTV	A		$ 25,000	
	Snow Plow for UTV	A		$ 4,500	
	Current Year Bucket Truck	R (1986)	2005	$ 190,000	$ 109,806
	Storage Racks RVMB	A		$ 3,500	
CANAL	Roll-off container Truck (NJWA 62)	R (1740)	2000	$ 200,000	$ 111,739
	Landscape trailer (2)	R (1908,1909)	2003	$ 16,000	$ 6,280
	3 point arm hitch mower	R (2264)	2016	$ 54,000	$ 25,575
	Bath tub Container	R (2082)	2008	$ 7,500	$ 4,195
	Snow Blowers (2)	A & R (1237)	1991	$ 3,600	$ 1,475
	Jon Boats (2)	R <1000		$ 4,000	$ -
	Toro Ground Master	R (Half of 2053)	2007	$ 30,000	$ 21,155
	SUV	A		$ 45,000	
AUTO SHOP	Current Year F250 Pickup	R (2016)	2006	$ 50,000	22,788
	Transmission Fluid Exchanger	A		$ 6,000	
	Diagnostic Smoke Machine	A		$ 3,500	
	Fcar MunicipalScanner F3G	A		$ 5,000	
IT	Dell Poweredge Server - Wshed	R (2270)	2016	$ 10,000	4,863
SECURITY	Security Vehicle (NJWA 14)	R (2356)	2019	$ 32,000	19,693
	Fire Alarm (Annex)	R		$ 6,000	

TOTAL COST	$823,850	$384,112
LESS AMOUNT CHARGED TO DEPRECIATION RESERVE	(384,112)	
NET TOTAL	$439,738	
LESS AMOUNT CHARGED TO CAPITAL EQUIPMENT RESERVE	($410,000)	
TOTAL	$29,738	

Schedule 6

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2023

		ADOPTED F/Y22	PROPOSED F/Y23
1.	Postage/Fax/ Misc. Machines (Dept. 16)	$ 500	$ 500
2.	SHPERA-Safety Software (Dept. 17)	2,000	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)	5,300	5,300
6.	Property Fax - Parcel Maps (Dept. 17)	1,400	1,400
7.	Sage Fixed Asset (Dept. 17)	2,900	2,900
8.	PV & Associates-Winslamm (Dept. 17)	500	500
9.	People Trak Support Technical Difference (Dept. 17)	500	500
10.	COMCAST - Cable Internet (Dept. 17)	15,000	15,000
11.	Essention - Conservation Trak (Dept.17)	5,000	5,000
12.	Weebly (Web Hosting at Clinton) (Dept. 17)	250	250
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)	1,500	1,500
16.	ESRI ArcView Maintenance-Watershed (Dept. 17)	5,400	5,400
18.	KNOWBE4 Internet Security (Dept. 17)	1,500	1,500
19.	Proofpoint Antispam (Dept. 17)	1,500	1,500
20.	River Morph (Dept. 17)	500	500
21.	DLT Solutions Autocad (Dept. 17)	2,800	2,800
22.	Fastrax SBPS Monitoring Software (Dept. 17)	900	900
23.	ESRI ArcView Maintenance-Clinton (Dept. 17)	500	500
24.	Keystone Precision-GPS Software Maint. (Dept. 17)	800	800
25.	HAAS Systems-Security Alarm Software Maint. (Dept. 17)	400	400
26.	Clients First-Vipre Antivirus/Antispam (Dept. 17)	400	400
27.	EZ Watch Security Video (Dept. 17)	900	900
28.	Clients First - Server Software (Dept. 17)	1,000	1,000
29.	Delmar Enterprises - Key Systems (Dept. 17)	520	520
30.	Docusign (Dept. 17)	400	400
31.	Microsoft 365 (Dept. 17)	-	18,000
32.	Backup Service (Dept. 17)	-	6,000
33.	MFA Service (Dept. 17)	-	1,500
34.	Wix for Web (Dept. 20)	156	156
35.	Janitorial Service (Dept. 20)	3,300	-
36.	Trimble Catalyst for GPS (Dept. 30)	500	500
37.	Refuse Collection (Dept. 31)	7,500	7,500
38.	Janitorial Service (Dept. 31)	24,000	32,000

(continued on next page)

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5340 ITEMS RECOMMENDED SERVICE & MAINTENANCE CONTRACTS

FISCAL YEAR 2023

		ADOPTED F/Y22	PROPOSED F/Y23
39.	HVAC Service (Dept. 31)	$ 5,500	$ 5,500
40.	Electrician & Plumber Services (Dept. 31)	5,000	5,000
41.	Instrumentation Services (Dept. 31)	4,500	4,500
42.	Entry Rugs (Dept. 31)	5,000	5,000
43.	Carpet Cleaning (Dept. 31)	8,000	10,000
44.	Generator Service-Administration Building (Dept. 31)	1,200	1,200
45.	Underground Plant Location Service Notifications (Dept. 31)	1,500	1,500
46.	Crane Service and Inspection (Dept. 31)	4,000	4,000
47.	Elevator Service-SBPS (Dept. 31)	2,800	2,800
48.	Electrical Service-SBPS (Dept. 31)	20,000	20,000
49.	UST Testing and Inspections (Dept. 31)	15,000	15,000
50.	Miscellaneous (Dept. 31)	6,900	6,900
51.	Janitorial Service (Dept. 32)	9,600	15,600
52.	Dumpster Service Canal Office (Dept. 32)	18,000	21,400
53.	Dumpster Service Route 1 (Dept. 32)	48,000	43,000
54.	Instrumentation Service (Dept. 32)	3,000	3,000
55.	One Call Concepts (Dept. 32)	2,400	2,400
56.	Floor Mats (Dept. 32)	2,400	-
57.	Grass Mowing Service (Dept. 32)	8,000	-
58.	Boiler Service (Dept. 32)	1,000	4,000
59.	Wood Disposal Fees (Dept. 32)	4,800	4,800
60.	Generator Service-Scudders & Perdicaris (Dept. 32)	3,000	3,000
61.	Viking Pest (Dept. 32)	720	720
62.	Johnny on the Spot - Rt. 202 (Dept. 32)	2,400	2,400
63.	Welco Gas (Dept. 33)	1,000	1,000
64.	Tree Stump Recycling (Dept. 33)	2,500	2,500
65.	Parts Washer & Hazardous Removal (Dept. 34)	1,000	1,000
66.	Boom Lift Annual Inspection (Dept. 34)	900	900
67.	Recycle Used Vehicle Fluids (Dept. 35)	400	400
68.	Fire Extinguisher Maintenance (Dept. 36)	9,000	9,000
69.	Hazardous Waste Control (Dept. 36)	1,500	1,500
70.	Fire Alarm Testing (Dept. 36)	8,000	8,000
71.	Vehicle Lifts Annual Testing (Dept. 36)	1,500	1,500
72.	Delaware Electric Cellular Service (Dept. 37)	800	1,000
73.	Dial My Calls (Dept. 37)	1,600	1,600
74.	Geomoto GPS Tracking (Dept. 37)	1,200	1,200
75.	Covert Wireless (Dept. 37)	1,200	1,200
	TOTAL	$ 304,696	$ 334,096

Schedule 7

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2023

		ADOPTED F/Y22	PROPOSED F/Y23
1.	Services-Governor's Authorities Unit (Dept. 10)	$ 23,000	$ 23,000
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)	2,400	2,400
8.	Employee Advisory Service (Dept. 14)	2,500	2,700
9.	Consultant-Risk Management - to provide assistance to the Authority in the review of insurance coverage and continuation of a Comprehensive Coordinated Risk Management Program (Dept. 15)	45,000	45,000
10.	Insurance Broker-HRH (Dept. 15)	42,000	45,000
11.	GL Administrator (ESIS) (Dept. 15)	2,000	3,000
12.	Services-Attorney General's Office - Assistance of Deputy Attorney General concerning a wide range of legal matters (Dept. 15)	20,000	25,000
13.	MP Water Monitoring Costs - USGS SR @ Glen Gardner (Dept. 20)	10,057	10,057
14.	MP Water Monitoring Costs - USGS SB Raritan @ Stanton (Dept. 20)	8,568	8,568
15.	MP Water Monitoring Costs - USGS Landing Lane (Dept. 20)	36,414	36,414
16.	MP Water Monitoring Costs - USGS Raritan River @ Manville (Dept. 20)	47,940	47,940
17.	Continuous Record Gaging - USGS @ Washington Crossing (Dept. 20)	22,083	22,083
18.	Water Quality Monitoring - USGS @ Washington Crossing (Dept. 20)	5,059	5,059
19.	Water Monitoring Costs ASWQMN- USGS D&R Canal @ Landing Lane (Dept. 20)	13,617	13,617
20.	Water Monitoring Costs ASWQMN - NJDEP Mulhockaway @ Van Syckel (Dept. 20)	7,320	7,320
21.	Additional Flow Measure at SR, Stanton, Manville & Calco Dam (Dept. 20)	8,500	8,500
22.	Water Monitoring-SBWA/URWA now RHA (Dept. 20)	2,000	2,000
23.	Water Monitoring-SBMWA (Dept. 20)	1,500	1,500

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NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

LIST OF CATEGORY 5380 ITEMS RECOMMENDED PROFESSIONAL SERVICES

FISCAL YEAR 2023

		ADOPTED F/Y22	PROPOSED F/Y23
24.	Lab Certification WPU/Water Sample Analysis (Dept. 20)	$ 2,000	$ 2,000
25.	NJ Invasive Species Strike Team (Dept. 20)	300	300
26.	ISCO Monitoring (Dept. 20)	8,000	8,000
27.	General Lab Analysis (Dept. 20)	4,000	4,000
28.	Services-Emergency Engineering Services (Dept 30)	2,500	17,500
29.	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
30.	USGS Spruce Run Gage at Glen Gardner (Dept. 31)	10,200	10,200
31.	USGS Clinton Rain Gage (Dept. 31)	3,200	3,200
32.	USGS Washington Crossing Rain Gage (Dept. 31)	3,200	3,200
33.	Water Testing and Sampling to comply with the Safe Water Drinking Act (Dept. 31)	5,000	5,000
34.	Water Sampling and Testing as per NJDWR Requirements - RT 202 Stockpile Site (Dept 32)	28,000	28,000
35.	Maintenance of USGS Gauges at Washington Crossing and 10-mile and others (Dept. 32)	56,000	25,000
36.	Vac Truck Service - IFW, 10 Mile PS (Dept. 32)	5,000	5,000
37.	Safety Suggestion Program, Poster and Promotional Materials, Safety Incentive Program (Dept. 36)	9,700	9,700
38.	Pulmonary Testing and Physicals (Dept. 36)	5,000	5,000
39.	Annual Contributions to Fire Companies and Rescue Squads (Dept. 36)	500	500
40.	Hepatitis Vaccinations (Dept. 36)	800	800
41.	Calibration for the Pota-Count Respirator (Dept. 36)	900	900
	TOTAL	$ 581,536	$ 574,736

Schedule 8

NEW JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

PROJECTED FY 2023 NEW JERSEY WATER SUPPLY AUTHORITY INSURANCE PROGRAM

Policy	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant and Transmission System	Total Premium
Property Limit $150 million, Limit $25m BI Deduct: $100k all perils $250k Deduct dams, dikes / $1m Deduct Canal flood Earthen Dam:Builders Risk	$527,656	$256,740	$75,604	$860,000
General/Products Liability Limit $1 million Deduct: $150k	$133,213	$14,205	$2,583	$150,001
Environmental Impairment Liability Limit $10 million Deduct: $100k	$26,643	$2,841	$517	$30,001
Workers' Compensation Limit $1 million	$131,487	$18,101	$20,412	$170,000
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	$377,436	$40,246	$7,317	$424,999
Business Automobile Limit: $1 million G/L, $0 pd Deduct: $50k, G/L	$44,304	$4,012	$1,684	$50,000
Management Liability				
Public Officials Liability	$44,404	$4,735	$861	$50,000
Cyber Risk	$17,762	$1,894	$344	$20,000
Fidelity & Crime			$5,000	$5,000
Limit $5 million/$1million/$1 million Deduct: $100k/$10k/$50k	$62,166	$6,629	$6,205	$75,000
Travel Accident Limit $2 million	$888	$95	$17	$1,000
TOTAL:	$1,303,793	$342,869	$114,339	$1,761,001

JERSEY WATER SUPPLY AUTHORITY
RARITAN BASIN SYSTEM

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 OPERATING EXPENSE ACCOUNTS

ACCOUNT CODE — **TITLE**

5110 — SALARIES AND WAGES

5120-5140 — OVERTIME

5150-5168 — FRINGE BENEFITS

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 2023.

	Adopted F/Y22	Proposed F/Y23
Budgeted Positions	100	100
Expenditures:		
Regular Salaries	$6,640,500	$6,912,300
Overtime	254,555	249,034
Fringe Benefits	3,322,800	3,306,100
Retiree Health Benefits	544,000	676,000
Worker's Compensation (self-insured)	10,000	10,000
Total Salaries and Fringe Benefits	$10,771,855	$11,153,434
Anticipated increase for F/Y23	$381,579	

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 OPERATING EXPENSE ACCOUNTS

ACCOUNT CODE	TITLE

5200 ON-SITE RESIDENCES

This account covers the cost of maintaining On-Site Residences for Authority personnel. This account covers electrical, heating and general maintenance items. All employees in the residences are subject to an employee housing maintenance fee.

5210 HEATING FUEL

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

5220 UTILITIES - ELECTRICAL SERVICE (other than pumping)

This account covers regular electrical use at the Administration Building, South Branch Pumping Station, Langenfelder Maintenance Barn, Reservoir Towers (3) and Vaults (3), Whitehouse Station Release Works, the Raritan Basin System Canal Office, gates and telemarks and street lighting for security and safety purposes.

5230 UTILITIES - GAS SERVICE & WATER

This account covers the cost of natural gas at the Raritan Basin System Canal Office. Also covered in this account is the potable water charge at the Langenfelder Maintenance Barn, and South Branch Pumping Station.

5240 PROPANE

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

5250 ELECTRICITY FOR PUMPING

This account covers the cost of electricity to operate pumps at the South Branch Pumping Station. Any unanticipated pumping other than normal pumping at the Ten Mile Lock Pumping Station will be charged to the Pumping Reserve.

5260 VEHICULAR FUEL

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

5270 OIL & GREASE

This account covers the amount of oil and grease used by the Authority's motor vehicles. Also included in this account are mineral oil and those specialty oils used in the pumps and motors at the South Branch Pumping Station and the Ten Mile Lock Pumping Station.

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 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 2023 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 2023 OPERATING EXPENSE ACCOUNTS

ACCOUNT CODE	TITLE

5420 DATA PROCESSING

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

5430 PRINTING AND OFFICE

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

5440 SCIENTIFIC AND PHOTOGRAPHIC

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

5450 DUES AND SUBSCRIPTIONS

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

5460 ADVERTISING

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

5470 TRAVEL AND SUBSISTENCE

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

5480 STAFF TRAINING AND TUITION AID

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 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 2023 BUDGET

(July 1, 2022 - June 30, 2023)

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

PROPOSED

FISCAL YEAR 2023 BUDGET
(July 1, 2022 – June 30, 2023)

Table of Contents

PROPOSED FISCAL YEAR 2023 BUDGET SUMMARY....1
TOTAL PROPOSED OPERATIONS & MAINTENANCE BUDGET....2
PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (50)....3
PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)....4
LABOR PROJECTION....5
RECAP OF ALLOCATION OF HEADQUARTERS GENERAL AND ADMINISTRATIVE EXPENSES CHARGED TO THE MANASQUAN WATER TREATMENT PLANT AND TRANSMISSION SYSTEM....6
LIST OF CATEGORY 5340 ITEMS - RECOMMENDED SERVICE & MAINTENANCE CONTRACTS FOR THE WATER TREATMENT PLANT/TRANSMISSION SYSTEM (50)....7
LIST OF CATEGORY 5340 ITEMS - RECOMMENDED SERVICE & MAINTENANCE CONTRACTS FOR G & A (60)....8
LIST OF CATEGORY 5380 ITEMS - RECOMMENDED SPECIAL & PROFESSIONAL SERVICES FOR THE WATER TREATMENT PLANT/TRANSMISSION SYSTEM (50)....9
LIST OF CATEGORY 5380 ITEMS - RECOMMENDED SPECIAL & PROFESSIONAL SERVICES FOR G & A (60)....10
PROPOSED CAPITAL EQUIPMENT BUDGET....11
PROJECTED INSURANCE PROGRAM....12
DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 OPERATING EXPENSE ACCOUNTS....13

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

PROPOSED FISCAL YEAR 2023 BUDGET SUMMARY

(7/01/22-6/30/23)

	ADOPTED F/Y22 WTP/TS BUDGET	PROPOSED F/Y23 WTP/TS BUDGET
Proposed Operating Expense Budget (See Schedule 1)	$2,664,175	$2,608,027
Proposed Capital Equipment Budget (See Schedule 10)	30,603	40,679
Allocation of Headquarters General & Administrative Expense charged to the Manasquan WTP/TS (See Schedule 5)	92,000	103,000
Total Proposed Budget	$2,786,778	$2,751,706

Schedule 1

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

TOTAL PROPOSED OPERATIONS & MAINTENANCE BUDGET

FISCAL YEAR 2023
(7/01/22-6/30/23)

	ADOPTED F/Y22 WATER TREATMENT PLANT & TRANSMISSION SYSTEM	PROPOSED F/Y23 WATER TREATMENT PLANT & TRANSMISSION SYSTEM
Salaries/Fringe (Schedule 4)	$1,653,098	$1,623,450
O & M Direct Expense (Schedule 2)	909,916	891,139
G & A Expenses (Schedule 3)	101,161	93,438
Total Operations & Maintenance Budget	$2,664,175	$2,608,027

Schedule 2

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

PROPOSED OPERATIONS & MAINTENANCE DIRECT EXPENSE BUDGET (50)

FISCAL YEAR 2023
(7/01/22-6/30/23)

CODE	ACCOUNT DESCRIPTION	ADOPTED FY22		PROPOSED FY23
5210	Heating Fuel	$6,000		$6,000
5220	Utilities -Electrical Service	304,500		292,500
5230	-Gas Service	31,000		35,000
5240	-Propane			
5250	Electricity for Pumping Station			
5260	Fuel - Vehicular			
5270	Oil & Grease	4,000		3,000
5280	Tires			
5290	Maintenance Supplies	6,000		7,100
5300	Maint. Supplies - Vehicular			
5310	Major Vehicle Service & Repair			
5320	Agricultural Supplies			
5330	Maintenance Equipment	98,500		80,000
5340	Serv. & Maintenance Contracts	56,000	(Sch. 6)	45,000
5350	Equipment Rental	3,200		3,200
5360	Household - Safety Supplies	2,000		2,000
5370	Uniforms			
5380	Special & Professional Services	34,800	(Sch. 8)	34,800
5390	Protective Services	113,736	(Sch. 11)	114,339
5400	Telephone	1,000		1,200
5410	Postage & Freight Out			300
5420	Data Processing			
5430	Printing & Office Supplies	9,800		9,800
5440	Scientific & Photographic	13,800		13,800
5450	Dues & Subscriptions			
5460	Advertising & Promotional	1,000		1,000
5470	Travel & Subsistence			
5480	Staff Training & Tuition Aid	6,700		6,700
5490	Fees & Permits	11,080		9,000
5500	In - Lieu Taxes	400		400
5510	Residual Removal	15,400		16,000
5520	Water Treatment Chemicals	131,000		150,000
5525	GAC Replacement	60,000		60,000
	Total Other Expenses	$909,916		$891,139

Schedule 3

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

PROPOSED GENERAL & ADMINISTRATIVE EXPENSE BUDGET (60)

FISCAL YEAR 2023
(7/01/22-6/30/23)

CODE	ACCOUNT	ADOPTED G&A FY22		PROPOSED G&A FY23
	Salaries & Fringe Benefits	$ 3,156,600		$3,144,050
5200	Residences			
5210	Heating Fuel			
5220	Utilities -Electrical Service			
5230	-Gas Service			
5240	-Propane			
5250	Electricity for Pumping Station			
5260	Fuel - Vehicular	22,750		22,750
5270	Oil & Grease	5,700		5,700
5280	Tires	7,000		7,000
5290	Maintenance Supplies	27,300		15,000
5300	Maint. Supplies - Vehicular	10,600		20,000
5310	Major Vehicle Service & Repair	52,000		52,000
5320	Agricultural Supplies	8,600		9,100
5330	Maintenance Equipment	17,100		12,000
5340	Serv. & Maintenance Contracts	26,550	(Sch. 7)	25,852
5350	Equipment Rental	4,300		4,300
5360	Household - Safety Supplies	7,500		7,500
5380	Special & Professional Services	7,700	(Sch. 9)	7,700
5390	Protective Services			
5400	Telephone	7,000		7,000
5410	Postage & Freight Out	1,200		1,200
5420	Data Processing	5,000		5,000
5430	Printing & Office Supplies	5,800		5,800
5440	Scientific & Photographic	300		300
5450	Dues & Subscriptions	3,000		3,000
5460	Advertising & Promotional	2,000		2,000
5470	Travel & Subsistence	1,000		1,000
5480	Staff Training & Tuition Aid	12,400		12,400
5490	Fees & Permits	7,700		7,700
5500	In - Lieu Taxes			
5510	Residual Removal			
5520	Water Treatment Chemicals			
5525	GAC Replacement			
SUB-TOTAL G&A EXPENSE BUDGET		$ 242,500		$ 234,302
TOTAL G&A WITH SALARIES & FRINGE		$ 3,399,100		$ 3,378,352

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

Reservoir System	$ 141,339	$ 140,864
Treatment/Transmission System	$ 101,161	$ 93,438
Total	$ 242,500	$ 234,302

Schedule 4

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

LABOR PROJECTION

FISCAL YEAR 2023
(7/01/22-6/30/23)

TITLES	SALARY	FRINGE BENEFITS	OVERTIME	CLOTHING ALLOWANCE	SHIFT DIFFERENTIAL	TOTAL	ALLOCATION RESERVOIR %	AMOUNT RESERVOIR	ALLOCATION WTP/TS %	AMOUNT WTP/TS
Director	141,700	79,097	-	-	-	220,797	50%	110,400	50%	110,400
Project Engineer II	100,200	55,931	-	-	-	156,131	70%	109,340	30%	46,790
Water Supply Tech.	68,400	38,488	-	550	-	107,438	62%	66,649	38%	40,791
Administrative Assistant	73,050	40,910	239	-	-	114,199	50%	57,125	50%	57,035
Supervisor Technical Facilities Maint	91,650	59,410	14,232	550	-	165,842	47%	77,073	54%	88,737
Sr. Water Supply Tech.	79,950	45,855	1,648	550	-	128,003	43%	55,015	57%	72,935
Maintenance Worker I	49,700	28,049	-	550	-	78,299	93%	73,121	7%	5,179
Supervisor Operations	120,800	67,430	-	-	-	188,230	25%	47,100	75%	141,130
Equipment Operator	50,400	28,800	644	550	-	80,394	94%	75,429	6%	4,921
Foreman Bldg & Grounds Maint	79,950	45,451	924	550	-	126,875	85%	107,825	15%	19,025
Foreman Facilities Maintenance	79,950	46,770	3,287	550	-	130,557	47%	61,084	53%	69,486
Facilities Mechanic (3 Positions)	208,300	119,106	3,427	1,650	-	332,483	50%	166,275	50%	166,185
Supervisor Plant Operator	86,000	52,240	7,038	550	-	145,828	37%	53,607	63%	92,183
Maintenance Worker I Operations	51,200	28,956	124	550	-	80,830	92%	74,181	8%	6,629
Reservoir System Operator (5 Positions)	232,500	143,067	19,152	2,750	1,900	399,369	95%	379,393	5%	20,028
Plant Operator (6 Positions)	376,650	246,748	62,094	3,300	-	688,792	1%	6,900	99%	681,901
TOTAL: (rounded)	1,890,400	1,126,300	112,800	12,650	1,900	3,144,000		1,520,516		1,623,354

TOTAL = 27 Positions

Director and Adm. Assistant, Water Supply Tech and Sr. Water Supply Tech percentages modified based on work load. All others are four-year average.

Schedule 5

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 2023
(7/01/22-6/30/23)

	Total Headquarters Charge	**Manasquan Reservoir System**	**Manasquan WTP/TS**
Budgeted-Appendix I, amount to be charged to Manasquan System for FY23 (7/1/22-6/30/23)	$747,244	$644,647	$102,597
F/Y21 Adjustment as per audited Expenditures:			
Budgeted as per rate schedule for F/Y21 (7/1/20-6/30/21). Amounts paid during F/Y21 to Raritan Basin System.	$629,000	$542,000	$87,000
Actual allocation based upon audited expenditures F/Y21 (7/1/20-6/30/21) - Appendix II	$630,412	$543,842	$86,570
Adjustments F/Y21	$1,412	$1,842	($430)
Net Allocation for F/Y2023 Budget	$748,656	$646,489	$102,167
Estimate	$749,000	$646,000	$103,000

Note:

Amounts in this schedule may differ from the allocation reports attached because of adjustments made as a result of OPEB-related data released from the State of NJ after this schedule was prepared. Any differences will be addressed in this schedule in following year(s).

Schedule 6

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 2023

		Adopted F/Y22	Proposed F/Y23
1	HVAC Service	$ 2,000	$ 1,500
2	Electrical Service Contract	1,500	1,000
3	Instrumentation & Control System Service & Upgrade	11,000	8,000
4	Electrical Upgrade & Repair	6,000	4,000
5	Overhead Crane Service	3,000	2,500
6	UST Monitors Service and Upgrade	2,000	1,652
7	Fire & Intrusion Alarm Service	3,600	3,100
8	Air Compressor Service	500	500
9	Boiler Service	500	1,008
10	Auxiliary Generator Service	3,500	3,000
11	Lab Equipment Service	3,000	2,500
12	Backflow Preventor Service	500	500
13	UPS Battery PM Service and Batteries	3,500	3,340
14	Four Year Electrical Switchgear Testing Service	10,000	7,000
15	Meter Vault Internet Service	5,400	5,400
	Total Service & Maintenance Contracts	$ 56,000	$ 45,000

Schedule 7

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 2023

		Adopted F/Y22	Proposed F/Y23
1	Refuse & Waste Disposal	$ 2,000	$ 2,000
2	Office Equipment/Computers	1,800	1,800
3	Waste Oil Disposal	200	300
4	Fire Extinguisher Service	1,100	1,100
5	UST Monitor Service	2,000	1,752
6	Building Maintenance	1,750	6,000
7	Internet Service	2,000	2,000
8	Janitorial Service	8,000	8,000
9	Vehicle Lift Inspection	500	500
10	Generator Service & Maintenance	2,000	-
11	Forklift Service & Maintenance	1,200	-
12	Underground Fuel Storage Tank Service	4,000	2,400
	Total Service & Maintenance Contracts	$ 26,550	$ 25,852

Schedule 8

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 2023

		Adopted F/Y22	Proposed F/Y23
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	1,800	1,800
	Total Special & Professional Services	$ 34,800	$ 34,800

Schedule 9

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 2023

		Adopted F/Y22	Proposed F/Y23
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	1,200	1,200
	Total Special & Professional Services	$ 7,700	$ 7,700

Schedule 10

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

PROPOSED CAPITAL EQUIPMENT BUDGET

FISCAL YEAR 2023

Description	(A)Addition (R)Replacemer	Year of Purchase Vehicle/Equipment	Dollar Value	%	Manasquan Reservoir	Manasquan WTP/TS	Reservoir Depreciation Reserve	WTP/TS Depreciation Reserve
Ford Pickup (Replacing NJWA 56)	R (528)		65,000	25/75	16,250	48,750	6,009	18,026
Mid Size pickup truck (Replacing NJWA 28)	R (511)		45,000	45/55	20,250	24,750	13,250	16,195
3 bottom field plow attachment for 70 Hp. John Deere tractor			2,000	30/70	600	1,400		
		TOTAL	112,000		37,100	74,900	19,259	34,221
*Per Resolution #861, dated 7/12/93 Asset Definition minimum is $1,000.					0			
Less Amount charged to Reservoir Depreciation Reserve					19,259			
Less Amount charged to WTP/TS Depreciation Reserve						34,221		
			Total		17,841	40,679		
			Additional Depreciation Reserve			0		
			Estimate		$17,800	$40,679		

Schedule 11

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

PROJECTED INSURANCE PROGRAM

FISCAL YEAR 2023

Policy	Raritan Basin System	Manasquan Reservoir System	Manasquan Water Treatment Plant and Transmission System	Total Premium
Property Limit $150 million, Limit $25m BI Deduct: $100k all perils $250k Deduct dams, dikes / $1m Deduct Canal flood Earthen Dam:Builders Risk	$527,656	$256,740	$75,604	$860,000
General/Products Liability Limit $1 million Deduct: $150k	$133,213	$14,205	$2,583	$150,001
Environmental Impairment Liability Limit $10 million Deduct: $100k	$26,643	$2,841	$517	$30,001
Workers' Compensation Limit $1 million	$131,487	$18,101	$20,412	$170,000
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	$377,436	$40,246	$7,317	$424,999
Business Automobile Limit: $1 million G/L, $0 pd Deduct: $50k, G/L	$44,304	$4,012	$1,684	$50,000
Management Liability				
Public Officials Liability	$44,404	$4,735	$861	$50,000
Cyber Risk	$17,762	$1,894	$344	$20,000
Fidelity & Crime			$5,000	$5,000
Limit $5 million/$1million/$1 million Deduct: $100k/$10k/$50k	$62,166	$6,629	$6,205	$75,000
Travel Accident Limit $2 million	$888	$95	$17	$1,000
TOTAL:	$1,303,793	$342,869	$114,339	$1,761,001

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 OPERATING EXPENSE ACCOUNTS

ACCOUNT CODE **TITLE**

5110 SALARIES AND WAGES

The following is a comparison of the subject expenditures for FISCAL YEAR 2023.

	Adopted F/Y22	Proposed F/Y23
Budgeted Positions	27	27
Expenditures:		
Regular Salaries	$1,919,250	$1,904,950
Overtime	109,250	112,800
Fringe Benefits	964,600	907,700
Retiree Health Benefits	158,500	213,600
Worker's Compensation (self-insured)	5,000	5,000
Total Salaries and Fringe Benefits	$3,156,600	$3,144,050
Allocation to Treatment Plant	$1,653,100	$1,623,354
Anticipated Decrease for F/Y23		$29,746

5120-5140 OVERTIME, NEW POSITIONS AND SEASONAL HELP

5150 FRINGE BENEFITS

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

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

5210 HEATING FUEL

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

DEFINITIONS AND EXPLANATION OF THE FISCAL YEAR 2023 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 2023 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 2023 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 2023 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
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
AGREED-UPON PROCEDURES REPORT

FORECASTED COST ALLOCATION SCHEDULES

YEAR ENDING JUNE 30, 2023

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

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES 1

FINANCIAL SCHEDULES

Schedule of Forecasted Cost Center Expense Reclassification 3

Schedule of Forecasted System-Wide Allocated Costs 4

Schedule of Forecasted Cost Allocation Factors 5

Schedule of Forecasted Manasquan System Allocated Costs 6

Notes to Financial Schedules 7

DRAFT

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners of
New Jersey Water Supply Authority

We have performed the procedures enumerated below on the financial schedules for the fiscal year ending June 30, 2023. The procedures were agreed to by the New Jersey Water Supply Authority (a component unit of the State of New Jersey and responsible party) (the "Authority") solely to assist the Authority in evaluating the financial schedules in connection with setting of water rates for each of the three operating systems (Raritan, Manasquan Reservoir and Manasquan Treatment Plant/Transmission). The Authority's management is responsible for preparing and presenting the financial schedules in accordance with the guidelines for the presentation of schedules established by the American Institute of Certified Public Accountants.

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

The procedures and associated results are as follows:

1. We were provided with the fiscal year 2023 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 2023 budgeted expenses are based upon preliminary budgets that are subject to approval by the Authority's Commissioners. We performed no procedures in regard to the fiscal year 2023 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, 2021, and found them to be consistent.

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES (CONTINUED)

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

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

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

MERCADIEN SIGNATURE

Hamilton, New Jersey

DATE

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

SCHEDULE OF FORECASTED COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDING JUNE 30, 2023

			RECLASSIFICATIONS									
DEPT. #	DEPT./COST CENTER	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	REVISED COST CENTER COSTS
	BUILDING HQ	$ -	$ 96,250	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 96,250
	TELEPHONE HQ	-	-	-	-	-	40,000	-	-	-	-	40,000
36	SAFETY	210,275	-	-	(5,000)	-	-	-	-	-	-	205,275
37	SECURITY	1,053,950	-	-	-	-	-	-	-	-	-	1,053,950
14	HUMAN RESOURCES	340,067	-	-	(5,100)	-	-	-	(10,000)	-	-	324,967
16	PURCHASING	482,680	-	(120,030)	-	-	(40,000)	(18,000)	-	-	-	304,650
17	INFORMATION SYSTEMS	223,620	-	-	-	-	-	-	-	-	-	223,620
15	CONTRACTS & RISK MGMT.	1,815,067	-	-	(45,000)	(1,303,792)	-	(96,100)	-	(18,700)	-	351,475
13	FINANCIAL MGMT.	1,019,351	-	-	(2,730)	-	-	-	-	-	-	1,016,621
34	AUTO SHOP	267,908	-	120,030	-	-	-	18,000	-	-	-	405,938
35	AUTO SHOP-CANAL	226,760	-	-	-	-	-	-	-	-	-	226,760
10	EXEC. OFFICE	275,121	4,605	-	-	-	-	-	-	-	-	279,726
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	8,815,384	(100,855)	-	57,830	1,303,792	-	96,100	10,000	18,700	(13,268)	10,187,683
		14,730,183	-	-	-	-	-	-	-	-	(13,268)	14,716,915
40-60	MANASQUAN SYSTEM	5,427,104	-	-	-	-	-	-	-	-	13,268	5,440,372
		$ 20,157,287	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,157,287

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

SCHEDULE OF FORECASTED SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDING JUNE 30, 2023

			ALLOCATION BASIS												
DEPT. #	DEPT./COST CENTER	REVISED COST CENTER COSTS	# OF 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	$ 96,250	$ (96,250)												
	TELEPHONE HQ	40,000	-	$ (40,000)											
36	SAFETY	205,275	646	430	$ (206,351)										
37	SECURITY	1,053,950	3,639	1,720	16,010	$ (1,075,319)									
14	HUMAN RESOURCES	324,967	4,305	1,290	3,558	-	$ (334,120)								
16	PURCHASING	304,650	5,346	1,290	3,558	-	6,364	$ (321,208)							
17	INFORMATION SYSTEMS	223,620	963	430	1,779	-	3,182	9,413	$ (239,387)						
15	CONTRACTS & RISK MGMT.	351,475	3,148	860	3,558	-	6,364	8,588	8,255	$ (382,248)					
13	FINANCIAL MGMT.	1,016,621	9,186	2,581	10,673	-	19,093	6,523	24,764	-	$ (1,089,441)				
34	AUTO SHOP	405,938	14,467	860	3,558	-	6,364	13,955	4,127	-	26,737	$ (476,006)			
35	AUTO SHOP-CANAL	226,760	-	860	1,779	-	3,182	9,166	4,127	-	14,936	-	$ (260,810)		
10	EXEC. OFFICE	279,726	12,712	3,441	1,779	-	3,182	1,321	4,127	-	18,424	-	-	$ (324,712)	
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	10,187,683	41,838	26,238	112,069	1,075,319	200,472	151,273	127,949	345,418	671,013	476,006	260,810	306,853	$ 13,982,941
40-60	MANASQUAN SYSTEM	5,440,372	-	-	48,030	-	85,917	120,969	66,038	36,830	358,331	-	-	17,859	6,174,346
		$ 20,157,287	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,157,287

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

SCHEDULE OF FORECASTED COST ALLOCATION FACTORS
YEAR ENDING JUNE 30, 2023

DEPT. #	ALLOCATION OF: / ALLOCATION BASIS: / DEPT./COST CENTER	BUILDING HQ # OF SQ. FT.	TELEPHONES # OF TELEPHONES	SAFETY # OF EMPLOYEES	HUMAN RESOURCES # OF EMPLOYEES	PURCHASING # OF P.O.'S	INFORMATION SYSTEMS # OF COMPUTERS	CONTRACTS & RISK MGMT. MGD CONTRACTS	FINANCE O&M FUNCTIONAL COST	AUTO SHOP # OF VEHICLES	AUTO SHOP CANAL # OF VEHICLES	EXEC. OFF TIME ESTIMATE
	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	114						
15	CONTRACTS & RISK MGMT.	487	2	2	2	104	2					
13	FINANCIAL MGMT.	1,421	6	6	6	79	6	-				
34	AUTO SHOP	2,238	2	2	2	169	1	-	$405,938			
35	AUTO SHOP-CANAL	-	2	1	1	111	1	-	226,760			
10	EXEC OFFICE	1,967	8	1	1	16	1	-	279,726			
20, 30, 31-33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,472	61	63	63	1,832	31	182	10,187,683	44	44	94.50
40-60	MANASQUAN SYSTEM	-	-	27	27	1,465	16	19	5,440,372	-	-	5.50
		14,890	93	116	105	3,890	58	202	$16,540,479	44	44	100.00 %

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

SCHEDULE OF FORECASTED MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDING JUNE 30, 2023

		ALLOCATION BASIS					
		1	2	3	4	5	
	COSTS	TIME STUDY	$ VALUE OF VEHICLES	$ VALUE OF EQUIPMENT	TIME STUDY	$VALUE OF WATER CONTRACTS	ALLOCATED COSTS
GENERAL & ADMINISTRATIVE							
SALARIES & FRINGES	$ 3,144,050	$ (3,144,050)					
VEHICLE RELATED	107,450	-	$ (107,450)				
MAINT. SUPPLIES & RELATED	73,752	-	-	$ (73,752)			
OFFICE & MISC.	53,100	-	-	-	$ (53,100)		
H.Q. OVERHEAD	747,244	-	-	-	-	$ (747,244)	
RESERVOIR (40)	1,157,613	1,521,884	77,740	37,636	25,703	644,647	$ 3,465,223
TREAT./TRANS. (50)	891,139	1,622,166	29,710	36,116	27,397	102,597	2,709,125
	$ 6,174,348	$ -	$ -	$ -	$ -	$ -	$ 6,174,348

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

NOTES TO FINANCIAL SCHEDULES
YEAR ENDING JUNE 30, 2023

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.

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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 costs as follows:

1. Building HQ is allocated to each of the Cost Centers based on the amount of space utilized.
2. Telephone HQ is allocated to each of the Cost Centers based on the number of telephones utilized.
3. Safety is allocated to each of the Cost Centers based on the number of employees.
4. Security is allocated entirely to the Raritan System.
5. Human Resources is allocated to each of the Cost Centers based on the number of employees.
6. Purchasing is allocated to each of the respective Cost Centers based on the number of purchase orders issued.
7. Information Systems is allocated to each of the Cost Centers based on the number of computers.
8. Contracts and Risk Management is allocated to each of the Cost Centers based on the 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.

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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 2021.

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 2021.

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

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Appendix II

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

EXAMINATION REPORT AND FINANCIAL SCHEDULES

June 30, 2021

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

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANTS' REPORT…..... 1

FINANCIAL SCHEDULES

SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION.…..... 2

SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS…..... 3

SCHEDULE OF COST ALLOCATION FACTORS…..... 4

SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS…..... 5

NOTES TO FINANCIAL SCHEDULES…..... 6

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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 (a component unit of the State of New Jersey and responsible party) (the "Authority"), for the year ended June 30, 2021, listed in the foregoing table of contents. The Authority's management is responsible for conformity of the financial schedules in accordance with the criteria set forth in Notes 1 and 2. Our responsibility is to express an opinion on the conformity of the financial schedules with the cost allocation criteria set forth in Notes 1 and 2, based on our examination.

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

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

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

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

MERCADIEN SIGNATURE

DATE

DRAFT

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

SCHEDULE OF COST CENTER EXPENSE RECLASSIFICATION
YEAR ENDED JUNE 30, 2021

DEPT. #	DEPT./COST CENTER	COST CENTER COSTS	RECLASSIFICATIONS 1 HEATING/ ELECTRIC	2 VEHICULAR FUEL	3 PROFESSIONAL FEES	4 INSURANCE	5 TELEPHONE	6 PERMITS	7 WORKERS' COMP.	8 IN LIEU TAXES	9 CHIEF ENGINEER SALARY & FRINGE	REVISED COST CENTER COSTS
	BUILDING HQ	$ -	$ 56,086	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 56,086
	TELEPHONE HQ	-	-	-	-	-	48,967	-	-	-	-	48,967
36	SAFETY	121,120	-	-	-	-	-	-	-	-	-	121,120
37	SECURITY	728,962	-	-	-	-	-	-	-	-	-	728,962
14	HUMAN RESOURCES	205,561	-	-	(4,008)	-	-	-	-	-	-	201,553
16	PURCHASING	387,418	-	(77,029)	-	-	(48,967)	(19,107)	-	-	-	242,315
17	INFORMATION SYSTEMS	149,154	-	-	-	-	-	-	-	-	-	149,154
15	CONTRACTS & RISK MGMT.	1,545,377	-	-	(24,940)	(1,265,817)	-	(93,058)	-	(18,689)	-	142,873
13	FINANCIAL MGMT	689,068	-	-	(2,286)	-	-	-	-	-	-	686,782
34	AUTO SHOP	168,819	-	77,029	-	-	-	19,107	-	-	-	264,955
35	AUTO SHOP-CANAL	156,654	-	-	-	-	-	-	-	-	-	156,654
10	EXEC OFFICE	203,000	5,116	-	-	-	-	-	-	-	-	208,116
20, 30, 31, 32, 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	5,015,046	(61,202)	-	31,234	1,265,817	-	93,058	-	18,689	(12,881)	6,349,761
		9,370,179	-	-	-	-	-	-	-	-	(12,881)	9,357,298
40-60	MANASQUAN SYSTEM	3,635,978	-	-	-	-	-	-	-	-	12,881	3,648,859
		$ 13,006,157	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,006,157

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

SCHEDULE OF SYSTEM-WIDE ALLOCATED COSTS
YEAR ENDED JUNE 30, 2021

			ALLOCATON 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	$ 56,086	$ (56,086)												
	TELEPHONE HQ	48,967	-	$ (48,967)											
36	SAFETY	121,120	377	527	$ (122,024)										
37	SECURITY	728,962	2,121	2,106	9,467	$ (742,656)									
14	HUMAN RESOURCES	201,553	2,509	1,580	2,104	-	$ (207,746)								
16	PURCHASING	242,315	3,115	1,580	2,104	-	3,957	$ (253,071)							
17	INFORMATION SYSTEMS	149,154	561	527	1,052	-	1,979	7,416	$ (160,689)						
15	CONTRACTS & RISK MGMT.	142,873	1,834	1,053	2,104	-	3,957	6,766	5,541	$ (164,128)					
13	FINANCIAL MGMT	686,782	5,353	3,159	6,312	-	11,871	5,139	16,623	-	$ (735,239)				
34	AUTO SHOP	264,955	8,430	1,053	2,104	-	3,957	10,995	2,771	-	18,329	$ (312,594)			
35	AUTO SHOP-CANAL	156,654	-	1,053	1,052	-	1,979	7,221	2,771	-	10,837	-	$ (181,567)		
10	EXEC OFFICE	208,116	7,407	4,212	1,052	-	1,979	1,041	2,771	-	14,397	-	-	$ (240,975)	
20, 30, 31, 32, 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,349,761	24,379	32,117	66,271	742,656	124,647	119,185	85,884	148,313	439,258	312,594	181,567	227,721	$ 8,854,353
40-60	MANASQUAN SYSTEM	3,648,859	-	-	28,402	-	53,420	95,308	44,328	15,816	252,418	-	-	13,254	4,151,804
		$ 13,006,157	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,006,157

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

SCHEDULE OF COST ALLOCATION FACTORS
YEAR ENDED JUNE 30, 2021

		REQUIRED STATISTICS										
	ALLOCATION OF:	BUILDING HQ	TELEPHONES	SAFETY	HUMAN RESOURCES	PURCHASING	INFORMATION SYSTEMS	RISK MGMT.	FINANCE O&M	AUTO SHOP	AUTO SHOP CANAL	EXEC. OFF
	ALLOCATION BASIS:	SQ. FT. #	# OF TELEPHONES	# OF EMPLOYEES	# OF EMPLOYEES	# OF P.O.'S	# OF COMPUTERS	MGD CONTRACTS	FUNCTIONAL COST	# OF VEHICLES	# OF VEHICLES	TIME ESTIMATE
DEPT. #	DEPT./COST CENTER											
	BUILDING HQ											
	TELEPHONE HQ											
36	SAFETY	100	1									
37	SECURITY	563	4	9								
14	HUMAN RESOURCES	666	3	2								
16	PURCHASING	827	3	2	2							
17	INFORMATION SYSTEMS	149	1	1	1	114						
15	CONTRACTS & RISK MGMT.	487	2	2	2	104	2					
13	FINANCIAL MGMT	1,421	6	6	6	79	6	-				
34	AUTO SHOP	2,238	2	2	2	169	1	-	$264,955			
35	AUTO SHOP-CANAL	-	2	1	1	111	1	-	156,654			
10	EXEC OFFICE	1,967	8	1	1	16	1	-	208,116			
20, 30, 31, 32, 33	WATERSHED, ENGINEERING & O&M (RARITAN SYSTEM)	6,472	61	63	63	1,832	31	182	6,349,761	44	44	94.50
40-60	MANASQUAN SYSTEM	-	-	27	27	1,465	16	19	3,648,859	-	-	5.50
		14,890	93	116	105	3,890	58	202	$10,628,345	44	44	100 %

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

SCHEDULE OF MANASQUAN SYSTEM ALLOCATED COSTS
YEAR ENDED JUNE 30, 2021

		ALLOCATION BASIS					
	COSTS	1 TIME STUDY	2 $ VALUE OF VEHICLES	3 $ VALUE OF EQUIPMENT	4 TIME STUDY	5 $VALUE OF WATER CONTRACTS	ALLOCATED COSTS
GENERAL & ADMINISTRATIVE							
SALARIES & FRINGES	$ 1,908,160	$ (1,908,160)					
VEHICLE RELATED	82,752	-	$ (82,752)				
MAINT. SUPPLIES & RELATED	48,168	-	-	$ (48,168)			
OFFICE & MISC.	27,713	-	-	-	$ (27,713)		
H.Q. OVERHEAD	515,826	-	-	-	-	$ (515,826)	
RESERVOIR	846,229	1,007,230	59,871	24,580	14,628	444,991	$ 2,397,529
TREAT./TRANS.	722,957	900,930	22,881	23,588	13,085	70,835	1,754,276
	$ 4,151,805	$ -	$ -	$ -	$ -	$ -	$ 4,151,805

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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.

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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.

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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 2021.

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 2021.

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

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