



**WANAQUE NORTH PROJECT
2019 FINAL BUDGET**

December 19, 2018

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
2019 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2019 Budget with no change in net assessments over the 2018 Budget.

The Commission has prepared the 2019 Budget with careful consideration of the current economic challenges that our participating municipalities continue to face. The Commission has systemically reviewed all departments in an effort to minimize increases, or where possible, reduce budgetary expenses.

Appropriations for the 2019 Budget total approximately \$41.7M, an increase of \$2.3M (5.8%) from the 2018 Budget. This increase is the net result of an additional \$2.2M (51.5%) of capital investment and a \$55K (1.6%) increase in debt service, offset by a \$25K (-0.1%) reduction in operating costs. Significant capital investment will be required both this year and in future years to continue the ongoing rehabilitation and replacement of critical Commission infrastructure. The capital items listed on Page 5 are for projects not included for funding in either the 2015 Commission bond issue or the 2016/2017 New Jersey Infrastructure Trust financing program. \$3.7M of capital reserve will be used to fund approximately half of this year's Capital Budget.

Decreased operating items include repairs & maintenance, purchase of equipment, miscellaneous items, property taxes, insurances and utilities and chemical costs.

It is the opinion of Commission staff that the 2019 spending plan is sufficient to meet operating, capital and debt service costs as reflected in the Budget. It is anticipated that the net municipal assessments, together with the application of miscellaneous sources of revenue, will be sufficient to fund the 2019 spending plan.

The Wanaque North municipalities include the City of Newark, Passaic Valley Water Commission (representing Paterson, Passaic and Clifton), Kearny, Montclair, Bloomfield and Glen Ridge.

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET OVERVIEW**

	2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENT	\$25,583,297	\$25,583,297	\$0	\$25,583,297	0.00%
SURPLUS / (DEFICIT) APPLIED	177,839	957,122	2,763,656	3,720,778	288.75%
INCOME AND OTHER TRANSFERS	12,858,250	12,846,436	(470,154)	12,376,282	-3.66%
TOTAL REVENUES	\$38,619,386	\$39,386,856	\$2,293,502	\$41,680,358	5.82%
APPROPRIATIONS					
OPERATING	\$31,766,375	\$31,481,077	(\$25,437)	\$31,455,640	-0.08%
CAPITAL	2,559,395	4,399,156	2,264,040	6,663,196	51.47%
DEBT SERVICE	4,293,616	3,506,623	54,899	3,561,522	1.57%
TOTAL ANNUAL APPROPRIATIONS	\$38,619,386	\$39,386,856	\$2,293,502	\$41,680,358	5.82%

BOARD OF COMMISSIONERS

Charles P. Shotmeyer, Chairman
Howard L. Burrell, Vice Chairman
Jerome P. Amedeo
Alan S. Ashkinaze
Robert C. Garofalo
Donald C. Kuser

SUBMITTED:


William Schaffner, CFO

December 19, 2018

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET SUMMARY REPORT**

APPROPRIATION SUMMARY		2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
APPROPRIATIONS						
	Regular	\$9,806,670	\$9,601,877	169,353	\$9,771,230	1.76%
	Over Time	104,500	104,500	0	104,500	0.00%
1	Total Salaries & Wages	\$9,911,170	\$9,706,377	169,353	\$9,875,730	1.74%
2	Materials & Supplies	324,800	341,700	9,450	351,150	2.77%
3	Services Contractual	3,346,000	3,308,400	248,800	3,557,200	7.52%
4	Repairs & Maintenance	925,150	1,000,000	(49,300)	950,700	-4.93%
5	Purchases of Equipment	195,299	159,900	(4,150)	155,750	-2.60%
6	Miscellaneous	126,400	110,700	(8,800)	101,900	-7.95%
TOTAL DEPARTMENTAL EXPENSES		\$14,828,819	\$14,627,077	365,353	\$14,992,430	2.50%

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET SUMMARY REPORT

	APPROPRIATION SUMMARY	2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
	Statutory Expenditures					
	Real Estate Taxes	\$3,635,000	\$3,735,000	(\$39,200)	3,695,800	-1.05%
	Pension	999,000	1,039,000	67,910	1,106,910	6.54%
	NJ Build Assessment	0	0	200,000	200,000	N/A
	Payroll Taxes	827,556	810,500	(20,500)	790,000	-2.53%
7	Total Statutory Expenditures	\$5,461,556	\$5,584,500	\$208,210	\$5,792,710	3.73%
	Insurance					
	Health Benefits	\$4,120,000	\$3,981,500	(\$234,500)	\$3,747,000	-5.89%
	Health Benefits - Employee Contribution	(445,000)	(450,000)	(5,000)	(455,000)	1.11%
	Workers Compensation	556,000	555,000	(80,000)	475,000	-14.41%
	General Insurance	1,245,000	1,235,000	(90,000)	1,145,000	-7.29%
8	Total Insurances	\$5,476,000	\$5,321,500	(\$409,500)	\$4,912,000	-7.70%
	Utilities					
	Electric Power	\$2,600,000	\$2,475,000	(\$100,000)	\$2,375,000	-4.04%
	Telephone / Data Communications	240,000	225,000	(15,000)	210,000	-6.67%
	Other	25,000	20,000	0	20,000	0.00%
9	Total Utilities	\$2,865,000	\$2,720,000	(\$115,000)	\$2,605,000	-4.23%
	Polyaluminum Chloride	\$1,000,000	\$1,300,000	\$0	\$1,300,000	0.00%
	Sodium Hypochlorite	775,000	675,000	(35,000)	640,000	-5.19%
	Non Zinc Ortho Phosphate	450,000	300,000	0	300,000	0.00%
	Other	760,000	835,000	(40,000)	795,000	-4.79%
10	Total Chemicals	\$2,985,000	\$3,110,000	(\$75,000)	\$3,035,000	-2.41%
	Fuel					
	Gasoline	\$130,000	\$100,000	\$0	\$100,000	0.00%
	Heating Oil / Generator Fuel	20,000	18,000	500	18,500	2.78%
11	Total Fuels	\$150,000	\$118,000	\$500	\$118,500	0.42%
	TOTAL NON DEPARTMENTAL	\$16,937,556	\$16,854,000	(\$390,790)	\$16,463,210	-2.32%
	Departmental Expense brought forward	\$14,828,819	\$14,627,077	\$365,353	\$14,992,430	2.50%
	TOTAL OPERATING APPROPRIATIONS	\$31,766,375	\$31,481,077	(\$25,437)	\$31,455,640	-0.08%

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET SUMMARY REPORT**

APPROPRIATION SUMMARY		2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
TOTAL OPERATING APPROPRIATIONS		\$31,766,375	\$31,481,077	(\$25,437)	\$31,455,640	-0.08%
12	Debt Service	4,293,616	3,506,623	54,899	3,561,522	1.57%
13	Capital Items	2,559,395	4,399,156	2,264,040	6,663,196	51.47%
TOTAL APPROPRIATIONS		\$38,619,386	\$39,386,856	\$2,293,502	\$41,680,358	5.82%
REVENUES						
1	Wanaque South Participation	\$8,996,159	\$8,985,263	(\$10,183)	\$8,975,081	-0.11%
2	Suez Participation	2,972,791	3,001,173	(464,972)	2,536,202	-15.49%
3	Anticipated Income / Transfers / Grants	889,300	860,000	5,000	865,000	0.58%
4	Surplus Applied or Anticipated	177,839	957,122	2,763,656	3,720,778	288.75%
5	Municipal Assessments	25,583,297	25,583,297	0	25,583,297	0.00%
TOTAL REVENUES		\$38,619,386	\$39,386,856	\$2,293,502	\$41,680,358	5.82%
Cost per Million Gallons (Net)		\$745.65	\$745.65	\$0.00	\$745.65	0.00%

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
CAPITAL BUDGET
2019**

Description		North Share	South Share	Suez Share	Total Cost
1	Computer Upgrades	\$66,200	\$33,800	\$0	\$100,000
2	Lab Equipment Upgrade	\$132,400	\$67,600	\$0	\$200,000
3	Fleet / Mobile Equipment Replacement	\$132,400	\$67,600	\$0	\$200,000
4	Building Improvements / Renovations				
	Boiler/HVAC Upgrades	\$364,100	\$185,900	\$0	\$550,000
5	Plant Facilities & Equipment				
	Paving	\$198,600	\$101,400	\$0	\$300,000
	Channel Improvements	\$66,200	\$33,800	\$0	\$100,000
	Underground Storage Tank Repairs/Monitors	\$66,200	\$33,800	\$0	\$100,000
	Document Management System	\$79,440	\$40,560	\$0	\$120,000
	Guard House Addition	\$82,750	\$42,250	\$0	\$125,000
	LLPS Vibration Issues	\$99,300	\$50,700	\$0	\$150,000
	LLPS Building Refurbishment	\$264,800	\$135,200	\$0	\$400,000
	LLPS - Rebuild/Rewind Motors at Pumps # 1 & 6	\$397,200	\$202,800	\$0	\$600,000
	Plant Valve Actuators	\$264,800	\$135,200	\$0	\$400,000
	PLC/SCADA Improvements	\$165,500	\$84,500	\$0	\$250,000
	Upper Gate House Improvements	\$33,100	\$16,900	\$0	\$50,000
	Repairs to Aqueduct	\$794,400	\$405,600	\$0	\$1,200,000
	Surface Water System Modifications	\$132,400	\$67,600	\$0	\$200,000
	Waste Washwater Improvements	\$16,550	\$8,450	\$0	\$25,000
	Filter Building Electrical Improvements	\$99,300	\$50,700	\$0	\$150,000
	Basin 1-4 Rehabilitation	\$2,912,800	\$1,487,200	\$0	\$4,400,000
	Ramapo Pump Station Improvements	\$96,156	\$49,095	\$29,750	\$175,000
	W/S Pump Station Improvements	\$0	\$2,125,000	2,125,000	\$4,250,000
	Total Plant Facilities & Equipment	\$5,769,496	\$5,070,755	\$2,154,750	\$12,995,000
6	Dams and Other Structures				
	Weir Communications	\$33,100	\$16,900	\$0	\$50,000
	Post Brook Improvements	\$82,750	\$42,250	\$0	\$125,000
	Midevale Dam Boat Launch Improvements	\$82,750	\$42,250	\$0	\$125,000
	Total Dams and Other Structures	\$198,600	\$101,400	\$0	\$300,000
7	Capital Improvement Fund	\$0	\$0	\$0	\$0
TOTAL CAPITAL BUDGET		\$6,663,196	\$5,527,055	\$2,154,750	\$14,345,000

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
ASSESSMENT BY MUNICIPALITY**

%	MUNICIPALITY	2017 ASSESSMENT	2018 ASSESSMENT	INCREASE / (DECREASE)	2019 ASSESSMENT
40.50%	NEWARK	\$10,361,235	\$10,361,235	\$0	\$10,361,235
20.00%	PATERSON	\$5,116,659	\$5,116,659	\$0	\$5,116,659
11.00%	PASSAIC	\$2,814,163	\$2,814,163	\$0	\$2,814,163
6.75%	CLIFTON	\$1,726,872	\$1,726,872	\$0	\$1,726,872
37.75%	PASSAIC VALLEY WATER COMM.	\$9,657,694	\$9,657,694	\$0	\$9,657,694
12.00%	KEARNY	\$3,069,996	\$3,069,996	\$0	\$3,069,996
5.00%	MONTCLAIR	\$1,279,165	\$1,279,165	\$0	\$1,279,165
4.00%	BLOOMFIELD	\$1,023,332	\$1,023,332	\$0	\$1,023,332
0.75%	GLEN RIDGE	\$191,875	\$191,875	\$0	\$191,875
100.00%	TOTAL ASSESSMENTS	\$25,583,297	\$25,583,297	\$0	\$25,583,297

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET INSTALLMENTS
2019**

%	MUNICIPALITY	JAN 15 25%	APL 1ST 25%	JUL 1ST 25%	OCT. 1ST 25%	TOTAL
40.50%	NEWARK	\$2,590,308.75	\$2,590,308.75	\$2,590,308.75	\$2,590,308.75	\$10,361,235.00
20.00%	PATERSON	1,279,164.75	1,279,164.75	1,279,164.75	1,279,164.75	5,116,659.00
11.00%	PASSAIC	703,540.75	703,540.75	703,540.75	703,540.75	2,814,163.00
6.75%	CLIFTON	431,718.00	431,718.00	431,718.00	431,718.00	1,726,872.00
37.75%	PASSAIC VALLEY WATER	2,414,423.50	2,414,423.50	2,414,423.50	2,414,423.50	9,657,694.00
12.00%	KEARNY	767,499.00	767,499.00	767,499.00	767,499.00	3,069,996.00
5.00%	MONTCLAIR	319,791.25	319,791.25	319,791.25	319,791.25	1,279,165.00
4.00%	BLOOMFIELD	255,833.00	255,833.00	255,833.00	255,833.00	1,023,332.00
0.75%	GLEN RIDGE	47,968.75	47,968.75	47,968.75	47,968.75	191,875.00
100.00%	TOTAL INSTALLMENTS	\$6,395,824.25	\$6,395,824.25	\$6,395,824.25	\$6,395,824.25	\$25,583,297.00