



**WANAQUE SOUTH PROJECT
2019 FINAL BUDGET**

December 19, 2018

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

The North Jersey District Water Supply Commission is pleased to announce the proposed 2019 Budget with no change in the water rate from 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 \$18.5M, an increase of \$1.2M (7.1%) from the 2018 Budget. This increase is the net result of an additional \$1.4M (34.9%) of capital investment, offset by a \$187K (-9.7%) reduction in debt service and a \$16K (-0.2%) reduction in operating expenses. 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 6 are for projects not included for funding in either the 2015 Commission bond issue or the 2016/2017 New Jersey Infrastructure Trust financing program. \$1.6M of capital reserve will be used to fund approximately one quarter of this year's Capital Budget.

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 South Project municipalities include the City of Newark, Bayonne, Wayne, Kearny, Nutley, Bloomfield and Cedar Grove.

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

	2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENT	\$16,352,253	\$16,352,253	\$0	\$16,352,253	0.00%
SURPLUS / (DEFICIT) APPLIED	0	355,588	1,217,559	1,573,147	342.41%
INCOME AND OTHER TRANSFERS	602,200	555,000	10,000	565,000	1.80%
TOTAL REVENUES	\$16,954,453	\$17,262,841	\$1,227,559	\$18,490,400	7.11%
APPROPRIATIONS					
DIRECT COSTS	\$1,943,650	\$1,942,084	(\$5,497)	\$1,936,587	-0.28%
ALLOCATED COSTS	9,299,885	9,288,383	(10,788)	9,277,595	-0.12%
TOTAL OPERATING	11,243,535	11,230,467	(16,285)	11,214,182	-0.15%
CAPITAL	3,039,908	4,096,095	1,430,960	5,527,055	34.93%
DEBT SERVICE	2,671,010	1,936,279	(187,115)	1,749,164	-9.66%
TOTAL ANNUAL APPROPRIATION	\$16,954,453	\$17,262,841	\$1,227,559	\$18,490,400	7.11%

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 SOUTH PROJECT
ANNUAL BUDGET

	APPROPRIATIONS CATEGORY	2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
	DIRECT EXPENSES					
	COMMON FACILITIES					
	INSURANCE	\$310,000	\$310,000	(\$12,500)	297,500	-4.03%
	LEGAL FEES	20,000	20,000	0	20,000	0.00%
	AUDIT FEES	23,000	23,000	2,000	25,000	8.70%
	REAL ESTATE TAX	12,250	12,250	750	13,000	6.12%
	USGS	79,500	82,000	(1,500)	80,500	-1.83%
	ENGINEERING/CONSULTING	0	45,000	0	45,000	N/A
	PURCHASES	0	0	0	0	0.00%
	TRUSTEE FEES	54,000	55,000	0	55,000	0.00%
	OTHER	2,500	2,500	2,500	5,000	100.00%
1	SUB TOTAL	\$501,250	\$549,750	(\$8,750)	541,000	-1.59%
	WANAQUE SOUTH PUMP STATION					
	UTILITIES	\$1,000,000	\$950,000	\$0	950,000	0.00%
	REAL ESTATE TAX	36,000	35,934	753	36,687	2.10%
	ENGINEERING/CONSULTING	12,500	12,500	0	12,500	0.00%
	REPAIRS/MAINTENANCE					
	BUILDING	2,500	2,500	0	2,500	0.00%
	EQUIPMENT	62,500	62,500	0	62,500	0.00%
	OTHER	0	0	0	0	0.00%
	CHEMICALS	0	0	0	0	0.00%
	PURCHASES	0	0	0	0	0.00%
	OTHER	10,000	10,000	0	10,000	0.00%
2	SUB TOTAL	\$1,123,500	\$1,073,434	\$753	1,074,187	0.07%

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
ANNUAL BUDGET

	APPROPRIATIONS CATEGORY	2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
	DIRECT EXPENSES					
	RAMAPO PUMP STATION					
	UTILITIES	\$155,000	\$155,000	\$0	\$155,000	0.00%
	REAL ESTATE TAX	21,500	21,500	1,150	22,650	5.35%
	ENGINEERING/CONSULTING	5,000	5,000	0	5,000	0.00%
	REPAIRS/MAINTENANCE					
	BUILDING	20,000	20,000	0	20,000	0.00%
	EQUIPMENT	75,000	75,000	0	75,000	0.00%
	OTHER	0	0	0	0	0.00%
	CHEMICALS	0	0	0	0	0.00%
	PURCHASES	2,500	2,500	0	2,500	0.00%
	OTHER	8,000	8,000	0	8,000	0.00%
3	SUB TOTAL	\$287,000	\$287,000	\$1,150	\$288,150	0.40%
	MONKSVILLE					
	UTILITIES	\$4,500	\$4,500	\$0	\$4,500	0.00%
	REAL ESTATE TAX	9,900	9,900	350	10,250	3.54%
	ENGINEERING/CONSULTING	11,000	11,000	0	11,000	0.00%
	REPAIRS/MAINTENANCE					
	BUILDING	2,000	2,000	0	2,000	0.00%
	EQUIPMENT	1,500	1,500	0	1,500	0.00%
	OTHER	0	0	0	0	0.00%
	PURCHASES	3,000	3,000	0	3,000	0.00%
	OTHER	0	0	1,000	1,000	0.00%
4	SUB TOTAL	\$31,900	\$31,900	\$1,350	\$33,250	4.23%
5	TOTAL DIRECT EXPENSES	\$1,943,650	\$1,942,084	(\$5,497)	\$1,936,587	-0.28%

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
ANNUAL BUDGET

	APPROPRIATIONS CATEGORY	2017 APPROPRIATION	2018 APPROPRIATION	INCREASE/ (DECREASE)	2019 APPROPRIATION	% CHANGE
6	ALLOCATED NORTH OPERATING COSTS	\$8,996,159	\$8,985,263	(\$10,182)	\$8,975,081	-0.11%
7	USE FEE	303,726	303,120	(606)	302,514	-0.20%
	TOTAL OPERATING COSTS	11,243,535	11,230,467	(16,285)	11,214,182	-0.15%
9	CAPITAL ITEMS FROM PAGE 6	3,039,908	4,096,095	1,430,960	5,527,055	34.93%
10	DEBT SERVICE	2,671,010	1,936,279	(187,115)	1,749,164	-9.66%
11	TOTAL APPROPRIATIONS	\$16,954,453	\$17,262,841	\$1,227,559	\$18,490,400	7.11%
	REVENUES					
12	BUDGET ASSESSMENTS	\$16,352,253	\$16,352,253	\$0	\$16,352,253	0.00%
13	ANTICIPATED INCOME/GRANTS	602,200	555,000	10,000	565,000	1.80%
14	SURPLUS / (DEFICIT)	0	355,588	1,217,559	1,573,147	342.41%
15	TOTAL REVENUES	\$16,954,453	\$17,262,841	\$1,227,559	\$18,490,400	7.11%
	COST PER M.G. (Net)	\$1,103.74	\$1,103.74	\$0.00	\$1,103.74	0.00%

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
ALLOCATION OF WANAQUE NORTH COSTS**

	2017 ASSESSMENT	2018 ASSESSMENT	2019 ASSESSMENT	INCREASE/ (DECREASE)
TOTAL WANAQUE NORTH BUDGET	\$38,441,547	\$39,386,856	\$41,680,358	\$2,293,502
LESS: DEBT SERVICE	4,293,616	3,506,623	3,561,522	54,899
UTILITIES	2,865,000	2,720,000	2,605,000	(115,000)
PLANT OPERATIONS BUDGET	9,510,619	9,921,369	9,979,247	57,878
CAPITAL BUDGET	2,559,395	4,399,156	6,663,196	2,264,040
OTHER NON ALLOCABLE	158,286	183,807	179,369	(4,438)
ALLOCABLE EXPENSES	\$19,054,631	\$18,655,901	\$18,692,024	\$36,123
ALLOCATED EXPENSES @ 25.26%	\$4,813,200	\$4,712,481	\$4,721,605	\$9,124
PLANT OPERATIONS & UTILITIES @ 33.8%	\$4,182,959	\$4,272,783	\$4,253,475	(\$19,308)
TOTAL ALLOCATED COST	\$8,996,159	\$8,985,263	\$8,975,081	(\$10,183)
CARRY TO PAGE 4 ITEM 6				

**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 SOUTH PROJECT
ASSESSMENT BY MUNICIPALITY**

%	MUNICIPALITY	2017 ASSESSMENT	2018 ASSESSMENT	INCREASE/ (DECREASE)	2019 ASSESSMENT
27.63%	NEWARK	\$4,564,445	\$4,564,445	(\$45,639)	\$4,518,806
25.61%	BAYONNE	\$4,230,076	\$4,230,076	(\$42,304)	\$4,187,772
23.17%	WAYNE	\$3,827,213	\$3,827,213	(\$38,276)	\$3,788,937
4.20%	KEARNY	\$692,930	\$692,930	(\$6,933)	\$685,997
7.32%	NUTLEY	\$1,208,591	\$1,208,591	(\$12,085)	\$1,196,506
9.15%	BLOOMFIELD	\$1,345,562	\$1,345,562	\$150,071	\$1,495,633
2.93%	CEDAR GROVE	\$483,436	\$483,436	(\$4,834)	\$478,602
100.00%	TOTAL ASSESSMENT	\$16,352,253	\$16,352,253	\$0	\$16,352,253

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

%	MUNICIPALITY	JAN 15 25%	APL 1ST 25%	JUL 1ST 25%	OCT. 1ST 25%	2019 TOTAL
27.63%	NEWARK	\$1,129,701.50	\$1,129,701.50	\$1,129,701.50	\$1,129,701.50	\$4,518,806.00
25.61%	BAYONNE	\$1,046,943.00	1,046,943.00	1,046,943.00	1,046,943.00	\$4,187,772.00
23.17%	WAYNE	\$947,234.25	947,234.25	947,234.25	947,234.25	\$3,788,937.00
4.20%	KEARNY	\$171,499.25	171,499.25	171,499.25	171,499.25	\$685,997.00
7.32%	NUTLEY	\$299,126.50	299,126.50	299,126.50	299,126.50	\$1,196,506.00
9.15%	BLOOMFIELD	\$373,908.25	373,908.25	373,908.25	373,908.25	\$1,495,633.00
2.93%	CEDAR GROVE	\$119,650.50	119,650.50	119,650.50	119,650.50	\$478,602.00
100.00%	TOTAL INSTALLMENTS	\$4,088,063.25	\$4,088,063.25	\$4,088,063.25	\$4,088,063.25	\$16,352,253.00