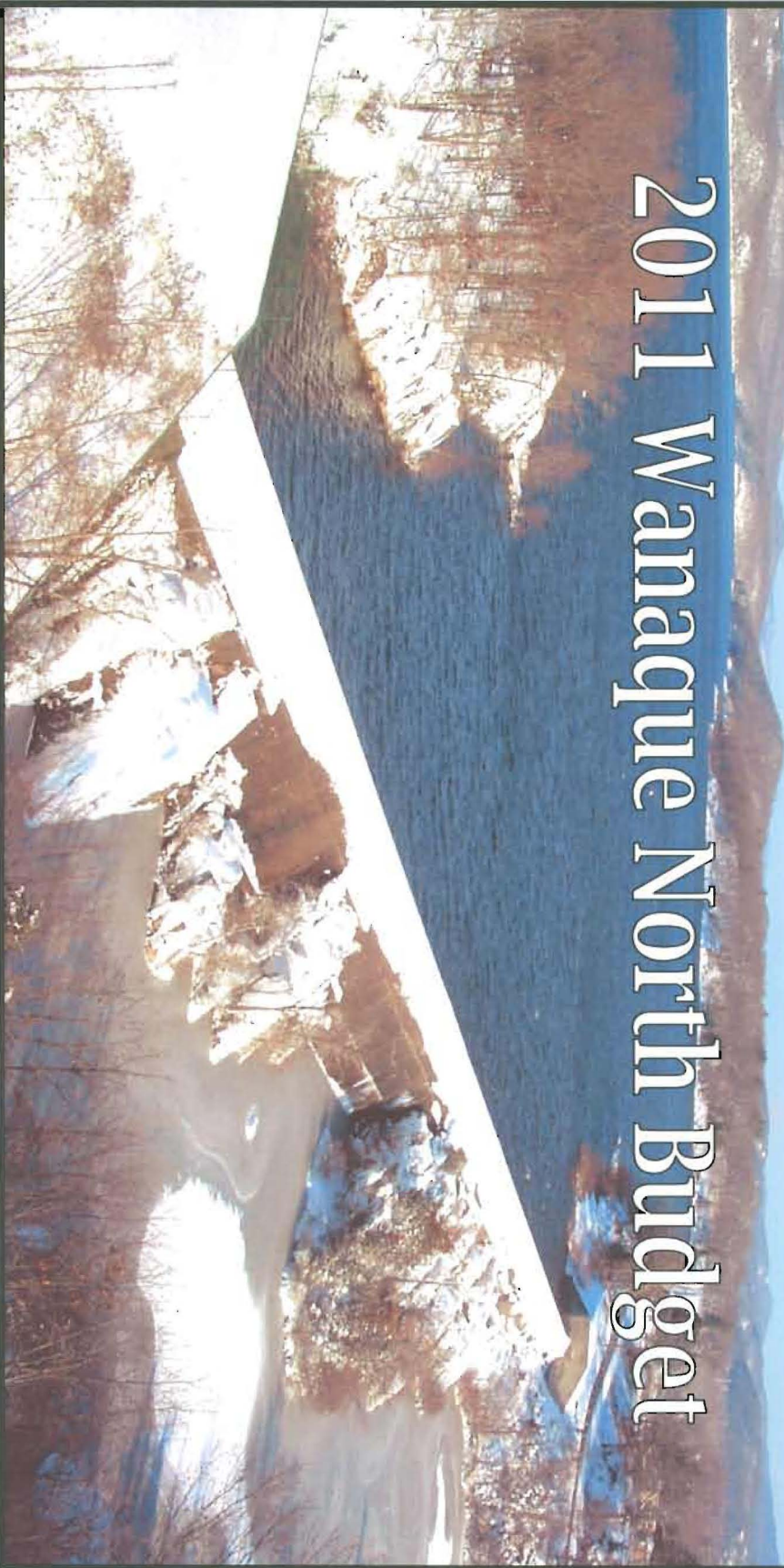


North Jersey District Water Supply Commission

2011 Wanauque North Budget



**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
2011 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2011 Total Appropriations of \$39.6 million represents no increase from the 2010 level. In addition, the Municipal Assessment saw a decrease to 1.14%.

The Commission has prepared the 2011 budgets with careful consideration to the current economic challenges that our participating municipalities continue to face. The Annual Budget, in comparison to the 2010 Budget, reflects no increase in total appropriations.

Reflected on page 2 of the budget document, the Departmental Appropriations of \$16.4 million represents an increase of 0.93%. Salary and wages, potential litigation, service contracts and equipment leases were the dominant factors increasing the Departmental expenses.

The Non-Departmental items are reflected on page 3. The Commission was able to generate savings in the area of Health Benefits and Utility costs.

The recently bid chemical contract along with process improvements provided for a reduction of over 15% for the chemical appropriations for a savings of over \$400,000. In addition, the Commission negotiated a favorable reduction in the rate for Electricity and Gas prices allowing for a decrease of 16% on the utility line item.

It is the opinion of the Commission that the 2011 Spending Plan is sufficient to meet the Operating, Capital and Debt Service as reflected in the Budget. The funding for the appropriations has been estimated and reflected on page 4 of the Budget. It is anticipated that the net assessments as shown on Page 8 along with application of miscellaneous items of revenue will be sufficient to fund the 2011 Spending Plan.

As presented, the budgeted cost per million gallons (MG) for the North Project municipalities will be \$806.02. For comparative purposes, please refer to the attached rate tables.

Comparison – New Jersey Major Public vs. Private Water Utilities

<div>2011 North Budget = 0% increase 2011 South Budget = .36% decrease</div> <div>North Jersey District Water Supply Commission Reaches over 125 Municipalities & Approximately 4 Million NJ Residents</div>											
<div>Rates have increased 11.85% over 3 years Population served = 750,000</div> <div>Passaic Valley Water Commission</div>											
<div>Population served = 240,000</div> <div>Jersey City Water Works</div> <div>NJBPU approved a 7.7% increase to United Water NJ in August 2010. (see Note 4)</div>											
<div>Population served = 275,000</div> <div>Newark Water Dept.</div> <div>Rates have increased 14% over 3 years</div>											
<div>Population served = 250,000</div> <div>Middlesex Water Co.</div> <div>NJBPU approved a 19.4% increase in March, 2010</div>											
<div>Population served = 2,500,000</div> <div>New Jersey American Water</div> <div>Filed for a 13.8% increase with The NJBPU in April 2010</div>											
<div>United Water is a subsidiary of French Utility – Suez Environment Population served = 750,000</div> <div>United Water New Jersey</div> <div>NJBPU approved a 7.7% increase in August, 2010</div>											
\$0	\$250	\$500	\$750	\$1,000	\$1,250	\$1,500	\$1,750	\$2,000	\$2,250	\$2,500	\$2,750
Wholesale Treated Water Rate (\$ per Million Gallons)											

NOTES:

1. **Public Utility** – Rates are approved by local government agencies, councils, or appointed commissioners. Average CEO salary is less than \$200,000
2. **Private Utility** – Rates are approved by a state operated utility commission (i.e. NJ Board of Public Utilities). Average CEO Salary is **\$1.5 Million**.
3. Water Utilities are considered Natural Monopolies.
4. United Water, through a privatization contract, operates Jersey City Water Works – current contract term thru 1/31/2018.
5. All costs associated with operating both Public and Private utilities are paid by N.J. citizens and businesses that reside and/or are located in the area served.


NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
MANAQUE NORTH PROJECT
BUDGET OVERVIEW

SOURCE OF REVENUE	2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	Increase (Decrease)	2011 APPROPRIATION	%
CURRENT MUNICIPAL ASSESSMENT	\$25,556,997	\$25,558,126	\$26,318,986	\$ (298,890)	\$ 26,020,096	-1.14%
SURPLUS / (DEFICIT) APPLIED	(145,860)	(2,322,281)	(576,714)	1,415,463	838,749	-245.44%
INCOME AND OTHER TRANSFERS	\$13,661,606	14,340,567	\$13,832,113	(\$1,116,573)	\$12,715,540	-8.07%
TOTAL REVENUES	\$39,072,743	\$37,576,413	\$39,574,385	\$ 0	\$ 39,574,385	0.00%
APPROPRIATIONS						
OPERATING	\$33,574,626	\$31,519,989	\$34,828,714	(\$705,289)	\$34,123,425	-2.03%
CAPITAL	1,203,283	1,764,324	797,738	353,818	1,151,556	44.35%
DEBT SERVICE	4,294,834	4,292,099	3,947,933	351,471	4,299,404	8.90%
TOTAL ANNUAL APPROPRIATIONS	\$39,072,743	\$37,576,412	\$39,574,385	(\$0)	\$39,574,385	0.00%

BOARD OF COMMISSIONERS

Carmen A. Orechio, Chairman
Louis A. Cuccinello, Vice Chairman
Charles P. Shotmeyer
Brenda C. Sherman
Michael T. Critico
Joseph Tempesta Jr.
Albert Manzo

SUBMITTED:


John Blonski, Comptroller

December 15, 2010

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

APPROPRIATION SUMMARY		2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	Increase (Decrease)	2011 APPROPRIATION	%
APPROPRIATIONS							
	Regular	\$11,238,094	\$ 11,231,582	\$11,677,975	\$ 203,925	\$ 11,881,900	1.75%
	Over Time	271,733	\$ 193,883	272,125	(66,825)	205,300	-24.56%
1	Total Salaries & Wages	\$11,509,827	\$ 11,425,465	\$11,950,100	\$ 137,100	\$ 12,087,200	1.15%
2	Materials & Supplies	378,200	317,378	350,265	5,235	355,500	1.49%
3	Services Contractual	2,120,000	2,080,098	2,560,250	147,950	2,708,200	5.78%
4	Repairs & Maintenance	894,900	839,046	978,300	(128,450)	849,850	-13.13%
5	Purchases of Equipment	312,100	296,025	329,800	(12,725)	317,075	-3.86%
6	Miscellaneous	106,500	163,180	115,500	1,850	117,350	1.60%
TOTAL DEPARTMENTAL EXPENSES		\$15,321,527	\$ 15,121,193	\$16,284,215	\$ 150,960	\$ 16,435,175	0.93%

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

APPROPRIATION SUMMARY	2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	Increase (Decrease)	2011 APPROPRIATION	%
Statutory Expenditures						
Real Estate Taxes	\$ 2,930,200	\$ 2,891,631	\$ 3,023,500	\$ 137,400	\$ 3,160,900	4.54%
Pension	750,000	783,094	920,000	-	920,000	0.00%
Payroll Taxes	945,500	840,592	925,000	(25,000)	900,000	-2.70%
Total Statutory Expenditures	\$ 4,625,700	\$ 4,515,318	\$ 4,868,500	\$ 112,400	\$ 4,980,900	2.31%
Insurance						
Health Benefits	\$ 4,697,000	\$ 4,581,573	\$ 5,225,000	\$ (51,100)	\$ 5,173,900	-0.98%
Workers Compensation	400,000	525,962	415,000	130,000	545,000	31.33%
General Insurance	1,312,100	1,367,012	1,595,000	20,500	1,615,500	1.29%
Total Insurances	\$ 6,409,100	\$ 6,474,548	\$ 7,235,000	\$ 99,400	\$ 7,334,400	1.37%
Utilities						
Electric Power	\$ 3,113,000	\$ 2,268,352	\$ 3,113,000	\$ (556,600)	\$ 2,556,400	-17.88%
Telephone	220,000	252,610	256,000	7,650	263,650	2.99%
Other	50,000	37,833	50,000	1,500	51,500	3.00%
Total Utilities	\$ 3,383,000	\$ 2,558,795	\$ 3,419,000	\$ (547,450)	\$ 2,871,550	-16.01%
Chemicals						
Polyaluminum Chloride	\$ 1,315,300	\$ 1,156,531	\$ 1,000,000	\$ (175,000)	\$ 825,000	-17.50%
Hypochloride	-	734,261	925,000	(125,000)	800,000	-13.51%
Non Zinc Ortho Phosphate	425,000	664,758	450,000	(110,000)	340,000	-24.44%
Other	1,865,000	194,814	417,000	(31,000)	386,000	-7.43%
Total Chemicals	\$ 3,605,300	\$ 2,750,364	\$ 2,792,000	\$ (441,000)	\$ 2,351,000	-15.80%
Fuel						
Gasoline	\$ 175,000	\$ 94,930	\$ 175,000	\$ (54,750)	\$ 120,250	-31.29%
Heating Oil	55,000	4,842	55,000	(24,850)	30,150	-45.18%
Total Fuels	\$ 230,000	\$ 99,772	\$ 230,000	\$ (79,600)	\$ 150,400	-34.61%
TOTAL NON DEPARTMENTAL	18,253,100	16,398,796	18,544,500	(856,250)	17,688,250	-4.62%
Departmental Expense brought forward	15,321,527	15,121,193	16,284,215	150,960	16,435,175	0.93%
TOTAL OPERATING APPROPRIATIONS	\$ 33,574,627	\$ 31,519,989	\$ 34,828,715	\$ (705,290)	\$ 34,123,425	-2.03%

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

APPROPRIATION SUMMARY	2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	Increase (Decrease)	2011 APPROPRIATION	%
Debt Service						
1989 Series	725,000	725,000	-	-	-	N/A
1997 Series	1,019,360	1,027,748	-	-	-	N/A
1999 NJEIT	113,557	103,080	116,718	2,496	119,214	2.14%
2000 NJEIT	60,320	59,675	58,631	(1,689)	56,942	-2.88%
2003 NJEIT	674,933	674,933	672,350	3,911	676,261	0.58%
2003 Refunding Bonds	1,614,666	1,614,666	1,614,716	1,000	1,615,716	0.06%
2006 NJEIT	86,997	86,997	89,793	(1,747)	88,046	-1.95%
2009 Refunding Series	-	-	1,395,725	347,500	1,743,225	24.90%
12 TOTAL DEBT SERVICE	\$ 4,294,834	\$ 4,292,099	\$ 3,947,933	\$ 351,471	\$ 4,299,404	8.90%
13 Capital Items	\$ 1,203,283	\$ 1,764,324	\$ 797,738	\$ 353,820	\$ 1,151,558	44.35%
TOTAL APPROPRIATIONS	\$ 39,072,743	\$ 37,576,412	\$ 39,574,385	\$ (0)	\$ 39,574,385	0.00%
REVENUES						
1 Wanauke South Participation	\$7,889,012	\$ 7,903,022	\$8,834,633	(\$231,436)	\$8,603,197	-2.62%
2 UWNJ Participation	3,122,972	2,906,988	3,284,310	\$32,444	\$3,316,754	0.99%
3 Anticipated Income /Transfers	2,649,622	3,530,558	1,713,170	(917,580)	795,590	-53.56%
4 Surplus Applied	(145,860)	(2,322,281)	(576,714)	1,415,463	838,749	-245.44%
5 Municipal Assessments	25,556,997	25,558,126	26,318,986	(298,890)	26,020,096	-1.14%
TOTAL REVENUES	\$39,072,743	\$ 37,576,412	\$39,574,385	\$0	\$39,574,385	0.00%
Cost per Million Gallons	\$ 817.86	\$ 780.13	\$ 800.22	\$ 5.80	\$ 806.02	

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION

CAPITAL BUDGET

2011

Description	North Share	South Share	United Water Share	Total Cost
1 Computer Upgrades	50,161	14,840	-	65,000
2 Lab Equipment Upgrade	65,595	19,406	-	85,000
3 Fleet Renewal and Replace	105,000	45,000	-	150,000
4 Building Improvements / Renovations	96,463	28,538	-	125,000
5 Aerators	-	-	-	-
6 Aqueduct-Metering Take offs (Phase 2) Dams and Other Structures	175,000 175,000	75,000 75,000	-	250,000 250,000
Pipe Gallery - Dehumidifier	245,000	105,000		350,000
Residuals Plant - Aeration	140,000	60,000		200,000
Ramapo Force Main -72in. valve@OTP	210,000	90,000		300,000
CCTV @ Old Treatment Plant	23,585	15,000	11,415	50,000
Dam 4 - Bar Racks	40,755	17,123	17,123	75,000
7 Plant Equipment / Structures	659,340	287,123	28,538	975,000

TOTAL CAPITAL BUDGET
CARRY TO PAGE 4 LINE 13

\$	1,151,558	\$	469,905	\$	28,538	\$	1,650,000
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**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAUKE NORTH PROJECT
ASSESSMENT BY MUNICIPALITY**

%	MUNICIPALITY	2009 ASSESSMENT	2009 ACTUAL	2010 ASSESSMENT	INCREASE (DECREASE)	2011 ASSESSMENT
40.50%	NEWARK	\$ 10,291,510	\$ 9,410,517	\$ 10,425,620	\$ 452,212	\$ 10,877,832
20.00%	PATERSON	5,082,227	4,647,169	5,148,454	223,315	5,371,769
11.00%	PASSAIC	2,795,225	2,555,943	2,831,650	122,823	2,954,473
6.75%	CLIFTON	1,715,252	1,568,420	1,737,603	75,369	1,812,972
37.75%	PASSAIC VALLEY WATER COMM.	9,592,704	8,771,532	9,717,708	421,506	10,139,214
12.00%	KEARNY	3,049,336	2,788,301	3,089,073	133,989	3,223,061
5.00%	MONTCLAIR	1,270,557	1,161,792	1,287,114	55,829	1,342,942
4.00%	BLOOMFIELD	1,016,445	929,434	1,029,691	44,663	1,074,354
0.75%	GLEN RIDGE	190,584	174,269	193,067	8,374	201,441
100.00%	TOTAL ASSESSMENTS	\$ 25,411,136	\$ 23,235,845	\$ 25,742,272	\$ 1,116,572	\$ 26,858,845

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAUKE NORTH PROJECT
SURPLUS/(DEFICIT) ANALYSIS**

%	MUNICIPALITY	2009 SURPLUS (DEFICIT)	RESERVED	APPLIED TO 2011 BUDGET
40.50%	NEWARK	\$ 939,416	\$ 599,723	\$ 339,693
20.00%	PATERSON	463,909	296,160	167,750
11.00%	PASSAIC	255,150	162,888	92,262
6.75%	CLIFTON	156,569	99,954	56,616
37.75%	PASSAIC VALLEY WATER	875,629	559,001	316,628
12.00%	KEARNY	278,346	177,696	100,650
5.00%	MONTCLAIR	115,977	74,040	41,937
4.00%	BLOOMFIELD	92,782	59,232	33,550
0.75%	GLEN RIDGE	17,397	11,106	6,291
100.00%	TOTAL SURPLUS	\$ 2,319,547	\$ 1,480,798	\$ 838,749
	CARRY TO PAGE4 LINE 4			

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAUKE NORTH PROJECT
BUDGET INSTALLMENTS
2011**

%	MUNICIPALITY	JAN 15 25%	APR 1ST 25%	JUL 1ST 25%	OCT. 1ST 25%	TOTAL
40.50%	NEWARK	\$ 2,634,535	\$ 2,634,535	\$ 2,634,535	\$ 2,634,535	\$ 10,538,139
20.00%	PATERSON	\$ 1,301,005	\$ 1,301,005	\$ 1,301,005	\$ 1,301,005	\$ 5,204,019
11.00%	PASSAIC	\$ 715,553	\$ 715,553	\$ 715,553	\$ 715,553	\$ 2,862,211
6.75%	CLIFTON	\$ 439,089	\$ 439,089	\$ 439,089	\$ 439,089	\$ 1,756,356
37.75%	PASSAIC VALLEY WATER	\$ 2,455,647	\$ 2,455,647	\$ 2,455,647	\$ 2,455,647	\$ 9,822,586
12.00%	KEARNY	\$ 780,603	\$ 780,603	\$ 780,603	\$ 780,603	\$ 3,122,411
5.00%	MONTCLAIR	\$ 325,251	\$ 325,251	\$ 325,251	\$ 325,251	\$ 1,301,005
4.00%	BLOOMFIELD	\$ 260,201	\$ 260,201	\$ 260,201	\$ 260,201	\$ 1,040,804
0.75%	GLEN RIDGE	\$ 48,788	\$ 48,788	\$ 48,788	\$ 48,788	\$ 195,151
100.00%	TOTAL INSTALLMENTS	\$ 6,505,024	\$ 6,505,024	\$ 6,505,024	\$ 6,505,024	\$ 26,020,096