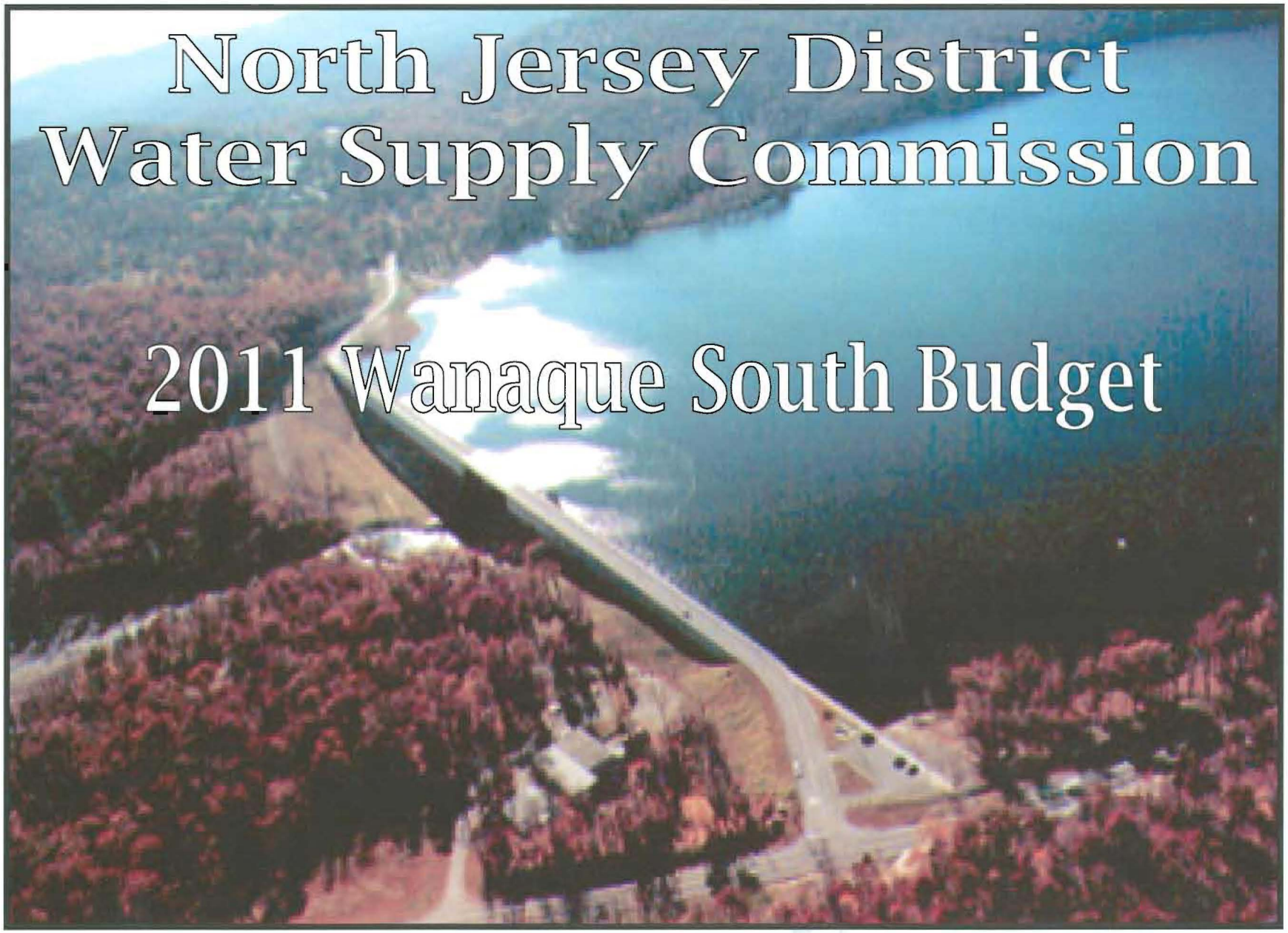
North Jersey District Water Supply Commission



2011 Wanaque South Budget

NORTH JERSY DISTRICT WATER SUPPY COMMISSION
WANAQUE SOUTH PROJECT
2011 BUDGET HIGHLIGHTS

The North Jersey District Water Supply Commission is pleased to announce the 2011 Total Appropriation of $18,169,779 represents a decrease of 0.36% from the previous year. The 2011 Budgeted Assessment represents a decrease of 0.46% from 2010.

The Commission has prepared the 2011 budgets with careful consideration to the current economic challenges that our participating municipalities continue to face.

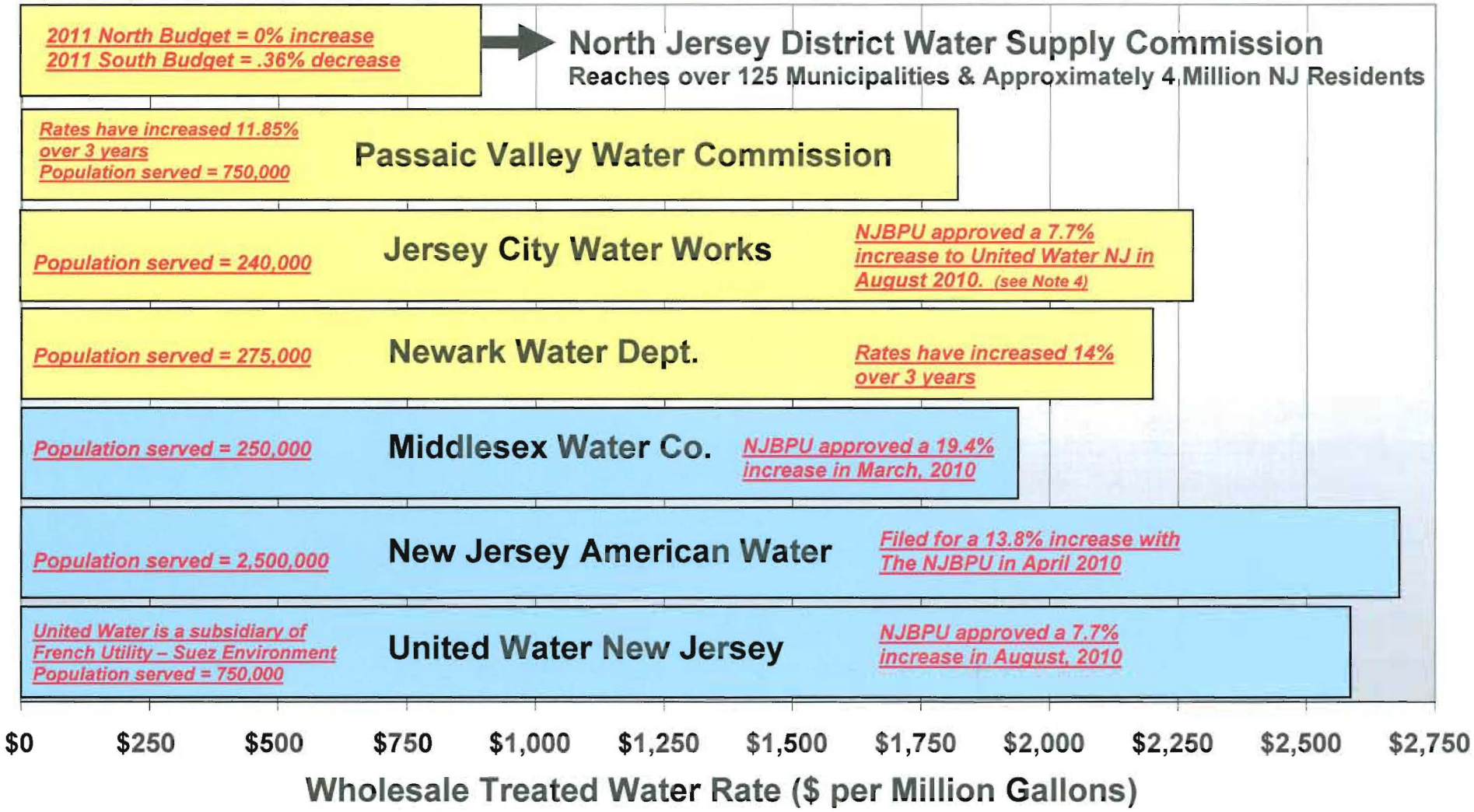
The direct costs of the project have remained consistent over the past several years. A reduction in Utilities cost is the single largest factor contributing to the 2.57% reduction in Direct Expenses. The allocated costs likewise has been reduced 2.62%

The 2011 Budget for Debt Service remains essentially unchanged at minus 0.11%.

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. It is anticipated that the net assessments 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 South Project municipalities has been reduced $4.53. As illustrated on the attached chart, the projected cost of $1,260.26 remains one of the lowest in the state.

Comparison – New Jersey Major Public vs. Private Water Utilities



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
WANAQUE SOUTH PROJECT
BUDGET OVERVIEW

	2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	INCREASE (DECREASE)	2011 APPROPRIATION	
SOURCE OF REVENUE						
CURRENT MUNICIPAL ASSESSMENT	$ 15,699,898	$ 15,699,898	$ 16,124,149	$ (74,459)	$ 16,049,690	-0.46%
SURPLUS / (DEFICIT) APPLIED	1,666,847	324,431	437,471	967,986	1,405,457	221.27%
INCOME AND OTHER TRANSFERS	791,295	146,242	1,673,500	(958,867)	714,633	-57.30%
TOTAL REVENUES	**$ 18,158,040**	**$ 16,170,571**	**$ 18,235,120**	**$ (65,341)**	**$ 18,169,779**	**-0.36%**
APPRORIATIONS						
DIRECT COSTS	$ 2,211,240	$ 628,173	$ 1,663,079	*$ (42,729)*	$ 1,620,350	-2.57%
ALLOCATED COSTS	8,167,903	8,205,276	9,112,976	*(231,984)*	8,880,992	-2.55%
TOTAL OPERATING	$ 10,379,143	$ 8,833,449	$ 10,776,055	*$ (274,713)*	$ 10,501,342	-2.55%
CAPITAL	577,454	135,679	252,263	*217,642*	469,905	86.28%
DEBT SERVICE	7,201,443	7,201,443	7,206,803	*(8,271)*	7,198,532	-0.11%
TOTAL ANNUAL APPROPRIATION	**$ 18,158,040**	**$ 16,170,571**	**$ 18,235,120**	***$ (65,341)***	**$ 18,169,779**	**-0.36%**

BOARD OF COMMISSIONERS

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

SUBMITTED:

John Blonski, Comptroller

December 15, 2010

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
ANNUAL BUDGET

	APPROPRIATIONS CATEGORY	2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	INCREASE (DECREASE)	2011 APPROPRIATION	%
	DIRECT EXPENSES						
	COMMON FACILITIES						
	INSURANCE	$ 212,500	$ 152,577	$ 160,000	$ -	$ 160,000	N/A
	LEGAL FEES	5,000	23,884	5,000	145,000	150,000	2900.00%
	AUDIT FEES	32,500	29,775	32,750	-	32,750	N/A
	USGS	85,000	83,690	83,500	-	83,500	N/A
	ENGINEERING/CONSULTING	62,500	225	40,000	-	40,000	N/A
	PURCHASES	460,630	-	-	-	-	N/A
	TRUSTEE FEES	-	52,500	-	52,500	52,500	
	OTHER	5,750	2,923	-	1,500	1,500	N/A
1	**SUB TOTAL**	**$ 863,880**	**$ 345,574**	**$ 321,250**	**$ 199,000**	**$ 520,250**	**61.95%**
	WANAQUE SOUTH PUMP STATION						
	UTILITIES	$ 1,045,000	$ 193,219	$ 1,045,000	$ (195,000)	$ 850,000	-18.66%
	REAL ESTATE TAX	23,960	27,972	25,329	1,671	27,000	6.60%
	ENGINEERING/CONSULTING	12,500	860	12,500	-	12,500	N/A
	REPAIRS/MAINTENANCE						
	BUILDING	37,500	2,313	37,500	-	37,500	N/A
	EQUIPMENT	37,500	3,521	37,500	-	37,500	N/A
	OTHER	500	-	500	-	500	N/A
	CHEMICALS	-	-	-	-	-	N/A
	PURCHASES	4,000	93	-	500	500	N/A
	OTHER	-	7,770	-	-	-	N/A
2	**SUB TOTAL**	**$ 1,160,960**	**$ 235,749**	**$ 1,158,329**	**$ (192,829)**	**$ 965,500**	**-16.65%**

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
ANNUAL BUDGET

	APPROPRIATIONS CATEGORY	2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	INCREASE (DECREASE)	2011 APPROPRIATION	%
	DIRECT EXPENSES						
	RAMAPO PUMP STATION						
	UTILITIES	101,500	$ 10,077	$ 101,500	$ (51,500)	$ 50,000	-50.74%
	REAL ESTATE TAX	17,250	17,229	18,000	-	18,000	N/A
	ENGINEERING/CONSULTING	10,500	-	7,500	-	7,500	N/A
	REPAIRS/MAINTENANCE						
	BUILDING	5,000	123	5,000	-	5,000	N/A
	EQUIPMENT	12,000	340	12,000	-	12,000	N/A
	OTHER	150	-	-	100	100	N/A
	CHEMICALS	-	-	-	-	-	N/A
	PURCHASES	2,500	-	2,500	-	2,500	N/A
	OTHER	-	103	-	-	-	N/A
3	**SUB TOTAL**	**$ 148,900**	**$ 27,872**	**$ 146,500**	**$ (51,400)**	**$ 95,100**	**-35.09%**
	MONKSVILLE						
	UTILITIES	$ 5,500	$ 3,998	$ 5,500	$ -	$ 5,500	N/A
	REAL ESTATE TAX	2,500	13,341	3,000	-	3,000	N/A
	ENGINEERING/CONSULTING	23,750	-	22,500	-	22,500	N/A
	REPAIRS/MAINTENANCE						
	BUILDING	5,000	42	5,000	-	5,000	N/A
	EQUIPMENT	750	-	1,000	-	1,000	N/A
	OTHER	-	1,598	-	2,500	2,500	N/A
	PURCHASES	-	-	-	-	-	N/A
	OTHER	-	-	-	-	-	N/A
4	**SUB TOTAL**	**$ 37,500**	**$ 18,979**	**$ 37,000**	**$ 2,500**	**$ 39,500**	**6.76%**
5	**TOTAL DIRECT EXPENSES**	**$ 2,211,240**	**$ 628,173**	**$ 1,663,079**	**$ (42,729)**	**$ 1,620,350**	**-2.57%**

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
ANNUAL BUDGET

	APPROPRIATIONS CATEGORY	2009 APPROPRIATION	2009 ACTUAL	2010 APPROPRIATION	INCREASE (DECREASE)	2011 APPROPRIATION	%
6	ALLOCATED NORTH OPERATING COSTS	7,889,012	7,926,385	8,834,633	(231,436)	8,603,197	**-2.62%**
7	USE FEE	278,891	278,891	278,343	(548)	277,795	**-0.20%**
	TOTAL OPERATING COSTS	**$ 10,379,143**	**$ 8,833,449**	**$ 10,776,055**	**$ (274,713)**	**$ 10,501,342**	**-2.55%**
9	**CAPITAL ITEMS** FROM PAGE 6	577,454	135,679	252,263	217,642	469,905	86.28%
10	**DEBT SERVICE**	7,201,443	7,201,443	7,206,803	(8,271)	7,198,532	**-0.11%**
11	**TOTAL APPROPRIATIONS**	**$ 18,158,040**	**$ 16,170,571**	**$ 18,235,120**	**$ (65,341)**	**$ 18,169,779**	**-0.36%**
	REVENUES						
12	BUDGET ASSESSMENTS	$ 15,699,898	$ 15,699,898	$ 16,124,149	$ (74,459)	$ 16,049,690	-0.46%
13	ANTICIPATED INCOME	791,295	146,242	1,673,500	(958,867)	714,633	-57.30%
14	SURPLUS / (DEFICIT)	1,666,847	324,431	437,471	967,986	1,405,457	221.27%
15	**TOTAL REVENUES**	**$ 18,158,040**	**$ 16,170,571**	**$ 18,235,120**	**$ (65,341)**	**$ 18,169,779**	**-0.36%**
	COST PER M.G.	$ 1,259.44	$ 1,121.59	$ 1,264.79	$ (4.53)	$ 1,260.26	

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

	2009 ASSESSMENT	2009 ACTUAL	2010 ASSESSMENT	INCREASE (DECREASE)	2011 ASSESSMENT
TOTAL WANAQUE NORTH BUDGET	$ 39,072,743	$ 37,576,412	$ 39,574,386	$ (0)	$ 39,574,386
LESS: DEBT SERVICE	4,294,834	4,292,099	3,947,933	351,471	4,299,404
UTILITIES - ELECTRIC	3,113,000	2,268,352	3,113,000	(556,600)	2,556,400
PLANT OPERATIONS BUDGET	-		9,205,510	(425,520)	8,779,990
CAPITAL BUDGET	1,203,283	1,764,324	797,738	353,820	1,151,558
OTHER NON ALLOCABLE	-	-	-	-	-
ALLOCABLE EXPENSES	$30,461,627	$29,251,639	$ 22,510,206	$ 276,829	$22,787,034
ALLOCATED EXPENSES @ 22.83%	$6,955,112	$6,678,149	$5,139,080	$63,200	$5,202,280
PLANT OPERATIONS & UTILITIES @ 30%	933,900	1,248,236	3,695,553	(294,636)	3,400,917
TOTAL ALLOCATED COST	$7,889,012	$7,926,385	$8,834,633	($231,436)	$8,603,197
CARRY TO PAGE 4 ITEM 6					

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 Improvments / Rennovations**	**96,463**	**28,538**	-	**125,000**
5	**Aerators**	-	-	-	-
	Aqueduct-Metering Take offs (Phase 2)	175,000	75,000		250,000
6	**Dams and Other Sturctues**	**175,000**	**75,000**	-	**250,000**
	Pipe Gallary - 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	**$ 1,151,558**	**$ 469,905**	**$ 28,538**	**$ 1,650,000**

CARRY TO PAGE 4 LINE 9

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

%	MUNICIPALITY	2009 ASSESSMENT	2009 ACTUAL	2010 ASSESSMENT	INCREASE (DECREASE)	TOTAL 2011 ASSESSMENT
28.68%	NEWARK	4,981,398	4,596,346	4,750,460	*256,295*	5,006,755
26.58%	BAYONNE	4,616,477	4,259,633	4,402,456	*237,520*	4,639,976
22.78%	WAYNE	3,956,980	3,651,114	3,773,534	*203,588*	3,977,122
4.35%	KEARNY	756,223	697,768	721,164	*38,908*	760,072
7.59%	NUTLEY	1,318,993	1,217,038	1,257,845	*67,862*	1,325,707
6.96%	BLOOMFIELD	1,209,077	1,115,618	1,153,024	*62,208*	1,215,232
3.04%	CEDAR GROVE	527,597	486,815	503,138	*27,145*	530,283
100.00%	TOTAL ASSESSMENT	$ 17,366,745	$ 16,024,332	$ 16,561,621	*$ 893,526*	$ 17,455,147

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
SURPLUS ANALYSIS

%	MUNICIPALITY	2009 SURPLUS (DEFICIT)	RESERVED	APPLIED TO 2011 BUDGET
28.68%	NEWARK	$ (93,060)	$ (496,201)	$ 403,141
26.58%	BAYONNE	$ (86,240)	$ (459,839)	$ 373,599
22.79%	WAYNE	$ (73,922)	$ (394,155)	$ 320,233
4.35%	KEARNY	$ (14,126)	$ (75,319)	$ 61,194
7.60%	NUTLEY	$ (24,641)	$ (131,385)	$ 106,744
6.96%	BLOOMFIELD	$ (22,587)	$ (120,435)	$ 97,848
3.04%	CEDAR GROVE	$ (9,856)	$ (52,554)	$ 42,698
100.00%	**TOTAL SURPLUS**	$ (324,431)	$ (1,729,888)	$ 1,405,457
	CARRY TO PAGE 4 LINE 14			

NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
BUDGET INSTALLMENTS

%	MUNICIPALITY	JAN 15 25%	APL 1ST 25%	JUL 1ST 25%	OCT. 1ST 25%	2011 TOTAL
28.68%	NEWARK	1,150,903	1,150,903	1,150,903	1,150,903	4,603,614
26.58%	BAYONNE	1,066,594	1,066,594	1,066,594	1,066,594	4,266,377
22.79%	WAYNE	914,222	914,222	914,222	914,222	3,656,889
4.35%	KEARNY	174,720	174,720	174,720	174,720	698,878
7.60%	NUTLEY	304,741	304,741	304,741	304,741	1,218,963
6.96%	BLOOMFIELD	279,346	279,346	279,346	279,346	1,117,384
3.04%	CEDAR GROVE	121,896	121,896	121,896	121,896	487,585
100.00%	**TOTAL INSTALLMENTS**	**4,012,423**	**4,012,423**	**4,012,423**	**4,012,423**	**16,049,690**