



**WANAQUE SOUTH
2015 FINAL BUDGET**

December 17, 2014

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE SOUTH PROJECT
2015 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2015 Budget with no change in net assessments over the 2014 Budget.

The Commission has prepared the 2015 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 2015 Budget total approximately \$17.9M. This represents an increase of \$955K (5.6%) from the 2014 Budget. The main increase in appropriations is Allocated Wanaque North Costs resulting from the change in the Wanaque South Safe Yield. Wanaque South now has a larger percentage of shared expenses which resulted in an increase of \$1.09M (13.9%). Accordingly, the Use Fee has also increased by \$28.8K (10.4%). Wanaque South direct operating costs are up \$34K (2.0%) year on year. While the change in Safe Yield has accounted for an increase in appropriations for 2015, it has also provided an avenue of potential additional revenue in future years.

The Capital Budget has been reduced by \$95K (-34.8%) from the 2014 Budget. In addition, Debt Service has also decreased by \$103K (-1.5%) over the same time period. Both line items recognize that additional expenditures from the 5 Year Capital Plan will require new bonding.

It is the opinion of the Commission staff that the 2015 Spending Plan is sufficient to meet Operating, Capital and Debt Service costs as reflected in the Budget. The Commission staff anticipates that the net assessments along with application of miscellaneous items of revenue will be sufficient to fund the 2015 Spending Plan.

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

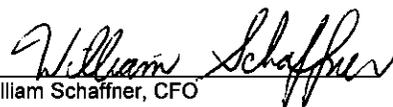
**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
 WANAQUE SOUTH PROJECT
 BUDGET OVERVIEW**

	2013 APPROPRIATION	2014 APPROPRIATION	INCREASE (DECREASE)	2015 APPROPRIATION	
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENT	\$15,924,760	\$15,913,130	\$0	\$15,913,130	0.00%
SURPLUS / (DEFICIT) APPLIED	941,270	1,010,332	950,280	1,960,612	94.06%
INCOME AND OTHER TRANSFERS	63,000	65,000	5,000	70,000	7.69%
TOTAL REVENUES	\$16,929,030	\$16,988,462	\$955,280	\$17,943,742	5.62%
APPROPRIATIONS					
DIRECT COSTS	\$1,104,866	\$1,703,551	\$34,034	\$1,737,585	2.00%
ALLOCATED COSTS	8,124,204	8,128,424	1,120,065	9,248,489	13.78%
TOTAL OPERATING	9,229,070	9,831,975	1,154,099	10,986,074	11.74%
CAPITAL	477,341	275,361	(95,694)	179,667	-34.75%
DEBT SERVICE	7,222,619	6,881,126	(103,125)	6,778,001	-1.50%
TOTAL ANNUAL APPROPRIATION	\$16,929,030	\$16,988,462	\$955,280	\$17,943,742	5.62%

BOARD OF COMMISSIONERS

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SUBMITTED:


 William Schaffner, CFO

December 17, 2014

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

	APPROPRIATIONS CATEGORY	2013 APPROPRIATION	2014 APPROPRIATION	INCREASE (DECREASE)	2015 APPROPRIATION	%
	DIRECT EXPENSES					
	COMMON FACILITIES					
	INSURANCE	\$160,000	\$240,000	\$15,000	\$255,000	6.25%
	LEGAL FEES	30,000	37,500	(900)	36,600	-2.40%
	AUDIT FEES	28,500	24,000	(1,000)	23,000	-4.17%
	REAL ESTATE TAX	0	0	12,000	12,000	N/A
	USGS	85,000	86,000	(6,000)	80,000	-6.98%
	ENGINEERING/CONSULTING	0	0	0	0	N/A
	PURCHASES	0	0	0	0	N/A
	TRUSTEE FEES	63,000	38,000	0	38,000	N/A
	OTHER	0	9,000	(4,000)	5,000	-44.44%
1	SUB TOTAL	\$366,500	\$434,500	\$15,100	\$449,600	3.48%
	WANAQUE SOUTH PUMP STATION					
	UTILITIES	\$490,000	\$1,000,000	(\$41,000)	\$959,000	-4.10%
	REAL ESTATE TAX	30,116	30,801	3,559	34,360	11.55%
	ENGINEERING/CONSULTING	12,500	37,500	0	37,500	N/A
	REPAIRS/MAINTENANCE					
	BUILDING	22,500	37,500	(17,500)	20,000	-46.67%
	EQUIPMENT	37,500	37,500	62,500	100,000	166.67%
	OTHER	0	500	0	500	N/A
	CHEMICALS	0	0	0	0	N/A
	PURCHASES	0	0	0	0	N/A
	OTHER	0	0	11,500	11,500	N/A
2	SUB TOTAL	\$592,616	\$1,143,801	\$19,059	\$1,162,860	1.67%

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
 WANAUKE SOUTH PROJECT
 ANNUAL BUDGET**

APPROPRIATIONS CATEGORY	2013 APPROPRIATION	2014 APPROPRIATION	INCREASE (DECREASE)	2015 APPROPRIATION	%
DIRECT EXPENSES					
RAMAPO PUMP STATION					
UTILITIES	\$56,500	\$25,000	\$250	\$25,250	1.00%
REAL ESTATE TAX	20,000	20,500	500	21,000	2.44%
ENGINEERING/CONSULTING	7,500	15,000	0	15,000	N/A
REPAIRS/MAINTENANCE					
BUILDING	5,000	20,000	0	20,000	N/A
EQUIPMENT	12,000	12,000	0	12,000	N/A
OTHER	0	500	(500)	0	-100.00%
CHEMICALS	0	0	0	0	N/A
PURCHASES	2,500	2,500	0	2,500	N/A
OTHER	0	0	0	0	N/A
SUB TOTAL	\$103,500	\$95,500	\$250	\$95,750	0.26%
MONKSVILLE					
UTILITIES	\$4,500	\$4,500	\$375	\$4,875	8.33%
REAL ESTATE TAX	8,000	8,750	750	9,500	8.57%
ENGINEERING/CONSULTING	25,000	12,500	(1,500)	11,000	-12.00%
REPAIRS/MAINTENANCE					
BUILDING	2,500	2,500	0	2,500	N/A
EQUIPMENT	1,000	1,000	0	1,000	N/A
OTHER	1,250	500	0	500	N/A
PURCHASES	0	0	0	0	N/A
OTHER	0	0	0	0	N/A
SUB TOTAL	\$42,250	\$29,750	(\$375)	\$29,375	-1.26%
TOTAL DIRECT EXPENSES	\$1,104,866	\$1,703,551	\$34,034	\$1,737,585	2.00%

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

	APPROPRIATIONS CATEGORY	2013 APPROPRIATION	2014 APPROPRIATION	INCREASE (DECREASE)	2015 APPROPRIATION	%
6	ALLOCATED NORTH OPERATING COSTS	\$7,847,504	\$7,852,272	\$1,091,278	\$8,943,550	13.90%
7	USE FEE	276,700	276,152	28,787	304,939	10.42%
	TOTAL OPERATING COSTS	9,229,070	9,831,975	1,154,099	10,986,074	11.74%
9	CAPITAL ITEMS FROM PAGE 6	477,341	275,361	(95,694)	179,667	-34.75%
10	DEBT SERVICE	7,222,619	6,881,126	(103,125)	6,778,001	-1.50%
11	TOTAL APPROPRIATIONS	\$16,929,030	\$16,988,462	\$955,280	\$17,943,742	5.62%
	REVENUES					
12	BUDGET ASSESSMENTS	\$15,924,760	\$15,913,130	\$0	\$15,913,130	0.00%
13	ANTICIPATED INCOME	63,000	65,000	5,000	70,000	7.69%
14	SURPLUS / (DEFICIT)	941,270	1,010,332	950,280	1,960,612	94.06%
15	TOTAL REVENUES	\$16,929,030	\$16,988,462	\$955,280	\$17,943,742	5.62%
	COST PER M.G. (Net)	\$1,104.54	\$1,103.74	\$0.00	\$1,103.74	

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

	2013 ASSESSMENT	2014 ASSESSMENT	2015 ASSESSMENT	INCREASE (DECREASE)
TOTAL WANAQUE NORTH BUDGET	\$37,174,228	\$36,805,465	\$38,600,630	\$1,795,165
LESS: DEBT SERVICE	4,293,614	4,595,733	4,289,056	(306,677)
UTILITIES	2,774,324	2,555,750	2,607,000	51,250
PLANT OPERATIONS BUDGET	8,391,986	9,051,812	9,403,073	351,261
CAPITAL BUDGET	1,547,040	1,001,639	2,478,007	1,476,368
OTHER NON ALLOCABLE	466,820	459,035	488,000	28,965
ALLOCABLE EXPENSES	\$19,700,444	\$19,141,496	\$19,335,494	\$193,998
 ALLOCATED EXPENSES @ 25.26%	 \$4,497,611	 \$4,370,004	 \$4,884,146	 \$514,142
 PLANT OPERATIONS & UTILITIES @ 33.8%	 \$3,349,893	 \$3,482,269	 \$4,059,405	 \$577,136
TOTAL ALLOCATED COST	\$7,847,504	\$7,852,272	\$8,943,550	\$1,091,278
CARRY TO PAGE 4 ITEM 6				

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
CAPITAL BUDGET
2015**

Description	North Share	South Share	United Water Share	Total Cost
1 Computer Upgrades	\$132,400	\$71,000	\$0	\$203,400
2 Lab Equipment Upgrade	-	-	-	-
3 Fleet / Mobile Equipment Replacement	212,833	108,667	0	321,500
4 Building Improvements / Renovations	-	-	-	-
Upgrades to Original Plant Infrastructure	1,132,774	0	0	1,132,774
5 Plant Facilities & Equipment	<u>\$1,132,774</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,132,774</u>
Regional Interconnection Study	\$1,000,000	\$0	\$0	1,000,000
Monksville Dam Resealing	0	0	\$72,000	\$72,000
W/S & Ramapo Pump Station Cameras	0	0	\$125,000	\$125,000
6 Dams and Other Structures	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$197,000</u>	<u>\$1,197,000</u>
7 Miscellaneous Items	-	-	-	-
TOTAL CAPITAL BUDGET	<u><u>\$2,478,007</u></u>	<u><u>\$179,667</u></u>	<u><u>\$197,000</u></u>	<u><u>\$2,854,674</u></u>
CARRY TO PAGE 4 LINE 13				

Additional expenditures from the 5 Year Capital Plan will be funded through new bonding or self funding.

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
 WANAQUE SOUTH PROJECT
 SURPLUS ANALYSIS**

%	MUNICIPALITY	2013 SURPLUS (DEFICIT)	RESERVED	APPLIED TO 2015 BUDGET
28.68%	NEWARK	\$589,496	\$27,114	\$562,382
26.58%	BAYONNE	546,297	25,127	521,170
22.79%	WAYNE	468,263	21,538	446,725
4.35%	KEARNY	89,481	4,116	85,365
7.60%	NUTLEY	156,088	7,179	148,908
6.96%	BLOOMFIELD	143,079	6,581	136,498
3.04%	CEDAR GROVE	62,435	2,872	59,563
100.00%	TOTAL SURPLUS	<u>\$2,055,138</u>	<u>\$94,526</u>	<u>\$1,960,612</u>
	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%	2015 TOTAL
28.68%	NEWARK	\$1,141,111.25	\$1,141,111.25	\$1,141,111.25	\$1,141,111.25	\$4,564,445.00
26.58%	BAYONNE	1,057,519.00	1,057,519.00	1,057,519.00	1,057,519.00	4,230,076.00
22.79%	WAYNE	906,443.75	906,443.75	906,443.75	906,443.75	3,625,775.00
4.35%	KEARNY	173,232.50	173,232.50	173,232.50	173,232.50	692,930.00
7.60%	NUTLEY	302,147.75	302,147.75	302,147.75	302,147.75	1,208,591.00
6.96%	BLOOMFIELD	276,969.25	276,969.25	276,969.25	276,969.25	1,107,877.00
3.04%	CEDAR GROVE	120,859.00	120,859.00	120,859.00	120,859.00	483,436.00
100.00%	TOTAL INSTALLMENTS	\$3,978,282.50	\$3,978,282.50	\$3,978,282.50	\$3,978,282.50	\$15,913,130.00