



**WANAQUE NORTH PROJECT
2020 FINAL BUDGET**

December 18, 2019

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
2020 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2020 Budget with no change in net assessments over the 2019 Budget.

The Commission has prepared the 2020 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 2020 Budget total approximately \$39.9M, a decrease of \$1.8M (-4.3%) from the 2019 Budget. The decrease is the net result of a \$1.4M (-39.8%) reduction in debt service along with a \$443K (-6.6%) reduction in capital, offset by a nominal \$68K (0.2%) increase in operating costs. The Commission continues to invest a significant amount in capital this year and will do so in future years due to 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 New Jersey Infrastructure Bank financing program.

Increased operating items include salaries & wages, services contractual as well as repairs & maintenance. Based upon recent efforts of Commission staff along with our consultants, the Commission has secured property tax reductions which will be reflected in this year's budget. The Commission will also benefit from lower health insurance costs associated with the NJ State Health Benefit Plan. All other operating expense categories remain relatively flat.

It is the opinion of Commission staff that the 2020 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 2020 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.

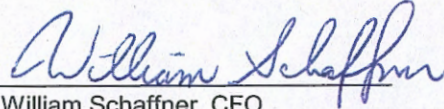
**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
BUDGET OVERVIEW**

	2018 APPROPRIATION	2019 APPROPRIATION	INCREASE/ (DECREASE)	2020 APPROPRIATION	% CHANGE
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENTS	\$25,583,297	\$25,583,297	\$0	\$25,583,297	0.00%
SURPLUS / (DEFICIT) APPLIED	957,122	3,720,778	(2,275,491)	1,445,287	-61.16%
INCOME AND OTHER TRANSFERS	12,846,436	12,376,283	483,632	12,859,915	3.91%
TOTAL REVENUES	\$39,386,856	\$41,680,358	(\$1,791,859)	\$39,888,499	-4.30%
APPROPRIATIONS					
OPERATING	\$31,481,077	\$31,455,640	\$67,693	\$31,523,333	0.22%
CAPITAL	4,399,156	6,663,196	(442,575)	6,220,621	-6.64%
DEBT SERVICE	3,506,623	3,561,522	(1,416,977)	2,144,545	-39.79%
TOTAL ANNUAL APPROPRIATIONS	\$39,386,856	\$41,680,358	(\$1,791,859)	\$39,888,499	-4.30%

BOARD OF COMMISSIONERS

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

SUBMITTED:


William Schaffner, CFO

December 18, 2019

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

APPROPRIATION SUMMARY		2018 APPROPRIATION	2019 APPROPRIATION	INCREASE/ (DECREASE)	2020 APPROPRIATION	% CHANGE
APPROPRIATIONS						
	Regular	\$9,601,877	\$9,771,230	117,139	\$9,888,369	1.20%
	Over Time	104,500	104,500	0	104,500	0.00%
1	Total Salaries & Wages	\$9,706,377	\$9,875,730	117,139	\$9,992,869	1.19%
2	Materials & Supplies	341,700	351,150	(1,825)	349,325	-0.52%
3	Services Contractual	3,308,400	3,557,200	285,450	3,842,650	8.02%
4	Repairs & Maintenance	1,000,000	950,700	81,000	1,031,700	8.52%
5	Purchases of Equipment	159,900	155,750	(850)	154,900	-0.55%
6	Miscellaneous	110,700	101,900	(2,150)	99,750	-2.11%
TOTAL DEPARTMENTAL EXPENSES		\$14,627,077	\$14,992,430	478,764	\$15,471,194	3.19%

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

	APPROPRIATION SUMMARY	2018 APPROPRIATION	2019 APPROPRIATION	INCREASE/ (DECREASE)	2020 APPROPRIATION	% CHANGE
	Statutory Expenditures					
	Real Estate Taxes	\$3,735,000	\$3,695,800	(\$245,800)	3,450,000	-6.65%
	Pension	1,039,000	1,106,910	(29,271)	1,077,639	-2.64%
	NJ Build Assessment	0	200,000	0	200,000	N/A
	Payroll Taxes	810,500	790,000	14,500	804,500	1.84%
7	Total Statutory Expenditures	\$5,584,500	\$5,792,710	(\$260,571)	\$5,532,139	-4.50%
	Insurance					
	Health Benefits	\$3,981,500	\$3,747,000	(\$150,000)	\$3,597,000	-4.00%
	Health Benefits - Employee Contribution	(450,000)	(455,000)	20,000	(435,000)	-4.40%
	Workers Compensation	555,000	475,000	(175,000)	300,000	-36.84%
	General Insurance	1,235,000	1,145,000	170,000	1,315,000	14.85%
8	Total Insurances	\$5,321,500	\$4,912,000	(\$135,000)	\$4,777,000	-2.75%
	Utilities					
	Electric Power	\$2,475,000	\$2,375,000	\$0	\$2,375,000	0.00%
	Telephone / Data Communications	225,000	210,000	(10,000)	200,000	-4.76%
	Other	20,000	20,000	(2,000)	18,000	-10.00%
9	Total Utilities	\$2,720,000	\$2,605,000	(\$12,000)	\$2,593,000	-0.46%
	Chemicals					
	Polyaluminum Chloride	\$1,300,000	\$1,300,000	\$15,000	\$1,315,000	1.15%
	Sodium Hypochlorite	675,000	640,000	10,000	650,000	1.56%
	Non Zinc Ortho Phosphate	300,000	300,000	15,000	315,000	5.00%
	Other	835,000	795,000	(50,000)	745,000	-6.29%
10	Total Chemicals	\$3,110,000	\$3,035,000	(\$10,000)	\$3,025,000	-0.33%
	Fuel / Oil					
	Gasoline	\$100,000	\$100,000	\$0	\$100,000	0.00%
	Heating & Generator Fuel / Oil	18,000	18,500	6,500	25,000	35.14%
11	Total Fuel / Oil	\$118,000	\$118,500	\$6,500	\$125,000	5.49%
	TOTAL NON DEPARTMENTAL	\$16,854,000	\$16,463,210	(\$411,071)	\$16,052,139	-2.50%
	Departmental Expense brought forward	\$14,627,077	\$14,992,430	\$478,764	\$15,471,194	3.19%
	TOTAL OPERATING APPROPRIATIONS	\$31,481,077	\$31,455,640	\$67,693	\$31,523,333	0.22%

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

APPROPRIATION SUMMARY		2018 APPROPRIATION	2019 APPROPRIATION	INCREASE/ (DECREASE)	2020 APPROPRIATION	% CHANGE
TOTAL OPERATING APPROPRIATIONS		\$31,481,077	\$31,455,640	\$67,693	\$31,523,333	0.22%
12	Debt Service	3,506,623	3,561,522	(1,416,977)	2,144,545	-39.79%
13	Capital Items	4,399,156	6,663,196	(442,575)	6,220,621	-6.64%
TOTAL APPROPRIATIONS		\$39,386,856	\$41,680,358	(\$1,791,859)	\$39,888,499	-4.30%
REVENUES						
1	Wanaque South Participation	\$8,985,263	\$8,975,081	\$53,517	\$9,028,598	0.60%
2	Suez Participation	3,001,173	2,536,202	416,380	2,952,582	16.42%
3	Anticipated Income / Transfers / Grants	860,000	865,000	13,735	878,735	1.59%
4	Surplus Applied or Anticipated	957,122	3,720,778	(2,275,491)	1,445,287	-61.16%
5	Municipal Assessments	25,583,297	25,583,297	0	25,583,297	0.00%
TOTAL REVENUES		\$39,386,856	\$41,680,358	(\$1,791,859)	\$39,888,499	-4.30%
Cost per Million Gallons (Net)		\$745.65	\$745.65	\$0.00	\$745.65	0.00%

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
CAPITAL BUDGET
2020**

Description		North Share	South Share	Suez Share	Total Cost
1	Computer Upgrades	\$66,200	\$33,800	\$0	\$100,000
2	Lab Equipment Upgrade	\$0	\$0	\$0	\$0
3	Fleet / Mobile Equipment Replacement	\$148,950	\$76,050	\$0	\$225,000
4	Building Improvements / Renovations Boiler/HVAC Upgrades	\$231,700	\$118,300	\$0	\$350,000
5	Plant Facilities & Equipment				
	Underground Storage Tank Repairs/Monitors	\$331,000	\$169,000	\$0	\$500,000
	Reservoir Consulting - Biomanipulation Study	\$99,300	\$50,700	\$0	\$150,000
	LLPS Mezzanine Ventilation	\$33,100	\$16,900	\$0	\$50,000
	Newark Interconnection	\$397,200	\$202,800	\$0	\$600,000
	Plant Valve Actuators	\$165,500	\$84,500	\$0	\$250,000
	PLC/SCADA Improvements	\$165,500	\$84,500	\$0	\$250,000
	Filter Building Ventilation System	\$397,200	\$202,800	\$0	\$600,000
	Repairs to Aqueduct	\$1,429,727	\$2,623,350	\$0	\$4,053,077
	Generator Replacement	\$1,158,500	\$591,500	\$0	\$1,750,000
	Sodium Hypochlorite Pumps/Tanks (OTP/Union Blvd)	\$99,300	\$50,700	\$0	\$150,000
	Corrosion Control Upgrades	\$41,044	\$20,956	\$0	\$62,000
	Electrical Infrastructure Improvements	\$231,700	\$118,300	\$0	\$350,000
	Basin 1-4 Rehabilitation	\$993,000	\$507,000	\$0	\$1,500,000
	Filter Rehabilitation	\$231,700	\$118,300	\$0	\$350,000
	W/S Pump Station Improvements	\$0	\$500,000	\$500,000	\$1,000,000
	Total Plant Facilities & Equipment	\$5,773,771	\$5,341,306	\$500,000	\$11,615,077
6	Dams and Other Structures				
	Total Dams and Other Structures	\$0	\$0	\$0	\$0
7	Capital Improvement Fund	\$0	\$0	\$0	\$0
	TOTAL CAPITAL BUDGET	\$6,220,621	\$5,569,456	\$500,000	\$12,290,077

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

%	MUNICIPALITY	2018 ASSESSMENT	2019 ASSESSMENT	INCREASE / (DECREASE)	2020 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
2020**

%	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