



**WANAQUE NORTH PROJECT
2018 FINAL BUDGET**

December 20, 2017

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
WANAQUE NORTH PROJECT
2018 BUDGET HIGHLIGHTS**

The North Jersey District Water Supply Commission is pleased to announce the proposed 2018 Budget with no change in net assessments over the 2017 Budget.

The Commission has prepared the 2018 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 2018 Budget total approximately \$39.4M, an increase of \$767K (2.0%) from the 2017 Budget. This increase is the net result of an additional \$1.8M (71.9%) of capital investment, offset by a \$285K (-0.9%) reduction in operating costs and a \$787K (-18.3%) reduction in debt service. Significant capital investment will be required both this year and in future years to comply with the Water Quality Accountability Act (S2834) which was recently passed by the Legislature, as well as to continue 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 2016/2017 New Jersey Infrastructure Trust financing program. \$957K of capital reserve will be used to fund approximately half of the increase in this year's Capital Budget over the previous year.

Decreased operating items include salaries & wages, insurances and utilities costs.

It is the opinion of Commission staff that the 2018 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 2018 spending plan. The 2018 water rate for the Wanaque North municipalities will remain at \$745.65 per million gallons.

The Wanaque North municipalities include the City of Newark, Passaic Valley Water Commission (representing Paterson, Passaic and Clifton), Kearny, Montclair, Bloomfield and Glen Ridge.

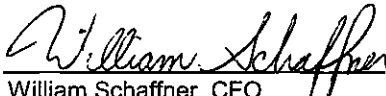
**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
 WANAQUE NORTH PROJECT
 BUDGET OVERVIEW**

	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENT	\$25,583,297	\$25,583,297	\$0	\$25,583,297	0.00%
SURPLUS / (DEFICIT) APPLIED	0	177,839	779,283	957,122	438.20%
INCOME AND OTHER TRANSFERS	12,719,426	12,858,250	(11,813)	12,846,436	-0.09%
TOTAL REVENUES	\$38,302,723	\$38,619,386	\$767,470	\$39,386,856	1.99%
APPROPRIATIONS					
OPERATING	\$31,799,268	\$31,766,375	(\$285,298)	\$31,481,077	-0.90%
CAPITAL	2,209,839	2,559,395	1,839,761	4,399,156	71.88%
DEBT SERVICE	4,293,616	4,293,616	(786,993)	3,506,623	-18.33%
TOTAL ANNUAL APPROPRIATIONS	\$38,302,723	\$38,619,386	\$767,470	\$39,386,856	1.99%

BOARD OF COMMISSIONERS

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

SUBMITTED:


 William Schaffner, CFO

December 20, 2017

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

APPROPRIATION SUMMARY	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
APPROPRIATIONS					
Regular	\$9,439,860	\$9,806,670	(204,793)	\$9,601,877	-2.09%
Over Time	104,500	104,500	0	104,500	0.00%
1 Total Salaries & Wages	\$9,544,360	\$9,911,170	(204,793)	\$9,706,377	-2.07%
2 Materials & Supplies	299,950	324,800	16,900	341,700	5.20%
3 Services Contractual	3,272,600	3,346,000	(37,600)	3,308,400	-1.12%
4 Repairs & Maintenance	935,250	925,150	74,850	1,000,000	8.09%
5 Purchases of Equipment	200,200	195,299	(35,399)	159,900	-18.13%
6 Miscellaneous	111,400	126,400	(15,700)	110,700	-12.42%
TOTAL DEPARTMENTAL EXPENSES	\$14,363,760	\$14,828,819	(201,742)	\$14,627,077	-1.36%

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

APPROPRIATION SUMMARY	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
Statutory Expenditures					
Real Estate Taxes	\$3,700,000	\$3,635,000	\$100,000	\$3,735,000	2.75%
Pension	950,000	999,000	40,000	1,039,000	4.00%
Payroll Taxes	787,800	827,556	(17,056)	810,500	-2.06%
7 Total Statutory Expenditures	\$5,437,800	\$5,461,556	\$122,944	\$5,584,500	2.25%
Insurance					
Health Benefits	\$4,151,500	\$4,120,000	(\$138,500)	\$3,981,500	-3.36%
Health Benefits - Employee Contribution	(440,000)	(445,000)	(5,000)	(450,000)	1.12%
Workers Compensation	560,000	556,000	(1,000)	555,000	-0.18%
General Insurance	1,600,000	1,245,000	(10,000)	1,235,000	-0.80%
8 Total Insurances	\$5,871,500	\$5,476,000	(\$154,500)	\$5,321,500	-2.82%
Utilities					
Electric Power	\$2,650,000	\$2,600,000	(\$125,000)	\$2,475,000	-4.81%
Telephone / Data Communications	245,000	240,000	(15,000)	225,000	-6.25%
Other	35,000	25,000	(5,000)	20,000	-20.00%
9 Total Utilities	\$2,930,000	\$2,865,000	(\$145,000)	\$2,720,000	-5.06%
Chemicals					
Polyaluminum Chloride	\$1,007,855	\$1,000,000	\$300,000	\$1,300,000	30.00%
Hypochloride	579,839	775,000	(100,000)	675,000	-12.90%
Non Zinc Ortho Phosphate	477,405	450,000	(150,000)	300,000	-33.33%
Other	966,109	760,000	75,000	835,000	9.87%
10 Total Chemicals	\$3,031,208	\$2,985,000	\$125,000	\$3,110,000	4.19%
Fuel					
Gasoline	\$150,000	\$130,000	(\$30,000)	\$100,000	-23.08%
Heating Oil / Generator Fuel	15,000	20,000	(2,000)	18,000	-10.00%
11 Total Fuels	\$165,000	\$150,000	(\$32,000)	\$118,000	-21.33%
TOTAL NON DEPARTMENTAL	\$17,435,508	\$16,937,556	(\$83,556)	\$16,854,000	-0.49%
Departmental Expense brought forward	\$14,363,760	\$14,828,819	(\$201,742)	\$14,627,077	-1.36%
TOTAL OPERATING APPROPRIATIONS	\$31,799,268	\$31,766,375	(\$285,298)	\$31,481,077	-0.90%

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

APPROPRIATION SUMMARY	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
TOTAL OPERATING APPROPRIATIONS	\$31,799,268	\$31,766,375	(\$285,298)	\$31,481,077	-0.90%
12 Debt Service	4,293,616	4,293,616	(786,993)	3,506,623	-18.33%
13 Capital Items	2,209,839	2,559,395	1,839,761	4,399,156	71.88%
TOTAL APPROPRIATIONS	\$38,302,723	\$38,619,386	\$767,470	\$39,386,856	1.99%
REVENUES					
1 Wanaque South Participation	\$8,964,424	\$8,996,159	(\$10,896)	\$8,985,263	-0.12%
2 Suez Participation	3,015,003	2,972,791	28,382	3,001,173	0.95%
3 Anticipated Income / Transfers / Grants	740,000	889,300	(29,300)	860,000	-3.29%
4 Surplus Applied or Anticipated	0	177,839	779,283	957,122	438.20%
5 Municipal Assessments	25,583,297	25,583,297	0	25,583,297	0.00%
TOTAL REVENUES	\$38,302,723	\$38,619,386	\$767,470	\$39,386,856	1.99%
Cost per Million Gallons (Net)	\$745.65	\$745.65	\$0.00	\$745.65	0.00%

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION
CAPITAL BUDGET
2018**

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	\$132,400	\$67,600	\$0	\$200,000
5 Plant Facilities & Equipment				
Security Fencing	\$132,400	\$67,600	\$0	\$200,000
New KMNO4 Chemical Feed System	\$297,900	\$152,100	\$0	\$450,000
Reservoir Aeration System	\$165,500	\$84,500	\$0	\$250,000
Filter Building Ventilation System	\$198,600	\$101,400	\$0	\$300,000
Shooting Range Remediation	\$1,655,000	\$845,000	\$0	\$2,500,000
Sodium Hypochlorite Pumps	\$165,500	\$84,500	\$0	\$250,000
Anthracite for Filters	\$264,800	\$135,200	\$0	\$400,000
Wanaque Aqueduct Ventilation Chambers	\$331,000	\$169,000	\$0	\$500,000
Repairs to Aqueduct	\$165,500	\$84,500	\$0	\$250,000
Asset Management Study	\$198,600	\$101,400	\$0	\$300,000
Basin 1-4 Rehabilitation	\$264,800	\$135,200	\$0	\$400,000
Ramapo Pump Station Improvements	\$96,156	\$49,095	\$29,750	\$175,000
W/S Pump Station Improvements	\$0	\$950,000	950,000	\$1,900,000
Total Plant Facilities & Equipment	\$3,935,756	\$2,959,495	\$979,750	\$7,875,000
6 Dams and Other Structures	\$0	\$0	\$0	\$0
7 Capital Improvement Fund	\$0	\$900,000	\$0	\$900,000
TOTAL CAPITAL BUDGET	\$4,399,156	\$4,096,095	\$979,750	\$9,475,000

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

%	MUNICIPALITY	2016 ASSESSMENT	2017 ASSESSMENT	INCREASE / (DECREASE)	2018 ASSESSMENT
40.50%	NEWARK	\$10,361,235	\$10,361,235	\$0	\$10,361,235
20.00%	<i>PATERSON</i>	\$5,116,659	\$5,116,659	\$0	\$5,116,659
11.00%	<i>PASSAIC</i>	\$2,814,163	\$2,814,163	\$0	\$2,814,163
6.75%	<i>CLIFTON</i>	\$1,726,872	\$1,726,873	\$0	\$1,726,873
37.75%	PASSAIC VALLEY WATER COMM.	\$9,657,694	\$9,657,695	\$0	\$9,657,695
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
 2018**

%	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