



**WANAQUE SOUTH PROJECT
2018 FINAL BUDGET**

December 20, 2017

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

The North Jersey District Water Supply Commission is pleased to announce the proposed 2018 Budget with no change in the water rate from 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 \$17.3M, an increase of \$308K (1.8%) from the 2017 Budget. This increase is the net result of an additional \$1.1M (34.7%) of capital investment, offset by a \$735K (-27.5%) 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 6 are for projects not included for funding in either the 2015 Commission bond issue or the 2016/2017 New Jersey Infrastructure Trust financing program. \$356K of capital reserve will be used to fund approximately one-third of the increase in this year's Capital Budget over the previous year.

Operating expenses for 2018 show a modest reduction of \$13K (-0.1%).

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 Wanaque South municipalities will remain at \$1,103.74 per million gallons.

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**

	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
SOURCE OF REVENUE					
MUNICIPAL ASSESSMENT	\$16,352,253	\$16,352,253	\$0	\$16,352,253	0.00%
SURPLUS / (DEFICIT) APPLIED	371,482	0	355,588	355,588	N/A
INCOME AND OTHER TRANSFERS	1,384,700	602,200	(47,200)	555,000	-7.84%
TOTAL REVENUES	\$18,108,435	\$16,954,453	\$308,388	\$17,262,841	1.82%
APPROPRIATIONS					
DIRECT COSTS	\$1,847,100	\$1,943,650	(\$1,566)	\$1,942,084	-0.08%
ALLOCATED COSTS	9,268,756	9,299,885	(11,502)	9,288,383	-0.12%
TOTAL OPERATING	11,115,856	11,243,535	(13,068)	11,230,467	-0.12%
CAPITAL	202,800	3,039,908	1,056,187	4,096,095	34.74%
DEBT SERVICE	6,789,779	2,671,010	(734,731)	1,936,279	-27.51%
TOTAL ANNUAL APPROPRIATION	\$18,108,435	\$16,954,453	\$308,388	\$17,262,841	1.82%

BOARD OF COMMISSIONERS

Charles P. Shotmeyer, Chairman
 Carmen A. Orechio, Vice Chairman
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 Robert C. Garofalo
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SUBMITTED:


 William Schaffner, CFO

December 20, 2017

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

	APPROPRIATIONS CATEGORY	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
	DIRECT EXPENSES					
	COMMON FACILITIES					
	INSURANCE	\$230,000	\$310,000	\$0	310,000	0.00%
	LEGAL FEES	20,000	20,000	0	20,000	0.00%
	AUDIT FEES	22,000	23,000	0	23,000	0.00%
	REAL ESTATE TAX	12,350	12,250	0	12,250	0.00%
	USGS	78,000	79,500	2,500	82,000	3.14%
	ENGINEERING/CONSULTING	0	0	45,000	45,000	N/A
	PURCHASES	0	0	0	0	0.00%
	TRUSTEE FEES	44,000	54,000	1,000	55,000	1.85%
	OTHER	2,000	2,500	0	2,500	0.00%
1	SUB TOTAL	\$408,350	\$501,250	\$48,500	549,750	9.68%
	WANAQUE SOUTH PUMP STATION					
	UTILITIES	\$1,000,000	\$1,000,000	(\$50,000)	950,000	-5.00%
	REAL ESTATE TAX	36,000	36,000	(66)	35,934	-0.18%
	ENGINEERING/CONSULTING	12,500	12,500	0	12,500	0.00%
	REPAIRS/MAINTENANCE					
	BUILDING	2,500	2,500	0	2,500	0.00%
	EQUIPMENT	62,500	62,500	0	62,500	0.00%
	OTHER	0	0	0	0	0.00%
	CHEMICALS	0	0	0	0	0.00%
	PURCHASES	0	0	0	0	0.00%
	OTHER	10,000	10,000	0	10,000	0.00%
2	SUB TOTAL	\$1,123,500	\$1,123,500	(\$50,066)	1,073,434	-4.46%

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

APPROPRIATIONS CATEGORY	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
DIRECT EXPENSES					
RAMAPO PUMP STATION					
UTILITIES	\$155,000	\$155,000	\$0	\$155,000	0.00%
REAL ESTATE TAX	21,750	21,500	0	21,500	0.00%
ENGINEERING/CONSULTING	5,000	5,000	0	5,000	0.00%
REPAIRS/MAINTENANCE					
BUILDING	20,000	20,000	0	20,000	0.00%
EQUIPMENT	75,000	75,000	0	75,000	0.00%
OTHER	0	0	0	0	0.00%
CHEMICALS	0	0	0	0	0.00%
PURCHASES	2,500	2,500	0	2,500	0.00%
OTHER	4,000	8,000	0	8,000	0.00%
SUB TOTAL	\$283,250	\$287,000	\$0	\$287,000	0.00%
MONKSVILLE					
UTILITIES	\$4,500	\$4,500	\$0	\$4,500	0.00%
REAL ESTATE TAX	10,000	9,900	0	9,900	0.00%
ENGINEERING/CONSULTING	11,000	11,000	0	11,000	0.00%
REPAIRS/MAINTENANCE					
BUILDING	2,000	2,000	0	2,000	0.00%
EQUIPMENT	1,500	1,500	0	1,500	0.00%
OTHER	0	0	0	0	0.00%
PURCHASES	3,000	3,000	0	3,000	0.00%
OTHER	0	0	0	0	0.00%
SUB TOTAL	\$32,000	\$31,900	\$0	\$31,900	0.00%
TOTAL DIRECT EXPENSES	\$1,847,100	\$1,943,650	(\$1,566)	\$1,942,084	-0.08%

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

	APPROPRIATIONS CATEGORY	2016 APPROPRIATION	2017 APPROPRIATION	INCREASE/ (DECREASE)	2018 APPROPRIATION	% CHANGE
6	ALLOCATED NORTH OPERATING COSTS	\$8,964,424	\$8,996,159	(\$10,896)	\$8,985,263	-0.12%
7	USE FEE	304,332	303,726	(606)	303,120	-0.20%
	TOTAL OPERATING COSTS	11,115,856	11,243,535	(13,068)	11,230,467	-0.12%
9	CAPITAL ITEMS FROM PAGE 6	202,800	3,039,908	1,056,187	4,096,095	34.74%
10	DEBT SERVICE	6,789,779	2,671,010	(734,731)	1,936,279	-27.51%
11	TOTAL APPROPRIATIONS	\$18,108,435	\$16,954,453	\$308,388	\$17,262,841	1.82%
	REVENUES					
12	BUDGET ASSESSMENTS	\$16,352,253	\$16,352,253	\$0	\$16,352,253	0.00%
13	ANTICIPATED INCOME/GRANTS	1,384,700	602,200	(47,200)	555,000	-7.84%
14	SURPLUS / (DEFICIT)	371,482	0	355,588	355,588	N/A
15	TOTAL REVENUES	\$18,108,435	\$16,954,453	\$308,388	\$17,262,841	1.82%
	COST PER M.G. (Net)	\$1,103.74	\$1,103.74	\$0.00	\$1,103.74	0.00%

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

	2016 ASSESSMENT	2017 ASSESSMENT	2018 ASSESSMENT	INCREASE/ (DECREASE)
TOTAL WANAQUE NORTH BUDGET	\$38,302,723	\$38,441,547	\$39,386,856	\$945,309
LESS: DEBT SERVICE	4,293,616	4,293,616	3,506,623	(786,993)
UTILITIES	2,930,000	2,865,000	2,720,000	(145,000)
PLANT OPERATIONS BUDGET	9,510,111	9,510,619	9,921,369	410,750
CAPITAL BUDGET	2,209,839	2,559,395	4,399,156	1,839,761
OTHER NON ALLOCABLE	516,457	158,286	183,807	25,520
ALLOCABLE EXPENSES	\$18,842,700	\$19,054,631	\$18,655,901	(\$398,729)
ALLOCATED EXPENSES @ 25.26%	\$4,759,666	\$4,813,200	\$4,712,481	(\$100,719)
PLANT OPERATIONS & UTILITIES @ 33.8%	\$4,204,758	\$4,182,959	\$4,272,783	\$89,824
TOTAL ALLOCATED COST	\$8,964,423	\$8,996,159	\$8,985,263	(\$10,896)
CARRY TO PAGE 4 ITEM 6				

**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 SOUTH PROJECT
 ASSESSMENT BY MUNICIPALITY**

%	MUNICIPALITY	2016 ASSESSMENT	2017 ASSESSMENT	INCREASE/ (DECREASE)	2018 ASSESSMENT
27.91%	NEWARK	\$4,564,445	\$4,564,445	\$0	\$4,564,445
25.87%	BAYONNE	\$4,230,076	\$4,230,076	\$0	\$4,230,076
23.40%	WAYNE	\$3,827,213	\$3,827,213	\$0	\$3,827,213
4.24%	KEARNY	\$692,930	\$692,930	\$0	\$692,930
7.39%	NUTLEY	\$1,208,591	\$1,208,591	\$0	\$1,208,591
8.23%	BLOOMFIELD	\$1,345,562	\$1,345,562	\$0	\$1,345,562
2.96%	CEDAR GROVE	\$483,436	\$483,436	\$0	\$483,436
100.00%	TOTAL ASSESSMENT	\$16,352,253	\$16,352,253	\$0	\$16,352,253

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

%	MUNICIPALITY	JAN 15 25%	APL 1ST 25%	JUL 1ST 25%	OCT. 1ST 25%	2018 TOTAL
27.91%	NEWARK	\$1,141,111.25	\$1,141,111.25	\$1,141,111.25	\$1,141,111.25	\$4,564,445.00
25.87%	BAYONNE	\$1,057,519.00	1,057,519.00	1,057,519.00	1,057,519.00	\$4,230,076.00
23.40%	WAYNE	\$956,803.25	956,803.25	956,803.25	956,803.25	\$3,827,213.00
4.24%	KEARNY	\$173,232.50	173,232.50	173,232.50	173,232.50	\$692,930.00
7.39%	NUTLEY	\$302,147.75	302,147.75	302,147.75	302,147.75	\$1,208,591.00
8.23%	BLOOMFIELD	\$336,390.50	336,390.50	336,390.50	336,390.50	\$1,345,562.00
2.96%	CEDAR GROVE	\$120,859.00	120,859.00	120,859.00	120,859.00	\$483,436.00
100.00%	TOTAL INSTALLMENTS	\$4,088,063.25	\$4,088,063.25	\$4,088,063.25	\$4,088,063.25	\$16,352,253.00