



**WANAQUE SOUTH PROJECT  
2017 FINAL BUDGET**

**December 14, 2016**

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION  
WANAQUE SOUTH PROJECT  
2017 BUDGET HIGHLIGHTS**

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The North Jersey District Water Supply Commission is pleased to announce the proposed 2017 Budget with no change in the water rate over the 2016 Budget.

The Commission has prepared the 2017 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 2017 Budget total approximately \$16.9M. This represents a decrease of \$1.2M (-6.4%) from the 2016 Budget. The main driver of the decrease in appropriations is a \$4.1M reduction in Debt Service. This reduction is due to the maturity of a significant portion of the existing bond debt structure. The Capital Budget has been increased by \$2.8M (1399.0%) to fund the need for further capital investment. The Capital items listed on Page 6 are for projects not included in the 2015 Commission Bond Issue or the 2016 New Jersey Infrastructure Trust Financing Program.

Total revenues have also decreased \$1.2M (-6.4%). Excess Trustee Funds anticipated in the 2016 Budget were a one-time event. Applied Surplus has not been factored into the 2017 Budget, as it was in the prior year.

It is the opinion of the Commission staff that the 2017 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 2017 Spending Plan.

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

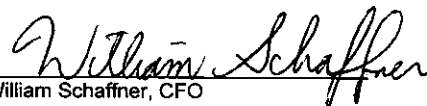
**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION  
 WANAQUE SOUTH PROJECT  
 BUDGET OVERVIEW**

	2015 APPROPRIATION	2016 APPROPRIATION	INCREASE/ (DECREASE)	2017 APPROPRIATION	% CHANGE
<b>SOURCE OF REVENUE</b>					
MUNICIPAL ASSESSMENT	\$15,913,130	\$16,352,253	\$0	\$16,352,253	0.00%
SURPLUS / (DEFICIT) APPLIED	1,960,612	371,482	(371,482)	0	-100.00%
INCOME AND OTHER TRANSFERS	70,000	1,384,700	(782,500)	602,200	-56.51%
<b>TOTAL REVENUES</b>	<b>\$17,943,742</b>	<b>\$18,108,435</b>	<b>(\$1,153,982)</b>	<b>\$16,954,453</b>	<b>-6.37%</b>
<b>APPROPRIATIONS</b>					
DIRECT COSTS	\$1,737,585	\$1,847,100	\$96,550	\$1,943,650	5.23%
ALLOCATED COSTS	9,248,489	9,268,756	31,129	9,299,885	0.34%
<b>TOTAL OPERATING</b>	10,986,074	11,115,856	127,679	11,243,535	1.15%
<b>CAPITAL</b>	179,667	202,800	2,837,108	3,039,908	1398.97%
<b>DEBT SERVICE</b>	6,778,001	6,789,779	(4,118,769)	2,671,010	-60.66%
<b>TOTAL ANNUAL APPROPRIATION</b>	<b>\$17,943,742</b>	<b>\$18,108,435</b>	<b>(\$1,153,982)</b>	<b>\$16,954,453</b>	<b>-6.37%</b>

**BOARD OF COMMISSIONERS**

Charles P. Shotmeyer, Chairman  
 Carmen A. Orechio, Vice Chairman  
 Jerome P. Amedeo  
 Alan S. Ashkinaze  
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SUBMITTED:

  
 William Schaffner, CFO

December 14, 2016

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

	<b>APPROPRIATIONS CATEGORY</b>	<b>2015 APPROPRIATION</b>	<b>2016 APPROPRIATION</b>	<b>INCREASE/ (DECREASE)</b>	<b>2017 APPROPRIATION</b>	<b>% CHANGE</b>
	<b>DIRECT EXPENSES</b>					
	<b>COMMON FACILITIES</b>					
	INSURANCE	\$255,000	\$230,000	\$80,000	310,000	34.78%
	LEGAL FEES	36,600	20,000	0	20,000	N/A
	AUDIT FEES	23,000	22,000	1,000	23,000	4.55%
	REAL ESTATE TAX	12,000	12,350	(100)	12,250	-0.81%
	USGS	80,000	78,000	1,500	79,500	1.92%
	ENGINEERING/CONSULTING	0	0	0	0	N/A
	PURCHASES	0	0	0	0	N/A
	TRUSTEE FEES	38,000	44,000	10,000	54,000	22.73%
	OTHER	5,000	2,000	500	2,500	25.00%
1	<b>SUB TOTAL</b>	<b>\$449,600</b>	<b>\$408,350</b>	<b>\$92,900</b>	<b>501,250</b>	<b>22.75%</b>
	<b>WANAQUE SOUTH PUMP STATION</b>					
	UTILITIES	\$959,000	\$1,000,000	\$0	1,000,000	N/A
	REAL ESTATE TAX	34,360	36,000	0	36,000	N/A
	ENGINEERING/CONSULTING	37,500	12,500	0	12,500	N/A
	REPAIRS/MAINTENANCE					
	BUILDING	20,000	2,500	0	2,500	N/A
	EQUIPMENT	100,000	62,500	0	62,500	N/A
	OTHER	500	0	0	0	N/A
	CHEMICALS	0	0	0	0	N/A
	PURCHASES	0	0	0	0	N/A
	OTHER	11,500	10,000	0	10,000	N/A
2	<b>SUB TOTAL</b>	<b>\$1,162,860</b>	<b>\$1,123,500</b>	<b>\$0</b>	<b>1,123,500</b>	<b>N/A</b>

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

APPROPRIATIONS CATEGORY	2015 APPROPRIATION	2016 APPROPRIATION	INCREASE/ (DECREASE)	2017 APPROPRIATION	% CHANGE
<b>DIRECT EXPENSES</b>					
<b>RAMAPO PUMP STATION</b>					
UTILITIES	\$25,250	\$155,000	\$0	\$155,000	N/A
REAL ESTATE TAX	21,000	21,750	(250)	21,500	-1.15%
ENGINEERING/CONSULTING	15,000	5,000	0	5,000	N/A
REPAIRS/MAINTENANCE					
BUILDING	20,000	20,000	0	20,000	N/A
EQUIPMENT	12,000	75,000	0	75,000	N/A
OTHER	0	0	0	0	N/A
CHEMICALS	0	0	0	0	N/A
PURCHASES	2,500	2,500	0	2,500	N/A
OTHER	0	4,000	4,000	8,000	100.00%
<b>SUB TOTAL</b>	<b>\$95,750</b>	<b>\$283,250</b>	<b>\$3,750</b>	<b>\$287,000</b>	<b>1.32%</b>
<b>MONKSVILLE</b>					
UTILITIES	\$4,875	\$4,500	\$0	\$4,500	N/A
REAL ESTATE TAX	9,500	10,000	(100)	9,900	-1.00%
ENGINEERING/CONSULTING	11,000	11,000	0	11,000	N/A
REPAIRS/MAINTENANCE					
BUILDING	2,500	2,000	0	2,000	N/A
EQUIPMENT	1,000	1,500	0	1,500	N/A
OTHER	500	0	0	0	N/A
PURCHASES	0	3,000	0	3,000	N/A
OTHER	0	0	0	0	N/A
<b>SUB TOTAL</b>	<b>\$29,375</b>	<b>\$32,000</b>	<b>(\$100)</b>	<b>\$31,900</b>	<b>-0.31%</b>
<b>TOTAL DIRECT EXPENSES</b>	<b>\$1,737,585</b>	<b>\$1,847,100</b>	<b>\$96,550</b>	<b>\$1,943,650</b>	<b>5.23%</b>

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

	APPROPRIATIONS CATEGORY	2015 APPROPRIATION	2016 APPROPRIATION	INCREASE/ (DECREASE)	2017 APPROPRIATION	% CHANGE
6	ALLOCATED NORTH OPERATING COSTS	\$8,943,550	\$8,964,424	\$31,735	\$8,996,159	0.35%
7	USE FEE	304,939	304,332	(606)	303,726	-0.20%
	<b>TOTAL OPERATING COSTS</b>	<b>10,986,074</b>	<b>11,115,856</b>	<b>127,679</b>	<b>11,243,535</b>	<b>1.15%</b>
9	CAPITAL ITEMS FROM PAGE 6	179,667	202,800	2,837,108	3,039,908	1398.97%
10	DEBT SERVICE	6,778,001	6,789,779	(4,118,769)	2,671,010	-60.66%
11	<b>TOTAL APPROPRIATIONS</b>	<b>\$17,943,742</b>	<b>\$18,108,435</b>	<b>(\$1,153,982)</b>	<b>\$16,954,453</b>	<b>-6.37%</b>
	<b>REVENUES</b>					
12	BUDGET ASSESSMENTS	\$15,913,130	\$16,352,253	\$0	\$16,352,253	0.00%
13	ANTICIPATED INCOME/GRANTS	70,000	1,384,700	(782,500)	602,200	-56.51%
14	SURPLUS / (DEFICIT)	1,960,612	371,482	(371,482)	0	-100.00%
15	<b>TOTAL REVENUES</b>	<b>\$17,943,742</b>	<b>\$18,108,435</b>	<b>(\$1,153,982)</b>	<b>\$16,954,453</b>	<b>-6.37%</b>
	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**

	2015 ASSESSMENT	2016 ASSESSMENT	2017 ASSESSMENT	INCREASE/ (DECREASE)
TOTAL WANAQUE NORTH BUDGET	\$38,600,630	\$38,302,723	\$38,441,547	\$138,824
LESS: DEBT SERVICE	4,289,056	4,293,616	4,293,616	0
UTILITIES	2,607,000	2,930,000	2,865,000	(65,000)
PLANT OPERATIONS BUDGET	9,403,073	9,510,111	9,510,619	508
CAPITAL BUDGET	2,478,007	2,209,839	2,559,395	349,556
OTHER NON ALLOCABLE	488,000	516,457	158,286	(358,171)
ALLOCABLE EXPENSES	\$19,335,494	\$18,842,700	\$19,054,631	\$211,931
ALLOCATED EXPENSES @ 25.26%	\$4,884,146	\$4,759,666	\$4,813,200	\$53,534
PLANT OPERATIONS & UTILITIES @ 33.8%	\$4,059,405	\$4,204,758	\$4,182,959	(\$21,799)
TOTAL ALLOCATED COST	\$8,943,550	\$8,964,423	\$8,996,159	\$31,735
CARRY TO PAGE 4 ITEM 6				

**NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION  
CAPITAL BUDGET  
2017**

Description	North Share	South Share	Suez Share	Total Cost
<b>1 Computer Upgrades</b>	\$66,200	\$33,800	\$0	\$100,000
<b>2 Lab Equipment Upgrade</b>	\$82,750	\$42,250	\$0	\$125,000
<b>3 Fleet / Mobile Equipment Replacement</b>	\$132,400	\$67,600	\$0	\$200,000
<b>4 Building Improvements / Renovations</b>	\$0	\$0	\$0	\$0
<b>5 Plant Facilities &amp; Equipment</b>				
Security Fencing	\$198,600	\$101,400	\$0	\$300,000
New KMNO4 Chemical Feed System	\$297,900	\$152,100	\$0	\$450,000
Reaction Basin Rehabilitation	\$264,800	\$135,200	\$0	\$400,000
Wanaque Aqueduct Ventilation Chambers Irrigation System	\$728,200	\$371,800	\$0	\$1,100,000
Ramapo Interconnections	\$198,600	\$101,400	\$0	\$300,000
LLPS Replacement Equipment	\$46,340	\$23,660	\$0	\$70,000
New Valves & Valve Operators at W/S/P/S	\$231,700	\$118,300	\$0	\$350,000
Elevator Upgrades	\$0	\$300,000	300,000	\$600,000
Elevator Upgrades	\$264,800	\$135,200	\$0	\$400,000
<b>Total Plant Facilities &amp; Equipment</b>	<b>\$2,230,940</b>	<b>\$1,439,060</b>	<b>\$300,000</b>	<b>\$3,970,000</b>
<b>6 Dams and Other Structures</b>	\$0	\$0	\$0	\$0
<b>7 Capital Improvement Fund</b>	\$47,105	\$1,457,198	\$0	\$1,504,303
<b>TOTAL CAPITAL BUDGET</b>	<b>\$2,559,395</b>	<b>\$3,039,908</b>	<b>\$300,000</b>	<b>\$5,899,303</b>



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

<b>%</b>	<b>MUNICIPALITY</b>	<b>2015 ASSESSMENT</b>	<b>2016 ASSESSMENT</b>	<b>INCREASE/ (DECREASE)</b>	<b>2017 ASSESSMENT</b>
27.91%	<b>NEWARK</b>	\$4,564,445	\$4,564,445	\$0	\$4,564,445
25.87%	<b>BAYONNE</b>	\$4,230,076	\$4,230,076	\$0	\$4,230,076
23.40%	<b>WAYNE</b>	\$3,625,775	\$3,827,213	\$0	\$3,827,213
4.24%	<b>KEARNY</b>	\$692,930	\$692,930	\$0	\$692,930
7.39%	<b>NUTLEY</b>	\$1,208,591	\$1,208,591	\$0	\$1,208,591
8.23%	<b>BLOOMFIELD</b>	\$1,107,877	\$1,345,562	\$0	\$1,345,562
2.96%	<b>CEDAR GROVE</b>	\$483,436	\$483,436	\$0	\$483,436
<b>100.00%</b>	<b>TOTAL ASSESSMENT</b>	<b>\$15,913,130</b>	<b>\$16,352,253</b>	<b>\$0</b>	<b>\$16,352,253</b>

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

%	MUNICIPALITY	JAN 15 25%	APL 1ST 25%	JUL 1ST 25%	OCT. 1ST 25%	2017 TOTAL
27.91%	<b>NEWARK</b>	\$1,141,111.25	\$1,141,111.25	\$1,141,111.25	\$1,141,111.25	\$4,564,445.00
25.87%	<b>BAYONNE</b>	\$1,057,519.00	1,057,519.00	1,057,519.00	1,057,519.00	\$4,230,076.00
23.40%	<b>WAYNE</b>	\$956,803.25	956,803.25	956,803.25	956,803.25	\$3,827,213.00
4.24%	<b>KEARNY</b>	\$173,232.50	173,232.50	173,232.50	173,232.50	\$692,930.00
7.39%	<b>NUTLEY</b>	\$302,147.75	302,147.75	302,147.75	302,147.75	\$1,208,591.00
8.23%	<b>BLOOMFIELD</b>	\$336,390.50	336,390.50	336,390.50	336,390.50	\$1,345,562.00
2.96%	<b>CEDAR GROVE</b>	\$120,859.00	120,859.00	120,859.00	120,859.00	\$483,436.00
<b>100.00%</b>	<b>TOTAL INSTALLMENTS</b>	<b>\$4,088,063.25</b>	<b>\$4,088,063.25</b>	<b>\$4,088,063.25</b>	<b>\$4,088,063.25</b>	<b>\$16,352,253.00</b>