

**WATER AUTHORITY  
OF  
WESTERN NASSAU COUNTY**

**OPERATING PLAN**

**FINANCIAL FORECAST**

**FISCAL YEAR JUNE 2020 - MAY 2021**

**APPROVED at MAY 2020 BOARD MEETING**

**PROJECTION OF REVENUES, EXPENSES  
AND REQUIRED RATE RELIEF**

**Water Authority of Western Nassau County  
Financial Forecast  
Approved At May 2020 Board Meeting**

**Table Of Contents**

<b>Title</b>	<b>Description</b>	<b>Page #</b>
Summary of Revenue Requirement	Summary of Major Items included in Revenue Requirement	3
Debt Coverage Ratio	Calculation of Required Debt Coverage Ratio	4
Total Operation & Maintenance Expenses	Proposed Plan vs. Prior Operating Plan	5
Production Expenses	Proposed Plan vs. Prior Operating Plan	6
Transmission & Distribution Expenses	Proposed Plan vs. Prior Operating Plan	7
Customer Service Expenses	Proposed Plan vs. Prior Operating Plan	8
Administrative & General Expenses	Proposed Plan vs. Prior Operating Plan	9
Total Operation & Maintenance Expenses	Comparison to Last Fiscal Year	10
APPENDIX A	Breakdown of Required Rate Relief by Element	11
APPENDIX B	Summary of Change in Revenue Requirement	12
PROPOSED TARIFF RATES	Metered Customers	13
PROPOSED TARIFF RATES	Fire Protection Customers	14

Water Authority of Western Nassau County  
Summary of Revenue Requirement  
Fiscal Year  
2020 - 21

	Tariffs Projected	Rate Subsidy	Op Plan 2020 - 21	Rate Change *	Op Plan 2020 - 21	Op Plan 2019 - 20	Variance Before Increase	Percent Increase
<b>Operating Revenues:</b>								
Residential Water Sales	\$12,940,200		\$12,940,200	\$1,367,900	\$14,308,100	\$12,945,890	(\$5,690)	10.57%
Commercial Water Sales	3,304,600		3,304,600	349,330	3,653,930	3,357,090	(52,490)	10.57%
Municipal Hydrant Rentals	2,480,600		2,480,600	262,220	2,742,820	2,484,720	(4,120)	10.57%
Commercial Fire Sprinklers	194,400		194,400	20,550	214,950	195,200	(800)	10.57%
<b>Water Sales</b>	<b>18,919,800</b>		<b>18,919,800</b>	<b>2,000,000</b>	<b>20,919,800</b>	<b>18,982,900</b>	<b>(63,100)</b>	<b>10.57%</b>
Late Payment Charges	48,900		48,900		48,900	48,500	400	
Other Fees & Charges	295,200		295,200		295,200	281,800	13,400	
Rate Stabilization & Subsidies						(500,000)	500,000	
<b>Total Revenues</b>	<b>19,263,900</b>		<b>19,263,900</b>	<b>2,000,000</b>	<b>21,263,900</b>	<b>18,813,200</b>	<b>450,700</b>	
<b>Operating Expenses:</b>								
Operations & Maintenance	10,613,200		10,613,200		10,613,200	10,002,740	610,460	
Amortization of Plant	2,581,300		2,581,300		2,581,300	2,610,700	(29,400)	
<b>Total Operating Expenses</b>	<b>13,194,500</b>		<b>13,194,500</b>		<b>13,194,500</b>	<b>12,613,440</b>	<b>581,060</b>	
<b>Total Utility Operating Margin</b>	<b>6,069,400</b>		<b>6,069,400</b>	<b>2,000,000</b>	<b>8,069,400</b>	<b>6,199,760</b>	<b>(130,360)</b>	
<b>Interest Charges &amp; Other:</b>								
Interest on Bonds	4,571,400	1,243,600	5,815,000		5,815,000	4,689,200	1,125,800	
Amortization of Debt Expense	(368,200)		(368,200)		(368,200)	(370,200)	2,000	
Transfer From Rate Fund								
Less: Interest & Other Income	(982,050)		(982,050)		(982,050)	(666,800)	(315,250)	
<b>Net Interest Charges</b>	<b>3,221,150</b>	<b>1,243,600</b>	<b>4,464,750</b>		<b>4,464,750</b>	<b>3,652,200</b>	<b>812,550</b>	
<b>Targeted Bond Coverage Amount</b>	<b>\$2,848,250</b>	<b>(\$1,243,600)</b>	<b>\$1,604,650</b>	<b>\$2,000,000</b>	<b>\$3,604,650</b>	<b>\$2,547,560</b>	<b>(\$942,910)</b>	
Debt Coverage Ratio	1.128		1.172		1.410	1.350		
Required Change in Rates				\$2,000,000	\$2,000,000	\$700,000		
Required Change in Revenue				\$2,000,000	\$2,000,000	\$200,000		
Percentage Rate Change				10.57%	10.57%	3.83%		
Subsidy %					1.56%	-1.19%		
Average Residential Bill					\$538	\$486		
Average Commercial Bill					\$2,417	\$2,186		
Average Hydrant Bill					\$1,128	\$1,020		
Average Sprinkler Bill					\$1,038	\$943		

**Water Authority of Western Nassau County  
Financial Forecast  
Debt Coverage Ratio  
2020 - 21**

	Operating Plan Current Rates	Operating Plan Adjustments (b)	Operating Plan Rate Change	Operating Plan 2019 - 20
<b>Total Utility Operating Margin</b>	<b>\$6,069,400</b>		<b>\$8,069,400</b>	<b>\$6,199,760</b>
<b>Add:</b>				
(a) <b>Non-cash Items</b>	2,581,300	370,000	2,951,300	2,980,700
<b>Interest &amp; Other Income</b>	982,050		982,050	666,800
<b>Total Available for Coverage</b>	<b>9,632,750</b>	<b>370,000</b>	<b>12,002,750</b>	<b>9,847,260</b>
<b>Debt Service:</b>				
<b>Interest on Revenue Bonds</b>	5,816,200		5,816,200	4,689,200
<b>Principle on Revenue Bonds</b>	2,720,000		2,720,000	2,605,000
<b>Net Debt Service</b>	<b>\$8,536,200</b>		<b>\$8,536,200</b>	<b>\$7,294,200</b>
<b>Ratio</b>	1.13	1.17	1.41	1.35

(a) Non-cash items are added back to Utility Operating Income and has no effect on the Debt Coverage Ratio.

**Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21**

<b>Proposed Plan vs. Prior Operating Plan Total Operation &amp; Maintenance Expenses</b>	<b>Projected 2020 - 21</b>	<b>Op Plan 2019 - 20</b>	<b>Change</b>
Supervisory Salaries	\$1,590,520	\$1,357,770	\$232,750
Non Supervisory Salaries	2,595,740	2,523,790	71,950
Payroll Overheads	2,210,370	2,359,220	(148,850)
Transportation \ Purchasing	316,520	292,410	24,110
Materials & Stores	42,700	42,700	
Tools & Equipment including Uniforms	42,410	41,380	1,030
Laboratory Charges	112,300	109,000	3,300
Purchased Power	1,427,500	1,385,900	41,600
Chemicals	323,300	327,000	(3,700)
Production Contractors & Preventative Maintenance	110,680	107,470	3,210
T & D Contractors	273,200	197,300	75,900
Billing and Inserting Contractor	70,370	71,160	(790)
Special Services	240,800	210,700	30,100
Treatment Station Operating Costs			
Building & Yard Maintenance	14,350	15,850	(1,500)
Various Training and Education	12,520	7,690	4,830
Uncollectibles	31,000	24,000	7,000
Insurance Costs	522,880	355,350	167,530
General Office Supplies & Expenses	122,820	114,460	8,360
Information Systems	242,300	151,800	90,500
Administrative Costs	42,160	40,760	1,400
Central Operations Office	174,730	169,510	5,220
Production Miscellaneous	28,810	28,000	810
T & D Miscellaneous	49,320	46,620	2,700
Customer Service Miscellaneous	15,900	22,900	(7,000)
<b>Total Summary by Functional Cost</b>	<b>\$10,613,200</b>	<b>\$10,002,740</b>	<b>\$610,460</b>

**Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21**

<b>Proposed Plan vs. Prior Operating Plan</b>	<b>Projected</b>	<b>Op Plan</b>	
<b>Production Expenses</b>	<b>2020 - 21</b>	<b>2019 - 20</b>	<b>Change</b>
<b>(Source of Supply, Pumping and Water Treatment Expenses)</b>			
Supervisory Salaries	\$559,920	\$432,630	\$127,290
Non Supervisory Salaries	838,070	841,110	(3,040)
Payroll Overheads - Production	738,150	774,180	(36,030)
Transportation \ Purchasing	142,260	134,210	8,050
Materials	70	70	
Tools & Equipment including Uniforms	20,110	20,100	10
Laboratory Charges	112,300	109,000	3,300
Purchased Power	1,427,500	1,385,900	41,600
Chemicals	323,300	327,000	(3,700)
<b>Contractors &amp; Preventative Maintenance:</b>			
Pump Repairs & Preventative Maintenance	86,490	83,970	2,520
Treatment Equipment Preventative Maintenance	14,400	14,000	400
VOC & Iron Removal Plant Maintenance	9,790	9,500	290
<b>Treatment Station Operating Costs</b>			
Snow Removal & Ground Maintenance	9,350	10,850	(1,500)
<b>Miscellaneous Voucher Purchases:</b>			
Pumping Equipment	18,500	18,000	500
Structures & Improvements	10,310	10,000	310
Water Treatment Supplies			
<b>Total Production Expenses</b>	<b>\$4,310,520</b>	<b>\$4,170,520</b>	<b>\$140,000</b>

**Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21**

<b>Proposed Plan vs. Prior Operating Plan Transmission &amp; Distribution Expenses</b>	<b>Projected 2020 - 21</b>	<b>Op Plan 2019 - 20</b>	<b>Change</b>
Supervisory Salaries	\$170,340	\$139,040	\$31,300
Non Supervisory Salaries	1,048,470	991,870	56,600
Payroll Overheads - T & D	643,540	687,360	(43,820)
Transportation	131,780	118,030	13,750
Materials	42,260	42,260	
Tools & Equipment including Uniforms	18,480	17,540	940
Contractor Charges:			
Paving Contractors	60,600	54,800	5,800
Tank Maintenance	12,600		12,600
Mark Out Contractors	135,000	65,000	70,000
Leak Detection Contractors	15,000	55,000	(40,000)
Carting Refuse From Station 44	50,000	22,500	27,500
Engineering Services	30,000	30,000	
Miscellaneous Voucher Purchases:			
Removing & Resetting Meters	1,200	1,000	200
Boring Samples	2,000	2,000	
T & D - Maintenance			
Mains	30,800	30,000	800
Services	12,420	11,120	1,300
Hydrants	2,900	2,500	400
<b>Total Transmission &amp; Distribution Expenses</b>	<b>\$2,407,390</b>	<b>\$2,270,020</b>	<b>\$137,370</b>

**Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21**

<b>Proposed Plan vs. Prior Operating Plan Customer Service Expenses</b>	<b>Projected 2020 - 21</b>	<b>Op Plan 2019 - 20</b>	<b>Change</b>
Supervisory Salaries - Office	\$208,540	\$195,260	\$13,280
Non Supervisory Salaries	497,960	511,200	(13,240)
Payroll Overheads - Customer Service	373,030	429,390	(56,360)
Transportation	19,850	20,320	(470)
Materials	370	370	
Tools & Equipment including Uniforms	3,390	3,350	40
Information Systems:			
MUPS Software Maintenance & Support	135,300	124,600	10,700
Info Systems Equipment Maintenance	100,300	19,000	81,300
Miscellaneous Data Processing Costs	6,700	8,200	(1,500)
Uncollectibles	31,000	24,000	7,000
Billing and Inserting Contractor	70,370	71,160	(790)
Annual Water Supply Statement	10,200	10,200	
Rights & Responsibility Brochure			
Customer Outreach	5,000	5,000	
Miscellaneous Voucher Purchases:			
Meter Reading	5,300	5,300	
Billing & Accounting	10,600	17,600	(7,000)
<b>Total Customer Service Expenses</b>	<b>\$1,477,910</b>	<b>\$1,444,950</b>	<b>\$32,960</b>



**Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21**

<b>Proposed Plan vs. Prior Operating Plan Administrative &amp; General Expenses</b>	<b>Projected 2020 - 21</b>	<b>Op Plan 2019 - 20</b>	<b>Change</b>
Supervisory Salaries	\$615,160	\$555,430	\$59,730
Chairman Salary	36,560	35,410	1,150
Non Supervisory Salaries	211,240	179,610	31,630
Payroll Overheads - Administrative	455,650	468,290	(12,640)
Transportation	22,630	19,850	2,780
Tools & Equipment including Uniforms	430	390	40
Legal Services	125,000	125,000	
Investment Consultant	30,000		30,000
Audit & Actuarial Fees	40,600	40,500	100
General Liability Insurance	356,310	250,000	106,310
Property Insurance	166,570	105,350	61,220
Building & Yard Maintenance	5,000	5,000	
Central Operations Office:			
Office Repairs	6,900	2,500	4,400
Electric & Heating	103,700	100,550	3,150
Cleaning Service	19,980	19,170	810
Carting Refuse Costs	5,500	3,300	2,200
HVAC & Elevator	35,200	34,090	1,110
Fire Inspections	2,000	8,500	(6,500)
Pest Control	1,450	1,400	50
Administrative Voucher Charges:			
Various Training and Education	790	1,590	(800)
Industry Related Conferences/Meetings	11,730	6,100	5,630
Telephone Charges	79,500	72,400	7,100
Office Postage	18,000	17,500	500
Office Machine Supplies/Expense	25,320	24,560	760
Dues, Memberships & Licenses	12,440	14,610	(2,170)
Public/Legal Notices	7,900	7,800	100
Bond Trustee Fees	8,500	8,500	
Employee Programs	6,020	6,150	(130)
Miscellaneous Administrative	7,300	3,700	3,600
<b>Total Administrative &amp; General Expenses</b>	<b>\$2,417,380</b>	<b>\$2,117,250</b>	<b>\$300,130</b>

Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21

Comparison to Prior Fiscal Year Total Operation & Maintenance Expenses	Projected 2020 - 21	Actual FY 2019	Change
Supervisory Salaries	\$1,590,520	\$1,314,615	\$275,905
Non Supervisory Salaries	2,595,740	2,377,590	218,150
Payroll Overheads	2,210,370	2,388,391	(178,021)
Transportation	316,520	273,899	42,621
Materials & Stores	42,700	47,151	(4,451)
Tools & Equipment including Uniforms	42,410	35,122	7,288
Laboratory Charges	112,300	132,433	(20,133)
Chemicals	323,300	232,915	90,385
Production Contractors	110,680	38,316	72,364
T & D Contractors	273,200	192,629	80,571
Billing and Inserting Contractor	70,370	74,544	(4,174)
Special Services	240,800	207,450	33,350
Purchased Power	1,427,500	1,323,150	104,350
Building & Yard Maintenance	14,350	80,353	(66,003)
Various Training and Education	12,520	87	12,433
Uncollectibles	31,000	53,265	(22,265)
Insurance Costs	522,880	333,271	189,609
General Office Supplies & Expenses	122,820	110,344	12,476
Information Systems	242,300	120,685	121,615
Administrative Costs	42,160	37,100	5,060
Central Operations Office	174,730	118,780	55,950
Production Miscellaneous	28,810	16,577	12,233
T & D Miscellaneous	49,320	42,565	6,755
Customer Service Miscellaneous	15,900	15,317	583
<b>Total Summary by Functional Cost</b>	<b>\$10,613,200</b>	<b>\$9,566,549</b>	<b>\$1,046,651</b>

## APPENDIX A

Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21  
Breakdown of Required Rate Relief by Element

Category	Fiscal Year 2020 - 21	Fiscal Year 2019 - 20	Effect on Rates	Rates %
(a) Operating Revenues:	\$19,263,900	\$18,813,200	(\$450,700)	-2.38%
Operation & Maintenance Expenses:				
Labor	4,186,260	3,881,560	304,700	1.61%
Employee Benefits	2,210,370	2,359,220	(148,850)	-0.79%
Power	1,427,500	1,385,900	41,600	0.22%
Office Operations	539,850	435,770	104,080	0.55%
Transportation, Tools & Materials	415,980	392,340	23,640	0.12%
Chemicals	323,300	327,000	(3,700)	-0.02%
Insurance	522,880	355,350	167,530	0.89%
Contractors	807,350	695,630	111,720	0.59%
Other O&M	179,710	169,970	9,740	0.05%
(a) Total Operation & Maintenance	10,613,200	10,002,740	610,460	3.23%
<b>(A) Total Operating Activity</b>	<b>8,650,700</b>	<b>8,810,460</b>	<b>159,760</b>	<b>0.84%</b>
Financing Activity				
Debt Requirements:				
Interest Expense	5,816,200	4,689,200	(1,127,000)	-5.96%
Principal Repayment	2,720,000	2,605,000	(115,000)	-0.61%
Total Debt Requirements	8,536,200	7,294,200	(1,242,000)	-6.56%
Projected Earnings on Debt Requirement	1.41	1.35	0.06	17.96%
(b) Coverage Requirement	12,002,750	9,847,260	2,155,490	11.39%
Interest & Other Income	(982,050)	(666,800)	(315,250)	-1.67%
Non-cash Items	(2,980,700)	(2,980,700)		
(b) Total Interest & Other Adjustments	(3,962,750)	(3,647,500)	(315,250)	-1.67%
<b>(B) Total Finance Activity</b>	<b>8,040,000</b>	<b>6,199,760</b>	<b>1,840,240</b>	<b>9.73%</b>
<b>(A+B) REQUIRED WATER REVENUE</b>	<b>\$20,919,800</b>	<b>\$18,919,800</b>	<b>\$2,000,000</b>	<b>10.57%</b>

## APPENDIX B

**Water Authority of Western Nassau County  
Financial Forecast  
2020 - 21  
Summary of Change in Revenue Requirement**

<b>Change in Water Service Revenues:</b>		
Water Revenue per last Operating Plan	\$18,982,900	
Water Revenues Projected per Tariffs	<u>18,919,800</u>	
Change in Water Service Revenues	63,100	
Change in Miscellaneous Revenue	<u>(13,800)</u>	
	49,300	
<b>Revenue Change by Category:</b>		
Change in Residential Revenue	5,690	0.03%
Change in Commercial Revenue	52,490	0.28%
Change in Fire and Miscellaneous Revenue	<u>(508,880)</u>	-2.69%
Change in Revenues	(450,700)	
<b>Change in Revenue Requirement:</b>		
Additional Revenue due to Revenue Forecast	(450,700)	-2.38%
Additional Revenue due to Operating Activity	610,460	3.23%
Additional Revenue due to Financing Activity	<u>1,840,240</u>	<u>9.73%</u>
Revenue Shortfall	2,000,000	10.57%
Change in Rate Subsidy	<u>500,000</u>	<u>2.64%</u>
Required Rate Increase	<u>\$2,500,000</u>	<u>13.21%</u>

**WATER AUTHORITY OF WESTERN NASSAU COUNTY  
PROPOSED TARIFF RATES EFFECTIVE JUNE 1, 2019**

**FISCAL YEAR JUNE 2020 - MAY 2021**

10.57%

**METER RESIDENTIAL - Service Classification 1**

Rate		OLD RATES	NEW RATES	Leap Year
		June 1, 2019	June 1, 2020	
01 - 20	Base Rates (per 1,000 gallons)			
11 - 31	For the first 9000 Gallons	\$48.42	\$53.54	
	For the next 135,000 Gallons*	\$4.429	\$4.897	
	All over 144,000 Gallons*	\$4.538	\$5.018	
	311 - 319 ALL OVER MINIMUM	\$5.380	\$5.949	

**METER COMMERCIAL - Service Classification 2**

10.57%

MIN ALLOW

BLOCK 1

BLOCK 2

Rate	Minimum Charge		FOR THE 1ST (GAL)	FOR THE NEXT	ALL OVER	Min CCF	
11&22	5/8"	\$48.42	\$53.54	9,000	135,000	144,000	12
12&22	3/4"	\$72.62	\$80.30	13,500	130,500	144,000	18
13&22	1"	\$121.03	\$133.82	22,500	121,500	144,000	30
14&22	1.5"	\$242.07	\$267.66	45,000	99,000	144,000	60
15&22	2"	\$387.29	\$428.23	72,000	153,000	225,000	96
16&22	3"	\$774.58	\$856.46	144,000	306,000	450,000	192
17&22	4"	\$1,210.31	\$1,338.25	225,000	495,000	720,000	300
18&22	6"	\$2,420.59	\$2,676.47	450,000	270,000	720,000	600
19&22	8"	\$3,872.96	\$4,282.37	720,000	315,000	1,035,000	960

**PUBLIC FIRE HYDRANTS -Service Classification 3**

10.57%

PER YEAR	\$1,020.00	\$1,128.00
PER QUARTER	\$255.00	\$282.00

**PRIVATE FIRE SPRINKLERS - Service Classification 4**

10.57%

411	1"	\$20.84	\$23.04
412	1.5"	\$32.00	\$35.38
413	2"	\$47.98	\$53.05
414	2.5"	\$56.15	\$62.09
415	3"	\$83.31	\$92.12
416	4"	\$150.63	\$166.55
417	6"	\$307.77	\$340.30
418	8"	\$615.40	\$680.45
419	10"	\$845.48	\$934.86