

**WATER AUTHORITY  
OF  
WESTERN NASSAU COUNTY**

**OPERATING PLAN**

**5 YEAR FINANCIAL FORECAST**

**FISCAL YEAR JUNE 2014 - MAY 2015**

**FINANCING \$40 MILLION BALANCED RATES**

**PROJECTION OF REVENUES, EXPENSES**

**AND REQUIRED RATE RELIEF**

Water Authority of Western Nassau County  
5 Year Long Range Forecast  
2014-15 thru 2018-19

FINANCING \$40 MILLION BALANCED RATES

Fiscal Year Ending May 31

	2013 Actual	2014 projected	2015 OP PLAN	2016 Forecasted	2017 Forecasted	2018 Forecasted	2019 Forecasted
<b>Operating Revenues:</b>							
Residential	9,630,394	10,155,100	10,813,400	11,819,340	12,970,140	13,914,240	14,117,940
Commercial	1,745,453	1,811,400	1,918,900	2,097,400	2,301,600	2,469,100	2,505,200
Fire Hydrants	2,006,340	2,127,300	2,277,000	2,488,800	2,731,100	2,929,900	2,972,800
Private Fire	103,639	110,700	118,100	129,100	141,700	152,000	154,200
<b>Water Sales</b>	<b>13,485,826</b>	<b>14,204,500</b>	<b>15,127,400</b>	<b>16,534,640</b>	<b>18,144,540</b>	<b>19,465,240</b>	<b>19,750,140</b>
Late Payment Charges	41,618	34,600	34,600	34,600	34,600	34,600	34,600
Other Fees & Charges	29,403	29,400	36,400	36,400	36,400	36,400	36,400
Other Revenue	71,021	64,000	71,000	71,000	71,000	71,000	71,000
<b>Revenue from Customers</b>	<b>13,556,847</b>	<b>14,268,500</b>	<b>15,198,400</b>	<b>16,605,640</b>	<b>18,215,540</b>	<b>19,536,240</b>	<b>19,821,140</b>
Rate Stabilization Fund Contributions & Other (a)	100,000	100,000	(213,000)	(400,000)	1,000,000	(400,000)	(400,000)
<b>Total Revenues</b>	<b>13,656,847</b>	<b>14,368,500</b>	<b>14,985,400</b>	<b>16,205,640</b>	<b>19,215,540</b>	<b>19,136,240</b>	<b>19,421,140</b>
<b>Operating Expenses:</b>							
Operation & Maintenance	8,606,894	8,717,290	9,109,740	9,389,940	9,726,940	10,085,240	10,442,240
Plant Amortization	1,271,165	1,377,000	1,448,000	1,646,100	1,871,800	2,111,800	2,315,100
<b>Total Operating Expenses</b>	<b>9,878,059</b>	<b>10,094,290</b>	<b>10,557,740</b>	<b>11,036,040</b>	<b>11,598,740</b>	<b>12,197,040</b>	<b>12,757,340</b>
<b>Total Utility Operating Income</b>	<b>3,778,788</b>	<b>4,274,210</b>	<b>4,427,660</b>	<b>5,169,600</b>	<b>7,616,800</b>	<b>6,939,200</b>	<b>6,663,800</b>
<b>Interest Charges &amp; Other:</b>							
Interest on Long-term Debt	2,992,499	3,464,900	2,939,600	3,235,500	4,041,500	3,970,400	3,828,600
Amortization Expenses	39,107	80,800	36,600	121,800	125,200	128,800	132,300
Less: Interest & Other Income	(1,279,637)	(1,303,800)	(530,100)	(1,044,300)	(999,500)	(949,600)	(942,100)
<b>Total Interest Charges &amp; Other</b>	<b>1,751,969</b>	<b>2,241,900</b>	<b>2,446,100</b>	<b>2,313,000</b>	<b>3,167,200</b>	<b>3,149,600</b>	<b>3,018,800</b>
<b>SURPLUS</b>	<b>2,026,819</b>	<b>2,032,310</b>	<b>1,981,560</b>	<b>2,856,600</b>	<b>4,449,600</b>	<b>3,789,600</b>	<b>3,645,000</b>
Debt Coverage Ratio		1.375	1.400	1.450	1.400	1.400	1.400
Change in Revenue Requirement		6.77%	5.50%	9.26%	9.69%	7.25%	1.46%
Change in Customer Rates		6.02%	7.00%	9.30%	9.74%	7.28%	1.46%
Average Residential Bill		\$377.79	\$404.24	\$441.85	\$484.87	\$520.16	\$527.77
Average Commercial Bill		\$1,668.17	\$1,784.99	\$1,951.04	\$2,141.00	\$2,296.84	\$2,330.46

Water Authority of Western Nassau County  
2014-15 thru 2018-19  
Operation & Maintenance Expense  
FINANCING \$40 MILLION BALANCED RATES

	Fiscal Year Ending May 31						
	2013 Actual	2014 Op Plan OLD	2015 Op Plan NEW	2016 Projected	2017 Projected	2018 Projected	2019 Projected
<b>Summary by Functional Cost:</b>							
Supervisory Salaries	\$969,558	\$1,141,380	\$1,151,370	\$1,180,170	\$1,209,770	\$1,239,970	\$1,270,870
Non Supervisory Salaries	2,150,323	2,107,470	2,062,510	2,114,010	2,166,810	2,220,910	2,276,510
Payroll Overheads	1,793,065	1,861,620	1,853,420	1,948,520	2,048,520	2,153,920	2,264,620
Purchased Power	1,356,918	1,108,400	1,497,100	1,542,000	1,588,300	1,635,900	1,685,000
Chemicals	356,971	223,000	256,000	263,700	271,600	279,700	288,100
Insurance Costs	254,165	272,400	298,880	307,780	323,780	340,680	358,480
Central Operations Office:	416,463	518,900	152,250	161,750	166,650	171,650	176,850
Special Services:							
Engineering Services	17,772	20,000	20,000	20,600	21,800	23,100	24,500
Customer Outreach & Education	8,992	16,000	15,000	15,300	15,600	15,900	16,200
Legal Services	128,188	135,000	135,000	139,100	146,100	153,400	161,100
Union Contract Negotiations		75,000	50,000	26,500	27,800	29,200	30,700
Audit Fees	25,600	36,200	36,700	30,300	31,200	40,100	33,300
Uncollectibles	11,260	15,000	14,100	14,100	14,100	14,100	14,100
Materials	71,372	24,700	26,800	27,600	28,400	29,200	30,100
Clearing Accounts:							
Laboratory Charges	80,521	122,000	131,000	137,600	144,500	151,700	159,300
Tools & Equipment including Uniforms	41,083	44,200	44,580	45,980	47,380	48,780	50,180
Transportation Costs	241,208	302,160	323,460	337,460	352,060	367,360	383,260
Information Systems	191,146	144,300	186,500	192,100	197,900	203,800	209,900
General Office Supplies & Expenses	91,569	89,500	107,000	110,200	113,400	116,800	120,300
Administrative	35,281	37,580	39,590	40,790	42,090	43,390	44,790
Training & Education	321	12,270	22,680	23,380	24,080	24,780	25,480
Contractors:							
Well & Pump Overhauls	3,960	56,550	87,700	92,100	96,700	101,500	106,600
Snow Removal & Ground Maintenance	58,461	8,570	14,570	15,070	15,570	16,070	16,570
Structures & Improvements		37,550	258,750	266,550	282,550	299,550	317,550
Water Treatment	1,900	29,900	17,050	17,950	18,850	19,750	20,750
Mains, Services & Hydrants	82,731	47,840	61,640	64,740	67,940	71,340	74,940
Paving Contractors	94,017	53,400	53,400	56,100	58,900	61,800	64,900
Billing, Inserting & Mailing	62,175	61,500	64,090	65,990	67,990	69,990	72,090
Production Miscellaneous	26,994	32,700	35,700	36,800	37,900	39,100	40,300
T & D Miscellaneous	10,397	56,400	63,000	64,900	66,900	69,000	71,100
Customer Service Miscellaneous	24,478	25,800	29,900	30,800	31,800	32,800	33,800
<b>Total Summary by Functional Cost</b>	<b>8,606,889</b>	<b>8,717,290</b>	<b>9,109,740</b>	<b>9,389,940</b>	<b>9,726,940</b>	<b>10,085,240</b>	<b>10,442,240</b>

**Water Authority of Western Nassau County**  
**5 Year Long Range Forecast**  
**2014-15 thru 2018-19**  
**5 Year Capital Plan**  
**FINANCING \$40 MILLION BALANCED RATES**

	TOTAL	Fiscal Year Ending May 31					
		2013 - 14	2014-2015	2015-2016	2016-17	2017-2018	2018-2019
Wells & Stations	8,288,500	450,000	450,000	19,000	319,000	3,550,500	3,500,000
Treatment & SCADA	15,070,000	1,370,000	1,750,000	5,000,000	5,000,000	950,000	1,000,000
Structures & Improvements	7,217,000	2,500,000	2,500,000		458,000	1,750,000	9,000
Meters & Reading System	3,113,210	603,800	656,000	529,310	517,450	397,440	409,210
Transmission & Distribution	6,184,770	952,150	954,600	798,500	1,803,220	829,550	846,750
Computer Equipment	161,700	35,900	21,900	9,925	13,150	57,375	23,450
Vehicles & Tools	1,004,600	180,000	113,930	352,250	178,025	128,270	52,125
Contingency	150,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Subtotal Construction</b>	<b>41,189,780</b>	<b>6,116,850</b>	<b>6,471,430</b>	<b>6,733,985</b>	<b>8,313,845</b>	<b>7,688,135</b>	<b>5,865,535</b>
Operations Center Building	5,322,000	4,447,000	875,000				
<b>Total Projected Capital Expenditures</b>	<b>46,511,780</b>	<b>10,563,850</b>	<b>7,346,430</b>	<b>6,733,985</b>	<b>8,313,845</b>	<b>7,688,135</b>	<b>5,865,535</b>

Note: These expenditures are all pending future Board Approval