

**WATER AUTHORITY  
OF  
WESTERN NASSAU COUNTY**

**OPERATING PLAN**

**5 YEAR FINANCIAL FORECAST**

**2015-16 thru 2019-20**

**7.14% RATE RELIEF; 8.41% METERED CUSTOMERS; 0% HYDRANTS**

**PROJECTION OF REVENUES, EXPENSES**

**AND REQUIRED RATE RELIEF**

Water Authority of Western Nassau County  
5 Year Long Range Forecast  
2015-16 thru 2019-20

7.14% RATE RELIEF; 8.41% METERED CUSTOMERS; 0% HYDRANTS

Fiscal Year Ending May 31

	2014 Actual	2015 Adopted	2016 OP PLAN	2017 Forecasted	2018 Forecasted	2019 Forecasted	2020 Forecasted
<b>Operating Revenues:</b>							
Residential	9,938,162	10,547,350	11,683,800	12,817,320	13,529,620	13,847,520	14,082,420
Commercial	1,734,133	1,871,950	2,087,300	2,289,800	2,417,100	2,473,900	2,515,800
Fire Hydrants	2,128,000	2,277,000	2,276,400	2,497,200	2,636,000	2,697,900	2,743,600
Private Fire	111,254	118,100	130,100	142,700	150,600	154,100	156,700
<b>Water Sales</b>	<b>13,911,549</b>	<b>14,814,400</b>	<b>16,177,600</b>	<b>17,747,020</b>	<b>18,733,320</b>	<b>19,173,420</b>	<b>19,498,520</b>
Late Payment Charges	40,847	45,500	45,500	45,500	45,500	45,500	45,500
Other Fees & Charges	25,470	25,500	23,200	23,200	23,200	23,200	23,200
Other Revenue	66,317	71,000	68,700	68,700	68,700	68,700	68,700
<b>Revenue from Customers</b>	<b>13,977,866</b>	<b>14,885,400</b>	<b>16,246,300</b>	<b>17,815,720</b>	<b>18,802,020</b>	<b>19,242,120</b>	<b>19,567,220</b>
Rate Stabilization Fund Contributions & Other (a)	100,000	100,000	300,000	500,000			
<b>Total Revenues</b>	<b>14,077,866</b>	<b>14,985,400</b>	<b>16,546,300</b>	<b>18,315,720</b>	<b>18,802,020</b>	<b>19,242,120</b>	<b>19,567,220</b>
<b>Operating Expenses:</b>							
Operation & Maintenance	9,068,425	9,109,740	9,112,820	9,374,720	9,688,320	10,021,620	10,351,420
Plant Amortization	1,546,468	1,448,000	2,005,000	2,377,000	3,006,300	3,429,100	3,540,200
<b>Total Operating Expenses</b>	<b>10,614,893</b>	<b>10,557,740</b>	<b>11,117,820</b>	<b>11,751,720</b>	<b>12,694,620</b>	<b>13,450,720</b>	<b>13,891,620</b>
<b>Total Utility Operating Income</b>	<b>3,462,973</b>	<b>4,427,660</b>	<b>5,428,480</b>	<b>6,564,000</b>	<b>6,107,400</b>	<b>5,791,400</b>	<b>5,675,600</b>
<b>Interest Charges &amp; Other:</b>							
Interest on Long-term Debt	3,001,468	2,939,600	3,821,100	5,061,800	4,960,600	4,852,800	4,739,800
Amortization Expenses	33,264	36,600	(4,200)	(900)	2,700	6,200	6,200
Less: Interest & Other Income	(1,635,079)	(530,100)	(965,400)	(978,500)	(805,000)	(701,500)	(709,400)
<b>Total Interest Charges &amp; Other</b>	<b>1,399,653</b>	<b>2,446,100</b>	<b>2,851,500</b>	<b>4,082,400</b>	<b>4,158,300</b>	<b>4,157,500</b>	<b>4,036,600</b>
<b>SURPLUS</b>	<b>2,063,320</b>	<b>1,981,560</b>	<b>2,576,980</b>	<b>2,481,600</b>	<b>1,949,100</b>	<b>1,633,900</b>	<b>1,639,000</b>
<b>Debt Coverage Ratio</b>		<b>1.40</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>
<b>Change in Revenue Requirement</b>		<b>5.50%</b>	<b>9.14%</b>	<b>9.66%</b>	<b>5.54%</b>	<b>2.34%</b>	<b>1.69%</b>
<b>Change in Customer Rates</b>		<b>7.00%</b>	<b>7.14%</b>	<b>9.70%</b>	<b>5.56%</b>	<b>2.35%</b>	<b>1.70%</b>
<b>Average Residential Bill</b>		<b>\$402</b>	<b>\$436</b>	<b>\$479</b>	<b>\$505</b>	<b>\$517</b>	<b>\$526</b>
<b>Average Commercial Bill</b>		<b>\$1,638</b>	<b>\$1,775</b>	<b>\$1,948</b>	<b>\$2,056</b>	<b>\$2,104</b>	<b>\$2,140</b>

Water Authority of Western Nassau County  
2015-16 thru 2019-20  
Operation & Maintenance Expense

	Fiscal Year Ending May 31						
	2014 Actual	2015 Op Plan OLD	2016 Op Plan NEW	2017 Projected	2018 Projected	2019 Projected	2020 Projected
<b>Summary by Functional Cost:</b>							
Supervisory Salaries	\$1,064,765	\$1,151,370	\$1,248,660	\$1,276,660	\$1,305,260	\$1,334,660	\$1,364,660
Non Supervisory Salaries	2,169,581	2,062,510	2,135,930	2,183,930	2,233,030	2,283,330	2,334,730
Payroll Overheads	1,811,458	1,853,420	1,979,630	2,081,130	2,188,030	2,300,430	2,418,730
Purchased Power	1,500,495	1,497,100	1,440,100	1,483,300	1,527,800	1,573,600	1,620,800
Chemicals	302,567	256,000	221,000	227,600	234,400	241,400	248,600
Insurance Costs	280,728	298,880	299,750	308,750	318,050	327,550	337,350
Central Operations Office:	528,992	152,250	160,200	170,000	175,000	180,100	185,500
Special Services:							
Engineering Services	11,636	20,000	20,000	20,600	21,800	23,100	24,500
Customer Outreach & Education	15,769	15,000	15,100	15,400	15,700	16,000	16,300
Legal Services	135,749	135,000	125,000	128,800	135,200	142,000	149,100
Union Contract Negotiations		50,000	10,000	(14,700)	(15,400)	(16,200)	(17,000)
Audit Fees	35,900	36,700	36,700	30,300	31,200	40,100	33,300
Uncollectibles	18,086	14,100	15,800	15,800	15,800	15,800	15,800
Materials	78,408	26,800	45,700	47,100	48,500	50,000	51,500
Clearing Accounts:							
Laboratory Charges	96,455	131,000	106,000	111,300	116,900	122,700	128,800
Tools & Equipment including Uniforms	52,955	44,580	82,340	84,840	87,340	90,040	92,740
Transportation Costs	245,658	323,460	305,220	307,920	321,620	335,820	350,520
Information Systems	191,655	186,500	232,700	239,700	246,900	254,300	262,000
General Office Supplies & Expenses	125,056	107,000	128,800	132,600	136,600	140,700	144,900
Administrative	18,846	39,590	40,770	42,070	43,370	44,770	46,170
Training & Education	717	22,680	23,990	24,690	25,490	26,290	27,090
Contractors:							
Well & Pump Overhauls	22,471	87,700	84,850	89,050	93,550	98,250	103,150
Snow Removal & Ground Maintenance	82,933	14,570	11,070	11,470	11,870	12,270	12,670
Structures & Improvements		258,750	9,250	9,550	10,150	10,750	11,350
Water Treatment	14,584	17,050	16,400	17,200	18,100	19,000	20,000
Mains, Services & Hydrants	81,322	61,640	59,000	62,000	65,100	68,400	71,800
Paving Contractors	45,458	53,400	53,400	56,100	58,900	61,800	64,900
Billing, Inserting & Mailing	67,428	64,090	67,180	69,180	71,280	73,380	75,580
Production Miscellaneous	28,818	35,700	44,500	45,900	47,300	48,700	50,200
T & D Miscellaneous	13,938	63,000	67,000	68,900	71,000	73,200	75,400
Customer Service Miscellaneous	25,997	29,900	26,780	27,580	28,480	29,380	30,280
<b>Total Summary by Functional Cost</b>	<b>9,068,425</b>	<b>9,109,740</b>	<b>9,112,820</b>	<b>9,374,720</b>	<b>9,688,320</b>	<b>10,021,620</b>	<b>10,351,420</b>

Water Authority of Western Nassau County  
5 Year Long Range Forecast  
2015-16 thru 2019-20  
5 Year Capital Plan

	5 Year TOTAL	Fiscal Year Ending May 31					
		2015	2016	2017	2018	2019	2020
Wells & Stations	16,320,494	450,000	518,500	3,184,103	10,330,635	2,287,256	
Treatment & SCADA	21,798,375	1,750,000	3,147,033	12,270,078	6,196,014		185,250
Structures & Improvements	7,040,600	2,500,000		1,610,600	4,522,558	907,442	
Meters & Reading System	2,694,760	656,000	529,310	517,450	533,100	549,200	565,700
Transmission & Distribution	5,908,125	954,600	1,155,600	1,085,700	1,113,500	1,297,525	1,255,800
Computer Equipment	439,135	21,900	67,370	111,470	121,580	100,285	38,430
Vehicles & Tools	846,285	113,930	373,515	178,025	128,270	52,125	114,350
Contingency	125,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Subtotal Construction</b>	<b>55,172,774</b>	<b>6,471,430</b>	<b>5,816,328</b>	<b>18,982,426</b>	<b>22,970,657</b>	<b>5,218,833</b>	<b>2,184,530</b>
Operations Center Building	650,000	875,000	650,000				
<b>Total Projected Capital Expenditures</b>	<b>55,822,774</b>	<b>7,346,430</b>	<b>6,466,328</b>	<b>18,982,426</b>	<b>22,970,657</b>	<b>5,218,833</b>	<b>2,184,530</b>

Note: These expenditures are all pending future Board Approval

Debt Coverage Ratio  
2015-16 thru 2019-20

	Fiscal Year Ending May 31					
	2015	2016	2017	2018	2019	2020
Total Utility Operating Margin	4,427,660	5,428,480	6,564,000	6,107,400	5,791,400	5,675,600
Add:						
Interest Income	530,100	965,400	978,500	805,000	701,500	709,400
Non-cash Items	1,448,000	2,005,000	2,377,000	3,006,300	3,429,100	3,540,200
<b>Total Available for Coverage</b>	<b>6,405,760</b>	<b>8,398,880</b>	<b>9,919,500</b>	<b>9,918,700</b>	<b>9,922,000</b>	<b>9,925,200</b>
Debt Service:						
Interest on Revenue Bonds	2,939,600	4,036,476	5,067,746	4,967,209	4,859,609	4,747,009
Interest on New Debt						
Principle on Revenue Bonds	1,640,000	2,185,000	2,280,000	2,380,000	2,490,000	2,605,000
<b>Total Debt Service Payments</b>	<b>4,579,600</b>	<b>6,221,476</b>	<b>7,347,746</b>	<b>7,347,209</b>	<b>7,349,609</b>	<b>7,352,009</b>
<b>Ratio</b>	<b>1.40</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>