

**WATER AUTHORITY  
OF  
WESTERN NASSAU COUNTY**

**DRAFT OPERATING PLAN**

**5 YEAR FINANCIAL FORECAST**

**2016-17 thru 2021-22**

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

Water Authority of Western Nassau County  
5 Year Long Range Forecast  
2016-17 thru 2021-22

2.5% RATE CHANGE  
Fiscal Year Ending May 31

	2016 Actual	2017 Adopted	2018 OP PLAN	2019 Forecasted	2020 Forecasted	2021 Forecasted	2022 Forecasted
<b>Operating Revenues:</b>							
Residential	12,058,943	12,228,490	12,540,699	12,757,590	13,040,510	13,345,935	13,453,105
Commercial	2,248,284	3,126,470	3,447,327	3,506,900	3,584,700	3,668,700	3,698,200
Fire Hydrants	2,276,352	2,276,400	2,333,411	2,373,700	2,426,300	2,483,100	2,503,000
Private Fire	129,081	171,140	178,563	181,600	185,600	189,900	191,400
<b>Water Sales</b>	<b>16,712,660</b>	<b>17,802,500</b>	<b>18,500,000</b>	<b>18,819,790</b>	<b>19,237,110</b>	<b>19,687,635</b>	<b>19,845,705</b>
Late Payment Charges	52,634	34,700	34,700	34,700	34,700	34,700	34,700
Other Fees & Charges	39,795	39,800	288,800	288,800	288,800	288,800	288,800
Other Revenue	92,429	74,500	323,500	323,500	323,500	323,500	323,500
Revenue from Customers	16,805,089	17,877,000	18,823,500	19,143,290	19,560,610	20,011,135	20,169,205
Rate Stabilization Fund Contributions	100,000	500,000	(452,000)				
<b>Total Revenues</b>	<b>16,905,089</b>	<b>18,377,000</b>	<b>18,371,500</b>	<b>19,143,290</b>	<b>19,560,610</b>	<b>20,011,135</b>	<b>20,169,205</b>
<b>Operating Expenses:</b>							
Operation & Maintenance	8,628,029	9,138,010	9,289,640	9,440,190	9,692,310	9,856,335	10,101,905
Plant Amortization	1,988,944	1,980,000	2,220,000	2,569,000	2,947,000	3,434,800	3,730,500
<b>Total Operating Expenses</b>	<b>10,616,973</b>	<b>11,118,010</b>	<b>11,509,640</b>	<b>12,009,190</b>	<b>12,639,310</b>	<b>13,291,135</b>	<b>13,832,405</b>
<b>Total Utility Operating Income</b>	<b>6,288,116</b>	<b>7,258,990</b>	<b>6,861,860</b>	<b>7,134,100</b>	<b>6,921,300</b>	<b>6,720,000</b>	<b>6,336,800</b>
<b>Interest Charges &amp; Other:</b>							
Interest on Long-term Debt	5,517,471	5,061,800	4,954,900	4,846,900	4,733,600	4,615,000	4,490,700
Amortization Expenses	(341,793)	(344,100)	(344,100)	(344,100)	(344,100)	(344,100)	(344,100)
Less: Interest & Other Income	(816,837)	(673,200)	(767,200)	(954,000)	(792,100)	(501,500)	(590,800)
<b>Total Interest Charges &amp; Other</b>	<b>4,358,841</b>	<b>4,044,500</b>	<b>3,843,600</b>	<b>3,548,800</b>	<b>3,597,400</b>	<b>3,769,400</b>	<b>3,555,800</b>
<b>SURPLUS</b>	<b>1,929,275</b>	<b>3,214,490</b>	<b>3,018,260</b>	<b>3,585,300</b>	<b>3,323,900</b>	<b>2,950,600</b>	<b>2,781,000</b>
<b>Debt Coverage Ratio</b>		1.35	1.39	1.45	1.45	1.45	1.45
<b>Change in Revenue Requirement</b>		12.48%	5.29%	1.70%	2.18%	2.30%	0.79%
<b>Change in Customer Rates</b>		9.40%	2.50%	1.73%	2.22%	2.34%	0.80%
<b>Average Residential Bill</b>		\$459	\$471	\$479	\$490	\$501	\$505
<b>Average Commercial Bill</b>		\$1,850	\$1,896	\$1,929	\$1,972	\$2,018	\$2,034

Water Authority of Western Nassau County  
2016-17 thru 2021-22  
Operation & Maintenance Expense

	Fiscal Year Ending May 31						
	2016 Actual	2017 Op Plan OLD	2018 Op Plan NEW	2019 Projected	2020 Projected	2021 Projected	2022 Projected
<b>Summary by Functional Cost:</b>							
Supervisory Salaries	\$1,126,539	\$1,181,120	\$1,380,240	\$1,310,370	\$1,378,350	\$1,356,585	\$1,318,255
Non Supervisory Salaries	2,243,385	2,338,410	2,305,480	2,300,680	2,363,940	2,393,730	2,475,010
Payroll Overheads	1,775,409	1,934,010	2,071,390	2,078,810	2,203,830	2,261,250	2,341,370
Purchased Power	1,198,568	1,348,000	1,257,600	1,295,300	1,334,200	1,374,200	1,415,400
Chemicals	290,710	230,000	216,000	222,500	229,200	236,100	243,200
Insurance Costs	329,122	304,150	313,920	323,420	333,120	343,120	353,420
Central Operations Office:	256,950	157,100	164,450	174,350	179,450	184,750	190,250
Special Services:							
Engineering Services	28,878	20,000	20,000	20,600	21,800	23,100	24,500
Customer Outreach & Education	9,921	15,100	15,200	15,500	15,800	16,100	16,400
Legal Services	124,615	125,000	175,000	130,000	136,500	143,300	150,500
Investment Consultant			7,500				
Audit Fees	29,750	36,700	36,700	37,800	38,900	48,100	41,500
Uncollectibles	25,188	15,800	17,600	17,600	17,600	17,600	17,600
Materials	96,302	42,700	43,500	44,800	46,100	47,500	48,900
Clearing Accounts:							
Laboratory Charges	105,648	100,000	102,000	257,100	120,000	126,000	132,300
Tools & Equipment including Uniforms	52,052	55,410	40,670	41,870	43,170	44,470	45,770
Transportation Costs	263,473	284,670	284,430	285,630	314,490	291,270	303,970
Information Systems	117,717	212,700	211,900	218,300	224,900	231,700	238,600
General Office Supplies & Expenses	113,982	110,400	115,200	118,700	122,200	125,800	129,600
Administrative	27,137	38,400	45,420	46,920	48,420	49,920	51,420
Training & Education	330	23,600	18,720	19,320	19,920	20,520	21,120
Contractors:							
Well & Pump Overhauls		83,350	80,700	94,700	99,400	104,400	109,600
Snow Removal & Ground Maintenance	82,134	11,070	12,350	12,750	13,150	13,550	13,950
Structures & Improvements	1,670	94,240	12,250	18,650	19,750	20,950	22,250
Water Treatment		16,400	16,400	17,200	18,100	19,000	20,000
Mains, Services & Hydrants	86,411	58,000	61,000	64,100	67,300	70,700	74,200
Paving Contractors	112,065	53,800	59,600	62,600	65,700	69,000	72,500
Billing, Inserting & Mailing	65,406	70,010	72,000	74,200	76,400	78,700	81,100
Production Miscellaneous	21,189	45,750	42,500	43,800	45,100	46,500	47,900
T & D Miscellaneous	18,348	102,120	62,920	64,820	66,820	68,820	70,820
Customer Service Miscellaneous	25,130	30,000	27,000	27,800	28,700	29,600	30,500
<b>Total Summary by Functional Cost</b>	<b>8,628,029</b>	<b>9,138,010</b>	<b>9,289,640</b>	<b>9,440,190</b>	<b>9,692,310</b>	<b>9,856,335</b>	<b>10,101,905</b>

Water Authority of Western Nassau County  
 5 Year Long Range Forecast  
 2016-17 thru 2021-22  
 5 Year Capital Plan

	5 Year TOTAL	Fiscal Year Ending May 31					
		2016 - 17	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Wells & Stations	24,622,040	970,470	1,408,540	3,827,100	9,492,440	6,512,830	3,381,130
Treatment & SCADA	18,305,885	9,902,443	12,287,650		2,392,575	3,625,660	
Structures & Improvements	8,270,530	2,174,000		1,675,650	3,909,770	2,685,110	
Meters & Reading System	1,714,180	555,200	588,500	267,750	276,720	285,900	295,310
Transmission & Distribution	6,339,460	1,401,500	1,207,990	1,241,325	1,433,930	1,394,515	1,061,700
Computer Equipment	433,845	61,725	74,885	135,785	100,575	61,725	60,875
Vehicles & Tools	937,350	336,450	236,700	266,750	132,600	167,000	134,300
Contingency	125,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Subtotal Construction</b>	<b>60,748,290</b>	<b>15,426,788</b>	<b>15,829,265</b>	<b>7,439,360</b>	<b>17,763,610</b>	<b>14,757,740</b>	<b>4,958,315</b>
Operations Center Building	550,000	1,150,000	550,000				
<b>Total Projected Capital Expenditures</b>	<b>61,298,290</b>	<b>16,576,788</b>	<b>16,379,265</b>	<b>7,439,360</b>	<b>17,763,610</b>	<b>14,757,740</b>	<b>4,958,315</b>

Note: These expenditures are all pending future Board Approval

Debt Coverage Ratio  
 2016-17 thru 2021-22

	Fiscal Year Ending May 31					
	2017	2018	2019	2020	2021	2022
Total Utility Operating Margin	7,258,990	6,861,860	7,134,100	6,921,300	6,720,000	6,336,800
Add:						
Interest Income	673,200	767,200	954,000	792,100	501,500	590,800
Non-cash Items	1,980,000	2,570,000	2,569,000	2,947,000	3,434,800	3,730,500
<b>Total Available for Coverage</b>	<b>9,912,190</b>	<b>10,199,060</b>	<b>10,657,100</b>	<b>10,660,400</b>	<b>10,656,300</b>	<b>10,658,100</b>
Debt Service:						
Interest on Revenue Bonds	5,061,800	4,954,900	4,859,700	4,747,000	4,629,200	4,505,400
Interest on New Debt						
Principle on Revenue Bonds	2,280,000	2,380,000	2,490,000	2,605,000	2,720,000	2,845,000
<b>Total Debt Service Payments</b>	<b>7,341,800</b>	<b>7,334,900</b>	<b>7,349,700</b>	<b>7,352,000</b>	<b>7,349,200</b>	<b>7,350,400</b>
<b>Ratio</b>	<b>1.35</b>	<b>1.39</b>	<b>1.45</b>	<b>1.45</b>	<b>1.45</b>	<b>1.45</b>