



SUFFOLK COUNTY WATER AUTHORITY

--BUDGETS--

FOR THE FISCAL YEAR ENDING

MAY 31, 2010

TABLE OF CONTENTS

TAB	SCHEDULE	
1	1	Highlights of Budget Data
2	2	Revenue Budget
	2A	Revenue Budget Chart
3	3	Operating and Maintenance Budget
	3A	Operating and Maintenance Budget Chart
4	4	Construction Budget
	4A	Construction Budget Chart

Supplemental Information

5	5	Construction Budget Source of Funds
	5A	Operating Cash Flow
	5B	Projected Earnings
6	6	Customers Served by District
7	7	Debt Service Requirements & Coverage
8	8	Supplemental Capital Budget Information

**SUFFOLK COUNTY WATER AUTHORITY
HIGHLIGHTS OF BUDGET DATA
FOR FISCAL YEAR ENDING MAY 31,**

<u>Authority Budgets</u>	<u>Proposed Budget 2010</u>	<u>Budget 2009</u>	<u>Projection 2009</u>	<u>Actual 2008</u>
Operating Revenues and Other Income	\$162,015,000	\$163,644,000	\$268,855,000	\$171,244,000
Operation and Maintenance Expense	<u>104,249,000</u>	<u>102,335,000</u>	<u>127,562,000</u>	<u>97,554,000</u>
Operating Income Available	\$57,766,000	\$61,309,000	\$141,293,000	\$73,690,000
Capital Budget	\$68,599,000	\$56,733,000	\$60,470,000	\$57,377,000
Debt-Service	\$33,797,000	\$37,322,000	\$37,322,000	\$34,002,000
Debt Coverage				
Senior Debt	2.14	1.87	4.74	2.70
All Debt	1.71	1.64	3.79	2.11
Active Services as of fiscal year ending May 31,	376,625	375,000	375,646	374,823

Projection May 31, 2009

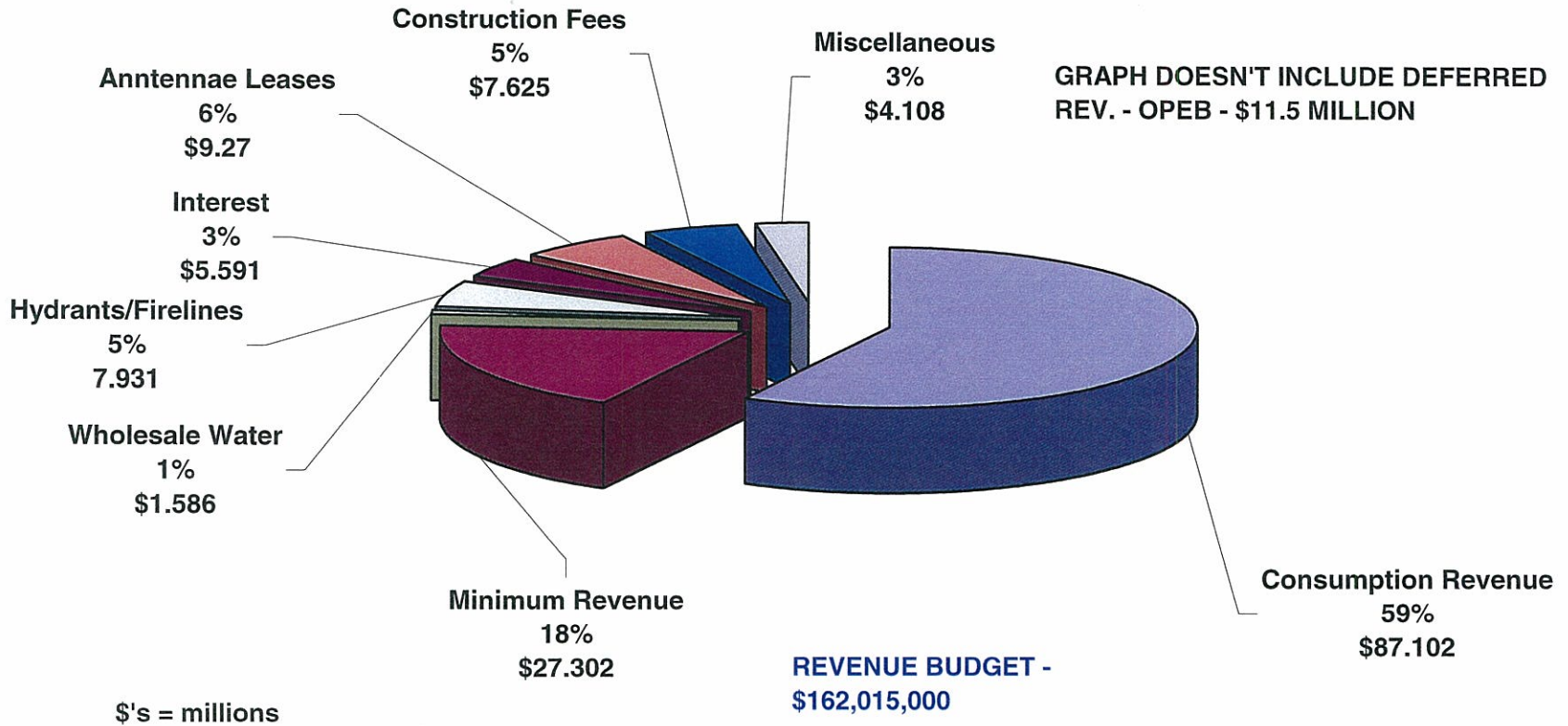
Revenues	-Actual for 7 months and estimated for 5 months
Expenses	-Actual for 7 months and estimated for 5 months
Capital	-Figures are based on the latest available information
Active Services	-Figures are based on the latest available information

Debt service is net of capitalized interest.

**SUFFOLK COUNTY WATER AUTHORITY
REVENUE
FOR FISCAL YEAR ENDED MAY 31,**

	Proposed Budget Year Ending 2010	Budget Year Ending 2009	Actual Year Ending 2008
Water Revenues	\$ 114,404,000	\$ 114,413,000	\$ 118,046,000
Wholesale Water	1,586,000	1,586,000	1,634,000
Hydrants / Firelines	7,931,000	7,834,000	8,003,000
Antenna Leases	9,270,000	8,195,000	7,842,000
Miscellaneous	<u>4,108,000</u>	<u>4,416,000</u>	<u>4,438,000</u>
Total Operating Revenues	137,299,000	136,444,000	139,963,000
Interest Income	5,591,000	5,000,000	9,026,000
Deferred Revenue - OPEB	11,500,000	12,000,000	11,972,000
Construction Revenue	<u>7,625,000</u>	<u>10,200,000</u>	<u>10,283,000</u>
Total Revenues	<u>\$ 162,015,000</u>	<u>\$ 163,644,000</u>	<u>\$ 171,244,000</u>

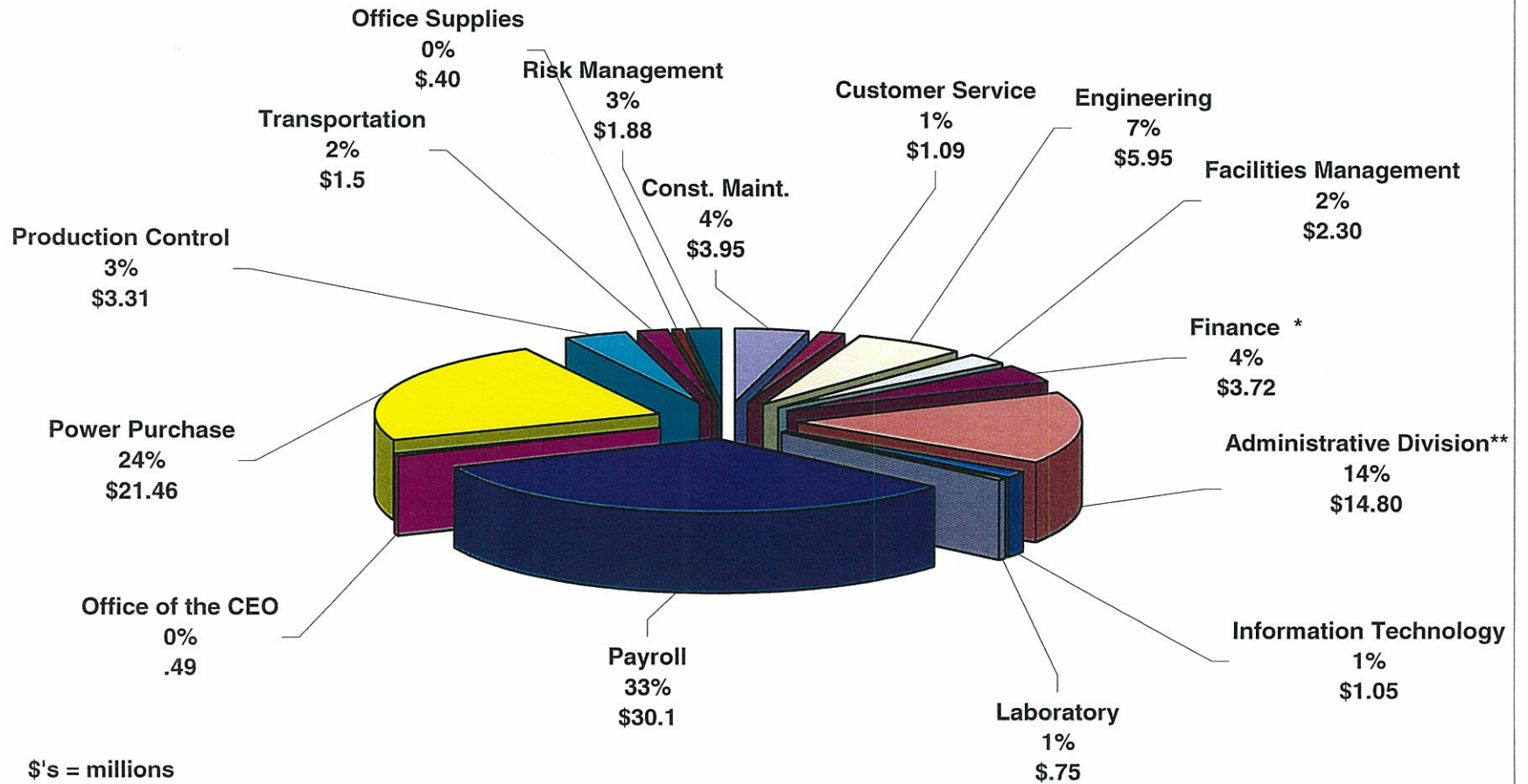
REVENUE BUDGET - MAY 2010



**SUFFOLK COUNTY WATER AUTHORITY
OPERATING AND MAINTENANCE BUDGET
FOR FISCAL YEAR ENDING MAY 31,**

	<u>2010</u>	<u>2009</u>
Construction Maintenance	\$ 3,950,000	\$ 4,136,000
Customer Service	1,088,000	1,194,000
Engineering	5,946,500	6,205,000
Facilities Management	2,308,000	2,389,000
Finance	3,719,000	2,981,000
Administrative Division (Benefits)	14,802,500	16,011,000
Information Technology	1,050,000	1,025,000
Laboratory	750,000	750,000
Payroll	30,100,000	29,700,000
Office of the CEO	490,000	588,000
Power Purchase	21,455,000	19,153,000
Production Control	3,305,000	2,607,000
Transportation	1,500,000	1,600,000
Office Supplies	400,000	421,000
Accrued Expenses - OPEB	11,500,000	12,000,000
Risk Management	<u>1,885,000</u>	<u>1,575,000</u>
	<u>\$ 104,249,000</u>	<u>\$ 102,335,000</u>

OPERATING & EXPENSE BUDGET - MAY 2010



\$'s = millions
 graph does not include deferred exp. -
 OPEB (\$11.5 million)

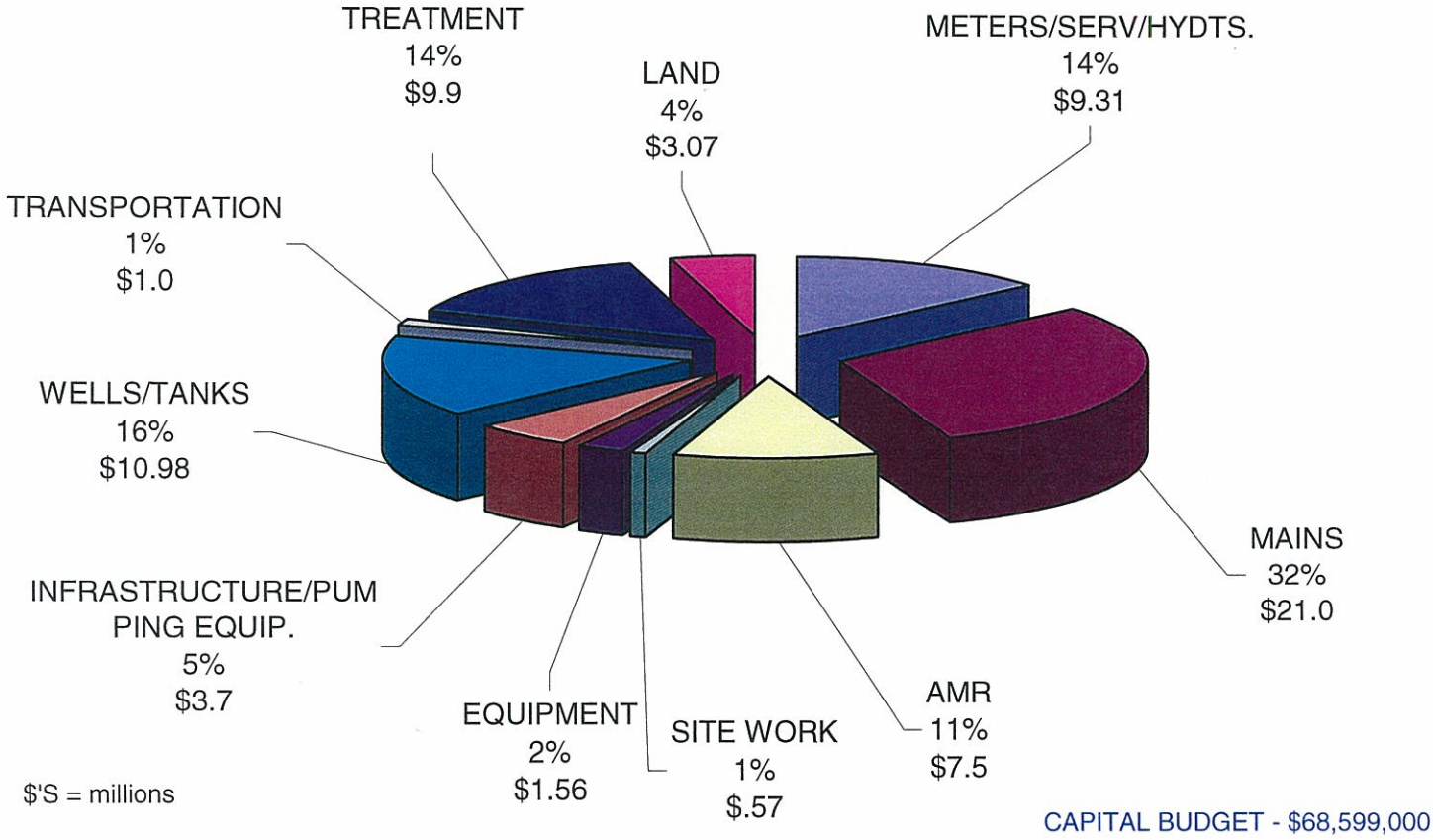
O&M EXPENSE BUDGET FOR FYE MAY 31, 2010: \$104,249,000

SCHEDULE 4

SUFFOLK COUNTY WATER AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING MAY 31, 2010

<u>PROJECT DEFINITION</u>		<u>2010 PROPOSED BUDGET</u>	<u>2009 AMENDED BUDGET</u>
EXTENSION OF WATER MAINS FOR NEW CUSTOMERS	005-10	5,000,000	7,350,000
REPLACEMENT OF WATER MAIN	010-10	12,000,000	8,050,000
DISTRIBUTION SYSTEM IMPROVEMENTS	015-10	2,000,000	3,200,000
BLOWOFFS & VAULT CONVERSIONS	020-10	400,000	400,000
HYDRANTS	025-10	1,305,000	1,176,000
SERVICES	030-10	5,500,000	9,318,000
CONSTRUCTION CONTRACTS	035-10	2,000,000	3,000,000
NEW WELLS	040-10	4,984,000	3,752,000
REPLACEMENT OF EXISTING WELLS	045-10	3,000,000	2,435,000
TANK MAINTENANCE AND CONSTRUCTION	050-10	3,000,000	2,700,000
MISCELLANEOUS TREATMENT FACILITIES	055-10	9,900,000	3,840,000
INSTRUMENTATION - NEW OR REPLACEMENT	060-10	1,000,000	900,000
NEW MISCELLANEOUS PUMP STATION INFRASTRUCTURE	065-10	1,000,000	1,000,000
REPLACEMENT OF PUMP STATION INFRASTRUCTURE -	070-10	1,700,000	1,650,000
SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM	075-10	500,000	100,000
BAY SHORE/NEW PUMP STATION/SHAPEUP/TECH AREA	080-10	-	150,000
FIELD COMMUNICATIONS	085-10	100,000	100,000
TRANSPORTATION	095-10	1,000,000	1,200,000
GENERAL SERVICE SITE WORK	100-10	555,500	1,505,100
LABORATORY RENNOVATIONS	105-10	-	650,000
LANDSCAPING	110-10	20,000	35,000
LABORATORY EQUIPMENT	120-10	300,000	300,000
OFFICE FURNITURE AND EQUIPMENT	125-10	32,900	29,800
METERS	130-10	2,100,000	2,189,000
INFORMATION TECHNOLOGY EQUIPMENT	140-10	393,000	426,000
DEPARTMENT EQUIPMENT	145-10	54,200	18,200
ACQUISITION OF LAND FOR WELL AND TANK SITES	150-10	3,050,000	200,000
FIELD EQUIPMENT	155-10	179,400	270,900
RIVERSIDE WATER DISTRICT	160-10	25,000	25,000
AMR (NORTH FORK / FI SUPPLY)	170-10	7,500,000	4,500,000
TOTAL 2010 SCWA CAPITAL BUDGET		<u>\$ 68,599,000</u>	<u>\$ 60,470,000</u>

CAPITAL BUDGET - MAY 31, 2010



**SUFFOLK COUNTY WATER AUTHORITY
CAPITAL BUDGET - SOURCE OF FUNDS
FOR FISCAL YEAR ENDING MAY 31, 2010**

FUNDS AVAILABLE

Unexpended Note/Bond Proceeds, May 31, 2009 (Estimated)	\$2,500,000	
General Fund, May 31, 2009 (Estimated)	181,000,000	
Proceeds from Issuance of Water Revenue Bonds	70,000,000	
Estimated balance from operations, May 31, 2010 after deduction for Debt-Service requirements (See Cash Flow Budget - Schedule 6)	<u>23,969,000</u>	\$277,469,000
Less:		
Capital	66,599,000	
Developer Contracts	<u>2,000,000</u>	
 <u>CAPITAL EXPENDITURES:</u>		 <u>68,599,000</u>
 PROJECTED FUNDS AVAILABLE FOR CONSTRUCTION AT MAY 31, 2010		 <u>\$208,870,000</u>

SUFFOLK COUNTY WATER AUTHORITY
 OEP RATING - CASH FLOW
 FOR FISCAL YEAR ENDING MAY 31,

		<u>PROPOSED</u> <u>2010</u>	<u>PROJECTED</u> <u>2009</u>	<u>ACTUAL</u> <u>2008</u>
Operating Revenue	137,299,000			
Investment Earnings	5,591,000			
Deferred Revenue - OPEB	11,500,000			
Construction Revenue	<u>7,625,000</u>	162,015,000	\$268,855,000	\$171,244,000
<u>Less:</u>				
Operating and Maintenance Expense	92,749,000			
Deferred Expenses - OPEB	<u>11,500,000</u>	<u>104,249,000</u>	<u>127,562,416</u>	<u>97,554,000</u>
 Net Operating Income Available for Debt Service		 57,766,000	 141,292,584	 73,690,000
<u>Less:</u>				
Debt				
a) Interest on Long-Term Debt	25,722,000			
b) Bond Principal	6,450,000			
c) Interest on Notes	<u>1,625,000</u>	<u>33,797,000</u>	<u>37,322,000</u>	<u>\$34,002,000</u>
 Operating Funds Available for Capital		 <u>\$23,969,000</u>	 <u>\$103,970,584</u>	 <u>\$39,688,000</u>

Operating revenues and expenses for fiscal year ending
 May 31, 2008 include actual figures for 7 months and estimated figures for 5 months
 plus legal settlement.

**SUFFOLK COUNTY WATER AUTHORITY
PROJECTED EARNINGS
FOR FISCAL YEAR ENDING MAY 31,**

	Proposed Budget Year Ending 2010	Budget Year Ending 2009	Projected Year Ending 2009	Actual Year Ending 2008
REVENUES:				
Operating	137,299,000	136,444,000	244,061,000	\$139,963,000
Construction	7,625,000	10,200,000	8,600,000	10,283,000
Deferred Revenue - OPEB	11,500,000	12,000,000	12,000,000	11,972,000
Interest	<u>5,591,000</u>	<u>5,000,000</u>	<u>4,194,000</u>	<u>9,026,000</u>
Total Revenues	162,015,000	163,644,000	268,855,000	171,244,000
OPERATING & MAINTENANCE EXPENSE:				
Operating & Maintenance Expenses	92,749,000	90,335,000	115,562,416	85,582,000
Deferred Expenses - OPEB	<u>11,500,000</u>	<u>12,000,000</u>	<u>12,000,000</u>	<u>11,972,000</u>
	<u>104,249,000</u>	<u>102,335,000</u>	<u>127,562,416</u>	<u>97,554,000</u>
Net earnings before Interest and Depreciation (Available for Debt-Service)	<u>57,766,000</u>	<u>61,309,000</u>	<u>141,292,584</u>	<u>73,690,000</u>
Operating Ratio	64.3%	62.5%	47.4%	57.0%
OTHER DEDUCTIONS:				
Interest on Long-Term Debt	25,722,000	22,953,000	20,814,000	20,231,000
Interest on Notes	<u>1,625,000</u>	<u>3,400,000</u>	<u>3,400,000</u>	<u>3,119,000</u>
	<u>27,347,000</u>	<u>26,353,000</u>	<u>24,214,000</u>	<u>23,350,000</u>
PROJECTED EARNINGS	<u>\$ 30,419,000</u>	<u>\$ 34,956,000</u>	<u>\$ 117,078,584</u>	<u>\$ 50,340,000</u>

Projected operating revenues and expenses for fiscal year ending May 31, 2009 include actual figures for 7 months and estimated figures for 5 months.

SUFFOLK COUNTY WATER AUTHORITY

	<u>CUSTOMERS</u>
SUFFOLK COUNTY WATER AUTHORITY CUSTOMERS (at 12/31/2008)	365,872
Net of Operating Agreements and Wholesale Water Customers	
Customers Served by Operating Agreements	
Stony Brook Water District	1,652
Brentwood Water District	6,687
Fair Harbor Water District	489
Riverside Water District	<u>603</u>
Total Operating Agreement Customers	<u>9,431</u>
Customers Served by Wholesale Water	
Smithtown Water District	5,915
St. James Water District	3,100
Village of Greenport	<u>900</u>
Total Water District Customers	<u>9,915</u>
Projected growth through 05/31/2009	343
TOTAL SUFFOLK COUNTY WATER AUTHORITY CUSTOMERS (at 5/31/09)	<u>385,561</u>
Projected New Customers - May 31, 2010	<u>900</u>
TOTAL SUFFOLK COUNTY WATER AUTHORITY CUSTOMERS (at 5/31/10)	<u>386,461</u>

**SUFFOLK COUNTY WATER AUTHORITY
DEBT SERVICE REQUIREMENTS AND COVERAGE
FOR FISCAL YEARS ENDING MAY 31,**

	Proposed Budget Year Ending 2010	Projected Year Ending 2009	Actual Year Ending 2008
Revenue	\$162,015,000	\$268,855,000	\$171,244,000
Operating & Maintenance	<u>104,249,000</u>	<u>127,562,416</u>	<u>97,554,000</u>
Balance for Debt Service	<u>\$57,766,000</u>	<u>\$141,292,584</u>	<u>\$73,690,000</u>
Debt Service - Total (Primary and Subordinate)	<u>\$33,797,000</u>	<u>\$37,322,000</u>	<u>\$34,002,000</u>
Debt Service Coverage			
Primary	2.16	4.74	2.70
All Debt	1.71	3.79	2.17

Figures for fiscal year 2008 are actual.

Figures for fiscal year 2008 are 7 months actual and 5 months estimated.

Debt service is net of capitalized interest.

SUFFOLK COUNTY WATER AUTHORITY
CAPITAL BUDGET
FOR FISCAL YEAR ENDING MAY 31, 2010

<u>PROJECT DEFINITION</u>		2010 <u>PROPOSED BUDGET</u>
EXTENSION OF WATER MAINS FOR NEW CUSTOMERS	005-10	\$ 5,000,000
REPLACEMENT OF WATER MAIN	010-10	12,000,000
DISTRIBUTION SYSTEM IMPROVEMENTS	015-10	2,000,000
BLOWOFFS & VAULT CONVERSIONS	020-10	400,000
HYDRANTS	025-10	1,305,000
SERVICES	030-10	5,500,000
CONSTRUCTION CONTRACTS	035-10	2,000,000
NEW WELLS	040-10	
ROCKY POINT RD #5		\$ 100,000
SOUND AVENUE - WELL #4		46,000
MIDDLE RD PECONICE - WELLS #5 AND 6		77,000
SOUND AVENUE - 2 NEW WELLS ON KEYSpan PROP. (1A AND 1B)		60,500
FISH ROAD #3		85,000
WEST PROSPECT ST. WELL 35		156,900
CR 111 - Well #3		58,600
LINCOLN AVE #4		250,000
RALEIGH LANE- WELL #2		50,000
BELLMORE AVENUE #5		250,000
BROOK AVE.- NEW WELL #5		250,000
DOUGLAS AVE.- WELL #2		250,000
CHURCH ST NORTHPORT - NEW LLOYD BLENDING WELL		200,000
SOUTH HOWELLS - WELL #2		250,000
WAYNE COURT WELL #2		250,000
EMJAY BLVD WELL #5		250,000
BLANK LANE PUMP STA. & WELLS # 1, 2 & 3		100,000
DALY ROAD PUMP STATION		300,000
LAUREL VALLEY PUMP STATION		500,000
RIVERHEAD FIRE DISTRICT PUMP STATION		500,000
TEST BORINGS & MONITORING WELLS		<u>1,000,000</u>
		4,984,000
REPLACEMENT OF EXISTING WELLS	045-10	
MILL LA.(HUNT.)- REPLACEMENT WELL 13A		50,000
KINGS PARK ROAD REPLACEMENT WELL 2A		76,500
EDGEWOOD AVENUE REPLACEMENT WELL 1A		82,500
MILL LANE HUNTINGTON #14A		30,000
MILL LANE - WELL #15A		328,000
EDGEMERE ST. WELL #1C & #2		218,100
DIVISION ST. - WELL #1A		318,900
MORICHES RIVERHEAD RD. - WELL #1A		358,500
HARVEST LANE- WELL #2A		356,000
GREENE AVE. - WELL #7A		200,000
HARBOR RD.- WELL #2A		346,124
FLANDERS RD.- REPLACEMENT SKIMMER WELLS 1A, 2 & 3		209,400
SAWYER AVE.- REPLACEMENT WELL #3A		<u>425,976</u>
		3,000,000

TANK MAINTENANCE AND CONSTRUCTION	050-10		
CLEANING & PAINTING ELEVATED STORAGE TANKS		2,736,993	
LAUREL HILL RD. PILASTER INSTASL		<u>263,007</u>	3,000,000
LAMBERT AVE COPAIGUE IRS AND BUILDING REHAB		100,000	
LOCUST AVE BOH - IRON REMOVAL SYSTEM		220,000	
BRIDGEHAMPTON RD - IRON REMOVAL SYSTEM		600,000	
MTSINAI CORAM RD - GAC SYSTEM		222,289	
WAYNE COURT PUMP STATION - GAC SYSTEM		262,352	
MEADE DRIVE - GAC SYSTEM		300,000	
FAIRMOUNT AVE - GAC SYS (IPMP)		246,247	
MILL LANE HUNT - GAC SYSTEM		150,000	
PECONIC ST LAKELAND - GAC SYSTEM AND BUILDING		600,000	
OVAL DR.- GAC SYSTEM AND BUILDING		600,000	
WICKS RD - GAC SYSYEM AND BUILDING		600,000	
CORNELL DRIVE - GAC SYSTEM AND BUILDING		600,000	
JAYNE BLVD.- GAC SYSTEM & BUILDING		600,000	
JENNINGS RD - GAC SYSTEM AND BUILDING		600,000	
NORTH RD GREENPORT - GAC SYSTEM AND BUILDING		600,000	
VIRGINIA AVE.- GAC SYSTEM AND BUILDING		600,000	
MONTAUK STATE BLVD. - GAC SYSTEM & BUILDING		600,000	
SOUTH SPUR - GAC SYSTEM AND BUILDING		400,000	
WHEELER RD- GAC BUILDING		279,500	
WICKS RD- GAC BUILDING		89,500	
TOWNLINE RD.- GAC BUILDING		76,291	
CHURCH ST NORTHPORT - GAC BUILDING		203,821	
CHURCH ST NORTHPORT - GAC BUILDING		200,000	
MIDDLEVILLE RD - GAC BUILDING		225,000	
GREAT NECK RD. - GAC BUILDING		225,000	
OLD DOCK RD - GAC BUILDING		225,000	
SOUTH FULTON PUMP STATION - EXPAND CONTROL ROOM		75,000	
GAC BACKWASH LINE TIE INS		100,000	
MADISON HILL BACKUP SUPPLY TANK, BOOSTER AND CL2 STORE		100,000	
LAMBERT AVENUE COPAIGUE - EXPAND LIME ROOM		<u>200,000</u>	9,900,000
INSTRUMENTATION - NEW OR REPLACEMENT	060-10		
INSTRUMENTATION REPLACEMENT		150,000	
PH MONITORING & CONTROL VARIOUS SITES		100,000	
AUTO. CHLORINATION ANALYZING & CONTROL EQUIPMENT		500,000	
LIGHTNING PROTECTION AT VARIOUS SITES		200,000	
ULTRASONIC CHEMICAL LEVEL MONITORING SYSTEMS		<u>50,000</u>	1,000,000
NEW MISCELLANEOUS PUMP STATION INFRASTRUCTURE	065-10		
SITE WORK AT VARIOUS LOCATIONS		100,000	
AUTOMATIC BLOWOFFS AT VARIOUS SITES		125,000	
GAC AUTOMATIC BLOWOFFS		150,000	
REMOTE PRV MONITORING INSTALLATIONS		75,000	
COLLEGE RD GENERATOR UPGRADE		125,000	
BELLE TERRE RD GENERATOR UPGRADE		125,000	
OAKVIEW HWY.- BOOSTER		50,000	
SOUTH HOWELLS BOOSTER TO HIGH ZONE		50,000	
SECURITY SYSTEM/UPGRADES		150,000	
DIESEL FUEL STORAGE UPGRADES		<u>50,000</u>	1,000,000

REPLACEMENT OF PUMP STATION INFRASTRUCTURE - REP. OF WELL SCREENS PUMPS ETC.	070-10	1,000,000	
UPGRADE & REP. OF WELL HEAD ENCL, DRAIN PITS, BLFF BASINS		100,000	
REPLACEMENT OF OBSOLETE TRANSFER SWITCHES		75,000	
REPLACEMENT OF OBSOLETE MOTOR STARTERS		180,000	
REPLACEMENT OF AGING LOAD CENTERS		45,000	
UPGRADE HYDRAULIC BLOWOFF VALVES TO ELECTRIC		50,000	
LIME TANK UPGRADES		75,000	
ELECTRICAL SERVICE UPGRADES		100,000	
REPLACEMENT OF OBSOLETE CHLORINE PUMPS		<u>75,000</u>	1,700,000
SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM	075-10		
INSTALL DISPLAY SCREENS AND KEYBOARDS IN RTU'S		\$ 150,000	
REPLACE SERIES I RADIOS WITH SERIES III		125,000	
INSTALL ADDITIONAL REPEATER ANTENNAS		100,000	
REPLACE GE PLC'S WITHIN RTUS		75,000	
SCADA SOFTWARE ENHANCEMENTS		<u>50,000</u>	500,000
FIELD COMMUNICATIONS	085-10		100,000
TRANSPORTATION	095-10		1,000,000
GENERAL SERVICE SITE WORK	100-10		555,500
LANDSCAPING	110-10		20,000
LABORATORY EQUIPMENT	120-10		300,000
OFFICE FURNITURE AND EQUIPMENT	125-10		32,900
METERS	130-10		2,100,000
INFORMATION TECHNOLOGY EQUIPMENT	140-10		393,000
DEPARTMENT EQUIPMENT	145-10		54,200
ACQUISITION OF LAND FOR WELL AND TANK SITES	150-10		3,050,000
FIELD EQUIPMENT	155-10		179,400
RIVERSIDE WATER DISTRICT	160-10		25,000
AMR - 1ST OF 10 YEAR IMPLEMENTATION	170-10		<u>7,500,000</u>
			<u>\$ 68,599,000</u>