

Suffolk County Water Authority

BRIGHTWATERS, N. Y.



First Annual Report

FOR THE YEAR ENDING MAY 31, 1952

Suffolk County Water Authority

BRIGHTWATERS, N. Y.

AUTHORITY MEMBERS

FRANKLIN S. KOONS, *Chairman*

HARRY PAUL FISHEL, *Secretary*

CARLL S. BURR, JR., *Treasurer*

T. BAYLES MINUSE

CHARLES W. FRIEMAN

N. F. FENN.....*General Manager*

DAVID L. GLICKMAN.....*Counsel*

LEONARD NEWMAN.....*Chief Accountant*

ROBERT C. WHEELER.....*Consulting Engineer*

STONE & WEBSTER ENGINEERING
CORPORATION, New York.....*Advisory Engineer*

UNITED STATES TRUST COMPANY OF NEW YORK.....*Fiscal Agent*

SUFFOLK COUNTY WATER AUTHORITY

BRIGHTWATERS, NEW YORK

Publicly Owned for Public Service

The Suffolk County Water Authority acquired the properties of the South Bay Consolidated Water Company, Inc. by condemnation on May 31, 1951, and this report for the year ending May 31, 1952 constitutes the first annual statement of the Authority. Gross revenues for the year totalled \$836,401 compared with \$770,570 for the former Company, an increase of \$65,831. This increase in gross revenue was due in part to increased usage of water and in part to the addition of 1,176 new customers during the year.

The net income for the year (earned surplus at May 31, 1952) was \$87,356 after allowances for depreciation on the properties in amount of \$101,865. It is noteworthy that the interest on the bonds of the Authority is at an annual rate of 3¾% to June 1st, 1953 and 2¾% thereafter. The earnings statement and balance sheet included in this report have been certified by Price Waterhouse & Co. of New York under date August 29th, 1952.

PROPERTIES

During the year the Authority spent a total of \$422,412 for all capital improvements, including mains constructed under terms of refunding contracts with developers, as compared to \$311,293 spent by the South Bay Consolidated Water Company, Inc. during year ending May 31st, 1951, an increase of \$111,119.

During the year over 1,100 new services and 28 fire hydrants were added to the system and 8.2 miles of pipe lines were constructed. New wells and pumps were installed at the Amityville and Bay Shore Plants. Work was started on additions to the wells and pumping equipment at the Patchogue and West-

hampton Plants and a new pump unit was installed at the Oakdale Station. A 12 inch transmission main, approximately one-half (½) mile in length, was constructed from Brightwaters to West Islip to strengthen the distribution system at West Islip where many housing developments are in progress.

RATES AND REGULATIONS

The Authority adopted the same rates as were in effect by the former Company at the time of acquisition of the properties and essentially the same rules and regulations except those pertaining to pipe line extensions, which were modified to some extent. The staff of the Authority is studying the rates and regulations for its various properties looking to the adoption of a surcharge plan for main extensions to enable more of the residents of its territories to enjoy the advantages of domestic water service and fire protection.

CONSTRUCTION PROGRAM FOR 1952-53

Following engineering studies and formulation of plans for additions and betterments to the system for year ending May 31, 1953, the Authority adopted construction budgets in total amount of \$445,970. Included in this program is substantial service and main construction to provide service to new customers in many housing developments being built in the territory of the Authority. Also included are new sources of supply or additional wells and pumping equipment at several plants of the Authority. These facilities are required to meet the growth of the territory and it is anticipated that the additional facilities will be available before the peak load period of the summer of 1953.

ACQUISITION OF NEW PROPERTIES

Condemnation proceedings for the acquisition of the Babylon, Huntington and Sag Harbor properties of the New York Water Service Corp. located in Suffolk County were commenced in 1950 but action was deferred pending the consummation of the condemnation of the properties of the South Bay Consolidated Water Company, Inc. Following careful study of recent appraisals and engineering reports prepared by Stone & Webster Engineering Corp., the Members have voted to proceed with the condemnation of the New York Water Service Corp. properties in Suffolk County, being those mentioned above.

GENERAL

During the year the Authority established an administrative office at North Windsor Avenue, Brightwaters, Long Island where the executive, engineering and accounting staffs are now located.

The Authority entered into a new contract for a term of one and one-half years from December 16,

1951 for all its Union employees at increased wage rates, and comparable increases were granted to non-union employees and the management staff. These wage rates are in line with other water utilities on Long Island.

The outlook for business for the current year in the territory served by the Authority is good. New services are being connected to the system at a more rapid rate than last year. Construction Loan Contracts for which substantial amounts have been advanced by housing developers have recently been executed and the pipe line construction program now in progress is more extensive than at this time last year. The summer season has been relatively dry which resulted in greater demand for service and revenues have been increasing accordingly.

The Members of the Authority take this opportunity to express their appreciation of the loyal manner in which the employees and the supervisory staff have discharged their duties during the year.

FRANKLIN S. KOONS,
Chairman.

September 29th, 1952.

SUFFOLK COUNTY V

Balance Sheet -

Assets

WATER PLANT, at cost.....		\$7,786,264.90	
FUNDS HELD BY FISCAL AGENT (including \$149,154.21 U. S. 1½% notes due 1955) (Note):			
New construction fund.....	\$133,982.34		
Debt service reserve fund.....	85,977.21		
			219,959.55
CURRENT AND WORKING ASSETS:			
Cash in banks and on hand.....	\$175,127.93		
Funds held by Fiscal Agent (Note):			
General fund	224,509.07		
Debt service fund.....	150,000.00		
Customers accounts receivable, less doubtful accounts of \$1,000.....	43,480.42		
Other accounts receivable.....	1,646.76		
Accrued revenue	98,213.08		
Materials and supplies, at cost.....	107,850.02		
Prepayments	3,069.33		
			803,896.61
DEFERRED CHARGES:			
Preliminary surveys and investigations.....	\$ 37,429.71		
Unamortized debt expense.....	48,526.11		
			85,955.82
			<u>\$8,896,076.88</u>

WATER AUTHORITY

May 31, 1952

Liabilities and Surplus

WATER WORKS REVENUE BONDS, SERIES A (Note).....		\$8,000,000.00
CURRENT LIABILITIES:		
Accounts payable	\$125,945.68	
Accrued bond interest.....	150,000.00	
Other accrued liabilities.....	15,593.59	
Customers deposits	<u>122,300.72</u>	
		413,839.99
CUSTOMERS ADVANCES FOR CONSTRUCTION.....		264,837.55
UNEARNED REVENUE		37,816.68
RESERVE FOR DEPRECIATION OF WATER PLANT.....		92,226.34
EARNED SURPLUS, per accompanying statement.....		<u>87,356.32</u>
		<u>\$8,896,076.88</u>

Note—The bonds are dated June 1, 1951 and are payable as to principal and interest only out of revenues. As to \$5,000,000 in principal, the bonds mature serially from 1955 through 1984 in annual amounts which begin at \$115,000 for the first year and increase to \$235,000 for the last year. The remaining \$3,000,000 of principal matures in 1985. The bonds bear interest at an annual rate of 3¾% to June 1, 1953 and 2¾% thereafter.

The Authority's resolution authorizing the bond issue requires that all revenues be deposited in the name of the Fiscal Agent and allocated to specified funds.

SUFFOLK COUNTY WATER AUTHORITY

Statement of Income and Earned Surplus

Year Ended May 31, 1952

Operating revenue	\$836,401.10
Operating expenses:	
Operation	\$293,758.49
Maintenance	48,412.12
	<u>\$342,170.61</u>
Operating income before depreciation.....	\$494,230.49
Depreciation	101,865.43
Operating income	<u>\$392,365.06</u>
Other income	93.75
Gross income	<u>\$392,458.81</u>
Income deductions:	
Interest on bonds (Note).....	\$300,000.00
Interest on customers deposits.....	3,586.05
Amortization of debt expense.....	1,516.44
	<u>\$305,102.49</u>
Net income for the year (earned surplus at May 31, 1952), per balance sheet	<u>\$ 87,356.32</u>

AUDITORS' CERTIFICATE

To the Members of

SUFFOLK COUNTY WATER AUTHORITY

In our opinion, the accompanying balance sheet and related statement of income and earned surplus present fairly the financial position of Suffolk County Water Authority at May 31, 1952 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles consistently applied during the period. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & Co.

New York, N. Y.

August 29, 1952

TERRITORY SERVED
Suffolk County Water Authority

Villages	Territory served at retail				Territory served at wholesale
	Towns (in part)		Unincorporated Communities		Water Districts
Amityville	Babylon	Copiague	Bayport	East Setauket	Amity Harbor
Brightwaters	Islip	Bay Shore	North Patchogue	Port Jefferson Sta.	Smithtown
Patchogue	Brookhaven	Islip	Bohemia	Port Jefferson	St. James
Bellport	Smithtown	East Islip	Oakdale	Smithtown Branch	Stony Brook
Poquot	Southampton	West Islip	West Sayville	Quogue	
Head-of-the-Harbor		Islip Manor	Sayville	East Quogue	
Southampton		Islip Terrace	Blue Point	Westhampton	
Quogue		Central Islip	East Patchogue		
Westhampton Beach		Great River	Kings Park		

COMPARATIVE STATISTICS

FOR AUTHORITY AS OF MAY 31, 1952 COMPARED WITH SOUTH BAY WATER CO.
AS OF MAY 31, 1951

	<u>1952</u>	<u>1951</u>	<u>Increase</u>
Active Services	22,335	21,159	1,176
Meters in Service.....	22,603	21,577	1,026
Public and Private Fire Hydrants.....	3,227	3,199	28
Delivered to System (Million Gallons) (12 Mos.).....	1,755	1,609	146
Miles of Mains in Service.....	418.2	410.0	8.2