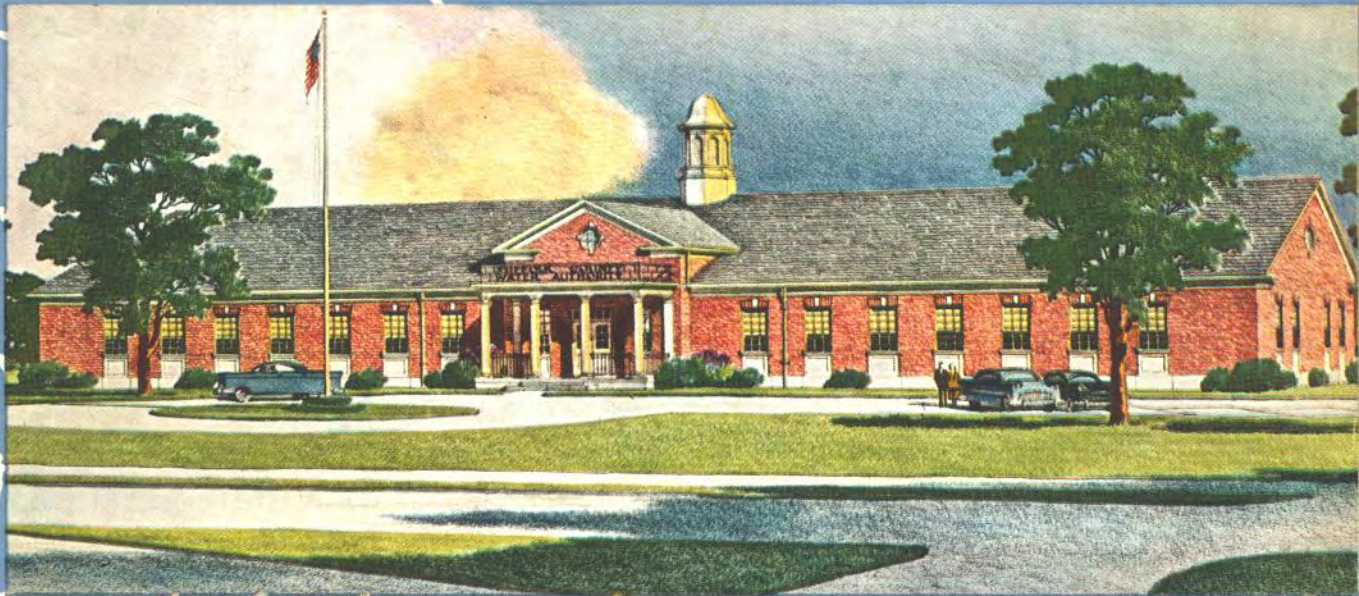


Suffolk County Water Authority



ANNUAL REPORT 1958

Suffolk County Water Authority

Brightwaters, New York



Authority Members

FRANKLIN S. KOONS, *Chairman*
HARRY PAUL FISHEL, *Secretary*
CHARLES W. FRIEMAN, *Assistant Secretary*
CARLL S. BURR, JR., *Treasurer*
T. BAYLES MINUSE

.....
N. F. FENN, *General Manager*
HOMER F. GARDNER, *Assistant General Manager and Chief Engineer*
LOUIS W. WEINFURT, *Assistant General Manager, Distribution*
DAVID L. GLICKMAN, *Counsel*
J. LEONARD NEWMAN, *Chief Accountant*
EUGENE SIDOTI, *Assistant Chief Accountant*

.....
WILLIAM V. BURNELL, *Consulting Engineer*
STONE & WEBSTER ENGINEERING CORPORATION, NEW YORK
Advisory Engineers
UNITED STATES TRUST CO. OF NEW YORK, *Fiscal Agent*
PRICE WATERHOUSE & CO., *Independent Accountants*
R. W. PRESSPRICH & CO., NEW YORK, *Financial Advisors*

COVER—Reproduction of architect's rendering of Administration and Operating Headquarters Building at Oakdale, L. I., now under construction.

Seventh Annual Report

Suffolk County Water Authority

1958

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The Year's Results in Brief

	YEAR ENDED MAY 31 st	
	1957	1958
Income	\$2,213,860	\$2,616,878
Operating and Maintenance Expense, except depreciation	857,255	1,001,962
Interest on bonds and notes; also amortization of debt discount and expense	477,081	542,732
Allowance for depreciation	243,483	279,666
Net earnings	636,041	792,518
Earnings employed in the business	2,457,198	3,249,716
Total Water Plant at cost	21,738,675	24,232,438
Net Additions to Water Plant	3,397,627	2,493,763
Customers (Active Services)	54,333	57,563
Miles of Mains in Service	872	903
Fire Hydrants in Service	5,898	6,167
Water Production (Million Gallons)	4,644	5,494

September 30, 1958

The fiscal year which ended on May 31, 1958 was a period in which the pace of home building in Authority territory declined. This was due to a recession in business and employment. New customers added during the year totaled 3,230 as compared with 4,700 in the previous year. An unprecedented drought during the summer, however, brought record-breaking peak demands and water sales. This resulted in revenues substantially in excess of estimates and of the results of the previous year. Total revenues for the period were \$2,616,878 for an increase of \$403,018.

Net earnings before interest and depreciation for the year ended May 31, 1958 were \$1,614,916. This is an increase of \$258,311 over the figure of \$1,356,605 reported a year ago. Interest on bonds and notes totaled \$522,123 and combined debt service aggregate \$869,023. Net earnings for the year for the South Bay Division equaled 1.91 times debt service requirements, and the comparable figure for the Huntington-Babylon-Sag Harbor Division equaled 1.77.

The unprecedented dry summer of 1957 mentioned above is being followed in 1958 by a wet summer. The excess of rainfall has reduced water sales during the first quarter of the new fiscal year. Building, however, is showing revival as indicated by a substantial increase in deposits received from developers for pipe-line extensions in the first quarter of the current fiscal year as compared to the same period last year.

Mention was made in our annual report a year ago of a study then under way to determine the effect of rising costs on the Authority's future debt service ratio. This study was completed in December, 1957. Stone & Webster Service Corporation was retained to review the rate policies of the Authority which had remained substantially unchanged from those of its predecessor companies. As a result of this study, a rate increase for general customers was instituted March 1, 1958 which became fully effective, with quarterly billing, by June 1, 1958.

An issue of \$1,400,000 of 3½ % Huntington-Babylon-Sag Harbor Division Water Works Revenue Bonds was sold in February, 1958. The proceeds were used to redeem \$900,000 of Bond Anticipation Notes, to set up the requisite Debt Service Reserve Fund for the new bonds, to pay the expenses relating to the issue and to provide additional funds for new construction.

During the year the "Report on a Comprehensive Plan for the Development and Distribution of the Available Water Supply of Suffolk County" prepared for the Authority under the direction of Thomas H. Wiggin, Consulting Engineer, was printed and distributed. This comprehensive report estimates the safe water yield at 501,000,000 gallons per day, an amount sufficient to serve a population of 3,340,000 people at 150 gallons per capita per day.

Construction was begun in February on the centrally located Administrative and Operating Headquarters which will increase the efficiency of the Authority's expanding operations. The buildings are located on nine (9) acres of land purchased by the Authority at Oakdale.

The overall progress of the Authority is highlighted by the fact that it now supplies 57,563 customers with water service. This is a 72% increase over the 33,457 acquired from predecessor companies in 1951 and 1953. More than 200,000 people or 37% of the residents of the County are now served by the Authority.

FOR THE MEMBERS OF THE AUTHORITY



CHAIRMAN

The Chairman's Letter

Reviewing the Past Year

The extreme drought of the summer of 1957 brought record-breaking demands for water service in the communities of the County served by the Authority. Water delivered to the distribution system during the year ended May 31, 1958, averaged 15,000,000 gallons per day as compared to 12,500,000 gallons in the previous year. This is an increase of 2,500,000 gallons per day.

Water delivered to the system during July, the peak month of 1957, was at the average rate of



New commercial office at Bay Shore

20,000,000 gallons per day. The peak daily output was considerably in excess of that figure.

At the end of the fiscal year, water service was supplied to 57,563 customers, an increase of 3,230 over the preceding year. Although the number of new homes added to the system was less than in

the preceding year due to a decline in home building activity, the total is still very substantial.

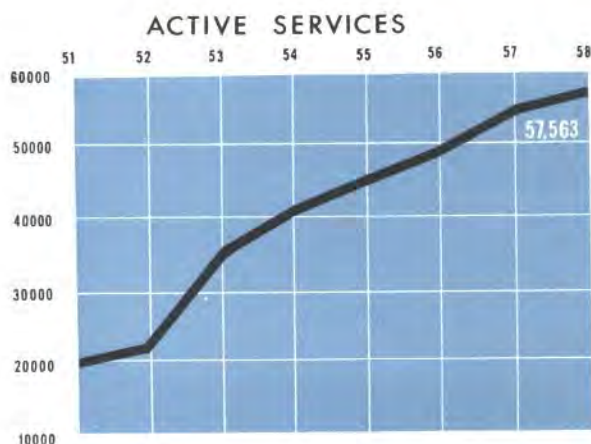
Record-breaking demand for water service resulting from the drought, coupled with a large increase in the customers served, resulted in a substantial increase in gross revenues. They totalled \$2,616,878 as compared with \$2,213,860 in the previous fiscal year.

Operating and maintenance expense, excluding depreciation, increased by \$144,707 to \$1,001,962. The major portion of the increase was attributed to additional customers and the consumption of water during the dry summer. The balance was due to higher labor and material costs, and miscellaneous expenses.

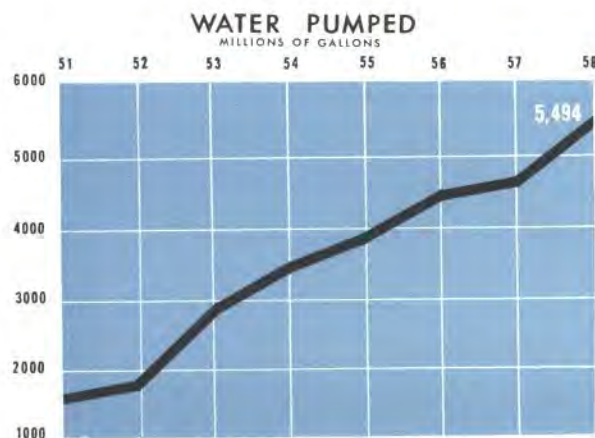
The provision for depreciation for the fiscal year was \$279,666 and the accumulated depreciation reserves since the acquisition of the properties stands at \$1,168,714.

Net earnings before interest and depreciation (balance available for debt service requirements) increased from \$1,356,605 to \$1,614,916.

The balance sheets and statements of earnings for each division, and combined for the Authority, included in this report, have been certified by Price Waterhouse & Company under the date August 8, 1958.



Four



Expansion and Improvement of Properties

The total expenditures for new construction after allowances for retirements amounted to \$2,493,763. Thirty-one (31) miles of pipe lines were constructed. The total in service at the end of the year was 903 miles. The number of active services increased by 3,230 to 57,563. Fire hydrants added totalled 269 making a total of 6,167 in use.

New wells and pumping stations were placed in service at Hauppauge (Smithtown plant), Jayne Boulevard-Port Jefferson Station (Port Jefferson plant) and Half Mile Road, Central Islip (Bay Shore plant). A new 750,000 gallon elevated storage tank was completed at West Babylon.

At the close of the year, a construction program of considerable magnitude was in progress to provide additional water supply and storage facilities. Some of these structures have been placed in service since the close of the fiscal year. They include: new well and pumping units at Bay Shore, Brightwaters, Huntington, and Stony Brook. Storage tanks have been completed at Port Jefferson and Huntington.

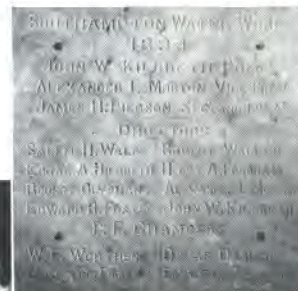
In September 1957, the Authority acquired the distribution system of the Deer Lake Water Company. This company served 325 customers in Deer Park.

The Authority is negotiating for the acquisition of the Indian Head Water Company property which serves approximately 1,000 customers at Commack.

Rapid progress is being made on the new building for the administrative and operating center, located on Sunrise Highway at Pond Road in Oakdale. The project should be completed and ready for occupancy in early 1959. The administrative, operating, engineering, and accounting departments, which are now housed at several different locations, will be centralized at Oakdale. Space is also provided for a chemical laboratory and a meter repair shop.

The Authority adopted construction budgets for the next fiscal year in the amount of \$3,558,481. Due to the revival in the home building industry, it now appears that \$1,000,000 will be advanced

Built in 1894, this station at Southampton, including wells and pumping equipment, has been completely modernized to meet today's needs



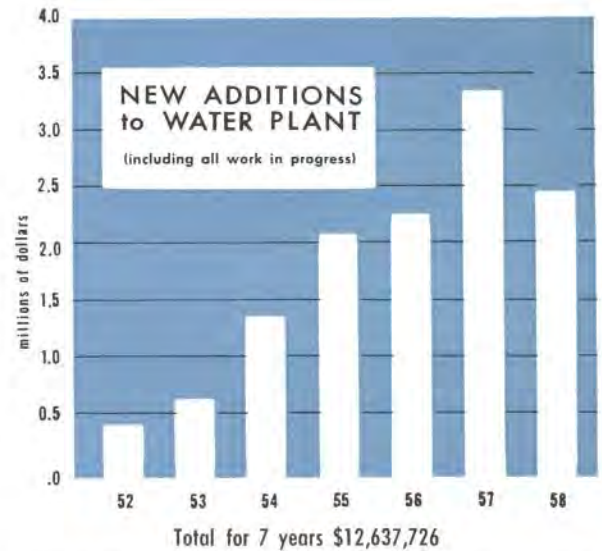
by developers under refunding contracts to the Authority during the current year, for pipe line construction. The total construction program will approach \$4,500,000. About \$900,000 of the \$2,280,000 planned for the improvement of distribution facilities will be undertaken during the current year. Additional wells, pumping stations, and storage facilities will be built to provide adequate facilities for the constantly increasing demand for service in the territories served by the Authority.

Financing

Total construction during the fiscal year under review was \$2,493,763. This compares with \$3,397,627 in the previous year. Funds for new construction were internally generated in part by income available after debt service, including tapping fees and depreciation reserves. Other sources were cash advances on construction loan contracts for pipe line extensions, and borrowed money.

Long-term financing included sale of \$1,400,000 Huntington-Babylon-Sag Harbor Division 3½ % Water Works Revenue Bonds dated June 1, 1957 and redeemable by sinking fund installments 1959-1988. The proceeds were used to redeem \$900,000 of Bond Anticipation Notes, to set up the requisite Debt Service Reserve Fund for the new bonds, to pay the expenses relating to the issue and to provide additional funds for new construction for the Division.

Financing for the South Bay Division consisted of the sale of \$800,000 of Bond Anticipation Notes to the Authority's bankers, including its Fiscal



Agent. Since the close of the fiscal year an additional \$400,000 of Bond Anticipation Notes have been similarly placed for this Division. These notes and other short-term borrowing that may be required will ultimately be retired with a long-term bond issue.

Plant Data MAY 31, 1958

Service Areas	Wells in Service	Pumping Plants	Capacity (Gals. Daily)	Storage Facilities (Gals.)	Active Services No.
Amityville	8	2	5,328,000	295,000	4,730
Babylon	15	4	6,800,000	1,050,000	9,739
Bay Shore	23	6	14,112,000	1,558,000	16,545
Huntington	16	4	7,000,000	1,336,000	9,628
Patchogue	5	2	5,000,000	943,000	8,598
Port Jefferson	4	2	2,090,000	363,000	2,170
Sag Harbor	1	1	450,000	235,000	727
Smithtown — Kings Park	7	3	2,880,000	568,000	2,342
Southampton	2	1	1,296,000	300,000	1,572
Westhampton	9	1	2,088,000	500,000	1,512
TOTALS	90	26	47,044,000	7,148,000	57,563

Rate Increase

As previously mentioned in this report, an increase in water rates to general consumers was authorized by the Authority and was instituted on March 1, 1958. Under quarterly billing procedure the increase became fully effective June 1, 1958.

The increase amounting to 52¢ per month for the average user was estimated to produce additional revenues of 16.4%. Based on revenues for the fiscal year ended in May, 1957, the increase was estimated at \$353,636. It will enable the Authority to maintain earnings at levels that will permit bond financing, both for normal expansion and for a program of rehabilitation to provide greater pipe line capacities for peak demands. Also to improve fire flows where necessary for fire protection under the revised regulations of the



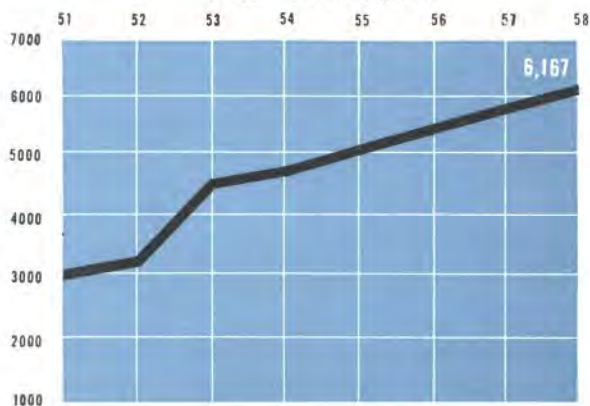
A 60-watt, two-way radio system transmits messages from tower atop Central Islip tank to five mobile units working in the field



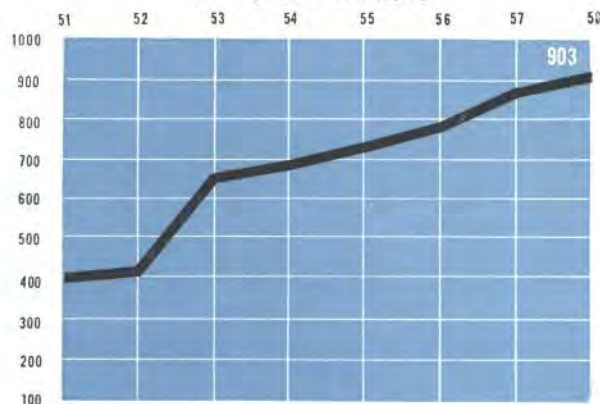
New York Fire Insurance Rating Organization. This program contemplates the construction of more than sixty (60) miles of mains over a three-year period and is estimated to cost \$2,280,000.

The new rate schedules are uniform throughout all ten (10) service areas. The quarterly charge for the minimum user, formerly \$4.95, was increased to \$6.15 for which increased water usage is allowed. On account of the varying rates that were in force, the effect of the new uniform rate differs from district to district.

FIRE HYDRANTS

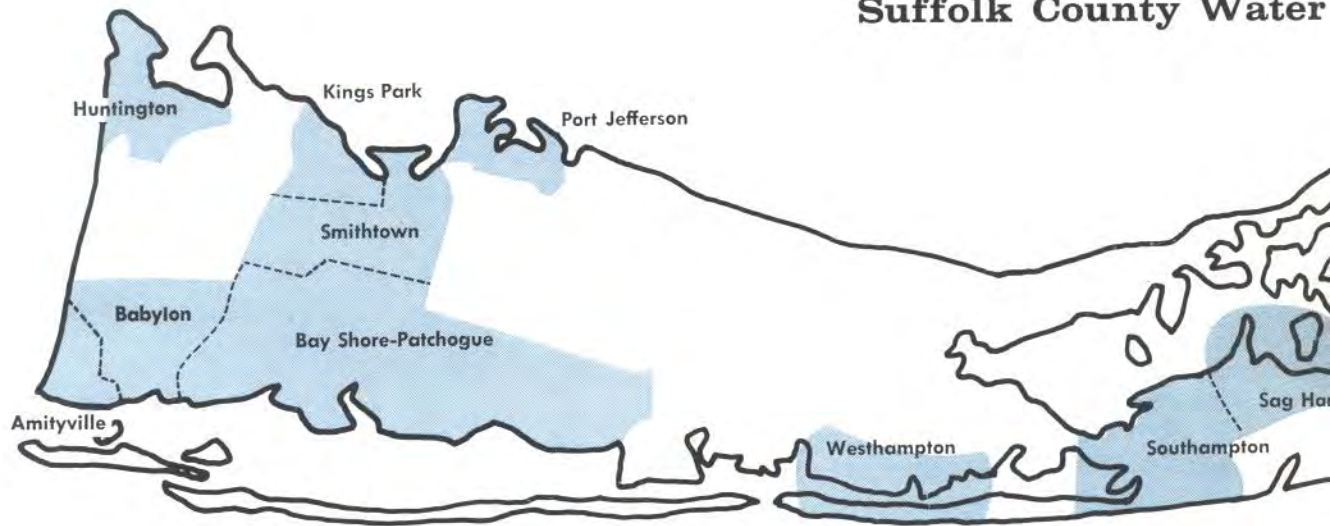


MILES OF MAINS



Recent Additions and Improvements

Suffolk County Water



PORT JEFFERSON Jayne Boulevard Pump Station placed in service July 1957. Well capacity—850,000 gallons per day. 500,000 gallon storage tank completed in July 1958



STONY BROOK New pump station and well placed in service June 1958. Well capacity—1,000,000 gallons per day

HUNTINGTON New standpipe towers 401 feet above sea level on highest point in area. Completed in August 1958—1,500,000 gallon capacity



Authority



WESTHAMPTON This 500,000 gallon tank, completed in June 1957, replaces old stand-pipe built in 1903



BAY SHORE North Brightwaters pump station completed in May 1958. Well capacity—1,350,000 gallons per day



WEST BABYLON New pump station and well completed in June 1957. Well capacity—1,250,000 gallons per day



SMITHTOWN Hauppauge pump station and well completed in November 1957. Well capacity—1,000,000 gallons per day



PATCHOGUE 230,000 gallon tank completely renovated in December 1957, alongside a new 500,000 gallon tank

Comprehensive Study Completed

This report, commissioned in 1955, was completed by Colonel Thomas H. Wiggin in 1957. Assisting him in this study were Major R. M. Leggette, Consulting Geologist, Mr. George D. Norcom, Consulting Sanitary Engineer, and Mr. Charles A. Niles, Civil Engineer. Included in this comprehensive study are sections on the geology of Suffolk County, the quality of its water supplies, estimates of safe ground and surface water yield, location and spacing of wells, forecast of population growth, density zoning, etc.

This report indicates that 794 square miles of the County's 920 square mile area are susceptible of development for ground water supplies. Based on rainfall averaging 42.44 inches per annum since 1879, Colonel Wiggin estimates safe water yield at 501,100,000 gallons per day, an amount sufficient to serve a population of 3,340,000 people for all purposes, including irrigation, commercial and industrial use. The population total above mentioned is approximately six times the presently estimated figure of 558,000.

Copies of this report have been distributed to State, County, Town, and Village officials and engineers, as well as many others interested in the development and conservation of Suffolk County water resources.



*Drilling deep well at Kings Park
and test pumping the new well*



Cooperative Work OF U. S. GEOLOGICAL SURVEY 1957-1958

Geological studies of the water resources of Suffolk County by the U. S. Geological Survey have been a continuing program for many years. These were continued during year ended July 1, 1958 with financial support from the United States Government, the New York State Water Power and Control Commission, the County Board of Supervisors and the Water Authority. Surface water studies included basic streamflow measurements at 11 regular stations and 45 miscellaneous sites. In addition, special streamflow studies were initiated in connection with the investigation of the water resources of the Babylon-Islip area.

The ground-water program included water-level measurements at 129 wells for observation of long-term trends in ground-water levels. Special studies of the ground-water resources of



Augering operation

Huntington-Smithtown and the Southold areas, commenced in 1957, were continued in 1958.

During the summer of 1958 a total of 90 observation wells in selected areas were augered. Well points were put down to obtain samples of the upper glacial deposits to study permeability and water yield.

Personnel

The Authority has recently executed a two-year contract with Local 393, Utility Workers Union of America, A.F.L.-C.I.O., beginning June 13, 1958. It provides for an increase in wages of approximately five percent per annum, and other benefits. The Authority plans to apply for participation of its employees in the New York State Employees' Retirement System beginning in June 1959. This is a contributory plan.

Under the Authority's policy of improving its service, it employs the following consultants:

W. V. Burnell, Consulting Engineer.

Stone & Webster Engineering Corp., Advisory Engineers.

R. W. Pressprich & Co., Financial Advisors.

Leggette, Brashears & Graham, Consulting Ground-Water Geologists.

George D. Norcom, Consulting Sanitary Engineer.

<i>Plant</i>	<i>Well & Pumping Equipment GALS. PER DAY</i>	<i>Storage Tanks GAL. CAPACITY</i>	Under Construction
Babylon	1,440,000	500,000	
Bay Shore	2,600,000	750,000	
Huntington	2,160,000	1,500,000	
Port Jefferson	1,936,000	387,000	
Sag Harbor	450,000		
Smithtown — Kings Park	1,000,000		
Southampton	650,000		
TOTALS	10,236,000	3,137,000	

In addition, the Authority avails itself constantly of the services of the Suffolk County Health Department.

Opinion of the Independent Accountants

The firm of Price Waterhouse & Co., independent accountants, was appointed by the Members of the Authority, in accordance with the terms of the Bond Resolutions to audit the books, records and accounts of the Authority for the year ended May 31, 1958.

To the Members of
SUFFOLK COUNTY WATER AUTHORITY

In our opinion, the accompanying balance sheets and related statements of earnings of Suffolk County Water Authority present fairly the financial position of the South Bay Division, the Huntington-Babylon-Sag Harbor Division and the Authority at May 31, 1958, and their results of operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. 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.

New York, N. Y.
August 8, 1958

Price Waterhouse & Co.

Statements of Earnings FOR THE YEAR ENDED MAY 31, 1958

(With comparative figures for the Authority for the year ended May 31, 1957)

Year ended May 31, 1958

	South Bay Division	Huntington- Babylon- Sag Harbor Division	Authority (combined)	Year ended May 31, 1957 Authority (combined)
Revenue:				
Operating	\$1,688,537	\$906,119	\$2,594,656	\$2,195,393
Other (net of interest on customers' deposits)	14,385	7,837	22,222	18,467
Total income	1,702,922	913,956	2,616,878	2,213,860
Operating expenses:				
Operation	523,067	296,155	819,222	700,794
Maintenance	118,689	64,051	182,740	156,461
Total operating expenses, except depreciation deducted below	641,756	360,206	1,001,962	857,255
Net earnings before interest and depreciation (Note D)	1,061,166	553,750	1,614,916	1,356,605
Deduct:				
Interest on bonds and notes	329,174	192,949	522,123	458,271
Bond redemption premium	3,900		3,900	6,000
Amortization of debt discount and expense	9,578	7,131	16,709	12,810
Depreciation	183,566	96,100	279,666	243,483
	526,218	296,180	822,398	720,564
Net earnings	534,948	257,570	792,518	636,041
Earnings employed in the business at beginning of period	1,816,056	641,142	2,457,198	1,821,157
Earnings employed in the business at close of period, per balance sheet	\$2,351,004	\$898,712	\$3,249,716	\$2,457,198

(See Notes to Financial Statements)



Balance Sheets MAY 31, 1958

ASSETS	South Bay Division	Huntington- Babylon- Sag Harbor Division	Combined
WATER PLANT, at cost	\$16,259,879	\$7,972,559	\$24,232,438
FUNDS HELD BY FISCAL AGENT (Note A):			
New construction fund	272,727	329,655	602,382
Debt service reserve fund, principally invested in U. S. Government securities	563,555	342,862	906,417
Series A sinking fund (1985 maturity), including mort- gage receivable of \$26,931	87,581		87,581
Special deposit as security for South Bay Division for advances of materials, etc., invested in U. S. Govern- ment securities		50,391	50,391
	923,863	722,908	1,646,771
CURRENT ASSETS:			
Cash (Note C)	480,852	330,744	811,596
Funds held by Fiscal Agent (Note A):			
General fund	125,113	49,648	174,761
Debt service fund	267,832	223,963	491,795
Customers accounts receivable	110,356	100,506	210,862
Less—Estimated doubtful accounts	(3,500)	(2,500)	(6,000)
Other accounts receivable	2,534	13,100	15,634
Accrued unbilled revenue	75,074	31,379	106,453
Interdivisional current accounts	33,981	(33,981)	
Materials and supplies, at cost	171,951	51,297	223,248
Prepayments	28,872	3,178	32,050
	1,293,065	767,334	2,060,399
DEFERRED CHARGES:			
Unamortized debt discount and expense	201,805	120,681	322,486
Other	6,897	(3,263)	3,634
	208,702	117,418	326,120
	\$18,685,509	\$9,580,219	\$28,265,728

LIABILITIES	South Bay Division	Huntington- Babylon- Sag Harbor Division	Combined
WATER WORKS REVENUE BONDS (Note A):			
Series A	\$ 7,327,000	\$4,975,000	\$12,302,000
Series B		1,400,000	1,400,000
Series B-D	2,920,000		2,920,000
	10,247,000	6,375,000	16,622,000
BOND ANTICIPATION NOTES, SERIES E (Note B)	800,000		800,000
CURRENT LIABILITIES (exclusive of Series E bond anticipa- tion notes shown above):			
Accounts payable	167,023	36,306	203,329
Accrued interest on bonds and notes	119,498	103,963	223,461
Other accrued liabilities	14,914	7,963	22,877
Customers' deposits	334,491	148,531	483,022
Current maturities of revenue bonds	165,000	120,000	285,000
	800,926	416,763	1,217,689
INTERDIVISIONAL ADVANCE ACCOUNTS	170,000	(170,000)	
ADVANCES FOR CONSTRUCTION	3,152,958	1,564,174	4,717,132
CONTRIBUTIONS IN AID OF CONSTRUCTION	328,595	161,882	490,477
ACCUMULATED DEPRECIATION SINCE ACQUISITION	835,026	333,688	1,168,714
EARNINGS EMPLOYED IN THE BUSINESS, per accompanying statement	2,351,004	898,712	3,249,716
	\$18,685,509	\$9,580,219	\$28,265,728

(See Notes to Financial Statements)

Notes to Financial Statements MAY 31, 1958

NOTE A:

The Series A bonds of the South Bay Division are dated June 1, 1951 and are payable as to principal and interest only out of revenues of properties operated by that division. The bonds bear interest at an annual rate of $2\frac{3}{4}\%$ and mature serially in annual amounts which increase from \$125,000 in 1959 to \$235,000 in 1984 as to \$4,525,000 principal amount thereof; the remaining \$2,802,000 principal amount matures in 1985. The bonds are redeemable in the inverse order of their maturity at prices varying from 105% to June 1, 1960 to 103% after June 1, 1975.

The Series B-D bonds of the South Bay Division are dated November 1, 1956 and are payable as to principal and interest only out of revenues of properties operated by that division. The bonds mature serially from 1959 through 1994 in annual amounts which increase from \$40,000 in 1959 to \$140,000 in 1994. The bonds bear interest at the following annual rates: (a) \$2,150,000 principal amount of bonds maturing 1959 to 1988 at $3\frac{1}{2}\%$ and (b) \$770,000 principal amount of bonds maturing 1989 to 1994 at 5%. The bonds are redeemable in the inverse order of their maturity at prices varying from 105% for the period November 1, 1961 to October 31, 1966 to 103% after October 31, 1971.

The Series A bonds of the Huntington-Babylon-Sag Harbor Division are dated December 1, 1952 and are payable as to principal and interest only out of revenues of properties operated by that division. The bonds mature serially from 1959 through 1985 in annual amounts which increase from \$125,000 in 1959 to \$265,000 in 1985. The bonds bear interest at the following annual rates: (a) \$515,000 principal amount of bonds maturing 1959 to 1962 at $2\frac{3}{4}\%$, (b) \$1,395,000 principal amount of bonds maturing 1963 to 1971 at 3% and (c) \$3,065,000 principal amount of bonds maturing 1972 to 1985 at $3\frac{1}{4}\%$. The bonds are redeemable in the inverse order of their maturity at prices varying from 105% to June 1, 1960 to 102% after June 1, 1981.

The Series B bonds of the Huntington-Babylon-Sag Harbor Division are dated June 1, 1957 and are payable as to principal and interest only out of revenues of properties operated by that division. The bonds bear interest at an annual rate of $3\frac{1}{2}\%$ and mature on June 1, 1988 but sinking fund payments require the redemption of bonds in annual amounts which increase from \$10,000 in 1959 to \$315,000 in 1988. The bonds are redeemable by lot at prices varying from 105% for the period June 1, 1963 to May 31, 1968 to 101% after May 31, 1983.

The Authority's resolutions authorizing the bond issues require that all revenues be deposited in the name of the Fiscal Agent and allocated to specified funds.

NOTE B:

The Series E Bond Anticipation Notes of the South Bay Division are issued under the resolution adopted on May

21, 1951 and the supplemental resolution dated September 23, 1957; the principal amount of Series E notes is limited to \$2,000,000. In December 1957 the Authority issued \$400,000 of $3\frac{1}{4}\%$ notes and in April 1958, \$400,000 of $2\frac{1}{2}\%$ notes. The notes mature on December 1, 1958 and are payable as to principal out of the proceeds of the sale of South Bay Division Water Works Revenue Bonds, Series E, in anticipation of which they are issued; interest on the notes is payable out of revenues of properties of the South Bay Division. However, the resolutions provide that principal and interest of these notes may be paid out of any available moneys in the General Fund.

In August 1958 the Authority issued \$400,000 of $2\frac{1}{4}\%$ Bond Anticipation Notes, Series E, which mature December 1, 1958.

NOTE C:

A substantial portion of cash represents moneys received from the New Construction Fund held by the Fiscal Agent and from housing developers to be used solely for new construction.

NOTE D:

Debt service requirements (annual interest on outstanding bonds and notes, principal of bonds maturing serially, and sinking fund requirements of bonds redeemable through sinking fund) for the year ending May 31, 1958 were \$556,074 for the South Bay Division and \$312,949 for the Huntington-Babylon-Sag Harbor Division. Net earnings before interest and depreciation for the year ended May 31, 1958 for the South Bay Division equaled 1.91 times debt service requirements and for Huntington-Babylon-Sag Harbor Division equaled 1.77 times debt service requirements.

Debt service requirements of the bonds for the next five years ending May 31 are as follows:

<i>Fiscal Year</i>	<i>South Bay Division</i>	<i>Huntington-Babylon-Sag Harbor Division</i>
1959	\$545,381	\$340,125
1960	543,811	336,338
1961	544,930	337,550
1962	546,111	338,625
1963	546,843	334,463

In addition to the above, the debt service requirements of the Bond Anticipation Notes, Series E, of the South Bay Division, outstanding at May 31, 1958 and maturing December 1, 1958, will amount to \$11,500 of interest for the fiscal year ending May 31, 1959.

NOTE E:

The Authority is negotiating to purchase the physical assets of the Indian Head Water Company.

Facts about the Suffolk County Water Authority

The Suffolk County Water Authority is a public benefit corporation. It operates by virtue of the provisions of the Public Authorities Law of the State of New York. The Authority is empowered to survey the water resources of the County and prepare plans for their development, subject to the approval of the State Water Power and Control Commission. It is authorized to acquire, construct, develop, and operate a public water supply system in Suffolk County. The Authority has no power to levy any taxes. It is dependent on revenues to operate its business.

COMMUNITIES SERVED

Amityville

Retail:
Amityville
Copiague
Wholesale:
Amity Harbor‡

Bay Shore

Bay Shore
Brightwaters
Central Islip
Great River
East Islip
Islip
Islip Manor
Islip Terrace
Oakdale
West Islip

Babylon*

Babylon
Deer Park
Lindenhurst
North Babylon
West Babylon

Kings Park

Retail:
Kings Park
Wholesale:
Smithtown‡

Huntington*

Centerport
Cold Spring Harbor
Halesite
Huntington
Huntington Bay
Huntington Station
Lloyd Harbor

Patchogue

Bayport
Bellport
Blue Point
Bohemia
Patchogue
Sayville
West Sayville

Port Jefferson

Retail:
East Setauket
Poquot
Port Jefferson
Port Jefferson Station
Wholesale:
Stony Brook‡
East Hills

Sag Harbor*

North Haven
Sag Harbor

Smithtown

Retail:
Head-of-the-Harbor
Smithtown
The Branch
Wholesale:
St. James‡

Southampton

Southampton

Westhampton Beach

East Quogue
Quogue
Quogue
Westhampton
Westhampton Beach

* Huntington-Babylon-Sag Harbor Division.

‡ Water Districts.

S U F F O L K C O U N T Y W A T E R A U T H O R I T Y

