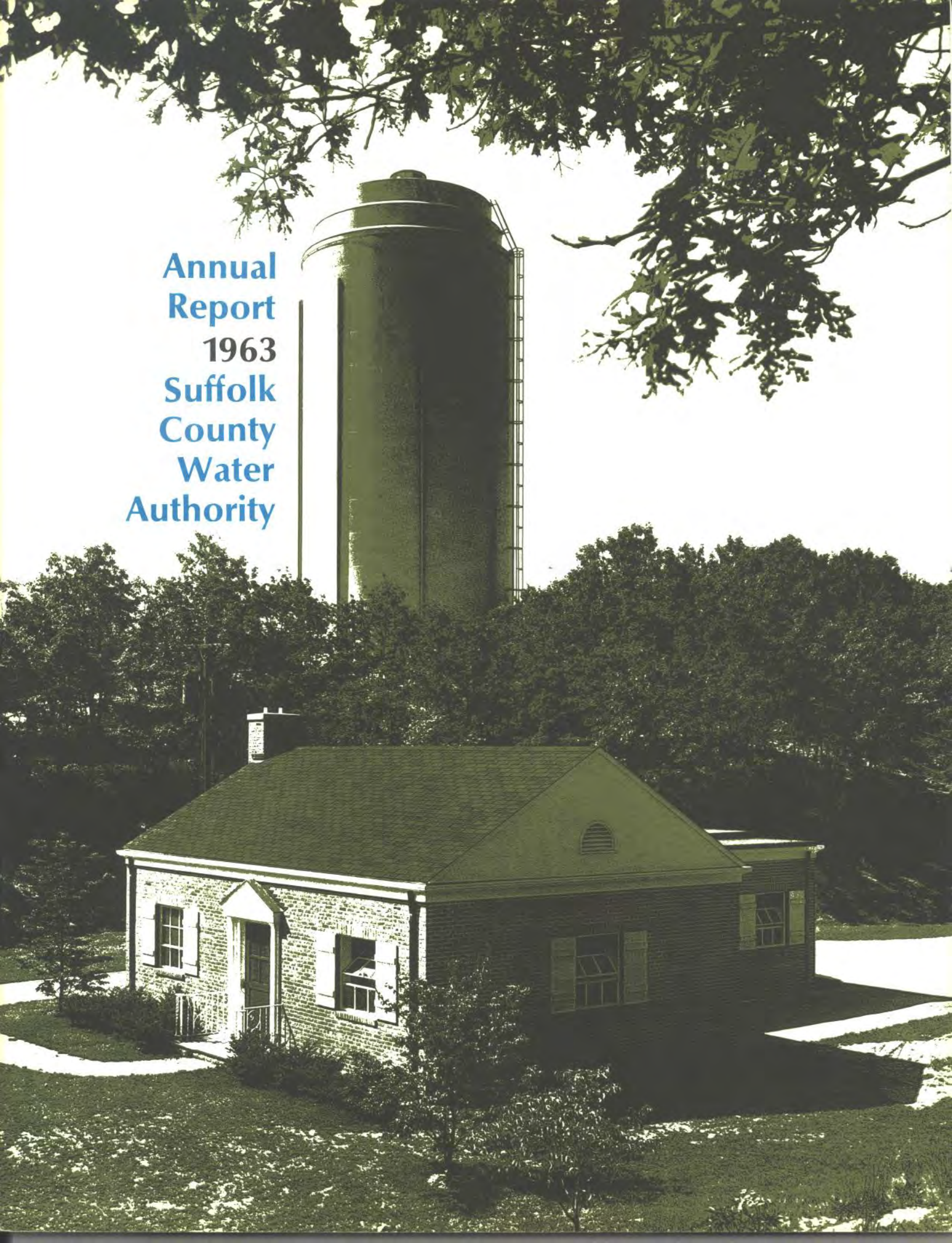


Annual
Report
1963
Suffolk
County
Water
Authority



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COVER:

Storage tank and pumping station placed in service in Stony Brook stand on six acres of land. A million-gallon-per-day well completes the unit.

Annual Report 1963 Suffolk County Water Authority

AUTHORITY MEMBERS

T. BAYLES MINUSE, *Chairman*

CARLL S. BURR, JR., *Secretary and Treasurer*

ADRIAN F. MASON

HERMON L. BISHOP

EDWARD McGOWAN

N. F. FENN, *General Manager*

FRANKLIN S. KOONS, *Executive Secretary*

HOMER F. GARDNER, *Assistant General Manager and Chief Engineer*

LOUIS W. WEINFURT, *Assistant General Manager*

KENNETH L. MORRIS, *Assistant to General Manager*

VAN NOSTRAND & MARTIN, *Counsel*

EUGENE SIDOTI, *Controller*

J. LEONARD NEWMAN, *Chief Accountant*

WILLIAM V. BURNELL, *Consulting Engineer*

STONE & WEBSTER ENGINEERING CORPORATION, *Advisory Engineers*

UNITED STATES TRUST CO. OF NEW YORK, *Fiscal Agent*

PRICE WATERHOUSE & CO., *Independent Accountants*

R. W. PRESSPRICH & CO., NEW YORK, *Financial Advisors*

The Year's Results in Brief

YEAR ENDED MAY 31st

	1963	1962
Revenues	\$ 5,520,353	\$ 4,665,299
Operating and Maintenance Expense, except depreciation	2,085,416	1,796,889
Interest on bonds and notes; also amortization of debt discount and expense	1,244,273	1,101,989
Allowance for depreciation	591,991	517,749
Net earnings	1,598,673	1,248,672
Earnings employed in the business <i>(since May 31, 1951)</i>	9,447,892	7,849,219
Total Water Plant at cost	53,317,450	46,635,520
Net Additions to Water Plant <i>(excluding property acquisitions)</i>	6,128,334	5,416,296
Customers (Active Services)	102,147	92,099
Miles of Mains in Service	1,563	1,423
Fire Hydrants in Service	9,777	8,929
Water Production (Million Gallons)	10,444	9,005

The Chairman's Letter

The Members of the Suffolk County Water Authority are pleased to present in the pages that follow details of the Authority's operations for the 1962-1963 fiscal year ended May 31, 1963. In many ways it has been the best year in the Authority's history.

Suffolk County continues to grow both in population and industry. The Authority's report reflects not only this growth but its service to a rising percentage of the population.

During the twelve months covered by the report, the Authority added 10,048 customers to its system: 7,931 by the connection of new customers to its lines and 2,117 by acquisition of existing water properties. Active customers at the year-end reached a total of 102,147. In addition, the Authority supplies four water districts at wholesale, which districts had 4,471 customers. Thus, the water service of the Authority reaches 106,618 customers or an estimated population of 373,000, comprising 48% of the County's residents. Hydrants in service also increased—from 8,929 to 9,777, an increase of 848.

Revenues for the year reached a total of \$5,520,353, as compared with \$4,665,299 in the previous fiscal year. Net earnings before interest and depreciation available for debt service were \$3,434,937 covering debt service 2.01 times.

Net capital expenditures were the highest in Authority history—a total of \$6,128,334. Not included in this figure is \$553,596 applied to the acquisition of existing water plants. Details of these acquisitions are mentioned later in this report.

The Authority's program of rehabilitation of certain older properties estimated to cost \$2,186,000 is nearing completion, some \$599,000 remaining to be spent. With increasing standards of the New York Fire Insurance Rating Organization for fire flows, the Authority plans to review this program and allocate additional monies where needed to assure its customers of continuing good service, both as to pressures and for fire hydrant protection.

On January 15, 1963, the Authority sold \$5,500,000 of South Bay Division Revenue Bonds, Series H, due serially 1964 to 2001, at an interest cost to the Authority of 3.3968%. Just prior to this issue, Moody's Investors Service increased its rating for these bonds and for all other bonds of the Authority to "A" from its previous rating of "Baa," Standard and Poor's rating having been previously increased to "A" from "BBB." Thus, Authority obligations now have the same rating as the bonds of Suffolk County itself.

The Suffolk County Water Authority is a public benefit corporation without taxing power. It operates as a business enterprise. During its twelve years of active operation, it has reduced its ratio of bonded indebtedness from 103% of plant value to 67% at the end of the 1962-1963 fiscal year.

At the end of the year, \$9,447,892 of its plant value, which totals \$53,317,450, represented earnings of the Authority reinvested for the benefit of the residents of the County, in other words, their equity in the undertaking.

For the Members of the Authority

A handwritten signature in blue ink, appearing to read "John M. Mause", is written over a horizontal line.

Chairman

October 15, 1963

Review of the Year's Operations

Suffolk County still continues to be one of the fastest growing counties in the United States. An authoritative estimate of the County's population, as at January 1, 1963, places it at 769,600 — an increase of 30,954 in twelve months. A reflection of this continuing growth will be found in the figures and statistics of the Authority for the period under review.

During the 1962-63 fiscal year, 10,048 customers were added to the system, bringing the total of customers served at retail to 102,147. In addition, four water districts, with 4,471 customers, are served at wholesale. Authority water is, therefore, reaching 106,618 customers — an estimated population of 373,000, or 48% of the County's residents.

As mentioned in the Chairman's letter, 7,931 of the 10,048 new customers were added to Authority lines through growth of the territory served and 2,117 by purchase of existing water properties. These purchases were not finalized until late in May, 1963, and are, therefore, only

an end-of-the-year statistic in our report of the year's results.

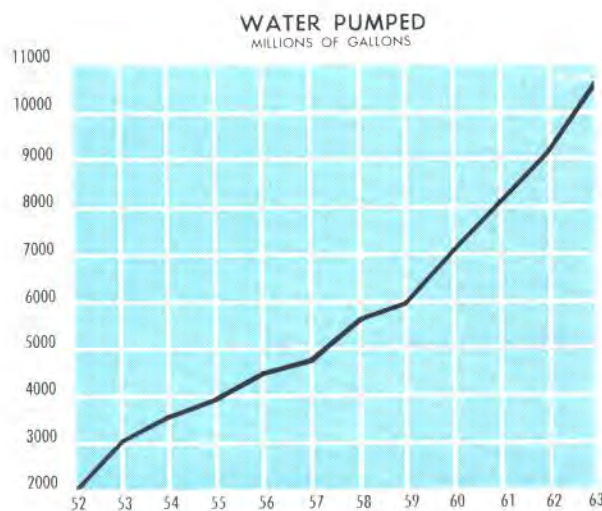
Water production for the year was 10,444 million gallons — an average of 28.6 million gallons per day, or 15% over the preceding year. Average deliveries were an estimated 82 gallons per capita per day.

Gross revenues for the year reached a new high of \$5,520,353 — an increase of \$855,054, or 18.3% over 1961-62. This increase was due in part to the dry summer of 1962 but more importantly to the rapid accession of new customers.

Operating and maintenance expenses before depreciation and interest totalled \$2,085,416, leaving net earnings of \$3,434,937 available for debt service. Combined debt service of \$1,706,727, therefore, was earned 2.01 times, as compared with 1.86 times in the previous year. For the separate divisions, South Bay Division's debt service was earned 1.97 times, and Huntington-Babylon-Sag Harbor Division's debt service was earned 2.10 times. Both were an improvement over the previous year.

The composite provision for depreciation of 1.4% on depreciable property amounted to \$591,991 for the year. As will be noted in the balance sheet figures, accumulated depreciation since acquisition reached a total of \$3,040,014.

Net earnings for the year were \$1,598,673, an increase of 28% as compared with \$1,248,672 in the previous year. In this connection, it may be noted that the provision for depreciation of \$591,991 mentioned above exceeds the bond retirement of \$494,000 for the year. In the twelve years of Authority operations, \$9,447,892 of net earnings have been reinvested in the business.



The Authority's 39th storage tank, newly completed, serves the St. James-Nesconset area. Drilling rig for the Authority's 140th well in the foreground.

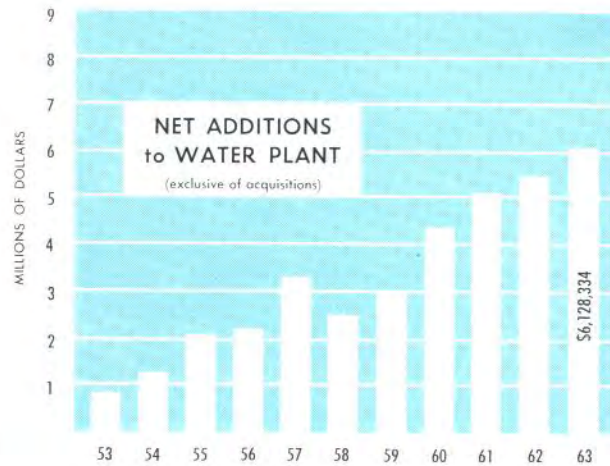
Construction

During the fiscal year 1962-63, the Authority completed the largest construction program in its history for a total of \$6,314,667. In addition, \$553,596 was invested in the purchase of existing water properties, bringing the total additions to water plant to \$6,868,263. During the year, however, there were retirements of \$186,333, so that net additions to water plant totalled \$6,128,334 for the year.

Eight new wells and two new storage tanks were placed in service during the year or were under construction at the year-end. Property additions also included 98 miles of pipelines, bringing the total to 1,563 miles of pipelines in service at the year-end.

Five hundred thirty-eight new hydrants were added to the system and placed under contract with the fire districts, bringing the total to 9,777 in service at the year-end.

A new district office, photograph of which



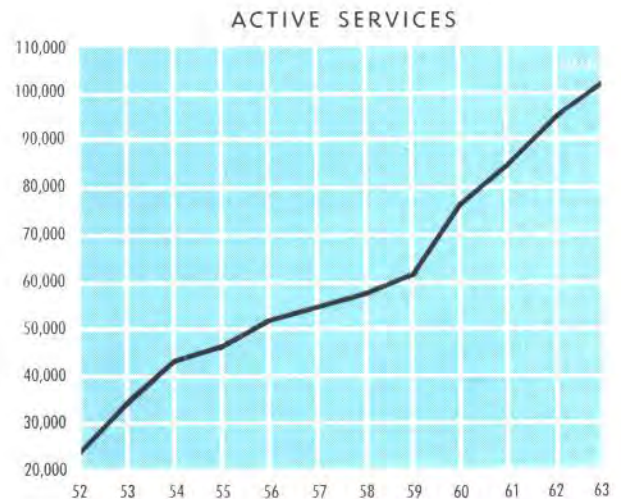
appears in this report, was completed during the year to serve the Patchogue area. This district is growing rapidly and is now serving more than 10,000 customers. District operations were transferred from rented quarters and the new office opened for business May 27th with a district manager and staff of nine. This new office is characterized by the village of Patchogue officials as a welcome addition to the community.



Financial Review

On January 15, 1963, the Authority sold \$5,500,000 of South Bay Division Revenue Bonds, Series H, due serially 1964 to 2001, at an interest cost to the Authority of 3.3968%. Just prior to this issue, Moody's Investors Service increased its rating for these bonds and for all other bonds of the Authority to "A" from its previous rating of "Baa," Standard and Poor's rating having previously been increased to "A" from "BBB." Thus, Authority obligations now have the same rating as the bonds of Suffolk County itself.

The proceeds of this issue were used to redeem \$2,000,000 Series H Bond Anticipation Notes and to reimburse the Huntington-Babylon-Sag Harbor Division's New Construction Fund \$170,000, and after providing for a full debt service reserve of the bond issue and paying the expenses relating to the issue, a balance of \$2,884,440 was available for transfer to the South Bay Division's New Construction Fund and for the purchase of Home Water Company. These moneys are subject to transfer to the working funds of the Authority as needed for the latter's construction requirements and were estimated to be sufficient to carry the program through to the end of the 1963-64 fiscal year. Pending such transfer, they are invested and reinvested in short-term government obligations.



Also during the fiscal year under review, \$1,200,000 of Huntington-Babylon-Sag Harbor Division Series D Bond Anticipation Notes were issued, maturing December 1, 1963, bringing the total Series D Notes outstanding to \$2,000,000. The Series D Bond Resolution adopted November 20, 1961, authorizing an issue of \$2,000,000, was amended August 26, 1963, by supplemental resolution increasing the authorization to \$4,500,000. This will enable the Authority to defer long-term financing for the Huntington-Babylon-Sag Harbor Division until an appropriate future date.

The Authority has ample credit with its banks for all short-term borrowing.

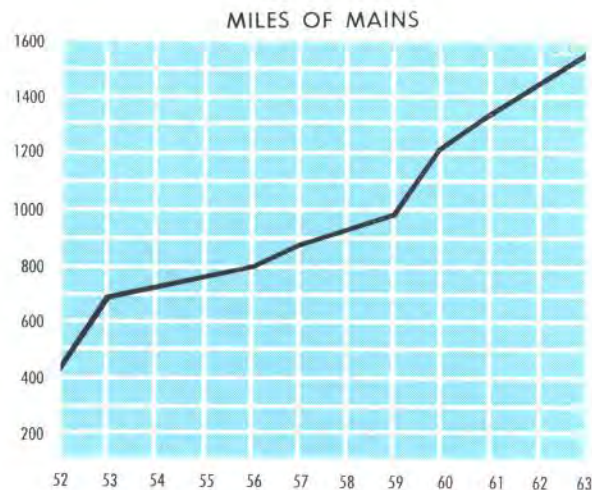
Administrative Headquarters at Oakdale completed in 1959. Growth of the Authority's operations may increase space requirements.



Acquisition of Properties

\$553,596 was invested in the acquisition of existing water plants during the fiscal year. The Home Water Company of East Hampton was the principal purchase. This privately-owned company has served the Village of East Hampton for many years. Title to the property was taken on May 27, 1963, at which time the company had 2,048 active customers and 303 hydrants in service. The property is unmetered, and its customers have been served on a flat-rate basis. The Authority is installing meters in order to place these customers on the system-wide Authority schedule. Extensive rehabilitation of the distribution system is planned, and a 500,000-gallon elevated storage tank will be erected in 1964. When this program is complete, water users in the East Hampton system area will have modern water service and fire protection at system-wide Authority rates. The Authority considers this acquisition as a constructive step in its expansion program. \$529,511 was paid for the Home Water Company at time of closing, with minor adjustments to follow.

At the year-end, the Authority was under contract to acquire the water plants of the Smith-



town Water Company and the Green Meadows, Farmingville and Sunnyside Water Companies and the water plant of the Village of Belle Terre. These properties serve approximately 1,200 customers. Applications were made to the various governmental agencies as required.

It is anticipated that the Authority will take title to these properties before December 31, 1963. The acquisition cost of the above properties is estimated to be \$600,000.

Plant Facilities

At Acquisition (1951, 1953, 1960, 1961 and 1963)

As of May 31, 1963

Service Areas or Plants		Wells in Service		Pumping Plants		Storage Facilities				Active Services	
		No.		No.		No.		Capacity in 1,000 Gallons		No.	No.
Amityville	(1951)	5	8	1	2	1	2	295	1,045	3,260	7,595
Babylon	(1953)	10	23	2	7	1	3	300	1,550	5,126	20,146
Bay Shore	(1951)	19	32	2	9	2	5	558	2,330	7,366	24,393
East Hampton	(1963)*	5	5	3	3	2	2	210	210	2,048	2,048
Huntington	(1953)	7	18	3	5	5	6	1,292	3,777	6,835	11,259
Northport	(1960)	7	8	3	4	4	5	1,700	3,020	8,090	9,361
Patchogue	(1951)	3	7	2	4	2	4	428	1,443	5,774	10,291
Port Jefferson	(1951)	6	10	2	6	3	6	863	4,178	3,110	5,910
Sag Harbor	(1953)	1	2	1	1	1	1	235	235	662	755
Smithtown-Kings Park	(1951)**	7	13	5	6	2	2	568	568	2,478	6,917
Southampton	(1951)	2	3	1	1	1	1	300	300	1,413	1,708
Westhampton	(1951)	6	10	1	1	1	1	234	500	1,154	1,764
TOTALS		78	139	26	49	25	38	6,983	19,156	47,316	102,147

* Includes acquisition of Home Water Company 5/31/63—2,048 services.

** Includes acquisition of Marlboro Acres 5/28/63—69 services.

Management and Personnel

On November 26, 1962, Mr. Edward McGowan was appointed as a Member of the Authority to the unexpired term of Mr. Harry Paul Fishel, deceased. In March, 1963, he was reappointed as a Member for a five-year term expiring March 29, 1968.

Mr. McGowan has been a real estate investor for the past eight years. Prior to this, for a period of seven years, he conducted a general real estate and appraisal office which concentrated on acreage, homes, industrial relocation and commercial leases. He is Vice President of the South Shore Chapter of the Long Island Real Estate Board, and was President of the Suffolk County Real Estate Board. Mr. McGowan is active in many civic and service organizations. He is a former member of the Selective Service Board.

The firm of Van Nostrand & Martin, Attorneys, was appointed by the Members as Counsel to the Authority to succeed Mr. David L. Glickman, who had been Counsel to the Authority since 1951, who was elected a judge of the Supreme Court of the State of New York on January 1, 1963.

Mr. Van Nostrand is a Director of the Suffolk County Bar Association, Chairman of the Board of Trustees of the Suffolk County Community College, Special Attorney of the Town of Babylon and Attorney for various school districts in Nassau and Suffolk counties. His partner, Mr. Martin, has a background both in engineering and business administration.

During the year, Mr. Herbert C. Koehler was promoted to managerial duties in the Operating Department with the title of Manager of Plant Operations.

In Memoriam

Harry Paul Fishel, Member and Secretary of the Authority, died November 15, 1962. He was originally appointed as a Member of the Authority by resolution of the Board of Supervisors adopted March 27, 1952. He was an outstanding member of the Bar and a civic leader in his community. His services to the Authority were invaluable, and his contribution to its progress during the ten years of his incumbency was memorialized by the Authority by resolution passed at its meeting of November 26, 1962, and spread upon the minutes of the meeting.

Also, in the Engineering Department, Mr. William J. Schickler, former Senior Engineer, was promoted to the post of Assistant Chief Engineer.

As reported in our last annual report, a two-year collective bargaining agreement negotiated in June, 1962 with Local No. 393, Utility Workers Union of America, A.F.L.-C.I.O., provided for a general wage increase of 4½% for each year of the contract, including some job reclassifications and revision of fringe benefits. The new wage rates became effective June 12, 1962, and June 11, 1963, respectively, in accordance with its terms. Comparable increases were concurrently made for those on the managerial and supervisory staff.

The growth of the Authority has required some increase in total personnel, there being 298 in the service of the Authority at the present time. Our thanks is extended to all the members of the Authority personnel through whose wholehearted efforts it has been possible to complete another year of growth and of increased service to the residents of Suffolk County.

The following consultants are retained to assist the Authority:

W. V. Burnell, Consulting Engineer

Stone & Webster Engineering Corp., Advisory Engineers

R. W. Pressprich & Co., Financial Advisors

Leggette, Brashears & Graham, Consulting Ground-Water Geologists



Interior view of Authority's new Patchogue District Office completed in May, 1963.

Cooperative Work

In July, 1963, the Authority renewed its contract with United States Geological Survey for ground water and surface water studies in the County. The total cost of these studies is shared by the Suffolk County Water Authority, the United States Government, the New York State Water Resources Commission and the Suffolk County Board of Supervisors.

In addition to these continuing projects, the new contract covers the cost of two test borings and observation wells to be constructed by the United States Geological Survey at locations where the Authority wishes information regarding the water bearing potentialities of the strata; these observation wells to be developed later into producing wells as the need arises.

Representatives of the Suffolk County Water Authority are participating in a basic research project of the Temporary State Commission on Water Resources Planning, Frank E. Van Lare, Chairman. This project is being carried on on Long Island, studying ground water disposal of domestic sewage and the possible future effect of sewage constituents, including detergents, on the ground water resources of Long Island. In addition to representation on the Technical Advisory Committee of the Commission and assisting in the planning and field supervision of the study project, the services of the Authority's Water Quality Laboratory facilities and staff are being used for a share of the chemical analyses involved.

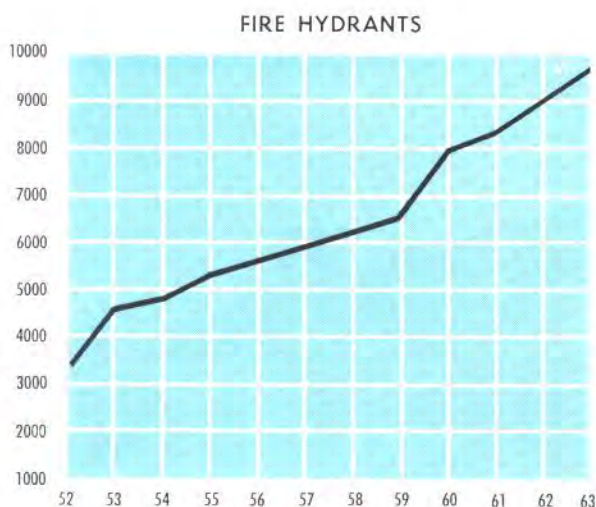


Stream Gaging Station maintained by the United States Geological Survey—one of eleven in Suffolk County.

Billing Inserts



Commencing with the new fiscal year, the Authority has changed its quarterly billing from post card to envelope billing, with a return envelope addressed to the proper district office. This new system of billing provides the Authority an opportunity to communicate with its customers four times a year through a "bill enclosure." Photographs of the first two appear above.



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, 1963.

*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, 1963, and the results of their 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.

Mineola, L. I., N. Y.
August 7, 1963

Price Waterhouse & Co.

*Exterior view of Authority's District Office
serving more than ten thousand customers
in the Patchogue area. Occupied May 27, 1963.*



Statements of Earnings FOR THE YEAR ENDED MAY 31, 1963

(With comparative figures for the Authority for the year ended May 31, 1962)

	YEAR ENDED MAY 31, 1963			
	South Bay Division	Huntington- Babylon- Sag Harbor Division	Authority (combined)	Year Ended May 31, 1962 Authority (combined)
Revenue:				
Operating	\$3,695,569	\$1,672,777	\$5,368,346	\$4,584,226
Other	119,140	32,867	152,007	81,073
Total revenue	<u>3,814,709</u>	<u>1,705,644</u>	<u>5,520,353</u>	<u>4,665,299</u>
Operating expenses:				
Operation	1,176,396	555,240	1,731,636	1,503,767
Maintenance	262,064	91,716	353,780	293,122
Total operating expenses, except deprecia- tion deducted below	<u>1,438,460</u>	<u>646,956</u>	<u>2,085,416</u>	<u>1,796,889</u>
Net earnings before interest and depreciation (Note D)	<u>2,376,249</u>	<u>1,058,688</u>	<u>3,434,937</u>	<u>2,868,410</u>
Deduct:				
Interest on bonds and notes	879,232	333,115	1,212,347	1,074,189
Bond redemption premium	3,105	500	3,605	3,060
Amortization of debt discount and expense	17,603	10,718	28,321	24,740
Depreciation	402,627	189,364	591,991	517,749
	<u>1,302,567</u>	<u>533,697</u>	<u>1,836,264</u>	<u>1,619,738</u>
Net earnings	<u>1,073,682</u>	<u>524,991</u>	<u>1,598,673</u>	<u>1,248,672</u>
Earnings employed in the business at beginning of period	5,430,777	2,418,442	7,849,219	6,600,547
Earnings employed in the business at close of period	<u>\$6,504,459</u>	<u>\$2,943,433</u>	<u>\$9,447,892</u>	<u>\$7,849,219</u>

(See notes to financial statements)



Balance Sheets MAY 31, 1963

ASSETS	South Bay Division	Huntington- Babylon- Sag Harbor Division	Combined
WATER PLANT, at cost	\$37,131,075	\$16,186,375	<u>\$53,317,450</u>
FUNDS HELD BY FISCAL AGENT (Note A):			
New construction fund	2,881,188	324,427	<u>3,205,615</u>
Debt service reserve fund, comprising cash of \$95,411 and U. S. Government securities, at cost of \$1,856,238 (quoted market value of \$1,875,544)	1,470,371	481,278	<u>1,951,649</u>
	<u>4,351,559</u>	<u>805,705</u>	<u>5,157,264</u>
CURRENT ASSETS:			
Cash, including time deposits of \$570,000 (Note B)	1,690,335	584,994	<u>2,275,329</u>
Cash held by Fiscal Agent (Note A):			
General fund	232,136	183,393	<u>415,529</u>
Debt service fund	750,437	338,395	<u>1,088,832</u>
Bond proceeds fund	37,362	—	<u>37,362</u>
Accounts receivable, less estimated doubtful accounts	336,049	161,449	<u>497,498</u>
Accrued unbilled fire protection revenue	112,772	43,322	<u>156,094</u>
Interdivisional current accounts	118,864	(118,864)	<u>—</u>
Materials and supplies, at average cost	239,723	60,961	<u>300,684</u>
Prepayments	49,701	11,535	<u>61,236</u>
	<u>3,567,379</u>	<u>1,265,185</u>	<u>4,832,564</u>
DEFERRED CHARGES:			
Unamortized debt discount and expense	476,879	156,122	<u>633,001</u>
Other	24,876	390	<u>25,266</u>
	<u>501,755</u>	<u>156,512</u>	<u>658,267</u>
	<u>\$45,551,768</u>	<u>\$18,413,777</u>	<u>\$63,965,545</u>

LIABILITIES	South Bay Division	Huntington- Babylon- Sag Harbor Division	Combined
WATER WORKS REVENUE BONDS (Note A)	\$26,770,000	\$ 8,625,000	\$35,395,000
BOND ANTICIPATION NOTES, SERIES D (Note C)	—	2,000,000	2,000,000
CURRENT LIABILITIES:			
Accounts payable	547,590	238,599	786,189
Accrued interest on bonds and notes	445,207	167,996	613,203
Other accrued liabilities	271,753	49,793	321,546
Customers deposits	625,874	337,630	963,504
Current maturities of revenue bonds	324,000	170,000	494,000
	<u>2,214,424</u>	<u>964,018</u>	<u>3,178,442</u>
ADVANCES FOR CONSTRUCTION	5,913,565	2,015,954	7,929,519
CONTRIBUTIONS IN AID OF CONSTRUCTION	2,108,258	866,420	2,974,678
ACCUMULATED DEPRECIATION SINCE ACQUISITION	2,041,062	998,952	3,040,014
EARNINGS EMPLOYED IN THE BUSINESS, per accompanying statement	6,504,459	2,943,433	9,447,892
	<u>\$45,551,768</u>	<u>\$18,413,777</u>	<u>\$63,965,545</u>

(See notes to financial statements)

Notes to Financial Statements May 31, 1963

NOTE A:

The Authority's resolutions authorizing the bond issues require that all revenues be deposited in the name of the fiscal agent and allocated to specific funds. The Authority's bonds are payable as to principal and interest only out of revenues of prop-

erties operated by the division that issued them. After certain dates, bonds are redeemable in the inverse order of their maturity at varying prices in excess of principal amount depending upon the redemption date. The bonds bear annual interest rates and mature as follows:

Series	Interest rate	Principal amount	Maturity*	
South Bay Division:			Dates	Annual amounts
A	2 3/4 %	\$ 3,865,000	1964-1984	\$140,000 to \$ 235,000
A (Term)	2 3/4 %	2,380,000	1964-1985	75,000 to 263,000
B-D	3 1/2 %	1,930,000	1964-1988	50,000 to 115,000
	5 %	770,000	1989-1994	120,000 to 140,000
E	5 %	20,000	1964	20,000
	4 %	1,200,000	1965-1987	25,000 to 125,000
	4.10 %	1,200,000	1988-1996	125,000 to 200,000
F	5 %	110,000	1964-1967	25,000 to 30,000
	4 1/2 %	440,000	1968-1979	30,000 to 45,000
	4.10 %	4,875,000	1980-1998	45,000 to 350,000
G	5 %	180,000	1964-1971	20,000 to 25,000
	4 %	2,700,000	1972-1996	25,000 to 250,000
	4.10 %	300,000	1997	300,000
	4 %	1,300,000	1998-2000	300,000 to 500,000
H	5 %	175,000	1964-1970	25,000
	3 1/4 %	975,000	1971-1991	30,000 to 85,000
	3.30 %	1,300,000	1992-1997	115,000 to 450,000
	3.40 %	3,050,000	1998-2001	500,000 to 1,100,000
		<u>\$26,770,000</u>		
Huntington-Babylon-Sag Harbor Division:				
A	3 %	\$ 1,260,000	1964-1971	\$140,000 to \$ 175,000
	3 1/4 %	3,065,000	1972-1985	180,000 to 265,000
B	3 1/2 %	1,350,000	1964-1988	10,000 to 315,000
C	5 %	125,000	1964-1968	25,000
	3 1/2 %	140,000	1969-1973	25,000 to 30,000
	3 3/4 %	300,000	1974-1981	30,000 to 40,000
	3.9 %	1,185,000	1982-1990	45,000 to 400,000
	4 %	1,200,000	1991-1993	400,000
		<u>\$ 8,625,000</u>		

*The bonds are serial bonds which mature in increasing annual instalments, except that \$2,380,000 of the Series A bonds of the South Bay Division and the Series B bonds of the Huntington-Babylon-Sag Harbor Division are term bonds which mature on June 1, 1985 and 1988, respectively. However, the resolutions authorizing these issues provide for the retirement of the term bonds in increasing annual amounts out of sinking funds accumulated for this purpose. The annual maturities shown for serial bonds represent the amounts maturing in 1964 and in the last year of their term, respectively, and the sinking fund payments have been treated as maturities for the term bonds.

NOTE B:

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 C:

During the fiscal year ended May 31, 1963, the following Series D Bond Anticipation Notes maturing December 1, 1963, were issued under a resolution adopted by the Authority on November 21, 1961, which authorized the issuance of \$2,000,000 of Series D bonds of the Huntington-Babylon-Sag Harbor Division:

Date	Interest rate	Principal amount
December 1, 1962	2 %	\$1,300,000
April 15, 1963	1 3/4 %	700,000
		<u>\$2,000,000</u>

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 ended May 31, 1963 were \$1,203,212 for the South Bay Division and \$503,515 for the Huntington-Babylon-Sag Harbor Division. Net earnings before interest and depreciation for the year ended May 31, 1963 for the South Bay Division equaled 1.97 times debt service requirements and for the Huntington-Babylon-Sag Harbor Division equaled 2.10 times debt service requirements.

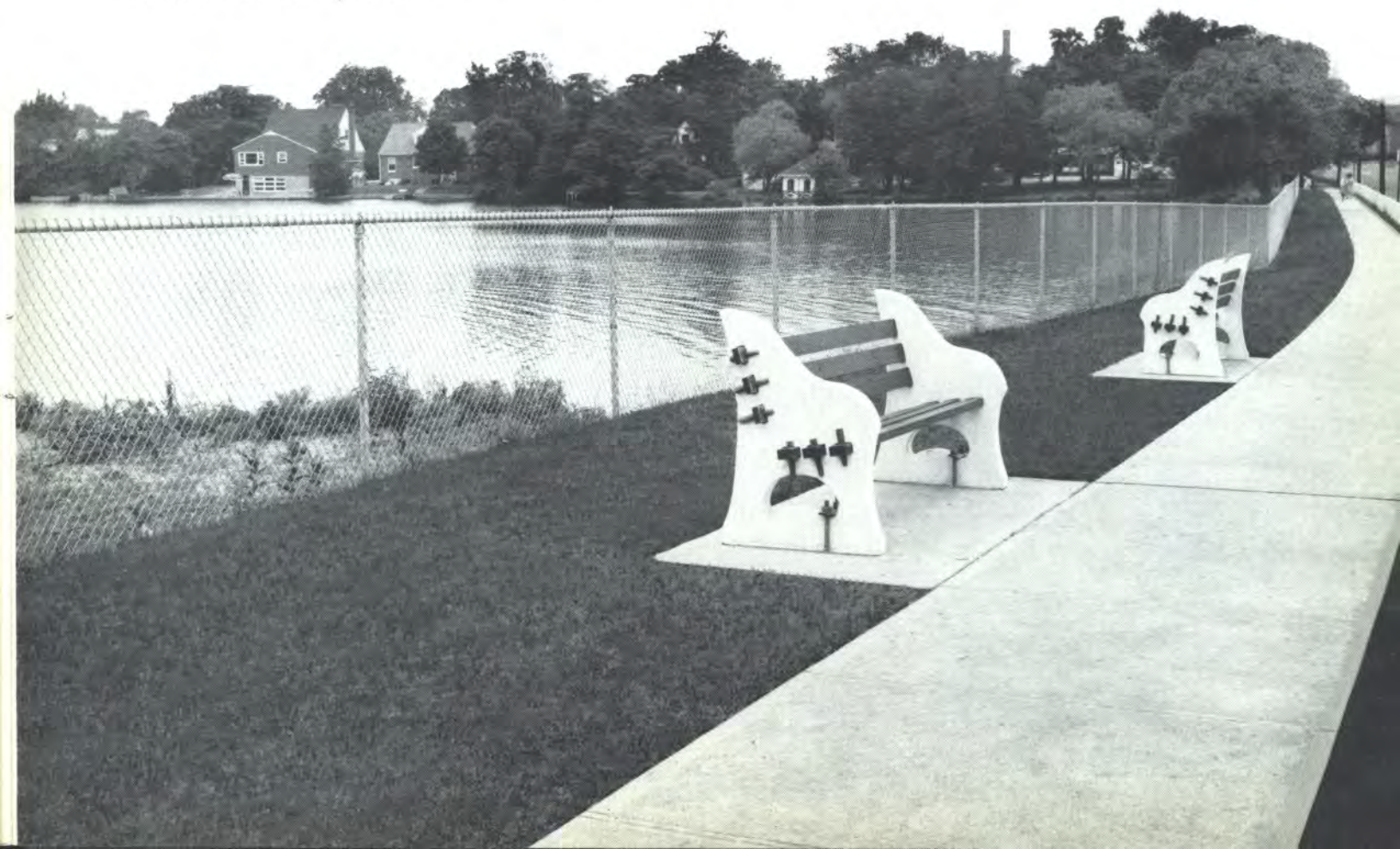
Debt service requirements of the bonds for the next five years ending May 31 are as follows:

Fiscal year	South Bay Division	Huntington-Babylon-Sag Harbor Division
1964	\$1,328,750	\$476,678
1965	1,327,633	475,877
1966	1,325,965	474,928
1967	1,329,175	479,028
1968	1,326,933	477,453

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 Resources 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.

West Lake, Patchogue. Owned for many years by a predecessor company, deeded to the Village of Patchogue by the Authority in November, 1962, for park purposes. The lake was no longer needed for waterworks operation.



COMMUNITIES SERVED

Amityville

Amityville
Copiague

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

East Hampton

East Hampton

Kings Park

Retail:
Commack
Kings Park
Wholesale:
Smithtown†

Huntington*

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

Northport

Asharoken
Commack
East Northport
Huntington Station
Northport

Patchogue

Bayport
Bellport
Blue Point
Bohemia
Patchogue
Sayville
West Sayville

Port Jefferson

Retail:
Centereach
East Hills
East Setauket
Poquot
Port Jefferson
Port Jefferson Station

Port Jefferson

Wholesale:
Stony Brook†
Pipe Stave Hollow†

Sag Harbor*

North Haven
Sag Harbor

Smithtown

Retail:
Hauppauge
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.



Suffolk County Water Authority
OAKDALE, LONG ISLAND, NEW YORK