



Annual Report 1964 Suffolk County Water Authority

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COVER:

*This 500,000-gallon tank of
new design replaces
170,000 gallons of obsolescent
storage facilities at
East Hampton.*

Annual Report 1964 Suffolk County Water Authority

AUTHORITY MEMBERS

RICHARD D. ZEIDLER, *Chairman*

EDWARD McGOWAN, *Secretary*

HERMON L. BISHOP, *Treasurer and Assistant Secretary*

RICHARD E. ALLEN

N. F. FENN, *General Manager*

LOUIS W. WEINFURT, *Acting General Manager*

FRANKLIN S. KOONS, *Executive Secretary*

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

HERBERT C. KOEHLER, *Assistant General Manager—Distribution*

KENNETH L. MORRIS, *Assistant General Manager—Commercial Office Operations*

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

	1964	1963
Revenues	\$ 6,285,936	\$ 5,520,353
Operating and Maintenance Expense, except depreciation .	2,314,890	2,085,416
Interest on bonds and notes; also amortization of debt discount and expense	1,351,376	1,244,273
Allowance for depreciation	678,917	591,991
Net earnings	1,940,753	1,598,673
Earnings employed in the business (<i>since June 1, 1951</i>)	11,388,645	9,447,892
Total Water Plant at cost	62,345,503	53,317,450
Net Additions to Water Plant (<i>excluding property acquisitions</i>) . .	8,366,207	6,128,334
Customers (Active Services)	112,331	102,147
Miles of Mains in Service	1,727	1,563
Fire Hydrants in Service	10,719	9,777
Water Production (Million Gallons)	12,382	10,444

The Chairman's Letter

We are pleased to submit herewith the Authority's Annual Report for the past fiscal year which ended May 31, 1964. This report continues to reflect the growth of Authority operations which have kept pace with the County's noteworthy growth in population, in housing construction, and the expansion of light industry.

At the close of the fiscal year, namely, May 31, 1964, the Authority had 112,331 active customers—an increase of 10,184 over the previous year. This increase represents acquisition of 1,160 customers by the purchase of three existing private water companies, to be mentioned later, and 9,024 customers by new connections to the Authority's constantly expanding distribution system. In addition, it may be noted, the Authority supplies water at wholesale to four town water districts which were serving 5,049 customers; thus extending Authority service to a total of 117,380 water customers or to an estimated 410,000 residents—approximately one-half of the population of Suffolk County.

During the year, 942 new hydrants were placed in service, bringing the total to 10,719 at May 31, 1964. Fire protection service represents about 8.7% of total Authority operating revenues.

Authority revenues for the fiscal year reached \$6,285,936, an increase of 13.9% over the \$5,520,353 recorded in the previous twelve months. Net earnings before interest and depreciation totalled \$3,971,046, or 2.14 times debt service requirements.

No long-term financing was undertaken during this fiscal year. New funds needed for construction requirements were supplied by the sale of bond anticipation notes.

However, on May 21, 1964, the Members authorized Authority consultants and staff to initiate a program which had been under preparation for some months looking to the consolidation of all facilities and operations of the two Divisions into a single-unit, this in the interest of economy and efficiency. At a special meeting of the Authority, held August 13, 1964, the Members adopted a resolution authorizing the sale of \$17,000,000 of Serial Revenue Bonds, Series I, with a final maturity of June 1, 2002.

This sale has since been consummated, permitting the discharge of all obligations of the Authority payable from revenues of both operating divisions and providing moneys for the new construction needs of the consolidated system. Substantial dollar savings, as well as better service, are estimated to accrue from this consolidation.

With the annual expansion of Authority operations, it follows that capital expenditures also increase. The past year is no exception. Net capital expenditures again were the highest in Authority history, reaching a total of \$8,366,207. In addition, \$661,846 was paid for existing water properties.

In its thirteen years of operation, the Suffolk County Water Authority has reduced its ratio of bonded indebtedness from 103% of plant value to a new low of 57% at the end of the 1963-64 fiscal year. All of its bonds now receive an "A" rating both from Moody's Investors Service and Standard and Poor's Corporation.

During the year under review, \$1,940,753 of current earnings were reinvested in the business, bringing the total reinvestment to \$11,388,645, representing the equity of the residents of Suffolk County in their Water Authority.

Looking to the future, all of the current indices point to a continuation of growth of population and of industry in Suffolk County. A conservative estimate of the Authority's growth over the next five years indicates expansion of its operations at a rate equal to the average experienced during the previous five-year period.

For the Members of the Authority



Richard D. Juddler
Chairman

October 15, 1964

Review of the Year's Operations

The rapid growth of population and of industry in Suffolk County mentioned in previous reports continued unabated during the past year. Authoritative estimates of population made by the Long Island Lighting Company placed the County's population at 769,600 on January 1, 1963, and at 829,278 on January 1, 1964. With parkways and express highways pushing eastward through the County, home building ranks as the largest industry. An increasing number of "industrial parks" are being developed, and the rise in light industry, such as electronics, is steadily creating new job opportunities for skilled employees.

This rate of growth in population was paralleled by the growth in number of active services of the Authority—112,331 as compared to 102,147 at the close of the previous fiscal year. Authority water is also supplied to four water districts which have an aggregate of 5,049 customers. It is estimated that one-half of the population of the County is now receiving Authority water service.

Water production for the year was 12,382 million gallons—an average of 33.9 million gallons per day, or 18% over the preceding year. Average deliveries were an estimated 83 gallons per capita per day.

Gross revenues for the year reached a new high of \$6,285,936—an increase of \$765,583, or 13.9% over 1962-63. This increase was due in part

to the dry summer of 1963 but more importantly to the rapid accession of new customers.

The Authority accrues a reserve of 1.4% on depreciable property each year, which reserve reached a total of \$3,632,129 at May 31, 1964.

Net earnings for the year were \$1,940,753—an increase of 21% as compared with \$1,598,673 in the previous year. In this connection, it may be noted that the provision for depreciation allocated against earnings of \$678,917 exceeds the bond retirement of \$530,000 for the year. In the thirteen years of Authority operations, \$11,388,645 of net earnings have been reinvested in the business.

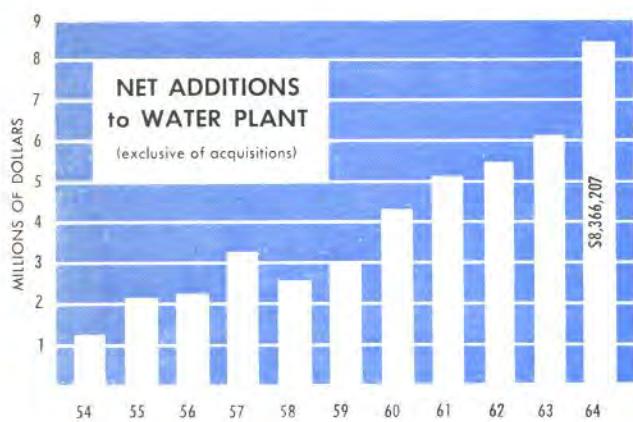
1,900,000-gallon standpipe
at Bellport Station Road—
Patchogue Plant.



Construction

During the fiscal year 1963-64, new construction completed by the Authority reached a total of \$8,525,858—again the largest program in Authority history. In addition, \$661,846 was invested in the purchase of existing water properties. Retirements totalled \$159,651, thus leaving the net figure of additions to water plant at \$9,028,053.

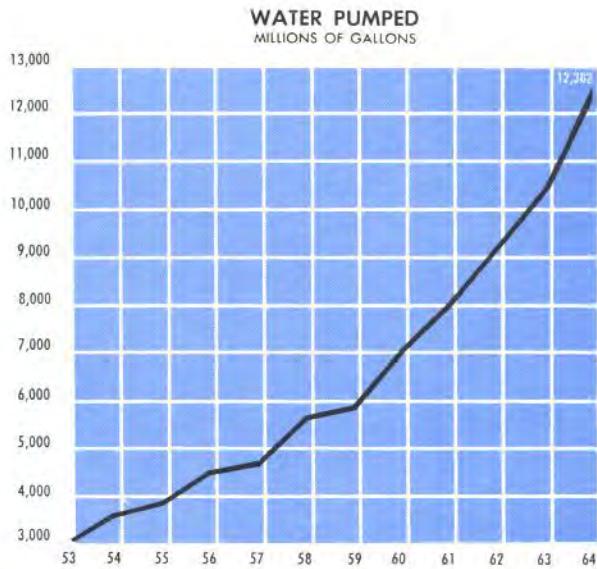
Included in additions to water plant were 164 miles of pipelines and 942 hydrants, increasing the totals in service to 1,727 miles of pipelines and 10,719 hydrants at the end of the year.



Also, thirteen new wells and two new storage tanks were under construction or completed and in service at the year end.

The projects completed included the largest standpipe erected by the Authority to date. This new, ornamental-type standpipe, 55 feet in diameter x 110 feet to high water level, with a capacity of 1,900,000 gallons, was provided for the North Bellport service area, which is growing and contains a relatively new industrial park.

In order to improve service in the South Commack area, a new 750,000-gallon elevated tank was placed in service on May 6, 1964, located on a 6.4-acre tract of land on Wicks Road. Because of protracted dry weather, a new



deep well and pump, rated at 1½ million gallons per day, were constructed. Due to the conditions which prevailed at the time, the installation was initially operated by a standby diesel engine. This installation will eventually include a new pump station and chemical treatment plant.

The output of an existing well field and pump station on Eastwood Boulevard in Centereach—a property purchased in 1961—was materially improved by the construction of a new, large-diameter well rated at 1.3 million gallons per day. This replaced an old, small-capacity well, underground vault and hydropneumatic tanks which were in service at this location at the time of purchase. A new, modern pump station and chemical treatment plant have since been constructed which enhance the appearance of the site located in a residential area.

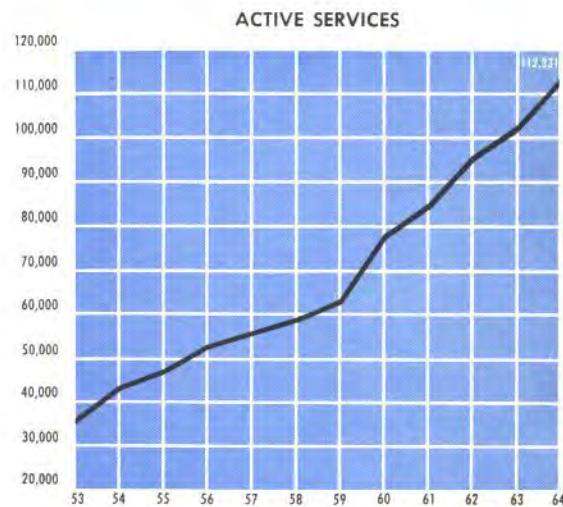
Financial Review

As stated in the Chairman's Letter accompanying this report, no long-term financing was undertaken during the 1963-64 fiscal year.

At the beginning of the period, funds totalling \$3,205,615 were held by the Authority's Fiscal Agent available for new construction. On October 15, 1963, \$500,000 Huntington-Babylon-Sag Harbor Division Series D Bond Anticipation Notes were sold at an interest rate of 1.74% and an additional \$750,000 were sold February 3, 1964, at a 1.92% interest rate. These funds, together with internally generated moneys, sufficed to finance payments for budgeted construction and refunds to developers on construction loan contracts in the amount of \$7,160,315, leaving a balance of \$545,712 in the Construction Account at the year end.

Under this short-term financing, the Authority reinvests the proceeds of these bond anticipation notes in U. S. Government obligations with maturities scheduled to meet its construction payments.

On May 21, 1964, as previously mentioned, the Authority inaugurated its program for consolidating its two divisions into one operation. On August 13, 1964, \$17,000,000 of Series I Revenue Bonds with a final maturity of June 1, 2002, were sold at a net interest rate of 3.4994%. The proceeds of this issue, together with moneys



in the Debt Service Fund of the Huntington-Babylon-Sag Harbor Division, were used to redeem the outstanding Series A and B Bonds of this Division; also, to deposit with the Fiscal Agent funds for ultimate retirement of the Series C Bonds. Funds so deposited are also reinvested by the Fiscal Agent in time deposits and in U. S. Government short-term obligations.

After payments into the Debt Service Reserve Fund of the Series I issue and payment of the costs of the issue, a balance of approximately \$2,000,000 was available for transfer to the New Construction Fund estimated to finance the construction program of the Authority during the major part of the fiscal year.

Electrically logging a deep test boring at a depth of 600 feet.



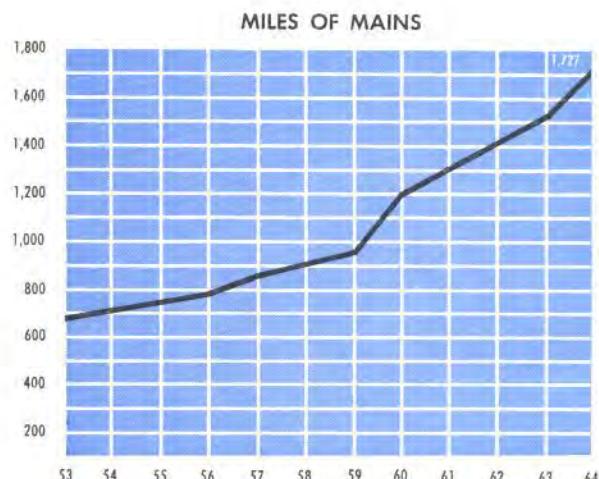
Acquisition of Properties

During the current fiscal year, the Authority expended \$661,846 for the acquisition of three existing properties. This amount includes actual payments made at closing, plus supplemental costs for expenses incurred pertaining to the acquisition.

In August, the Authority purchased the Smithtown Water Company, which had 154 active customers and 23 hydrants in service, pump station, well, and two hydropneumatic tanks, at an initial cost of \$120,000. This company has been integrated with the Authority's service area.

Also in August, the Authority purchased the municipal water system of the Village of Belle Terre, which had 120 active customers and 47 hydrants in service, together with pump station facilities, standpipe, and three wells, at a cost of \$40,250. This property has also been integrated into Authority service area.

The principal purchase, made on January 7, 1964, was Green Meadows Water Company, a privately-owned company serving part of the



Lake Ronkonkoma area. Incorporated in the contract for the purchase of Green Meadows was also Farmingville and Sunnyside Water Companies. Payment in the amount of \$452,541, subject to supplemental adjustment, was made at the closing. These properties included pump stations and distribution facilities, as well as 886 active customers and 35 hydrants.

Plant Facilities

At Acquisition (1951, 1953, 1960, 1961, 1963 and 1964)



As of May 31, 1964

Service Areas or Plants	Wells in Service No.	Pumping Plants No.	Storage Facilities			Active Services No.				
			No.	Capacity in 1,000 Gallons						
Amityville	5	9	1	3	295	1,045	3,260	8,011		
Babylon	10	26	2	7	1	3	300	1,550	5,126	22,841
Bay Shore	19	33	2	10	2	5	558	2,330	7,366	26,683
East Hampton	5	5	3	3	2	2	210	210	2,048	2,078
Huntington	7	19	3	6	5	6	1,292	3,832	6,835	11,556
Northport	7	8	3	4	4	5	1,700	3,020	8,090	9,914
Patchogue*	7	11	5	7	2	5	428	3,343	6,660	11,965
Port Jefferson**	6	11	2	6	3	5	863	4,178	3,230	6,990
Sag Harbor	1	2	1	1	1	1	235	235	662	773
Smithtown-Kings Park***	8	15	6	8	2	4	568	2,068	2,632	7,923
Southampton	2	3	1	1	1	1	300	300	1,413	1,771
Westhampton	6	10	1	1	1	1	234	500	1,154	1,826
TOTALS	83	152	30	57	25	40	6,983	22,611	48,476	112,331

* Includes acquisition of Green Meadows Water Co., Inc. on 1/7/64 (886 services)

** Includes acquisition of water supply system of Village of Belle Terre on 8/1/63 (120 services). Obsolete wells, pump station and standpipe not included in above.

***Includes acquisition of Smithtown Water Co. on 8/28/63 (154 services)

Management and Personnel

A number of changes have taken place during the past year. Mr. T. Bayles Minuse, who rendered invaluable service to the Authority as a Member from 1951 to 1959, and as Chairman from 1960, resigned June 15, 1964. Mr. Richard D. Zeidler, of Patchogue, was appointed by the County Board of Supervisors as his successor.

Mr. Zeidler is President of Zeidler Motors, Inc., a franchised Ford and Lincoln-Mercury dealer, and of Motor City Corporation. He is a member of the Advisory Board of Brookhaven Memorial Hospital; a member of the Suffolk County Alcoholic Beverage Control Board; Chairman of Special Gifts Committee for the Industrial Home for the Blind; and a Committee-man, Post 44, Boy Scouts of America.

Mr. Carll S. Burr, Member, who had been a Member of the Authority from its beginning, resigned. Mr. Richard E. Allen, of Centerport, was appointed to succeed him.

Mr. Allen, a graduate of New York University with the degree of Civil Engineer, is presently engaged in the field of consulting engineering with offices in Northport and Huntington. Formerly he was associated with several firms in New York City doing heavy construction work. He is Vice President of the Huntington Chamber of Commerce and Vice President of the Huntington Y.M.C.A. From 1955 to 1960 he was the Deputy Town Engineer of Huntington. He is a

member of the Suffolk Chapter of the New York State Society of Professional Engineers and a member of the National Society of Professional Engineers.

Mr. Adrian F. Mason of Patchogue, appointed in August 1960, also resigned in August 1964, after serving as a Member for four years. The County Board of Supervisors has not as yet filled the post.

Mr. N. F. Fenn, General Manager of the Authority since 1951, is on extended sick leave and pending his return Mr. Louis W. Weinfurt, Assistant General Manager, has been appointed Acting General Manager. Mr. Weinfurt's post as Assistant General Manager has been filled by the appointment of Herbert C. Koehler, former Manager of Plant Operations, as Assistant General Manager—Distribution. The Authority is fortunate in having back-up strength in its several departments.

A new two-year collective bargaining agreement with Local No. 393, Utility Workers' Union of America, was signed and became effective as of June 16, 1964. It provided for a 4½% general wage increase for the first year and 4% increase for the second year of the contract. It also provided for certain job title reclassifications and for some revisions of fringe benefits. The Authority's relations with its employees continued throughout the year on the customary basis of respect and confidence.

As is customary with the Authority, comparable increases were made for personnel not covered by the agreement. Appropriate upward revisions in salaries were also made for those on the managerial and supervisory staff.

At the end of the fiscal year under review, the personnel on Authority payrolls had increased to a total of 340 as compared with 288 on the same date a year earlier.

Approximately 13,000 meters are tested and repaired annually in the Authority's meter shop.



Hydrant Rental Rates

Hydrant rental rates in the several districts served by the Authority vary and for certain districts have not been changed for many years. This diversity has been due in most part to rate policies in effect prior to the acquisition by the Authority of the properties comprising its service area. Meanwhile, the New York Fire Insurance Rating Organization has increased its requirements for the quantity of water required for fire protection, and the Authority has allocated large amounts of construction moneys to improve its distribution facilities.

In view of this fact, Stone and Webster Service Corporation was commissioned by the Authority to study its present fire hydrant rental rates and the cost to the Authority of rendering hydrant service. Their report contained detailed studies of Authority investment allocable to hydrant service and expenses properly chargeable to this class of business. While cost-of-service is not the only consideration in establishing hydrant rental rates, it was their recommendation that these rates be revised and made uniform throughout the territory as generally desirable for a system expected ultimately to operate on a county-wide basis.

Acting on their report, the Authority voted in January 1964 to inaugurate a single system-wide rate of \$55.00 per annum for all hydrants, effective January 1, 1965. This equalized rate is above current rates in certain areas and below the rates in other sections and results in a moderate increase in total hydrant revenues but leaves the rate of return on Authority investment in fire protection facilities somewhat below the average return on its total investment in the water business.

Revenues from public and private fire protection in the fiscal year aggregated \$532,533, or 8.7% of total operating revenues.

A large drilling rig is used in constructing a deep well at Wicks Road—Smithtown Plant.



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, 1964.

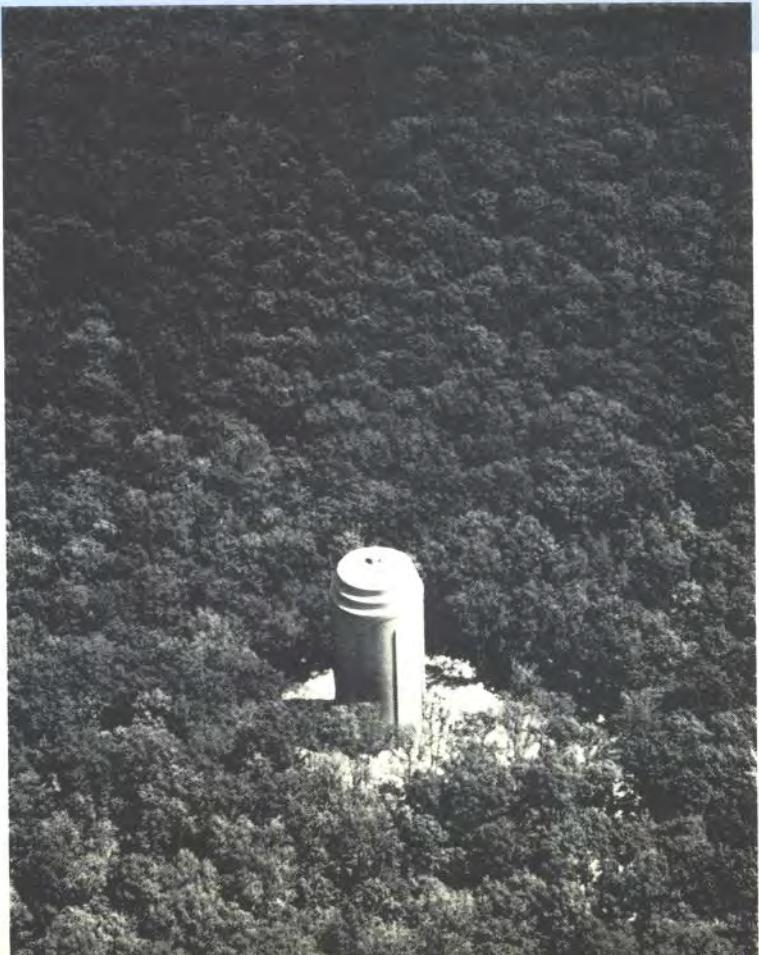
*To the Members of
Suffolk County Water Authority*

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, 1964, 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.
July 31, 1964

Price Waterhouse & Co.

Aerial view of standpipe serving
the State University at Stony Brook
and surrounding areas.



Statements of Earnings FOR THE YEAR ENDED MAY 31, 1964

(With comparative figures for the Authority for the year ended May 31, 1963)

YEAR ENDED MAY 31, 1964

	South Bay Division	Huntington- Babylon- Sag Harbor Division	Authority (combined)	Year ended May 31, 1963 Authority (combined)
Revenue:				
Operating	\$4,264,723	\$1,846,916	\$6,111,639	\$5,368,346
Other	141,309	32,988	174,297	152,007
Total revenue	<u>4,406,032</u>	<u>1,879,904</u>	<u>6,285,936</u>	<u>5,520,353</u>
Operating expenses:				
Operation	1,336,295	609,299	1,945,594	1,731,636
Maintenance	277,145	92,151	369,296	353,780
Total operating expenses, except depreciation deducted below	<u>1,613,440</u>	<u>701,450</u>	<u>2,314,890</u>	<u>2,085,416</u>
Net earnings before interest and depreciation (Note D)	<u>2,792,592</u>	<u>1,178,454</u>	<u>3,971,046</u>	<u>3,434,937</u>
Deduct:				
Interest on bonds and notes	970,229	348,491	1,318,720	1,212,347
Bond redemption premium	3,105	400	3,505	3,605
Amortization of debt discount and expense . . .	17,479	11,672	29,151	28,321
Depreciation	<u>463,217</u>	<u>215,700</u>	<u>678,917</u>	<u>591,991</u>
	<u>1,454,030</u>	<u>576,263</u>	<u>2,030,293</u>	<u>1,836,264</u>
Net earnings	<u>1,338,562</u>	<u>602,191</u>	<u>1,940,753</u>	<u>1,598,673</u>
Earnings employed in the business at beginning of period	<u>6,504,459</u>	<u>2,943,433</u>	<u>9,447,892</u>	<u>7,849,219</u>
Earnings employed in the business at close of period	<u>\$7,843,021</u>	<u>\$3,545,624</u>	<u>\$11,388,645</u>	<u>\$9,447,892</u>

(See notes to financial statements)



Balance Sheets MAY 31, 1964

ASSETS	South Bay Division	Huntington- Babylon- Sag Harbor Division	Combined
WATER PLANT, at cost	\$43,861,451	\$18,484,052	\$62,345,503
FUNDS HELD BY FISCAL AGENT (Note A):			
New construction fund	171,550	374,162	545,712
Debt service reserve fund, comprising cash of \$8,397 and U. S. Government securities, at cost of \$1,937,575 (quoted market value \$1,942,425)	1,464,694	481,278	1,945,972
	<u>1,636,244</u>	<u>855,440</u>	<u>2,491,684</u>
CURRENT ASSETS:			
Cash (Note B)	1,085,519	394,911	1,480,430
Cash held by Fiscal Agent (Note A):			
General fund	210,945	179,517	390,462
Debt service fund	778,104	353,082	1,131,186
U. S. Government securities, at cost (quoted market value of \$299,052)	298,336	—	298,336
Accounts receivable, less estimated doubtful accounts	410,331	195,521	605,852
Accrued unbilled fire protection revenue	124,283	49,134	173,417
Interdivisional current accounts	117,438	(117,438)	—
Materials and supplies, at average cost	361,452	45,552	407,004
Prepayments	54,697	13,780	68,477
	<u>3,441,105</u>	<u>1,114,059</u>	<u>4,555,164</u>
DEFERRED CHARGES:			
Unamortized debt discount and expense	459,400	147,754	607,154
Other	26,105	1,060	27,165
	<u>485,505</u>	<u>148,814</u>	<u>634,319</u>
	\$49,424,305	\$20,602,365	\$70,026,670

LIABILITIES	South Bay Division	Huntington- Babylon- Sag Harbor Division	Combined
WATER WORKS REVENUE BONDS (Note A)	\$26,415,000	\$ 8,450,000	\$34,865,000
BOND ANTICIPATION NOTES, SERIES D (Note C)	—	3,250,000	3,250,000
CURRENT LIABILITIES:			
Accounts payable	1,033,250	337,130	1,370,380
Accrued interest on bonds and notes	440,563	177,682	618,245
Other accrued liabilities	294,910	49,833	344,743
Customers' deposits	729,103	373,531	1,102,634
Current maturities of revenue bonds	355,000	175,000	530,000
	2,852,826	1,113,176	3,966,002
ADVANCES FOR CONSTRUCTION	7,098,690	1,859,813	8,958,503
CONTRIBUTIONS IN AID OF CONSTRUCTION	2,772,449	1,193,942	3,966,391
ACCUMULATED DEPRECIATION ON WATER PLANT	2,442,319	1,189,810	3,632,129
EARNINGS EMPLOYED IN THE BUSINESS, per accompanying statement	7,843,021	3,545,624	11,388,645
	\$49,424,305	\$20,602,365	\$70,026,670

(See notes to financial statements)

Notes to Financial Statements MAY 31, 1964

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:

South Bay Division:

Series	Interest Rate	Principal Amount	Date	Maturity*
A	2 1/4 %	\$ 3,725,000	1984	\$145,000 to \$ 235,000
A (Term)	2 1/4 %	2,305,000	1985	76,000 to 263,000
B-D	3 1/2 - 5 %	2,650,000	1994	50,000 to 140,000
E	4-4.10 %	2,400,000	1996	25,000 to 200,000
F	4.10-5 %	5,400,000	1998	25,000 to 350,000
G	4-5 %	4,460,000	2000	20,000 to 500,000
H	3 1/4 - 5 %	5,475,000	2001	25,000 to 1,100,000
		\$26,415,000		

Huntington-Babylon-Sag Harbor Division:

Series	Interest Rate	Principal Amount	Date	Maturity*
A	3-3 1/4 %	\$ 4,185,000	1985	\$145,000 to \$ 265,000
B	3 1/2 %	1,340,000	1988	10,000 to 315,000
C	3 1/2 - 5 %	2,925,000	1993	25,000 to 400,000
		\$ 8,450,000		

*The bonds are serial bonds which mature in increasing annual instalments, except that \$2,305,000 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 1965 and in the last year of their term, respectively, and the required 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, 1964, the following Series D Bond Anticipation Notes, maturing December 1, 1964, were issued under resolutions adopted by the Authority, which authorized the issuance of \$4,500,000 of Series D Bonds of the Huntington-Babylon-Sag Harbor Division:

Date	Interest Rate	Principal Amount
October 15, 1963.....	1.74%	\$ 500,000
December 1, 1963.....	1.63-2.15%	2,000,000
February 3, 1964.....	1.92%	750,000
		\$3,250,000

NOTE D:

Debt service requirements (interest on bonds and notes, principal of bonds maturing serially, and sinking fund requirements) for the year ended May 31, 1964 were \$1,329,646 for the South Bay Division and \$523,891 for the Huntington-Babylon-Sag Harbor Division. Net earnings before interest and depreciation for the year ended May 31, 1964 for the South Bay Division equaled 2.10 times debt service requirements and for the Huntington-Babylon-Sag Harbor Division equaled 2.25 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
1965	\$1,327,633	\$475,877
1966	1,325,965	474,928
1967	1,329,175	479,028
1968	1,326,933	477,453
1969	1,325,665	475,877

NOTE E:

On April 30, 1964, the Authority authorized the issuance of \$4,500,000 of Water Works Revenue Bonds, Series I, of the South Bay Division and subsequently approved the issuance of \$800,000 of Bond Anticipation Notes dated June 29, 1964, with interest rates of 1.85% and 2% per annum and \$1,500,000 of Notes dated July 30, 1964, with interest rates of 2.125% and 2.15% per annum. These Notes will mature December 1, 1964. The resolution authorizing the Series I Bonds is to be superseded and replaced by the resolution, adopted as of July 29, 1964, authorizing \$17,000,000 Water Works Revenue Bonds, Series I.

The proceeds from the sale of the Series I Bonds are to be used: (1) to redeem and pay the principal of and premium on all Series A and B Water Works Revenue Bonds outstanding of Huntington-Babylon-Sag Harbor Division; (2) to provide for the payment at the earlier of maturity or the first redemption date of the principal of and premium on Series C Water Works Revenue Bonds outstanding of Huntington-Babylon-Sag Harbor Division (funds provided for such payment shall be held in trust by the Fiscal Agent until maturity or June 1, 1968, as the case may be, at which time the then outstanding Series C Bonds may be redeemed); (3) to pay the outstanding Bond Anticipation Notes of both the South Bay and Huntington-Babylon-Sag Harbor Divisions; (4) to increase the Debt Service Reserve Fund as required by the resolution and the supplemental resolution; and (5) the proceeds remaining shall be used to acquire properties or transferred to the New Construction Fund.

On July 29, 1964, the Authority adopted a resolution providing for the consolidation of the operations and assets of South Bay and Huntington-Babylon-Sag Harbor Divisions.

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.

*A page from history (about 1770).
Well sweep and box at the
Thompson House, Setauket, N.Y.*



COMMUNITIES SERVED

Amityville

Amityville

Copiaque

Babylon*

Babylon

Deer Park

Lindenhurst

North Babylon

West Babylon

Bay Shore

Bay Shore

Brightwaters

Central Islip

East Islip

Great River

Islip

Islip Manor

Islip Terrace

Oakdale

West Islip

East Hampton

East Hampton

Huntington*

Centerport

Cold Spring Harbor

Halesite

Huntington

Huntington Bay

Huntington Station

Lloyd Harbor

Kings Park

Retail:

Commack

Kings Park

Wholesale:
Smithtown‡

Northport

Asharoken

Commack

East Northport

Huntington Station

Northport

Patchogue

Bayport

Bellport

Blue Point

Bohemia

Farmingville

Lake Ronkonkoma

Patchogue

Sayville

West Sayville

Port Jefferson

Retail:

Belle Terre

Centereach

East Hills

East Setauket

Poquot

Port Jefferson

Port Jefferson Station

Port Jefferson

Wholesale:

Pipe Stave Hollow‡

Stony Brook‡

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

Quiogue

Quogue

Westhampton

Westhampton Beach

*Huntington-Babylon-Sag Harbor Division.

‡Water Districts.

Suffolk County Water Authority
OAKDALE, LONG ISLAND, NEW YORK

