SUFFOLK COUNTY WATER AUTHORITY



ANNUAL REPORT 1970

BOARD MEMBERS

HERMON L. BISHOP, Treasurer / MATTHEW B. KONDENAR, Secretary / J. HARVEY McCOY / H. WARD ACKERSON / LOUIS W. WEINFURT, General Manager / JOHN H. SCHEETZ, Executive Secretary / WILLIAM J. SCHICKLER, Assistant General Manager and Chief Engineer / HERBERT C. KOEHLER, Assistant General Manager, Distribution / KENNETH L. MORRIS, Assistant General Manager, Commercial Office Operations / EUGENE SIDOTI, Controller / J. LEONARD NEWMAN, Chief Accountant / VAN NOSTRAND & MARTIN, Counsel / N. F. FENN, Resident Engineering Consultant / HOMER F. GARDNER, Resident Engineering Consultant / 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 / THE PRESS-PRICH CORPORATION OF NEW YORK, Financial Advisors.

MESSAGE

Authority operations during the fiscal year just completed reached new highs with gains reported in all areas. The financial condition of the Authority continued the upward trend established over the past 19 years of operation.

Net revenues before interest and depreciation for fiscal 1970 stood at \$7,195,217, 1.90 times debt service. Water pumpage for the year surged to 21,699 million gallons to establish a new high. Total plant value was up \$9,480,179 for a total at year end of \$118,348,172 while revenues invested in facilities since 1951 showed a corresponding increase to \$26,555,630 from the May 31, 1969 high of \$23,592,066.

Increased emphasis was placed on research, planning and conservation designed to develop guidelines to protect Suffolk's water resources during the period just completed. As part of this program a well monitoring program along the barrier beach, which protects the mainland along the entire coastline of Suffolk, was established. In addition, Authority personnel are making plans to conduct studies of water levels at various observation points while at the same time compiling historical data concerning water quality and chemical content. The Authority is participating in an Inter-Agency Committee for Water Resources Data Processing which is setting up improved methods to exchange information and developing better utilization of expertise concerning the underground geological structure and water bearing strata of Suffolk County.

The cooperative studies between the United States Geological Survey, the Suffolk County Board of Supervisors and the Authority were continued. It is hoped that Authority recommendations aimed at enlarging the scope of these studies will be followed in fiscal 1971. These programs are currently monitoring stream flows in Suffolk as well as studying portions of the underground water reservoir. Work also continued on the Authority's own test well program which provides valuable data concerning the water bearing strata of each of the Authority's well field sites.

During fiscal 1970 service was extended to 8,816 new customers bringing the total number of customers served to 171,811. There were 107 miles of main installed together with 808 hydrants being placed in service.

The Authority sold an \$11 Million Series L Bond Issue to the lowest bidder on April 1, 1970 to provide funds for budgeted construction. Net average interest cost was 6.484%.



OPERATIONS



Blowing its top was the largest water storage facility ever constructed by the Suffolk County Water Authority, the 2,290,000 gallon standpipe on Locust Drive, North Bay Shore. The new standpipe's roof was constructed on the ground with steel walls being erected around it, the roof was then raised more than 110 feet by compressed air.

Fiscal 1970 saw the continuation of the sound financial growth demonstrated by the Authority over the past 19 years. Authority revenues for the second straight year exceeded \$10 million, posting a 1.90 times debt service after interest and depreciation.

During the fiscal period, the Authority acquired the facilities of the Pipe Stave Hollow Water District by assuming district debt in the amount of \$461,846. Prior to acquisition Pipe Stave Hollow had served 464 customers and operated 68 fire hydrants.

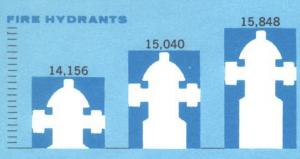
Also obtained during the period were the service areas of two private water companies. The Patchogue Shores and the Groveland Park Water Companies abandoned their water service area opening them up for service by the Authority. The 350 customers these companies had served were all connected to the Authority's system under terms of the rules and regulations of the Authority.

Fiscal 1970 saw total revenues of \$11,538,072 with net revenues before interest and depreciation of \$7,195,217 or 1.90 times debt service. At year's end total plant value stood at \$118,348,172 as compared with the total as of May 31, 1969 of \$108,867,993. Included in this amount is \$26,555,630 represented by revenues of the Authority invested in the business.

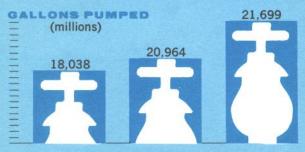
The total number of Authority customers increased from 162,995 on May 31, 1969 to 171,811 or an 8,816 increase. Included in this number are those customers acquired from the Pipe Stave Hollow Water District. Not included in the above are customers served by three water districts which purchase their water from the Authority. These districts served approximately 7,465 customers as of May 31, 1970 and bring the Authority's combined total to 179,276 customers or an estimated 650,000 people.

The Authority installed 107 miles of main bringing the total to 2,597 miles and 808 fire hydrants were placed in service for a total of 15,848.

RESULTS



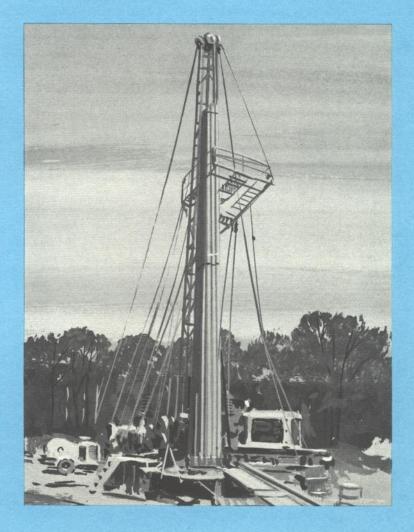






ADDITIONS	S TO PLANT	\$9,479,024
\$8,987,616	\$8,473,818	
1968	1969	1970

	Year Ended May 31	
	1970	1969
Revenues	\$11,538,071	\$10,664,660
Operating and Maintenance Expense, except depreciation	4,342,855	3,840,837
Interest on bonds and notes; also amortization of debt		
discount and expense	2,848,116	2,620,086
Depreciation	1,383,536	1,270,477
Revenues Invested in		
Facilities for the Year	2,963,564	2,933,260
Revenues Invested in Facilities		
(since June 1, 1951)	26,555,630	23,592,066
Total Water Plant at cost	118,348,172	108,867,993
Net Additions to Water Plant (excluding property		
acquisitions)	9,479,024	8,473,888
Customers (Active Services)	171,811	162,995
Miles of Mains in Service	2,597	2,490
Fire Hydrants in Service	15,848	15,040
Water Production	21,699	20,964
(Million Gallons)	22,500	



MANAGEMENT & PERSONNEL

During the year just ended Governor Nelson A. Rockefeller named the Authority's Chief Engineer, William J. Schickler, to serve as a member of the state's Temporary Commission on Water Supply Needs for Southeastern New York. The commission is composed of 15 members and will study the water needs of New York City, Nassau and Suffolk and five upstate counties.

The Authority continued its Service Award program which grants recognition to the Authority's employees for length of service in consideration of the contributions they have made to the success of the Authority. During the year 419 awards were made.

At the close of the fiscal year, which ended May 31, 1970, there were 398 personnel carried on the Authority's payroll as compared to 386 at the close of the previous fiscal year.

The members of the Authority would like to extend their appreciation to all employees for their continued cooperation and efforts which have contributed to the success of the Authority in meeting the water needs of the residents of Suffolk County.

Early Warning well monitoring program set up last year by the Suffolk County Water Authority samples water from 29 operating wells located on the Great South Beach (Fire Island) to help the Authority develop historical data concerning water quality.



1070 ON THE MOVE

On the move are three words that best characterize the construction program of the Suffolk County Water Authority during fiscal 1970. Everywhere you look work is underway enlarging or modernizing water plant facilities in order to keep abreast of the unprecedented demand for more and more water service being made by the 171,811 Authority customers. Suffolk County is the fastest growing suburban county in the nation and providing water facilities that are in tune with that growth has been the challenge facing the Authority for the past 19 years.

During the fiscal period just ended the Authority expended \$9,671,471, the largest amount in its history, on new construction. Retirements for the same period totaled \$192,447 for a net addition to water plant of \$9,479,024.

Design innovation provided the highlight in the new construction program for fiscal 1970. Authority engineers designed a new type of well featuring two submersible pumps housed in the same casing and capable of producing double the amount of water obtained from a single well. This well, which we refer to as a "double pump well," was installed on the Authority's well field site at Blue Spruce Lane, Commack, in the Smithtown District, at a total cost of \$58,000. It is the largest well ever drilled on Long Island.

The well is 675 feet deep, has 36 inch well casing with 90 feet of 12 inch well screen. The two submersible pumps share the common casing at different depths and are capable of pumping 2,400 gallons of water per minute. The well was designed for use on small well field sites in the heavily populated western portions of the county. It is also expected to lower operational costs and to provide additional economies.

Storage capacity of the Authority was enlarged during the year with the completion of a 1,600,000 gallon steel reservoir on Horse Block Road, Farmingville, Patchogue District. The new reservoir was installed at a cost of \$153,557 — it is 48 feet high, 75 feet in diameter and will help maintain fire flows and provide domestic service to residents in the Farmingville, Holtsville, and surrounding area.

Fiscal 1970 also saw the completion of five pump stations at a total cost of \$988.851. These pump stations, together with the 14 new wells drilled, increased the total pumping capacity by more than 22 million gallons daily. Total daily pumping capacity of the Authority's 242 wells now stands at 258.5 million gallons. During the year the Authority added three more standby diesel generators equipping three additional pump stations with their own standby power supply.

During the year there were 107 miles of pipeline and 808 fire hydrants installed as part of the net additions to plant facilities. This brings the Authority's total miles of pipeline to 2,597 with a total of 15,848 fire hydrants.

Water main was installed by the Water Authority in the area formerly served by the Groveland Park Water Company of Miller Place and also in the area formerly served by the Patchogue Shores Water Company, both of which were acquired by the Authority.





Conservation, planning and research have become the watchwords at the Suffolk County Water Authority. Long concerned with protection of Suffolk's fresh water resources, the Authority is placing increased emphasis on developing long-range conservation programs and is busy devising new plans to guard against possible depletion or destruction of available water supplies.

Suffolk County is faced with a unique problem in planning to safeguard its water resources. All available water supplies are stored in a natural underground water reservoir formed by the geological formations of Long Island. This reservoir is replenished entirely by precipitation and lies in an area surrounded on two sides by salt water. Damage to this supply could come from man-made pollutants or from the encroachment of salt water. To guard against salt water intrusion the Authority has established a well monitoring program along the Fire Island barrier beach. This narrow strip

monitoring program along the Fire Island barrier beach. This narrow strip of land protects the mainland of Suffolk County from the Atlantic Ocean. It serves as a vacation spot for large numbers of people during the summer months and provides year round residence for a relative few inhabitants.

The monitoring program established by the Authority utilizes 29 existing wells located at strategic sites along the entire stretch of beach. These wells are sampled twice a year in an effort to develop historical data concerning the chemical nature of the water. This is done in order for the Authority to detect even the slightest variation in chemical content in ample time to take steps to protect the main water reserves located several miles away on the mainland.

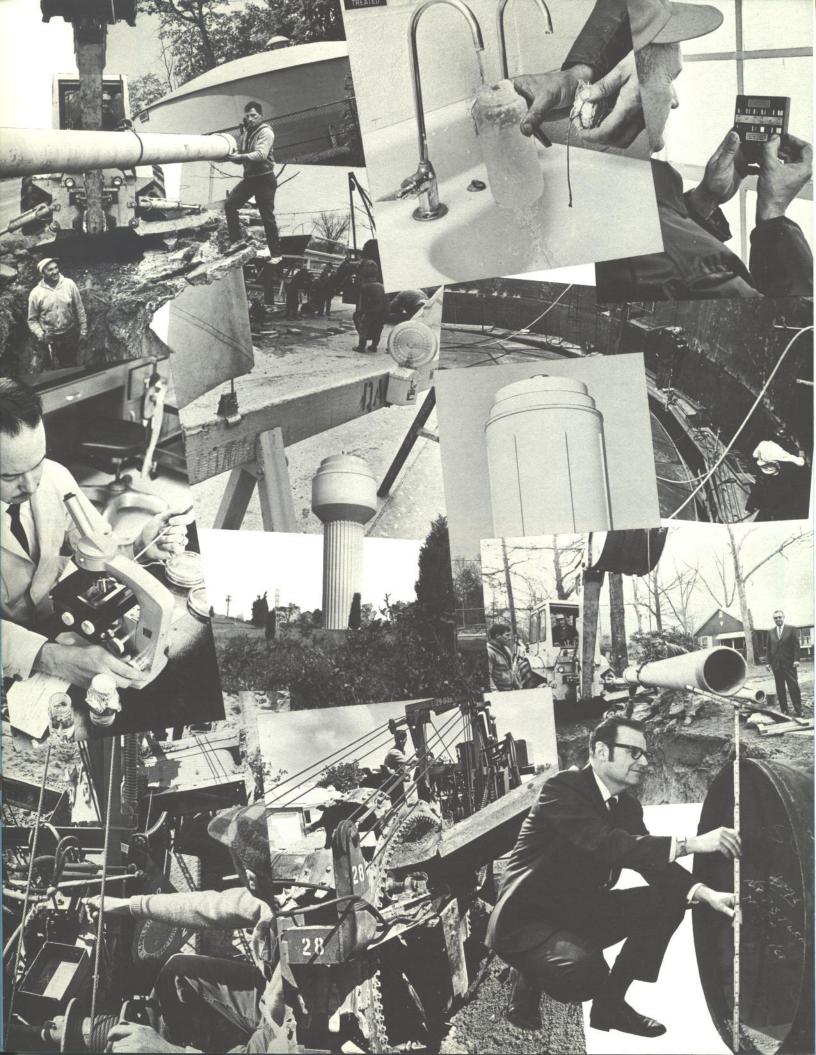
To guard against man-made pollutants the Authority has called for passage of a local law by the Suffolk Legislature to prohibit the sale of detergents containing benzine sulfonate within the geographical boundary of Suffolk County. This was done after completion of a nine-year detergent study which pointed out the measuring threat these detergents pose to available water supplies. These detergents do break down in a sewerage disposal plant but it will be many years before any sizable portion of Suffolk County is sewered.

The Authority is also carefully following its program of test well borings and the placement of production wells in accordance with a two square mile grid pattern. This procedure helps regulate the amount of water withdrawn from any one site and provides for the development of the resource in accordance with the most advanced conservation methods.

The Authority has also called for the recharging of any treated effluent that will be available from the construction of sewerage plants within the County. It is concerned that should the sewerage facilities increase the overall consumptive use of available water supplies a long range depletion of those supplies might occur and, thus, increase the threat of possible salt water intrusion.

The Authority is also cooperating with the United States Geological Survey, the New York State Water Resources Commission, the Suffolk County Health Department and the Nassau Health and Public Works Department in preparing an "Interim Report of the Inter-Agency Committee for Water Resources Data Processing." This study and report will help stimulate the exchange and pooling of water resources data, help standardize forms and procedures used in reporting data and provides for improved cooperation in utilizing the available expertise of the agencies concerned in understanding the hydrogeologic system.

In addition the Authority is conducting several other independent studies aimed at safeguarding the water resources of Suffolk County and insuring that future generations will have an ample supply available.



THANGIAL REVIEW

Series L Bond Anticipation Notes outstanding in the amount of \$7,500,000 which matured September 15, 1969, were paid through the issuance of notes in a similar amount negotiated at 6% for the period September 15, 1969, to April 15, 1970, with major banking institutions doing business with the Water Authority.

In September, 1969, when the sale of the notes was being negotiated, the Authority had a statutory interest rate limitation of 6% which was less than the actual cost of money during this period. The New York State Legislature, during its 1970 session, extended the limitation from 6% to 8%. Thereafter, on April 1, 1970, the Authority sold \$11,000,000 Series L Bonds at an average net cost of 6.48%, which provided sufficient funds to retire Series L Notes outstanding, debt service allocations, issuance costs, and sufficient excess funds to commence the 1969-70 budgeted construction program.

PLANT FACILITIES

Service	Areas	or	Plants

Amityville
Babylon
Bay Shore
East Hampton
Huntington
Northport
Patchogue
Port Jefferson**
Sag Harbor
Smithtown-Kings Park
Southampton
Westhampton
TOTALS

Wells
In Service

	20 TO 10 TO
5	10
12	40
19	47
5	5
7	23
7	14
11	26
6	28
1	3
10	29
2	4
8	13
93	242

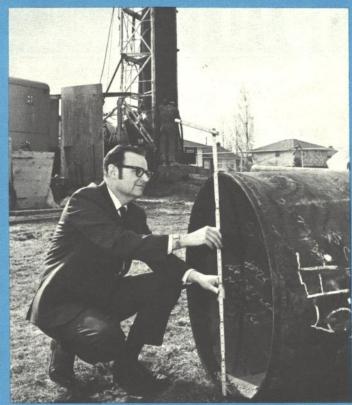
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PERCENTAGE OF INCREAS	E (since acquisition)
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	Pu	amping Plants	
N	o.	Capacity — 1000 Gals. Daily *	
1 3 2 3 3 3 8 2 1 8 1 2	3 14 3 7 7 14 12 2 14 1 3	936 4,464 5,040 3,750 4,620 7,500 10,942 2,664 432 10,784 1,296 2,229 54,657	8,498 44,872 50,342 3,750 16,784 21,330 32,212 34,060 1,170 38,480 2,592 4,409
37	93	54,657	258,499 73

^{*}Based on 24-hour operation.

^{**}Includes acquisition of Pipe Stave Hollow Water District (464 services) on September 30, 1969.



36-inch well casing ,the largest ever installed on Long Island, is inspected by William J. Schickler, chief engineer of the Suffolk County Water Authority. The well was drilled at Blue Spruce Lane Well Field in Commack and is a 635 foot double pump well capable of pumping more than 2,400 gallons of water per minute.

No.			city in Gallons
1	2	295	1,045
1	5	300	4,770
2	6	558	3,080
2	1	210	500
5	6	1,292	3,832
4	5	1,700	3,020
2	7	428	6,465
3	6	863	5,504
1	1	235	235
2	4	568	2,084
1	1	300	300
1	1	234	500
25	45	6,983	31,335
		2	49

3,260	9,244
5,829	33,936
7,366	39,245
2,048	2,329
6,835	12,593
8,090	12,439
8,094	23,668
3,745	17,923
662	845
3,589	15,210
1,413	2,044
1,154	2,335
52,085	171,811

At Acquisition

As of May 31, 1970

STATEMENT OF REVENUES

To the Members of Suffolk County Water Authority

In our opinion, the accompanying balance sheet and statement of revenues present fairly the financial position of Suffolk County Water Authority at May 31, 1970 and the results of its operations for the year then ended, 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.

PRICE WATERHOUSE & CO. Mineola, L.I., N.Y. 11501 July 17, 1970

	Year Ended May 31,	
	1970	1969
Revenues:		
Operating	\$10,692,667	\$10,110,467
Interest	845,404	554,193
Total revenues	11,538,071	10,664,660
Operating expenses:		
Operation	3,657,064	3,212,741
Maintenance	685,791	628,096
Total operating expenses, except depreciation deducted below	4,342,855	3,840,837
Revenues before interest and depreciation (Note D)	7,195,216	6,823,823
Deduct:		
Interest on bonds and notes	2,775,883	2,549,282
Amortization of debt discount and expense	72,233	70,804
Depreciation	1,383,536	1,270,477
	4,231,652	3,890,563
Revenues invested in facilities:		
For the year	2,963,564	2,933,260
At beginning of year	23,592,066	20,658,806
At end of year	\$26,555,630	\$23,592,066

WATER PLANT, at cost, less accumulated depreciation (Note A) \$108,947,625 \$100,803,159 FUNDS HELD BY FISCAL AGENT (Notes B and C): New construction fund, cash 1,011,980 1,179,387 Debt service reserve fund, principally U.S. Government securities, at cost, which approximates market and, in 1970 cash of \$1,062,759 4,577,493 3,584,204 Bond proceeds fund, comprising cash of \$934,425 (\$1,585,934 in 1969) and U.S. Government securities at cost, which approximates market 3,908,185 5,553,745 CURRENT ASSETS: Cash (Note C) 2,284.231 2,054,860 CUS. Government securities at cost, which approximates market, and bank certificates of deposit of \$2,888,989 (\$2,900,000) 3,352,689 3,369,750 Additional funds held by Fiscal Agent: General fund 144,750 19,112 Debt service fund 2,497,889 2,269,509 Accounts receivable, less estimated doubtful accounts 1,150,169 3,055,269 Accrued unbilled fire protection revenue 348,660 328,355 Materials and supplies, at average cost 622,460 607,097 Prepayments 102,698 34,232 Unamortized debt discount and expense 1,530,246 1,311,305 Other <t< th=""><th>ASSETS</th><th colspan="2">May 31,</th></t<>	ASSETS	May 31,	
FUNDS HELD BY FISCAL AGENT (Notes B and C): New construction fund, cash 1,011.980 1,179,387 Debt service reserve fund, principally U.S. Government securities, at cost, which approximates market and, in 1970 cash of \$1,062,759 4,577,493 3,584,204 Bond proceeds fund, comprising cash of \$3934,425 (\$1,585.934 in 1969) and U.S. Government securities at cost, which approximates market 3,908,185 5,553,745 9,497,658 10.317,336		1970	1969
New construction fund, cash		\$108,947,625	\$100,803,159
New construction fund, cash 1,011,980 1,179,387			-
Bond proceeds fund, comprising cash of \$3934,425 (\$1,585,934 in 1969) and U.S. Government securities at cost, which approximates market 9,497,658 10.317,336	New construction fund, cash	1,011.980	1,179,387
CURRENT ASSETS: Cash (Note C) 2,284,231 2,054,860 U.S. Government securities at cost, which approximates market, and bank certificates of deposit of \$2,889,99 (\$2,900,000 in 1969) 3,352,689 3,369,750 Additional funds held by Fiscal Agent: General fund 2,497,889 2,269,509 Accounts receivable, less estimated doubtful accounts 1,150,169 1,055,269 Accounts receivable, less estimated doubtful accounts 1,150,169 1,055,269 Accrued unbilled fire protection revenue 348,660 328,355 Materials and supplies, at average cost 622,460 607,097 Prepayments 102,698 84,232 10,503,546 9,788,184 DEFERRED CHARGES: Unamortized debt discount and expense 1,530,246 1,311,305 Other 26,096 42,331 1,556,342 1,353,636 \$130,505,171 \$122,262,315 LIABILITIES Accounts payable 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,903,000 961,000 CURRENT LIABILITIES 1,003,000 961,000 Current maturities of revenue bonds 1,003,000 961,000 G.594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	of \$1,062,759	4,577,493	3,584,204
Section		3,908,185	5,553,745
CURRENT ASSETS: 2,284,231 2,054,860 U.S. Government securities at cost, which approximates market, and bank certificates of deposit of \$2,888,989 (\$2,900,000 in 1969) 3,352,689 3,369,750 Additional funds held by Fiscal Agent:	••		
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Debt service fund		144 750	10 119
Accounts receivable, less estimated doubtful accounts	Debt service fund		
Accrued unbilled fire protection revenue . 348,660 328,355 Materials and supplies, at average cost . 622,460 607,097 Prepayments . 102,698 84,232 10,503,546 9,788,184 10,503,546 9,788,184 DEFERRED CHARGES: Unamortized debt discount and expense . 1,530,246 1,311,305 26,096 42,331 1,556,342 1,353,636 \$130,505,171 \$122,262,315 \$15,56,342 1,353,636 \$130,505,171 \$122,262,315 \$15,56,342 1,353,636 \$130,505,171 \$122,262,315 \$15,56,342 1,353,636 \$130,505,171 \$122,262,315 \$15,56,342 1,353,636 \$130,505,171 \$122,262,315 \$15,56,342 1,353,636 \$130,505,171 \$122,262,315 \$15,56,369 1,350,000 \$15,500,000	Accounts receivable, less estimated		m.c. = 1, 4 = 1 = 1
Materials and supplies, at average cost 622,460 607,097 Prepayments 102,698 84,232 10,503,546 9,788,184 DEFERRED CHARGES: 	doubtful accounts	1,150,169	1,055,269
Prepayments	Accrued unbilled fire protection revenue .	348,660	328,355
DEFERRED CHARGES: Unamortized debt discount and expense 1,530,246 1,311.305 Other		622,460	607,097
Unamortized debt discount and expense 1,530,246 1,311,305 26,096 42,331 1,556,342 1,353,636 \$130,505,171 \$122,262,315 \$12	Prepayments	102,698	84,232
Unamortized debt discount and expense 1,530,246 1,311,305 Other 26,096 42,331 1,556,342 1,353,636 \$130,505,171 \$122,262,315 WATER WORKS REVENUE BONDS (Notes B and E) \$73,336,000 \$63,339,000 BOND ANTICIPATION NOTES 7,500,000 CURRENT LIABILITIES: Accounts payable 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF 14,657,117 12,218,958		10,503,546	9,788,184
Other 26,096 42,331 1,556,342 1.353,636 \$130,505,171 \$122,262,315 LIABILITIES WATER WORKS REVENUE BONDS (Notes B and E) \$73,336,000 \$63,339,000 BOND ANTICIPATION NOTES 7,500,000 CURRENT LIABILITIES: Accounts payable 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	DEFERRED CHARGES:		
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1,556,342 1.353,636	Other	26,096	42,331
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WATER WORKS REVENUE BONDS (Notes B and E)			and the second s
WATER WORKS REVENUE BONDS (Notes B and E) \$ 73,336,000 \$ 63,339,000 BOND ANTICIPATION NOTES 7,500,000 CURRENT LIABILITIES: 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958		#130,000,171	φ122,202,313
(Notes B and E) \$ 73,336,000 \$ 63,339,000 BOND ANTICIPATION NOTES 7,500,000 CURRENT LIABILITIES: 3,303,908 1,084,270 Accounts payable 1,303,908 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958		S	
BOND ANTICIPATION NOTES 7,500,000 CURRENT LIABILITIES: Accounts payable 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958			
CURRENT LIABILITIES: Accounts payable 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	(Notes B and E)	\$ 73,336,000	\$ 63,339,000
Accounts payable 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	BOND ANTICIPATION NOTES		7,500,000
Accounts payable 1,303,908 1,084,270 Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	CURRENT LIABILITIES:		
Accrued interest on bonds and notes 1,516,369 1,330,069 Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958		1.303.908	1.084.270
Other accrued liabilities, principally retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958			
retirement contributions 854,544 715,357 Customers' deposits 1,917,158 1,857,017 Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	Other accrued liabilities, principally	\$ 1500	
Current maturities of revenue bonds 1,003,000 961,000 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	retirement contributions	854,544	715,357
ADVANCES FOR CONSTRUCTION 6,594,979 5,947,713 ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958		1,917,158	1,857,017
ADVANCES FOR CONSTRUCTION 9,361,445 9,664,578 CONTRIBUTIONS IN AID OF CONSTRUCTION 14,657,117 12,218,958	Current maturities of revenue bonds	1,003,000	961,000
CONTRIBUTIONS IN AID OF CONSTRUCTION		6,594,979	5,947,713
CONTRIBUTIONS IN AID OF CONSTRUCTION	ADVANCES FOR CONSTRUCTION		
	CONTRIBUTIONS IN AID OF		
REVENUES INVESTED IN FACILITIES 26,555,630 23,592,066		14,657,117	12,218,958
	REVENUES INVESTED IN FACILITIES	26,555,630	23,592,066
\$130,505,171 \$122,262,315		\$130,505,171	\$122,262,315

	M	May 31,		
NOTE A — WATER PLANT:	1970	1969		
Land and land rights Wells, reservoirs and structures Pumping and purification equipment Distribution system Construction in progress Other Water Plant, at cost Less — Accumulated depreciation	\$ 3,199,790 15,219,696 3,505,768 90,678,148 4,534,693 1,210,077 118,348,172 9,400,547	\$ 2,931,272 13,536,221 3,124,861 83,386,021 4,717,119 1,172,499 108,867,993 8,064,834		
	\$108,947,625	\$100,803,159		

The Authority provides depreciation on a straight-line basis at a composite annual rate of 1.4%.

NOTE B — BONDS OUTSTANDING:

The Authority's resolution authorizing the bond issues requires that all revenues be deposited in the name of the Fiscal Agent and allocated to specific funds. 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, exclusive of current maturities:

Series Interest rate		Maturity*				
		$\frac{Final}{date}$	Annual amounts			
23/4 %	\$ 2,790,000	1984	\$170,000	to	\$	235,000
23/4 %	1,821,000	1985	89,000	to		263,000
31/2 %	1,545,000	1988	65,000	to		115,000
4.10-41/2%	5,225,000	1998	35,000	to		350,000
4-5%	4,325,000	2000	25,000	to		500,000
31/4-3.40%	5,325,000	2001	30,000	to	1	1,100,000
31/4-5%	15,635,000	2002	260,000	to	1	1,000,000
0.10-5%	14,090,000	2002	220,000	to		910,000
4.10-5%	11,580,000	2002	150,000	to	1	1,000,000
5-8%	11,000,000	2003	110,000	to]	1,670,000
	\$73,336,000					
	$\begin{array}{c} \underline{rate} \\ 2\sqrt[3]{4} \% \\ 2\sqrt[3]{4} \% \\ 3\sqrt[4]{2} \% \\ 4.10-4\sqrt[4]{2} \% \\ 4.5 \% \\ 3\sqrt[4]{-3.40} \% \\ 3\sqrt[4]{-5} \% \\ 0.10-5 \% \\ 4.10-5 \% \\ \end{array}$	$\begin{array}{c ccccc} \hline rate & amount \\ \hline 2 \frac{3}{4} \% & \$ 2,790,000 \\ 2 \frac{3}{4} \% & 1,821,000 \\ 3 \frac{1}{2} \% & 1,545,000 \\ 4.10 & 4 \frac{1}{2} \% & 5,225,000 \\ 4-5 \% & 4,325,000 \\ 3 \frac{1}{4} & -3.40 \% & 5,325,000 \\ 0.10 & 5 \% & 15,635,000 \\ 0.10 & 5 \% & 14,090,000 \\ 4.10 & 5 \% & 11,580,000 \\ 5-8 \% & 11,000,000 \\ \hline \end{array}$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$

^{*}The bonds are serial bonds which mature in increasing annual instalments, except that \$1,821,000 of the Series A bonds are term bonds which mature on June 1, 1985. However, the resolution authorizing this issue provides for the retirement of the term bonds in increasing annual amounts out of the sinking fund accumulated for this purpose. The annual maturities shown for serial bonds represent the amounts maturing in 1971 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 C - FUNDS HELD BY FISCAL AGENT:

A substantial portion of cash represents monies received from the New Construction Fund held by the Fiscal Agent and from housing developers to be used solely for new construction. In addition, the Bond Proceeds Fund is similarly restricted.

NOTE D — DEBT SERVICE REQUIREMENTS:

Debt service requirements (interest on bonds and notes, principal of bonds maturing serially, and sinking fund requirements) for the year ended May 31, 1970, were \$3,782,403. Revenues before interest and depreciation for the year ended May 31, 1970, equaled 1.90 times debt service requirements.

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

Fiscal year	Amount
1971	\$4,189,308
1972	4,194,003
1973	4,185,055
1974	4,179,053
1975	4,179,568

NOTE E — AUTHORIZATION OF ISSUANCE OF WATER WORKS REVENUE BONDS, SERIES M:

On June 18, 1970, the Authority authorized the issuance of \$6,000,000 of Water Works Revenue Bonds, Series M. The proceeds from the sale of the Series M Bonds are to be used to increase the Debt Service Reserve Fund, to pay the expenses of the sale and issuance and to construct, acquire, extend and improve the Water Works System, as provided by the resolution.

AMITYVILLE: Amityville, Copiague, North Amityville / BABYLON: Babylon, Deer Park, Lindenhurst, North Babylon, West Babylon, Wyandanch / BAY SHORE: Bay Shore, Brightwaters, Central Islip, East Islip, Great River, Islip, Islip Manor, Islip Terrace, North Brentwood, Oakdale, West Islip / EAST HAMPTON: East Hampton / HUNTING-TON: Centerport, Cold Spring Harbor, Halesite, Huntington, Huntington Bay, Huntington Station, Lloyd Harbor / NORTHPORT: Asharoken, Commack, East Northport, Northport / PATCHOGUE: Bayport, Bellport, Blue Point, Bohemia, East Patchogue, Farmingville, Lake Ronkonkoma, Medford, North Patchogue, Patchogue, Sayville, West Sayville / KINGS PARK: Retail - Commack, Kings Park; Wholesale - Smithtown* / PORT JEFFERSON: Retail - Belle Terre, Centereach, East Setauket, Miller Place, Pipe Stave Hollow, Poquot, Port Jefferson, Port Jefferson Station, Selden, Setauket, Sound Beach, South Setauket, Stony Brook, Terryville; Wholesale - Stony Brook* / WEST-HAMPTON BEACH: East Quogue, Quiogue, Quogue, Westhampton, Westhampton Beach / SOUTHAMPTON: Southampton / SAG HARBOR: North Haven, Sag Harbor / SMITHTOWN: Retail - Hauppauge, Head-of-the-Harbor, Nesconset, Nissequogue, Smithtown, The Branch; Wholesale - St. James*

* Water Districts