

SCWA
Suffolk County Water Authority

ANNUAL REPORT 1978

A year dedicated to improved customer relations

AUTHORITY MEMBERS



AUTHORITY MEMBERS are (l. to r.): Robert J. Flynn, Chairman; Miriam T. Anzel; William A. Frankenbach, Treasurer and Assistant Secretary; Matthew B. Kondenar, Secretary; and Bert R. Friedman.

Robert J. Flynn, *Chairman*

Matthew B. Kondenar, *Secretary*

William A. Frankenbach, *Treasurer and Assistant Secretary*

Bert R. Friedman

Miriam T. Anzel

Louis W. Weinfurt

General Manager

Walter C. Hazlitt

Executive Director

John H. Scheetz

Executive Secretary

William J. Schickler

Assistant General Manager and Chief Engineer

Herbert C. Koehler

Assistant General Manager, Distribution

Bernard T. Hanrahan

Assistant General Manager, Commercial Office Operations

Eugene Sidoti

Controller

Homer F. Gardner

Resident Engineering Consultant

Van Nostrand & Martin

Counsel

William V. Burnell and Associates

Consulting Engineer

Stone & Webster Engineering Corporation

Advisory Engineer

United States Trust Company of New York

Fiscal Agent

Price Waterhouse & Co.

Independent Accountants

Bache Halsey Stuart Shields Incorporated

Financial Consultant

Leggette, Brashears & Graham

Consulting Ground-Water Geologists



CHAIRMAN'S MESSAGE

Authority operations turned inward during 1978 with increased emphasis being placed on serving existing customers and the consolidation of our financial operations. In line with this, several new customer service programs were undertaken, and a \$15,525,000 Series "R" Water Works Revenue Refunding Bond issue was awarded to the lowest bidder at an annual net interest cost of 5.92 percent.

The refunding of the Series "P" Bond Issue, which carried a net annual interest cost of 7.89 percent, will provide an annual saving to the Authority in excess of \$225,000 annually for the life of the issue which matures in 2010.

In an attempt to improve service to our existing customers and at the same time reduce operating costs, the Authority embarked on a self meter-reading program designed to reduce meter reading costs. Under the program, cards are mailed to the customer along with written instructions on how to read his meter and a self-addressed, return-postage-guaranteed card on which the customer indicates the reading of his meter.

An extension of the self meter-reading program utilizes a similar card which is mailed to all customers who have received more than two estimated bills. This program has helped to reduce the number of accounts receiving estimated bills and has also served to help reduce estimated bill complaints.

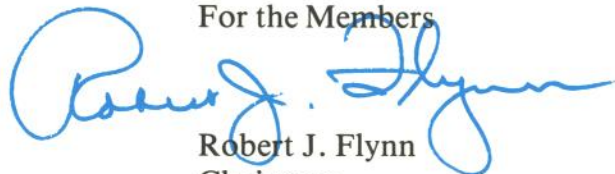
Fiscal 1978 also saw the Authority adopt a policy of returning customer deposits to those customers whose \$10. or \$12. deposit had been made prior to June, 1967. The return of these deposits, which at the time of receipt had been deposited in the general fund, reduced cash receipts for 1978 by approximately \$600,000. The customer refund program will be continued in the next fiscal period.

Operating revenues for the fiscal year reached an all-time high of \$25,755,000 as compared to \$23,735,000 for fiscal 1977. Total revenues before interest and depreciation were \$13,612,000 or 1.72 times debt service.

At the close of the period, the Authority was serving 227,919 customers through 3,354 miles of main with some 21,541 hydrants. A total of 34,214 million gallons of water were produced from a total of 396 wells.

Projects concerning the Authority's operations for the coming fiscal period and for the next five years indicate a continued increase in revenues and operations as well as a continuation of the excellent financial structure of the Authority which has earned it a Moody's Investors Service, Inc. bond rating of "A-1."

For the Members



Robert J. Flynn
Chairman

SCWA



HIGHLIGHTS

	Year Ended May 31	
	1978	1977
Total Revenues	\$ 25,755,000	\$ 23,735,000
Operating and Maintenance Expense, except depreciation	12,143,000	11,296,000
Interest on Bonds and Notes; including amortization of debt discount and expense and Series "P" refunding cost	8,318,000	6,114,000
Depreciation	2,608,000	2,482,000
Revenues Invested in Facilities for the year	2,686,000	3,843,000
Revenues Invested in Facilities (since June 1, 1951)	51,592,000	48,906,000
Total Water Plant at Cost	216,219,000	208,193,000
Net Additions to Water Plant	8,026,000	10,210,000
Customers (Active Services)	227,919	224,252
Miles of Mains in Service	3,354	3,316
Fire Hydrants in Service	21,541	21,311
Water Production (Million Gallons)	34,214	33,874

REVIEW OF THE YEAR'S OPERATIONS

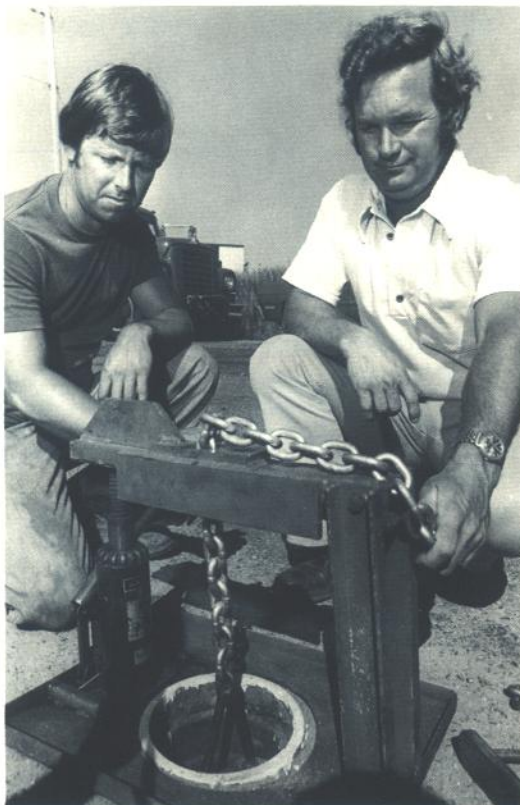
NEW CONSTRUCTION

During fiscal 1978 the Authority added six wells and two pumping stations to its system, at an approximate cost of \$965,000, increasing its pumping capacity by approximately 8.5 million gallons per day.

Four fully automated, diesel-engine-driven generator sets for standby electric power were installed at four separate stations during this fiscal

year. These four units can generate a total of 1050 kilowatts of electric energy to operate all well pump motors at their respective pump stations in the event of a power failure.

The Authority, in accordance with its long-range plans to provide adequate and dependable water service at the most economical cost to the people of Suffolk County, placed in service a 55-foot-diameter, 80-foot-high standpipe, having a capacity of 1.42-million gallons in Montauk to replace a deteriorating 250,000-gallon concrete reservoir at a cost of approximately \$475,000. The new facility will eliminate the previous deficiency in storage and will help meet future water demands and also increase pressures. This will result in overall improved service, especially in areas of higher elevation during peak-periods of demand and lower pressures and improved fire protection for the entire district.



NEW DEVICE, developed by Louis Rudden, right, an employee of the Authority's Construction-Maintenance Department, is designed to automatically raise valve box covers. Device greatly reduces time spent raising valve box covers and will help reduce injuries to Authority employees. Lending a hand in actual test of the device is James Wilson, an Authority employee.

REFUND CHECKS MAILED TO CUSTOMERS

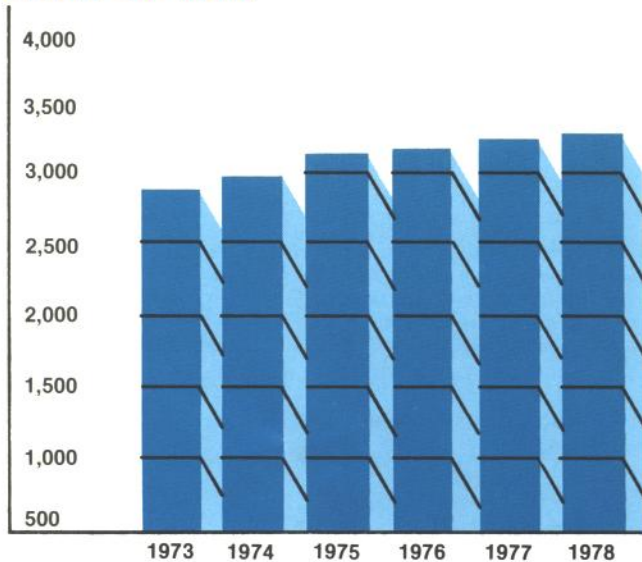
The Authority completed mailing refund checks to some 60,000 customers under terms of a resolution adopted by the Members of the Authority in September, permitting the refund of \$10. and \$12. residential customer deposits. The project began in December and continued over a three-month period.

The customer deposits had been used to maintain a low water rate over the years and were returned without the payment of interest since, in reality, the fund to pay interest costs would have to come via a

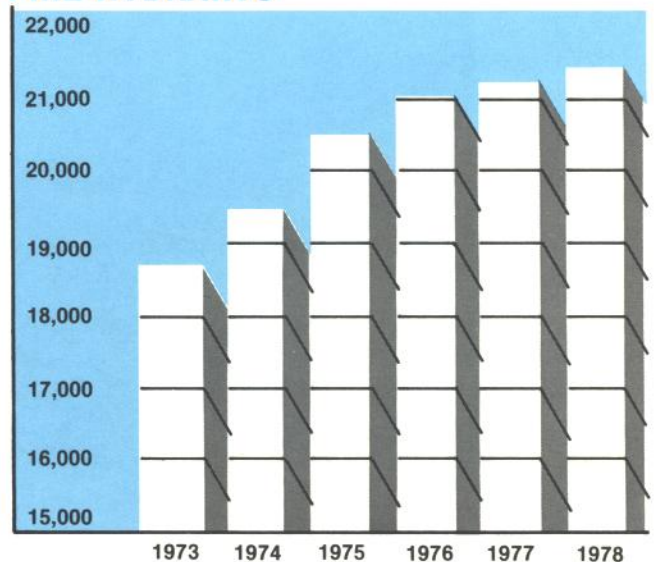
rate increase. Thus, the customer would have been forced to pay a higher water rate in order to pay himself interest on his deposit.

The Authority has included funds in its 1978-1979 budget to continue the refunding program for all \$10. and \$12. deposits held prior to June 1, 1970.

MILES OF MAIN



FIRE HYDRANTS





AUTHORITY TO TEST CONSUMER METER READING PROGRAM

Starting September 1, the Authority will begin testing a Consumer Meter Reading Program which will give customers in the Smithtown District the opportunity to read their own water meters. Under the new program, customers will be mailed a specially designed meter reading card each quarter. The customer will be asked to cooperate with the program by jotting down readings shown on the face of his meter on the self-addressed, postage-free card supplied. The customer will then drop the card in the mail, and the Authority will

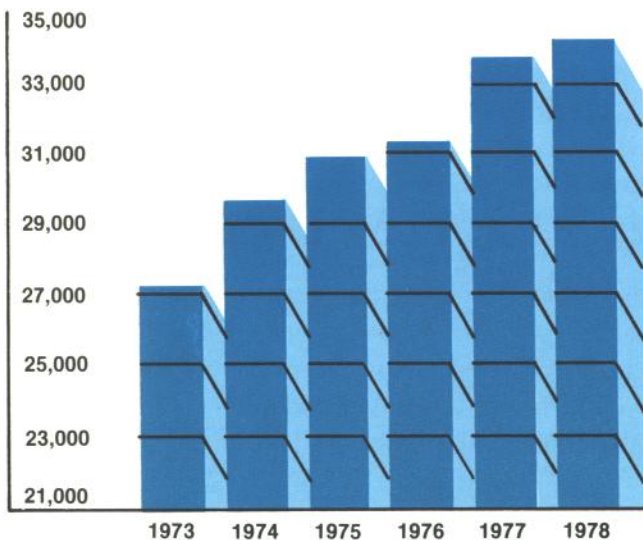
base its billing for the quarter on the information furnished by the customer.

Water Authority Chairman Robert J. Flynn, who initiated the program, pointed out that in more and more cases all members of a family are either working or for one reason or another are out of the home, and it is impossible for our meter readers to obtain actual readings. Therefore, the Authority decided that it is up to us to increase our efforts to serve our customers and devise systems for making dealing with the Authority a pleasant experience.

When the program gets into full operation, both the customer and the Authority will benefit. Customers will be able to avoid receiving an estimated bill if all members of the family work or if it is impossible for the Authority's meter reader to gain entry to the house to read the meter. By cooperating with the program, the customer will enable the Authority to improve its service and at the same time, save money by helping the Authority cut costs in providing its service.

Perhaps the greatest advantage of all will be the reduction in the number of estimated bills and the reduced cost of meter reading which will help the Authority keep water rates low in the years to come.

WATER PRODUCTION (Million Gallons)





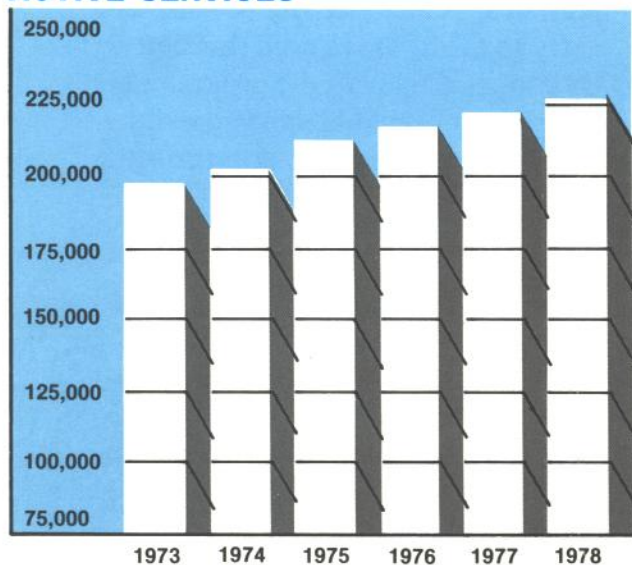
**MIRIAM T. ANZEL
APPOINTED TO BOARD**

History was made on April 11, 1978 by the Suffolk County Legislature when it appointed Miriam T. Anzel to a five-year term as a Member of the Suffolk County Water Authority. Miss Anzel, whose term expires on March 29, 1983, is the first woman to serve on the five-member Authority Board.

Long active in community and governmental affairs, Miss Anzel, a graduate of Brooklyn Law School with a Bachelor of Laws Degree, served in the Town of Islip Justice Court and as Deputy Receiver of Taxes, Town of Islip. She is a member of the Advisory Board of the Islip Art Gallery, is a vice chairman of the Town of Islip Republican Committee; is a member of the Republican State Committee, and is presently serving as Counsel to the New York State Federation of Women's Republican Clubs, Inc.

In addition, Miss Anzel has served as Chairman of Grey Ladies, American Red Cross, Brightwaters area; as a member of the Board of Directors of the Jackson St. Settlement House, Brooklyn; and as chairperson of many other community and civic activities in the Town of Islip.

ACTIVE SERVICES





TESTING Port Hydrant Wrench are, right, Louis Rossano and Robert Radice, left, Authority employee who designed the new device. New device turns a two-man job into a one-man operation, cuts time spent freeing hydrant seat rings, and as part of the Authority's Safety Program, will help reduce job-related injuries to Authority personnel.

FINANCING

On February 15, 1978, \$15,525,000 Series "R" Water Works Revenue Refunding Bonds were awarded to the lowest bidder at an annual net interest cost of 5.92%. This issue, dated March 1, 1978, matures serially to 2010 and was rated "A-1" by Moody's Investors Service, Inc.

Net proceeds of \$15,077,595, after providing for bond discount and issuance cost, were available for transfer to the Series "R" Trust Account held by the United States Trust

Company of New York. Additional funds in the amount of \$1,499,351 from the General Fund and \$376,061 from the Debt Service Fund were transferred to the Trust Account to provide for future payment of interest and principal until 1985, at which time the Series "P" Bond Issue, sold on August 6, 1975, at an annual net interest cost of 7.89%, is callable.

This refunding will provide an annual saving in excess of \$225,000 for the life of the issue.

PLANT FACILITIES

□ AS OF MAY 31, 1977

■ AS OF MAY 31, 1978

Service Areas or Plants	Wells		Pumping Plants				Storage Facilities				Active Services	
			No.		Capacity—1000 Gals.	Daily*	No.		Capacity in 1000 Gallons			
BABYLON	70	70	19	19	91,981	78,157	9	9	7,815	7,815	50,201	50,631
BAY SHORE	66	67	17	18	86,358	79,302	8	8	6,370	6,370	45,172	45,275
EAST HAMPTON	26	28	15	16	15,432	15,720	4	5	2,550	3,970	8,481	8,799
HUNTINGTON	49	49	18	18	58,716	57,708	12	12	9,852	9,852	27,351	27,547
PATCHOGUE	53	55	24	24	84,372	85,668	9	10	9,465	10,465	40,748	42,182
PORT JEFFERSON	56	55**	24	24	87,072	87,500***	7	7	7,404	7,404	28,342	29,090
SMITHTOWN	50	51	20	20	79,178	80,474	6	6	6,100	6,100	20,807	21,127
WESTHAMPTON	21	21	8	7**	14,638	13,630	3	3	2,350	2,350	3,150	3,268
TOTALS	391	396	145	146	517,747	498,159	58	60	51,906	54,326	224,252	227,919

* Based on 24-hour operation

** Adjustment

*** Capacity increased

Total capacity for Pumping Plants has been adjusted to reflect retirements.

To the Members of
Suffolk County Water Authority

July 28, 1978

In our opinion, the accompanying balance sheets and the related statements of revenue and revenue invested in facilities and of changes in financial position present fairly the financial position of Suffolk County Water Authority at May 31, 1978 and 1977, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were 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.

STATEMENT OF REVENUE

	Year ended May 31,	
	1978	1977
Revenues (Note 1):		
Operating	\$23,885,000	\$22,292,000
Interest	1,870,000	1,443,000
Total revenues	25,755,000	23,735,000
Operating expenses:		
Operations	10,021,000	9,280,000
Maintenance	2,122,000	2,016,000
Total operating expenses, except depreciation deducted below	12,143,000	11,296,000
Income before interest and depreciation (Note 4)	13,612,000	12,439,000
Deduct:		
Interest on bonds	6,155,000	5,993,000
Amortization of debt discount and expense	128,000	121,000
Depreciation (Note 1)	2,608,000	2,482,000
	8,891,000	8,596,000
Income before extraordinary item	4,721,000	3,843,000
Extraordinary item:		
Loss on refunding of Series P Water Works Revenue Bonds (Note 3)	2,035,000	
Revenue invested in facilities:		
For the year	2,686,000	3,843,000
At beginning of year	48,906,000	45,063,000
At end of year	\$51,592,000	\$48,906,000

BALANCE SHEETS



Assets	May 31,	
	1978	1977
Water Plant, at cost, less accumulated depreciation (Notes 1 and 2) . . .	<u>\$191,530,000</u>	<u>\$186,014,000</u>
Funds held by Fiscal Agent (Note 1):		
New construction fund, cash	500,000	1,692,000
Debt service reserve fund, including certificates of deposit of \$8,800,000 in 1978 and \$8,298,000 and U.S. Government securities of \$1,110,000 at cost, which approximates market in 1977	8,901,000	9,422,000
Bond proceeds fund, invested in certificates of deposit	<u>4,800,000</u>	<u>8,500,000</u>
	<u>14,201,000</u>	<u>19,614,000</u>
Current assets:		
Cash	2,862,000	3,278,000
Bank certificates of deposit (Note 1)	9,400,000	7,400,000
Additional funds held by Fiscal Agent:		
General fund	100,000	100,000
Debt service fund	4,345,000	4,663,000
Accounts receivable, less allowance for doubtful accounts of \$249,000 and \$358,000	2,746,000	1,905,000
Unbilled fire protection revenue (Note 1)	580,000	577,000
Material and supplies, at average cost	1,392,000	1,258,000
Prepayments	<u>404,000</u>	<u>302,000</u>
Total current assets	<u>21,829,000</u>	<u>19,483,000</u>
Deferred charges:		
Unamortized debt discount and expense (Note 1)	2,691,000	2,730,000
Other	<u>116,000</u>	<u>129,000</u>
	<u>2,807,000</u>	<u>2,859,000</u>
	<u>\$230,367,000</u>	<u>\$227,970,000</u>
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Water Works Revenue Bonds, less current portion (Note 3)	\$119,035,000	\$120,160,000
Contributions in aid of construction (Note 1)	37,979,000	34,749,000
Revenue invested in facilities	<u>51,592,000</u>	<u>48,906,000</u>
Total capitalization	<u>208,606,000</u>	<u>203,815,000</u>
Current liabilities:		
Current maturities of Water Works Revenue Bonds (Note 3)	1,698,000	1,624,000
Accounts payable	853,000	1,512,000
Accrued interest on bonds	2,735,000	3,122,000
Other accrued liabilities, principally retirement contributions (Note 1) .	3,598,000	3,551,000
Customer deposits	<u>2,732,000</u>	<u>3,150,000</u>
Total current liabilities	<u>11,616,000</u>	<u>12,959,000</u>
Advances for construction (Note 1)	10,145,000	11,196,000
Commitments (Note 5)		
	<u>\$230,367,000</u>	<u>\$227,970,000</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended May 31,	
	1978	1977
Financial resources were provided by:		
Operations:		
Income before extraordinary item.....	\$ 4,721,000	\$ 3,843,000
Add non-cash charges to income—depreciation and amortization	2,731,000	2,600,000
Working capital provided from operations.....	7,452,000	6,443,000
Extraordinary loss.....	2,035,000	
Deduct—Unamortized issuance costs and debt discount related to refunded Series P Bonds	(368,000)	
Working capital used by extraordinary loss	(1,667,000)	
Decrease in funds held by Fiscal Agent for new construction, debt service and from bond proceeds	5,413,000	11,914,000
Net proceeds from sale of water works revenue bonds	15,071,000	
Advances and contributions for construction, net of refunds of \$316,000 in 1978 and \$545,000 in 1977	2,179,000	2,816,000
Other.....	13,000	23,000
	28,461,000	21,196,000
Financial resources were used for:		
Additions to water plant, net of retirements	8,124,000	10,195,000
Retirement of Series P Bonds.....	14,950,000	
Increase in funds held by Fiscal Agent for new construction, debt service and from bond proceeds		9,447,000
Current maturities and redemptions of Water Works Revenue Bonds	1,698,000	1,624,000
	24,772,000	21,266,000
Increase (decrease) in working capital.....	\$ 3,689,000	(\$ 70,000)
Changes in Elements of Working Capital		
Increase (decrease) in current assets:		
Cash	(\$ 416,000)	\$ 1,835,000
Bank certificates of deposit	2,000,000	(1,400,000)
Funds held by Fiscal Agent	(318,000)	466,000
Accounts receivable	841,000	(173,000)
Unbilled fire protection revenue	3,000	16,000
Materials and supplies	134,000	(20,000)
Prepayments	102,000	66,000
	2,346,000	790,000
(Increase) decrease in current liabilities:		
Current Maturities of water works revenue bonds	(74,000)	(106,000)
Accounts payable	659,000	(234,000)
Accrued interest on bonds	387,000	(358,000)
Other accrued liabilities	(47,000)	45,000
Customer deposits.....	418,000	(207,000)
	1,343,000	(860,000)
Increase (decrease) in working capital.....	\$ 3,689,000	(\$ 70,000)

NOTES TO FINANCIAL STATEMENTS

NOTE 1—Summary of Significant Accounting Policies:

The accounts of the Authority are maintained generally in accordance with the Uniform System of Accounts prescribed by the New York State Public Service Commission although the Authority is not subject to their rules and regulations.

Water Plant

The Authority carries its water plant at original cost, including the costs of purchased and contributed property. The capitalized cost of additions to water plant includes charges for indirect costs such as engineering, supervision, payroll taxes and pension benefits. The original cost of property replaced, retired or otherwise disposed of is deducted from plant accounts and, generally, together with dismantling costs less any salvage is charged to accumulated depreciation. The Authority does not capitalize interest on funds borrowed for construction, or credit water plant for contribution in aid of construction. The costs of repairs, minor betterments and renewals are charged to maintenance expense as incurred.

Depreciation

Depreciation of water plant is provided on a straight-line basis using a composite annual rate of 1.4% which is based on the average service lives and net salvage value of properties.

Funds Held by Fiscal Agent

The Authority's resolution authorizing the bond issues requires that all revenue be deposited in the name of the Fiscal Agent and allocated to specific funds.

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.

The Debt Service Reserve and Bond Proceeds Funds held by the Fiscal Agent at May 31, 1978, aggregating \$13,701,000 consist principally of certificates of deposit bearing interest rates of 6.0% to 7.5%. The certificates of deposit mature at various dates through September 28, 1978. \$9,400,000 of operating funds held by the Authority were invested in certificates of deposit at May 31, 1978. Interest rates ranged from 6.0% to 7.5% and maturities are at various dates through October 18, 1978. The Authority generally maintains such short-term investments through maturity.

Revenue

Billings for water service are rendered on a quarterly cycle basis except for fire protection revenues

which are billed semi-annually in arrears on June 1 and December 31. The Authority accrues for unbilled fire protection service but all other revenues are recognized when billed.

Revenues from all state and local agencies were approximately \$2,268,000 in 1978.

Income Taxes

As a public benefit corporation, the Authority is exempt from Federal and State income taxes.

Capitalization

Premiums or discounts and expenses related to the issuance of long-term debt are amortized over the lives of the issues.

Retirement Contributions

The Authority makes annual contributions to the New York State Employee's Retirement System to provide retirement benefits for its employees as determined by New York State. Total provision for pension costs amounted to \$1,459,000 and \$1,513,000 in 1978 and 1977, respectively.

Advances for Construction and Contributions in Aid of Construction

Under existing standard construction loan contracts with residential real estate developers and others, the developer advances to the Authority the cost of new main installations. For such contracts entered into prior to May 31, 1976, the Authority refunds such contract advances, without interest, based upon the number of new customers obtained or as a percentage of the additional revenue received, in annual instalments over a period not exceeding five years. After expiration of the contract, the remaining balance of the advance is transferred to Contributions in Aid of Construction (\$2,289,000—1978; \$1,770,000—1977). The policy of refunding these advances has been discontinued for contracts entered into after May 31, 1976.

Contributions in Aid of Construction also include the original cost of systems contributed to the Authority by municipalities and others as well as service tapping and other fees.

Customer Deposits

As security for the payment of bills, the Authority generally requires a deposit from new residential or commercial customers. In the case of the average residential customer, the amount of the deposit required is ten dollars. The amount of the deposit required from a commercial user varies according to the nature and size of the establishment. No interest is paid on such deposits.

In September 1977, the Authority adopted a resolution to refund customer deposits received prior

to June 1, 1967 from residential customers who have had a good payment history. Accordingly, during fiscal 1978, \$580,000 was refunded to customers under this resolution.

In May, 1978 the Authority adopted a resolution to refund residential customer deposits received between June 1, 1967 and May 31, 1971. It is anticipated that such refunds will aggregate \$407,000.

NOTE 2—Water Plant

	May 31,	
	1978	1977
Land and land rights . . .	\$ 5,440,000	\$ 5,399,000
Wells, reservoirs and structures	33,817,000	32,772,000
Pumping and purification equipment	9,046,000	8,467,000
Distribution systems . . .	156,740,000	151,438,000
Other	2,271,000	2,197,000
Water plant, in service	207,314,000	200,273,000
Construction in progress	8,905,000	7,920,000
Water plant, at cost . .	216,219,000	208,193,000
Less—Accumulated depreciation	24,689,000	22,179,000
Net water plant	\$191,530,000	\$186,014,000

NOTE 3—Bonds Outstanding

Series	Interest Rate	Final Maturity Date	May 31,	
			1978	1977
A	2.75%	1984	\$ 1,515,000	\$ 1,710,000
A (Term)	2.75%	1985	1,068,000	1,179,000
B-D	3.50%	1988	1,055,000	1,130,000
F	4.10-4.50%	1998	4,965,000	5,005,000
G	4.00-4.10%	2000	4,110,000	4,150,000
H	3.25-3.40%	2001	5,095,000	5,130,000
I	3.25-3.50%	2002	13,610,000	13,930,000
J	0.10-4.00%	2002	12,240,000	12,540,000
K	4.10-4.50%	2002	10,320,000	10,530,000
L	5.00-8.00%	2003	10,120,000	10,260,000
M	6.25-6.50%	2005	6,000,000	6,000,000
N	5.00-6.50%	2006	9,790,000	9,850,000
O	5.50-7.00%	2007	12,820,000	12,870,000
P	7.00-7.90%	2010	—	15,000,000
Q	5.75-7.25%	2008	12,500,000	12,500,000
R	5.50-7.00%	2010	15,525,000	—
Total Bonds Outstanding			120,733,000	121,784,000
Less: Current Maturities and Redemptions			1,698,000	1,624,000
			\$119,035,000	\$120,160,000

The debt consists principally of serial bonds which usually mature in increasing annual instalments, except that \$1,068,000 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 required sinking fund payments have been treated as maturities for the term bonds. The annual maturities, exclusive of current maturities shown for serial bonds through Series L and Series N through Q represent the amounts maturing in fiscal 1979 and in the last year of their term, respectively. The Series M bonds mature \$2,000,000 annually from 2003 to 2005. After certain dates, the bonds are redeemable in the inverse order of their maturity at varying prices in excess of principal amounts depending upon their redemption date.

In March, 1978, the Authority issued \$15,525,000 of Series R Water Works Revenue Refunding Bonds for the purpose of advance refunding of the Series P bonds. The net proceeds of the refunding bonds together with \$1,499,000 from the Authority's operating funds were used to purchase direct and general obligations of the United States of America in an amount sufficient, together with interest to accrue thereon, to provide for payment of principal (\$14,950,000) and interest on the Series P bonds. As a result of this advance refunding, the Authority recognized an extraordinary loss of \$2,035,000 in fiscal 1978 which represented the differential between the net carrying value of the Series P Bonds and the sum of the net proceeds of the Series R Refunding Bonds and the operating fund contribution of \$1,499,000.

NOTE 4—Debt Service Requirements

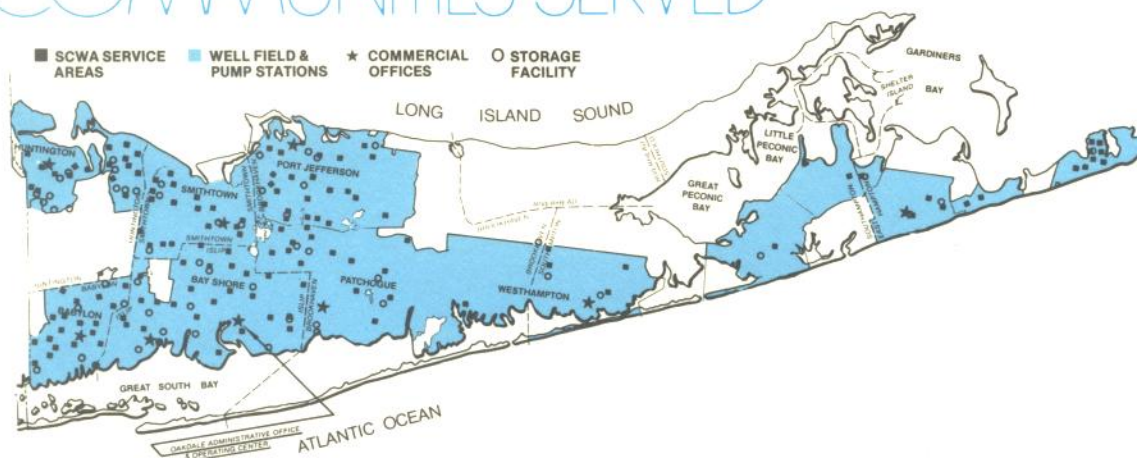
Debt Service requirements (interest on bonds and notes, principal of bonds maturing serially and sinking fund requirements) for the year ended May 31, 1978 were \$7,894,000. Revenues before interest and depreciation for the year ended May 31, 1978 equaled 1.72 times the 1978 debt service requirements (1.63 in 1977).

Debt service requirements of the bonds outstanding at May 31, 1978 approximate \$7,816,000 in each of the next five years.

NOTE 5—Commitments:

The Authority has authorized a capital improvement construction budget for the fiscal year ended May 31, 1979 of approximately \$13,530,000. A substantial portion of this amount has been committed at May 31, 1978.

SCWA COMMUNITIES SERVED



Babylon District

Amityville
Amity Harbor
Babylon
Copiague
Deer Park
Lindenhurst
North Amityville
North Babylon
North Lindenhurst
Pinelawn
West Babylon
Wheatley Heights
Wyandanch

Bay Shore District

Bay Shore
Brentwood
Brightwaters
Central Islip
East Islip
Edgewood
Great River
Islip
Islip Terrace
North Bay Shore
North Great River
North Islip
Oakdale
West Bay Shore
West Islip

Huntington District

Asharoken
Centerport
Cold Spring Harbor
Commack
Crab Meadow
East Huntington
East Neck
East Northport
Eatons Neck
Fort Salonga
Halesite
Huntington
Huntington Bay
Huntington Station
Lloyd Harbor
Northport

East Hampton District

Amagansett
East Hampton
Freetown
Montauk
Sag Harbor
Southampton

Patchogue District

Bayport
Bellport
Blue Point
Bohemia
Brookhaven
Coram

East Holbrook
East Lake Ronkonkoma
East Patchogue
Farmingville
Holbrook
Holtsville
Lakeland
Lake Ronkonkoma
North Bellport
North Patchogue
Patchogue
Ronkonkoma
Sayville
Selden
South Centereach
South Holbrook
South Medford
South Yaphank
West Bellport
West Ronkonkoma
West Sayville
Yaphank

Port Jefferson District

Belle Terre
Centereach
Coram
East Setauket
Lake Grove
Middle Island
Miller Place
Mount Sinai
North Centereach
North Selden

Poquott
Port Jefferson
Port Jefferson Station
Ridge
Setauket-South Setauket
Sound Beach
South Stony Brook
Stony Brook*
Terryville

Smithtown District

East Commack
Flowerfield*
Hauppauge
Kings Park
Nesconset
Saint James*
San Remo*
Smithtown
South Hauppauge
West St. James
West Smithtown*
Village of The Branch

Westhampton District

Center Moriches
East Quogue
Moriches
Quogue
Quogue
Westhampton
Westhampton Beach

*Included in Wholesale Water Districts

SUFFOLK COUNTY
WATER AUTHORITY

Oakdale, Long Island, N.Y. 11769

