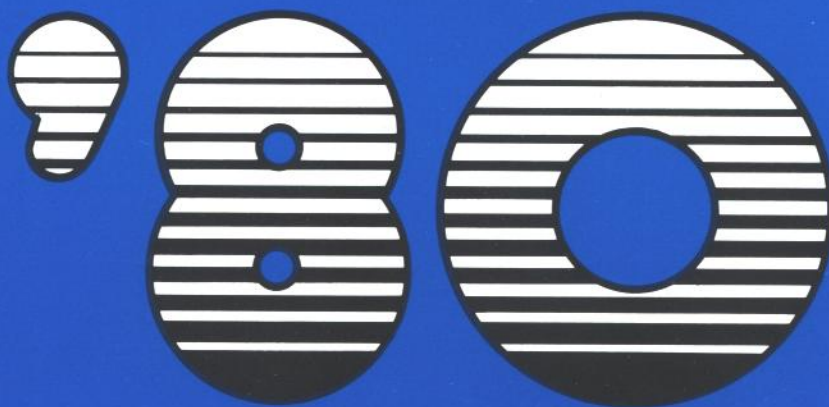


**SUFFOLK  
COUNTY  
WATER  
AUTHORITY**



**ANNUAL REPORT**

Board Members



Robert J. Flynn



Matthew B. Kondenar



William A. Frankenbach



Bert R. Friedman



Miriam T. Anzel

# AUTHORITY MEMBERS

Robert J. Flynn, *Chairman*

Matthew B. Kondenar, *Secretary*

William A. Frankenbach, *Treasurer and Assistant Secretary*

Bert R. Friedman

Miriam T. Anzel

Walter C. Hazlitt

*Executive Director*

John H. Scheetz

*Executive Secretary*

William J. Schickler

*Chief Engineer*

Herbert C. Koehler

*Director of Distribution*

Bernard T. Hanrahan

*Director of Commercial Office Operations*

Eugene Sidoti

*Controller*

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

During fiscal 1980, the Authority turned its attention to safeguarding the underground water resources of Suffolk County by successfully seeking legislative action by the Suffolk County Legislature banning the sale of products within Suffolk County that contain certain organic compounds, increasing its cooperation in ongoing water quality studies being conducted by outside agencies, and by increasing its own monitoring efforts to insure a continued supply of safe palatable water to our customers.

In October of 1978, the Authority requested the Suffolk County Legislature to ban the sale of products in Suffolk that contained three organic compounds: Trichloroethylene; 1,1,1 trichloroethane; and tetrachlorethylene, which are often found in degreasers commonly used by industry and widely used for cleaning or unclogging of waste drain lines and leaching facilities (cesspools). After conducting public hearings on the proposal, the Legislature acceded to the Authority's request and acted to ban their sale in the county, and thus took a major step forward to limit the introduction of potential harmful compounds into the underground water reserves on which Suffolk County must rely for its drinking water supply.

At present, the Authority is cooperating with the New York State Department of Environmental Conservation in examining the existing institutional and legal framework through which ground water is currently being managed and with the United States Geological Survey and the Nassau-Suffolk Regional Planning Board in a National Urban Run-off Study examining the effect of highway run-off on underground water resources. In addition, the Authority is working with the Suffolk County Health Department to update current subdivision regulations within the Suffolk County Sanitary Code designed to reduce water pollution by limiting population density in currently undeveloped portions of Suffolk County.

During fiscal 1980 the Authority expended more than \$230,000 to equip and operate its laboratory which conducts a continuous monitoring program of water pumped from its 348 production wells. This new equipment will make it possible for the Authority to monitor the water being supplied to its 234,999 customers to an

extent far in excess of county, state, and federal regulations, and will permit the Authority to detect the slightest deviation in the water quality entering its distribution system.

To insure the continued excellent financial growth of the Authority, a rate increase effective April 1, 1980 was approved by the Members of the Authority. The new rate, which for the first time includes provisions for charging a service charge per bill rendered of \$3.00 per quarter, raised metered water sale rates by 14.3 percent and annual fire hydrant rentals by 24 percent. The Authority last increased metered water rates on November 1, 1977 and fire hydrant charges on January 1, 1974.

Fiscal 1980 saw total revenues reach an all-time high of \$27,933,000, up from the fiscal 1979 totals of \$27,236,000. Total revenues before interest and depreciation were \$11,594,000, or 1.50 times debt service.

On April 28, 1980, the Authority undertook the sale of \$6,000,000 Series S bonds to provide sufficient funds for new construction and expansion for fiscal 1981. This issue, dated June 1, 1980 was rated "A-1" by Moody's Investor Service, Inc.

The Authority's employees have played an important role in Authority operations over the years, and on behalf of the entire Water Authority Board, I would like to express appreciation for their efforts which have once again made the fiscal period just past a banner year for the Suffolk County Water Authority.

For the Members



Robert J. Flynn  
Chairman



# HIGHLIGHTS

	May 31,	
	1980	1979
Total Revenues . . . . .	\$ 27,933,000	\$ 27,236,000
Operating and Maintenance Expense, except depreciation . . . . .	16,339,000	14,091,000
Interest on Bonds and Notes; including amortization of debt discount and expense . . . . .	5,939,000	6,016,000
Depreciation . . . . .	2,939,000	2,768,000
Revenues Invested in Facilities for the year . . . . .	2,716,000	4,361,000
Revenues Invested in Facilities (since June 1, 1951) . . . . .	58,669,000	55,953,000
Total Water Plant at Cost . . . . .	236,075,000	226,137,000
Net Additions to Water Plant . . . . .	9,938,000	9,918,000
Customers (Active Services) . . . . .	234,999	231,745
Miles of Main in Service . . . . .	3,430	3,399
Fire Hydrants in Service . . . . .	22,184	21,895
Water Production (Million Gallons) . . . . .	35,136	34,759

# REVIEW OF THE YEAR'S OPERATIONS

## NEW CONSTRUCTION

During fiscal 1980, the Authority added thirteen wells and three pumping stations to its system, at an approximate cost of \$2,875,000, increasing its pumping capacity by approximately 23.9 million gallons per day.

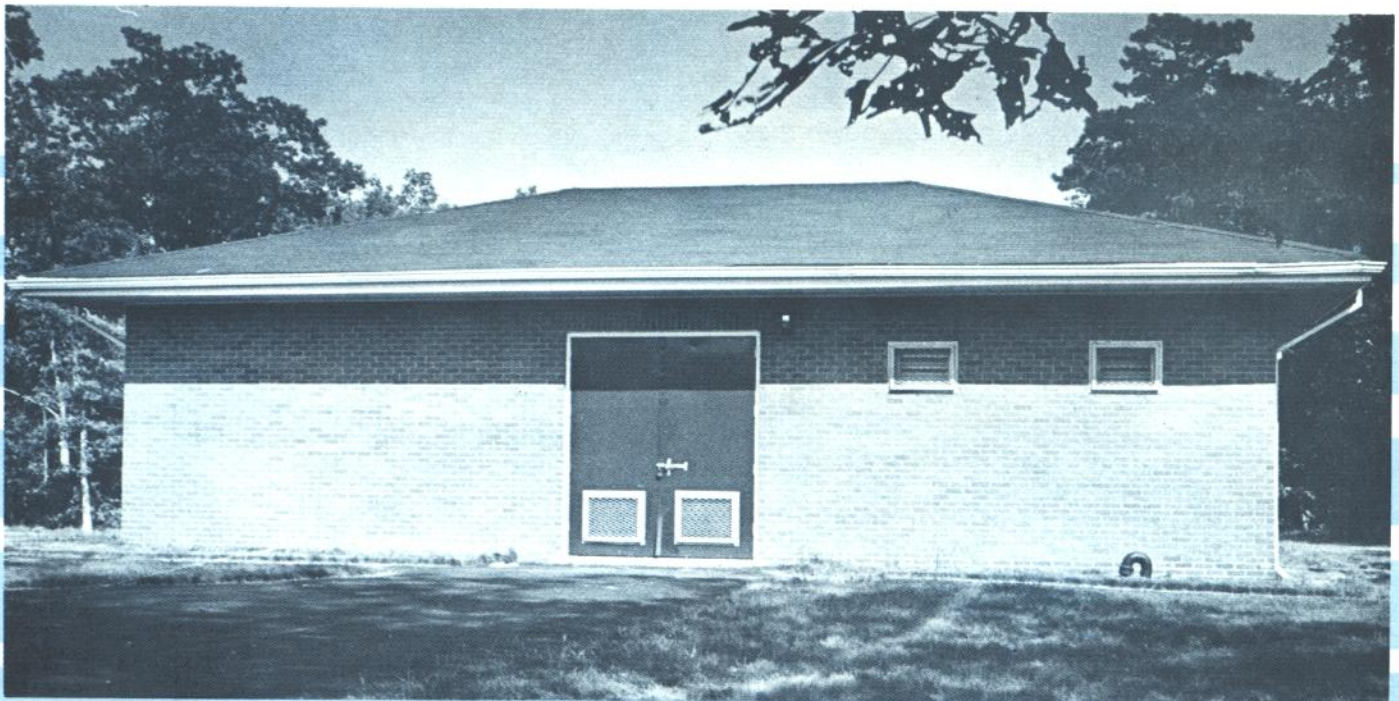
Three fully automated, diesel-engine-driven generator sets for stand-by electric power were installed at three separate stations during this fiscal year. These three units can generate a total of 850 kilowatts of electric energy to operate the well pump motors at their respective pump stations in the event of a power failure.

During the fiscal period just ended the Authority demolished a deteriorated 100,000-gallon elevated tank on Brightside Avenue in East Northport.

In addition, 41 of 63 inactive shallow wells were abandoned during the year. These wells located in the western portion of the County have not been operated

for several years and review of the possible future use of them indicated they should be abandoned. The loss of capacity of these wells has not impaired the ability of the Authority to supply present and future demands as wells to regain loss capacity have been added to the system.

Fiscal 1980 saw the Construction-Maintenance Department undertake four major water main installation projects at a cost of \$2,564,600. These four projects saw the installation of 9.2 miles of water main to bring a public water supply to 525 new customers. Two of these projects were undertaken with the cooperation of Suffolk County to bring public water to residents whose private supply was interrupted by Southwest Sewer District construction. One was done in cooperation with the Town of Babylon and one under terms of a contract signed with the Town of Brookhaven.





## ACQUISITIONS

As part of its long range goal of establishing a single integrated public water supply for all of Suffolk County, the Authority stepped up its acquisition program aimed at purchasing private water companies operating in Suffolk County during fiscal 1980 by entering into an agreement to acquire the Great Beach Water Company and conducting negotiations with three other companies aimed at possible acquisition during the next fiscal period.

The Great Beach Water Company, which serves a portion of the Rocky Point and Sound Beach communities in the Port Jefferson District,

was purchased for \$400,000 by a resolution adopted at the April meeting of the Authority Members. Great Beach serves 714 customers and has a total of 10.8 miles of water main. Included also are 57 fire hydrants and three water production wells. The company began producing water in 1962.

The Authority is awaiting final approval of the purchase by the New York State Public Service Commission and the Suffolk County Legislature prior to taking over operation of the facilities.

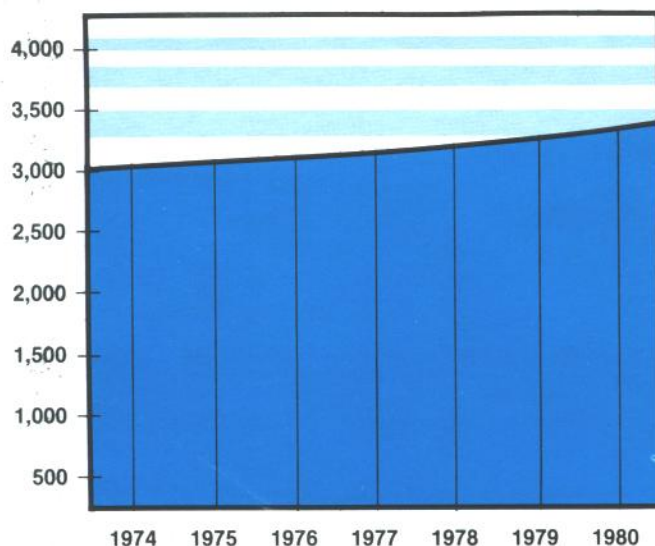
Negotiations are continuing with the other three private water companies.

## CUSTOMER REFUNDS

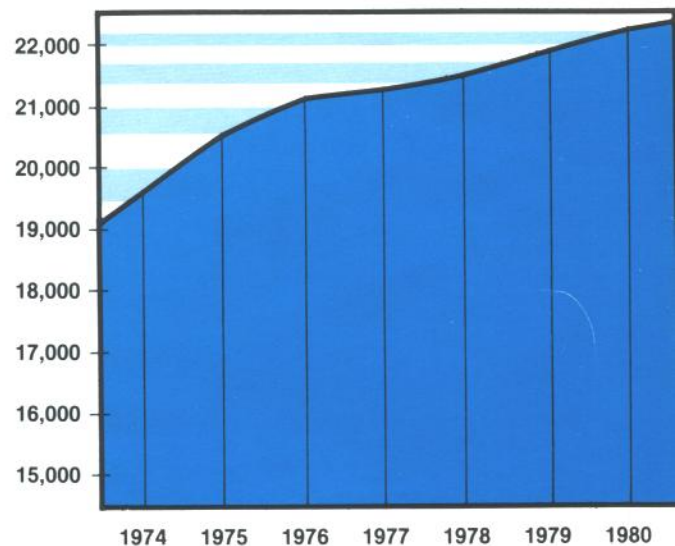
By the close of fiscal 1980 the Authority had completed mailing refund checks to some 130,000 customers under provisions of a program authorized by the Members permitting the refund of \$10 and \$12 residential service deposits. Under the customer refund program, a total of approximately \$1,350,000 has been refunded to date, with an additional \$364,000 slated to be refunded to some 36,000 customers during fiscal 1981. Deposits returned cover those

received through May 31, 1974. Customers due to receive refunds during the coming fiscal period will represent those who paid service deposits prior to May 31, 1977. Funds for continuation of the program have been obtained from revenues and are included in the budget of the Authority. Their return will not seriously affect available reserves or the sound financial structure of the Authority.

MILES OF MAIN



FIRE HYDRANTS



## PLANT FACILITIES

Service Areas or Plants	AS OF MAY 31, 1979										AS OF MAY 31, 1980			
	Wells				Pumping Plants				Storage Facilities				Active Services	
	Active	Inactive	No.	Capacity-1000 Gals. Daily*	No.	Capacity-1000 Gals. Daily*	No.	Capacity in 1000 Gallons	No.	Capacity in 1000 Gallons	Active	Services		
BABYLON	45	46	25	8	19	19	76,342	78,214	9	9	7,815	7,815	51,349	51,782
BAY SHORE	47	49	24	6	18	19	77,083	80,683	8	8	6,370	6,370	45,409	45,807
EAST HAMPTON	25	24	3	5	16	16	15,660	16,236	4	4	3,720	3,720	8,954	9,141
HUNTINGTON	49	49	2	3	18	19	56,354	57,218	12	11	11,942	11,842	27,769	27,887
PATCHOGUE	57	55	2	6	25	24	90,792	95,256	10	10	10,465	10,465	43,475	44,681
PORT JEFFERSON	56	59	2	1	25	25	89,222	95,126	7	7	7,404	7,404	29,725	30,172
SMITHTOWN	46	45	5	7	20	20	79,330	78,610	6	6	6,100	6,100	21,453	21,797
WESTHAMPTON	21	21	—	—	7	7	15,480	15,480	3	3	2,350	2,350	3,611	3,732
TOTALS	346	348	63	36	148	149	500,263	516,823	59	58	56,166	56,066	231,745	234,999

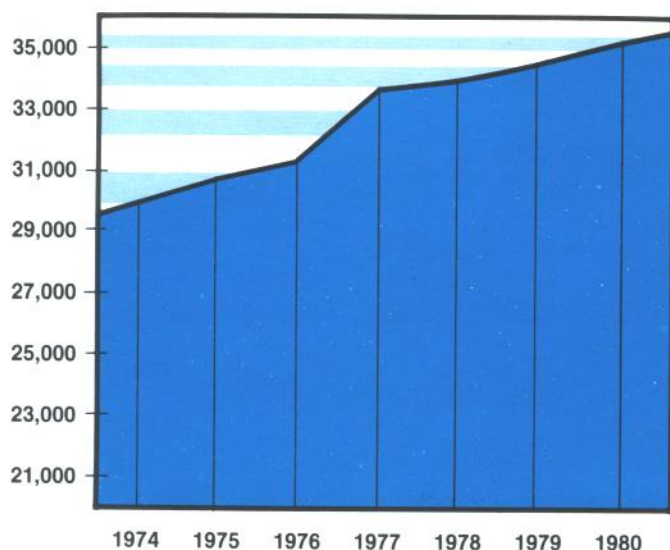
\*Based on 24-hour operation and on actual capacity of pumping equipment for active wells.

## FINANCING

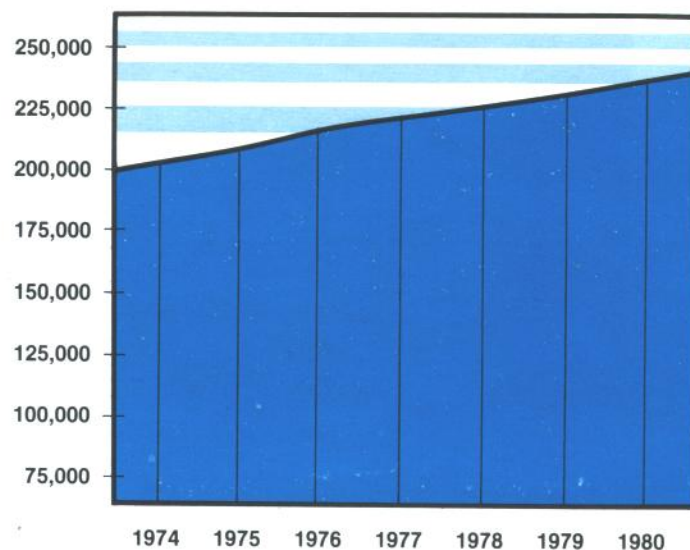
A financing program approved April 28, 1980 was undertaken, under which plans were formulated to provide sufficient funds for new construction and expansion for the fiscal period 1981 and the beginning of 1982. On June 25, 1980, \$6,000,000 Series

S Bonds were awarded to the lowest bidder at an annual average interest cost of 7.985%. This issue, dated June 1, 1980, matures annually to 2010, and was rated "A-1" by Moody's Investors Service, Inc.

WATER PRODUCTION [Million Gallons]



ACTIVE SERVICES





## SAFEGUARDING THE RESOURCE

Here at the Suffolk County Water Authority, continuous monitoring of the water we produce and distribute to our customers to insure that it is of excellent sanitary and chemical quality has always been one of our major concerns. The water that is supplied to our customers meets all County, State, and Federal drinking water standards, and is safe and palatable to drink.

The quality of the water produced by the Authority is monitored both by the Suffolk County Department of Health Services acting as agents and representatives of the State of New York and by the Authority itself. During the fiscal year ended May 31, 1980, the Authority expended more than \$175,000 to operate its Water Quality Laboratories in order to ensure not only the safety of the water supply from a health standpoint, but also to enable us to supply the best quality water possible. By operating its own laboratories, the Authority has the flexibility to monitor some of the more variable chemical constituents on differing schedules. For example, we perform some tests such as iron, monthly on some wells, and tests such as chlorides, weekly on our East End wells.

This effort is far greater than required by Federal regulations, and is conducted within a framework of cooperation and continuous liaison between the Authority and the County. It consists of regular inspections of our facilities and samplings of water as produced at the well head and as delivered to the consumer. The Authority voluntarily conducts complete chemical

analyses on each well at least three times a year while the County of Suffolk and the State of New York only require water suppliers to analyze waters from each well annually and from their distribution system twice yearly. In addition, a list of 12 organic compounds is tested for at least annually, and actions taken based on "guidelines" in the absence of limits or standards.

The County also enforces the requirements of Part 5 of Article I of the New York State Sanitary Code, which in turn encompass and exceed the standards and regulations included in the Safe Drinking Water Act, (U.S. Congress Public Law 93-523, 1974). The Federal regulations recognize the generally slow movements of groundwaters and the relatively delayed responses to changes in man's activities at the land surface and only require sampling from well-water sources every three years. These samples must be analyzed for 10 inorganic constituents including 8 metals, fluoride and nitrate-nitrogen; and 6 pesticides and herbicides. Another 10 inorganic constituents are listed among "secondary regulations" which are not directly health related and include chloride, copper, zinc, etc.

The Authority's chemistry and bacteriology laboratories are among the best equipped in the area. Our chemical laboratory is capable of detecting and measuring all of the chemical constituents currently limited by regulations and standards and many others as well. Our wet-chemistry laboratory is equipped with automated instrumentation to analyze for compounds







such as nitrate-nitrogen, sulfate, and phosphate. We operate several atomic absorption spectrophotometers capable of detecting and quantifying metals including iron, manganese, lead, and chromium to concentrations as low as parts per billion parts of water by weight. The Authority also operates two gas chromatographs for the detection and analysis of certain organic compounds including degreasing agents such as tri- and tetra-chloroethylene; a group of chemicals known as trihalomethanes which includes chloroform and which has been produced in other parts of the country using chlorinated surface waters; and other petroleum pro-

ducts such as benzene and xylene which are components of gasoline.

The drilling of new or replacement wells is closely monitored from the test-boring investigation through the construction and test-pumping of the production well to ensure the quality and safety of the drinking water provided to our customers. In many cases, this has resulted in an Authority investment in very deep wells, tapping aquifer sections containing water which fell as rain hundreds of years ago.

We are proud of our record and reputation here in Suffolk for utilizing one of the best monitored ground water resources in the nation, in the most efficient manner possible and thereby providing high quality water at a reasonable cost to our consumers. We are also proud that the water we deliver is of the highest possible quality and that as a result of our monitoring procedures, our customers can feel safe and secure in the knowledge that their water supply is safe and palatable to drink.



# REPORT OF INDEPENDENT ACCOUNTANTS

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July 23, 1980  
To the Members of  
Suffolk County Water Authority

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, 1980 and 1979, 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 AND REVENUE INVESTED IN FACILITIES

---

	Year ended May 31,	
	1980	1979
Revenues (Note 1):		
Operating	\$ 25,101,000	\$ 24,745,000
Interest	2,832,000	2,491,000
Total revenues	27,933,000	27,236,000
Operating expenses:		
Operations	13,137,000	11,376,000
Maintenance	3,202,000	2,715,000
Total operating expenses, except depreciation deducted below	16,339,000	14,091,000
Revenue before interest and depreciation (Note 4)	11,594,000	13,145,000
Deduct:		
Interest on bonds	5,806,000	5,886,000
Amortization of debt discount and expense	133,000	130,000
Depreciation (Note 1)	2,939,000	2,768,000
	8,878,000	8,784,000
Revenue invested in facilities:		
For the year	2,716,000	4,361,000
At beginning of year	55,953,000	51,592,000
At end of year	\$ 58,669,000	\$ 55,953,000



# BALANCE SHEETS

## ASSETS

Water Plant, at cost, less accumulated depreciation (Notes 1 and 2)

Funds held by Fiscal Agent (Note 1):

New construction fund, cash

Debt service reserve fund, including certificates of deposit

of \$8,668,000 in 1980 and \$8,585,000 in 1979 (Note 4)

Bond proceeds fund, invested in certificates of deposit

### Current assets:

Cash

Bank certificates of deposit (Note 1)

Additional funds held by Fiscal Agent:

General fund

Debt service fund

Accounts receivable, less allowance for doubtful accounts

of \$366,000 and \$343,000

Interest and other receivables

Unbilled fire protection revenue (Note 1)

Materials and supplies, at average cost

Prepayments

### Total current assets

Deferred charges:

Unamortized debt discount and expense (Note 1)

Other

## CAPITALIZATION AND LIABILITIES

### Capitalization:

Water Works Revenue Bonds, less current portion (Note 3)

Contributions in aid of construction (Note 1)

Revenue invested in facilities

### Total capitalization

### Current liabilities:

Current maturities of Water Works Revenue Bonds (Note 3)

Accounts payable

Accrued interest on bonds

Accrued retirement contributions (Note 1)

Other accrued liabilities

Customer deposits

### Total current liabilities

Advances for construction (Note 1)

Commitments (Note 5)

May 31,

1980

1979

**\$206,160,000** **\$198,803,000**

**860,000**

1,723,000

**8,668,000**

8,790,000

**—**

1,964,000

**9,528,000**

12,477,000

**2,661,000**

1,296,000

**8,837,000**

12,200,000

**100,000**

100,000

**4,707,000**

4,674,000

**2,444,000**

2,388,000

**449,000**

273,000

**597,000**

592,000

**1,778,000**

1,598,000

**381,000**

371,000

**21,954,000**

23,492,000

**2,436,000**

2,566,000

**209,000**

214,000

**2,645,000**

2,780,000

**\$240,287,000**

\$237,552,000

**\$115,283,000**

\$117,194,000

**46,482,000**

41,834,000

**58,669,000**

55,953,000

**220,434,000**

214,981,000

**1,911,000**

1,839,000

**597,000**

1,141,000

**2,890,000**

2,928,000

**3,758,000**

3,515,000

**1,477,000**

1,190,000

**2,436,000**

2,700,000

**13,069,000**

13,313,000

**6,784,000**

9,258,000

**\$240,287,000**

\$237,552,000



# STATEMENTS

## OF CHANGES IN FINANCIAL POSITION

	Year ended May 31,	
	1980	1979
Financial resources were provided by:		
Operations:		
Revenue invested in facilities .....	\$ 2,716,000	\$ 4,361,000
Add non-cash charges to revenue — depreciation and amortization .....	3,069,000	2,893,000
Working capital provided from operations .....	5,785,000	7,254,000
Decrease in funds held by Fiscal Agent for new construction, debt service and from bond proceeds .....	2,949,000	1,724,000
Advances and contributions for construction, net of refunds of \$231,000 in 1980 and \$275,000 in 1979 .....	2,174,000	2,968,000
	10,908,000	11,946,000
Financial resources were used for:		
Additions to water plant, net of retirements .....	10,296,000	10,041,000
Current maturities and redemptions of Water Works Revenue Bonds .....	1,911,000	1,839,000
Other .....	(5,000)	100,000
	12,202,000	11,980,000
Decrease in working capital .....	(\$ 1,294,000)	(\$ 34,000)
<b>Changes in Elements of Working Capital</b>		
Increase (decrease) in current assets:		
Cash .....	\$ 1,365,000	(\$ 1,566,000)
Bank certificates of deposit .....	(3,363,000)	2,800,000
Funds held by Fiscal Agent .....	33,000	329,000
Accounts receivable .....	56,000	105,000
Interest and other receivables .....	176,000	(190,000)
Unbilled fire protection revenue .....	5,000	12,000
Materials and supplies .....	180,000	206,000
Prepayments .....	10,000	(33,000)
	(1,538,000)	1,663,000
(Increase) decrease in current liabilities:		
Current maturities of Water Works Revenue Bonds .....	(72,000)	(141,000)
Accounts payable .....	544,000	(434,000)
Accrued interest on bonds .....	38,000	(193,000)
Accrued retirement contributions .....	(243,000)	(442,000)
Other accrued liabilities .....	(287,000)	(519,000)
Customer deposits .....	264,000	32,000
	244,000	(1,697,000)
Decrease in working capital .....	(\$ 1,294,000)	(\$ 34,000)



# NOTES

## TO FINANCIAL STATEMENTS

**MAY 31, 1980 AND 1979**

### NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICY:

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

Water plant is carried 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 costs of repairs, minor betterments and renewals are charged to maintenance expense as incurred.

The Authority does not capitalize interest on funds borrowed for construction or credit water plant for contributions in aid of construction. However, in accordance with the effective date of Statement of Financial Accounting Standards Number 34 — "Accounting for Interest Costs", for fiscal years beginning on June 1, 1980, the Authority will commence capitalizing interest on borrowings used for the construction of major long-term projects.

#### 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.

At May 31, 1980 \$8,668,000 of the Debt Service Reserve Fund held by the Fiscal Agent was invested in certificates of deposit with interest rates ranging from 8.0% to 13.13% and maturities at various dates through November, 1980.

#### Bank Certificates of Deposit

At May 31, 1980 the Authority has invested \$8,837,000 of its operating funds in certificates of deposit with interest rates that

range from 8.0% to 17.75% and mature at various dates through November, 1980. 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.

#### Income Taxes

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

#### Bond Premiums or Discounts and Expenses

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 Employees' Retirement System to provide retirement benefits for substantially all of its employees as determined by New York State. Total provision for statutory pension costs amounted to \$1,806,000 and \$1,879,000, of which \$530,000 and \$475,000 were capitalized in water plant accounts, in 1980 and 1979, 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 installments 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 (\$4,175,000 — 1980; \$3,696,000 — 1979). 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. No interest is paid on such deposits.

During the 1978 and 1979 fiscal years, the Authority adopted resolutions to refund customer deposits received prior to May 31, 1974, from residential customers who have had a good payment history. Accordingly, \$333,000 and \$334,000 was refunded to customers under these resolutions in 1980 and 1979, respectively.

## NOTE 2 — WATER PLANT:

	May 31,	
	1980	1979
Land and land rights	\$ 5,800,000	\$ 5,643,000
Wells, reservoirs and structures	38,866,000	37,765,000
Pumping and purification equipment	10,476,000	10,027,000
Distribution systems	168,609,000	163,142,000
Other	2,827,000	2,586,000
Water plant, in service	226,578,000	219,163,000
Construction in progress	9,497,000	6,974,000
Water plant, at cost	236,075,000	226,137,000
Less — Accumulated depreciation	29,915,000	27,334,000
Net water plant	<u>\$206,160,000</u>	<u>\$198,803,000</u>

## NOTE 3 — WATERWORKS REVENUE BONDS:

Series	Interest Rate	Final Maturity Date	May 31,	
			1980	1979
A	2.75%	1984	\$ 1,110,000	\$ 1,315,000
A (Term)	2.75%	1985	834,000	953,000
B-D	3.50%	1988	890,000	975,000
F	4.10-4.50%	1998	4,875,000	4,920,000
G	4.00-4.10%	2000	4,030,000	4,070,000
H	3.25-3.40%	2001	5,025,000	5,060,000
I	3.25-3.50%	2002	12,930,000	13,280,000
J	0.10-4.00%	2002	11,610,000	11,925,000
K	4.10-4.50%	2002	9,870,000	10,100,000
L	5.00-8.00%	2003	9,790,000	9,960,000
M	6.25-6.50%	2005	6,000,000	6,000,000
N	5.00-6.50%	2006	9,660,000	9,730,000
O	5.50-7.00%	2007	12,720,000	12,770,000
Q	5.75-7.25%	2008	12,390,000	12,450,000
R	5.50-7.00%	2010	15,460,000	15,525,000
Total Bonds Outstanding			117,194,000	119,033,000
Less: Current Maturities and Redemptions			1,911,000	1,839,000
			<u>\$115,283,000</u>	<u>\$117,194,000</u>

The debt consists principally of serial bonds which usually mature in increasing annual installments, except that \$834,000 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 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 April of 1980, the Authority authorized the issuance of \$6,000,000 of Water Works Revenue Bonds, Series S, dated June 1, 1980. On June 25, 1980 the Authority issued the Bonds, bearing interest at 7.875% per annum with maturities at various amounts from 2008 through 2010. The proceeds from the sale of the Series S Bonds will be used to finance construction costs and to increase the Debt Service Reserve Fund, as required by the resolution.

## NOTE 4 — DEBT SERVICE REQUIREMENTS:

As prescribed in the Authority's Resolution, a minimum Debt Service Reserve Fund balance is to be maintained which is the greater of one and one-half years' interest on the outstanding bonds or the maximum annual future requirement for the payment of interest, serial bonds and Sinking Fund requirements. The required balance amounted to \$8,668,000 at May 31, 1980.

Debt service requirements for the payment of interest and principal on outstanding bonds at May 31, 1980 approximate \$7,724,000 in each of the next five years. Revenue before interest and depreciation was equivalent to 1.50 times (1.70 in 1979) the debt service requirement for the year ended May 31, 1980.

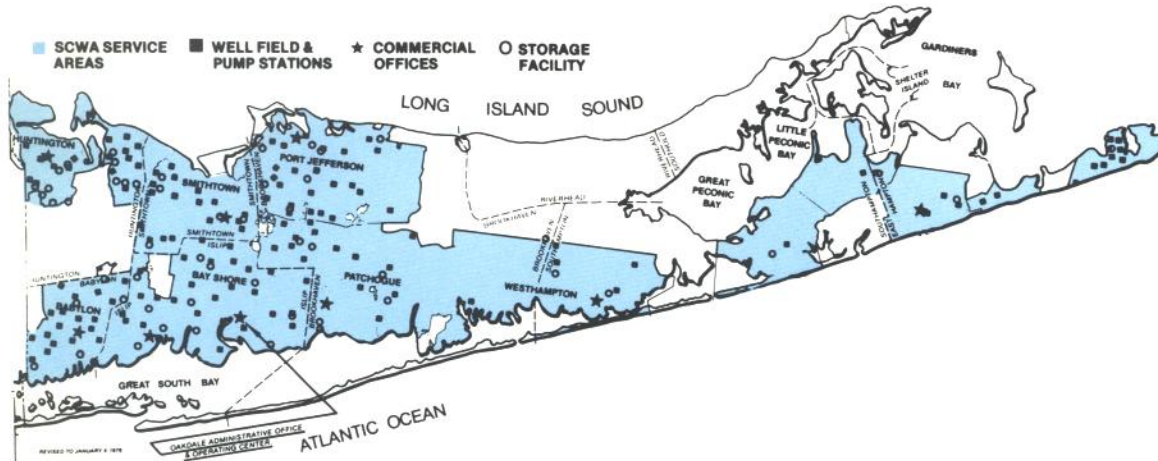
## NOTE 5 — COMMITMENTS:

The Authority authorized a capital improvement construction budget for the fiscal year ending May 31, 1981 of approximately \$13,813,000. A substantial portion of this amount has been committed at May 31, 1980.





## COMMUNITIES SERVED



### BABYLON DISTRICT

Amity Harbor  
Amityville  
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 Patchogue  
Farmingville  
Gordon Heights  
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  
Rocky Point  
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 District





SUFFOLK COUNTY  
WATER AUTHORITY

OAKDALE, LONG ISLAND, N.Y. 11769