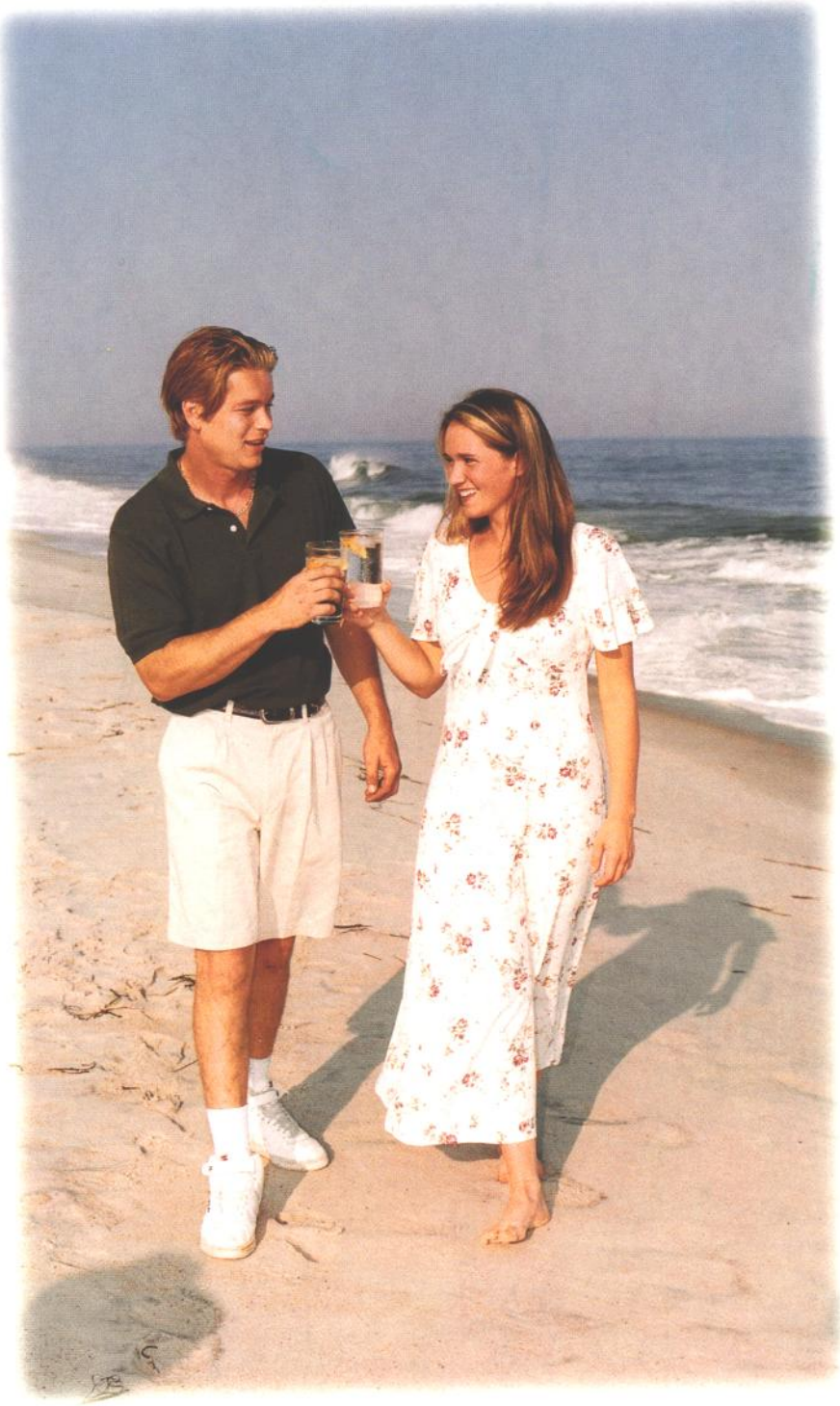


# Suffolk County Water Authority

## 1998 Annual Report

# Authority Profile

The SCWA is a self-supporting, public benefit corporation operating by virtue of the Public Authorities Law of the State of New York. It is without taxing power and operates as a business enterprise. The Authority is neither an agency of New York State nor Suffolk County Government.

The only revenue the Authority receives is that obtained from the sale of water to its customers. The Authority is non-profit; all revenue received must be used for operating expenses, construction costs, and for paying outstanding debts.

The Suffolk County Water Authority is the largest groundwater supplier in the nation and has been operating for 47 years. Currently, the SCWA serves more than one million Suffolk County residents. The Authority is operated solely for the benefit of the customers it serves.

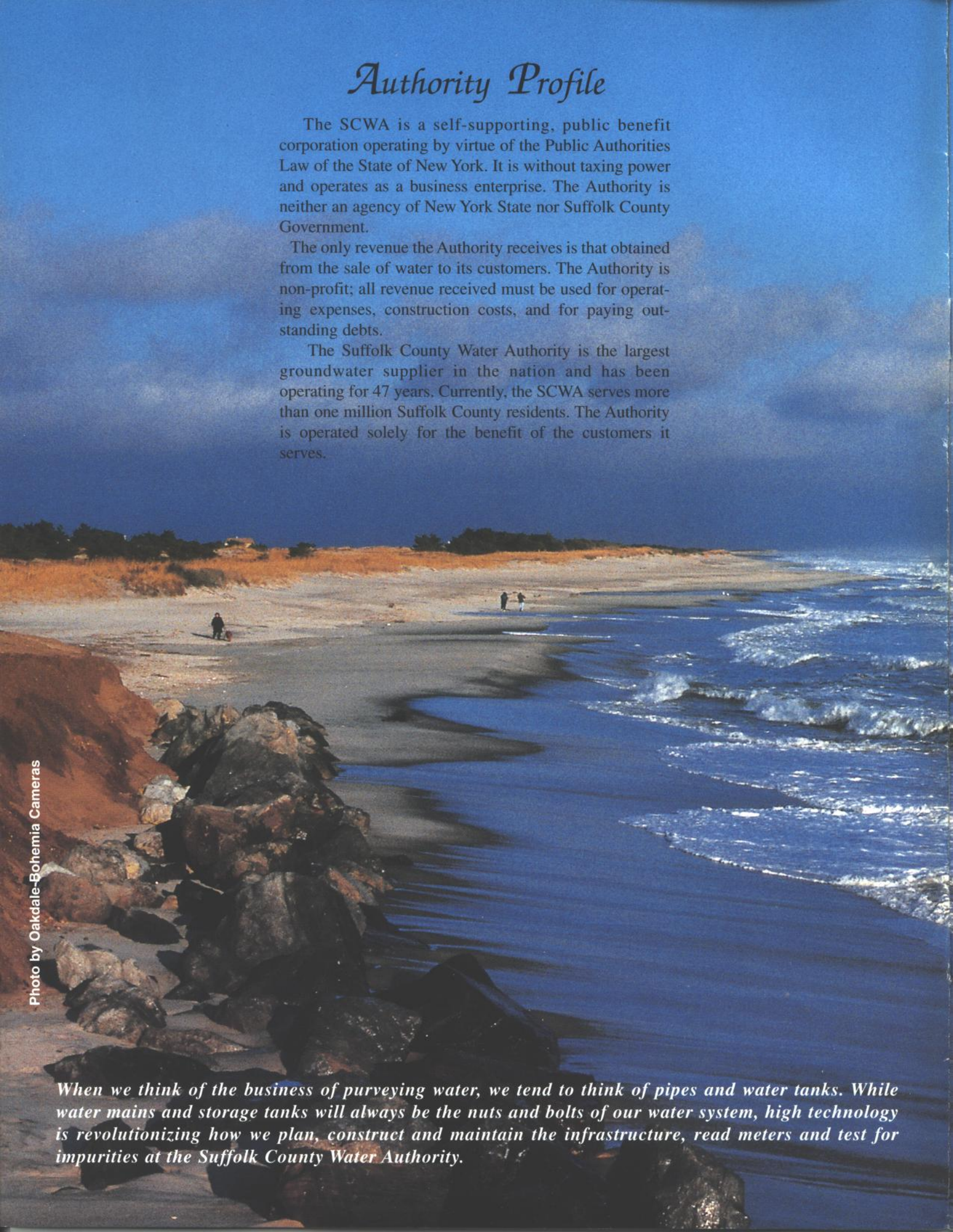


Photo by Oakdale-Bohemia Cameras

***When we think of the business of purveying water, we tend to think of pipes and water tanks. While water mains and storage tanks will always be the nuts and bolts of our water system, high technology is revolutionizing how we plan, construct and maintain the infrastructure, read meters and test for impurities at the Suffolk County Water Authority.***

# Statistical and Financial Highlights 1989-1998

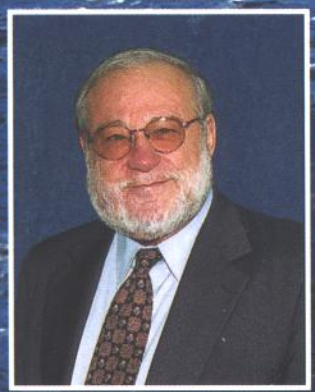
| | For Fiscal Year Ended May 31 1998 | Ended May 31 1989 | 10-Year Growth | Percent Increase |
|---|---|---|---|---|
| Customers | **336,041** | 282,585 | **53,456** | 19% |
| Miles of Main | **4,905** | 4,123 | **782** | 19% |
| Fire Hydrants | **30,275** | 26,048 | **4,227** | 16% |
| Water Pumped (billion gallons) | **58.4** | 49.3 | **9.1** | 18% |
| Employees | **581** | 575 | **6** | 1% |
| Gross Revenues | **$108,189,000** | $62,503,000 | **$45,686,000** | 73% |
| Operating and Maintenance | **53,547,000** | 37,737,000 | **15,810,000** | 42% |
| Water Plant at Cost | **808,790,000** | 429,841,000 | **378,949,000** | 88% |
| Bonded Indebtedness | **357,702,000** | 139,235,000 | **218,467,000** | 157% |
| Total Cumulative Earnings | **185,308,000** | 128,804,000 | **56,504,000** | 44% |

**Melvin M. Fritz, D.O.,M.D.**
Secretary

**John E. Gee, Jr.**

**Eric Russo, Esq.**

**James T. B. Tripp, Esq.**



**Michael A. LoGrande**
Chairman Chief Executive Officer

## 1998 Authority Members

# Chairman's Message

We are proud to identify ourselves with the message emblazoned on the sides of Suffolk County Water Authority vehicles, "Pure, Safe and Constantly Tested." Water quality in Fiscal Year 1997/1998 continued to be the focus of our energies for the more than one million people who count on us every time they turn on their faucets.

Our water safety record remains unblemished. Conveying that message to our customers was important again this year as national news reports heightened public concerns about a variety of water quality issues. We want our customers to know that the water we serve meets the most stringent water quality standards nationwide.

While we keep our "eye on the ball," centering our plans and goals on water quality, we have not lost sight of other important elements that comprise our mission — the availability and reliability of the water delivery system, maximum utilization of high tech tools for the sake of efficiency, and keeping rates affordable. We have done well in all these areas.

## Holding the Line

Although a slight increase in the minimum charge was instituted for the 1997/1998 fiscal year, we were able to announce before the close of the fiscal year that a planned increase for the 1998/1999 period was cancelled. This was due to the announcement that there would be a substantial reduction in electric rates for all Long Islanders commencing on May 29, 1998. This was welcome news, as we expend approximately $12,000,000 annually to power our 207 pump stations and other facilities. For three years running, we have been able to hold the basic rate to $1.25 per thousand gallons without jeopardizing ongoing major water quality improvement plans.

## A Participant in the Bond Act

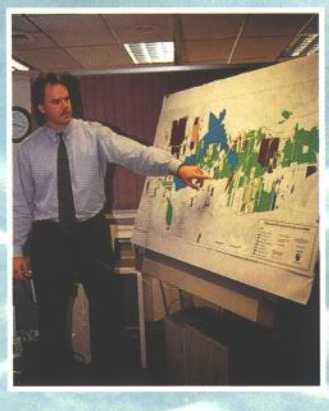
New York State's Environmental Bond Act of 1996 established a drinking water loan fund that allows water suppliers to borrow money at reduced interest rates for qualified projects. However, as the oldest regional water authority in the state, our charter did not allow us to issue bonds in cooperation with other entities. State Senator Ken LaValle and Assemblymen Bob Sweeney and Paul Harenberg sponsored legislation this year correcting the problem, and Governor George Pataki signed it, allowing the Authority to participate. Now that we can take part in the loan program, we have borrowed $6,400,000 for approved projects. The savings in interest costs helps us in our mission to keep rates reasonable for the 336,041 customers we serve.

## Record Pumpage

The extraordinary hot and dry summer of 1997 helped to establish all-time high pumpage records for the Authority. We supplied 58.4 billion gallons of water to our residential and business customers in the 1997/98 fiscal year, an increase of 8.3 billion gallons over the prior year. Previously established records for monthly pumpage were broken when we pumped more than 9.5 billion gallons of water in July. On July 15, we supplied 419,068,600 gallons in a single day. An extraordinary effort by our employees enabled us to meet this challenge without any interruption in service.

## BNL Update

Even though environmental and public health concerns have kept Brookhaven National Laboratory (BNL) in the public spotlight, water quality issues as they relate to the public supply in this area have diminished. An ongoing public education effort has been effective in allaying unwarranted fears. The project funded by the U.S. Department of Energy to construct water mains



and connect some 1,500 families to the SCWA's public water supply system was substantially completed in the fall of 1997. Water quality testing results have consistently shown no impact whatsoever to the SCWA wells that serve this region. In addition, the likelihood of any future impact has been greatly lessened due to the extensive remediation that has begun on and off the BNL site.

## *Groundwater Research Institute*

State legislation formally establishing the Long Island Groundwater Research Institute (LIGRI) at the State University of New York (SUNY) at Stony Brook was signed by the governor this year. This measure is a major step in our efforts to preserve Long Island's water resources. This legislation formalizes the institute, which was set up at the Marine Sciences Center at SUNY in 1994. We have been a strong supporter of LIGRI during its first three years, having contributed approximately $200,000 in support of specific research projects like bioremediation and groundwater computer modeling, as well as public education efforts, which include the *Connections* newsletters. Recent newsletters provided accurate information about on and off-site remediation efforts at Brookhaven National Laboratory and iron in drinking water. We are pleased that the institute has become a permanent research and educational asset for Long Island's most important natural resource.

## *High Tech Revolution*

The latest state-of-the art technology is revolutionizing how we plan, construct and maintain the infrastructure, read meters and test for impurities. More importantly, today's technologies enable us to do our job more efficiently. We also fully recognize that emerging and future technologies will make us even more efficient.

### STONER MODEL

There are many high tech opportunities available to the Authority for almost every facet of our operation. Distribution modeling is an important and growing field in the water business. It has become the engineering support tool for analyzing a large variety of projects at the SCWA. The Stoner Model, a computer based hydraulic modeling system, was acquired by SCWA in 1991 for $1,500,000. It contains layers of information about our system, including 4,900 miles of main, 425 wells, 30,000 hydrants and 52,000 valves. It also includes the average demand of each of the Authority's 336,000 customers.

The practical applications of utilizing this system have been enormous. For instance, just a few years ago when a utility person responded to make an emergency water main repair, he or she carried a book of valve sketches to help locate the valves necessary to shut down the water. Today, the same person carries a laptop computer with all the valve sketches on CD's at his or her fingertips. Within minutes, the appropriate valves are located and shut off, minimizing service disruptions.

The SCWA utilized the model extensively this year for distribution system improvements, capital planning, main rehabilitation programs, and operational planning. It is responsible for the final sizing of countless main installation projects. In addition, the model has been an important contributor to tracking iron in our system. So that the model reflects real life, the second of two formal updates of the program is currently underway as the model is only as good as the data it contains.

## GEOGRAPHIC INFORMATION SYSTEM

Another important high tech support tool is our Geographic Information System (GIS), acquired in 1988. Data from lists and reports is combined with graphics such as maps, charts and aerial photographs. Together, these convey information in a layered geographic context, either on a computer screen or in a map. We can show where a condition exists in our service territory, how it changes through time and how it relates to other items.

Through GIS, we have connected our customer account information to neighborhood maps. Currently, we are utilizing this technology at our Eastern Regional Customer Service Center. In the near future, this information will be available at all our regional centers. Our customer service staff will be able to converse with our customers more easily since we will have an actual picture of their neighborhood on our personal computers. Using this technology, we are currently able to rapidly determine the proximity of existing or potential customers to well fields, existing pipes, fire hydrants, coastlands, and roads, and assess general field conditions without making expensive field visits. We can also use GIS to efficiently produce mailings to contact customers and residents in a given area. The establishment of this GIS capability required substantial commitment from the Authority, but we now have one of Long's Island's premier GIS systems.

## SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM

At the present time, about one third of our wells are controlled from our Bay Shore Production Control Center. The system is 30 years old and utilizes telephone leased lines at a cost of approximately $25,000 per month. We anticipate that by the summer of 1999 we will have a SCADA System (Supervisory Control and Data Acquisition) in place in Patchogue. The SCADA System will replace phone lines and will eventually provide us with computer control over all of our pump stations. A computer at a pump station will send information through a low power radio network to the new control center. This will enable us to pinpoint and respond immediately to make necessary adjustments. Most adjustments will be made at the control center. This technology will reduce operating costs, allow us to update our pumping stations more efficiently and, overall, make for smoother operations of our pumping systems.

SCADA, GIS and the Stoner Model are powerful high tech tools that stand on their own. The integration of these systems gives us a complete representation of our system, allowing us to improve service and water quality while realizing substantial cost savings.

## WE DO MORE TO ENSURE WATER QUALITY

In this fiscal year, we tested nearly 60,000 water samples for more than 200 compounds in our state-of-the-art drinking water testing laboratory. We have the largest groundwater testing facility in the nation.

The extensive testing we do is accomplished with the latest and most sophisticated high tech equipment. Since 1992, we have purchased two ICP Mass Spectrometers that analyze 22 metals simultaneously. This has enabled us to do more testing in much less time and at a far lower cost.

Recently, we acquired a GC Mass Spectrometer capable of scanning some 200 herbicides and pesticides at the same time. Instead of the 81 parameters we were testing for, we now have more than doubled our testing capability for non-volatile compounds and substantially reduced the time it takes to perform the analyses. Testing for additional constituents above and beyond federal and state requirements enables us to increase protection of the public's drinking water and keeps us at the ready for new testing requirements.

## INTERNET DEBUT

In May of 1998, we made our world-wide debut on the internet. Visitors to the SCWA website can learn a lot about us, the water we deliver, and the latest information about our activities. We have had on-line visitors from as far

away as Japan and New Zealand, but the website was primarily designed as yet another means of satisfying the desires of our customers to know more about their water resources and how we go about providing water service to them.

## YEAR 2000 READY

To ensure a continual supply of water for all our customers, our water system has already been made Year 2000 compliant. The Authority's hardware, mainframe and network file servers have been similarly upgraded. We recognized the need to modify and test our software several years ago, giving us a jump start in resolving the problems. While this has been a time-consuming and costly undertaking, we have identified 99% of the Year 2000 changes needed and have modified and tested for about 75%. We anticipate that all programs will be modified and tested for Year 2000 compliance within the next 12 months. The SCWA is also in the process of contacting third parties, those parties that provide goods and services to the SCWA, to determine if they will have any problems associated with Year 2000 issues.

## SCWA STANDARDIZES IRON REMOVAL

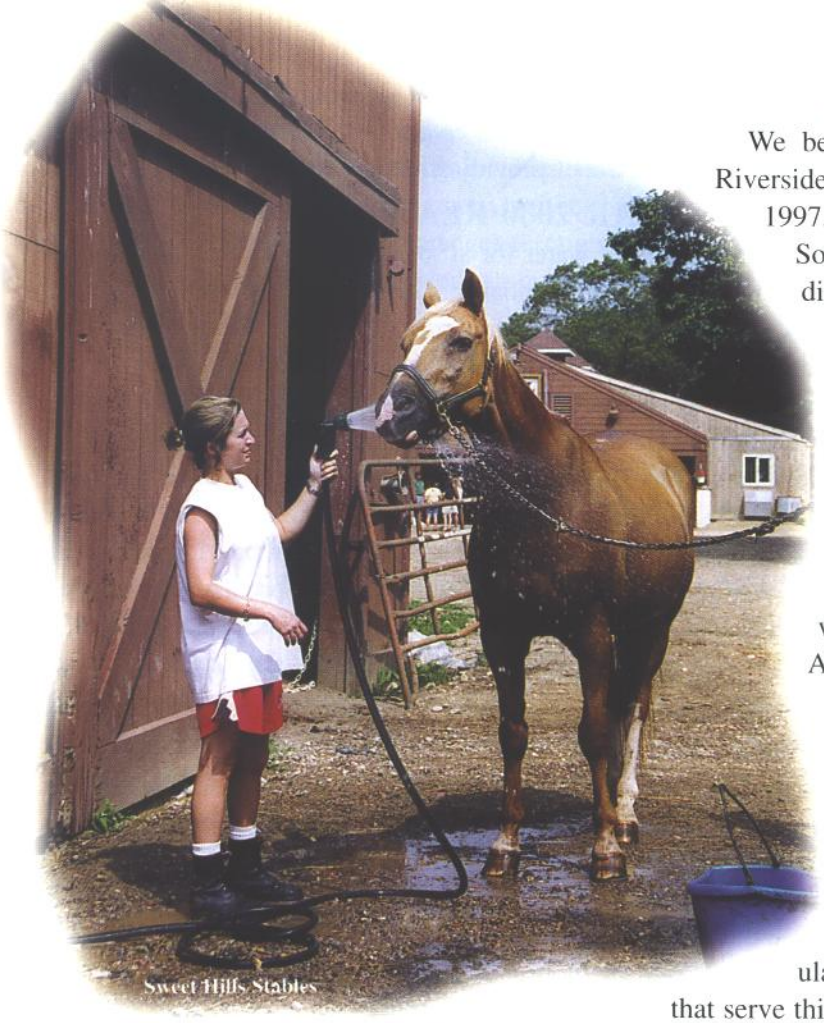
Significant progress was made again this year in honoring our 1993 commitment to improve the aesthetic quality of the water for our customers who live in high iron groundwater areas. Our own engineers designed a standardized iron removal system that can be installed in half the time and at a far lower cost than a conventional system. The new, fully automated iron removal plants are made up of prefabricated components which are brought in and connected at site. We have installed three of these new systems this year alone, reducing the aesthetic inconveniences of rusty water for thousands of our customers in Amityville and Sayville. Three more treatment systems in West Babylon, Oakdale and Laurel are under construction and are scheduled for completion in late 1998 and early 1999. When these are complete, we will be pumping 19,300,000 gallons of iron-free water each day using our standardized system. Also, we spent approximately $4,000,000 installing larger mains and making system improvements in Babylon and Deer Park to transport iron-free water to high iron areas. Two new iron-free wells were developed in Wyandanch as part of the effort to enhance the public supply with iron-free water.

## *Expansion of the SCWA System*

This was an outstanding year for the Authority in terms of growth, nearly tripling the average annual growth of about 3,000 new customers a year. We added more than 8,400 new customers to the public supply, constructed 79 miles of water main and acquired two water systems.

## ON FIRE ISLAND

In addition to finalizing the purchase of a substantial portion of the Village of Greenport's water system in this fiscal year, which served approximately 2,200 customers outside of the incorporated village, we also completed the acquisition of the Fire Island Pines water system in January of 1998. This was a municipally-owned system and is the largest of seven acquisitions we have made on Fire Island since 1994. Unlike the other seasonally-operated systems we acquired on Fire Island, we provide year-round service to the Pines. The addition of nearly 650 new customers this year brings the total to approximately 1,700 residents and businesses that we now serve on Fire Island. In an effort to increase reliability and facilitate the management of these systems, we are working with the Fire Island National Seashore to interconnect those water systems where possible, particularly the Cherry Grove and Fire Island Pines facilities.


Sweet Hills Stables

## ON THE SOUTH FORK

We began managing and operating the municipally-owned Riverside Water District in the Town of Southampton on July 1, 1997. The district, located in the northwest corner of Southampton, has 550 customers. Also, a water supply district was established for Flanders, a community located southeast of the Riverside Water District in Southampton, in the late summer of 1997. For many years, residents of this area had sought connection to the public water supply due to salt water intrusion and poor water quality found in many private wells there. A connection at the Riverside Water District aided in making this project possible. We began construction of more than five miles of main in the fall, and the project was substantially completed before the close of the year. Approximately 1,400 households now have the benefit of public water available to them as well as increased fire protection.

## PIPELINE TO MONTAUK

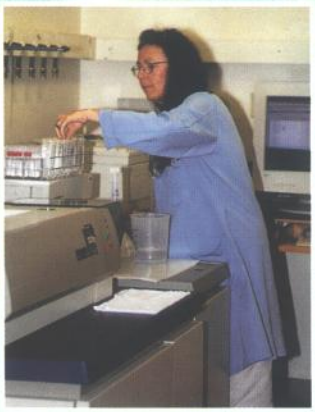
A water conservation campaign, even more intensive than those of previous years, was needed on the Montauk peninsula last summer due to the hot and dry weather we experienced. Each summer, when the population dramatically increases in Montauk, the 10 wells that serve this region are threatened due to rising chlorides from salt water beneath the aquifer. While we waited for environmental approvals from the Town of East Hampton to install a pipeline from Napeague (west of the peninsula) to Montauk, we conducted a strenuous conservation campaign on the radio, in the local newspapers, through direct mail and even by telephone to commercial establishments. We were just barely able to avoid mandatory and stringent water prohibitions once again. Fortunately, by March of 1998, the environmental process was complete and the pipeline was approved for 20,000,000 gallons of supplementary use annually when needed on the Montauk peninsula. Construction, which began in the spring of 1998, was projected to be completed in time for the 1998 summer season. The pipeline and other ongoing improvements to the water system on the peninsula will make the system in this delicate area more manageable and much safer in terms of fire protection.

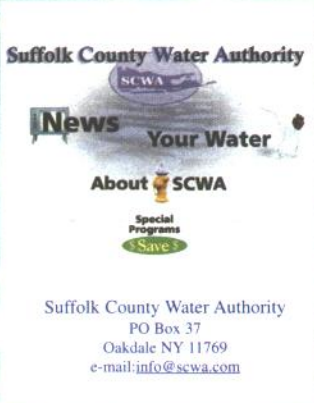
## ON THE NORTH FORK

When we completed the acquisition of the Greenport water system outside of the village boundaries in January, 1998, we were able to move forward in the Great Hog Neck peninsula area, where private wells produced very poor quality water. Using the Geographic Information System, we were able to survey the property owners to track where the need was the greatest and how best to develop the water system for the peninsula. Starting in the spring of 1998, we began constructing mains and have installed more than six miles of main so far. Two wells and a pump station were developed on Mill Lane in anticipation of this project. Eventually public water will be available to more than 350 homes on this peninsula.

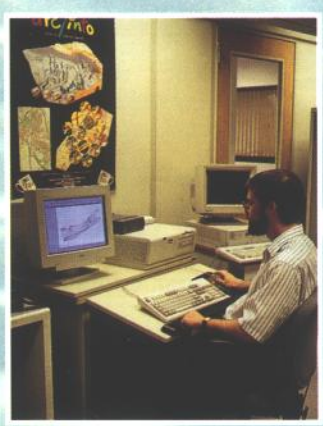
The Geographic Information System aided us with planning yet another extension of the system into East Marion, also located on the north fork of Long Island. Residents of East Marion approached the Authority several years ago requesting that we bring public water to the area due to private well contamination. Although it was not possible at the time due to scarce resources, we acquired land on Rocky Point Road and are now in the process of developing six small wells pumping 50 gallons per minute that will enable us to serve the areas of East Marion with the greatest need. The Greenport acquisition also helped make this project possible. The construction of more than five miles of main for this project has begun. Water will be available to some 350 families in East Marion before the summer of 1999.

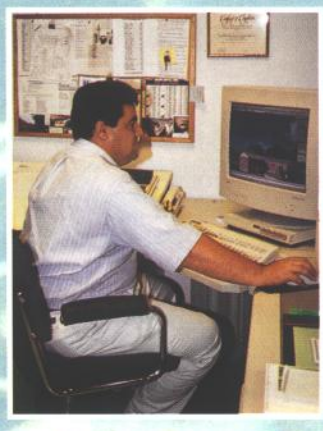
In October of 1997, we moved forward with a pilot program to bring water to a central part of Mattituck, where there were water quality concerns in an established and densely populated area, water mains nearby and keen interest from the






Suffolk County Water Authority
PO Box 37
Oakdale NY 11769
e-mail:info@scwa.com





town and the people in the area. We constructed approximately 5.5 miles of main and connected 259 residents and businesses to the system, including the town's Human Resources Center and the Mattituck school complex. Public water is available to an additional 133 homes and businesses as well.

The Suffolk County Water Authority has addressed local concerns in Southold that public water may encourage accelerated growth deemed undesirable. We agree with those concerns but pointed out that providing existing families with certified pure water must be given equal attention. For this reason, the Authority provided planning funds to the Town totaling $75,000 to plan the installation of public water service in a manner that will not stimulate additional growth while providing water service to existing families whose private wells were contaminated. This plan will be completed by the end of 1998.

## *Improving the Infrastructure*

To meet the steady demand of development and the needs of private well users for public water in Suffolk County, we constructed, replaced and refurbished numerous appurtenances for our water system. In this fiscal year, we developed 12 new wells, increasing the rated capacity of our system by more than 20,000,000 gallons per day. We also constructed three booster stations, a chemical treatment facility and a 3,000,000 gallon standpipe, one of the largest ever erected by the Authority. We built three new pump stations and gained seven through acquisition. Sensitive to local concerns in Huntington, we replaced two Depression-era storage tanks with one modern tank with upgraded capacity . To meet future demands, we plan to construct 22 additional wells, five of which are presently under construction.

## *Pine Barrens Cleanup*

There are approximately 40,000 acres in or near the pine barrens in the public domain, and some 50,000 acres are designated for preservation in Suffolk County. We participated with numerous public and community organizations in a cleanup of portions of a 2,000 acre area in the pine barrens in Manorville last summer. This first of its kind cleanup effort, sponsored by the Central Pine Barrens Commission's Land Council, was important, not only because of the direct results of removing and disposing of a substantial amount of debris, but also for the public message it sent to the residents of the county who support the preservation of these lands with their tax dollars. We were proud to participate with so many others to get the word out that we must protect our investment in these lands that provide clean water recharge, ecological treasures and open space value.

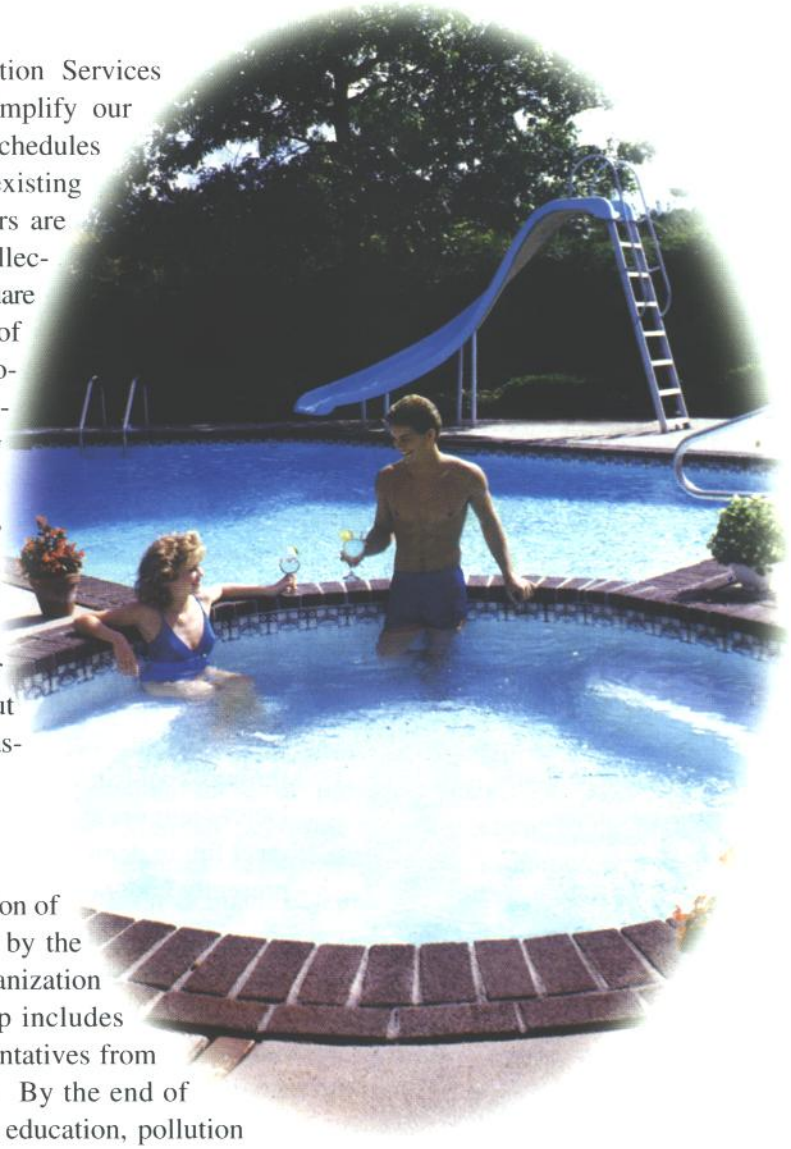
## *SCWA Supports VEEP*

On January 1, 1998, the Suffolk County Department of Health Services inaugurated the Volunteer Environmental Educator Program made possible by a federal grant and matching funds from the Authority and other local agencies. As a result, water resource professionals are training volunteers from the public sector free-of-charge to help students and their fellow Suffolk residents learn about their water supply and how to conserve and protect it. To date, 22 volunteers have received training and are prepared to go out into the Suffolk County community to disseminate factual information and dispel myths and rumors about Long Island's drinking water resources.

## *Greater Meter Reading Efficiencies*

A tremendous effort on the part of our Information Services Department and our Customer Regional Centers to simplify our meter reading system took place in February. Reading schedules were shifted, requiring a complete modification of all existing account numbers and the billing periods in which meters are read. The purpose was to allow our meter readers and collectors to work in a concentrated area up to the size of a few square miles. This became necessary due to the regionalization of our customer service offices and our meter change-out program. While the process was involved and required customer notification, the end result was greater efficiency and a more customer friendly reading and billing system.

It should also be noted that our "Read H2O" program, whereby our customers read their own meters and phone in their readings, continues to be an important component of our meter reading program. It helps to eliminate estimates, ensuring accurate billings. Our customer service division is in the third year of a meter change-out project, replacing old meters with modern ones that are easier for customers to read.



## *Groundwater Guardian Program*

In March, we assembled a team to apply for the designation of Suffolk County as a Groundwater Guardian community by the Groundwater Foundation, a non-profit educational organization based in Lincoln, Nebraska. The seven-member group includes two SCWA staff members, a citizen activist, and representatives from local government, business, agriculture and education. By the end of the 1997-98 fiscal year, the team had designated public education, pollution prevention and water conservation as its primary concerns and begun working to develop, coordinate and boost the visibility of specific programs to effectively address them. Official acceptance into the program, expected in November of 1998, will enable Suffolk to join with hundreds of Groundwater Guardian communities throughout North America in a unified effort to motivate people to learn more about groundwater and help protect this essential resource.

## *In the Tradition of Excellence*

While high technology has afforded us better means to serve our customers, it is the timeless values of hard work and service that enable us to carry out our mission in the tradition of excellence we have established over the course of our history. The highest quality water, meeting or exceeding the strictest standards nationwide, was delivered to our customers. We brought a safe supply of water to those in need and improved the aesthetics of the water for many more. Improvements and additions to the infrastructure increased water pressures and put us in a better position to accommodate others who seek a safe supply of water. Individually and as part of a team, our employees have shown their dedication to the people of Suffolk County by accomplishing all that was set before them. With their continued commitment to excellence, I and my colleagues on the board are confident that we can meet the challenges of today, tomorrow and the new millennium.

Sincerely,

Michael A. LoGrande

MICHAEL A. LoGRANDE, Chairman and CEO

# Authority Members

Michael A. LoGrande
Chairman/Chief Executive Officer

Melvin M. Fritz, D.O.,M.D.
Secretary

John E. Gee, Jr.

Eric J. Russo, Esq.

James T.B. Tripp, Esq.

# Management Staff

Michael A. LoGrande
Chairman/Chief Executive Officer

Frank Faber
Chief Financial Officer

Robert G. Graven
Deputy Chief Executive Officer for Customer Service

Herman J. Miller
Deputy Chief Executive Officer for Operations

Michael Stevenson
Deputy Chief Executive Officer for Administration

Timothy J. Hopkins, Esq.
In-House Council

William C. Arabio
Director of Information Services

Laura J. Mansi
Director of Public Relations

Robert L. Murray
Director of Production Control

Karen Randazzo
Director of Laboratory Services

Edward J. Rosavitch
Chief Engineer

Donald Slotnick
Director of Distribution

Andrew Varanelli
Director of General Services

# Consultants

Van Nostrand & Martin
Counsel

United States Trust Company of New York
Bond Trustee

PricewaterhouseCoopers LLP
Independent Accountants

Smith Barney Harris Upham & Co., Inc.
Financial Consultant

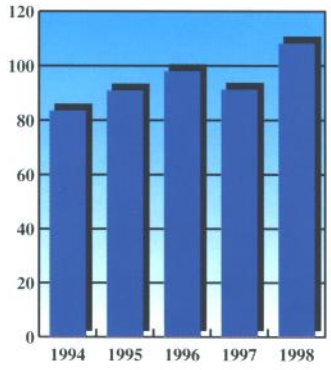
Leggette, Brashears & Graham, Inc.
Consulting Groundwater Geologists

# 1997-1998 Highlights

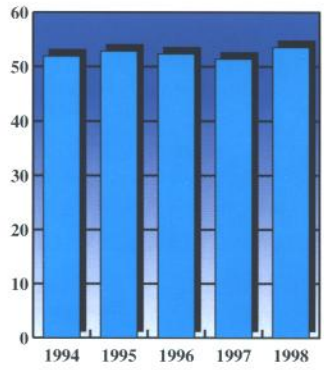
| | May 31 | |
|---|---|---|
| | **1998** | 1997 |
| Total Revenues | **$ 108,189,000** | $ 91,175,000 |
| Operating and Maintenance Expense except depreciation | **53,547,000** | 51,390,000 |
| Interest on Bonds and Notes; including amortization of debt discount and expense | **20,786,000** | 20,883,000 |
| Depreciation | **13,950,000** | 12,962,000 |
| Revenues invested in Facilities for the year | **17,696,000** | 6,722,000 |
| Revenues invested in Facilities (since June 1, 1951) | **185,308,000** | 167,612,000 |
| Total Water Plant at cost | **808,790,000** | 754,315,000 |
| Net Additions to Water Plant | **55,764,000** | 47,462,000 |
| Customers (Active Services) | **336,041** | 327,634 |
| Miles of Main in Service | **4,905** | 4,826 |
| Fire Hydrants in Service | **30,275** | 29,708 |
| Water Production (Billion Gallons) | **58.4** | 50.1 |

# Five-Year Financial Highlights

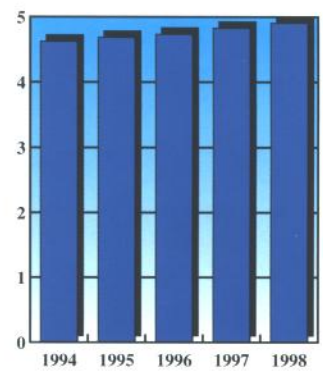
**Revenues**
Dollars/Millions



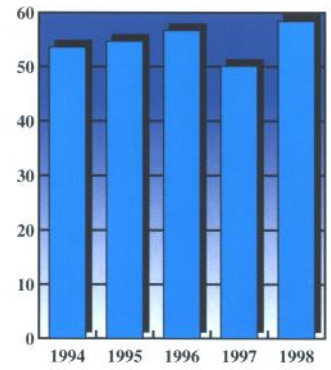

**Expenses**
Dollars/Millions



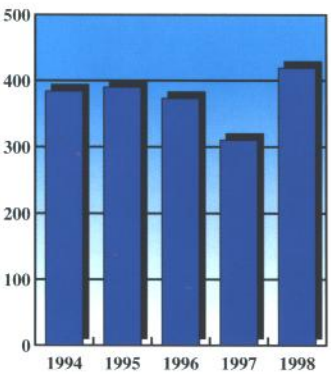

**Miles of Main**
Miles/Thousands



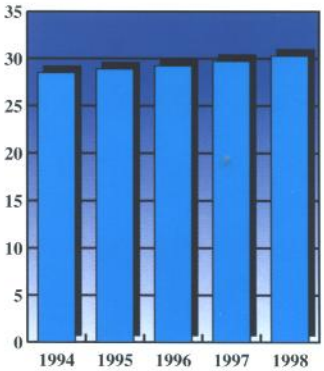

**Water Pumped**
Gallons/Billions




**Peak Day Pumpage**
Gallons/Millions




**Hydrants**
Hydrants/Thousands



# Financial Statement

## Financial Year 1997 – 1998

# *Report of Independent Accountants*

To the Members of
Suffolk County Water Authority

In our opinion, the accompanying balance sheet and the related statements of revenue and revenue invested in facilities and of cash flows present fairly, in all material respects, the financial position of Suffolk County Water Authority (the "Authority") at May 31, 1998 and 1997 and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Authority's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Melville, New York
July 31, 1998

# Balance Sheet

(Amounts in Thousands)

| | May 31, 1998 | 1997 |
|---|---|---|
| **ASSETS** | | |
| Water plant, at cost less accumulated depreciation | **$ 646,445** | $ 603,301 |
| **Current Assets:** | | |
| Cash and cash equivalents | **39,569** | 25,225 |
| Short-term investments | **21,008** | 13,839 |
| Construction fund | **43,486** | 22,100 |
| Accounts receivable, less allowance for doubtful accounts of $675 in 1998 and $316 in 1997 | **9,393** | 7,900 |
| Accrued water service and fire protection revenues | **10,857** | 9,994 |
| Interest and other receivables | **2,956** | 1,474 |
| Materials and supplies, at average cost | **5,239** | 6,880 |
| Prepayments and other current assets | **954** | 1,863 |
| **Total Current Assets** | **133,462** | 89,275 |
| Funds held by fiscal agent | **18,168** | 16,585 |
| Long-term investments | **5,005** | 52,896 |
| Long-term construction fund | **21,743** | 14,945 |
| Intangible assets | **8,779** | 8,651 |
| Other assets | **7,329** | 15,957 |
| | **61,024** | 109,034 |
| | **$ 840,931** | $ 801,610 |
| **CAPITALIZATION AND LIABILITIES** | | |
| **Capitalization:** | | |
| Water System Revenue Bonds, less current portion and unamortized discount | **$ 324,498** | $ 337,458 |
| Bond anticipation notes payable | **81,400** | 70,000 |
| Contributions in aid of construction | **175,383** | 164,812 |
| Revenue invested in facilities | **185,308** | 167,612 |
| **Total Capitalization** | **766,589** | 739,882 |
| Current Liabilities: | | |
| Current maturities of Water System Revenue Bonds | **26,155** | 7,625 |
| Accounts payable | **6,273** | 3,517 |
| Accrued interest | **9,666** | 8,960 |
| Deferred revenue | **1,000** | 1,000 |
| Accrued retirement contributions | **1,410** | 1,717 |
| Accrued employee welfare | **5,163** | 5,760 |
| Other accrued liabilities | **660** | 190 |
| Customer deposits | **5,799** | 6,649 |
| Notes payable | **–** | 2,300 |
| **Total Current Liabilities** | **56,126** | 37,718 |
| Advances for construction | **13,216** | 11,374 |
| Deferred revenue | **5,000** | 6,000 |
| Deferred compensation fund | **–** | 6,636 |
| Commitments and contingencies (Note 9) | | |
| | **$ 840,931** | $ 801,610 |

The accompanying notes are an integral part of these financial statements.

# *Statement of Revenue and Revenue Invested in Facilities*

(Amounts in Thousands)

| | For the year ended May 31, | |
|---|---|---|
| | **1998** | **1997** |
| **Revenue:** | | |
| Operating | **$ 91,480** | $ 79,566 |
| Interest and other | **16,709** | 11,609 |
| **Total revenue** | **108,189** | 91,175 |
| **Operating Expenses:** | | |
| Operations | **42,844** | 41,308 |
| Maintenance | **10,703** | 10,082 |
| **Total operating expenses** | **53,547** | 51,390 |
| Revenue invested in facilities before depreciation, amortization, interest and extraordinary loss | **54,642** | 39,785 |
| Deduct: | | |
| Interest expense, net | **19,534** | 19,211 |
| Depreciation and amortization | **15,202** | 13,852 |
| | **34,736** | 33,063 |
| Revenue invested in facilities before extraordinary loss | **19,906** | 6,722 |
| Extraordinary loss (Note 3) | **2,210** | – |
| Revenue invested in facilities | **17,696** | 6,722 |
| At beginning of year | **167,612** | 160,890 |
| At end of year | $ **185,308** | $ 167,612 |

The accompanying notes are an integral part of these financial statements.

# Statement of Cash Flows

(Amounts in Thousands)

| | For the year ended May 31, 1998 | 1997 |
|---|---|---|
| **Cash Flows from Operating Activities:** | | |
| Revenue invested in facilities | $ 17,696 | $ 6,722 |
| Adjustments to reconcile revenue invested in facilities to net cash provided by operations | | |
| Extraordinary loss | 2,210 | |
| Depreciation and amortization | 15,202 | 13,852 |
| Capitalized interest | (1,420) | (503) |
| (Increase) decrease in operating assets | | |
| Short-term investments | (7,169) | (1,760) |
| Accounts receivable | (1,493) | 879 |
| Interest and other receivables | (1,482) | (369) |
| Accrued water service and fire protection revenues | (863) | 159 |
| Materials and supplies and prepayments | 2,550 | (1,261) |
| Other assets | 8,628 | (1,652) |
| Increase (decrease) in operating liabilities | | |
| Accounts payable | 2,756 | 30 |
| Accrued interest | 706 | 30 |
| Deferred revenue | (1,000) | (1,000) |
| Accrued retirement contributions | (307) | (259) |
| Deferred compensation fund | (6,636) | 1,253 |
| Accrued employee welfare | (597) | 1,373 |
| Other accrued liabilities | 470 | (761) |
| Customer deposits | (850) | (416) |
| Net cash provided by operating activities | 28,401 | 16,317 |
| **Cash Flows from Investing Activities:** | | |
| Additions to water plant, net of retirements | (55,674) | (47,462) |
| Long-term investments | 47,891 | (16,646) |
| Increase in construction fund | (28,184) | (13,398) |
| Net cash used in investing activities | (35,967) | (77,506) |
| **Cash Flows from Capital Financing Activities:** | | |
| Proceeds from issuance of Water Systems Revenue Bonds | 48,938 | 37,581 |
| Defeasance of Series 1992 C Bonds | (38,655) | – |
| Proceeds from notes payable | 51,200 | – |
| Repayment of notes payable | (42,100) | – |
| Repayment of current maturities of Water System Revenue Bonds | (7,470) | (7,220) |
| Advances for construction, net of refunds | 12,413 | 13,622 |
| Bond issuance costs | (833) | (109) |
| Funds held by fiscal agent | (1,583) | (541) |
| Net cash provided by capital financing activities | 21,910 | 43,333 |
| Net increase (decrease) in cash and cash equivalents | 14,344 | (17,856) |
| Cash and cash equivalents at beginning of year | 25,225 | 43,081 |
| Cash and cash equivalents at end of year | $ 39,569 | $ 25,225 |

The accompanying notes are an integral part of these financial statements.

# Notes to Financial Statements

MAY 31, 1998 and 1997
(Dollar Amounts in Thousands)

## Note 1 – Summary of Significant Accounting Policies

Suffolk County Water Authority (the "Authority") is a public benefit corporation, created by resolution of the Suffolk County Board of Supervisors in 1937, with a two-fold purpose. The first was to acquire, construct, maintain and operate a public water supply for Suffolk County. The second was to develop a single, integrated public water supply and distribution system to serve all of Suffolk County. 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 ("PSC"), although the Authority is not subject to PSC rules and regulations. The rates established by the Authority do not require PSC or Suffolk County Legislative approval.

### Acquisitions

During July 1996, the Authority acquired the Sun Hill and Swan Lake water facilities for an aggregate purchase price of $2,297. The acquisition has been accounted for as a purchase in accordance with Accounting Principles Board Opinion No. 16 and therefore, the results of operations of Sun Hill and Swan Lake are included in the Company's financial statements beginning in August 1995, when the Authority began operating these facilities.

In December 1997, the Authority acquired the portion of the Greenport water supply system existing outside the Greenport Village boundaries as well as a water tank for the aggregate purchase price of $3,500. The acquisition has been accounted for as a purchase in accordance with Accounting Principles Board Opinion No. 16 and therefore, the results of operations of Greenport are included in the Company's financial statements beginning in December 1997, when the Authority began operating these facilities.

The aggregate purchase price of these water facilities, which approximates fair value, was allocated to the net assets acquired in the water plant account.

### Water Plant

Water plant is carried at original cost. The capitalized cost of additions to water plant include charges for indirect construction costs such as construction period interest, engineering, supervision, payroll taxes and pension benefits. The original cost of property replaced, retired or otherwise disposed of in ordinary retirements is deducted from plant accounts and together with costs to remove, 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 credit water plant for contributions in aid of construction.

### Depreciation

Depreciation of water plant is provided on the straight-line basis using a composite annual rate of 2.14%, which is based on the average service lives and net salvage values of properties.

### Cash and Cash Equivalents

Investments which mature in ninety days or less are considered cash equivalents.

### Funds Held by Fiscal Agent

The 1988 General Bond Resolution, as amended, (the "Resolution") requires that a debt service reserve fund (or bond insurance, as described in Note 4) be maintained and a bond fund be maintained by the Fiscal Agent. The bond fund is used solely for the purpose of paying the principal and interest on the bonds, and for retiring the bonds prior to maturity. Amounts in the bond fund are invested in repurchase agreements and U.S. Treasury Notes.

### Construction Fund

In accordance with the Resolution, monies in the construction fund are restricted to the costs of acquisition, construction and replacement of the water system.

### Investments

At May 31, 1998, the Authority has invested $29,798 of its construction, operating and other funds in certificates of deposit with interest rates that range from 5.48% to 5.91% and which mature at various dates through December 1998. Additionally, the Authority has invested $13,281, $23,699 and $24,465 in Treasury Notes, repurchase agreements and U.S. Government discount notes, respectively. These investments are stated at amortized cost, which approximates market value. It is the Authority's intent to hold such investments until maturity.

### Intangible Assets

Costs related to the issuance of long-term debt are amortized over the life of the issue, using the effective interest method.

Goodwill represents the excess of the purchase price over fair value of net assets acquired, and is being amortized over 40 years using the straight line method.

### 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 estimated cost of new main installations. Upon completion of construction, the developer is either billed or refunded the difference between the advance and the actual cost. The resulting net completed cost is transferred to Contributions in Aid of Construction. Other construction loan contracts are written for a five year period and provide for refunding a percentage of revenue collected from these projects, which is charged to the original advance. The resulting net balance at the expiration of the contract is transferred to Contributions in Aid of Construction ($2,160 - 1998; $3,623 - 1997).

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

The Federal Government has provided monies for certain water plant projects. The costs are billed and credited to Contributions in Aid of Construction upon submission to the Federal agency for reimbursement of expenditures made.

| | |
|---|---|
| Beginning balance at May 31, 1997 | $ 164,812 |
| Federal monies expended | 4,215 |
| Other expenditures | 6,356 |
| Ending balance at May 31, 1998 | $ 175,383 |

### Customer Deposits

As security for the payment of bills, the Authority generally requires a deposit from commercial customers and large water users. No interest is paid on such deposits.

### Prepayments

The Authority amortizes workers compensation premiums over the claims period of 48 to 60 months. This resulted in a charge to insurance expense during the years ended May 31, 1998 and 1997 of $1,129 and $1,349 and a prepayment of $936 and $1,513 as of May 31, 1998 and 1997, respectively.

### Compensated Absences

The Authority accrues the expected value of all vacation and sick leave benefits earned by employees to date.

### Deferred Compensation

At June 1, 1997, the Authority adopted Governmental Accounting Standards Board Statement ("GASB") No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" which establishes accounting and financial reporting standards for those deferred compensation plans of state and local governments that have changed the structure of the plans in accordance with IRC section 457 subsection (g)(l). IRC Code subsection requires that all assets and income of the plan be held in trust for the exclusive benefit of the participants and their beneficiaries. The effect of applying the statement resulted in the reduction of long term assets and long term liabilities in the amount of $6,636.

### Revenue

Revenue is recognized based on actual customer water usage, including estimates for unbilled periods.

### Income Taxes

As a public benefit corporation of the State of New York, the Authority is exempt from Federal, state and local income taxes.

### Use of Estimates in Financial Statement Preparation

The preparation of financial statements in accordance with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, as well as disclosures within the financial statements. Actual results could differ from those estimates.

### Concentration of Credit Risk

Financial instruments which subject the Authority to credit risk consist principally of residential, commercial and industrial customer receivables. The Authority maintains reserves for potential credit losses from such accounts receivable and actual losses have historically not been materially different from management's estimates.

### Reclassification

Certain fiscal 1997 balances have been reclassified, for comparative purposes.

## *Note 2 – Water Plant*

| | May 31, | |
|---|---|---|
| | **1998** | 1997 |
| Land and land rights | **$ 15,497** | $ 15,119 |
| Distribution systems | **505,764** | 470,304 |
| Wells, reservoirs and structures | **73,370** | 67,957 |
| Pumping and purification equipment | **76,003** | 66,254 |
| Other | **44,641** | 38,747 |
| Water plant in service | **715,275** | 658,381 |
| Less - accumulated depreciation | **162,345** | 151,014 |
| Net water plant in service | **552,930** | 507,367 |
| Construction in progress | **93,515** | 95,934 |
| Water plant | **$ 646,445** | $ 603,301 |

Depreciation expense amounted to $13,950 and $12,962 for the years ended May 31, 1998 and 1997, respectively.

## Note 3 – Water System Revenue Bonds

Outstanding bonds are summarized as follows:

| Series | Interest Rate | Final Maturity Date | May 31, 1997 | Issued | Matured | Defeased | May 31, 1998 |
|---|---|---|---|---|---|---|---|
| 1988 | 6.50-7.375% | 2010 | $ 26,860 | $ – | $ 4,145 | $ – | **$ 22,715** |
| 1992 B | 5.10-5.625% | 2017 | 57,440 | – | 400 | – | **57,040** |
| 1992 C | 4.50-6.00% | | 38,495 | – | 285 | 38,210 | – |
| 1993 | 4.80-5.10% | 2013 | 89,950 | – | 2,640 | – | **87,310** |
| 1994 | 5.00-6.00% | 2017 | 102,135 | – | – | – | **102,135** |
| 1997 | 4.10-5.30% | 2012 | 38,470 | – | – | – | **38,470** |
| 1997 A | 4.00-5.00% | 2022 | – | 43,840 | – | – | **43,840** |
| 1998 B | 3.60-5.20% | 2017 | – | 6,192 | – | – | **6,192** |
| Less: unamortized discount | | | 8,267 | 1,094 | 818* | 1,494 | **7,049** |
| Total bonds outstanding | | | 345,083 | $ 48,938 | $ 6,652 | $ 36,716 | **350,653** |
| Less: Current maturities payable | | | 7,625 | | | | **26,155** |
| | | | $ 337,458 | | | | **$ 324,498** |

*Includes current year amortization

The payment of principal and interest of the Series 1988 to 1998 B Bonds, is insured by a municipal bond insurance policy issued by MBIA Corporation or AMBAC Indemnity Corporation, except for Series 1998 B bonds, for which the Authority maintains the minimum debt service reserve fund balance.

During October 1997, the Authority defeased the remaining Series 1992 C Water Systems Bonds in the amount of $38,210, by making a payment of $38,655 to an irrevocable trust held by the Authority's fiscal agent. The future cash flows from the Trust are equal to the scheduled interest and principal payments of the debt. The transaction effectively released the Authority from its obligation to repay the Series 1992 C bonds and therefore, constituted a legal defeasance. The carrying amount of the bonds including current maturities, net of unamortized discount in amount of $1,494 and unamortized bond issue costs in amount of $271 was $36,445. The transaction resulted in an extraordinary loss of $2,210.

Interest expense was $17,547 and $17,435 for the years ended May 31, 1998 and 1997, respectively.

Bond maturities payable over the next five fiscal years are as follows:

| Fiscal Year | Amount |
|---|---|
| 1999 | $ 26,155 |
| 2000 | 4,317 |
| 2001 | 6,947 |
| 2002 | 9,390 |
| 2003 | 13,485 |

## 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 lesser of 10% of the proceeds of the Series 1988-1998 B Bonds or the average of the annual installments of debt service with respect to all Series 1988-1998 B Bonds outstanding for the current and all future fiscal years. The Authority may purchase bond insurance in lieu of the debt service reserve fund requirement. The Authority has elected to maintain bond insurance on the Series 1988-1998 Bonds, except for the 1998 B Bonds, for the payment of principal and interest on stated maturity and sinking fund installment dates and in the event of default by the Authority. For the 1998 B Bonds, the Authority elected to maintain a minimum debt service fund balance of 10% of the proceeds.

Revenue before interest and depreciation was equivalent to 1.99 times (1.48 in 1997) the debt service requirement, for the year ended May 31, 1998. The minimum debt service requirement is 1.10.

## Note 5 – Notes Payable

In May 1993, the Authority acquired Shorewood Water Corporation. In connection with the acquisition, the Authority issued a note payable to the former stockholders totaling $2,300. The note was repaid in fiscal year 1998.

In November 1997, February 1996 and December 1994, the Authority issued Bond Anticipation Notes (BANS) in the amounts of $51,200, $35,000 and $35,000, respectively. In February 1998, the entire balance of the BANS issued in 1994 was repaid. In May 1998, approximately $3,700 and $1,100 of the outstanding BANS issued in November 1997 and February 1996 were repaid. The remaining balance of the BANS issued in 1997 and 1996 at May 31,1998 was $47,500 and $33,900, respectively.

Interest on these notes is based on the minimum interest rate that, under prevailing financial market conditions, enables the notes to be sold at par, subject to the applicable effective interest rate period. The effective interest rate period may be daily, weekly, monthly, or semi-annually. Interest is payable periodically, based upon the effective interest rate period, through November 1, 2002, and February 8, 2001, the date of principal maturity, for the 1997 and 1996 notes, respectively.

As of May 31, 1998 and 1997 the effective interest rate was 3.58% and 3.39%, respectively.

Interest expense on the BANS was $3,296 and $2,166 for the years ended May 31,1998 and 1997, respectively.

## Note 6 – Pension Plan

The Authority's employees are eligible to participate in the New York State and Local Employees' Retirement System, which is a cost-sharing, multi-employer, public employee retirement system. The benefits provided to members of this retirement system are established by New York State law and may be amended only by the State Legislature. The New York State and Local Employees' Retirement System issues a publicly available financial report. The report may be obtained from the New York State and Local Retirement Systems, Gov. Smith State Office Building, Albany, New York 12244. Benefit provisions vary as follows:

The Employees' Retirement System is subdivided into the following four classes:

Tier I - members who last joined prior to July 1, 1973.

Tier II - members who last joined on or after July 1, 1973 and prior to July 27, 1976.

Tier III - members who last joined on or after July 27, 1976 and prior to September 1, 1983.

Tier IV - members who joined on or after September 1, 1983.

Tier I members are eligible for retirement at age 55. If members retire with 20 or more years of total service, the service retirement benefit is 2% of the final average salary for each year of service. If members retire with less than 20 years of total service, the service retirement benefit is 1.66% of the final average salary for each year of service.

Tier II members are eligible to retire with full benefits at age 62; and with reduced benefits for retirement between ages 55 and 62. Retirement benefits are equivalent to Tier I members.

Tier III members with 10 or more years of credited service after July 1, 1973, are eligible to retire with full benefits at age 62 or at age 55 with 30 years of service and with reduced benefits for retirement between ages 55 and 62 with less than 30 years of service. Benefits are integrated with Social Security beginning at age 62. If members retire at age 62 and have 25 or more years of credited service, the service retirement benefit will be 2% of final average salary for each year of service (not to exceed 30 years), plus 1.5% of the final average salary for each year of credited service beyond 30 years. If members retire at age 62 with fewer than 25 years of credited service, the service retirement benefit will be 1.66% of the final average salary for each year of service.

Tier IV members with 10 or more years of credited service are eligible to retire with full benefits at age 62 or between the ages of 55 and 62 with 30 years or more of credited service. Tier IV members with less than 30 years of credited service do not receive benefits if they retire prior to age 62. Benefits are equivalent to Tier III members.

Retirement benefits vest after 10 years of credited service and are payable at age 55 or greater. The Employees' Retirement System also provides death and disability benefits.

Tier III and IV members are required by law to contribute 3% of their annual salary to the Employees' Retirement System and eligible Tier I and II members may make contributions under certain conditions. The Authority is required by the same statute to contribute the remaining amounts necessary to pay benefits when due.

The State of New York and the various local and governmental units and agencies which participate in the Retirement System are jointly represented, and it is not possible to determine the actuarial computed value of benefits for the Authority on a separate basis.

Pension expense recorded in the Authority's accounts was zero for the years ended May 31, 1998 and May 31, 1997. The zero amount of pension expense is the result of a change in the actuarial method utilized by New York State in 1994 in determining the contributions to be made to the Retirement System.The Authority has recorded an accrued retirement contributions liability for certain pensions costs of employees related to construction work in progress which have been capitalized to water plant.

## Note 7 – Deferred Compensation

All Authority employees may participate in a deferred compensation program designated as an Internal Revenue Code Section 457 plan. This program enables employees to contribute a portion of their salary, on a tax deferred basis, to group variable annuity contracts. The assets and related liabilities of the plan are recorded at the assets' market values. The Authority has no liability to make contributions to the deferred compensation program. The Authority remits deferred compensation amounts withheld from employees' salaries to an outside fiduciary agent who administers the program and invests program assets as instructed by each of the participants. Assets in such program amounted to $8,381 and $6,636 at May 31, 1998 and May 31, 1997, respectively. In the fiscal year 1997, assets of the plan are included in other assets and the liability to employees is included in the deferred compensation fund in the Authority's balance sheet.

## Note 8 – Postretirement Benefits

The Authority's employees participate in the New York State and Local Employees Retirement system, a multiemployer plan,which provides certain health insurance benefits for retired employees. Substantially all the Authority's employees may become eligible for these benefits if they reach normal retirement age while working for the Authority. The cost of retiree health care benefits is recognized as an expense as costs are incurred. The expense amounted to $714 and $656 for the years ended May 31, 1998 and 1997, respectively.

## Note 9 – Commitments and Contingencies

The Authority authorized a capital improvement construction budget for the fiscal year ending May 31, 1999 of approximately $38,288.

As of May 31, 1998, the Authority is obligated under several operating leases, for meter reading and computer equipment and under capital leases, for computer equipment, with initial or remaining terms of one year or more as follows:

| Year ending May 31, | Operating | Capital |
|---|---|---|
| 1999 | $ 353 | $ 184 |
| 2000 | 331 | 169 |
| 2001 | 294 | – |
| 2002 | 294 | – |
| 2003 | 294 | – |
| | $ 1,566 | 353 |
| Less: amounts representing interest | | 20 |
| Present value of minimum lease payments | | 333 |
| Less: current portion | | 184 |
| | | $ 149 |

Rental expense for operating leases was $372 and $468 for the years ended May 31, 1998 and May 31, 1997, respectively.

The Authority is involved in various litigation resulting from the ordinary course of operations. In the opinion of management, and based on advice of legal counsel, the ultimate liability to the Authority which will result from the settlement of these matters will not have a material effect on the Authority's financial position, results of operations or cash flows.

## Note 10 – Subsequent Events

In June 1998, approximately $4,600 of the Series 1988 Water System Revenue Bonds matured. The remaining outstanding Series 1988 bonds totaling $18,115 were called by the Authority prior to their original maturities.

# Regional Offices and Communities Served

## Western Regional Office

REGIONAL MANAGER
Clifford Foy
260 Motor Parkway
Hauppauge, NY 11788

Amityville
Asharoken
Babylon
Bay Shore
Brentwood
Brightwaters
Centerport
Central Islip
Cherry Grove
Cold Spring Harbor
Commack
Copiague
Davis Park
Deer Park
Dix Hills†
East Islip
East Northport
Eaton's Neck
Edgewood
Fire Island Pines
Fort Salonga
Great River
Halesite
Hauppauge
Huntington
Huntington Station
Islip
Islip Terrace
Kings Park
Kismet
Lloyd Harbor
Lonelyville
Nesconset
North Amityville
North Babylon
North Great River
North Lindenhurst
Northport
Oakdale†
Point of Woods
St. James*†
Smithtown*†
Summer Club
Village of the Branch
Village of the Head of the Harbor
Village of Huntington Bay
Village of Islandia†
Village of Lindenhurst
Village of Nissequogue
West Babylon
West Islip
Wheatley Heights
Wyandanch

## Central Regional Office

REGIONAL MANAGER
Dona Roberts
2045 Route 112, Suite 1
Coram, NY 11727

Bayport
Bellport
Blue Point
Bohemia
Brookhaven
Centereach
Coram
East Patchogue
East Setauket
Farmingville
Gordon Heights
Holbrook
Holtsville
Lake Grove
Lake Panamoka
Lake Ronkonkoma
Medford
Middle Island
Miller Place
Mount Sinai
Oakdale†
Patchogue
Poquott
Port Jefferson
Port Jefferson Station
Ridge
Rocky Point
Ronkonkoma
Sayville
Selden
Setauket
Shoreham
Sound Beach
Stony Brook*†
Village of Belle Terre
Village of Bellport
Village of Islandia†
Village of Lake Grove
Village of Old Field
Village of Patchogue
Village of Port Jefferson
Village of Shoreham
Wading River
West Sayville
Yaphank

## Eastern Regional Office

REGIONAL MANAGER
Ronald P. Blake
1098 Old Riverhead Road
Westhampton Beach, NY 11978

Center Moriches
East Marion
East Moriches
Eastport
East Quogue
East Yaphank
Flanders
Greenport†
Laurel
Manorville
Mastic
Mastic Beach
Mattituck
Moriches
North Sea
North Shirley
Oakville
Orient
Quiogue
Quogue
Remsenburg
Riverside*
Shirley
Southampton
Southold
Speonk
Westhampton
Westhampton Beach

## East Hampton

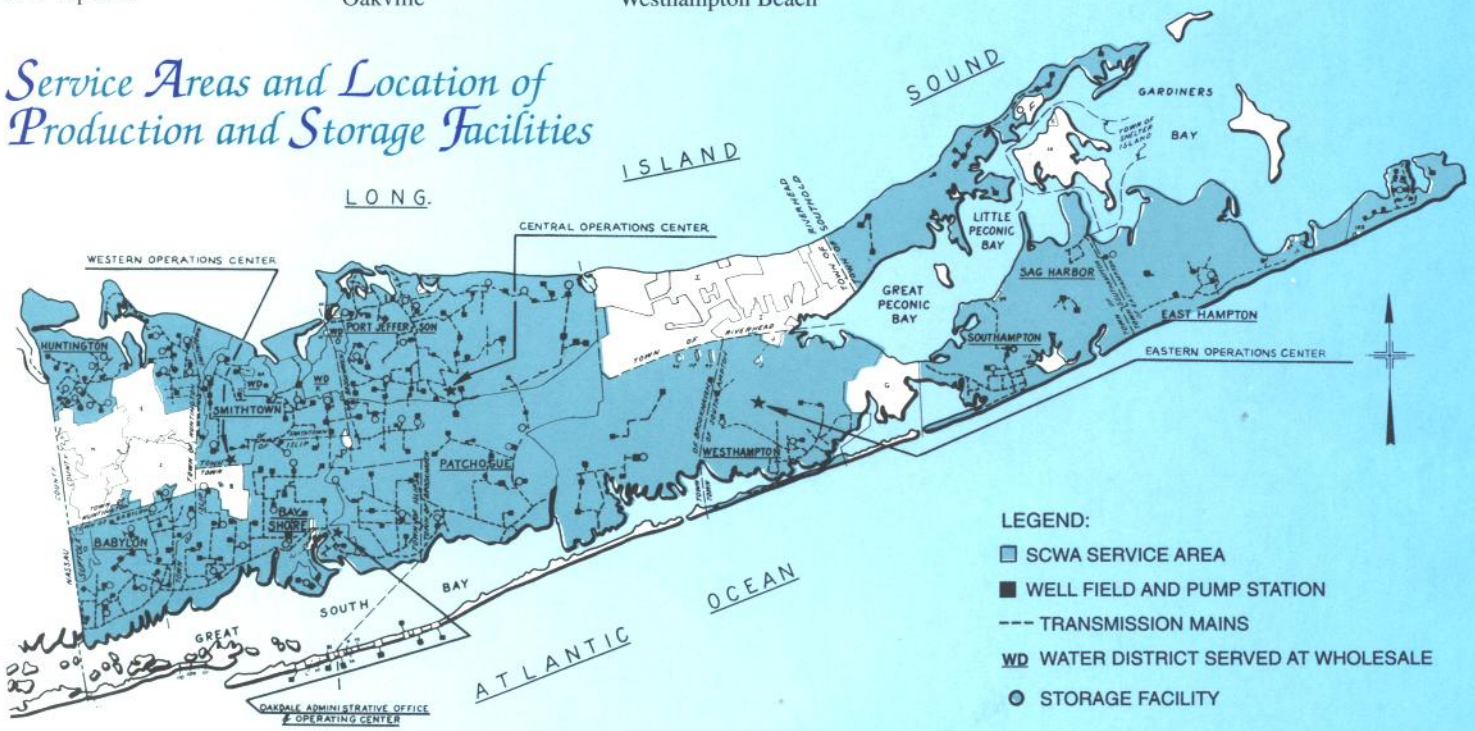
(Satellite Office – Eastern Regional Office)
Ronald P. Blake
32 Montauk Hwy.
East Hampton, NY 11937

Amagansett
Bridgehampton
East Hampton
Montauk
North Haven
Sag Harbor
Wainscott
Watermill

* Included in Wholesale Water District

† Serves portion of area

## Service Areas and Location of Production and Storage Facilities



*Our Guarantee*
*Pure, Safe & Constantly Tested*


*It's Our Drinking Water Too!*

**Suffolk County Water Authority**
Oakdale, Long Island, N.Y. 11769