

**NASSAU COUNTY  
OFFICE OF THE COMPTROLLER**



**COMPTROLLER'S OPINION ON  
NASSAU COUNTY'S AGREEMENT WITH UNITED WATER  
FOR OPERATION OF THE COUNTY SEWER SYSTEM**

**George Maragos  
Nassau County Comptroller**

**July 18, 2014**

**NASSAU COUNTY  
OFFICE OF THE COMPTROLLER**



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## 1. EXECUTIVE SUMMARY

Nassau County (“County”) has recently proposed an agreement with United Water (“UW”) for the management of the County’s Sewer and Storm Water Resource District (“SSWRD”).<sup>1</sup> The agreement has a potential duration of 20 years and will start with an initial service fee of \$57.74 million in 2015 (similar to the County’s agreement with Veolia to operate the Long Island Bus system, ownership of the assets will remain with Nassau).<sup>2</sup> UW, a New Jersey based water service company, is a subsidiary of the French-based company Suez Environment.<sup>3</sup> In the United States, UW serves approximately 5.3 million people throughout 20 states.<sup>4</sup> Currently, one of their largest contracts is the wastewater treatment system in Indianapolis, which services approximately 880,000 people.<sup>5</sup>

Under the proposed Agreement, UW would assume responsibility for operation, but not ownership, of the County’s sewer assets, which include approximately three main sewer treatment plants (Bay Park, Cedar Creek and Glen Cove), 54 pumping stations and 3,000 miles of pipes (collectively the “Sewer System”).<sup>6</sup> The Stormwater system operation, which employs 20-30 employees, will remain with the County.

Under the contract, the 2014 Sewer District Operating Budget of \$89.2 million (while under County operation, excluding financing costs) is expected to cost approximately \$64.9 million with UW. The approximately \$24.3 million in savings for Nassau is expected to come from reassigned employees and modernization of system operations.

The Comptroller’s Office (“Office”) reviewed the Net Present Value (“NPV”) analyses and included assumptions concerning the Agreement released by both the PFM Group (for the Administration) and the Office of Legislative Budget Review (“OLBR”). Our Office concluded that the County could realize \$240.2 million in potential Net Present Value (NPV) savings over the life of the UW Agreement. However, the County’s Multi-Year Plan (“MYP”), under both the current projected budget and under privatized operation with UW, shows a significant deficit in future years and no fund balance. As a result, new funding will be required to maintain solvency.

If the proposed agreement is executed, the contract provides our Office with extensive oversight with compliance, by detailed and in-depth Claims Review and scheduled audits.

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<sup>1</sup> Agreement for the Operation and Maintenance of the Nassau County Sewer System by and between United Water Long Island Inc. and The County of Nassau, New York (2014).

<sup>2</sup> *Id.*

<sup>3</sup> United Water Committed to Environmental Excellence in Nassau County, United Water Nassau County, [http://www.unitedwater.com/uploadedFiles/Localized\\_Content/UW\\_Nassau\\_County/00/Local\\_Landing\\_Page\\_Graphics/NassauCounty\\_4pg\\_EnvironExcellence\\_web.pdf](http://www.unitedwater.com/uploadedFiles/Localized_Content/UW_Nassau_County/00/Local_Landing_Page_Graphics/NassauCounty_4pg_EnvironExcellence_web.pdf)

<sup>4</sup> *Id.*

<sup>5</sup> United Water in Indianapolis Indiana, United Water, [http://www.unitedwater.com/brochures/UW\\_8.5x11\\_Project\\_Flyer\\_Indianapolis\\_web.pdf](http://www.unitedwater.com/brochures/UW_8.5x11_Project_Flyer_Indianapolis_web.pdf)

<sup>6</sup> Agreement for the Operation and Maintenance of the Nassau County Sewer System by and between United Water Long Island Inc. and The County of Nassau, New York, Exhibit 4: Capital Improvements, Section 4.3.1: Initial Capital Improvements.

Even with the projected savings and heightened oversight, the Agreement still contains some risks. One of the major concerns our Office has is controlling maintenance costs, both on a single-event basis and annual aggregate. These costs are largely untested under the operational system and staffing levels proposed by United Water which may exceed estimated amounts. The \$3 million annual maintenance budget is a “soft” number, which may be adjusted based on the average amount spent, once the contract ages over 5 years. Additionally, several clauses discussing Termination allow for a possibility of UW simply “walking away” if bureaucracy or legislative obstructions hold up necessary capital improvements.

A review of the County’s Multi-Year Plan under both the current projected budget and under privatized operation with UW shows a significant deficit.<sup>7</sup> As a result, new funding will be required.

When analyzing the SSWRD fund balance, as represented in the 2014-2017 MYP, our Office concluded that the fund balance will be depleted as soon as the end of 2014, with resulting deficits projected at \$64.7, \$67.2 and \$64.2 million if no agreement is entered into (Appendix B).<sup>8</sup> Our Office continues to exclude the \$14.1 million Departmental Revenue credit as these fees are currently in litigation. We also used PFM projections on the expense side to maintain consistency.<sup>9</sup>

By entering into the proposed Agreement with UW, our Office projects that the above deficits will be decreased; however, additional revenue will still be required to offset the negative fund balance. An illustration of fund balance projections under the current and proposed agreement is provided below

<u>Year</u>	<u>Current</u>	<u>UW</u>	<u>Difference under Agreement</u>
2015	(\$64.7M)	(\$67.3M)	(\$2.6M)
2016	(\$67.2M)	(\$51.4M)	\$15.9M
2017	(\$64.2M)	(\$49.8M)	\$14.5M

The Administration will need to find new revenues to fund the SSW operations with or without UW. The projected SSW deficits may place increased pressure on County finances, or increase borrowing or result in higher sewer fees depending on how the Administration decides to address the deficits.

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<sup>7</sup> Nassau County Office of Management and Budget, *Fiscal 2014-2017 Multi-Year Financial*, Appendix F Sewer and Storm Water Resource District Financial Plan.

<sup>8</sup> *Id.*

<sup>9</sup> *Id. see also* Staff, *Nassau County Staring at Possible “Toilet Tax,”* CBS, October 15, 2010, <http://newyork.cbslocal.com/2010/10/15/nassau-county-staring-at-possible-toilet-tax/> (July, 2014).

## 2. COMPTROLLER'S OFFICE CALCULATES \$240M IN NPV SAVINGS WITH UW

In reviewing the Net Present Value analyses and included assumptions released by both the PFM Group (for the Administration) and OLBR, our Office concluded that the County could realize \$240.2 million in potential NPV savings over the life of the proposed agreement with UW (Appendix A).<sup>10</sup>

The County's SSWRD currently has a 2014 fiscal year headcount of 306 full-time position (of which 289 were filled as of May 31, 2014) with a budget of \$19.9 million in Salaries, Wages, Fees (15% of which is projected as overtime) and \$12.5 million in Fringe Benefit expenses, as adopted.<sup>11</sup> This resulting average annual cost per full-time employee is \$105,689.<sup>12</sup> The largest line items in the budget are \$28.5 million in Contractual Services, primarily comprised of a \$10 million sludge disposal contract, and \$27.4 million in Other Expenses.<sup>13</sup>

Our analysis projected out the SSWRD budget, derived from the County's 2014-2017 Adopted MYP, for the life of the proposed contract (2015-2033) using a 5% discount rate for Salaries and Fringe Benefits and a 3% rate for Equipment, General Expenses, Contractual Services and Utility Costs (as used in the PFM analysis).<sup>14</sup> The figures represented in the Adopted MYP illustrated expense projections that were significantly lower in all categories from those used by PFM.<sup>15</sup> This resulted in a total estimated cost of \$2.2 billion over the life of the contract period if no operator was selected, compared to PFM's projected \$2.6 billion over the same period.<sup>16</sup>

Using PFM's calculations for projected expenses (removing salary and fringe benefit costs) under the contract, our Office calculated the NPV of savings to the County could be \$240.2 million.<sup>17</sup>

OLBR similarly produced their own report released on July 14, 2014, which calculated NPV savings to the County under similar circumstances of \$234.5 million (including synergy savings) as a result of lower- than- expected anticipated savings under the agreement.<sup>18</sup>

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<sup>10</sup> Public Financial Management, *Analysis of Contracted and Synergy Savings for 20-Year O&M Agreement for the Nassau County Sewer System with United Water*. (June 27, 2014); Maurice Chalmers, *Agreement for the Operation and Maintenance of the Nassau County Sewer System between United Water Long Island Inc. and Nassau County*, Nassau County Office of Legislative Budget Review. (July 14, 2014)

<sup>11</sup> Timothy Sullivan, *Fiscal 2014 Monthly Financial Report: Period Ending May 31, 2014*, Nassau County Office of Management, Budget & Finance,

<http://www.nassaucountyny.gov/agencies/OMB/documents/May2014MonthlyReport.pdf> (July 18, 2014), 67.

<sup>12</sup> *Id.*; see also Nassau County Office of Management and Budget, *Fiscal 2014-2017 Multi-Year Financial*, Appendix F Sewer and Storm Water Resource District Financial Plan.

<sup>13</sup> *Id.*

<sup>14</sup> Public Financial Management (June 27, 2014)

<sup>15</sup> *Id.*; see also Nassau County Office of Management and Budget, *Fiscal 2014-2017 Multi-Year Financial*, Appendix F Sewer and Storm Water Resource District Financial Plan.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> Maurice Chalmers (July 14, 2014)

**Figure 2: Comparative Results**

<u>Analysis</u>	<u>20 Yr. NPV Savings</u>
PFM Group/Administration	\$378.9 M
Comptroller's Office	\$240.2 M
Office of Leg. Budget Review	\$234.5 M

Our Office concludes that based on assumptions made by both the Administration and OLBR, the proposed agreement could yield savings of approximately \$11 million annually in the early years.<sup>19</sup>

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<sup>19</sup> *Id.*

### 3. SEWER & STORM WATER DISTRICT MULTI-YEAR BUDGETARY IMPACT

A review of the County's Multi-Year Plan under both the current projected budget and under privatized operation with UW shows a significant deficit.<sup>20</sup> As a result, new funding will be required.

When analyzing the SSWRD fund balance, as represented in the 2014-2017 MYP, our Office concluded that the fund balance will be depleted as soon as the end of 2014, with resulting deficits projected at \$64.7, \$67.2 and \$64.2 million if no agreement is entered into (Appendix B).<sup>21</sup> Our Office continues to exclude the \$14.1 million Departmental Revenue credit as these fees are currently in litigation. We also used PFM projections on the expense side to maintain consistency.<sup>22</sup>

By entering into the proposed Agreement with UW, our Office projects that the above deficits will be decreased; however, additional revenue will still be required to offset the negative fund balance. An illustration of fund balance projections under the current and proposed agreement is provided below in Figure 2:

**Figure 3: Fund Balance Projection Comparison (2014-2017 Adopted MYP)**

<u>Year</u>	<u>Current</u>	<u>UW</u>	<u>Difference under Agreement</u>
2015	(\$64.7M)	(\$67.3M)	(\$2.6M)
2016	(\$67.2M)	(\$51.4M)	\$15.9M
2017	(\$64.2M)	(\$49.8M)	\$14.5M

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<sup>20</sup> Nassau County Office of Management and Budget, *Fiscal 2014-2017 Multi-Year Financial*, Appendix F Sewer and Storm Water Resource District Financial Plan.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.* see also Staff, *Nassau County Staring at Possible "Toilet Tax,"* CBS, October 15, 2010, <http://newyork.cbslocal.com/2010/10/15/nassau-county-staring-at-possible-toilet-tax/> (July, 2014).



## 4. OVERSIGHT PLANS OF UW OPERATION

If the proposed agreement is executed, our Office will provide extensive oversight of contract compliance, accomplished with in-depth Claims Review, scheduled audits and FEMA spending oversight of UW operations within the first year.<sup>23</sup>

**CLAIMS REVIEW:** Under the proposed agreement, a claim for payment made by UW to the County must be satisfied within 30 days of receipt. If the claim is not paid within this time frame, the contract allows UW to charge interest on the unpaid balance. Since the clock starts when the department receives the paperwork from UW, our Office finds that this tight deadline generates significant risk which may have negative financial implications for the County. In working with the Administration, an amendment was accepted to extend this time period to 45 days. Although this change adds a needed buffer from when the contract is received by the Department and when it is received by the Comptroller's Office, there is still a risk that claims will be submitted late or incomplete. Every day lost as a result of the contract being delayed will add pressure on our Claims Department to conduct expeditious reviews. Furthermore, the cost compilation formula for UW's variable payment is complex, requiring an extensive review of the metric used. In identifying this area of concern, our Claims Department is currently implementing an action plan to process these payments in the most efficient manner possible.<sup>24</sup>

**AUDIT:** Using Audit authority granted to the Comptroller's Office under the Nassau County Charter, we feel that a review of UW's operations as early as the end of the first year of operation is warranted. This will allow our Office to gather crucial data and insight into the practical execution of the agreement and better identify potential risks or benefits to the County in anticipation of the 5 year adjustment period (discussed in subsequent section).

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<sup>23</sup> Agreement for the Operation and Maintenance of the Nassau County Sewer System by and between United Water Long Island Inc. and The County of Nassau, New York, (2014).

<sup>24</sup> *Id.* at Section 7.3.

## 5. RISKS

**MAINTENANCE:** Section 7.3 of the Agreement (Maintenance of Managed Assets) stipulates that the cost of all Maintenance Events shall be borne by UW up to \$50,000, after which the County will assume responsibility. Furthermore, the total annual budgeted amount for routine maintenance for the first five years is set at \$3 million. The Administration has made representations which were confirmed by our Office that current maintenance costs total approximately \$1.7 million to \$2 million per year and that over 95% of Maintenance Events cost less than \$50,000.<sup>25</sup> This is deemed minor.

**TERMINATION:** A failure to perform by UW may have unintended consequences in poor service and system maintenance. The default penalties are considered adequate to prevent such occurrence.

**FEMA:** There should be no impact on the anticipated receipt of federal funding designated for current facilities if policies are adequately followed. The \$830 million in funding granted by FEMA for Bay Park will still be received and used towards improvements, modifications and any necessary upgrades.<sup>26</sup> The County will retain the procurement and Legislative oversight of expenditures related to improvements or repair of capital items as a result of the storm, which has been verified as per language in the Agreement. The contract is otherwise silent with respect to specifics of these expenditures; however, Exhibit 12 (“Superstorm Sand Defects”) states that they will “be determined following one year due diligence period.” Language inserted into the agreement protects the County from liability with UW for these improvements if all or a portion of the approximately \$800 million is not received.<sup>27</sup>

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<sup>25</sup> *Id.* at Section 7.3.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.* at Exhibit 12.

# APPENDIX A: NPV Analysis

CATEGORY	MVP 2014-2017										
	2014 Budget	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Code											
AA	Salaries, Wages & Fees	\$ 19,874,761	\$ 16,502,049	\$ 17,525,758	\$ 16,834,994	\$ 17,676,744	\$ 19,488,610	\$ 20,463,040	\$ 21,486,192	\$ 22,560,502	
AB	Fringe Benefits	\$ 12,465,958	\$ 12,701,971	\$ 13,428,840	\$ 14,250,490	\$ 14,963,015	\$ 16,496,723	\$ 17,321,960	\$ 18,187,638	\$ 19,097,020	
BB	Equipment	\$ 360,855	\$ 360,855	\$ 360,855	\$ 360,855	\$ 371,681	\$ 394,316	\$ 406,145	\$ 418,330	\$ 430,880	
DD	General Expenses	\$ 16,983,507	\$ 12,987,282	\$ 13,227,538	\$ 13,472,631	\$ 13,876,810	\$ 14,721,908	\$ 15,163,565	\$ 15,618,472	\$ 16,087,026	
DE	Contractual Services	\$ 28,539,600	\$ 27,575,100	\$ 27,575,100	\$ 27,575,100	\$ 28,402,353	\$ 30,132,056	\$ 31,036,018	\$ 31,967,099	\$ 32,926,111	
DF	Utility Costs	\$ 11,000,000	\$ 10,917,308	\$ 11,312,690	\$ 11,528,836	\$ 11,874,701	\$ 12,230,942	\$ 12,597,870	\$ 12,975,806	\$ 13,365,081	
County	EXP Total	\$ 89,224,681	\$ 81,044,565	\$ 83,430,781	\$ 84,022,906	\$ 87,165,303	\$ 93,831,484	\$ 97,366,135	\$ 101,042,811	\$ 104,867,572	
AA	Salaries, Wages & Fees	\$ 10,748,117	\$ 10,834,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
AB	Savings	\$ (1,038,855)	\$ (1,090,798)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
AB	Health	\$ 5,636,710	\$ 5,780,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
AB	Non-Health	\$ 2,514,224	\$ 2,534,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
BB	Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
DD	General Expenses	\$ 402,000	\$ 414,060	\$ 426,482	\$ 439,276	\$ 452,454	\$ 480,009	\$ 494,409	\$ 509,241	\$ 524,519	
DE	Contractual Services	\$ 57,366,000	\$ 59,086,980	\$ 60,859,589	\$ 62,685,377	\$ 64,565,938	\$ 68,498,004	\$ 70,552,944	\$ 72,669,532	\$ 74,849,618	
DF	Utility Costs	\$ 7,578,881	\$ 7,806,247	\$ 8,040,435	\$ 8,281,648	\$ 8,530,097	\$ 9,049,580	\$ 9,321,068	\$ 9,600,700	\$ 9,888,721	
DS	Debt Service	\$ -	\$ 1,911,800	\$ 1,914,000	\$ 1,915,750	\$ 1,911,250	\$ 1,913,750	\$ 1,915,500	\$ 1,915,750	\$ 1,914,500	
UW	EXP Total	\$ 83,207,077	\$ 87,277,657	\$ 71,240,506	\$ 73,322,051	\$ 75,459,740	\$ 79,941,343	\$ 82,283,921	\$ 84,695,223	\$ 87,177,358	
Gross (Savings)/Loss		\$ 6,233,092	\$ (12,190,275)	\$ (10,700,855)	\$ (11,705,563)	\$ (12,762,362)	\$ (13,890,141)	\$ (15,082,214)	\$ (16,347,587)	\$ (17,680,214)	
NPV		\$ (240,205,796)	\$ (11,490,503)	\$ (9,792,798)	\$ (10,400,241)	\$ (11,008,926)	\$ (11,632,774)	\$ (12,263,220)	\$ (12,904,937)	\$ (13,558,076)	
CATEGORY		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Code											
AA	Salaries, Wages & Fees	\$ 23,688,527	\$ 24,872,954	\$ 26,116,601	\$ 27,422,431	\$ 28,793,553	\$ 30,233,230	\$ 31,744,892	\$ 33,332,137	\$ 34,998,743	\$ 36,748,681
AB	Fringe Benefits	\$ 20,051,871	\$ 21,054,464	\$ 22,107,187	\$ 23,212,547	\$ 24,373,174	\$ 25,591,833	\$ 26,871,424	\$ 28,214,995	\$ 29,625,745	\$ 31,107,032
BB	Equipment	\$ 443,806	\$ 457,120	\$ 470,834	\$ 484,959	\$ 499,508	\$ 514,493	\$ 529,928	\$ 545,826	\$ 562,200	\$ 579,066
DD	General Expenses	\$ 16,569,637	\$ 17,066,726	\$ 17,578,728	\$ 18,106,089	\$ 18,649,272	\$ 19,208,750	\$ 19,785,013	\$ 20,378,563	\$ 20,989,920	\$ 21,619,618
DE	Contractual Services	\$ 33,913,895	\$ 34,931,312	\$ 35,979,251	\$ 37,058,629	\$ 38,170,387	\$ 39,315,499	\$ 40,494,964	\$ 41,709,813	\$ 42,961,107	\$ 44,249,941
DF	Utility Costs	\$ 14,179,014	\$ 14,604,385	\$ 15,042,516	\$ 15,493,792	\$ 15,958,605	\$ 16,437,363	\$ 16,930,484	\$ 17,438,399	\$ 17,961,551	\$ 18,500,397
County	EXP Total	\$ 108,846,749	\$ 112,986,960	\$ 117,295,117	\$ 121,778,446	\$ 126,444,499	\$ 131,301,169	\$ 136,356,705	\$ 141,619,733	\$ 147,099,267	\$ 152,804,735
AA	Salaries, Wages & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AB	Savings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AB	Health	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AB	Non-Health	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BB	Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DD	General Expenses	\$ 540,254	\$ 556,462	\$ 573,156	\$ 590,350	\$ 608,061	\$ 626,303	\$ 645,092	\$ 664,444	\$ 684,378	\$ 704,909
DE	Contractual Services	\$ 77,095,107	\$ 79,407,960	\$ 81,790,199	\$ 84,243,905	\$ 86,771,222	\$ 89,374,359	\$ 92,055,589	\$ 94,817,257	\$ 97,661,775	\$ 100,591,628
DF	Utility Costs	\$ 10,185,382	\$ 10,490,944	\$ 10,805,672	\$ 11,129,842	\$ 11,463,738	\$ 11,807,650	\$ 12,161,879	\$ 12,526,736	\$ 12,902,538	\$ 13,289,614
DS	Debt Service	\$ 1,911,750	\$ 1,912,500	\$ 1,911,500	\$ 1,913,750	\$ 1,914,000	\$ 1,912,250	\$ 1,913,500	\$ 1,912,500	\$ 1,914,250	\$ 1,915,500
UW	EXP Total	\$ 89,732,493	\$ 92,367,866	\$ 95,080,527	\$ 97,877,848	\$ 100,757,020	\$ 103,720,561	\$ 106,776,060	\$ 109,920,937	\$ 113,162,940	\$ 116,501,651
Gross (Savings)/Loss		\$ (19,114,256)	\$ (20,619,094)	\$ (22,214,590)	\$ (23,900,599)	\$ (25,687,479)	\$ (27,580,608)	\$ (29,580,645)	\$ (31,689,795)	\$ (33,936,327)	\$ (36,303,084)
NPV		\$ (14,222,802)	\$ (14,895,672)	\$ (15,580,867)	\$ (16,275,145)	\$ (16,982,450)	\$ (17,702,943)	\$ (18,433,680)	\$ (19,178,293)	\$ (19,934,015)	\$ (20,703,142)

## APPENDIX B: Fund Balance & Pro Forma Analysis

CATEGORY		2014-2017 Adopted MYP				Under UW Operation		
		2014 Budget	2015	2016	2017	2015	2016	2017
Code								
AA	Salaries, Wages & Fees	\$ 19,874,761	\$ 16,502,049	\$ 17,525,758	\$ 16,834,994	\$ 10,834,102	\$ -	\$ -
AB	Fringe Benefits	\$ 12,465,958	\$ 12,701,971	\$ 13,428,840	\$ 14,250,490	\$ 7,224,468	\$ -	\$ -
BB	Equipment	\$ 360,855	\$ 360,855	\$ 360,855	\$ 360,855	\$ -	\$ -	\$ -
DD	General Expenses	\$ 16,983,507	\$ 12,987,282	\$ 13,227,538	\$ 13,472,631	\$ 402,000	\$ 414,060	\$ 426,482
DE	Contractual Services	\$ 28,539,600	\$ 27,575,100	\$ 27,575,100	\$ 27,575,100	\$ 57,366,000	\$ 59,086,980	\$ 60,859,589
DF	Utility Costs	\$ 11,000,000	\$ 10,917,308	\$ 11,312,690	\$ 11,528,836	\$ 7,806,247	\$ 8,040,435	\$ 8,281,648
FF	Interest	\$ 7,479,116	\$ 6,810,979	\$ 6,236,606	\$ 5,783,983	\$ 6,810,979	\$ 6,236,606	\$ 5,783,983
GG	Principal	\$ 13,803,000	\$ 12,939,000	\$ 10,301,000	\$ 9,470,000	\$ 12,939,000	\$ 10,301,000	\$ 9,470,000
HH	Interfund Charges	\$ 39,697,768	\$ 50,539,224	\$ 53,246,312	\$ 50,960,201	\$ 50,539,224	\$ 53,246,312	\$ 50,960,201
OO	Other	\$ 27,462,077	\$ 25,468,010	\$ 26,078,363	\$ 26,240,539	\$ 25,468,010	\$ 26,078,363	\$ 26,240,539
<b>EXP Total</b>		<b>\$ 177,666,642</b>	<b>\$ 176,801,778</b>	<b>\$ 179,293,062</b>	<b>\$ 176,477,629</b>	<b>\$ 179,390,030</b>	<b>\$ 163,403,756</b>	<b>\$ 162,022,442</b>
AA	Fund Balance*	\$ 45,926,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BC	Permits & Licenses	\$ 810,000	\$ 834,300	\$ 859,329	\$ 885,109	\$ 834,300	\$ 859,329	\$ 885,109
BE	Invest Income	\$ 220,000	\$ 221,100	\$ 222,648	\$ 224,652	\$ 221,100	\$ 222,648	\$ 224,652
BF	Rents & Recoveries	\$ 2,071,000	\$ 7,071,000	\$ 7,071,000	\$ 7,071,000	\$ 7,071,000	\$ 7,071,000	\$ 7,071,000
BG	Revenue Offset to Expense	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000
<b>BH</b>	<b>Dept Revenues**</b>		<b>In Litigation</b>				<b>In Litigation</b>	
BQ	Debt Service From Capital	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
BR	Due From Other Govts	\$ 2,251,394	\$ 2,251,394	\$ 2,251,394	\$ 2,251,394	\$ 2,251,394	\$ 2,251,394	\$ 2,251,394
IF	Interfund	\$ 100,999,409	\$ 101,249,059	\$ 101,169,159	\$ 101,350,234	\$ 101,249,059	\$ 101,169,159	\$ 101,350,234
<b>REV Total</b>	<b>REV Total</b>	<b>\$ 152,757,961</b>	<b>\$ 112,106,853</b>	<b>\$ 112,053,530</b>	<b>\$ 112,262,389</b>	<b>\$ 112,106,853</b>	<b>\$ 112,053,530</b>	<b>\$ 112,262,389</b>
<b>SUR/(DEF)</b>	<b>SUR/(DEF)</b>	<b>\$ (24,908,681)</b>	<b>\$ (64,694,925)</b>	<b>\$ (67,239,532)</b>	<b>\$ (64,215,240)</b>	<b>\$ (67,283,177)</b>	<b>\$ (51,350,226)</b>	<b>\$ (49,760,053)</b>

\*Adjusted Fund Balance - Year End 2013

\*\*The Administration's proposal to institute a County-wide Sewer Fee is currently in litigation and has been removed from the analysis.