

# NEW JERSEY WATER SUPPLY AUTHORITY

A COMPONENT UNIT  
OF THE STATE OF NEW JERSEY



## 2024 ANNUAL REPORT

AND THE

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED

JUNE 30, 2024 AND 2023



Government Finance Officers Association

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Presented to

**New Jersey Water Supply Authority**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrill*

Executive Director/CEO

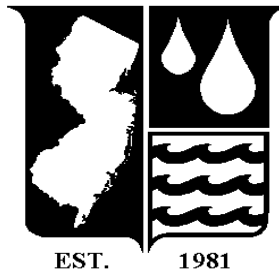
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FOR THE FISCAL YEARS ENDED  
JUNE 30, 2024 AND 2023

Prepared by:  
Finance and Accounting Staff

Marc Brooks  
Executive Director

# 2024 Annual Report

**Governor**  
Philip D. Murphy



## Authority Members

Shawn M. LaTourette  
Chair

Steven J. Picco  
Vice Chair  
Chair, Audit Committee

Robert J. Iacullo  
Treasurer  
Chair, Finance Committee  
Chair, Public Participation Committee

Susan Blew  
Secretary  
Chair, Watershed Lands Acquisition Committee  
Chair, Personnel Committee

Ellsworth Havens  
Assistant Secretary  
Chair, Capital Projects Committee  
Chair, Insurance Committee

## Staff

Marc Brooks, P.E.  
Executive Director

Kathrine Hunt, Esq.  
Deputy Attorney General

## 2025 Monthly Meetings

The 2025 Monthly Meetings of the New Jersey Water Supply Authority are scheduled to be held beginning at 2:00 p.m. on the following Mondays:

January 6, 2025

February 3, 2025

March 3, 2025

April 7, 2025

May 5, 2025

June 2, 2025

July 7, 2025

August 4, 2025

September 8, 2025

October 6, 2025

November 3, 2025

December 1, 2025

Meetings may be held by video/teleconference or in person. Dial-in or location information will be provided on the Authority website in advance of the meeting. The period from 12:00 p.m. to 2:00 p.m. on the above dates is set aside, as needed, for separate Committee meetings of the Personnel, Finance, Capital Projects and other Committees of the Authority.

Cover

*Photo by Bill Gumulak, Chief of Security, Round Valley Reservoir*

The New Jersey Water Supply Authority was created on October 7, 1981 (P.L. 1981, c. 293) to operate, on a self-supporting basis, the existing State water supply facilities and to develop future State water supply projects as recommended in the State Water Supply Master Plan. The Authority's Spruce Run/Round Valley Reservoirs System and the Delaware and Raritan Canal Water Transmission Complex (the Raritan Basin System), provides the basic source of water supply to a number of public and private water utilities serving more than 1,500,000 people in central New Jersey. The Manasquan Water Supply System in Monmouth County commenced delivery of this new surface water supply to a number of public and private water utilities, serving more than 250,000 people in the Monmouth County area, on July 1, 1990. Under agreement with the Southeast Monmouth Municipal Utilities Authority, the Authority also operates and maintains a four million gallon per day water treatment plant and distribution system for five municipalities in Monmouth County.

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# **Introductory Section**

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Operations – Raritan System

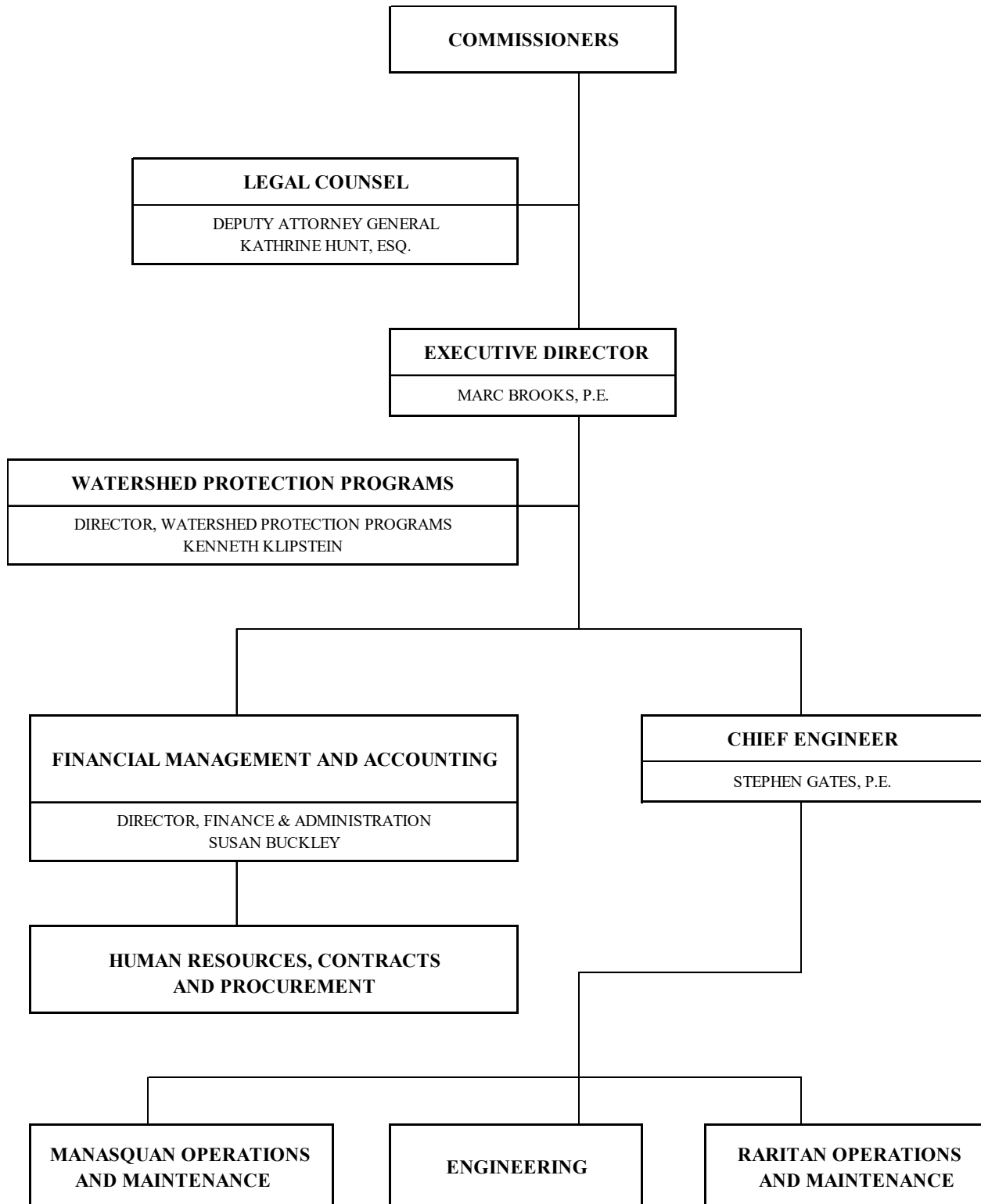
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Watershed Protection Programs Unit

Letter of Transmittal

# New Jersey Water Supply Authority

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# Letter to Governor and Legislature

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## NEW JERSEY WATER SUPPLY AUTHORITY

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November , 2024

### **To the Honorable Philip D. Murphy, Governor and Members of the New Jersey Legislature**

I am pleased to submit the 43rd Annual Report of the New Jersey Water Supply Authority. The Authority was created on October 7, 1981 (P.L. 1981, c.293) and was established in but not of the Department of Environmental Protection (NJDEP) of the State of New Jersey. The “New Jersey Water Supply Authority Act,” under N.J.S.A. 58:1 B-20, calls for the Authority to publish an Annual Report of its finances on or before the last day of February for the preceding calendar year. This report contains the Authority's Independent Auditors’ Report, and all required reporting to be in compliance with Executive Order No. 37 (2006), for FY2024.

I am pleased to announce that the transformational Round Valley Dam Rehabilitation Project, by far the largest and most significant undertaking by the Authority at this reservoir since its construction in the early 1960s, has reached substantial completion. The rehabilitation of the structures was sufficiently completed to allow pumping to refill the Round Valley Reservoir, which had been maintained at a lower elevation to allow the work on the downstream slopes of the dams to be completed safely. Our next major project, the Resource Preservation Foundation Grouting Project at Spruce Run Reservoir, is in the bid phase with work expected to start in early 2025.

These projects, along with the Delaware and Raritan Canal Dredging project, which was substantially completed in 2021, position the Authority to continue to perform its primary mission of providing and maintaining a dependable supply of water to the businesses and residents of Central New Jersey, while preserving and enhancing source water quality and quantity through the protection and restoration of critical watershed lands.

The first phase of the Round Valley Dam Rehabilitation Project included grouting of the abutments at the North and South Dams as well as dredging of the Intake Channel at the South Dam. Grouting refers to a process where holes are drilled into the bedrock that underlies the earthen embankment. Anomalies in the bedrock are then filled by pumping cementitious grout through the drilled holes under pressure. The drilling and grouting and intake dredging projects were completed in 2020.

By far the most significant element of the Round Valley Project, however, was the final phase of the project that involved rehabilitation of all three embankments at Round Valley (North Dam,

South Dam, Dike). The rehabilitation involved approximately 700,000 cubic yards of excavation to install retrofitted “chimney drains” at each of the three embankments. Chimney drains are constructed layers of sand and gravel placed inside the earthen embankment from bottom to top (resembling a chimney). Chimney drains have become the design standard for all newly constructed earthen dams and are being retrofitted on many dams constructed before chimney drains became the norm.

Construction on the embankments started in early 2020. The major earthwork is now substantially complete at all three embankments (dams). The Authority completed a record pumping program to refill the Round Valley Reservoir. In total, 12.2 billion gallons of water were pumped from the South Branch of the Raritan River to Round Valley Reservoir over a period of 155 calendar days between November 13, 2023 and April 16, 2024. During that time, the reservoir pool elevation was increased by 21.4 feet and the volume increased by 15.9 billion gallons.

The Authority’s Technical Review Board also made recommendations for improvements to the outlet works and the earthen dam foundation at the Spruce Run Reservoir (located approximately one mile north of the Town of Clinton). The “workhorse” of the Raritan System, Spruce Run Reservoir is impounded by the Spruce Run Dam and Dikes A and B and provides stream flow regulation as well as recreation.

An Engineer of Record has been procured to design the foundation improvements (grouting) at Spruce Run Reservoir. Construction is anticipated to begin in early 2025 and will last approximately two years.

Other water supply projects are ongoing on the Delaware and Raritan Canal. On the canal, the rehabilitation of Six Mile Run Culvert in Franklin Township, Somerset County and the rehabilitation of the Western Embankment in Stockton Borough, Hunterdon County were both substantially completed. A total of eleven new sluice gates were also installed at Griggstown, 10-Mile, South Bound Brook, and 5-Mile Locks.

In 2023, cyanobacterial blooms, also called harmful algal blooms (HABs) again impacted the Spruce Run Reservoir. Cyanobacteria are bacteria that occur naturally in water bodies and often result in a population explosion, or bloom, under suitable environmental conditions, such as high-nutrient (nitrogen and phosphorus) availability, low wind, warm water temperatures, and sunlight. Some HABs produce toxins that can be harmful to humans, livestock, and pets. The Manasquan Reservoir experienced a significant bloom this season in October, necessitating a successful treatment to mitigate the algae. After several years of reservoir characterization efforts, staff has also advanced a more proactive strategy by contracting with a team of highly qualified experts to evaluate options and develop a design for an aeration system to oxygenate bottom waters to both reduce the likelihood of HABs and ensure the reservoir’s full safe yield is available year-round.

No significant blooms have been observed this year to date in the Millstone River. The Authority played a significant part in creating higher flows in the river by implementing a new operational strategy where water is released from the Delaware and Raritan Canal at the Kingston Wastegate, just downstream of Carnegie Lake, instead of the customary location at the confluence of the Millstone and Raritan Rivers. Flow in that stretch of the river was increased

by as much as 80% during the historically dry period in September to October 2024. The higher upriver flows keep the water “moving”, thus reducing the likelihood of bloom formation. There are too many variables to determine definitively that the Authority’s operational change prevented any bloom formation. Nonetheless, the absence of significant blooms suggests that the continuance of the new operational protocol is prudent.

The Authority’s watershed and engineering groups have continued coordination with NJDEP and our water purveyor customers, wastewater groups in the area and Princeton University, which owns Carnegie Lake, all of whom have a vested interest in the prevention of future blooms. At the request of the Authority, the USGS re-installed continuous water quality sensors at the Millstone River at Blackwells Mills. New continuous but seasonal water quality sensors were also initiated on the Raritan River at Manville and on the Delaware and Raritan Canal near Landing Lane.

The Authority operates three separate systems: the Raritan Basin System, the Manasquan Water Supply System, and the Manasquan Water Treatment Plant and Transmission System. Each system must generate sufficient revenue each year to cover its own operating expenses and debt service. Rates have been generally stable, and the Authority is in good financial health. Total net position was approximately \$164.7 million as of June 30, 2024, and has increased over June 30, 2023 and June 30, 2022. In fiscal year 2024, total assets and deferred outflows were \$393.6 million and total liabilities and deferred inflows were \$228.9 million.

The Authority received its 32nd consecutive Certificate of Achievement in Financial Reporting Award for its FY2023 annual report. The FY2024 report is currently being reviewed for this award.

Sincerely,

*Marc Brooks*

Marc Brooks  
Executive Director



Spruce Run Reservoir at 43 percent capacity on October 5, 2024

## Operations - Raritan System

Operations and maintenance activities have been generally normal with some exceptions. The Round Valley refilling plan was implemented in November 2023 and an intensive pumping season ensued, concluding on April 23, 2024 with the reservoir at elevation 383.67, less than one and a half feet below normal full pool. During the course of the refilling, the South Branch Pumping Station delivered over 13.6 billion gallons to the reservoir, raising the elevation over 23 feet from the construction pool elevation. Concurrently, favorable weather conditions in

late winter and spring left Spruce Run consistently above full pool and spilling through early February and again from early March through early June.

Harmful Algae Bloom (HAB) conditions originating in Carnegie Lake were flushed into the Millstone River during August rain events resulting in water quality concerns for customers with water intakes located at the confluence of the Millstone and Raritan Rivers. In order to combat the exacerbation of those conditions in the stretch of the Millstone between Carnegie Lake and the confluence, the Authority reinstated the

alternate Canal operation that was instituted in 2023. The Authority historically released some excess Canal flow to the Millstone River at the Ten-Mile Wastegate, located near the confluence of the Millstone River and the Raritan River. It is believed that a contributing factor to HAB conditions in the Millstone is low flows and near stagnant conditions, specifically between Carnegie Lake and the confluence. By moving the release of excess Canal flows to a point further upstream (at the Kingston Wastegate, just below Carnegie Lake), we are able to improve the flow conditions in the target stretch of the river to help combat the conditions that are conducive to the formation of HAB.

In later summer to early fall the Raritan System was stressed due to a lack of organized, basin wide rain events coupled with consistently high customer demand. Through this period staff preferentially released from Spruce Run, which reached a record low in November 2024. Round Valley releases were kept to a minimum through most of the summer but were initiated later in the season to supplement flows while reducing the strain on Spruce Run.

## **Magnitude 4.8 Earthquake**

On the morning of April 5, 2024, the New Jersey Water Supply Authority (Authority) declared a Dam Advisory Condition (Advisory) for all five High Hazard Dams belonging to the Spruce Run/Round Valley Reservoirs Complex, including Spruce Run Dam, Round Valley South Dam, North Dam, and Dike, and No Name Dam #31 at the South Branch Pump Station.

The Advisory was declared in response to a magnitude 4.8 earthquake that occurred at 10:23AM that morning, with an epicenter located 3.7 miles ESE of Califon, NJ. This was in accordance with New Jersey Dam Safety (Dam Safety) standards that require automatic activation of a dam's Emergency

Action Plan (EAP) following an earthquake magnitude 4.0 or greater located within 10 miles of the dam.

Over the following hours, days, and weeks the dam embankments, instrumentation, and appurtenant structures were intensively inspected and monitored by teams of Authority engineers, technicians, and consulting engineers with no dam safety concerns being identified.

The Authority maintained regular, collaborative discussions with Dam Safety from the original April 5 earthquake regarding ongoing inspection and monitoring protocols and the continuation of Advisory status during subsequent seismic activity. Authority staff reviewed the activity history of seismic events from April 5 through May 20, 2024, and identified a clear trend of reduced frequency and magnitude. After consultation with Dam Safety, a mutual decision was made to cancel the Advisory, effective 7:00 am, May 20, 2024. The Authority returned to normal inspection frequency, including at least daily observations by security staff and/or technicians who are trained to identify dam safety concerns. As of this writing, there have been over 200 seismic events including the original April 5, 2024 mainshock.

## **Round Valley Project and Dam Inspections**

In July 2015, the Authority re-convened the Technical Review Board (TRB), previously utilized to study the condition of the Round Valley embankments, to perform a potential failure mode analysis (PFMA) on the three Round Valley Embankments. A PFMA is commonly used in the dam safety community and consists of a robust study of the dam's construction and past performance records and includes an evaluation of a variety of potential failure triggers.

At the conclusion of its 2015 session, the

TRB recommended that “*the Authority begin budgeting, engineering, and planning for the required modifications to the Round Valley Embankments.*”

The Authority procured a consultant to serve as the Engineer of Record to investigate, plan, design, and provide full time construction management services for the efforts recommended by the TRB including:

- Evaluate rehabilitation alternatives and design repair for the existing hydraulic valve on the low-level release at the Round Valley South Dam.
- Remove and replace ten-inch cast iron pipe that connects the Round Valley Force Main to the South Vault.
- Dredge the Round Valley South Tower Intake Channel.
- Repair the sluice gates in both towers.
- Repair the Round Valley building structures (towers and vaults). This work includes repairing or replacing the building roofs and facades as well as ancillary equipment such as sluice gates and crane hoists.
- Install security improvements at Round Valley Reservoir.
- Install chimney drains and improved drainage features at all three embankments.
- Grout abutments at the Round Valley North and South Dams.

The intake channel dredging was completed in February 2020, the abutment grouting was completed in March 2020, and improved electrical service for each dam was completed in October 2020.

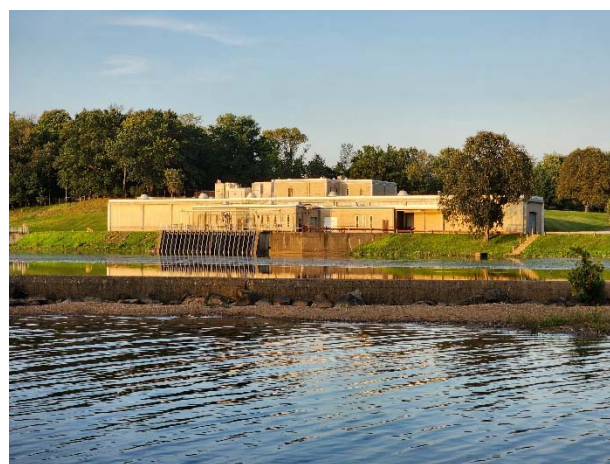
The rehabilitation of the earthen embankments and ancillary structures was initiated in January 2020. Major earthwork was completed at the Dike in 2021 and the North Dam in 2022. Major earthwork was completed at the South Dam in August 2023. Site restoration work is continuing at the North and South Dam, including topsoiling, seeding, paving and ancillary work on the

towers. Security improvements will be implemented after the rehabilitation project is complete.

With the major structural components of the earthwork complete, the Authority began refilling the reservoir late in November 2023, bringing the reservoir to near full by April 23, 2024. Substantial completion was achieved on March 20, 2024 and final completion is anticipated by the end of 2024 or early 2025.

### **South Branch Pumping Station - Rehabilitation of Four Pump Assemblies, Mechanical & Electrical Upgrades**

The South Branch Pumping Station was constructed in 1965 as part of the Spruce Run/Round Valley Reservoirs Complex in the Raritan River Basin. It is located on the South Branch of the Raritan River, about three and a half miles downstream from the Spruce Run Reservoir. It is used to pump water from the South Branch to the Round Valley Reservoir. Ten pumps operated by 2,000 HP motors are each capable of pumping 40 million gallons per day, transferring water to the reservoir through a 3.2-mile long, 108-inch diameter force main.



South Branch Pump Station

A previous contract in 2015 refurbished two of the ten pumps. This initial contract served as a model to help refine the scope of future

projects. In 2021, professional engineering services were procured for the rehabilitation of four additional pumps, as well as for other long-term mechanical, electrical, and control upgrades that are needed for the entire Pumping Station. These upgrades will ensure reliable operation well into the future. This project was designed and constructed to minimize the impact on pumping operations that refilled Round Valley when the current embankment rehabilitation was complete.

Construction is anticipated to occur in multiple phases/contracts from 2023 through the summer of 2025. A contract is underway to refurbish four pumps and motors, including replacement of the baseplates, which anchor the units to the floor and control vibration. The successful low bidder (contractor) began dismantling the pumps, motors and baseplates in the summer of 2023 with rehabilitation and reinstallation anticipated over the winter of 2024/2025. Concurrently, a contract is underway to furnish and install new replacement traveling water screens, which remove debris from the river water before the pump intakes to prevent clogging and damage to the pumps.

A second phase of the project will implement electric system upgrades and repairs, control and monitoring sensor upgrades, and miscellaneous maintenance items to ensure long term operation of the station. The work for this second phase will be scheduled either to coincide with intervals when pumping is not anticipated, or to maintain one-half of the electrical system active at a time. The station was originally designed as a duplex station with two, independent electrical systems. This means that half the pumps are powered by one side of the station, and half are powered by the other. Preliminary planning has also begun for replacement of the Pump Station's two 7,500 KVa transformers, which have been identified as approaching their life expectancy.

## **Spruce Run Reservoir Dam Foundation Grouting Program**

Construction of the Spruce Run Reservoir embankment dam, in the early 1960s, faced a major engineering problem: the subsurface rock intended as the foundation was comprised of the Kittatinny limestone formation. As such, the foundation rock includes broken and weathered features, water-bearing cavities and solution channels typical of limestone formations. To address these challenges, it was decided to construct a grout curtain, up to 100 feet in depth, along the axis of the embankment. In addition, considerable shallow blanket grouting was conducted in the worst cavernous zones to support the overlying earth fill. The intent of the grout curtain was to add strength to the foundation and to minimize seepage through the bedrock. Following the grouting program, embankment construction proceeded, and the dam and dikes were completed by mid-1964.

In the early 1980s, the Authority installed several instrumentation systems for the Spruce Run Dam in accordance with the recommendations of the dam's Phase I report. This included the installation of piezometers that monitor pore water pressure in the embankment's fill and rock foundation. Over the subsequent years, several of the piezometers have demonstrated trends that prompted further investigation.

In 2013, Authority staff considered it necessary to convene a technical review board (TRB) to discuss and study instrumentation trends at the Spruce Run Dam. As a result, TRB meetings were held in 2014 and 2017.

In 2014, the TRB members recommended implementation of interim risk reduction measures for the Spruce Run dam embankment. These measures included compilation of drilling and grouting data, side scan surveys of the upstream slope and reservoir bottom, video inspection of drains,

creation of a comprehensive geologic map, compatibility evaluation of adjacent embankment zones, dye testing, thermal infrared photography, seep/springs measurement, and installation of additional piezometers. Authority staff subsequently fulfilled all recommendations from the 2014 TRB meetings.

The TRB reconvened in 2017 to discuss the Spruce Run embankments and to perform a Potential Failure Mode Analysis (PFMA). It was determined that trends in the dam's instrumentation provide evidence that the dam foundation's original grout curtain is slowly deteriorating with time. As such, it was the consensus of the TRB that re-grouting of the karst (limestone) foundation would be required, and that Authority staff should begin long-range planning for the work. Authority staff and members of the TRB continued reviewing the instrumentation readings over subsequent years. In September 2021, the TRB issued a report and recommended that the Authority proceed with the development of a complete set of design documents for the grouting program.

Following the TRB recommendation, the Authority issued a Request for Proposals (RFP) from engineering firms for the Spruce Run Reservoir dam foundation grouting project and retained the professional engineering services of a highly qualified engineering consultant that will be responsible for design, permitting, and managing construction of a project to restore the grout curtain by drilling through the embankment and bedrock, then pumping grout under pressure to fill any fissures or voids in the rock. The project is being financed, in part, through the New Jersey Water Bank, a partnership between NJDEP and the New Jersey Infrastructure Bank. Additionally, the Authority applied for, and was awarded an approximately \$21 million dollar grant through the Federal Emergency Management Agency's Building Resilient Infrastructure and Communities (BRIC)

program. Bidding for construction was advertised on September 4, 2024 and bids were opened on November 7, 2024. The intent is to award a contract by the end of 2024 with construction anticipated to take two years.

## **Spruce Run Reservoir Multi-Disciplinary Project**

The Spruce Run Reservoir is located approximately one mile north of the Town of Clinton. The reservoir is impounded by the Spruce Run Dam and Dikes A and B, and provides stream flow regulation, raw water supply to residents of central New Jersey, and serves as a recreational resource. Spruce Run Dam is a Class I, high hazard zoned earth embankment constructed at the former confluence of Spruce Run and Mulhockaway Creek. The reservoir is fed by two major and several minor streams, with a total drainage area of 41 square miles. A primary spillway is located at the west abutment of the dam with a crest elevation of 273.0 feet, which is the maximum operating pool level of the reservoir. Discharge from the reservoir is either from the primary spillway or from the outlet tower through twin 84-inch diameter pipelines which reduce to twin 48-inch diameter pipes at the downstream outlet vault.



**Spruce Run Reservoir's Tower and Access Bridge**



Spruce Run Reservoir's Outlet Vault

The combination of spillway overflow and release from the vault travel over the flow measuring weir, which is a reinforced concrete structure that crosses the Spruce Run downstream of the reservoir and upstream of the confluence with the South Branch of the Raritan River. The weir was constructed in the early 1960s, with the rest of Spruce Run Dam, to provide a pool that functions as a stilling basin or energy dissipator for the primary spillway. The adjoining USGS gauging station on the west bank of the weir measures the total flow of water that is discharging from the Spruce Run Reservoir, including releases through the vault and/or overflow at the spillway.

The Authority's responsibility to ensure raw water delivery and safe operation of the dam requires the structural integrity and full operational capacity of the outlet works at all times. Many components of the outlet works date to the original construction of the dam in the early 1960s. With a service life over 60 years, some of the outlet works equipment and structures have exceeded their anticipated design life and must be rehabilitated.

At the end of 2019, the Authority retained a professional engineering consultant to investigate, design, and provide construction management services for the following tasks:

- Rehabilitate the flow measuring weir.
- Evaluate the existing spillway capacity.

- Improve the spillway discharge channel for conveyance, inspection and seepage monitoring.
- Replace the outlet vault's Howell-Bunger valves and actuators, the outlet tower hoist, and the roofs at both the outlet tower and the outlet vault.
- Install electrical actuators for the outlet tower sluice gates, a manual transfer switch for connection to a generator as necessary for emergency sluice gate and crane operation, equipment for remote reading of outlet releases, a hardened security gate at the vault, and various architectural improvements to the tower and vault buildings.

In addition to these items, at the recommendation of a Technical Review Board (TRB), the consultant will critically review the operation of the outlet works and consider potential improvements to the procedures required to release water for emergency drawdown.

Updated hydrologic and hydraulic modeling studies for Spruce Run Reservoir are included in this contract to aid in optimization of rapid drawdown and to verify the spillway capacity. Preliminary analysis of the spillway capacity suggests that the existing spillway may be undersized for the regulatory design storm. New Jersey Dam Safety regulations require large dams to be designed to safely pass the runoff from the Probable Maximum Precipitation (PMP) which is approximately 34 inches of rain in 24 hours. NJDEP is re-evaluating the PMP based on state-specific conditions, and modest changes to the rainfall data are expected. Regardless of potential changes to the PMP, it is likely that some improvements to the spillway capacity will be required, and the Authority has begun planning for that work.

One aspect of this project was completed in 2022 when all trees and herbaceous vegetation was cleared from the 14.2-acre spillway discharge channel. This work

facilitated the monitoring of springs as recommended by the TRB and improved the channel's hydraulic capacity.



Tree clearing equipment at the spillway discharge channel

Additionally, the consultant has completed analyses, field investigations, lab testing, and a draft Schematic Design Report for other features that are included in the rehabilitation project. The work is expected to take several years to complete.

### **Spruce Run Administration Building Fuel Oil Underground Storage Tank**

The Authority maintains an underground storage tank (UST) at the Spruce Run Administration Building for heating oil to power the boiler, hot water heater, and emergency generator that service the building. The tank is of double-walled steel construction and has a cathodic protection system to inhibit corrosion of the tank shell. On June 10, 2024, the routine triennial inspection revealed that the cathodic protection system tested outside of the specified values, indicating a failed system. It is important to note that there is no indication that the tank shell has failed or been compromised. Further, the tank passed the tightness test and maintains functional interstitial monitoring designed to detect if the tank shell has been compromised.

Staff notified NJDEP of the failed test on

June 13, 2024 and was issued an Administrative Consent Order (ACO) with an associated compliance schedule to have a temporary above ground storage tank (AST) installed, the existing UST drained, and the tank registration updated to an “out of service” status by September 30, 2024. The temporary AST has been procured, and installed and the UST has been emptied and the registration status updated to “out of service”. The ACO compliance schedule requires that the Authority have retained a Licensed Site Remediation Specialist (LSRP) and obtained the NJDEP Intent to Close by December 31, 2024. The ACO further stipulates that the tank be removed and officially closed by June 30, 2025. Staff procured a professional services contract for a LSRP and supporting engineering services to satisfy NJDEP requirements. Concurrently, Authority engineering staff prepared plans and specifications and issued an invitation for bid for construction contractor services to remove the UST, which was advertised on October 17, 2024, with bids received on November 13, 2024.

### **D & R Canal - Emergency Sinkhole Repair and Seepage Cutoff Installation Near Workhouse Spillway**

Late in the day October 4, 2023, Authority staff was alerted to a significant seep through an earthen embankment that separates the Canal from the Delaware River. Upon arrival, they observed a whirlpool in the Canal coupled with substantial seepage through the embankment into the Delaware River. An Authority work truck parked on the Canal towpath had its back wheel break through the top of the embankment, revealing a substantial sinkhole (void) beneath the towpath. When exposed, the sinkhole measured approximately 15 feet long by 9 feet wide by 6 feet deep, mostly filled with water.



Sinkhole on the Canal multi use trail near the Workhouse Spillway

Staff implemented both immediate and longer-term risk reduction measures because failure of this embankment would cause approximately 20 miles of Canal to drain to the Delaware River and likely would have eroded the embankment all the way down to bedrock.

The Executive Director certified that this was an emergency condition that required the immediate procurement of professional engineering and subsequent construction services. The Authority sought and received approval from the Capital Projects Committee for a modified procurement that was expected to save 4-6 months and, in this case, still maintained a competitive process.

The Authority executed a contract for professional services to develop plans and specifications for construction of a steel sheet pile cut-off. The contractor completed the installation of the sheet pile cut-off in mid-March and the site was monitored throughout the summer while staff waited for suitable low river conditions to inspect the

embankment. In August, the Consultant and Authority staff inspected the site and determined the repair to be successful, with no further action necessary.



Steel sheets driven into Canal embankment

## D & R Canal Rehabilitation of Six Mile Run Culvert

The Six Mile Run Culvert is located in Franklin Township, Somerset County, at Station 2298+17, just south (upcanal) of Blackwells Mills Road and adjacent to the Six Mile Run State Park site at 625 Canal Road. The culvert consists of three stone masonry arch barrels, which carry the Six Mile Run under Canal Road, the Delaware and Raritan Canal, and the multi-use trail.

The structure presumably dates to the original construction of the Canal (1830s) and was rehabilitated in the 1980s. Additional work was performed on the outlet end in 2009. The culvert structure is maintained by the Authority and the road (Canal Road) is maintained by Franklin Township.

In March 2018, Franklin Township alerted the Authority to a sink hole that had formed in an area of the road over the culvert that the Township had patched with asphalt on previous occasions. This sinkhole developed following two Nor'easter storms in a period of a few days. The Authority procured a contractor who made an emergency repair to

the road surface and subsurface over the culvert.

The culvert interior at the inlet side was found to be missing stones and in need of repair. Authority staff contracted with divers to make temporary repairs to the interior of the culvert pending a more substantial rehabilitative effort.

Authority staff solicited the services of an engineering consultant and cultural resources consultant to evaluate the entirety of the three-barrel structure and to prepare a design for a complete rehabilitation.

An additional sinkhole formed in the same area of the road above the culvert in the summer of 2021. This sinkhole was repaired under an amended contract with the engineering consultant, who also offers construction services.

The rehabilitation project was intended to be split into two phases. Phase I was to include cleaning, dewatering, and inspection of the culvert; however, the bids for Phase I work were cost prohibitive, so alternative investigations and inspections were completed by the engineering consultant in 2020. Phase II consists of the full engineered design rehabilitation. Construction started in August 2023 and was completed in September 2024.



Outlet Headwall at Six Mile Run Culvert



Rehabilitated outlet headwall at Six Mile Run Culvert

## **D & R Canal - Rehabilitation of the Western Embankment downstream of the Prallsville Lock**

South of Prallsville Lock, a very steep and narrow embankment separates the Canal from the Delaware River. This section of embankment makes up the western bank of the Canal and extends one mile south of the lock to an abandoned railroad crossing where the multi-use trail crosses the Canal. Over the past twenty years, numerous flood events have caused various slope failures and two full breaches of the embankment. Each of these incidents was repaired on an emergency basis to restore flow in the Canal; however, a more stable and permanent solution to restore the embankment was needed, and the Authority retained both engineering and cultural resource consultants to develop a long-term embankment slope stabilization solution.

Considerable design work has been completed in recent years, and in that time, engineering recommendations for the embankment's long-term stabilization have evolved. Originally, compaction grouting was identified as the preferred method, but there was concern over how this method would affect the very steep and narrow embankment. Consequently, the focus has shifted to an investigation of less disruptive structural measures. It is noted that many traditional engineering methods to improve stability are

not suitable due to site-specific constraints which include historic concerns, limited access, narrow crest width, and the presence of watercourses on each side of the embankment.

Due to uncertainty in the structural components of the stabilization, Authority staff decided to approach the project in two phases. Phase I will restore the geometry and aesthetics of the embankment. This includes removal of tarps, clearing of some trees, leveling the crest to eliminate low areas which concentrate flows and increase erosion, restoring damaged historic stone armoring, and restoring the previous slope repairs with topsoil and native vegetation.

If feasible, Phase II of the project will consist of designing and implementing structural improvements to increase the stability of the embankment and reduce seepage and potential breaches during storm events in the Delaware River watershed.

Construction services for Phase I was publicly bid in spring 2023. The contractor began work in August 2023 and was complete and demobilized in April 2024. The contractor returned to the site in September to seed and mulch to establish vegetative cover in areas that did not adequately germinate to satisfy Hunterdon County Soil Conservation District requirements.

After the Phase 1 project was completed and the initial Phase 2 concept of compaction grouting was rejected due to safety concerns, Authority staff were uncertain of a path forward that was both technically and financially feasible. Since that time, an emergency project was completed under similar conditions. The contractor for that project expanded Authority Staff's and the Consultant's understanding possible approaches by using an excavator to drive sheet piles 45 feet in length. It was previously believed that in order to drive sheeting of that size, a crane would be

required that would not be able to access the narrow canal embankment crest. The Consultant is currently working to further develop this idea to see if a similar approach can be employed on this narrower section of embankment. If determined feasible, a construction schedule for Phase II will be determined after the project has been designed.



Restoration of the Canal embankment in Stockton



Restored Canal embankment in Stockton

## **D & R Canal - Rehabilitation of the Upper Canal Embankment**

The right bank of the Canal from Raven Rock Lock to Prallsville Lock is a narrow embankment that separates the Canal from the Delaware River. Both sides of the trapezoidal embankment core wall are armored with dry-laid stone. In this section, the width of the embankment varies from 20 feet to 100 feet.

The narrow nature of the embankment precludes access for vehicles and/or heavy machinery, providing significant maintenance challenges for the Authority. This section of the embankment overtops routinely, which causes erosion and could potentially lead to failure of the embankment. It appears that the embankment was designed with full knowledge of these high flows, keeping in mind that at the time, Canal operators had the “luxury” of being able to drain the Canal for maintenance each year.

High flows during rain events, specifically Tropical Storms Irene and Lee (2011), caused significant erosion at various locations on the embankment. After these storms, Authority staff made temporary emergency repairs to stabilize the affected areas and prevent a complete breach. In most cases, the size and shape of the original embankment was not maintained. It was the Authority’s intent to make final repairs in accordance with approved plans as soon as practicable.

The Authority contracted with both engineering and cultural resources consultants to investigate and provide a design for rehabilitation of the embankment. In 2022, the engineering consultant amended the original schematic design report to include removal of most of the trees from the embankment. This revision was reviewed and approved by the D&R Canal Commission and State Historic Preservation Office. The consultant is progressing final design and permitting. Construction is anticipated to begin in 2025.

### **D & R Canal - Rehabilitation of the Prallsville Culvert Pit and Miscellaneous Components**

The Prallsville Lock is located on the Delaware and Raritan Canal at Station 155+00. Upstream of the lock, situated at the confluence of the Canal and Wickecheoke Creek, there is a 196-foot-long concrete spillway known as the Prallsville Spillway.

Between the spillway and lock, there is a stone masonry culvert that passes under the Canal to the Delaware River. The culvert’s inlet is located in a rectangular pit adjacent to the Canal that is about 65 feet long, 20 feet wide, and 18 feet deep. The pit has dry-laid stone masonry retaining walls and also contains the outlet of another culvert, which passes under the Canal multi-use trail. Flow is conveyed from one culvert to the other along the pit bottom via open channel flow.

In September 2021, flooding associated with remnants of Hurricane Ida caused a partial collapse of the retaining wall at the southwest side of the pit, which is parallel to the Canal and located only 25 feet from its edge. Four non-operational sluice gates located at the Prallsville Spillway’s downstream abutment were also damaged during the flooding.

The repair of this damage is expected to consist of connecting the two culverts within the pit with a precast concrete box culvert and filling the pit to grade, which will prevent future failures of the retaining wall, and more importantly, the canal embankment it supports. The damaged sluice gates at the Prallsville Spillway’s abutment will also be decommissioned as part of this project, as they are no longer functional or needed for operational control. The project will also incorporate repairs to some minor erosion damage at the spillway’s abutment.



Existing condition of the Prallsville Culvert Pit.

In January 2023, the Authority awarded a contract for the required engineering services. The engineering consultant completed the schematic design report which was submitted to the Delaware and Raritan Canal Commission (DRCC) and State Historic Preservation Office (SHPO) for review and approval. The review by SHPO determined that the proposed undertaking constituted an encroachment on the historic property because the plans did not meet the Secretary of the Interior’s Standards for the Treatment of Historic Properties.

As a result, SHPO recommended the project be presented to the NJ Historic Sites Council (HSC) for approval. The project was presented to the HSC on April 17, 2024, where it was recommended for approval with specific mitigative conditions. The engineering and cultural resources consultants are currently addressing these conditions while continuing with final design and remaining permitting.

## **D&R Canal – Replacement of Eleven Sluice Gates**

The Delaware and Raritan Canal has eight lock locations that were repurposed as water supply flow control structures in the 1950s. At that time, the mitered gates that formerly provided operation as a lock to raise and lower boats were replaced with water control devices. At each lock, three sluice gates (left, center, and right) allow Authority Water Supply Operators to maintain appropriate flow levels in each discreet section of the Canal.

As a result of field functionality tests performed by the Authority and underwater inspections performed by a diving company, the Authority determined that the existing gates at four locks are severely corroded and have exceeded their service life. One sluice gate at South Bound Brook Lock was replaced on an emergency basis to ensure operational continuity and redundancy.

Authority staff developed plans and specifications to replace the remaining eleven sluice gates at Five Mile Lock, Ten Mile Lock, Griggstown Lock, and South Bound Brook Lock.

A contract was awarded to furnish and install the new gates, which were ordered in 2023. Due to long manufacturing lead times on the gates, they were received in late March 2024. The Contractor mobilized to the first location, South Bound Brook Lock, on April 24, 2024, and completed the final gate at Griggstown Lock on July 16, 2024.



Original sluice gate in dewatered lock



Replacement sluice gate

## **Operations - Manasquan System**

Raw water contracts were maintained at a total of 19.443 million gallons per day (MGD) in 2024. As of the end of September, an additional 60 million gallons of water was purchased in excess of contract volume for the year due to low rainfall during August and September. Dry weather in September and October resulted in below normal reservoir volumes throughout the fall. Reservoir water quality was better than normal during the first nine months of the year. Treatment of the reservoir with algacide was determined to be needed at the end of October due to the 50% reduced reservoir volume concentrating algae and also to prevent winter carryover of blue green algae into the spring of 2025. The Authority followed its Harmful Algae Bloom (HAB) Mitigation Plan throughout the year with good results and no measurable toxins were detected where water was withdrawn into the pipeline as of this writing.

Professional engineering services, procured in 2023 for the design of an aeration system to improve water quality at the Manasquan Reservoir, resulted in the selection of a treatment system after evaluation of the reservoir water quality and alternative means of aeration. Final design of the system is underway and a contract for fabrication and construction could begin in the spring of 2025. The intent of the aeration system is to prevent anoxic nutrient loading leading to the development of HABs.

## **Formal Dam Inspection**

In accordance with New Jersey Dam Safety regulations, an annual inspection of the Manasquan Dam was conducted in the fall of 2024 with no issues found. Staff continues to conduct quarterly maintenance inspections and has completed implementing the consultant's recommendations from the previous formal dam inspections. This includes the ongoing repair and replacement of embankment instrumentation. Eight new

piezometer wells were drilled in the dam embankment using a specialized well drilling technique, with each well housing a new vibrating wire piezometer. These instruments monitor water levels in the embankment and replaced existing piezometers that have failed and can no longer be accessed. The new piezometers will be integrated into the existing automated data acquisition system in late 2024.

## **Switchgear Testing and Repairs**

Testing of all medium voltage switches and breakers was performed in 2024 and repairs to three of the seven medium voltage electrical breakers was completed during the past year. Three digital watt hour meters were also replaced along with the recalibration or replacement of various meters and protective devices in the three main electrical rooms.

## **Operations - Manasquan Water Treatment Plant ("MWTP")**

The treatment plant provided water that met all NJDEP standards throughout 2024. No major improvements or upgrades to the MWTP were made in 2024. A design project to replace one of the static mixers with a mechanical mixer was completed; however the chemical savings from implementing the project was evaluated to be much less than the consultant's estimated cost of construction and installation. Therefore, this project will not be constructed due to the unfavorable benefit-to-cost ratio.

Based on the Asset Management Plan guidance, improvements and upgrades to the MWTP processes were completed in 2024 including:

- Rehabilitation of the HVAC system.
- Rehabilitation of pressure vessels and piping on Activated Carbon Vessels Skid #1.

- Refurbishment of the ozone system diffusers.
- Upgrades to the cybersecurity equipment and system

## **Additional Improvements planned at the MWTP**

A filter process resiliency study was completed during 2019 in which a consultant evaluated several alternatives for cost, regulatory enhancement, ease of constructability, demonstrated success, and operability. The consultant recommended the construction of a flocculation tank and addition of a plate settler pretreatment system process. These improvements will increase plant resiliency and capacity by improving color removal and reducing the time that the existing processes need to be offline during the flushing of accumulated solids. This will also reduce wastewater generation and dependency on the use of reservoir water during storm events, as well as allow for the refilling of the reservoir after storm events, if needed. If implemented, the recommended system would replace the clarifier portion of the existing treatment units, which were due to be replaced or improved in 2022. The engineering design of the recommended improvements is accounted for in the Authority’s budget.

On April 10, 2024, the U.S. Environmental Protection Agency (EPA) announced its final National Primary Drinking Water Regulation (NPDWR) standards for six per- and polyfluoroalkyl substances (PFAS). Each of the compounds that will be federally regulated starting in 2029 have been detected in the Manasquan River source. A plant scale test using different granular activated carbon products has started to determine removal feasibility. A separate feasibility study has been completed to determine the best approach to meet the regulation given the constraints of the existing treatment facilities. Furthermore, Authority staff has participated in meetings with NJDEP and other New

Jersey water utilities with similar source water characteristics and PFAS as the Manasquan River source.

Staff continues to work with the Southeast Monmouth Municipal Utilities Authority (“SMMUA”) Board on the plant resiliency and capacity project and the PFAS removal project and a Request for Proposals from engineering firms has been generated to combine the projects and to move them forward from planning to final design.

The Authority has entered into a new Joint Funding Agreement with USGS for a PFAS watershed “track down” study in the Manasquan Watershed. The project will include PFAS sampling four times at 17 sites in the Manasquan Watershed and began in August 2024.

## **Watershed Protection Programs Unit**

The New Jersey Water Supply Authority's Watershed Protection Programs Division administers a systematic source water protection program for the watersheds that the Authority and its customers rely upon for their water supply. The Division's primary objectives include the development and implementation of projects that afford protection to the quantity and quality of the source water in the Raritan and Manasquan River Basins, and the Delaware & Raritan Canal and its tributaries for the benefit of the Authority and its customers. In 2024, the Watershed Office, in coordination with Authority Operations, partnered with landowners, farmers, government agencies, businesses and not-for-profit organizations to implement a variety of cost-effective strategies, guided by the results of detailed watershed restoration and protection plans for priority sub-watersheds.

## **Watershed Planning**

To comply with USEPA’s Surface Water Treatment Rules, beginning in 2019, New Jersey American Water Company (“NJAW”) partnered with the Authority’s Watershed Protection office to develop a Watershed Control Plan (“WCP”) to manage *Cryptosporidium* levels in the Raritan. In 2022, the NJDEP conditionally approved the Plan. Since then, the Authority has worked with NJAW to implement and refine the plan. The Authority’s ongoing agricultural cost-share programs are an important component of implementation. Additionally, over the past year, the USGS has been performing a source trackdown study that includes 12 low-flow samples and 6 storm-flow samples to help identify specific sources (such as cattle, canines and humans) of elevated *Cryptosporidium* in the watershed to target implementation activities. NJAW has also contracted with the New Jersey Institute of Technology to develop a water quality model to assist in estimating *Cryptosporidium* loading and the reductions achieved by implementation projects. The WCP will be updated in 2025, as required by USEPA Safe Drinking Water Act regulations.

Rutgers Cooperative Extension (RCE), under contract with the Authority, completed a draft of the NJDEP-funded Spruce Run and Mulhockaway Creek Watershed Restoration and Protection Plan. The Plan includes recommendations for green stormwater infrastructure, stormwater basin retrofits and agricultural implementation. A final draft of the plan will be presented to stakeholders for input in early 2025 with implementation of priority projects to follow. Implementation will be a collaborative effort among the Authority, municipalities and other stakeholders in the watershed.

The Authority was a partner in the development of the recently completed Watershed Restoration and Protection Plan for Budd Lake. The Raritan Headwaters

Association is collaborating with Mount Olive Township and Rutgers Cooperative Extension on plan implementation. Budd Lake is at the headwaters of the South Branch Raritan River.

The Authority also partnered with Raritan Headwaters Association and Rutgers Cooperative Extension on a project to prepare Watershed Restoration and Protection Plans for several sub-watersheds in the Raritan Highlands Region. Rutgers Cooperative Extension began work on those plans during 2024.

## **Conservation Practice Implementation for Water Quality**

During 2024, the Authority continued its successful Agricultural Cost-Share program, which utilizes funds from NJDEP, the US Department of Agriculture, Natural Resources Conservation Service (“USDA-NRCS”) and the Authority’s Source Water Protection Fund. Since the program began, staff assisted 31 producers who enrolled in three Regional Conservation Partnership Program (“RCPP”) projects (Raritan Basin Partners for Source Water Protection, Black River Greenway and Protecting Source Water in the Raritan System) and two NJDEP-funded projects. The Authority’s partnership with USDA-NRCS continued via a conservation technical assistance agreement to provide a partner employee to implement the cost-share program. Staff continued developing performance metrics, such as pollutant load reductions, for the cost-share program.

## **Stewarding Watershed Lands for Source Water Protection**

The protection of natural lands supports source water protection by maintaining important elements of the water cycle, such as groundwater recharge, and by minimizing the accumulation and runoff of pollutants. In addition, proper stewardship of critical watershed lands can enhance water quality

and quantity in perpetuity, preventing conversion to alternative land uses that pose greater threats to our water resources.

To date, the Authority and its partners have participated in the preservation of more than 3,600 acres of critical watershed property, valued at more than \$70,000,000. In addition, the Authority holds conservation easements on 300 acres, valued at nearly \$2,600,000. The Authority has forged successful partnerships with more than 30 different entities, both for cost sharing and management responsibilities on preserved parcels.

In 2024, Authority staff are completing a plan to monitor and/or steward 19 parcels, totaling about 1,300 acres. Stewardship activities on these properties were varied and included:

- Conducting stream visual assessments and macroinvertebrate sampling.
- Surveying and removing potentially hazardous trees within WSA-owned or co-owned properties.
- Collaborating with partnering organizations to produce/update maintenance and monitoring agreements.
- Providing recommendations on how to mitigate stormwater impacts on a WSA co-owned property.
- Improving properties by removing potential hazards identified during routine inspections like a bridge in need of repair, installing a bollard to prevent access to motorized vehicles, and addressing encroachments such as illegal dumping and cattle grazing.
- Monitoring and reporting on the dredging mitigation tree planting at Delaware & Raritan Canal State Park at Blackwells Mills according to NJDEP Technical Mitigation Manual protocols.

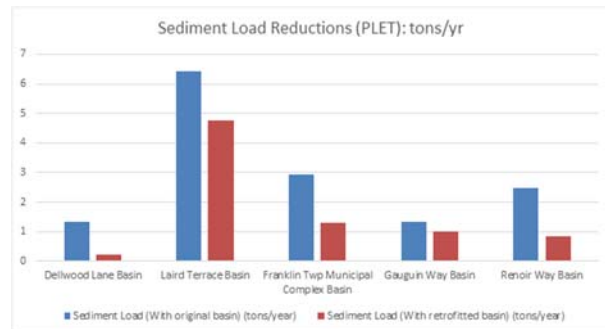
## Stormwater Management and Monitoring

In 2024, staff reviewed the NJDEP approved Cedar Grove Brook Watershed Restoration Plan and other currently available desktop stormwater infrastructure data to begin developing an implementation plan to reduce stormwater impacts to the Delaware and Raritan Canal from the Cedar Grove Brook. Staff performed field reconnaissance of identified locations and will develop a priority list of projects. This effort has been expanded to additional sub-watersheds that drain to the Canal. A consultant may be engaged to help design projects. Delaware and Raritan Canal Commission Stormwater Mitigation funds may be allocated to this effort.

The Authority administers a stormwater mitigation fund in coordination with the Delaware and Raritan Canal Commission. Canal Commission applicants may have the option to pay into the fund if the applicant is unable to meet the Commission's stormwater requirements. Mitigation Funds may be designated for specific projects, such as the Cedar Grove Brook weir feasibility study and the Dellwood Lane stormwater basin retrofit project or allocated to future projects designed to improve water quality in the D&R Canal.

The Cedar Grove Brook weir feasibility study was finalized in 2024. Modifications to the weir were proposed in the Cedar Grove Brook Watershed Restoration and Protection Plan to reduce sediment inputs to the Delaware and Raritan Canal. The feasibility study indicated that the proposed modification is not a viable project due to the extensive permitting and mitigation that would be needed. Staff will work with a consultant to develop other viable alternatives to the weir modification as part of the overall Cedar Grove Brook watershed management plan. Staff utilized a water quality model to estimate the pollutant load reductions achieved by the Franklin Township, Somerset County stormwater basin

retrofit projects. The model results indicated that the projects achieved a reduction of 4.7 tons/year of sediment to the Delaware and Raritan Canal and 1.68 tons per year to the Six-Mile Run. Staff continued visual assessments of the basins, and an additional year of water quality monitoring was conducted. The water quality data will be compared to the modeling data to support future projects.



## Aquatic Plant Management

Aquatic plants, specifically several aggressive invasive aquatic plants, are creating operational and water quality challenges Authority-wide. Dense aquatic vegetation can cause a myriad of issues, including inhibiting water flow, obstructing intakes, impairing water quality, reducing dissolved oxygen, suppressing the desirable native aquatic plant community, altering sediment chemistry, and reducing water depth. The introduction and spread of aggressive invasive aquatic plants in our source water supply exacerbates these effects and necessitates thoughtful planning and management.

After the 2016 discovery of hydrilla in the Canal, the Authority engaged a qualified consultant in 2017 to assist the Authority in developing and implementing an Aquatic Plant Management Plan for the Delaware & Raritan Canal. The plan focuses on managing aquatic plants for the purpose of maintaining passing flow while protecting water quality for all water users. As recommended in the plan, after six years of low-dosage continuous herbicide treatments, no herbicide was

applied in 2023 as neither hydrilla plants nor tubers have been found since 2020. This year, the actions shifted to intensive vegetation monitoring without herbicide application. Intensive monitoring will continue throughout the growing season each year to inform rapid response efforts if hydrilla or other aquatic invasive plant species threaten to impact canal operations. The consultant also added nutrient and phytoplankton analyses to gather more information on water quality within the Canal following the aquatic plant management.

The presence of multiple invasives, including the priority species hydrilla and fanwort, was confirmed in the Manasquan Reservoir in 2017. In response, the Authority hired a consultant in 2018 to prepare an Aquatic Plant and Cyanobacteria Management Plan for the Manasquan Reservoir. After three years of intensive data collection and analyses, the consultant submitted the final plan for long-term strategies for cyanobacteria and aquatic plant management. Based on the plan recommendations, in 2023, the Authority engaged a qualified engineering firm to evaluate options for aeration and prepare design specifications for Manasquan Reservoir system to prevent internal nutrient release during the summer months that contribute to harmful algal blooms.

To combat the spread of hydrilla and evaluate the effectiveness of the herbicide fluridone, a pilot herbicide application began in 2018 at the Manasquan Reservoir Boat Launch. The pilot herbicide application continued in 2024 and continues to suppress hydrilla growth and tuber production. A five-acre boat launch area has been treated each year except for 2020, when no treatment was conducted at the reservoir. Additional areas have been treated sporadically to measure effectiveness and herbicide spread from different areas of the Reservoir. These include a five-acre area in the northwest corner of the reservoir in 2019 and 2021, a five-acre area on the northern shore of the reservoir, parallel to the boat launch, in 2023 and 2024, and another five-

acre area on the northern shoreline in 2024. Watershed staff also conducted a full-waterbody submerged aquatic vegetation survey in 2024, the first one performed since 2020. Overall, hydrilla presence has decreased from 85% of sites surveyed in 2020 to 49% of sites surveyed in 2024. At the boat launch, hydrilla presence has decreased from a high of 96% in 2018 to 38% in 2024, and tuber densities have decreased by 100%, indicating a high rate of success of this localized treatment

The Watershed Unit coordinates three Aquatic Invasive Species Boat Steward programs, where seasonal boat stewards inspect launching and retrieving vessels on summer weekends and holidays for attached plants and organisms while conducting a public education survey. In 2024, this program was conducted for the sixth year at the Manasquan Reservoir in coordination with the Monmouth County Park System, the fourth year at the Spruce Run Reservoir in partnership with the State Park Service, and for the second year at the Round Valley boat launch in partnership with NJ Fish & Wildlife. A total of 3,129 surveys were completed across the three launches. 2024 program highlights include interceptions of water chestnut, Eurasian water milfoil, fanwort, curly-leaf pondweed, and hydrilla from launching boats. The Spruce Run steward also found an aquarium dump on the shoreline and cleared the debris, stopping the spread of the invasive plant water lettuce (*Pistia stratiotes*) into the Reservoir. In July, both the Manasquan and Spruce Run Boat Stewards were alerted to reports of Koi fish released into their respective reservoirs, which were subsequently removed or died.

Under an awarded Lakes Stormwater Management Grant from NJDEP, two “CD3 Wayside Solar” boat cleaning stations were procured in 2023, one each for the Manasquan Reservoir and Spruce Run Reservoir boat launches. The stations are designed to be used by boaters both entering

and leaving the reservoir to ensure no aquatic invasive species are brought in or out of the reservoir. Each station is waterless, solar powered, and equipped with an air gun, wet/dry vacuum, grabber tool, plug wrench, and broom, which are all tethered to the station. Now in their second season, the Spruce Run station totaled 306 uses for the season, an average of 2 per day. This is slightly lower than last year, but the drop in usage may be attributable to the lower water level and decreased boating activity this fall. The Spruce Run cleaning station is particularly popular with kayakers. The cleaning station at Manasquan Reservoir saw increased usage—254 total uses for an average of 1.4 per day-- compared to last year, when it averaged 1 use per day. The Manasquan boat station was placed in a much more prominent location near the boat launch this year and advertised with signage. At both reservoirs, the most popular tools are the air gun, the wet/dry vacuum, and the plug wrench.



Leveraging the Authority’s extensive and accumulated knowledge and experience with aquatic invasive management, Watershed staff was a lead partner, along with NJDEP

Division of Science and Research and New Jersey Fish and Wildlife, in the development of the New Jersey Aquatic Invasive Species Management Plan. In late 2022, NJDEP was awarded a grant from the Mid-Atlantic Panel on Aquatic Invasive Species to develop the plan. The plan was completed in 2024, signed by Governor Murphy, and was approved by the federal Aquatic Nuisance Species Task Force in May 2024. Watershed staff also provided leadership on the development of the NJ Water Monitoring Council's Decontamination Protocols Recommendations that were published in March 2024.

of time to remove this nuisance species is paying off.



Water chestnut removal



Water chestnut removal

Watershed staff conducts an annual water chestnut pull at the South Branch Pumping Station to ensure the intakes are clear and that water can pass freely. This year staff collected only 93 pounds of water chestnut over one and a half days. The return on our investment

### Cyanobacteria Monitoring and Response (Harmful Algal Blooms)

In 2024, Cyanobacterial blooms, also called Harmful Algal Blooms (“HABs”), affected Spruce Run Reservoir, Manasquan Reservoir and several other high profile water bodies in New Jersey. Cyanobacteria are bacteria that occur naturally in water bodies and can experience a population explosion, or bloom, under suitable environmental conditions, such as high nutrient (nitrogen and phosphorus) availability, low wind, warm water temperatures, and sunlight. Some cyanobacteria produce toxins that can be harmful to humans, livestock, and pets.

The Watershed Office has taken an active role in monitoring for potential cyanobacteria blooms in cooperation with partners at the NJDEP, the USGS, New Jersey Water Science Center, and the New Jersey Division of Parks and Forestry. The Watershed Office utilizes a combination of hand-held, instantaneous, and sensor data as well as NJDEP data collected via fixed-wing aircraft remote sensing as screening tools to identify the potential likelihood of HAB formation at Manasquan, Spruce Run, and Round Valley Reservoirs as well as the Millstone River and D&R Canal. In 2024, the Watershed Office’s laboratory became the second laboratory in New Jersey to be certified by the NJDEP Office of Quality Assurance for microcystin

analysis in both non-potable and potable water. The laboratory also has the in-house capability to perform phytoplankton and cyanobacteria identification and enumeration.

NJDEP also collects data at the Spruce Run swim beach and at the Manasquan Reservoir's I/O Tower through continuous, real-time water quality readers, which broadcast their readings online. The Authority, along with partners at USGS, NJDEP, and Montclair State University, were awarded a federally competitive Cooperative Matching Funds Grant to study the downstream fate and transport of cyanobacteria and cyanotoxins in the Raritan Basin for the years 2020 and 2021. This project combined continuous, real-time water quality data monitoring at multiple sites in the Raritan Basin, including a monitoring buoy in the middle of Spruce Run Reservoir, discrete sampling for phytoplankton community assemblages, four cyanotoxins (microcystins, cylindrospermopsin, anatoxin-a, and saxitoxin), nutrients, and other water quality data, and time-integrated toxin analysis through the use of an innovative technology called SPATT (Solid Phase Adsorption Toxin Tracking). The data analyses are complete, and a scientific journal article is currently under peer review with a USGS Scientific Investigative Report expected to be published in 2025.

During low-flow conditions in the summer of 2022, the Millstone River experienced an extensive HAB from Carnegie Lake in Princeton past the confluence with the Raritan River and beyond to New Brunswick (26+ miles). Starting in 2023, the Authority established a plan to shed excess water from the Delaware and Raritan Canal into the Millstone River at the Canal's Kingston Wastegate, instead of further down-canal at the Ten-Mile Wastegate. This additional approximately 23 MGD of water to the Millstone River throughout the summer and fall helped to disrupt stagnant areas which had allowed for in-stream growth of

cyanobacteria. Watershed staff continued hosting the monthly HAB/Flow Meetings throughout the HAB season, which are attended by the Basin's water purveyors, sewerage authorities, Princeton University and NJDEP. Again in 2024, the Watershed Office sent weekly HAB updates and maintained an online dashboard that hosts real-time USGS data as well as NJDEP and NJWSA laboratory analysis related to HABs throughout the Basin

The Manasquan Reservoir began showing signs of a surface HAB in late September, which intensified by late October as the Reservoir turned over, the water level dropped to a historic low, and a late October heat wave saw air temperatures surpass 80 degrees Fahrenheit. During this time, the Watershed Office worked with the Manasquan Operations team to implement the Manasquan Water Supply System's Cyanotoxin Management Plan. This called for increased cyanotoxin monitoring using the Watershed Office's in-house cyanotoxin analysis. A chelated copper algaeicide treatment was applied on October 30, 2024 to mitigate the immediate bloom before it began producing cyanotoxins and to limit the cyanobacteria's ability to produce overwintering cells that could likely provide stock for a potential spring bloom in 2025. The treatment proved effective.

## **Per- and Polyfluoroalkyl Substances (PFAS)**

Per- and polyfluoroalkyl substances (PFAS), also known as "forever chemicals," are a group of synthetic chemicals designed to repel water and oil, and resist heat and chemical reactions. PFAS have been found to be long-lasting in the environment and can present health risks with exposure over time. NJDEP has adopted drinking water standards for three PFAS and required quarterly monitoring since January 2021. In April 2024, the USEPA established more restrictive drinking water regulations for a total of six

regulated PFAS compounds. Authority staff are participating in various NJDEP-led workgroups focused on implementation strategies.

The Watershed Division began engaging with Raritan system purveyors regarding PFAS in the D&R Canal in late 2023. Authority staff coordinated meetings and data sharing with purveyors and NJDEP throughout 2024. In collaboration with the Delaware River Basin Commission, the Authority conducted a passive sampling project along the Canal's length in early Spring 2024 to determine if a PFAS source could be identified within the Canal. Preliminary results indicate increased PFAS detections between the Trenton and Princeton areas; however, additional monitoring and testing are planned. The Watershed Division also has partnered with the US Geological Survey to conduct a preliminary source track down of PFAS in the Manasquan Watershed in 2024.

### **River-Friendly Programs**

The Watershed Office continues to work closely with Raritan Valley Community College to implement a suite of trainings in support of their River-Friendly Business program. In 2024, the River-Friendly Technical Advisory Committee certified four schools. The River-Friendly Golf Course Standards were revised to follow a similar format to the Business Standards. Staff worked with several businesses to prepare their recertification materials and the Authority continued work on their recertification efforts. NJWSA also worked with Cedar Hill Preparatory School, whose property includes a segment of the Cedar Grove Brook, to implement a rain garden and a stream buffer planting in May of 2024.

### **AmeriCorps New Jersey Watershed Ambassador Program**

AmeriCorps is a national service initiative with programs across the country. New

Jersey's AmeriCorps Program, the NJ Watershed Ambassador Program, is in its twenty-fifth year. Through this program, 20 watershed and three source water ambassadors are placed at host sites throughout New Jersey, serving the 20 watershed management areas (watershed ambassadors) and north, central and south regions (source water ambassadors). After 21 years hosting the Watershed Management Area 9 ambassador, the Authority is hosting the central source water ambassador. Her responsibilities are similar to those of the watershed ambassador, with a focus on source water protection, which for this year will involve outreach regarding lead service lines. The ambassadors work with all sectors of society to improve the quality of New Jersey's waterways, nurturing community-based environmental activities and empowering residents to make responsible and informed decisions regarding their watershed.

In 2024, the Watershed Area 9 ambassador worked with the Authority to address riparian buffer needs assessments in the Peters Brook Watershed. She also worked with Hunterdon County to complete a planting at the Melick's Bridge site, an ongoing project.

In 2024, the Authority hosted two interns. During the spring semester, a Rutgers University student assisted staff with riparian buffer needs assessments within the Cryptosporidium area of influence. This student was part of an experiential class that places students with environmental organizations. During the summer, the Authority hosted a student from Smith College as part of a Praxis program funded by the College. The student participated in numerous Authority activities, including the Chinese Pond Mussel eradication project, Engineering field projects, riparian buffer needs assessments and other field work.

## **Policies and Economic Growth Strategies of the State of New Jersey**

The Highlands Water Protection and Planning Act, N.J.S.A. 13:20-1 et seq. protects drinking water for over 5.4 million people and helps preserve New Jersey's dwindling open space. Approximately 17 percent of the Raritan Basin is in the Highlands, providing nearly all of the water stored in Round Valley and Spruce Run Reservoirs. The Authority's land acquisition program has been suspended temporarily; however, to date, the Authority has committed over \$15 million since 2003 to purchase and preserve, along with its partners, nearly 4,000 acres within the Raritan and Manasquan Basins. The Authority also continues to contribute soft costs and stewardship expenses in order to assist project partners in closing open space parcels within the basin.

One of the stated goals of the NJDEP is to ensure that adequate, safe and reliable water supplies are provided to the people of the State of New Jersey. Specifically, the state ensures that surface and ground water diversions do not exceed the sustainable yield of available water resources. The Raritan Basin Safe Yield Model was developed based on the results of the Authority's operations model, and the Manasquan Reservoir System Safe Yield Model is used in support of water allocation permit applications and System operations.

During 2023, the Authority's operations continued to support the sustainability of the state's water resources through its operation of the reservoir systems; managing passing

flow requirements at certain stations along the river system; with the implementation of a \$75 million Round Valley Reservoir Rehabilitation Project; and through continuous maintenance and dredging of the Delaware and Raritan Canal to ensure adequate flow and the long-term integrity of that structure.

## **Annual Review of Authority Operations**

Each year during the budget process, senior management of the Authority reviews operations to identify inefficiencies and cost savings which, when implemented, will provide direct benefit to the Authority's customers. During 2024, the Authority undertook several steps to implement cost savings and other measures in several areas. The Authority continued its close review of staffing levels, resulting in significant labor savings from careful management of staffing efforts for open positions. As normal vacancies occurred in staffing during 2024, the Authority promoted or hired personnel from outside the Authority at salaries which were lower than the departing incumbent. During FY2024, the Authority filled multiple vacancies that were primarily a result of retirements and promotions and realized approximately \$310,000 in turnover savings through exercising this diligence. Overall, FY2024 actual expenses were slightly below budget. Rates were further stabilized in FY2024 by the use of unanticipated revenue resulting from prior year surpluses, overdrafts and excess debt service coverage.

# Letter of Transmittal

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## NEW JERSEY WATER SUPPLY AUTHORITY

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Post Office Box 5196 • Clinton, NJ 08809 • (908) 638-6121  
www.njwsa.org Fax • (908) 638-5241

December 2, 2024

### Formal Transmittal of the ACFR

#### [To the Commissioners of the New Jersey Water Supply Authority and citizens of the State of New Jersey](#)

The Annual Comprehensive Financial Report of the New Jersey Water Supply Authority ("Authority") for the year ended June 30, 2024 is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles. In accordance with these accounting principles, the Authority is a component unit of the State of New Jersey and, as such, is included in the State of New Jersey's Annual Report.

### Profile of the Government

#### [Reporting Entity and its Services](#)

The Authority was created on October 7, 1981 (P.L. 1981, c.293) and was established in but not of the Department of Environmental Protection of the State of New Jersey. This "New Jersey Water Supply Authority Act" established the Authority to acquire, finance, construct, and operate water systems under certain circumstances, and authorizes the issuance of bonds of the Authority.

The Authority operates three separate systems: the Raritan Basin System, the Manasquan Water Supply System, and the Manasquan Water Treatment Plant and Transmission System. The Manasquan Water Treatment Plant and Transmission System is owned by the Southeast Monmouth Municipal Utilities Authority ("SMMUA"), and is operated and maintained by the Authority under the terms of an operating agreement. Each of these systems provides sufficient revenues to cover their own operating expenses, and each System's debt service.

A seven-member Board of Commissioners governs the Authority. The Authority's Executive Director heads a full-time staff of professional, technical, and operational personnel totaling approximately 117 employees, consisting of approximately 90 employees of the Raritan Basin System and 27 employees of the Manasquan Reservoir System.

The meetings of the Authority are normally scheduled for the first working Monday of each month. Four members of the Authority constitute a quorum at any meeting. Action may be taken, and motions and resolutions adopted by the Authority at any meeting by the affirmative vote of at least four members of the Authority. All meetings held by the Authority are in accordance with the Open Public Meetings Act, which requires that all meetings of public bodies be open to the public.

## *Accounting System and Budgetary Control*

The Authority's financial statements are prepared in accordance with generally accepted accounting principles. The Authority operates and reports as a single enterprise utilizing the accrual basis of accounting. The enterprise fund concept is similar to how private business enterprises are financed and operated. The intent is that the costs of providing service to water users on a continuing basis be financed primarily through user charges.

In an effort to ensure compliance with the Authority's By-Laws and to safeguard its assets, an internal control structure has been developed and implemented by management. The internal control structure is outlined in Accounting Policies and Procedures Manuals maintained by the Authority and include: description of methods, procedures and accounting principles to be followed with explanations and examples of principal transactions; standards setting out authorization levels for expenditure of Authority funds and very specific procedures to follow when executing purchase orders, receiving goods and payment for services; separation of accounts payable and receivable function; limitations on access to the vendor management system; bank reconciliation review; controls over deposits and generation of automated and manual checks. The internal control structure also includes approved organization structures, and approved budgets for capital and operating expenditures.

The Authority's By-Laws also set out standards for procurement, which have been codified in policies and procedures. The standards include a threshold, after which the Board of Directors must approve all transactions. The Authority is in compliance with Executive Order No. 37 (2006) with respect to procurement, and has amended its procedures to ensure 100 percent compliance.

To the best of our knowledge and belief, the Authority followed all of its standards, procedures and internal control safeguards for the year in question. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

The Authority adopts an annual budget for its operations and establishes water rates accordingly.

## **Information Useful in Assessing the Government's Economic Condition**

### *Financial Position*

The total assets of the Authority as of June 30, 2024, were \$370,003,265, an increase of 1.6 percent over the previous year's total of \$364,056,154. Net capital assets increased by \$11,020,456 or 4.7 percent, from \$235,324,883 to \$246,345,339.

The total of cash, cash equivalents and investments for the Authority increased \$4,852,816 or 4.4 percent, from \$110,863,319 to \$115,716,135. The increase in this category of asset is associated with normal fluctuations in cash balances and a decrease to accounts receivable. Current liabilities increased \$129,286, or 0.8 percent, from \$17,128,163 to \$17,257,449 due primarily to an increase in the current portion of loans payable. Total non-current liabilities decreased from \$193,429,485 to \$191,653,605 or 0.9 percent. The decrease is primarily due to a decrease in non-current portion of bonds, notes, and loans payable. Total Operating Revenue increased by \$456,471 or 1.3 percent, from \$35,031,502 to \$35,487,973. Total Operating Expenses increased \$2,977,728, or 13.4 percent, from \$22,243,944 to \$25,221,672 due to an increase in operations and maintenance, salaries, and fringe benefits. Non-operating Revenue increased \$1,793,626 or 42.2 percent, from \$4,249,978

to \$6,043,604, reflecting increases in investment income. Non-operating expenses increased \$1,356,546, or 103.9 percent, from \$1,305,841 to \$2,662,387, primarily due an increase in the interest component of debt service to the state of New Jersey.

### Independent Audit

In accordance with the "New Jersey Water Supply Authority Act" (P.L. 1981, c.293), before the last day of February, an Annual Report of the Authority's activities of the preceding calendar year is due to the Governor and the Legislature. This Annual Report must include an audit of the Authority's books and accounts. Mercadien, P.C. was retained to perform an audit of the 2024 Fiscal Year in accordance with Auditing Standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States. In June 1999, the GASB adopted their Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. The Authority adopted GASB Statement No. 34 in Fiscal Year 2001, including the Management's Discussion and Analysis ("MD&A"). The MD&A is considered to be required supplemental data and precedes the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the Report of the Independent Auditors. Mercadien, P.C. reports directly to the Audit Committee of the Board of Commissioners. Mercadien, P.C. also issued, as part of the annual audit, a report on internal control and compliance.

The Authority has previously established rates and intends to continue establishing rates on the basis of its cash needs in any fiscal year to meet its requirements for Operations and Maintenance Expenses, Debt Service, Capital Fund and the Source Water Component.

## **Awards and Acknowledgements**

### Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the New Jersey Water Supply Authority for its Annual Comprehensive Financial Report for 32 consecutive years through FY2023.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Authority plans on submitting its FY2024 annual report for consideration for this same award.

### Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Financial and Accounting staff of the New Jersey Water Supply Authority. Any financial report is also only as good as the accounting records that supply its supporting data. The Authority's entire staff deserves recognition for their dedication, perseverance and attention to detail that result in the Authority's records being kept in a manner which reflects credit on the staff as a unit as well as each employee individually.

## Economic Outlook

The continuing economic viability of the Authority is ensured by the water contracts the Authority maintains with our water users. The water users have entered into long-term contracts for a supply of water for their respective systems, which they are authorized to continuously withdraw without interruption, for potable or industrial water supply purposes. During Fiscal Year 2024, the Authority supplied water to 30 contractual customers of the Raritan Basin System, which provided water to approximately 1,500,000 people in central New Jersey, and 12 contractual customers of the Manasquan System, which provides water to approximately 250,000 people in the Monmouth County area. Two customers accounted for approximately 85 percent of total Raritan Basin System operating revenues. Two customers accounted for approximately 85 percent of total Manasquan System operating revenues.

The total sales base for the Raritan Basin was 182.339 million gallons per day for fiscal year 2024, and the total sales base for the Manasquan Reservoir System was 19.443 million gallons per day. We are expecting our major water customers in both Systems to continue to maintain their

approximate contractual water allocations in the future. Payments for uninterruptible service are based upon the mgd amount specified in each water user contract, and are payable to the Authority whether or not the water user actually withdraws the full amount of water available as defined in the contract as daily uninterruptible service.

*Marc Brooks*

Marc Brooks  
Executive Director

*Susan Buckley*

Susan Buckley  
Director, Finance & Administration

*Rita Shaw*

Rita Shaw  
Controller

# Financial Section

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Report of Independent Auditors

Management's Discussion and Analysis

Basic Financial Statements

Statements of Net Position

Statements of Revenues, Expenses and  
Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

Combining Statements and Schedule

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
JUNE 30, 2024**

## **INDEPENDENT AUDITORS' REPORT**

To the Commissioners of  
New Jersey Water Supply Authority

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the New Jersey Water Supply Authority (a component unit of the State of New Jersey) (the "Authority") as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024 and 2023, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the

basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that  
**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

comprise the Authority's basic financial statements. The other supplementary information, as listed in table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Mercadien, P.C.*  
*Certified Public Accountants*

October 23, 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2024

This section of the Annual Financial Report of the New Jersey Water Supply Authority (the "Authority"), a Component Unit of the State of New Jersey, presents discussion and analysis of the Authority's financial performance during the fiscal years ended June 30, 2024 and June 30, 2023. Please read it in conjunction with the Authority's basic financial statements and accompanying notes.

### FINANCIAL HIGHLIGHTS – FISCAL YEAR 2024

- Operating revenue for fiscal year 2024 was \$35.5 million, a 1.3% increase over fiscal year 2023, which was the result of a 2.1% increase in Raritan sales and a 0.8% decrease in Manasquan sales. In the Raritan Basin System, rates increased to \$365.00 (8.6%) per million gallons, and the sales base remained 182.339 million gallons per day ("mgd"). In the Manasquan Reservoir System, rates remained at \$1,010.75 per million gallons. The fiscal year 2024 sales base remained at 19.443 mgd. Income from operations decreased 10.0% for the Raritan System and decreased 25.3% for the Manasquan System.
- Total operating expenses for fiscal year 2024 increased to \$25.2 million, which represents a 13.4% increase from fiscal year 2023. The increase was primarily due to an increase in pension and health care costs.
- Non-operating revenue increased 42.2% from \$4.2 million in fiscal year 2023 to \$6.0 million in 2024, primarily because of an increase in investment and interest income.
- Non-operating expenses for fiscal year 2024 increased 103.9%, related to an increase in interest component of debt service to the State of New Jersey and the closing of the 2023 NJIB loans offset by a decrease in water treatment plant deferred revenue.
- Unrestricted cash and cash equivalents for fiscal year 2024 were \$56.7 million, an increase of 0.7% compared to fiscal year 2023. Restricted cash and cash equivalents increased by \$5.2 million from fiscal year 2023 to 2024.
- Total liabilities for fiscal year 2024 decreased by 0.8% from \$210.6 to \$208.9 million due to a decrease in long-term debt offset by an increase net OPEB liability. In fiscal year 2024, net pension liability decreased by \$0.9 million and net OPEB liability increased by \$2.9 million.
- Deferred outflows of resources increased in fiscal year 2024 from \$17.1 million to \$23.6 million (37.7%), primarily due to OPEB deferred outflows of resources.
- Deferred inflows of resources for fiscal year 2024 were \$19.9 million, an increase of 2.1% compared to fiscal year 2023 mainly due to an increase in OPEB deferred inflows of resources offset by decreases in the pension deferred inflows of resources.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2024

### FINANCIAL HIGHLIGHTS – FISCAL YEAR 2023

- Operating revenue for fiscal year 2023 was \$35.0 million, a 5.0% increase over fiscal year 2022, which was the result of a 6.3% increase in Raritan sales and a 2.6% increase in Manasquan sales. In the Raritan Basin System, rates remained at \$336.00 per million gallons, and the sales base remained 182.339 million gallons per day (“mgd”). In the Manasquan Reservoir System, rates remained at \$1,010.75 per million gallons. The fiscal year 2023 sales base remained at 19.443 mgd. Income from operations increased 10.3% for the Raritan System and decreased 6.7% for the Manasquan System.
- Total operating expenses for fiscal year 2023 increased to \$22.2 million, which represents a 5.2% increase from fiscal year 2022. The increase was primarily due to an increase in fringe benefits related to GASB 68 Public Employees' Retirement System (PERS).
- Non-operating revenue increased 74.4% from \$2.4 million in fiscal year 2022 to \$4.2 million in 2023, primarily because of an increase in investment income.
- Non-operating expenses for fiscal year 2023 decreased 1.1%, primarily related to a decrease in water treatment plant deferred revenue offset by an increase in interest component of debt service to the State of New Jersey.
- Unrestricted cash and cash equivalents for fiscal year 2023 were \$56.3 million, a decrease of 18.4% compared to fiscal year 2022. Restricted cash and cash equivalents decreased by \$15.8 million from fiscal year 2022 to 2023. These decreases are offset by an increase in Investments of \$34.7 million in fiscal year 2023.
- Total liabilities for fiscal year 2023 decreased by 0.7% from \$212.0 to \$210.6 million due to a decrease in long-term debt offset by an increase in unearned revenue. In fiscal year 2023, net pension liability increased by \$3.9 million and net OPEB liability decreased by \$3.4 million.
- Deferred outflows of resources increased in fiscal year 2023 from \$14.3 million to \$17.1 million (19.4%), mostly due to GASB 62 cost recovery.
- Deferred inflows of resources for fiscal year 2023 were \$19.5 million, a decrease of 12.7% compared to fiscal year 2022 mainly to decreases in the pension deferred inflows of resources offset by an increase in OPEB deferred inflows of resources.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2024

### OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report consists of two parts: Management's Discussion and Analysis (this section) and the financial statements. The Authority is a self-supporting entity and follows enterprise fund accounting. The enterprise fund concept is similar to the manner in which private business enterprises are financed and operated. The Authority presents its financial statements on the accrual basis of accounting. The statements offer short and long-term financial information about the activities and operations of the Authority. The intent is that the costs of providing service to water users on a continuing basis are financed primarily through user charges. The Authority has established certain restricted "funds or accounts," as directed by internal resolution and bond indentures. In an effort to ensure compliance with the Authority's by-laws and to safeguard its assets, internal controls have been developed and implemented by management. These internal controls include policies, procedures, approved organizational structures and approved budgets for capital and operating expenditures.

### FINANCIAL ANALYSIS OF THE AUTHORITY

The Authority's total net position was approximately \$164.7 million as of June 30, 2024. In fiscal year 2024, total assets and deferred outflows increased 3.2% to \$393.6 million, primarily due to an increase in capital assets. Total liabilities decreased 0.8% to \$208.9 million. Total net position as of June 30, 2023 was approximately \$151.1 million. Total assets and deferred outflows at June 30, 2023 increased 3.1% to \$381.2 million, primarily due to an increase in investments. Total liabilities decreased 0.7% to \$210.6 million. Changes in assets, liabilities, and net position at June 30, 2024, 2023 and 2022 are summarized in the following table:



NEW JERSEY WATER SUPPLY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE AUTHORITY (CONTINUED)

	2024	2023	2022	Percentage Change 2024-2023	Percentage Change 2023-2022
<b>Assets and deferred outflows of resources</b>					
Current assets	\$ 89,618,558	\$ 93,979,815	\$ 131,609,253	(4.64) %	(28.59) %
Capital assets, net	246,345,339	235,324,883	223,816,244	4.68	5.14
Other non-current assets	34,039,368	34,751,456	-	(2.05)	100.00
Total assets	370,003,265	364,056,154	355,425,497	1.63	2.43
Deferred outflows of resources	23,575,937	17,117,065	14,333,722	37.73	19.42
<b>Total assets and deferred outflows of resources</b>	<b>\$ 393,579,202</b>	<b>\$ 381,173,219</b>	<b>\$ 369,759,219</b>	<b>3.25</b>	<b>3.09</b>
<b>Liabilities, deferred inflows of resources, and net position</b>					
Current liabilities	\$ 17,257,449	\$ 17,128,163	\$ 15,857,254	0.75	8.01
Non-current liabilities	45,819,195	43,788,940	43,322,867	4.64	1.08
Non-current portion of bonds, notes and loans payable	145,834,410	149,640,545	152,855,075	(2.54)	(2.10)
Total liabilities	208,911,054	210,557,648	212,035,196	(0.78)	(0.70)
Deferred inflows of resources	19,943,273	19,538,214	22,378,361	2.07	(12.69)
Net investment in capital assets	121,436,336	107,918,240	93,104,101	12.53	15.91
Restricted for cash, investments, and unearned revenue	18,660,025	13,289,738	30,166,251	40.41	(55.95)
Unrestricted	24,628,514	29,869,379	12,075,310	(17.55)	147.36
Total net position	164,724,875	151,077,357	135,345,662	9.03	11.62
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 393,579,202</b>	<b>\$ 381,173,219</b>	<b>\$ 369,759,219</b>	<b>3.25</b>	<b>3.09</b>



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MANAGEMENT’S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2024

OPERATING ACTIVITIES

The Authority operates three separate systems: the Raritan Basin System, the Manasquan Water Supply System, and the Manasquan Water Treatment Plant and Transmission System. The Manasquan Water Treatment Plant and Transmission System is owned by the Southeast Monmouth Municipal Utilities Authority, which sets the rates, and is operated and maintained by the Authority under the terms of an operating agreement. Each system must generate sufficient revenue each year to cover its own operating expenses and debt service. The following rates were adopted at the May 2023 and 2022 Authority meetings, respectively, based on anticipated operating expenses:

	<b>Rate Effective <u>7/01/2023</u></b>	<b>Rate Effective <u>7/01/2022</u></b>	<b>Percent <u>Change</u></b>
Raritan Basin System	\$ 365.00/mg	\$ 336.00/mg	8.6 %
Manasquan Water Supply System			
Initial users	\$1,010.75/mg	\$1,010.75/mg	- %
Delayed water users	\$1,124.67/mg	\$1,124.67/mg	- %

The Authority’s total operating revenue for fiscal year 2024 was \$35.5 million, an increase of 1.3% from fiscal year 2023, due to a 2.1% increase in Raritan sales and a 0.8% decrease in Manasquan sales. The Authority’s total operating expenses for fiscal year 2024 were \$25.2 million, an increase of 13.39% from fiscal year 2023, primarily due to an increase in pension and health care costs. The Authority’s total operating revenue for fiscal year 2023 was \$35.0 million, an increase of 5.0% from fiscal year 2022, due to a 6.3% increase in Raritan sales and a 2.6% increase in Manasquan sales. The Authority’s total operating expenses for fiscal year 2023 were \$22.2 million, an increase of 5.2% from fiscal year 2022, primarily due to an increase in fringe benefits related to GASB 68 Public Employees’ Retirement System (PERS). The following table summarizes the changes in revenue, expenses and net position between fiscal years 2024, 2023 and 2022:



NEW JERSEY WATER SUPPLY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

OPERATING ACTIVITIES (CONTINUED)

	2024	2023	2022	Percentage Change 2024-2023	Percentage Change 2023-2022
Operating revenues:					
Water sales	\$ 32,907,973	\$ 32,451,502	\$ 30,775,239	1.41 %	5.45 %
Reimbursement of operating expenses	2,580,000	2,580,000	2,580,000	-	-
Total operating revenues	<u>35,487,973</u>	<u>35,031,502</u>	<u>33,355,239</u>	1.30	5.03
Non-operating revenues:					
State of New Jersey - Grant Programs	204,269	820,500	237,951	(75.10)	244.82
Investment and interest income	3,803,981	1,349,747	103,990	181.83	1,197.96
Rental income	65,234	60,987	60,419	6.96	0.94
Other income	52,770	69,467	52,900	(24.04)	31.32
Recovery of deferred outflows of resources	1,917,350	1,949,277	1,981,063	(1.64)	(1.60)
Total non-operating revenues	<u>6,043,604</u>	<u>4,249,978</u>	<u>2,436,323</u>	42.20	74.44
Total revenues	<u>41,531,577</u>	<u>39,281,480</u>	<u>35,791,562</u>	5.73	9.75
Operating expenses:					
Payroll	8,730,087	8,312,516	8,232,535	5.02	0.97
Operations and maintenance	8,522,942	7,280,361	6,800,089	17.07	7.06
Fringe benefits	2,977,796	1,727,350	1,362,488	72.39	26.78
Depreciation	4,990,847	4,923,717	4,744,222	1.36	3.78
Total operating expenses	<u>25,221,672</u>	<u>22,243,944</u>	<u>21,139,334</u>	13.39	5.23
Non-operating expenses:					
Interest component of debt service to the State of New Jersey	2,865,636	665,889	604,151	330.35	10.22
SMMUA operations, net	(203,249)	639,952	715,762	(131.76)	(10.59)
Total non-operating expenses	<u>2,662,387</u>	<u>1,305,841</u>	<u>1,319,913</u>	103.88	(1.07)
Total Expenses	<u>27,884,059</u>	<u>23,549,785</u>	<u>22,459,247</u>	18.40	4.86
Changes in net position	<u>13,647,518</u>	<u>15,731,695</u>	<u>13,332,315</u>	(13.25)	18.00
Net position, beginning of year, as restated	<u>151,077,357</u>	<u>135,345,662</u>	<u>122,013,347</u>	11.62	10.93
Net position, end of year, as restated	<u>\$ 164,724,875</u>	<u>\$ 151,077,357</u>	<u>\$ 135,345,662</u>	9.03	11.62

CAPITAL ASSETS AND DEBT ADMINISTRATION

At June 30, 2024, the Authority had a total of \$246,345,339 invested in the Systems that it operates: \$202,011,572 invested in the Raritan Basin System, and \$44,333,767 invested in the Manasquan System. This total amount represents a 4.68% increase from last year. At June 30, 2023, the Authority had a total of \$235,324,883 invested in the Systems that it operates: \$189,746,975 invested in the Raritan Basin System, and \$45,577,908 invested in the Manasquan System. This total amount represents a 5.14% increase from the prior year.



NEW JERSEY WATER SUPPLY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2024

**CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

The following table summarizes the changes in capital assets, net of depreciation, between fiscal years 2024, 2023 and 2022:

	2024	2023	2022	Percentage Change 2024-2023	Percentage Change 2023-2022
Land and land rights	\$ 25,648,119	\$ 25,648,119	\$ 26,444,952	- %	(3.01) %
Dams	41,962,954	42,724,719	43,486,485	(1.78)	(1.75)
Building, structures and improvements	40,480,581	43,467,405	46,834,126	(6.87)	(7.19)
D&R Canal Dredging	39,618,322	-	-	100.00	-
Machinery and equipment	3,320,316	2,509,878	2,006,536	32.29	25.09
Leased equipment	14,527	24,212	33,896	(40.00)	(28.57)
Construction work in progress	95,300,520	120,950,550	105,010,249	(21.21)	15.18
Total capital assets	\$ 246,345,339	\$ 235,324,883	\$ 223,816,244	4.68	5.14

More detailed information about the Authority's capital assets is presented in Note C to the basic financial statements.

The following table summarizes the changes in capital debt between fiscal years 2024, 2023 and 2022:

	2024	2023	2022	Percentage Change 2024-2023	Percentage Change 2023-2022
Bonds payable	\$ 4,533,925	\$ 5,021,291	\$ 5,488,656	(9.71) %	(8.52) %
Notes payable	33,566,892	33,566,892	33,566,892	-	-
Loans payable	112,181,916	114,168,508	116,982,962	(1.74)	(2.41)
Total	\$ 150,282,733	\$ 152,756,691	\$ 156,038,510	(1.62)	(2.10)

At year end, the Authority had \$150,282,733 in bonds, notes and loans principal outstanding, compared to \$152,756,691 at June 30, 2023. This change represents a decrease of 1.6%. The change in bonds, notes and loans principal outstanding at June 30, 2023, compared to the total of \$156,038,510 at June 30, 2022, represents a decrease of 2.1%, as shown in the above table.

More detailed information about the Authority's long-term debt is presented in Note E to the basic financial statements.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Year Ended June 30, 2024

### CURRENT AND NEW BUSINESS

During fiscal years 2024 and 2023, the Authority supplied water to 30 contractual customers of the Raritan Basin System, who, in turn, supplied water to approximately 1,500,000 people in central New Jersey. Two customers accounted for approximately 85% and 86% in 2024 and 2023, respectively, of total Raritan Basin System operating revenue. There is no expected change in the sales base of the Raritan Basin System of 182.339 mgd in fiscal year 2025. Effective July 1, 2023, Raritan Basin System water rates increased to \$365.00 per million gallons, or 8.6%. There were no changes to the Raritan Basin System water rates for fiscal year 2025.

During fiscal years 2024 and 2023, the Authority provided water to 12 contractual customers of the Manasquan Water Supply System, who provided water to approximately 250,000 people in the Monmouth County area. Two customers accounted for approximately 85% and 86% in 2024 and 2023, respectively, of the total Manasquan System operating revenue. There is no expected change in the sales base of the Manasquan Water Supply system of 19.443 mgd in fiscal year 2025. There were no changes to the Manasquan Water Supply System water rates for fiscal year 2025.

### CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the water customers, New Jersey citizens, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability as a self-supporting entity. The Authority's overall financial position has improved; total net position has increased and the Authority continues to receive favorable bond ratings. If you have questions about this report or need additional financial information, you can contact the New Jersey Water Supply Authority at 1851 Highway 31, P.O. Box 5196, Clinton, New Jersey 08809, (908) 638-6121 or visit our website at [www.njwsa.org](http://www.njwsa.org).

## **BASIC FINANCIAL STATEMENTS**

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**  
**STATEMENTS OF NET POSITION**

	June 30,	
	2024	2023
<b>Assets</b>		
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 56,674,754	\$ 56,288,289
Unbilled sales	2,155,595	1,853,997
Accounts receivable, less allowance for doubtful accounts of \$1,000 at June 30, 2024 and 2023	3,602,361	13,967,536
Interest receivable	437,999	285,544
Prepaid expenses and other current assets	1,745,836	1,760,875
Total unrestricted current assets	<u>64,616,545</u>	<u>74,156,241</u>
Restricted assets:		
Cash equivalents	25,002,013	19,823,574
Total current assets	<u>89,618,558</u>	<u>93,979,815</u>
Non-current assets:		
Investments	34,039,368	34,751,456
Capital assets, net	246,345,339	235,324,883
Total non-current assets	<u>280,384,707</u>	<u>270,076,339</u>
Total assets	<u>370,003,265</u>	<u>364,056,154</u>
Deferred outflows of resources:		
Cost recovery	4,500,748	2,672,857
Pension related	2,117,726	3,016,579
OPEB related	16,957,463	10,685,054
Construction loan DEP fee	-	742,575
Total deferred outflows of resources	<u>23,575,937</u>	<u>17,117,065</u>
Total assets and deferred outflows of resources	<u>\$ 393,579,202</u>	<u>\$ 381,173,219</u>
<b>Liabilities</b>		
Current liabilities:		
Current portion of bonds, notes and loans payable	\$ 4,448,323	\$ 3,116,146
Accounts payable	3,019,385	4,550,507
Accrued liabilities	3,447,753	2,927,674
Unearned revenue	6,341,988	6,533,836
Total current liabilities	<u>17,257,449</u>	<u>17,128,163</u>
Non-current liabilities:		
Non-current portion of bonds, notes and loans payable	145,834,410	149,640,545
Lease liability	15,207	24,884
Net pension liability	15,206,104	16,101,898
Net OPEB liability	30,597,884	27,662,158
Total non-current liabilities	<u>191,653,605</u>	<u>193,429,485</u>
Total liabilities	<u>208,911,054</u>	<u>210,557,648</u>
Deferred inflows of resources:		
Pension related	1,405,468	2,796,346
OPEB related	18,348,351	16,528,732
Gain on refunding	189,454	213,136
Total deferred inflows of resources	<u>19,943,273</u>	<u>19,538,214</u>
Total liabilities and deferred inflows of resources	<u>228,854,327</u>	<u>230,095,862</u>
<b>Net Position</b>		
Net investment in capital assets	121,436,336	107,918,240
Restricted for cash, investments and unearned revenue	18,660,025	13,289,738
Unrestricted	24,628,514	29,869,379
Total net position	<u>164,724,875</u>	<u>151,077,357</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 393,579,202</u>	<u>\$ 381,173,219</u>

See notes to financial statements.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>Years Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Operating revenues:		
Water sales	\$ 32,907,973	\$ 32,451,502
Reimbursement of operating expenses	2,580,000	2,580,000
Total operating revenues	<u>35,487,973</u>	<u>35,031,502</u>
Operating expenses:		
Payroll	8,730,087	8,312,516
Operations and maintenance	8,522,942	7,280,361
Fringe benefits	2,977,796	1,727,350
Depreciation	4,990,847	4,923,717
Total operating expenses	<u>25,221,672</u>	<u>22,243,944</u>
Income from operations	10,266,301	12,787,558
Non-operating revenues:		
State of New Jersey - Grant Programs	204,269	820,500
Investment and interest income	3,803,981	1,349,747
Rental income	65,234	60,987
Other income	52,770	69,467
Recovery of deferred outflows of resources	1,917,350	1,949,277
Total non-operating revenues	<u>6,043,604</u>	<u>4,249,978</u>
Non-operating expenses:		
Interest component of debt service to the State of New Jersey	2,865,636	665,889
SMMUA operations, net	(203,249)	639,952
Total non-operating expenses	<u>2,662,387</u>	<u>1,305,841</u>
Changes in net position	13,647,518	15,731,695
Net position, beginning of year	151,077,357	135,345,662
Net position, end of year	<u>\$ 164,724,875</u>	<u>\$ 151,077,357</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**STATEMENTS OF CASH FLOWS**

	Years Ended June 30,	
	2024	2023
<b>Cash flows from operating activities</b>		
Cash received from water sales	\$ 31,419,387	\$ 33,312,701
Cash received from reimbursable expenses	2,825,874	3,244,091
Cash received from rental income	40,665	45,946
Cash paid to or on behalf of employees	(14,425,113)	(13,342,909)
Cash paid to suppliers	(8,329,193)	(7,805,262)
Net cash provided by operating activities	<u>11,531,620</u>	<u>15,454,567</u>
<b>Cash flows from non-capital financing activities</b>		
Cash received for grant programs	86,087	85,382
Net cash provided by non-capital financing activities	<u>86,087</u>	<u>85,382</u>
<b>Cash flows from capital and related financing activities</b>		
Collections on NJIB receivables	11,777,115	9,000,866
Principal paid on bonds, notes and loans	(1,946,914)	(2,875,236)
Lease liability	(9,677)	(9,321)
Interest paid on bonds, notes and loans	(2,479,522)	(445,590)
Acquisition and construction of capital assets	(17,807,233)	(16,042,067)
Proceeds from sale of capital assets	49,814	62,497
Net cash used in capital and related financing activities	<u>(10,416,417)</u>	<u>(10,308,851)</u>
<b>Cash flows from investing activities</b>		
Sale of investment securities	25,845,000	-
Purchase of investment securities	(24,852,005)	(34,751,456)
Interest received on investments	3,651,526	1,064,203
Premium on matured investments	(280,907)	-
Net cash provided/(used) by investing activities	<u>4,363,614</u>	<u>(33,687,253)</u>
Net increase in cash and cash equivalents	5,564,904	(28,456,155)
Cash and cash equivalents, beginning of year	76,111,863	104,568,018
Cash and cash equivalents, end of year	<u>\$ 81,676,767</u>	<u>\$ 76,111,863</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 10,266,301	\$ 12,787,558
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Cash received for operating activity included in other income	271,824	734,234
Depreciation	4,990,847	4,923,717
Increase (decrease) in cash from:		
Unbilled sales	(301,598)	(104,672)
Accounts receivable	(1,201,962)	959,789
Prepaid expenses and other current assets	15,039	(373,441)
Accounts payable	172,627	(150,955)
Accrued liabilities	21,157	(531)
Accrued payroll and taxes	202,268	(183,856)
Net pension liability	(1,387,819)	(2,370,647)
Net OPEB liability	(1,517,064)	(766,629)
Net cash provided by operating activities	<u>\$ 11,531,620</u>	<u>\$ 15,454,567</u>
<b>Non-cash investing activities</b>		
Increase (decrease) in fair value of investments	<u>\$ 284,349</u>	<u>\$ (580,521)</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

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**A. ORGANIZATION AND OPERATIONS**

The New Jersey Water Supply Authority (the “Authority”), a component unit of the State of New Jersey (the “State”), consisting of the Spruce Run/Round Valley Reservoirs Complex, the Delaware and Raritan Canal Transmission Complex (the “Raritan Basin System”), and the Manasquan Reservoir Water Supply System (the “Manasquan System”), is a public body, corporate and politic, constituted as an instrumentality of the State, exercising public and essential governmental functions. The Authority was created by the New Jersey Water Supply Authority Act (the “Act”) on October 7, 1981, and in connection with the Act, all water supply facilities owned or operated by the State (*i.e.*, *Raritan Basin System*) were transferred or leased to the Authority. The Act empowers the Authority to acquire, finance, construct and operate water systems and issue bonds. Members of the Authority consist of the Commissioner of the New Jersey Department of Environmental Protection (“NJDEP”), an ex officio member, and six public members appointed by the Governor upon the advice and consent of the New Jersey Senate. The public members represent the agricultural community, industrial water users, residential water users, private watershed associations, public finance and water resource management and distribution. The Authority prepares an annual budget that is used to establish rates and as a management tool, but the budget does not constitute a legal budget or establish spending limitations.

The Authority does not have component units that should be included within its financial statements.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Authority is a component unit of the State of New Jersey and is included in their general purpose financial statements.

The accompanying basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”).

In its accounting and financial reporting, the Authority follows the pronouncements of the GASB and other entities that promulgate accounting principles. GASB Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply. Per the Statement, the sources of authoritative generally accepted accounting principles (“GAAP”) are categorized in descending order of authority as follows: GASB Statements and Interpretations, GASB Technical Bulletins, GASB Implementation Guides, and literature of the American Institute of Certified Public Accountants (“AICPA”) cleared by the GASB. Authoritative GAAP is incorporated periodically into the Codification of Governmental Accounting and Financial Reporting Standards (Codification), and when presented in the Codification, it retains its authoritative status. If the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP described above, a governmental entity should first consider accounting principles for similar transactions or

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS**

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (Continued)**

other events within a source of authoritative GAAP described above and then may consider nonauthoritative accounting literature from other sources. These include GASB Concepts Statements; pronouncements and other Statements, pronouncements and other literature of the Financial Accounting Standards Board (“FASB”), Federal Accounting Standards Advisory Board, International Public Sector Accounting Standards Board, and International Accounting Standards Board, and AICPA literature not cleared by the GASB; practices that are widely recognized and prevalent in state and local government; literature of other professional associations or regulatory agencies; and accounting textbooks, handbooks and articles.

The Authority derives most of its revenue from water user charges and is considered to be an enterprise fund; accordingly, the Authority presents its financial statements on the accrual basis of accounting. In addition, the Authority has established certain restricted “funds or accounts” as directed by internal resolution and bond indentures.

**Revenues**

Charges for wholesale water usage are established to provide revenue sufficient for services, essential repairs and improvements to the utility plant, and repayment of debt service on certain long-term obligations used for plant construction. Sales are recognized as revenue when water is made available to customers, and the customers are billed in the following month or quarter.

The Authority distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses result from the sale of water to customers. Operating expenses include costs of providing water, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

**Capital Assets**

Capital assets are stated at original cost and consist primarily of amounts expended to license, construct, acquire, complete and place into operation the projects of the Authority. Effective July 1, 2023, the Authority modified the capital asset definition to an asset having an initial individual cost of \$5,000 (previously \$1,000) or more and an estimated useful life in excess of three years. Such expenditures include labor, materials, services and indirect costs. Normal maintenance and repair costs are charged to operations and maintenance expense. Improvements and replacements are capitalized. Interest earned on long-term debt proceeds used for capital asset construction and temporarily invested during the construction period is netted against interest cost. The excess, if any, is capitalized to construction work in progress, and the portion related to completed projects is expensed. The cost of capital assets retired, net of any gain or loss on the disposal of such capital assets, is offset to accumulated depreciation. The Authority also holds several restricted easements for utility access, conservation and water rights. These easements are recorded at the lower of cost or fair market value upon acquisition.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**NOTES TO FINANCIAL STATEMENTS**

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Depreciation**

Capital assets are depreciated on the straight-line basis over the estimated useful lives of the various classes of plant, as follows:

Dams	100 years
Buildings, structures and improvements	15-40 years
D&R canal dredging	20 years
Machinery and equipment	3-10 years

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Authority considers short-term investments that have original maturities of ninety days or less to be cash equivalents.

**Investments**

Short-term investments and restricted investments used for construction and payment of interest consist of money market funds and U.S. government-backed securities with various interest rates. Restricted investments are restricted under the terms of the Authority's bond indentures for the payment of debt service. All investments are carried at fair value, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*.

**Accounts Receivable**

The Authority considers most of its accounts receivable to be collectible; accordingly, the change in net position is charged with an allowance for estimated uncollectible accounts based on past experience and an analysis of current accounts receivable collectability. Accounts deemed uncollectible are charged to the allowance in the year they are deemed uncollectible.

**Compensated Absences**

All full-time employees accumulate vacation benefits in varying annual amounts up to a maximum allowable accumulation of two years' benefit. Unused sick leave benefits are earned by all full-time employees at a rate of 15 days per year and may be accumulated without limit. In the event of termination, an employee is reimbursed for all accumulated vacation days. Unused sick leave benefits do not vest but are payable only upon retirement up to a maximum of \$15,000. A liability is accrued in the financial statements when incurred, which is included in accrued liabilities in the statements of net position. The net change in the liability during 2024 was a decrease in the amount of \$39,283.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Income Taxes**

The Authority is exempt from federal income taxes under the Internal Revenue Code, Section 115, and from state income taxes under N.J.S.A. 27:25-16, and accordingly, no provision is recorded for federal or state income taxes.

**Net Position**

Net position represents the difference between assets and liabilities and is classified into three categories:

- *Net Investment in Capital Assets* – This represents capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition construction or improvement of those assets.
- *Restricted for cash, investments, and unearned revenue* – This represents the net position that is not accessible for general use because its use is subject to restrictions enforceable by third parties. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first and then unrestricted resources, as they are needed.
- *Unrestricted Net Position* – This represents the net position that is available for general use.

**Deferred Inflows and Outflows of Resources**

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net assets that applies to a future period which will not be recognized as an inflow of resources until that time.

*Deferred Inflows/Outflows of Resources – Cost Recovery*

The Authority's cost recovery rate model used to establish rates, fees and charges includes an amount for debt principal repayment (but not for depreciation on the related debt financed assets) and also includes vacation amounts paid. In accordance with GASB No. 62, the Authority has deferred the excess of current depreciation on assets financed with debt proceeds over the costs for debt principal repayment and the excess of vacation expense over vacation paid, and accrued sick pay, which are being classified as deferred outflows of resources. The deferred outflows will be recovered through future revenue in accordance with the rate model. The deferred amounts for the years ended June 30, 2024 and 2023, were determined as follows:

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows and Outflows of Resources (Continued)**

<b>Raritan Basin System</b>	<b>2024</b>	<b>2023</b>
Cost excluded from rate model:		
Depreciation of debt-financed capital assets		
recoverable from rate payers	\$ 811,496	\$ 823,423
Excess vacation expense over vacation paid	(41,749)	22,814
Accrued sick pay	(59,251)	22,646
	<u>710,496</u>	<u>868,883</u>
Cost included in rate model:		
Debt principal repayment	-	-
<b>Subtotal Raritan Basin System</b>	<u><b>710,496</b></u>	<u>868,883</u>
<b>Manasquan System</b>		
Cost excluded from rate model:		
Depreciation of debt-financed capital assets		
recoverable from rate payers	1,540,854	1,540,854
Excess vacation expense over vacation paid	8,558	(8,206)
Accrued sick pay	2,983	608
	<u>1,552,395</u>	<u>1,533,256</u>
Cost included in rate model:		
Debt principal repayment	(435,000)	(415,000)
<b>Subtotal Manasquan System</b>	<u><b>1,117,395</b></u>	<u>1,118,256</u>
Total Raritan Basin and Manasquan	<b>1,827,891</b>	1,987,139
Balance, beginning of year	<u>2,672,857</u>	685,718
Balance, end of year	<u><b>\$ 4,500,748</b></u>	<u>\$ 2,672,857</u>

As shown in the statements of revenue, expenses and changes in net position for the year ended June 30, 2024, the deferred outflows of resources debit of \$1,917,350 does not include a credit balance of \$89,459 of accrued vacation and sick pay. The June 30, 2023, deferred outflows of resources debit balance of \$1,949,277 does not include a debit balance of \$37,862 of accrued vacation and sick pay.

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Inflows and Outflows of Resources (Continued)**

*Deferred Inflows/Outflows of Resources – Debt Refunding*

Deferred charges for debt refunding result from the difference between the net carrying amount of refunded bonds and the amount deposited to escrow to defease the bonds. In accordance with GASB 23, the Authority has deferred the difference between the reacquisition price and the net carrying amount of the Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005. The deferred amount is reported as a deferred inflow of resources and amortized as a component of interest expense over the remaining life of the Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016.

*Deferred Inflows/Outflows of Resources – Pensions & Other Post-retirement Benefits (OPEB)*

Deferred charges for defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on plan investments, changes in the State’s proportion of expenses and liabilities to the plans as a whole, differences between the Authority’s plan contributions and its proportionate share of contributions, and the Authority’s pension contributions subsequent to the pension valuation measurement date.

**Accounting for Southeast Monmouth Municipal Utilities Authority Agreement**

The Authority operates and maintains a Water Treatment Plant/Transmission System for the Southeast Monmouth Municipal Utilities Authority (“SMMUA”). The SMMUA is charged for budgeted operating expenses expected to be incurred by the Authority during the SMMUA’s fiscal year (January 1 through December 31).

Because of the difference resulting from billing the SMMUA for budgeted expenses versus actual expenses appearing in the financial statements, the Authority includes unearned costs (actual costs exceeding SMMUA billings) or unearned revenue (SMMUA billings exceeding actual costs) in its statements of net position. These excess costs or billings will be recovered or recognized in future periods. As of June 30, 2024 and 2023, unearned revenue amounting to \$5,078,895 and \$5,282,144, respectively, was determined as follows:

	<u>2024</u>	<u>2023</u>
Reimbursement of operating expenses	<b>\$ 2,679,065</b>	\$ 2,633,782
Operating expenses	<b>2,882,314</b>	1,993,830
SMMUA operations, net	<b>(203,249)</b>	639,952
Unearned revenue balance, beginning of year	<b>5,282,144</b>	4,642,192
Unearned revenue balance, end of year	<b><u>\$ 5,078,895</u></b>	<b><u>\$ 5,282,144</u></b>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

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**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounting for Southeast Monmouth Municipal Utilities Authority Agreement (Continued)**

In previous years, the Authority received additional funds that are restricted for use by the SMMUA for costs associated in operating the Water Treatment Plant. As of June 30, 2024 and 2023, the amount included in unearned revenue was \$356,440 and \$345,039, respectively.

**Accounting for Watershed Protection Program**

For the fiscal years ended June 30, 2024 and 2023, the Authority received \$86,087 and \$79,381, respectively, from federal and/or state environmental agencies for the costs associated with various watershed protection studies of the Raritan Basin System. These funds are restricted to uses specifically identified in grant agreements between the Authority and these agencies and will be recognized as revenue as the related costs are incurred. Eligible project expenses include, but are not limited to, the cost of mapping out streams and other water sources and studying and implementing best land use practices to improve water quality. As of June 30, 2024, all of the funds received had been recognized as revenue.

**Accounting for Mitigation Funds**

During fiscal years ended June 30, 2024 and 2023, the Authority received \$0 and \$8,940, respectively, for the costs associated with implementing water quality improvement projects for the Delaware and Raritan Canal. These funds are restricted to projects specifically identified by the D&R Canal Commission ("DRCC") and administered by the Authority and are recognized as revenue as the related costs are incurred. These funds are maintained in a separate mitigation account. As of June 30, 2024 and 2023, the balance of unearned revenue was \$556,425.

**Accounting for FEMA Reimbursements**

The authority received Federal Emergency Management Agency reimbursements for COVID-19 and the remnants of Hurricane Ida flooding in the amounts of \$386 and \$1,016,506 for the fiscal years ending June 30, 2024, and 2023, respectively. As of June 30, 2024 and 2023, the balance of unearned revenue was \$350,228.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

**C. CAPITAL ASSETS**

Capital assets activity for the years ended June 30, 2024 and 2023, was as follows:

	<b>2024 Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>2024 Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 25,648,119	\$ -	\$ -	\$ 25,648,119
Construction work in progress	120,950,550	14,645,836	(40,295,866)	95,300,520
Total capital assets not being depreciated	<u>146,598,669</u>	<u>14,645,836</u>	<u>(40,295,866)</u>	<u>120,948,639</u>
Capital assets being depreciated:				
Dams	77,369,160	-	(10,529)	77,358,631
Building, structures and improvements	149,849,470	611,403	(182,366)	150,278,507
D & R Canal dredging	21,160,274	39,684,462	-	60,844,736
Machinery and equipment	8,553,908	1,518,335	(1,641,182)	8,431,061
Leased equipment	38,738	-	-	38,738
Total capital assets being depreciated	<u>256,971,550</u>	<u>41,814,200</u>	<u>(1,834,077)</u>	<u>296,951,673</u>
Less accumulated depreciation for:				
Dams	(34,644,441)	(761,766)	10,530	(35,395,677)
Building, structures and improvements	(106,382,065)	(3,572,726)	156,865	(109,797,926)
D & R Canal dredging	(21,160,274)	(66,140)	-	(21,226,414)
Machinery and equipment	(6,044,030)	(580,530)	1,513,815	(5,110,745)
Leased equipment	(14,526)	(9,685)	-	(24,211)
Total accumulated depreciation	<u>(168,245,336)</u>	<u>(4,990,847)</u>	<u>1,681,210</u>	<u>(171,554,973)</u>
Total capital assets being depreciated, net	<u>88,726,214</u>	<u>36,823,353</u>	<u>(152,867)</u>	<u>125,396,700</u>
Total net investment in capital assets	<u>\$ 235,324,883</u>	<u>\$ 51,469,189</u>	<u>\$ (40,448,733)</u>	<u>\$ 246,345,339</u>
	<b>2023 Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>2023 Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 26,444,952	\$ -	\$ (796,833)	\$ 25,648,119
Construction work in progress	105,010,249	16,217,601	(277,300)	120,950,550
Total capital assets not being depreciated	<u>131,455,201</u>	<u>16,217,601</u>	<u>(1,074,133)</u>	<u>146,598,669</u>
Capital assets being depreciated:				
Dams	77,369,160	-	-	77,369,160
Building, structures and improvements	149,573,239	277,300	(1,069)	149,849,470
D & R Canal dredging	21,160,274	-	-	21,160,274
Machinery and equipment	7,830,475	1,011,588	(288,155)	8,553,908
Leased equipment	38,738	-	-	38,738
Total capital assets being depreciated	<u>255,971,886</u>	<u>1,288,888</u>	<u>(289,224)</u>	<u>256,971,550</u>
Less accumulated depreciation for:				
Dams	(33,882,675)	(761,766)	-	(34,644,441)
Building, structures and improvements	(102,739,113)	(3,644,021)	1,069	(106,382,065)
D & R Canal dredging	(21,160,274)	-	-	(21,160,274)
Machinery and equipment	(5,823,939)	(508,246)	288,155	(6,044,030)
Leased equipment	(4,842)	(9,684)	-	(14,526)
Total accumulated depreciation	<u>(163,610,843)</u>	<u>(4,923,717)</u>	<u>289,224</u>	<u>(168,245,336)</u>
Total capital assets being depreciated, net	<u>92,361,043</u>	<u>(3,634,829)</u>	<u>-</u>	<u>88,726,214</u>
Total net investment in capital assets	<u>\$ 223,816,244</u>	<u>\$ 12,582,772</u>	<u>\$ (1,074,133)</u>	<u>\$ 235,324,883</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

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**D. CASH, CASH EQUIVALENTS AND INVESTMENTS**

New Jersey statutes permit the deposit of public funds in the State of New Jersey Cash Management Fund (“NJCMF”) or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (the “FDIC”) or by any other agencies of the United States that insure deposits. All funds of the Authority may be invested in obligations of, or guaranteed by, the U.S. government.

The Authority’s bond resolutions limit the investment of restricted assets to obligations of the U.S. government or its agencies, investments in certain certificates of deposit of commercial banks that are members of the Federal Reserve System, investments in the NJCMF, and direct and general obligations of any state that meets the minimum requirements of the resolution.

1. Cash

As of June 30, 2024 and 2023, the Authority’s bank balances were \$81,882,600 and \$78,083,431, respectively, of which \$250,000 was covered through the FDIC. The remaining balances of \$81,632,600 and \$77,833,431 as of June 30, 2024 and 2023, respectively, were collateralized through an irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh through TD Bank. The letter of credit covers up to a maximum of \$100,000,000 of Authority deposits and was renewed through March 31, 2025. The cash balance per the statements of net position is shown exclusive of outstanding checks totaling \$206,133 and \$1,971,868, respectively. The statements of net position amount includes petty cash totaling \$300 as of June 30, 2024 and 2023, respectively.

2. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. The Authority’s bank balances of \$81,882,600 and \$78,083,431 as of June 30, 2024 and 2023, respectively, were exposed to custodial credit risk as follows:

	<u>2024</u>	<u>2023</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>

3. Investments and Cash Equivalents

The Authority does not have a policy to limit interest rate risk; however, its practice is to hold investments to maturity.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority has no level 1 or level 3 investments.

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NOTES TO FINANCIAL STATEMENTS

**D. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

3. Investments and Cash Equivalents (Continued)

As of June 30, 2024, the Authority had the following recurring fair value measurements using current sale prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities, inclusive of interest receivable:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$34,477,367	\$34,477,367	\$ -
<b>Total</b>		<b>\$34,477,367</b>	<b>\$34,477,367</b>	<b>\$ -</b>

As of June 30, 2023, the Authority had the following recurring fair value measurements using current sale prices or sale prices of comparable securities for New Jersey General Obligation Bonds (Level 2 inputs) for investments and cash equivalents, and maturities:

Investment and Cash Equivalent Type	Valuation Inputs Level	Fair Value	Investment Maturities (In Years)	
			Less than 1	1-5
NJ G/O Bonds and CDs	Level 2	\$ 35,037,000	\$ 23,302,701	\$ 11,734,299
<b>Total</b>		<b>\$ 35,037,000</b>	<b>\$ 23,302,701</b>	<b>\$ 11,734,299</b>

4. Credit and Custodial Credit Risk

In order to limit exposure to credit risk, the Authority follows the investment policies set forth by the NJCMF. These policies allow investment in securities that achieve a certain rating from the three major ratings organizations as determined annually by the governing board of the NJCMF, as well as limiting investments to certain types of marketable securities.

U.S. Treasury notes are explicitly guaranteed by the U.S. government and are not subject to credit risk or custodial credit risk.

The Authority entered into an agreement with TD Bank to collateralize all deposits held at a market rate equal to 102% of the daily combined total of all deposits. As of June 30, 2024, all deposits were collateralized.

5. Investment Income

The following comprises investment income for the years ended June 30, 2024 and 2023, respectively:

	<b>2024</b>	<b>2023</b>
Interest earned on bank accounts and certificates of deposit	<b>\$ 2,158,700</b>	\$ 1,369,523
Interest earned on securities	<b>1,360,932</b>	560,745
Gain/(loss) on fair value of securities	<b>284,349</b>	(580,521)
	<b><u>\$ 3,803,981</u></b>	<b><u>\$ 1,349,747</u></b>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**E. BONDS, NOTES AND LOANS PAYABLE**

**Manasquan System**

1. Notes Due to State of New Jersey

The Authority has a contractual obligation to repay the following debt:

The \$63,600,000 of Manasquan Reservoir Water Supply System State Loan Notes (the "State Loan Notes") issued June 3, 1987, pursuant to the terms of the State Loan Agreement between the Authority and the State (the "State Loan Agreement"), from monies authorized by the 1981 bond appropriation of \$72,000,000 for construction of the Manasquan System and the \$7,416,000 of Interim Advance Notes issued September 12, 1988, from monies made available from the General Fund of the State to finance completion costs of the Manasquan System. The State Loan Notes and the Completion Loan Notes bear interest at 5.9% and 6.2%, respectively, and are collateralized by the property and revenues of the Manasquan System.

In accordance with the terms of the State Loan Agreement, the State Loan Notes are classified as either Current Debt Service Portion Notes ("Current Notes") or Deferred Debt Service Portion Notes ("Deferred Notes"). Principal of the Deferred Notes will be discharged solely by exchange for Current Notes or by the expiration of a period of forty years from the date of their issuance, which was June 3, 1987. The Deferred Notes must be exchanged for Current Notes on a pro rata basis to the extent that the Authority enters into additional long-term contracts to sell water from the Manasquan System on an annual basis. Such Current Notes are payable over a thirty-year period commencing from such date as is defined in the State Loan Agreement.

Interest on the Deferred Notes accreted as principal through July 31, 1993, and is not payable until they have been exchanged for Current Notes. The interest that accreted as principal through July 31, 1990, accrued interest; however, the interest that accreted for the period from August 1, 1990 through July 31, 1993, did not accrue interest. The accretion of interest to the principal amount for the Current Notes and the Deferred Notes is \$25,563,184 at June 30, 2024 and 2023.

On May 12, 2016, the Authority repaid the State of New Jersey \$78,651.22 for principal and all accrued interest on outstanding Current State Loan Notes and Completion Notes. At June 30, 2024 and 2023, the State Loan Notes and Completion Loan Notes are summarized as follows:

<b>State Loan Notes</b>	<b>2024</b>	<b>2023</b>
Current Notes	\$ -	\$ -
Deferred Notes	<b>30,365,115</b>	30,365,115
<b>Completion Loan Notes</b>		
Current Notes	-	-
Deferred Notes	<b>3,201,777</b>	3,201,777
	<b>\$ 33,566,892</b>	<b>\$ 33,566,892</b>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**NOTES TO FINANCIAL STATEMENTS**

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**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Manasquan System (Continued)**

**2. Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005**

On August 5, 2005, the Authority issued \$47,535,000 in Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005. The proceeds, together with other monies on deposit, were used to prepay \$49,293,438 in Current Manasquan State Loan Notes and Completion Loan Notes, the proceeds of which were used to construct the Manasquan Water Supply System. The Revenue Bonds, Series 2005, carried a bond yield of 3.95%, and were scheduled to mature in incremental annual principal amounts through 2031.

The property, and 100% of the revenue generated by the Debt Service Component of the Rate for both initial system customers and delayed water purchase customers of the Manasquan System, was pledged as collateral for the 2005 Bonds. The Debt Service Component of the Rate represents 120% of the principal and interest requirements. For the years ended June 30, 2024 and 2023, the Debt Service Component of the Rate generated was \$712,459 and \$710,513, respectively.

The Revenue Bonds, Series 2005, had a principal balance outstanding of \$26,105,000 at June 30, 2015. Those bonds maturing on or after August 1, 2016, were subject to redemption prior to their stated maturity dates at the option of the Authority. The last principal payment of \$2,940,000 was made on August 1, 2015. The remaining 2005 Bonds were redeemed on June 15, 2016, for \$23,596,126 including accrued interest.

**3. Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016**

On April 26, 2016, the Authority issued \$17,460,000 in Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016. The proceeds, together with other monies on deposit in the amount of \$6,340,964, were used to prepay \$23,242,358 in Manasquan Reservoir Water Supply System Revenue Bonds, Series 2005 and Current Manasquan State Loan Notes and Completion Loan Notes.

The Refunding Bonds, Series 2016, have a principal balance outstanding of \$4,115,000 at June 30, 2024, carry a bond yield of 1.6%, and mature in incremental annual principal amounts through 2031. Principal maturities for the year ended June 30, 2024, are \$455,000.

The property, and 100% of the revenue generated by the Debt Service Component of the Rate for both initial system customers and delayed water purchase customers of the Manasquan System, were pledged as collateral for the 2016 Bonds. The Debt Service Component of the Rate represents 120% of the principal and interest requirements. The pledged revenue will be unavailable for other purposes until August 1, 2031.

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NOTES TO FINANCIAL STATEMENTS

**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Manasquan System (Continued)**

3. Manasquan Reservoir Water Supply System Refunding Bonds, Series 2016 (Continued)

For the years ended June 30, 2024 and 2023, interest expense on the 2016 Bonds amounted to \$136,826 and \$158,422, respectively, and for each year the related interest income earned on the restricted investments account amounted to \$0.

The current refunding resulted in a difference between the par amount of the refunding bonds and the par amount of the refunded bonds of \$5,782,358. The net premium received on the refunding bonds was \$1,821,414, is reported with bonds payable on the statements of net position and is being charged to operations using a method that approximates the effective interest method over the shorter of the remaining life of the old debt or the life of the new debt. Although the refunding resulted in an accounting gain of \$823,712, it was performed to reduce debt service by approximately \$5,269,268 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$2,999,861. The accounting gain, or deferred gain on the refunding, is reported as a deferred inflow of resources in the amount of \$189,454 and \$213,136 as of June 30, 2024 and 2023, respectively.

4. New Jersey Environmental Infrastructure Financing Program (“NJEIFP”)

The Authority obtained a loan from the New Jersey Environmental Infrastructure Trust (“the Trust”) for the construction of a permanent structure over the Manasquan Intake Pump Station. Under the NJEIFP, the borrowers benefit from a loan formula under which participants borrow a percentage of cost from the State Revolving Fund maintained by the NJDEP at zero interest and the remaining percentage from the Trust at the same interest rate the Trust pays on its bonds. Under the State’s Smart Growth Initiative, the interest rate is equivalent to 25 percent of the lowest available rate. Each NJEIFP loan carries a 20-year life. Property and revenue of the Manasquan Reservoir System are pledged as collateral for the loans.

The following table summarizes the NJEIFP loan outstanding for the Manasquan Reservoir System, as of June 30, 2024:

NJEIFP Series	Date of Issuance	State Revolving Fund Original Principal	Percent	Trust Original Principal	Percent	Blended Interest Rate	Outstanding Principal	Maturity
2012B	5/3/2012	\$ 2,312,250	76%	\$ 715,000	24%	0.80%	\$ 1,229,037	8/1/2031

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NOTES TO FINANCIAL STATEMENTS

**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

**Raritan System**

5. New Jersey Environmental Infrastructure Financing Program (“NJEIFP”)

The Authority obtained loans from the Trust for the acquisition of source water watershed properties critical to the Raritan Basin System. Under the NJEIFP, the borrowers benefit from a loan formula under which participants borrow a percentage of the cost from the State Revolving Fund maintained by the NJDEP at zero interest and the remaining percentage from the Trust at the same interest rate the Trust pays on its bonds. Under the State’s Smart Growth Initiative, the interest rate is equivalent to 25 percent of the lowest available rate. Each NJEIFP loan carries a 20-year life, and property and revenue of the Raritan Basin System are pledged as collateral for the loans.

In fiscal year 2018, the Authority borrowed \$49,548,569 from the New Jersey Infrastructure Bank (NJIB - formerly known as the New Jersey Environmental Infrastructure Trust) through an interim note to finance its Raritan Basin System Canal Dredging project. In fiscal year 2021 the interim note was converted to permanent long-term financing with the NJIB and the State for a total amount of \$35,684,438 at a blended interest rate of 0.41%. Actual project costs were lower than expected, causing the final loan amount to be lower than originally anticipated.

In fiscal year 2019, the Authority borrowed \$15,224,595 from the NJIB through an interim note to finance a portion of its Raritan Basin System Round Valley Refurbishment and Resource Preservation project. In fiscal year 2021, an additional \$59,775,405 interim financing was completed for the remainder of the project. In fiscal year 2024 the interim notes were converted to permanent long-term financing with the NJIB and the State for a total amount of \$75,000,000 at approximately 50% of market interest rate.

The following table summarizes the NJEIFP/NJIB loans outstanding for the Raritan Basin System, as of June 30, 2024:

NJEIFP Series	Date of Issuance	State Revolving Fund Original Principal	Percent	Trust Original Principal	Percent	Blended Interest Rate	Outstanding Principal	Maturity
2004A	11/4/2004	\$ 1,030,000	75%	\$ 350,000	25%	1.31%	\$ 72,807	8/1/2024
2005A	11/10/2005	2,940,974	75%	1,050,000	25%	1.25%	155,000	8/1/2025
2006A	11/9/2006	2,099,363	75%	745,000	25%	1.26%	422,306	8/1/2026
2007A	11/8/2007	1,740,563	75%	620,000	25%	1.06%	521,888	8/1/2027
2008A	11/6/2008	1,152,000	64%	660,000	36%	1.74%	540,121	8/1/2028
2010A	3/10/2010	300,493	51%	290,000	49%	1.69%	189,010	8/1/2029
2010B	12/2/2010	1,064,338	52%	990,000	48%	1.87%	829,835	8/1/2030
2012A	5/3/2012	1,501,455	76%	465,000	24%	0.65%	830,313	8/1/2031
2021A	6/10/2021	27,724,230	77%	8,325,000	23%	0.41%	30,915,964	8/1/2040
2023A/C	12/15/2023	43,067,616	57%	32,674,957	43%	N/A	75,742,573	8/1/2053
Total		\$ 82,621,032		\$ 46,169,957			\$ 110,219,817	

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**NOTES TO FINANCIAL STATEMENTS**

**E. BONDS, NOTES AND LOANS PAYABLE (CONTINUED)**

The following table summarizes the changes in bonds, notes and loans payable between fiscal years 2024, 2023 and 2022:

	<b>Fiscal Year 2023</b>	<b>Less Payments, Net of Amortization</b>	<b>Debt Issued</b>	<b>Fiscal Year 2024</b>	<b>Due Within One Year</b>
Bonds payable	\$ 5,021,291	\$ 487,366	\$ -	\$ 4,533,925	\$ 455,000
Notes payable	33,566,892	-	-	33,566,892	-
Loans payable	114,168,508	2,729,165	742,573	112,181,916	3,993,323
<b>Total</b>	<b>\$ 152,756,691</b>	<b>\$ 3,216,531</b>	<b>\$ 742,573</b>	<b>\$ 150,282,733</b>	<b>\$ 4,448,323</b>

	<b>Fiscal Year 2022</b>	<b>Less Payments, Net of Amortization</b>	<b>Debt Issued</b>	<b>Fiscal Year 2023</b>	<b>Due Within One Year</b>
Bonds payable	\$ 5,488,656	\$ 467,365	\$ -	\$ 5,021,291	\$ 435,000
Notes payable	33,566,892	-	-	33,566,892	-
Loans payable	116,982,962	2,814,454	-	114,168,508	2,681,146
<b>Total</b>	<b>\$ 156,038,510</b>	<b>\$ 3,281,819</b>	<b>\$ -</b>	<b>\$ 152,756,691</b>	<b>\$ 3,116,146</b>

Principal and interest on aggregate maturities and bonds, notes and loans, net of unamortized bond premium, are as follows:

<b>Years Ending June 30,</b>	<b>Raritan Basin System</b>	<b>Manasquan Reservoir System</b>	<b>Notes Payable Manasquan System</b>	<b>Manasquan System Revenue Bonds Series 2016</b>	<b>Totals</b>
2025	\$ 6,478,862	\$ 173,822	\$ -	\$ 578,462	\$ 7,231,146
2026	6,074,455	171,822	-	575,213	6,821,490
2027	5,595,498	174,697	-	575,838	6,346,033
2028	5,842,559	172,672	-	578,137	6,593,368
2029	5,708,157	175,522	-	572,359	6,456,038
2030-2034	27,160,503	431,427	-	1,707,435	29,299,365
2035-2039	26,569,625	-	-	-	26,569,625
2040-2044	20,190,583	-	-	-	20,190,583
2045-2049	16,692,885	-	-	-	16,692,885
2050-2054	16,334,034	-	-	-	16,334,034
Deferred Portion	-	-	33,566,892	-	33,566,892
Subtotal	136,647,161	1,299,962	33,566,892	4,587,444	176,101,459
Less amounts representing interest	26,427,344	70,925	-	472,444	26,970,713
Plus unamortized bond premium	711,205	21,857	-	418,925	1,151,987
<b>Total</b>	<b>110,931,022</b>	<b>1,250,894</b>	<b>33,566,892</b>	<b>4,533,925</b>	<b>150,282,733</b>
Less:					
Current principal portion	3,835,751	157,572	-	455,000	4,448,323
<b>Non-current principal portion</b>	<b>\$ 107,095,271</b>	<b>\$ 1,093,322</b>	<b>\$ 33,566,892</b>	<b>\$ 4,078,925</b>	<b>\$ 145,834,410</b>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

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**F. EMPLOYEE BENEFITS**

**Pension and Retirement Plans**

Full-time employees of the Authority are covered by the Public Employees' Retirement System of the State of New Jersey ("PERS"). PERS is administered by the State of New Jersey, Division of Pensions and Benefits ("Division"). The Authority has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statements No. 68 and 71 require the Authority to report its share of the defined benefit pension liability and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the PERS. For additional information about PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at

<https://nj.gov/treasury/pensions/documents/financial/annrpt2023/2023-ACFR-NJDPB.pdf>

Following is the total of the local portion of the System's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and the pension expense and expenditures for the fiscal year ended June 30, 2024.

Net Pension Liabilities	\$15,206,104
Deferred Outflows of Resources	2,117,726
Deferred Inflows of Resources	1,405,468
Pension Expense	72,942
Contributions Made	1,403,124

*Plan Description and Benefits*

PERS is a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and benefits to plan members and their beneficiaries. As a condition of employment, all Authority full-time employees are required to be members of PERS. PERS members can apply for a service retirement at age 60 if enrolled before November 2, 2008 (Tier 1 or Tier 2), or at age 62 if enrolled on or after November 2, 2008, but before June 28, 2011 (Tier 3 or Tier 4), or at age 65 if enrolled on or after June 28, 2011 (Tier 5), regardless of the amount of service credit earned.

For Tier 1, 2 or 3, the Annual Benefit equals Years of Service Credit, divided by 55, times Final Average Salary (average salary of the last three years of credited service or the highest three fiscal years of credited service, whichever provides the higher benefit). For Tier 4 or Tier 5, the Annual Benefit equals Years of Service Credit, divided by 60, times Final Average Salary (average salary of the last five years of credited service or the highest five fiscal years of credited service, whichever provides the higher benefit). Pension benefits fully vest on reaching 10 years of service. Vested employees who were enrolled prior to July 1, 2007, and who have established 25 years or more of creditable service may retire without penalty at or after age 55 and receive full retirement benefits. PERS also provides death and disability benefits. Benefits are established by state statute.

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NOTES TO FINANCIAL STATEMENTS

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**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

*Contributions*

Employee contribution rates to PERS governed by P.L. 2011, C. 78, effective June 28, 2011, were increased from 5.5% of salary to 6.5% of salary, and a phase-in to 7.5% of salary over a seven-

*Contributions (Continued)*

year period. Covered Authority employees are required by PERS to contribute 7.5% of their salaries. State statute requires the Authority to contribute an actuarially determined rate which includes the normal cost and the unfunded accrued liability. The amount of the Authority's contribution is certified each year by PERS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with state statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. Specific information on actuarial assumptions and rates of return can be found at

<https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-pers24.pdf>.

The payroll for employees covered by PERS for the years ended June 30, 2024, 2023, and 2022 was \$8,264,150, \$7,927,695, and \$8,048,394, respectively. The Authority's total payroll for the years ended June 30, 2024, 2023, and 2022 was \$8,730,087, \$8,312,516, and \$8,232,535, respectively. The actuarial contribution requirements and the contributions made for the years ended June 30, 2024, 2023, and 2022 were \$2,022,937, \$1,987,120, and \$1,822,549, respectively, which consisted of \$1,403,124, \$1,345,488, and \$1,211,114, respectively from the Authority, and \$619,813, \$641,632, and \$611,435, from employees, respectively. As required by PERS, the employer and employee contributions represented 17.1% and 7.6% of covered payroll for the year ended June 30, 2024, 17.0% and 8.1% of covered payroll for the year ended June 30, 2023, and 15.0% and 7.6% of covered payroll for the year ended June 30, 2022, respectively. Contributions were made in accordance with the actuarial funding requirement.

*Assumptions*

The collective pension liability for the June 30, 2023, measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used an inflation rate of 2.75% on price and 3.25% on wage, projected salary increases of 2.75% to 6.55% based on years of service and an investment rate of return of 7.0%.

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

*Assumptions (Continued)*

contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

More information on mortality rates and other assumptions and investment policies can be found at

<https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-pers24-val.pdf>.

The following presents the Authority’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00% as of June 30, 2023 and 2022, as well as what the PERS net pension liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

*Sensitivity of the Authority’s Proportionate Share of the PERS Local Share Net Pension Liability to Changes in the Discount Rate*

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2023	<u>\$19,795,112</u>	<u>\$15,206,104</u>	<u>\$11,300,251</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$20,686,222</u>	<u>\$16,101,898</u>	<u>\$12,200,454</u>

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension*

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2023 and 2022, are based on the ratio of each employer’s contributions to total employer contributions of the group for the fiscal years ended June 30, 2023 and 2022, respectively.

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Pension and Retirement Plans (Continued)**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)*

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to total contributions to PERS during the measurement periods of July 1, 2022, to June 30, 2023, and July 1, 2021 to June 30, 2022, respectively. The Authority's proportionate share of the collective net pension liability as of June 30, 2023 and 2022, was .1050% and .1067%, respectively.

At June 30, 2024, the amount recognized as the Authority's proportionate share of the PERS net pension liability was \$15,206,104. At June 30, 2023, the amount recognized as the Authority's proportionate share of the PERS net pension liability was \$16,101,898. For the years ended June 30, 2024 and 2023, the Authority recognized a PERS pension expense of \$72,942 and benefit of \$890,786, respectively. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Expected and Actual Experience	\$ 145,390	\$ 62,158	\$ 116,216	\$ 102,486
Change in Assumptions	33,405	921,555	49,889	2,411,092
Net Difference Between Projected and Actual Investment Earnings	70,026	-	666,443	-
Net Change in Proportions	465,781	421,755	838,543	282,768
Total Contributions and Proportionate Share of Contributions After the Measurement Date	1,403,124	-	1,345,488	-
	<u>\$ 2,117,726</u>	<u>\$ 1,405,468</u>	<u>\$ 3,016,579</u>	<u>\$ 2,796,346</u>

The Authority recognizes the \$1,403,124 and \$1,345,488 reported as deferred outflows of resources resulting from pension contributions after the measurement date, but before the end of the Authority's reporting period, as noted in the previous table, as a reduction of the PERS net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in PERS pension expense as follows:

Years Ending June 30,	Amortization
2024	\$ (754,730)
2025	(421,261)
2026	588,684
2027	(105,351)
2028	1,792
Total	<u>\$ (690,866)</u>

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NOTES TO FINANCIAL STATEMENTS

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**F. EMPLOYEE BENEFITS (CONTINUED)**

**Post-Retirement Health Care Benefits**

**Other Post-Employment Benefits Other than Pensions**

On July 1, 2017, The Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense based on the ratio of plan members of an individual employer to the total members of the plan. For additional information about the Plan, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <https://nj.gov/treasury/pensions/documents/financial/annrpt2023/2023-ACFR-NJDPB.pdf>

*Plan Description and Benefits*

The Authority provides post-employment healthcare benefits (including Medicare Part B reimbursement) and prescription drug coverage through participation in the New Jersey State Health Benefits Program. The plan is a cost-sharing multiple employer defined benefit other post-employment benefit (OPEB) plan that provides medical and prescription drug coverage to retirees and their covered dependents. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division of Pension and Benefits. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer-paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a state or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer-paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Post-Retirement Health Care Benefits (Continued)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions (Continued)**

Following is the total of the local portion of the System’s OPEB liabilities, deferred outflows of resources, and deferred inflows of resources related to OPEB and the OPEB expense and expenditures for the fiscal year ended June 30, 2024.

Net OPEB Liabilities	\$30,597,884
Deferred Outflows of Resources	16,957,463
Deferred Inflows of Resources	18,348,351
OPEB (Benefit) Expense	(151,226)
Contributions Made	3,441,675

*Retirees and Employees Covered by the OPEB Plan*

At June 30, 2024, total plan members covered by the benefit terms were: 186

Retirees currently receiving benefits: 73

The Authority's contributions to the Plan for the years ended June 30, 2024 and June 30, 2023, were \$3,441,675 and \$3,068,819, respectively.

*Net OPEB Liability*

The Authority’s net OPEB liability of \$30,597,884 as of June 30, 2024, was measured as of June 30, 2023. The Authority’s net OPEB liability of \$27,662,158 as of June 30, 2023, was measured as of June 30, 2022. The Authority has fully recognized this liability in the statements of net position as of June 30, 2024 and 2023, in accordance with GASB 75.

*Actuarial Methods and Assumptions*

The net OPEB liabilities as of the June 30, 2023 and 2022, measurement dates were determined by actuarial valuations as of June 30, 2022 and 2021, respectively, which were rolled forward to June 30, 2023 and 2022, respectively. The actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.75%
Salary increases*:	
Rate for all future years:	2.75 - 6.55%

\* Salary increases are based on years of service within the plan.

Actuarial assumptions used in the July 1, 2022, valuation were based on the results of the PERS experience studies prepared for July 1, 2018 to June 30, 2021.

One-hundred percent of active members are considered to participate in the Plan upon retirement.

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**F. EMPLOYEE BENEFITS (CONTINUED)**

**Post-Retirement Health Care Benefits (Continued)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions (Continued)**

*Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.00%.

*Discount Rate*

The discount rates for June 30, 2023 and 2022, were 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

The following presents the Authority’s net OPEB liability as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the Authority’s net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	At 1% Decrease (2.65%)	At Current Discount Rate (3.65%)	At 1% Increase (4.65%)
2023	<u>\$ 35,442,102</u>	<u>\$ 30,597,884</u>	<u>\$ 26,701,457</u>
	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
2022	<u>\$ 32,066,009</u>	<u>\$ 27,662,158</u>	<u>\$ 24,118,847</u>

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate*

The following presents the net OPEB liability as of June 30, 2023 and 2022, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Post-Retirement Health Care Benefits (Continued)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions (Continued)**

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate (Continued)*

	At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
2023	<u>\$ 26,004,601</u>	<u>\$ 30,597,884</u>	<u>\$ 36,478,690</u>
	At 1% Decrease	Healthcare Cost Trend Rate	At 1% Increase
2022	<u>\$ 23,466,641</u>	<u>\$ 27,662,158</u>	<u>\$ 33,035,433</u>

GASB Statement No. 75, *Reporting for the Post-employment Benefits Other Than Pensions*, requires participating employers recognize their proportionate share of the collective net OPEB liability, collected deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The Authority’s proportionate share of the collective net OPEB liability as of June 30, 2023 and 2022, was .2039% and .1713%, respectively.

At June 30, 2024 and 2023, the amounts recognized as the Authority’s proportionate share of the net OPEB liability were \$30,597,884 and \$27,662,158, respectively. For the years ended June 30, 2024 and 2023, the Authority recognized OPEB benefit of \$151,226 and expense of \$198,704, respectively. At June 30, 2024 and 2023, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Expected and Actual Experience	\$1,411,017	\$8,309,385	\$ 1,428,503	\$ 5,127,388
Changes in Assumptions	3,963,574	8,649,042	3,691,630	9,440,561
Net Difference Between Projected and Actual Investment Earnings	-	5,049	7,282	-
Net Change in Proportions	8,141,197	1,384,875	2,488,820	1,960,783
Authority Contributions After the Measurement Date	3,441,675	-	3,068,819	-
	<u>\$ 16,957,463</u>	<u>\$ 18,348,351</u>	<u>\$ 10,685,054</u>	<u>\$ 16,528,732</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**F. EMPLOYEE BENEFITS (CONTINUED)**

**Post-Retirement Health Care Benefits (Continued)**

**Other Post-Employment Benefits (“OPEB”) Other than Pensions (Continued)**

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate (Continued)*

Deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	Amortization
2024	(1,447,536)
2025	(1,185,623)
2026	(641,402)
2027	(300,666)
2028	(606,908)
Thereafter	(650,426)
Total	<u>\$ (4,832,563)</u>

**G. MAJOR WATER CUSTOMERS**

During fiscal years 2024 and 2023, the Authority supplied water to approximately 30 customers of the Raritan Basin System and 12 customers of the Manasquan System.

*Revenue*

During fiscal years 2024 and 2023, two customers accounted for approximately 85% and 86%, respectively, of total Raritan Basin System operating revenue. During fiscal years 2024 and 2023, two customers accounted for approximately 85% and 86%, respectively, of the total Manasquan System operating revenue.

*Accounts Receivable*

During fiscal years 2024 and 2023, two customers accounted for approximately 92% and 91%, respectively, of total Raritan Basin System water sales accounts receivable. During fiscal years 2024 and 2023, two customers accounted for approximately 92% and 91%, respectively, of the total Manasquan System water sales accounts receivable.

**H. RISK MANAGEMENT**

The Authority carries insurance for all of its facilities, covering direct physical loss or damage and loss of revenue resulting therefrom, with such deductibles as it deems appropriate. The Authority also carries General and Umbrella Public Liability Insurance with such self-insured retainers as it deems appropriate. Automotive and Public Officials Liability coverage is also maintained with deductibles. Workers’ Compensation coverage is also maintained, as required by state law. Settled claims resulting from the aforementioned risks have not exceeded insurance coverage in any of the past three fiscal years.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**I. INSURANCE REIMBURSEMENTS**

There are no insurance reimbursements included in “Other income” on the statements of revenues, expenses and changes in net position for the years ended June 30, 2024 and 2023.

**J. COMMITMENTS AND CONTINGENCIES**

**Commitments**

*Construction Projects*

The Authority had several outstanding or planned construction projects as of June 30, 2024. These projects are evidenced by contractual commitments with contractors and include:

Project	Awarded	Commitment Remaining
RV Reservoir Structures Refurbishment and Resource Preservation Project	\$ 84,054,308	\$ 10,551,210
Spruce Run Dam Foundation Grouting Design & Inspection	4,127,700	3,521,580
Rehabilitation of Pumps 4,5,7, & 8 at the South Branch Pumping Station	3,936,467	3,059,588
RV & SR Embankment Study - CIP	2,728,725	226,831
CIP Stabilization of Canal @ Station 156 & 207	2,279,532	328,768
Rehab Six Mile Run Culvert - CIP	1,492,310	312,878
Rehabilitation of Landing Lane Spillway and Slope Downstream of Island Weir Farm	1,399,368	107,555
Multidisciplinary Project for SR Structure Rehab	964,000	607,400
Aquatic Plant Management D&R Canal	887,497	141,784
Replacement 11 Lock Station Sluice Gates	791,000	217,700
Emergency Repair Canal Embankment Hopewell Twp. NJ	663,001	10,707
Design of an Aeration System to Improve Water Quality at the MRS	488,036	283,071
Rehab of the Prallsville Culvert Pit and Misc Comp	343,175	216,957
Reconstruction of Various Embankments between Raven Rock & Prallsville Lock	314,042	96,530
	<u>\$ 104,469,161</u>	<u>\$ 19,682,559</u>

*Operating Leases*

Lease	Commencement Date	Payment Terms	Annual Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2024
Various Copier Leases	01/01/22-12/31/25	48 Months	\$ 10,440	3.73%	\$ 38,738	\$ 15,207

The Authority has entered into leases for various copy machines. The interest rates on the leases are fixed based on an assumed incremental borrowing rate of 3.75% at lease commencement. All lease agreements contain a purchase option at the end of the lease term which the Authority does not expect to exercise; accordingly, the right-of-use assets are amortized at the useful life of the asset, which is four years for all leases.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 10,043	\$ 397	\$ 10,440
2026	5,164	56	5,220
	<u>\$ 15,207</u>	<u>\$ 453</u>	<u>\$ 15,660</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

**J. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Contingencies**

The Authority is party to various legal actions and disputes. Although the ultimate effect, if any, of these matters is not presently determinable, management believes that collectively they will not have a material effect on the results of operations or the financial position of the Authority.

**K. INFORMATION BY BUSINESS SEGMENT**

The Authority issued revenue bonds to finance the construction of various capital assets, including the construction of the reservoir systems for both the Manasquan and Raritan Basin Systems. Each of these Systems must provide sufficient revenue each year to cover its own operating expenses and debt service. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. The chart represents information by Business Segment and is not consistent with the consolidated balances on the statements of net position. Summary financial information for the operating segments is presented below:

	June 30, 2024		June 30, 2023	
	Raritan Basin System	Manasquan Reservoir System	Raritan Basin System	Manasquan Reservoir System
<b>Condensed statement of net position</b>				
<b>Assets and deferred outflows of resources:</b>				
Current assets	\$35,018,399	\$29,814,160	\$ 47,551,999	\$ 26,772,634
Restricted cash	18,944,442	6,057,571	13,458,087	6,365,487
Capital assets	202,011,572	44,333,767	189,746,975	45,577,908
Other non-current assets	32,415,010	1,624,358	33,156,399	1,595,057
Deferred outflows of resources	7,369,611	16,206,326	3,247,388	13,869,677
Total assets and deferred outflows of resources	<u>\$295,759,034</u>	<u>\$98,036,182</u>	<u>\$ 287,160,848</u>	<u>\$ 94,180,763</u>
<b>Liabilities and deferred inflows of resources:</b>				
Current liabilities	\$10,393,909	\$7,079,554	\$ 10,254,585	\$ 7,041,970
Non-current liabilities	143,035,639	48,617,966	144,682,042	48,747,443
Deferred inflows of resources	15,494,897	4,448,376	15,203,039	4,335,175
Total liabilities and deferred inflows of resources	<u>\$168,924,445</u>	<u>\$60,145,896</u>	<u>170,139,666</u>	<u>60,124,588</u>
<b>Net position:</b>				
Net investment in capital assets	91,080,550	30,355,786	76,989,720	30,928,520
Restricted for cash, investments and unearned revenue	18,037,789	622,236	12,551,434	738,304
Unrestricted	17,716,250	6,912,264	27,480,028	2,389,351
Total net position	<u>126,834,589</u>	<u>37,890,286</u>	<u>117,021,182</u>	<u>34,056,175</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$295,759,034</u>	<u>\$98,036,182</u>	<u>\$ 287,160,848</u>	<u>\$ 94,180,763</u>

**NEW JERSEY WATER SUPPLY AUTHORITY  
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NOTES TO FINANCIAL STATEMENTS

**K. INFORMATION BY BUSINESS SEGMENT (CONTINUED)**

	Year Ended June 30, 2024		Year Ended June 30, 2023	
	Raritan Basin System	Manasquan Reservoir System	Raritan Basin System	Manasquan Reservoir System
<b>Condensed statement of revenue, expenses and changes in net assets</b>				
Total operating revenues	\$ 25,414,904	\$ 7,493,069	\$ 24,898,964	\$ 7,552,538
Operating expenses	13,718,617	3,629,894	12,308,990	3,017,407
Depreciation	3,132,045	1,858,802	3,070,603	1,853,114
Operating income	8,564,242	2,004,373	9,519,371	2,682,017
Non-operating revenues	4,039,375	1,905,164	2,701,957	1,494,239
Non-operating expenses (recovery)	2,790,210	75,426	566,898	98,991
Changes in net position	9,813,407	3,834,111	11,654,430	4,077,265
Net position, beginning of year	117,021,182	34,056,175	105,366,752	29,978,910
Net position, end of year	<u>\$ 126,834,589</u>	<u>\$ 37,890,286</u>	<u>\$ 117,021,182</u>	<u>\$ 34,056,175</u>
<b>Condensed statement of cash flows</b>				
Net cash provided by:				
Operating activities	\$ 8,181,490	\$ 3,350,130	\$ 11,757,150	\$ 3,697,417
Non-capital financing activities	86,087	-	85,382	-
Capital and related financing activities	(8,800,936)	(1,615,481)	(9,315,442)	(993,409)
Investing activities	3,470,976	892,638	(32,489,156)	(1,198,097)
Net increase in cash and cash equivalents	2,937,617	2,627,287	(29,962,066)	1,505,911
Beginning cash and cash equivalent balances	45,156,294	30,955,569	75,118,360	29,449,658
Ending cash and cash equivalent balances	<u>\$ 48,093,911</u>	<u>\$ 33,582,856</u>	<u>\$ 45,156,294</u>	<u>\$ 30,955,569</u>

**L. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

The GASB has issued Statement No. 91, "Conduit Debt Obligations." This statement was adopted by the Authority for the year ended June 30, 2023. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 92, "Omnibus 2020." This statement clarifies the effective date of Statement No. 87 and addresses other topics that were adopted by the Authority for the year ended June 30, 2023. The adoption of these provisions had no effect on previously reported amounts.

The GASB has issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." This statement was adopted by the Authority for the year ended June 30, 2023. The adoption of this statement had no effect on previously reported amounts.

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

NOTES TO FINANCIAL STATEMENTS

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**L. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS (CONTINUED)**

The GASB has issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" This statement postponed the effective dates of applicable pending statements described above. The effective dates mentioned above are the applicable postponed dates as prescribed by statement No. 95. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 96, "*Subscription-Based Information Technology Arrangements.*" This statement was adopted by the Authority for the year ended June 30, 2023. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.*" This statement was adopted by the Authority for year ended June 30, 2024. The adoption of this statement had no effect on previously reported amounts.

The GASB has issued Statement No. 101, "*Compensated Absences.*" This statement was adopted by the Authority for year ended June 30, 2024. The adoption of this statement had no effect on previously reported amounts.

**M. PENDING GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS**

The GASB has issued Statement No. 102, "*Certain Risk Disclosure*" This statement is required to be adopted by the Authority for the year ending June 30, 2025. The Authority has not determined the effect of Statement No. 102 on the financial statements.

The GASB has issued Statement No. 103, "*Financial Reporting Model Improvements*" This statement is required to be adopted by the Authority for the year ending June 30, 2026. The Authority has not determined the effect of Statement No. 103 on the financial statements.

**REQUIRED SUPPLEMENTARY SCHEDULES (UNAUDITED)**

**NEWJERSEY WATER SUPPLY AUTHORITY**  
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**SCHEDULE OF PROPORTIONATE SHARE OF PERS NET PENSION LIABILITY (NPL)**  
**DETERMINED AS OF JUNE 30, 2023, PERS MEASUREMENT DATE**

Fiscal Year	Authority's Proportion	Authority's Proportion Share	Authority's Covered Payroll	Authority's Proportionate Share of NPL as a % of Covered Payroll	PERS Local Fiduciary Net Position as a % of Total Pension Liability
2024	0.10%	\$ 15,206,104	\$ 7,927,695	192%	65.23%
2023	0.11%	\$ 16,101,898	\$ 8,048,394	200%	68.63%
2022	0.10%	\$ 12,251,099	\$ 7,796,833	157%	84.48%
2021	0.11%	\$ 17,210,868	\$ 7,691,681	224%	58.32%
2020	0.10%	\$ 18,808,879	\$ 7,636,273	246%	56.27%
2019	0.10%	\$ 19,884,740	\$ 7,351,319	270%	45.37%
2018	0.10%	\$ 23,038,776	\$ 7,002,687	329%	47.58%
2017	0.10%	\$ 29,886,847	\$ 6,949,632	430%	40.14%
2016	0.10%	\$ 21,534,789	\$ 6,808,193	316%	47.94%

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year	Required Contribution	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2024	\$ 1,403,124	\$ 1,403,124	\$ -	\$ 8,264,150	16.98%
2023	\$ 1,345,488	\$ 1,345,488	\$ -	\$ 7,927,695	16.97%
2022	\$ 1,211,114	\$ 1,211,114	\$ -	\$ 8,048,394	15.05%
2021	\$ 1,154,559	\$ 1,154,558	\$ 1	\$ 7,796,833	14.81%
2020	\$ 1,015,378	\$ 1,015,374	\$ 4	\$ 7,691,681	13.20%
2019	\$ 1,004,540	\$ 1,004,540	\$ -	\$ 7,636,273	13.15%
2018	\$ 916,857	\$ 916,857	\$ -	\$ 7,351,319	12.47%
2017	\$ 896,476	\$ 896,476	\$ -	\$ 7,002,687	12.80%
2016	\$ 823,798	\$ 823,798	\$ -	\$ 6,949,632	11.85%
2015	\$ 798,757	\$ 798,757	\$ -	\$ 6,808,193	11.73%

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**

Fiscal Year	Beginning Balance Total Net Pension Liability	Difference between Expected and Actual Experience	Change of Assumptions	Difference between Expected and Actual Earnings	Change in Proportion and Actual Less Proportion Share	Other Changes and Reclassifications	Ending Balance Total Net Pension Liability
2024	\$ 16,101,898	\$ 69,502	\$ 1,473,053	\$ (596,417)	\$ (511,749)	\$ (1,330,183)	\$ 15,206,104
2023	\$ 12,251,099	\$ (91,783)	\$ 1,936,464	\$ 3,893,704	\$ 348,687	\$ (2,236,273)	\$ 16,101,898
2022	\$ 17,210,868	\$ 105,513	\$ (4,297,667)	\$ (3,227,261)	\$ 207,088	\$ 2,252,558	\$ 12,251,099
2021	\$ 18,808,879	\$ 252,517	\$ (6,648,013)	\$ 588,281	\$ 885,389	\$ 3,323,815	\$ 17,210,868
2020	\$ 19,884,740	\$ 254,506	\$ (4,650,366)	\$ (296,905)	\$ 932,879	\$ 2,684,025	\$ 18,808,879
2019	\$ 23,038,776	\$ 276,673	\$ (3,081,406)	\$ (186,520)	\$ 346,971	\$ (509,754)	\$ 19,884,740
2018	\$ 29,886,847	\$ 542,484	\$ 17,016	\$ 156,878	\$ (73,348)	\$ (7,491,101)	\$ 23,038,776
2017	\$ 21,534,789	\$ 555,805	\$ 6,190,858	\$ 1,139,613	\$ 304,163	\$ 161,619	\$ 29,886,847
2016	\$ 18,141,342	\$ 513,147	\$ 1,739,535	\$ 735,251	\$ (206,140)	\$ 611,654	\$ 21,534,789
2015	\$ 19,250,440	\$ -	\$ 570,440	\$ (1,081,086)	\$ (772,427)	\$ 173,975	\$ 18,141,342

*The pension schedules are intended to show information for ten years. The State of New Jersey has issued nine years of pension information to the Authority. Additional years' information will be displayed as it becomes available.*

See independent auditors' report.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
STATE HEALTH BENEFIT LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN  
DETERMINED AS OF JUNE 30, 2023, OPEB MEASUREMENT DATE**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's proportion of the total OPEB liability	0.2038970%	0.1712870%	0.1724330%	0.1669870%	0.1591680%	0.1680130%	0.1639400%	1.7379600%
Authority's proportionate share of the total OPEB liability (asset)	\$ 30,597,884	\$ 27,662,158	\$ 31,037,563	\$ 29,968,511	\$ 21,561,010	\$ 26,321,955	\$ 33,469,644	\$ 37,744,085
Authority's covered payroll	\$ 8,186,836	\$ 7,927,695	\$ 8,048,394	\$ 7,796,833	\$ 7,691,681	\$ 7,636,273	\$ 7,351,319	\$ 7,002,687
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	373.7%	348.9%	385.6%	384.4%	280.3%	344.7%	455.3%	539.0%
Plan fiduciary net position as a percentage of the total OPEB liability	(0.79%)	(0.36%)	0.28%	0.92%	1.98%	1.97%	1.03%	1.69%

*The OPEB schedules are intended to show information for ten years. The State of New Jersey has issued eight years of OPEB information to the Authority. Additional years' information will be displayed as it becomes available.*

**OTHER SUPPLEMENTARY INFORMATION**

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**COMBINING SCHEDULE OF NET POSITION  
JUNE 30, 2024**

	<u>Raritan Basin System</u>	<u>Manasquan Reservoir System</u>	<u>Elimination Entries</u>	<u>Combined Total</u>
<b>Assets</b>				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	\$ 29,149,469	\$ 27,525,285	\$ -	\$ 56,674,754
Unbilled sales	2,155,595	-	-	2,155,595
Accounts receivable, less allowance for doubtful accounts of \$1,000 at June 30, 2024	2,003,464	1,814,911	(216,014)	3,602,361
Interest receivable	412,747	25,252	-	437,999
Prepaid expenses and other current assets	1,297,124	448,712	-	1,745,836
Total unrestricted assets	<u>35,018,399</u>	<u>29,814,160</u>	<u>(216,014)</u>	<u>64,616,545</u>
Restricted assets:				
Cash equivalents	18,944,442	6,057,571	-	25,002,013
Total current assets	<u>53,962,841</u>	<u>35,871,731</u>	<u>(216,014)</u>	<u>89,618,558</u>
Non-current assets:				
Investments	32,415,010	1,624,358	-	34,039,368
Capital assets net of accumulated depreciation of \$171,554,973 at June 30, 2024	202,011,572	44,333,767	-	246,345,339
Total non-current assets	<u>234,426,582</u>	<u>45,958,125</u>	<u>-</u>	<u>280,384,707</u>
Total assets	<u>288,389,423</u>	<u>81,829,856</u>	<u>(216,014)</u>	<u>370,003,265</u>
Deferred outflows of resources				
Cost recovery	(7,446,700)	11,947,448	-	4,500,748
Pension related	1,661,144	456,582	-	2,117,726
OPEB related	13,155,167	3,802,296	-	16,957,463
Total deferred outflows of resources	<u>7,369,611</u>	<u>16,206,326</u>	<u>-</u>	<u>23,575,937</u>
Total assets and deferred outflows of resources	<u>\$ 295,759,034</u>	<u>\$ 98,036,182</u>	<u>\$ (216,014)</u>	<u>\$ 393,579,202</u>
<b>Liabilities</b>				
Current liabilities:				
Current portion of bonds, notes and loans payable	\$ 3,835,751	\$ 612,572	\$ -	\$ 4,448,323
Accounts payable	2,757,849	477,550	(216,014)	3,019,385
Accrued liabilities	2,893,656	554,097	-	3,447,753
Unearned revenue	906,653	5,435,335	-	6,341,988
Total current liabilities	<u>10,393,909</u>	<u>7,079,554</u>	<u>(216,014)</u>	<u>17,257,449</u>
Non-current liabilities:				
Non-current portion of bonds, notes and loans payable	107,095,271	38,739,139	-	145,834,410
Non-current lease liability	11,720	3,487	-	15,207
Net pension liability	11,927,668	3,278,436	-	15,206,104
Net OPEB liability	24,000,980	6,596,904	-	30,597,884
Total non-current liabilities	<u>143,035,639</u>	<u>48,617,966</u>	<u>-</u>	<u>191,653,605</u>
Total liabilities	<u>153,429,548</u>	<u>55,697,520</u>	<u>(216,014)</u>	<u>208,911,054</u>
Deferred inflows of resources				
Pension related	1,102,450	303,018	-	1,405,468
OPEB related	14,392,447	3,955,904	-	18,348,351
Gain on refunding	-	189,454	-	189,454
Total deferred inflow of resources	<u>15,494,897</u>	<u>4,448,376</u>	<u>-</u>	<u>19,943,273</u>
<b>Net position</b>				
Net investment in capital assets	91,080,550	30,355,786	-	121,436,336
Restricted for cash, investments and unearned revenue	18,037,789	622,236	-	18,660,025
Unrestricted	17,716,250	6,912,264	-	24,628,514
Total net position	<u>126,834,589</u>	<u>37,890,286</u>	<u>-</u>	<u>164,724,875</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 295,759,034</u>	<u>\$ 98,036,182</u>	<u>\$ (216,014)</u>	<u>\$ 393,579,202</u>

See independent auditors' report.

**NEW JERSEY WATER SUPPLY AUTHORITY  
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**COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2024**

	<b>Raritan Basin System</b>	<b>Manasquan Reservoir System</b>	<b>Manasquan Water Treatment Plant</b>	<b>Combined Total</b>
Operating revenue:				
Water sales	\$ 25,414,904	\$ 7,493,069	\$ -	\$ 32,907,973
Reimbursement of operating expenses	-	-	2,580,000	2,580,000
Total operating revenue	<u>25,414,904</u>	<u>7,493,069</u>	<u>2,580,000</u>	<u>35,487,973</u>
Operating expenses:				
Payroll	6,753,760	1,020,469	955,858	8,730,087
Operations and maintenance (direct)	5,743,903	1,286,540	1,298,969	8,329,412
Operations and maintenance (general and administrative)	-	116,239	77,291	193,530
Fringe benefits	2,114,954	436,646	426,196	2,977,796
Headquarters overhead	(894,000)	770,000	124,000	-
Depreciation	3,132,045	1,858,802	-	4,990,847
Total operating expenses	<u>16,850,662</u>	<u>5,488,696</u>	<u>2,882,314</u>	<u>25,221,672</u>
Income from operations	<u>8,564,242</u>	<u>2,004,373</u>	<u>(302,314)</u>	<u>10,266,301</u>
Non-operating revenue:				
State of New Jersey - Grant Programs	204,269	-	-	204,269
Investment and interest income	2,873,604	831,312	99,065	3,803,981
Rental income	65,234	-	-	65,234
Other income/(loss)	84,772	(32,002)	-	52,770
Recovery of deferred outflows of resources	811,496	1,105,854	-	1,917,350
Total non-operating revenue	<u>4,039,375</u>	<u>1,905,164</u>	<u>99,065</u>	<u>6,043,604</u>
Non-operating expenses:				
Interest component of debt service to the State of New Jersey	2,790,210	75,426	-	2,865,636
SMMUA operations, net	-	-	(203,249)	(203,249)
Total non-operating expenses	<u>2,790,210</u>	<u>75,426</u>	<u>(203,249)</u>	<u>2,662,387</u>
Changes in net position	9,813,407	3,834,111	-	13,647,518
Net position, beginning of year	117,021,182	34,056,175	-	151,077,357
Net position, end of year	<u>\$ 126,834,589</u>	<u>\$ 37,890,286</u>	<u>\$ -</u>	<u>\$ 164,724,875</u>

**NEW JERSEY WATER SUPPLY AUTHORITY**  
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**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS – RARITAN BASIN SYSTEM**  
**YEAR ENDED JUNE 30, 2024**

	Operating Fund											Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Dredging RV/SR Investments	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	
Cash and investments - July 1, 2023	\$ 1,420,368	\$ 2,041,134	\$ 177,800	\$ 4,134,865	\$ 3,650,437	\$ 915,414	\$ 4,770,561	\$ 19,989,762	\$ 1,860,870	\$ 6,920,011	\$ 4,193,362	\$ 50,074,584
Cash receipts:												
Water sales operations and maintenance	12,717,724	-	-	-	-	-	-	-	-	-	-	12,717,724
Water sales NJEIFP	6,783,077	-	-	-	-	-	-	-	-	-	-	6,783,077
Water sales capital fund	2,099,824	-	-	-	-	-	-	-	-	-	-	2,099,824
Water sales source water protection fund	1,298,072	-	-	-	-	-	-	-	-	-	-	1,298,072
Water sales overdrafts	1,058,356	-	-	-	-	-	-	-	-	-	-	1,058,356
Rental income	40,665	-	-	-	-	-	-	-	-	-	-	40,665
Manasquan reservoir support	131,318	-	-	-	-	-	-	-	-	-	-	131,318
Headquarters overhead	-	-	-	863,000	-	-	-	-	-	-	-	863,000
Disposition of property	110,501	-	-	-	-	-	-	-	-	-	-	110,501
Recycling revenue	1,772	-	-	-	-	-	-	-	-	-	-	1,772
Investment securities	1,000,000	-	-	-	231,440	603,897	2,005,496	12,204,834	-	1,829,064	-	17,874,731
Grant Programs	39,239	47,234	-	-	-	-	-	-	-	-	-	86,473
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	538,141	-	-	42	-	-	-	-	-	-	-	538,183
Transfers:												
Contributions from operating fund	1,662,950	30,079,258	4,221,651	(49,341,510)	-	-	737,595	-	150,000	-	426,588	(12,063,468)
Contributions to operating fund	-	-	-	20,893,090	-	-	(667,647)	-	(1,339,938)	-	(336,373)	18,549,132
Transfers for operations	(29,711,375)	-	-	29,711,375	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	200,000	13,728	-	101,407	-	-	(101,407)	-	-	-	(200,000)	13,728
Investment income	497,547	62,555	-	98,296	53,212	8,126	66,520	7,743	47,621	94,880	117,165	1,053,665
Per resolution, Section 603:												
Investment income, transfer from	404,973	-	-	(98,296)	(86,349)	(15,501)	(67,448)	(1)	-	(137,378)	-	-
Investment income, transfer to	(137,992)	-	-	-	137,992	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	50,863	9,899	57,985	(117,376)	-	120,312	-	121,683
Total cash receipts	(1,265,208)	30,202,775	4,221,651	2,227,404	387,158	606,421	2,031,094	12,095,200	(1,142,317)	1,906,878	7,380	51,278,436
Total available cash and investments	\$ 155,160	\$ 32,243,909	\$ 4,399,451	\$ 6,362,269	\$ 4,037,595	\$ 1,521,835	\$ 6,801,655	\$ 32,084,962	\$ 718,553	\$ 8,826,889	\$ 4,200,742	\$ 101,353,020

**NEW JERSEY WATER SUPPLY AUTHORITY**  
**(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS – RARITAN BASIN SYSTEM**  
**YEAR ENDED JUNE 30, 2024**

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Cash and investments - July 1, 2023	\$ 50,074,584	\$ 348,851	\$ 683,838	\$ 1,435,398	\$ 9,224,410	\$ 582,910	\$ 12,827,270	\$ 1,397,333	\$ 88,865	\$ 1,917,964	\$ 78,581,423
Cash receipts:											
Water sales operations and maintenance	12,717,724	-	-	-	-	-	-	-	-	-	12,717,724
Water sales NJEFP	6,783,077	-	-	-	-	-	-	-	-	-	6,783,077
Water sales capital fund	2,099,824	-	-	-	-	-	-	-	-	-	2,099,824
Water sales source water protection fund	1,298,072	-	-	-	-	-	-	-	-	-	1,298,072
Water sales overdrafts	1,058,356	-	-	-	-	-	-	-	-	-	1,058,356
Rental income	40,665	-	-	-	-	-	-	-	-	-	40,665
Manasquan reservoir support	131,318	-	-	-	-	-	-	-	-	-	131,318
Headquarters overhead	863,000	-	-	-	-	-	-	-	-	-	863,000
Disposition of property	110,501	-	-	-	-	-	-	-	-	-	110,501
Recycling revenue	1,772	-	-	-	-	-	-	-	-	-	1,772
Investment securities	17,874,731	-	-	-	-	-	-	-	-	-	17,874,731
Grant Programs	86,473	-	-	-	-	-	-	-	-	-	86,473
Insurance reimbursement	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense reimbursement	538,183	-	-	-	11,777,115	-	-	-	-	10,425	12,325,723
Transfers:											
Contributions from operating fund	(12,063,468)	215,538	692,595	-	2,249,584	-	7,596,750	150,000	-	1,159,001	-
Contributions to operating fund	18,549,132	-	-	-	(17,442,575)	(6,000)	-	-	-	(1,100,557)	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-
Transfers for investments	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	13,728	-	-	-	-	-	-	-	-	(13,728)	-
Investment income	1,053,665	6,547	11,576	41,065	299,933	15,956	415,424	41,812	1,641	58,435	1,946,054
Per resolution, Section 603:											
Investment income, transfer from	-	-	-	-	-	-	-	-	-	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	121,683	-	-	-	-	-	-	-	-	-	121,683
Total cash receipts	51,278,436	222,085	704,171	41,065	(3,115,943)	9,956	8,012,174	191,812	1,641	113,576	57,458,973
Total available cash and investments	\$ 101,353,020	\$ 570,936	\$ 1,388,009	\$ 1,476,463	\$ 6,108,467	\$ 592,866	\$ 20,839,444	\$ 1,589,145	\$ 90,506	\$ 2,031,540	\$ 136,040,396

**NEW JERSEY WATER SUPPLY AUTHORITY**  
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**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS – RARITAN BASIN SYSTEM (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

	Operating Fund											Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self-Insurance Reserve	Depreciation Reserve	Dredging RV/SR Investments	Pumping Reserve	Capital Improvements Investments II	Source Water Protection Fund	
Total available cash and investments	\$ 155,160	\$ 32,243,909	\$ 4,399,451	\$ 6,362,269	\$ 4,037,595	\$ 1,521,835	\$ 6,801,655	\$ 32,084,962	\$ 718,553	\$ 8,826,889	\$ 4,200,742	\$ 101,353,020
Cash disbursements:												
Payroll	-	-	4,221,651	-	-	-	-	-	-	-	-	4,221,651
Fringe benefits	-	31,323	-	1,812,876	-	-	-	-	-	-	-	1,844,199
Employee deferred compensation and credit union	-	2,216,455	-	(49,475)	-	-	-	-	-	-	-	2,166,980
Operations and maintenance	-	27,577,588	-	(1,665,429)	-	-	-	-	-	-	-	25,912,159
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	1,671	-	-	-	-	-	-	-	-	-	-	1,671
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:												
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-	-
Maturity of investments securities	-	-	-	-	230,311	600,716	1,999,817	12,139,100	-	2,863,767	-	17,833,711
Principal on NJEIT bonds	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJIB loans	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	1,671	29,825,366	4,221,651	97,972	230,311	600,716	1,999,817	12,139,100	-	2,863,767	-	51,980,371
Cash and investments - June 30, 2024	\$ 153,489	\$ 2,418,543	\$ 177,800	\$ 6,264,297	\$ 3,807,284	\$ 921,119	\$ 4,801,838	\$ 19,945,862	\$ 718,553	\$ 5,963,122	\$ 4,200,742	\$ 49,372,649
Summary of cash and investments:												
Cash	\$ 153,489	\$ 2,418,543	\$ 177,800	\$ -	\$ 255	\$ (358)	\$ 1,276	\$ 53,655	\$ -	\$ 5,522	\$ -	\$ 2,810,182
Short-term investments	-	-	-	6,264,297	1,347,621	181,682	1,356,475	-	718,553	78,087	4,200,742	14,147,457
Long-term investments	-	-	-	-	2,459,408	739,795	3,444,087	19,892,207	-	5,879,513	-	32,415,010
Restricted Investments (current)	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 153,489	\$ 2,418,543	\$ 177,800	\$ 6,264,297	\$ 3,807,284	\$ 921,119	\$ 4,801,838	\$ 19,945,862	\$ 718,553	\$ 5,963,122	\$ 4,200,742	\$ 49,372,649

**NEW JERSEY WATER SUPPLY AUTHORITY**  
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**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS – RARITAN BASIN SYSTEM (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

	Subtotal	Parity SWP Bond Fund	Subordinated SWP Bond Fund	Major Rehabilitation	Capital Improvement Fund	D&R Mitigation Fund	D&R Canal Dredging	Capital Equipment Reserve	Rate Stabilization Fund	Employment Benefit Funds	Totals
Total available cash and investments	\$ 101,353,020	\$ 570,936	\$ 1,388,009	\$ 1,476,463	\$ 6,108,467	\$ 592,866	\$ 20,839,444	\$ 1,589,145	\$ 90,506	\$ 2,031,540	\$ 136,040,396
Cash disbursements:											
Payroll	4,221,651	-	-	-	-	-	-	-	-	-	4,221,651
Fringe benefits	1,844,199	-	-	-	-	-	-	-	-	-	1,844,199
Employee deferred compensation and credit union	2,166,980	-	-	-	-	-	-	-	-	-	2,166,980
Operations and maintenance	25,912,159	-	-	-	-	-	1,210,618	-	-	-	27,122,777
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous disbursements	1,671	-	-	-	-	-	-	-	-	69,941	71,612
Watershed Management Fund	-	-	-	-	-	-	-	-	-	-	-
Capital improvements:											
Capital assets	-	-	-	-	-	-	-	-	-	-	-
New five year construction project	-	-	-	-	-	-	-	-	-	-	-
Maturity of investments securities	17,833,711	-	-	-	-	-	-	-	-	-	17,833,711
Principal on NJEIT bonds	-	205,015	622,400	-	-	-	1,232,439	-	-	-	2,059,854
Interest, Fees, and Credits on NJIB loans	-	3,267	55,587	-	-	-	151,837	-	-	-	210,691
Total cash disbursements	51,980,371	208,282	677,987	-	-	-	2,594,894	-	-	69,941	55,531,475
Cash and investments - June 30, 2024	\$ 49,372,649	\$ 362,654	\$ 710,022	\$ 1,476,463	\$ 6,108,467	\$ 592,866	\$ 18,244,550	\$ 1,589,145	\$ 90,506	\$ 1,961,599	\$ 80,508,921
Summary of cash and investments:											
Cash	\$ 2,810,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,675	\$ 2,856,857
Short-term investments	14,147,457	362,654	710,022	1,476,463	6,108,467	592,866	18,244,550	1,589,145	90,506	1,914,924	45,237,054
Long-term investments	32,415,010	-	-	-	-	-	-	-	-	-	32,415,010
Restricted Investments (current)	-	-	-	-	-	-	-	-	-	-	-
Restricted Investments (long-term)	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 49,372,649	\$ 362,654	\$ 710,022	\$ 1,476,463	\$ 6,108,467	\$ 592,866	\$ 18,244,550	\$ 1,589,145	\$ 90,506	\$ 1,961,599	\$ 80,508,921

See independent auditors' report.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
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**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM**  
**YEAR ENDED JUNE 30, 2024**

	Operating Fund													Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self - Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Capital Improvement Fund	Sediment Reserve	
Cash and investments - July 1, 2023	\$ 41,511	\$ 1,548,883	\$ 55,872	\$ 6,777,349	\$ 1,582,306	\$ 214,540	\$ 3,950,762	\$ 30,401	\$ 1,469,820	\$ 627,302	\$ 152,513	\$ 8,927,090	\$ 256,325	\$ 25,634,674
Cash receipts:														
Water sales operations and maintenance	3,173,024	-	-	-	-	-	-	-	-	-	-	-	-	3,173,024
Water sales capital fund	3,209,388	-	-	-	-	-	-	-	-	-	-	-	-	3,209,388
Water sales debt service	711,972	-	-	-	-	-	-	-	-	-	-	-	-	711,972
Source water protection	106,757	-	-	-	-	-	-	-	-	-	-	-	-	106,757
Water sales debt service NJEIT	177,432	-	-	-	-	-	-	-	-	-	-	-	-	177,432
Water sales overdrafts	83,753	-	-	-	-	-	-	-	-	-	-	-	-	83,753
NJ-American pumping costs	250,537	-	-	-	-	-	-	-	-	-	-	-	-	250,537
Headquarters overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	55,229	-	-	-	-	-	-	-	-	-	-	-	-	55,229
Sale/Transfer for investment securities	-	-	-	-	704,770	-	-	-	503,407	-	-	-	-	1,208,177
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	4,581	-	-	-	-	-	-	-	-	-	-	-	-	4,581
Transfers:														
Contributions from operating fund	-	5,271,732	1,216,610	(11,641,343)	-	-	120,000	-	106,671	50,218	-	3,206,237	30,000	(1,639,875)
Contributions to operating fund	-	-	-	2,467,103	-	-	(302,307)	-	(434,660)	(35,899)	-	-	-	1,694,237
Transfers for operations	(8,394,875)	-	-	8,394,875	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	587,180	2,784	-	-	-	-	-	-	-	-	-	-	-	589,964
Investment income	4,362	74,750	-	157,975	32,108	3,636	114,454	3	37,582	11,874	2,382	307,609	6,923	753,658
Per resolution, Section 603:														
Investment income, transfer from	225,717	-	-	(157,975)	(42,652)	(5,819)	-	-	-	(8,271)	(3,836)	-	(6,923)	241
Investment income, transfer to	(183,392)	-	-	183,392	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	-	-	-	-	14,676	3,261	-	-	-	3,839	2,173	-	-	23,949
Total cash receipts	11,665	5,349,266	1,216,610	(595,973)	708,902	1,078	(67,853)	3	(290,407)	525,168	719	3,513,846	30,000	10,403,024
Total cash and investments	\$ 53,176	\$ 6,898,149	\$ 1,272,482	\$ 6,181,376	\$ 2,291,208	\$ 215,618	\$ 3,882,909	\$ 30,404	\$ 1,179,413	\$ 1,152,470	\$ 153,232	\$ 12,440,936	\$ 286,325	\$ 36,037,698

See independent auditors' report.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
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**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

	Water Treatment Plant/Transmission System												Totals	
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self - Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund		Employment Benefit Funds
Cash and investments - July 1, 2023	\$ 25,634,674	\$ 233,176	\$ 2,872,520	\$ 9,480	\$ 99,175	\$ 255,540	\$ 151,453	\$ 178,803	\$ 563,421	\$ 1,746,553	\$ 254,242	\$ 41,197	\$ 527,206	\$ 32,567,440
Cash receipts:														
Water sales operations and maintenance	3,173,024	-	-	-	-	-	-	-	-	-	-	-	-	3,173,024
Water sales capital fund	3,209,388	-	-	-	-	-	-	-	-	-	-	-	-	3,209,388
Water sales debt service	711,972	-	-	-	-	-	-	-	-	-	-	-	-	711,972
Source water protection	106,757	-	-	-	-	-	-	-	-	-	-	-	-	106,757
Water sales debt service NJEIT	177,432	-	-	-	-	-	-	-	-	-	-	-	-	177,432
Water sales overdrafts	83,753	-	-	-	-	-	-	-	-	-	-	-	-	83,753
NJ-American pumping costs	250,537	-	-	-	-	-	-	-	-	-	-	-	-	250,537
Headquarters overhead	-	-	2,580,000	-	-	-	-	-	-	-	-	-	-	2,580,000
Reimbursement of WTP capital expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposition of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement from/(to) Raritan Basin	55,229	-	-	-	-	-	-	-	-	-	-	-	-	55,229
Sale/Transfer for investment securities	1,208,177	-	-	-	-	-	-	-	-	-	-	-	-	1,208,177
Nonrefundable bid deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous reimbursement	4,581	-	43,010	-	-	-	-	-	-	-	-	-	-	47,591
Transfers:														
Contributions from operating fund	(1,639,875)	800,000	(831,572)	-	-	-	-	177,283	589,837	-	-	587,180	317,147	-
Contributions to operating fund	1,694,237	-	(1,690,633)	-	-	-	(3,604)	-	-	-	-	-	-	-
Transfers for operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution from reserves to operations	589,964	-	-	-	-	-	-	-	-	-	(587,180)	(2,784)	-	-
Investment income	753,658	3,659	83,616	-	1,921	6,453	3,416	3,134	-	-	6,483	242	13,663	876,245
Per resolution, Section 603:														
Investment income, transfer from	241	-	6,785	-	(1,590)	(5,194)	-	-	-	-	-	(242)	-	-
Investment income, transfer to	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain/(loss) on fair value	23,949	-	-	-	-	-	-	-	-	-	-	-	-	23,949
Total cash receipts	10,403,024	803,659	191,206	-	331	1,259	(188)	180,417	589,837	-	6,483	-	328,026	12,504,054
Total cash and investments	\$ 36,037,698	\$ 1,036,835	\$ 3,063,726	\$ 9,480	\$ 99,506	\$ 256,799	\$ 151,265	\$ 359,220	\$ 1,153,258	\$ 1,746,553	\$ 260,725	\$ 41,197	\$ 855,232	\$ 45,071,494

See independent auditors' report.

**NEW JERSEY WATER SUPPLY AUTHORITY**  
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**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)**  
**YEAR ENDED JUNE 30, 2024**

	Operating Fund													Subtotal
	Revenue Account	Operating Account	Payroll Account	Operating Fund	Reserve for O&M	Self - Insurance Reserve	Renewal and Replacement Account	Water Reuse & Recycling	Source Water Protection	Depreciation Reserve	Pumping Reserve	Capital Improvement Fund	Sediment Reserve	
Total available cash and investments	\$ 53,176	\$ 6,898,149	\$ 1,272,482	\$ 6,181,376	\$ 2,291,208	\$ 215,618	\$ 3,882,909	\$ 30,404	\$ 1,179,413	\$ 1,152,470	\$ 153,232	\$ 12,440,936	\$ 286,325	\$ 36,037,698
Cash disbursements:														
Payroll	-	-	1,216,610	-	-	-	-	-	-	-	-	-	-	1,216,610
Fringe benefits	-	2,290,021	-	(1,812,877)	-	-	-	-	-	-	-	-	-	477,144
Employee deferred compensation and credit union	-	(190)	-	258,571	-	-	-	-	-	-	-	-	-	258,381
Operations and maintenance	-	2,083,678	-	1,502,076	-	-	-	-	-	-	-	-	-	3,585,754
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	-	-	-	739,000	-	-	-	-	-	-	-	-	-	739,000
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Investments securities	-	-	-	-	701,974	-	-	-	-	501,281	-	-	-	1,203,255
Principal on bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest, Fees, and Credits on NJB loans and bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash disbursements	-	4,373,509	1,216,610	686,770	701,974	-	-	-	-	501,281	-	-	-	7,480,144
Cash and investments - June 30, 2024	\$ 53,176	\$ 2,524,640	\$ 55,872	\$ 5,494,606	\$ 1,589,234	\$ 215,618	\$ 3,882,909	\$ 30,404	\$ 1,179,413	\$ 651,189	\$ 153,232	\$ 12,440,936	\$ 286,325	\$ 28,557,554
Cash (Manasquan)	\$ 53,176	\$ 2,524,640	\$ 55,872	\$ -	\$ 529	\$ -	\$ -	\$ -	\$ -	\$ 165	\$ -	\$ -	\$ -	\$ 2,634,382
Cash (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term investments	-	-	-	5,494,606	604,940	67,960	3,882,909	30,404	1,179,413	256,527	54,794	12,440,936	286,325	24,298,814
Short-term investments (Water Treatment Plant/TS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term investments	-	-	-	-	983,765	147,658	-	-	-	394,497	98,438	-	-	1,624,358
Restricted investments (current)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 53,176	\$ 2,524,640	\$ 55,872	\$ 5,494,606	\$ 1,589,234	\$ 215,618	\$ 3,882,909	\$ 30,404	\$ 1,179,413	\$ 651,189	\$ 153,232	\$ 12,440,936	\$ 286,325	\$ 28,557,554

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**SCHEDULE OF CHANGES IN CASH AND INVESTMENTS - MANASQUAN WATER SUPPLY SYSTEM (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

	Water Treatment Plant/Transmission System												Totals	
	Subtotal	Operating Account	Operating Fund	Residuals Reserve	Carbon Filter Reserve	Self-Insurance Reserve	Capital Improvement Reserve	NJEIT Debt Service	2016 Debt Service Account	2016 Debt Service Reserve	Rebate Fund	General Reserve Fund		Employment Benefit Funds
Total available cash and investments	\$ 36,037,698	\$ 1,036,835	\$ 3,063,726	\$ 9,480	\$ 99,506	\$ 256,799	\$ 151,265	\$ 359,220	\$ 1,153,258	\$ 1,746,553	\$ 260,725	\$ 41,197	\$ 855,232	\$ 45,071,494
Cash disbursements:														
Payroll	1,216,610	-	-	-	-	-	-	-	-	-	-	-	-	1,216,610
Fringe benefits	477,144	-	-	-	-	-	-	-	-	-	-	-	302,568	779,712
Employee deferred compensation and credit union	258,381	-	-	-	-	-	-	-	-	-	-	-	1,078	259,459
Operations and maintenance	3,585,754	1,039,958	163,354	-	-	-	-	-	-	-	-	-	-	4,789,066
NJ-American pumping costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Headquarters overhead	739,000	-	124,000	-	-	-	-	-	-	-	-	-	-	863,000
Capital assets reservoir	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital improvement program (reservoir)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of investments securities	1,203,255	-	-	-	-	-	-	-	-	-	-	-	-	1,203,255
Principal on bonds	-	-	-	-	-	-	-	157,572	435,000	-	-	-	-	592,572
Interest, Fees, and Credits on NJIB loans and bonds	-	-	-	-	-	-	-	14,894	145,712	-	-	-	-	160,606
Total cash disbursements	7,480,144	1,039,958	287,354	-	-	-	-	172,466	580,712	-	-	-	303,646	9,864,280
Cash and investments - June 30, 2024	\$ 28,557,554	\$ (3,123)	\$ 2,776,372	\$ 9,480	\$ 99,506	\$ 256,799	\$ 151,265	\$ 186,754	\$ 572,546	\$ 1,746,553	\$ 260,725	\$ 41,197	\$ 551,586	\$ 35,207,214
Cash (Manasquan)	\$ 2,634,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,634,382
Cash (Water Treatment Plant/TS)	-	(3,123)	-	-	-	-	-	-	-	-	-	-	-	(3,123)
Short-term investments	24,298,814	-	-	-	-	-	-	-	-	-	-	41,197	551,586	24,891,597
Short-term investments (Water Treatment Plant/TS)	-	-	2,776,372	9,480	99,506	256,799	151,265	-	-	-	-	-	-	3,293,422
Long-term investments	1,624,358	-	-	-	-	-	-	-	-	-	-	-	-	1,624,358
Restricted investments (current)	-	-	-	-	-	-	-	186,754	572,546	1,746,553	260,725	-	-	2,766,578
Restricted investments (long-term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total cash and investments	\$ 28,557,554	\$ (3,123)	\$ 2,776,372	\$ 9,480	\$ 99,506	\$ 256,799	\$ 151,265	\$ 186,754	\$ 572,546	\$ 1,746,553	\$ 260,725	\$ 41,197	\$ 551,586	\$ 35,207,214

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# Statistical Section

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**FINANCIAL TREND DATA**

*These schedules contain trend information on the Authority's financial performance over time.*

Summary of Financial Information.....	2015 - 2024
Summary of Raritan Basin System Water Use Contracts .....	2015 - 2024
Summary of Manasquan Water Supply System Water Use Contracts .....	2015 - 2024

**DEBT CAPACITY DATA**

*The schedules present information on the Authority's current levels of outstanding debt and the ability to issue debt in the future.*

Raritan Basin System Revenue Bond Coverage .....	2015 - 2024
Manasquan System Revenue Bond Coverage .....	2015 - 2024

**REVENUE CAPACITY DATA**

*These schedules contain information on the Authority's most significant revenue source.*

Raritan Basin System Water Charges .....	2015 - 2024
Manasquan Water Supply System Water Charges .....	2015 - 2024

**OPERATING INFORMATION**

*These schedules contain operational and infrastructure data in relation to the services the Authority provides.*

Spruce Run Rain Gauge .....	2015 - 2024
West Windsor Rain Gauge .....	2015 - 2024
Spruce Run Reservoir Storage .....	2015 - 2024
Round Valley Reservoir Storage .....	2015 - 2024
Manasquan System Rainfall .....	2015 - 2024
Manasquan Reservoir Storage Data.....	2015 - 2024

**DEBT, ECONOMIC AND DEMOGRAPHIC INFORMATION**

Bonds, Notes and Loans Payable .....	2015 - 2024
Ten Largest State of New Jersey Employers .....	2013 - 2022
State of New Jersey Population and Employment Trends .....	2013 - 2022

**New Jersey Water Supply Authority**  
**Summary of Financial Information 2015 – 2024**

	2015	2016	2017	2018
<b>REVENUE AND EXPENSES</b>				
Water sales	\$24,168,432	\$25,199,424	\$25,394,799	\$30,030,868
Reimbursement of operating exp	<u>\$2,642,400</u>	<u>\$2,642,400</u>	<u>\$2,642,400</u>	<u>\$2,642,400</u>
Total operating revenues	26,810,832	27,841,824	28,037,199	32,673,268
Operating expense	<u>21,449,303</u>	<u>21,413,585</u>	<u>24,686,037</u>	<u>25,036,260</u>
Income from operations	5,361,529	6,428,239	3,351,162	7,637,008
Non-operating revenues	531,655	1,186,165	2,906	559,918
Non-operating expenses	<u>2,140,777</u>	<u>2,101,399</u>	<u>(2,025,379)</u>	<u>1,017,778</u>
Change in net position	3,752,407	5,513,005	5,379,447	7,179,148
GASB 75 adjustment			(37,744,085)	
Net position, beginning of year	<u>104,343,335</u>	<u>108,095,742</u>	<u>113,608,747</u>	<u>81,244,109</u>
Net position, end of year	108,095,742	113,608,747	81,244,109	88,423,257
<b>ASSETS</b>				
Current assets, unrestricted	42,450,358	46,612,558	49,025,001	100,119,822
Current assets, restricted	12,339,659	7,032,591	9,427,648	15,609,357
Non-current assets	<u>153,061,564</u>	<u>151,909,258</u>	<u>150,570,753</u>	<u>155,152,378</u>
Total assets	207,851,581	205,554,407	209,023,402	270,881,557
Deferred outflows of resources	1,280,619	3,646,920	9,612,405	7,402,086
<b>LIABILITIES</b>				
Current liabilities	9,039,888	6,027,320	8,585,118	16,190,347
Non-current liabilities	<u>89,372,731</u>	<u>86,489,391</u>	<u>128,466,486</u>	<u>162,703,934</u>
Total liabilities	98,412,619	92,516,711	137,051,604	178,894,281
Deferred Inflows of Resources	2,623,839	3,075,869	340,094	10,966,105
<b>NET POSITION</b>				
Net investment in capital assets	91,638,454	98,890,303	61,887,512	59,275,272
Restricted for repayment debt principal and interest	9,229,092	3,876,937	7,262,065	13,434,461
Unrestricted	<u>7,228,196</u>	<u>10,841,507</u>	<u>12,094,532</u>	<u>15,713,524</u>
Total net position	\$108,095,742	\$113,608,747	\$81,244,109	\$88,423,257

**New Jersey Water Supply Authority  
Summary of Financial Information 2015 – 2024**

<u>2019</u>	<u>2020</u>	<u>2021*</u>	<u>2022*</u>	<u>2023</u>	<u>2024</u>
\$30,060,964	\$30,230,221	\$30,100,645	\$30,775,239	\$32,451,502	\$32,907,973
<u>\$2,642,400</u>	<u>\$2,640,312</u>	<u>\$2,609,112</u>	<u>\$2,580,000</u>	<u>\$2,580,000</u>	<u>\$2,580,000</u>
32,703,364	32,870,533	32,709,757	33,355,239	35,031,502	35,487,973
<u>22,836,854</u>	<u>21,685,312</u>	<u>18,703,742</u>	<u>21,139,334</u>	<u>22,243,944</u>	<u>25,221,672</u>
9,866,510	11,185,221	14,006,015	12,215,905	12,787,558	10,266,301
1,281,332	1,668,682	(333,666)	2,436,323	4,249,978	6,043,604
<u>1,317,829</u>	<u>1,552,707</u>	<u>1,213,468</u>	<u>1,319,913</u>	<u>1,305,841</u>	<u>2,662,387</u>
9,830,013	11,301,196	12,458,881	13,332,315	15,731,695	13,647,518
<u>88,423,257</u>	<u>98,253,270</u>	<u>109,554,466</u>	<u>122,013,347</u>	<u>135,345,662</u>	<u>151,077,357</u>
98,253,270	109,554,466	122,013,347	135,345,662	151,077,357	164,724,875
103,682,146	91,018,051	110,844,492	95,979,383	74,156,241	64,616,545
23,143,255	29,004,232	31,950,166	35,629,870	19,823,574	25,002,013
<u>164,010,183</u>	<u>181,337,043</u>	<u>207,987,954</u>	<u>223,816,244</u>	<u>270,076,339</u>	<u>280,384,707</u>
290,835,584	301,359,326	350,782,612	355,425,497	364,056,154	370,003,265
6,967,231	5,787,217	14,418,801	14,333,722	17,117,065	23,575,937
15,069,049	19,623,499	15,808,252	15,857,254	17,128,163	17,257,449
<u>163,293,861</u>	<u>152,932,482</u>	<u>203,690,065</u>	<u>196,177,942</u>	<u>193,429,485</u>	<u>191,653,605</u>
178,362,910	172,555,981	219,498,317	212,035,196	210,557,648	208,911,054
21,186,635	25,036,096	23,689,749	22,378,361	19,538,214	19,943,273
58,476,549	87,368,795	73,667,713	93,104,101	107,918,240	121,436,336
19,997,698	24,965,590	27,135,716	30,166,251	13,289,738	18,660,025
<u>19,779,023</u>	<u>(2,779,919)</u>	<u>21,209,918</u>	<u>12,075,310</u>	<u>29,869,379</u>	<u>24,628,514</u>
\$98,253,270	\$109,554,466	\$122,013,347	\$135,345,662	\$151,077,357	\$164,724,875

\* Certain balances have been reclassified or restated to conform to current year presentation.

**New Jersey Water Supply Authority  
Raritan Basin System  
Summary of Water Use Contracts  
Daily Contract in Million Gallons Per Day – MGD**

<u>WATER USER</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
UNITED WATER LAMBERTVILLE, INC	0.490	0.490	0.490	0.490	0.490
MERCER COUNTY PARK - GOLF	0.067	0.067	0.067	0.067	0.067
TRENTON COUNTRY CLUB	0.126	0.126	0.126	0.126	0.126
PRINCETON UNIVERSITY	0.150	0.150	0.150	0.150	0.150
NORTH BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
NEW JERSEY AMERICAN WATER	126.600	126.600	126.600	126.600	126.600
EAST BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
NEW BRUNSWICK, CITY OF	10.500	10.500	10.500	10.500	10.500
MIDDLESEX WATER COMPANY	27.000	27.000	27.000	27.000	27.000
ROYCE BROOK GOLF CLUB	0.165	0.165	0.165	0.165	0.165
DUKE FARMS	0.000	0.000	0.000	0.000	0.000
BOROUGH OF GLEN GARDNER	0.008	0.008	0.008	0.008	0.008
RIDGE AT BACK BROOK	0.111	0.111	0.111	0.111	0.111
ROXBURY WATER COMPANY	0.041	0.041	0.041	0.041	0.041
HUNTERDON COUNTY (HERON GLEN GOLF)	0.079	0.079	0.079	0.079	0.079
RARITAN VALLEY COUNTRY CLUB	0.012	0.012	0.012	0.012	0.012
EAST WINDSOR MUA	0.011	0.011	0.011	0.011	0.011
SOMERSET CTY (NESCHANIC VALLEY GOLF)	0.142	0.142	0.142	0.142	0.142
TRUMP NATIONAL GOLF CLUB	0.170	0.170	0.170	0.170	0.170
MORRIS COUNTY MUA	0.079	0.079	0.079	0.079	0.079
APPLIED WATER MGMT (MT. OLIVE TWP)	0.010	0.010	0.010	0.010	0.010
WASHINGTON TOWNSHIP MUA	0.025	0.035	0.035	0.035	0.035
ROXITICUS GOLF CLUB	0.046	0.046	0.046	0.046	0.046
HAMILTON GOLF CLUB	0.138	0.138	0.138	0.138	0.138
SPRINGDALE GOLF CLUB	0.098	0.098	0.098	0.098	0.098
NJ DEPT OF CORRECTIONS	0.025	0.025	0.025	0.025	0.025
STONEBRIDGE COMMUNITY ASSOC	0.081	0.081	0.081	0.081	0.081
VILLAGE GRANDE @ BEAR CREEK	0.074	0.074	0.074	0.074	0.074
EASTERN CONCRETE MATERIALS	0.023	0.023	0.023	0.023	0.023
HUNTERDON MEDICAL CENTER		0.031	0.031	0.031	0.031
PRINCETON UNIVERSITY OPERATIONS		0.027	0.027	0.027	0.027
RENAISSANCE AT MONROE CONDOMINIUM ASSOC.			0.014	0.014	0.014
<b>SYSTEM TOTAL</b>	<u>182.271</u>	<u>182.339</u>	<u>182.353</u>	<u>182.353</u>	<u>182.353</u>

**New Jersey Water Supply Authority  
Raritan Basin System  
Summary of Water Use Contracts  
Daily Contract in Million Gallons Per Day – MGD**

<u>WATER USER</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
UNITED WATER LAMBERTVILLE, INC	0.490	0.490	0.490	0.490	0.490
MERCER COUNTY PARK COMMISSION	0.067	0.067	0.067	0.067	0.067
TRENTON COUNTRY CLUB	0.126	0.126	0.126	0.126	0.126
PRINCETON UNIVERSITY	0.150	0.150	0.150	0.150	0.150
NORTH BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
NEW JERSEY AMERICAN WATER	126.600	126.600	126.600	126.600	126.600
EAST BRUNSWICK TOWNSHIP	8.000	8.000	8.000	8.000	8.000
NEW BRUNSWICK, CITY OF	10.500	10.500	10.500	10.500	10.500
MIDDLESEX WATER COMPANY	27.000	27.000	27.000	27.000	27.000
ROYCE BROOK GOLF CLUB	0.165	0.165	0.165	0.165	0.165
DUKE FARMS	0.000	0.000	0.000	0.000	0.000
BOROUGH OF GLEN GARDNER	0.008	0.008	0.008	0.008	0.008
RIDGE AT BACK BROOK	0.111	0.111	0.111	0.111	0.111
ROXBURY WATER COMPANY	0.041	0.041	0.041	0.041	0.041
HUNTERDON COUNTY (HERON GLEN GOLF)	0.079	0.079	0.079	0.079	0.079
RARITAN VALLEY COUNTRY CLUB	0.012	0.012	0.012	0.012	0.012
EAST WINDSOR MUA	0.011	0.011	0.011	0.011	0.011
SOMERSET CTY (NESCHANIC VALLEY GOLF)	0.142	0.142	0.142	0.142	0.142
TRUMP NATIONAL GOLF CLUB	0.170	0.170	0.170	0.170	0.170
MORRIS COUNTY MUA	0.079	0.079	0.079	0.079	0.079
APPLIED WATER MGMT (MT. OLIVE TWP)	0.010	0.010	0.010	0.010	0.010
WASHINGTON TOWNSHIP MUA	0.035	0.035	0.035	0.035	0.035
ROXITICUS GOLF CLUB	0.046	0.046	0.046	0.046	0.046
HAMILTON FARM GOLF CLUB	0.138	0.138	0.138	0.138	0.138
SPRINGDALE GOLF CLUB	0.098	0.098	0.098	0.098	0.098
NJ DEPT OF CORRECTIONS	0.025	0.025	0.025	0.025	0.025
STONEBRIDGE COMMUNITY ASSOC	0.081	0.081	0.081	0.081	0.081
VILLAGE GRANDE@ BEAR CREEK	0.074	0.074	0.074	0.074	0.074
EASTERN CONCRETE MATERIALS	0.023	0.023	0.023	0.023	0.023
HUNTERDON MEDICAL CENTER	0.031	0.031	0.031	0.031	0.031
PRINCETON UNIVERSITY OPERATIONS	0.027	0.027	0.027	0.027	0.027
RENAISSANCE AT MONROE CONDOMINIUM ASSOC.	0.014	0.014	0.014	0.014	0.014
<b>SYSTEM TOTAL</b>	<b>182.353</b>	<b>182.339</b>	<b>182.339</b>	<b>182.339</b>	<b>182.339</b>

**New Jersey Water Supply Authority  
Manasquan Water Supply System  
Summary of Water Use Contracts  
Daily Contract in Million Gallons Per Day – MGD**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
WALL TOWNSHIP	2.275	2.00	2.00	2.00	2.00
BOROUGH OF AVON	0.142	0.126	0.126	0.126	0.126
SHORELANDS WATER COMPANY	1.928	2.007	2.007	2.007	2.007
NEW JERSEY AMERICAN WATER	12.5	12.5	12.5	12.5	12.5
BOROUGH OF RED BANK	0.778	0.548	0.548	0.548	0.548
BOROUGH OF SEA GIRT	0.075	0.04	0.04	0.04	0.04
BOROUGH OF SPRING LAKE	0.31	0.31	0.31	0.31	0.31
BOROUGH OF SPRING LAKE HEIGHTS	0.425	0.386	0.386	0.386	0.386
BOROUGH OF BELMAR	0.65	0.288	0.288	0.288	0.288
BOROUGH OF BRIELLE	0.45	0.45	0.45	0.45	0.45
BOROUGH OF KEYPORT	0.458	0.356	0.356	0.356	0.356
BOROUGH OF MATAWAN	0.469	0.332	0.332	0.332	0.332
BOROUGH OF LAKE COMO	0.100	0.100	0.100	0.100	0.100
	<u>20.560</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
WALL TOWNSHIP	2.00	2.00	2.00	2.00	2.00
BOROUGH OF AVON	0.126	0.126	0.126	0.126	0.126
SHORELANDS WATER COMPANY	2.007	2.007	2.007	2.007	2.007
NEW JERSEY AMERICAN WATER	12.5	12.5	12.5	12.5	12.5
BOROUGH OF RED BANK	0.548	0.548	0.548	0.548	0.548
BOROUGH OF SEA GIRT	0.04	0.04	0.04	0.04	0.04
BOROUGH OF SPRING LAKE	0.31	0.31	0.31	0.31	0.31
BOROUGH OF SPRING LAKE HEIGHTS	0.386	0.386	0.386	0.386	0.386
BOROUGH OF BELMAR	0.288	0.288	0.288	0.288	0.288
BOROUGH OF BRIELLE	0.45	0.45	0.45	0.45	0.45
BOROUGH OF KEYPORT	0.356	0.356	0.356	0.356	0.356
BOROUGH OF MATAWAN	0.332	0.332	0.332	0.332	0.332
BOROUGH OF LAKE COMO	0.100	0.100	0.100	0.100	0.100
	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>	<u>19.443</u>

**New Jersey Water Supply Authority  
Raritan Basin System  
Series 1988, D&R System Revenue Bond Coverage\*<sup>1</sup>  
Series 1998, D&R System Revenue Refunding Bond Coverage**

Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Payments	Coverage
2021 <sup>2</sup>					
2020 <sup>2</sup>					
2019 <sup>2</sup>					
2018 <sup>2</sup>					
2017 <sup>2</sup>					
2016 <sup>2</sup>					
2015 <sup>2</sup>					
2014	\$17,584,676	\$12,099,450	\$5,485,226	\$2,669,875	2.05
2013	\$17,504,982	\$11,677,600	\$5,827,382	\$2,670,997	2.18
2012	\$17,799,191	\$11,935,100	\$5,864,091	\$2,680,266	2.19
2011	\$18,055,011	\$11,765,800	\$6,289,211	\$2,688,219	2.34
2010	\$17,968,946	\$11,678,300	\$6,290,646	\$2,698,931	2.33

Note 1. Section 713 of the Delaware & Raritan Canal - Spruce Run/Round Valley Reservoirs System Bond Resolution, adopted November 17, 1988, requires that the Net Revenues in each fiscal year be at least 120% of the Debt Service on the 1988 bonds for the twelve-month period in such fiscal year.

Note 2. The last principal payment of \$2,600,000 was made on November 1, 2013.

**Manasquan Water Supply System  
Series 2005, Manasquan System Revenue Bond Coverage\*<sup>1</sup>**

Fiscal Year	Gross Revenue	Operating Expenses	Available for Debt Service	Service Payments	Coverage
2024	\$9,398,233	\$3,629,894	\$5,768,339	\$580,713	9.933
2023	\$9,046,777	\$3,017,407	\$6,029,370	\$581,963	10.360
2022	\$7,385,748	\$2,626,795	\$4,758,953	\$582,213	8.174
2021	\$7,448,897	\$2,620,677	\$4,828,220	\$3,446,338	1.401
2020	\$7,815,996	\$2,809,333	\$5,006,663	\$3,445,963	1.453
2019	\$7,838,524	\$3,026,023	\$4,812,501	\$3,443,937	1.397
2018	\$7,686,455	\$3,146,165	\$4,540,290	\$3,454,588	1.314
2017	\$8,075,400	\$3,171,399	\$4,904,001	\$718,532	6.825
2016	\$8,519,609	\$3,032,555	\$5,487,054	\$3,969,827	1.382
2015	\$8,715,369	\$3,096,047	\$5,619,322	\$4,250,454	1.322
2014	\$8,456,993	\$2,981,200	\$5,475,793	\$4,082,274	1.340
2013	\$8,174,391	\$2,862,600	\$5,311,791	\$4,080,204	1.300
2012	\$8,210,668	\$2,866,100	\$5,344,568	\$4,071,454	1.310
2011	\$7,976,636	\$2,956,600	\$5,020,036	\$3,809,328	1.320
2010	\$7,785,670	\$2,823,200	\$4,962,470	\$3,816,713	1.300

Note 1. Section 712 of the Manasquan Reservoir System Bond Resolution, adopted June 6, 2005 as supplemented by the Second Supplemental Bond Resolution, adopted April 4, 2016, requires that the Net Revenues in each fiscal year be at least 120% of the Debt Service on the 2005 and 2016 Bonds for the twelve-month period in such fiscal year.

\* Numbers to calculate bond coverage were extracted from the corresponding budget for the applicable fiscal year.

**New Jersey Water Supply Authority  
Delaware and Raritan Canal – Spruce Run/Round Valley Reservoirs System  
Water Charges Per Million Gallons of Raw Water Daily**

<u>EFFECTIVE DATE</u>	<u>7/1/2015</u>	<u>7/1/2016</u>	<u>7/1/2017</u>	<u>7/1/2018</u>	<u>7/1/19</u>
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RATE PER MGD	\$253.00	\$253.00	\$336.00	\$336.00	\$336.00
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<u>EFFECTIVE DATE</u>	<u>7/1/2020</u>	<u>7/1/21</u>	<u>7/1/22</u>	<u>7/1/23</u>	<u>7/1/24</u>
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RATE PER MGD	\$336.00	\$336.00	\$336.00	\$365.00	\$365.00
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**New Jersey Water Supply Authority  
Manasquan Water Supply System  
Water Charges Per Million Gallons of Raw Water Daily**

<u>EFFECTIVE DATE</u>	<u>7/01/2015</u>	<u>7/01/2016</u>	<u>7/01/2017</u>	<u>7/01/2018</u>	<u>7/01/2019</u>
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RATE PER MGD	\$1,057.40	\$1,104.58	\$1,043.35	\$1,043.35	\$1,043.35
(Delayed Contracts)	\$1,190.86	\$1,238.04	\$1,137.76	\$1,137.76	\$1,137.76

<u>EFFECTIVE DATE</u>	<u>7/01/2020</u>	<u>7/01/2021</u>	<u>7/01/2022</u>	<u>7/01/2023</u>	<u>7/01/2024</u>
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RATE PER MGD	\$1,010.75	\$1,010.75	\$1,010.75	\$1,010.75	\$1,010.75
(Delayed Contracts)	\$1,124.67	\$1,124.67	\$1,124.67	\$1,124.67	\$1,124.67

**New Jersey Water Supply Authority  
Raritan Basin System  
Spruce Run Rain Gauge (inches)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2024	6.37	1.55	7.01	4.79	4.24	3.67	2.65	6.42	0.86	0.01	0.00		
2023	4.96	1.26	2.50	5.46	0.83	7.24	5.93	5.32	6.05	1.32	3.32	9.83	54.02
2022	2.94	3.06	2.88	6.37	5.65	3.19	1.14	3.84	5.54	6.09	3.37	4.50	48.57
2021	1.86	4.98	3.68	2.18	4.14	2.67	6.98	7.69	8.35	5.29	1.14	1.92	50.88
2020	2.58	2.80	3.40	5.00	2.62	1.77	3.69	7.27	5.18	3.82	5.86	4.05	48.04
2019	5.27	2.93	4.51	4.39	10.29	7.15	8.19	5.40	1.23	6.99	2.73	4.95	64.03
2018	2.99	6.64	4.78	5.95	5.66	3.38	9.47	9.83	9.52	4.11	12.77	8.58	83.68
2017	3.32	1.87	4.91	2.66	5.15	3.08	7.88	4.87	2.47	5.76	1.52	1.44	44.93
2016	2.03	4.60	1.11	1.66	4.07	3.03	7.00	2.98	1.74	0.53	3.02	3.25	35.02
2015	2.38	0.86	3.91	2.03	2.38	5.98	2.02	0.78	2.76	3.37	1.66	4.23	32.36
TOTAL	34.70	30.55	38.69	40.49	45.03	41.16	54.95	54.40	43.70	37.29	35.39	42.75	461.53
AVERAGE	3.47	3.06	3.87	4.05	4.50	4.12	5.50	5.44	4.37	3.73	3.54	4.75	51.28
MAXIMUM	6.37	6.64	7.01	6.37	10.29	7.24	9.47	9.83	9.52	6.99	12.77	9.83	83.68
MINIMUM	1.86	0.86	1.11	1.66	0.83	1.77	1.14	0.78	0.86	0.01	0.00	1.44	32.36

**New Jersey Water Supply Authority  
Raritan Basin System  
West Windsor Rain Gauge (inches)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2024	5.83	1.78	7.84	4.38	2.91	2.42	3.22	6.74	0.75	0.00			
2023	4.83	1.76	2.98	5.70	0.93	4.42	9.40	4.06	6.97	1.75	3.06	8.41	54.27
2022	3.74	2.28	2.90	5.29	6.87	2.75	0.82	2.47	3.87	7.14	3.63	4.94	46.70
2021	1.80	3.75	3.42	2.41	4.53	2.09	6.66	7.20	9.99	5.31	0.78	1.56	49.50
2020	2.20	2.80	4.04	4.88	2.20	2.31	7.40	6.37	5.20	5.45	4.86	3.98	51.69
2019	4.34	3.38	3.93	4.84	7.57	4.61	5.46	2.66	1.21	6.46	2.17	5.57	52.20
2018	2.89	7.05	4.80	4.74	5.98	3.99	6.03	4.57	8.39	2.16	8.88	6.56	66.04
2017	4.35	1.38	3.74	3.86	6.59	5.16	5.41	7.90	2.69	4.94	1.68	1.60	49.30
2016	2.21	5.30	2.29	1.49	3.83	1.82	9.42	1.11	2.10	2.18	3.78	3.30	38.83
2015	3.18	2.46	5.53	2.54	1.38	6.04	2.79	1.72	3.27	5.27	1.98	5.28	41.44
TOTAL	35.37	31.94	41.47	40.13	42.79	35.61	56.61	44.80	44.44	40.66	30.82	41.20	449.97
AVERAGE	3.54	3.19	4.15	4.01	4.28	3.56	5.66	4.48	4.44	4.07	3.42	4.58	50.00
MAXIMUM	5.83	7.05	7.84	5.70	7.57	6.04	9.42	7.90	9.99	7.14	8.88	8.41	66.04
MINIMUM	1.80	1.38	2.29	1.49	0.93	1.82	0.82	1.11	0.75	0.00	0.78	1.56	38.83

**New Jersey Water Supply Authority  
Raritan Basin System  
Spruce Run Reservoir Storage  
Billion Gallons**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2024	11.1	11.1	10.5	11.1	11.0	11.0	10.1	8.1	7.8	5.1		
2023	6.5	8.4	9.2	10.1	11.0	11.1	11.1	11.0	11.0	10.8	10.8	10.9
2022	10.7	10.1	10.7	11.2	11.1	11.0	10.4	8.1	4.9	3.9	4.6	5.1
2021	11.1	10.9	11.1	11.1	11.0	11.1	10.7	10.6	11.8	11.0	11.1	10.9
2020	10.2	10.3	10.3	11.0	11.2	11.0	10.5	9.5	10.0	9.4	9.2	10.0
2019	11.2	11.1	11.0	10.6	10.7	11.1	11.0	11.0	10.3	9.4	9.4	9.5
2018	5.6	6.0	7.9	9.9	11.1	11.0	11.0	10.9	10.9	10.5	10.3	11.1
2017	4.1	4.9	5.3	6.6	8.1	9.3	9.8	10.4	10.4	8.1	6.2	6.1
2016	5.3	6.0	8.2	8.9	9.3	9.8	7.8	7.0	6.2	4.9	3.7	3.7
2015	5.8	6.4	6.3	8.8	9.8	10.1	10.7	9.7	7.1	5.4	4.9	5.3
AVERAGE	8.2	8.5	9.0	9.9	10.4	10.6	10.3	9.6	9.0	7.9	7.8	8.1
MAXIMUM	11.2	11.1	11.1	11.2	11.2	11.1	11.1	11.0	11.8	11.0	11.1	11.1
MINIMUM	4.1	4.9	5.3	6.6	8.1	9.3	7.8	7.0	4.9	3.9	3.7	3.7

MAXIMUM CAPACITY 11.0 BG

**New Jersey Water Supply Authority  
Raritan Basin System  
Round Valley Reservoir Storage  
Billion Gallons**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2024	40.0	42.0	46.5	50.7	53.9	54.1	54.3	53.9	53.7	52.9		
2023	31.2	31.5	31.6	33.9	36.4	36.3	36.5	36.4	36.4	36.5	36.4	36.9
2022	36.2	36.2	36.4	36.5	36.4	36.5	36.2	34.8	32.3	30.7	30.9	30.9
2021	36.4	36.3	36.6	36.4	36.3	36.4	36.3	36.3	36.2	36.2	36.3	36.2
2020	36.6	36.6	36.7	36.6	36.4	36.6	36.5	36.6	36.4	36.4	36.5	36.4
2019	47.4	47.7	47.1	47.5	47.8	47.8	47.3	46.6	45.4	41.1	37.9	35.9
2018	42.1	41.3	41.7	42.0	44.7	47.0	47.0	47.0	47.0	47.2	47.2	47.7
2017	36.2	36.9	37.4	38.7	40.4	42.6	43.0	43.1	42.8	42.6	42.7	42.5
2016	44.3	44.5	44.9	45.0	45.0	45.7	45.6	44.3	43.4	39.4	37.0	35.9
2015	48.5	48.7	48.7	49.1	49.2	49.0	49.1	49.0	47.4	44.6	44.1	44.3
AVERAGE	39.88	40.16	40.75	41.65	42.65	43.21	43.18	42.78	42.09	40.77	38.79	38.52
MAXIMUM	48.5	48.7	48.7	50.7	53.9	54.1	54.3	53.9	53.7	52.9	47.2	47.7
MINIMUM	31.2	31.5	31.6	33.9	36.3	36.3	36.2	34.8	32.3	30.7	30.9	30.9

MAXIMUM CAPACITY 55.0 BG

**New Jersey Water Supply Authority  
Manasquan Water System Rainfall (inches)**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2024	6.64	2.15	9.42	3.89	3.49	3.7	0.99	4.41	1.52	0.0		
2023	3.28	1.77	3.75	9.16	1.23	1.94	6.69	5.20	11.44	2.34	1.85	9.59
2022	4.90	3.15	2.98	5.08	5.06	3.73	1.49	2.73	1.98	8.57	3.13	5.63
2021	2.62	5.42	5.55	2.75	4.32	2.61	8.32	5.91	3.74	6.60	0.74	1.21
2020	2.60	2.90	4.11	4.88	1.61	4.97	4.97	5.15	2.15	7.16	5.88	4.55
2019	4.23	3.43	4.2	4.55	6.29	5.35	5.36	3.48	1.23	4.80	1.56	7.07
2018	3.31	7.63	7.20	4.01	10.34	2.89	6.16	7.02	8.00	6.37	9.30	6.12
2017	5.01	1.22	7.68	3.96	8.07	2.31	4.13	4.17	2.49	5.98	2.52	1.36
2016	2.15	3.81	1.94	2.15	3.42	1.54	7.59	0.58	4.49	3.58	2.93	3.63
2015	5.20	1.87	4.29	2.29	1.14	5.44	3.01	2.35	2.11	4.82	2.42	4.49
TOTAL	39.94	33.35	51.12	42.72	44.97	34.48	48.71	41.00	39.15	50.22	30.33	43.65
AVERAGE	3.99	3.34	5.11	4.27	4.50	3.45	4.87	4.10	3.92	5.02	3.37	4.85
MAXIMUM	6.64	7.63	9.42	9.16	10.34	5.44	8.32	7.02	11.44	8.57	9.30	9.59
MINIMUM	2.15	1.22	1.94	2.15	1.14	1.54	0.99	0.58	1.23	0.00	0.74	1.21

**New Jersey Water Supply Authority  
Manasquan Water Reservoir Storage Data  
Billion Gallons**

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
2024	4.13	4.31	4.57	4.56	4.48	4.47	4.1	3.66	3.2	2.73		
2023	4.51	4.59	4.58	4.59	4.60	4.48	4.25	3.95	3.73	3.87	3.88	3.97
2022	4.36	4.46	4.56	4.61	4.56	4.51	4.20	3.69	3.16	3.14	3.41	3.80
2021	4.53	4.48	4.57	4.54	4.56	4.58	4.46	4.21	4.01	3.91	4.15	4.33
2020	4.55	4.48	4.50	4.54	4.52	4.44	4.22	3.94	3.65	3.50	3.73	4.24
2019	4.53	4.49	4.61	4.55	4.61	4.58	4.44	4.35	4.17	3.98	4.08	4.17
2018	4.17	4.64	4.66	4.64	4.62	4.59	4.43	4.54	4.58	4.58	4.55	4.53
2017	4.37	4.61	4.56	4.62	4.60	4.54	4.34	4.14	4.00	3.76	4.00	4.05
2016	4.44	4.60	4.58	4.60	4.58	4.38	4.02	3.71	3.19	3.02	3.01	3.52
2015	4.58	4.54	4.52	4.59	4.60	4.51	4.34	3.91	3.35	3.12	3.20	3.52
AVERAGE	4.41	4.52	4.57	4.58	4.57	4.51	4.28	4.01	3.70	3.56	3.78	4.01
MAXIMUM	4.58	4.64	4.66	4.64	4.62	4.59	4.46	4.54	4.58	4.58	4.55	4.53
MINIMUM	4.13	4.31	4.50	4.54	4.48	4.38	4.02	3.66	3.16	2.73	3.01	3.52

## New Jersey Water Supply Authority Bonds, Notes and Loans Payable

Fiscal Year Ending	Revenue Bonds	Deferred Notes to the State of New Jersey	Loans to the State of New Jersey and NJEIT	Total Bonds, Notes and Loans Payable	Outstanding Debt to Total Personal Income Ratio <sup>1</sup>	Outstanding Debt Per Capita Ratio <sup>2</sup>
2024	\$4,533,925	\$33,566,892	\$112,181,916	\$150,282,733	0.069%	\$58.89
2023	\$5,021,291	\$33,566,892	\$114,168,508	\$152,756,691	0.070%	\$59.86
2022	\$5,488,656	\$33,566,892	\$116,982,962	\$156,038,510	0.072%	\$61.14
2021	\$5,936,022	\$33,566,892	\$119,872,023	\$159,374,937	0.075%	\$62.32
2020	\$9,355,100	\$33,566,892	\$73,907,816	\$116,829,808	0.059%	\$47.67
2019	\$12,619,179	\$33,566,892	\$74,976,680	\$121,162,751	0.064%	\$49.33
2018	\$15,748,257	\$33,566,892	\$60,811,617	\$110,126,766	0.060%	\$44.68
2017	\$18,802,335	\$33,566,892	\$12,318,018	\$64,687,245	0.037%	\$25.94
2016	\$19,281,414	\$33,566,892	\$13,382,948	\$66,231,254	0.040%	\$26.74
2015	\$27,135,913	\$33,647,103	\$14,379,107	\$75,162,123	0.047%	\$30.38
2014	\$30,058,222	\$33,649,796	\$15,420,970	\$79,128,988	0.051%	\$32.03
2013	\$35,456,893	\$33,652,337	\$16,393,574	\$85,502,804	0.058%	\$34.72

Note 1. Total personal income for the service area of Hunterdon, Middlesex, Somerset, Union and Monmouth Counties using Bureau of Economic Analysis CAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income - County Last updated November 14, 2024; new statistics for 2023; revised statistics for 2019-2022.

Note 2. Population estimates for the service area of Hunterdon, Middlesex, Somerset, Union and Monmouth Counties using Bureau of Economic Analysis CAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income - County

**State of New Jersey Ten Largest Employers  
2022 as Compared To 2013**

<b>2022 RANK</b>	<b>EMPLOYER</b>	<b>NEW JERSEY EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL NEW JERSEY EMPLOYMENT</b>
1	New Jersey State Government	60,954	1.3%
2	Amazon	50,000	1.1%
3	Wakefern Food Corporation (ShopRite)	36,409	0.8%
4	Wal-Mart Stores, Inc.	23,799	0.5%
5	United Parcel Service (UPS)	19,826	0.4%
6	Johnson & Johnson	15,900	0.3%
7	PSEG	12,500	0.3%
8	Bank of America	11,000	0.2%
9	Caesar's Entertainmnet	7,142	0.2%
10	Borgata Hotel, Casino and Spa	4,289	0.1%
		241,819	5.2%

<b>2013 RANK</b>	<b>EMPLOYER</b>	<b>NEW JERSEY EMPLOYEES</b>	<b>PERCENTAGE OF TOTAL NEW JERSEY EMPLOYMENT</b>
1	New Jersey State Government	68,318	1.6%
2	Wakefern Food Corporation (ShopRite)	40,000	1.0%
3	Wal-Mart Stores, Inc.	18,593	0.4%
4	Verizon	15,100	0.4%
5	United Parcel Service (UPS)	15,000	0.4%
6	Johnson & Johnson	14,500	0.3%
7	United Continental Holdings (formerly Continenal Airlines)	13,600	0.3%
8	The Great Atlantic and Pacific Tea Company (A&P)	12,373	0.3%
9	The Home Depot	12,100	0.3%
10	Caesars Entertainment (formerly Harrah's Enterainment, LLC)	11,804	0.3%
		221,388	5.3%

Note: taken from state of New Jersey CAFR Statistical Section  
New Jersey Department of the Treasury, Office of Management and Budget - Most recent Annual Report  
<https://www.nj.gov/treasury/omb/fr.shtml>

**State of New Jersey  
Population and Employment Trends  
(Expressed in Thousands)**

YEAR	NEW JERSEY POPULATION <sup>1</sup>	CIVILIAN LABOR FORCE <sup>2</sup>	RESIDENT EMPLOYMENT <sup>2</sup>	RESIDENT UNEMPLOYMENT <sup>2</sup>	NEW JERSEY UNEMPLOYMENT RATE (%) <sup>2</sup>	UNITED STATES UNEMPLOYMENT RATE (%) <sup>2</sup>
2013	8,985	4,597	4,211	386	8.4	7.4
2014	9,034	4,583	4,274	308	6.7	6.2
2015	9,077	4,604	4,342	262	5.7	5.3
2016	9,120	4,623	4,394	228	4.9	4.9
2017	9,175	4,615	4,406	209	4.5	4.4
2018	9,219	4,605	4,420	185	4.0	3.9
2019	9,259	4,686	4,525	162	3.5	3.7
2020	9,272	4,649	4,211	438	9.4	8.1
2021	9,267	4,666	4,357	309	6.6	5.4
2022	9,262	4,740	4,565	174	3.7	3.6

**Notes:**

<sup>1</sup> New Jersey Population data for 2020 and 2021 has been revised to reflect seasonally adjusted data.

<sup>2</sup> Civilian Labor Force, Resident Employment and Unemployment data for 2013 through 2021 has been revised to reflect seasonally adjusted data.

**Sources:**

United States Department of Labor, Bureau of Labor Statistics.

New Jersey Department of the Treasury, Office of Revenue & Economic Analysis.

**State of New Jersey  
Valuations of Taxable Real Property, Personal and Per Capita Income  
(Expressed in Millions Except as Indicated)**

YEAR	NEW JERSEY POPULATION (Thousands) <sup>1</sup>	ASSESSED VALUATION OF PROPERTY (\$)	TRUE VALUATION OF PROPERTY (\$)	PERSONAL INCOME(\$) <sup>2</sup>	PER CAPITA INCOME (\$Thousands) <sup>3</sup>
2013	8,985	990,697	1,183,032	492,488	54.8
2014	9,034	971,600	1,158,322	515,515	57.1
2015	9,077	983,032	1,164,399	537,106	59.2
2016	9,120	981,731	1,183,048	552,051	60.5
2017	9,175	1,000,760	1,207,591	573,106	62.5
2018	9,219	1,017,307	1,238,936	598,429	64.9
2019	9,259	1,063,181	1,281,169	633,651	68.4
2020	9,272	1,086,003	1,319,216	663,544	71.6
2021	9,267	1,117,743	1,349,649	713,721	77.0
2022	9,262	1,136,035	1,428,475	727,657	78.6

**Notes:**

<sup>1</sup> New Jersey Population data for 2020 and 2021 has been revised to reflect seasonally adjusted data.

<sup>2</sup> Personal Income data for 2017 through 2021 has been revised.

<sup>3</sup> Per Capita Income equals Personal Income divided by New Jersey Population. Data for 2017 through 2021 has been revised.

<https://www.nj.gov/treasury/omb/publications/23fr/NJFRFY2023Statistical.pdf>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Commissioners of New Jersey Water Supply Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities of the New Jersey Water Supply Authority (a component unit of the State of New Jersey) (the "Authority"), as of and for the year ended June 30, 2024, and the related notes to financial statements, which comprise the Authority's basic financial statements, and have issued our report thereon dated October 23, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONTINUED)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mercadien, P.C.*  
*Certified Public Accountants*

October 23, 2024

**NEW JERSEY WATER SUPPLY AUTHORITY  
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

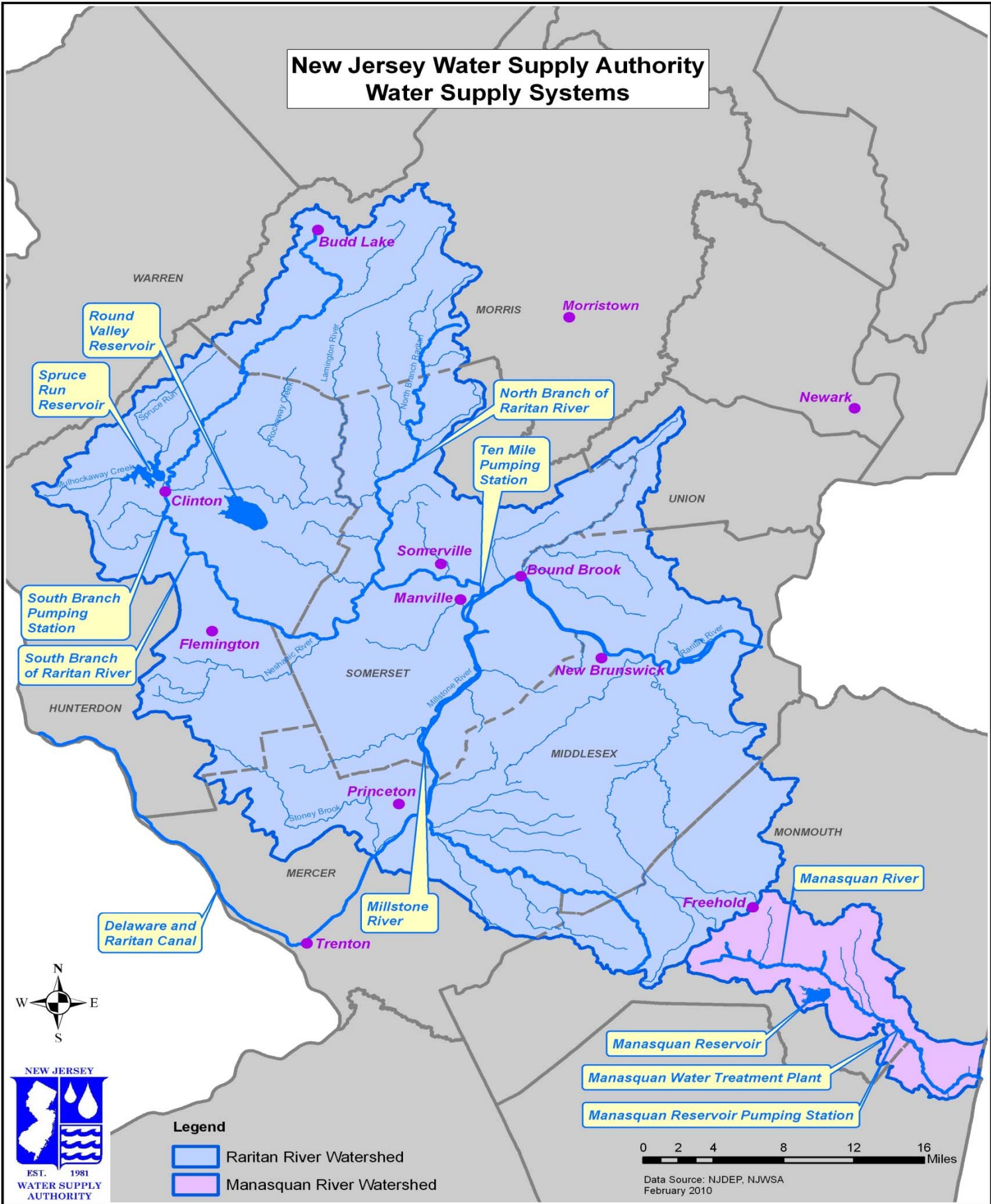
**SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

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None reported.

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# New Jersey Water Supply Authority Water Supply Systems



Data Source: NJDEP, NJWSA  
February 2010

New Jersey Water Supply Authority  
1851 Highway 31  
PO Box 5196  
Clinton, NJ 08809