

**SARATOGA COUNTY  
WATER AUTHORITY**



**2018 ANNUAL REPORT**

# Table of Contents

Operations and Accomplishments

Projects Undertaken in 2018

Assets and Liabilities

Revenues and Expenses

Property Transactions

Remaining Debt

Assessment of Internal Controls

Audit Certification

Board Committees

SCWA Performance Measures

List of SCWA Properties

## **Operations and Accomplishments**

The Authority is a corporate governmental agency as defined by the Saratoga County Water Authority Act (Act), Title 8-F of Article 5 of the New York State Public Authorities Law. The Authority is charged with providing water services for the public benefit. The Authority is empowered to borrow money and issue notes, bonds or obligations in order to pay the costs of water projects or projects for corporate purposes. Bonds issued by the Authority are not considered debt of the State of New York (the "State") or any municipality thereof. However, the State pledges not to alter or limit the rights of the Authority involving any projects that are being funded through bonds that the Authority had issued. The Authority is empowered to fix rates and collect charges for use of the facilities and services rendered in order to provide revenues for paying the principal and interest of bonds, notes and/or other obligations and for regular operation and maintenance ("O&M") expenses. No public service commission or entity of like character has jurisdiction over the Authority in management and control of operations or in regulation of rates fixed and charges collected.

The Act also states that powers of the Authority are vested in and exercised by a governing board of seven members. The members are appointed by the chairperson of the Board of Supervisors of Saratoga County ("County"). The officers of the Authority (other than the secretary) are required to be members of the Board. In addition to a secretary, officers include a chairperson, vice chairperson, treasurer and deputy treasurer. The officers are elected by the Board.

In 2018 our water system served eight customers; The Town of Moreau, the Wilton Water & Sewer Authority, the Town of Ballston, the Clifton Park Water Authority, the Town of Malta, the Village of Stillwater, Town of Stillwater and Global Foundries. The total water provided to our customers in 2018 was 2,140 million gallons. The daily average water consumption was 5.85 million gallons a day. Our highest monthly daily flow occurred in July and was recorded at 7.67 million gallons per day. In 2018, municipal water customers were charged \$2.276 per 1,000 gallons of water.

## **PROJECTS UNDERTAKEN BY THE SARATOGA COUNTY WATER AUTHORITY IN 2018**

### **Town of Halfmoon Water Connection**

The SCWA along with the Towns of Halfmoon and Waterford seek to address water supply needs and potential consolidation of existing infrastructure through a water interconnection between the Towns and the Saratoga County Water Authority. Presently the Towns of Waterford and Halfmoon maintain existing water treatment facilities that obtain source water from the Hudson River. Both facilities have been taken off-line due to contamination of the source water by PCBs associated with operations and clean-up of the river by General Electric

The Saratoga County Water Authority along with the Towns of Halfmoon and Waterford are actively pursuing the construction of a water supply interconnection.

Projected Cost - \$6.4 million, SCWA Portion \$3.5 Million.

SCWA Expenses through Dec. 31, 2018 - \$170,074

### **SCWA Storage Building**

In 2017, the SCWA began the design phase of constructing a 40' x 120' barn type storage building to provide enclosed storage space for pipeline equipment, vehicles and other large equipment currently exposed to weather. As of Dec. 31, 2018, the project was redesigned and rebid to a prefabricated metal building with a significant cost savings to the Authority.

New Projected Cost - \$250,000

SCWA Expenses through Dec. 31, 2018 - \$15,000

### **SCWA Phase II Expansion Project**

The SCWA began the planning and design phase of a minimum 4 mgd expansion to the facility. The project is anticipated to include two additional membrane racks, a new 1.0 million gallon clearwell, chemical feed system upgrades and additional pumps and other equipment. Construction is anticipated to begin in 2020. The project is partially funded with a \$3.2 million grant and is needed in order to meet anticipated future demands for the Authority.

Projected Cost - \$7.5 million

SCWA Expenses through Dec. 31, 2018 - \$15,000

**SARATOGA COUNTY WATER AUTHORITY**  
**(A COMPONENT UNIT OF SARATOGA COUNTY, NEW YORK)**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)  
DECEMBER 31, 2018 AND 2017

**Analysis of the Authority's Financial Position**

The Authority's net position decreased by \$45,443 in 2018, to \$23.2 million. The Authority's net position decreased by \$945,000 million in 2017, to \$23.3 million.

**CONDENSED STATEMENT OF NET POSITION**

	2018	2018	2017	2017	2016	2016
	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>
<b>ASSETS</b>						
Current Assets	\$ 8,815,991	11.1	\$ 8,101,244	10.0	\$ 8,772,554	10.3
Restricted Assets	2,980,185	3.8	2,935,430	3.6	2,935,059	3.5
Property, Plant, and Equipment, Net	64,101,718	80.8	66,633,369	82.0	69,221,429	81.5
Other Assets	-	0.0	-	0.0	107,754	.1
Total Assets	<u>75,870,499</u>	<u>95.7</u>	<u>77,670,043</u>	<u>95.6</u>	<u>81,036,796</u>	<u>95.4</u>
Deferred Outflows of Resources	<u>3,397,455</u>	<u>4.3</u>	<u>3,553,068</u>	<u>4.4</u>	<u>3,911,389</u>	<u>4.6</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 79,295,349</u>	<u>100.0</u>	<u>\$ 81,223,111</u>	<u>100.0</u>	<u>\$ 84,948,185</u>	<u>100.0</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>						
Current Liabilities	\$ 2,451,564	3.1	\$ 2,496,575	3.1	\$ 1,385,275	1.6
Long-Term Liabilities	<u>48,693,920</u>	<u>61.4</u>	<u>50,390,263</u>	<u>62.0</u>	<u>54,057,605</u>	<u>63.7</u>
Total Liabilities	51,145,484	64.5	52,886,838	65.1	55,442,880	65.3
Deferred Inflows of Resources	4,917,736	6.2	5,058,701	6.2	5,344,170	6.3
Net Position	<u>23,232,129</u>	<u>29.3</u>	<u>23,277,572</u>	<u>28.7</u>	<u>24,161,135</u>	<u>28.4</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 79,295,349</u>	<u>100.0</u>	<u>\$ 81,223,111</u>	<u>100.0</u>	<u>\$ 84,948,185</u>	<u>100.0</u>

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**

	2018	2018	2017	2017	2016	2016
	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>	<u>Total</u>	<u>%</u>
Operating Revenue	\$ 6,283,438	99.3	\$ 5,467,453	99.4	\$ 5,265,112	58.5
Non-Operating Revenue	<u>42,847</u>	<u>.7</u>	<u>30,558</u>	<u>.6</u>	<u>3,731,619</u>	<u>41.5</u>
Total Revenues	<u>6,326,285</u>	<u>100.0</u>	<u>5,498,011</u>	<u>100.0</u>	<u>8,996,731</u>	<u>100.0</u>
Depreciation	2,730,516	43.2	2,718,214	49.4	2,680,760	29.8
Other Operating Expense	1,735,398	27.4	1,748,530	31.9	1,618,325	18.0
Non-Operating Expense	<u>1,905,814</u>	<u>30.1</u>	<u>1,975,943</u>	<u>35.9</u>	<u>2,652,084</u>	<u>29.5</u>
Total Expenses	<u>6,371,728</u>	<u>100.7</u>	<u>6,442,687</u>	<u>117.2</u>	<u>6,951,169</u>	<u>77.3</u>
Change in Net Position	<u>\$ (45,443)</u>	<u>(.7)</u>	<u>\$ (944,676)</u>	<u>(17.2)</u>	<u>\$ 2,045,562</u>	<u>22.7</u>

## **Real Property Transactions**

The Saratoga County Water Authority had no real property transactions in 2018 that exceeded \$5,000.

## **Personal Property Transactions**

The Saratoga County Water Authority had no personal property dispositions in 2018 that exceeded \$5,000.

## **Remaining Debt of the Authority**

The Authority currently has two municipal Bond issuances outstanding:

**Series 2014 Bonds** - \$4.34 million original issuance. Remaining Principal is \$4,040,000 at December 31, 2018. Total Interest Payments made in 2018 are \$207,875.

**Series 2016 Refunding Bonds** - In 2016, the Authority issued \$41,360,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$42,115,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 32 years by approximately \$11.2 million and resulted in an economic gain of approximately \$6.9 million. In 2018, a principal payment in the amount of \$620,000 and an interest payment was made in the amount of \$1,643,000.

**Saratoga County IDA Loan** - \$1 million loan. \$525,000 in grant funding. No principal payments are due on this loan until 2020. One interest payment was made in 2018 in the amount of \$6,900.

## **SCWA 2018 Board Committees**

### **Governance Committee – 3 Members**

John Lawler  
Tim Szczepaniak  
James Smith

### **Audit Committee – 3 Members**

Darren O'Connor  
Anita Daly  
Arthur Johnson

### **Finance Committee – 3 Members**

Thomas Cumm  
Arthur Johnson  
John Lawler

### **Personnel Committee – 3 Members**

Thomas Cumm  
James Smith  
Darren O'Connor

### **Smart Growth Committee – 3 Members**

Anita Daly  
Arthur Johnson  
Tim Szczepaniak