



**ONONDAGA COUNTY WATER AUTHORITY**

**ANNUAL REPORT DOCUMENTATION**

**YEAR ENDED DECEMBER 31, 2016**

**ANNUAL REPORT DOCUMENTATION**  
Year Ended December 31, 2016

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# ONONDAGA COUNTY WATER AUTHORITY

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## OPERATIONS & ACCOMPLISHMENTS

### Introduction

Onondaga County Water Authority's (OCWA) Operations & Accomplishments Report for the fiscal year ended December 31, 2016, provides an introduction to the major activities that had an effect on the operations of the Authority and it also addresses the financial performance and status of OCWA.

### OPERATIONAL HIGHLIGHTS

Service Area: The Water System supplies water for domestic, commercial and industrial uses and for fire protection in part or all of 34 towns/cities and 15 villages in Onondaga County (outside the City of Syracuse), and in parts of the Counties of Oswego, Madison, Oneida and Cayuga.

The area served in Onondaga County includes the major portion of the Towns of Camillus, Cicero, Geddes and Salina, as well as parts of the Towns of Clay, DeWitt, Lysander, Manlius, Marcellus, Onondaga, Lafayette, Pompey, Elbridge, Van Buren, Otisco, Spafford, and Skaneateles. Additionally, the Authority serves in Onondaga County the Villages of Camillus, Fayetteville, Liverpool, Manlius, Minoa, North Syracuse, Baldwinsville, East Syracuse, Marcellus, and Solvay. In Oswego County the Authority serves the Village of Central Square and the Towns of Hasting, West Monroe, Constantia, Granby, Minetto, Oswego, Volney and Schroepfel. The Authority also has provides intermittent service in Oswego County to the City of Fulton, the Town of Scriba and the Village of Phoenix. In Madison County the Authority serves the Villages of Canastota and Chittenango and parts of the Towns of Sullivan, Lenox and Lincoln. In Oneida County the Authority serves the Village of Sylvan Beach and parts of the Towns of Vienna, Verona and Annsville. In Cayuga County the Authority serves part of the Town of Sterling.

As of December 31, 2016 the Authority is providing water services directly to 94,054 residential, 6,605 commercial accounts, 47 industrial accounts, and 13 wholesale accounts. The Authority also has 1,357 accounts related to fire services and fire hydrants. The estimated population of the residential units (including wholesale residential customers) served was 287,000. For all of 2016 OCWA added at total of 704 accounts (683 metered services). Heading in to 2017 OCWA has 15 development projects in various stages, which upon build out will add approximately 200-300 new residential customers. Additionally, Town water projects are at various stages in the Towns of Constantia, Sullivan and Schroepfel that once completed over the course of the next two years could add approximately 1,000 residential and commercial accounts to the system.

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The 15 largest industrial customers within these areas, served directly by the Water System, in order of usage, are:

Customer	2016 Consumption (in Gallons)	% of Industrial Sales	% of All Sales
Solvay Paperboard	800,770,000	30.33%	6.95%
Anheuser Busch	673,218,000	25.50%	5.84%
Sunoco, Inc. R&M	272,750,000	10.33%	2.37%
Crucible Steel	222,942,000	8.44%	1.93%
Clinton Ditch Co-op	147,310,000	5.58%	1.28%
Bristol Labs	110,280,000	4.18%	0.96%
Carr Street (Co-Gen)	81,410,000	3.08%	0.71%
Queensboro Farms	48,660,000	1.84%	0.42%
General Chemical	37,950,000	1.44%	0.33%
Community General	37,000,000	1.40%	0.32%
Covanta Onondaga LP	32,720,000	1.24%	0.28%
Ameripride Linen & Apparel	22,980,000	0.87%	0.20%
Agrana Fruit US Inc.	19,390,000	0.73%	0.17%
Crouse Hinds	18,862,000	0.71%	0.16%
Lockheed Martin	18,860,000	0.71%	0.16%
<b>TOTAL TOP 15 SALES</b>	<b>2,545,102,000</b>	<b>96.40%</b>	<b>22.08%</b>
<b>TOTAL INDUSTRIAL SALES</b>	<b>2,640,189,000</b>		
<b>TOTAL ALL SALES</b>	<b>11,524,730,000</b>		

**Source of Supply -**

For 2016 46.53% of the water supply of the Water System was drawn from the Authority's source at Otisco Lake, 50.53% was purchased from the Metropolitan Water Board's filtered Lake Ontario supply, and 2.94% was purchased from the City of Syracuse's Skaneateles Lake supply.

The Metropolitan Water Board ("MWB") was created by the Onondaga County Legislature and it operates the Onondaga County Water District, which is a wholesale supplier of water to the Authority and on December 20, 2016 an historic agreement was entered into whereby the MWB system was consolidated into the OCWA system with the Authority taking over all operations, maintenance and capital planning related to the Onondaga County Water District for the next 40 years.

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The following tabulation shows, for recent years, the average daily quantity of water from the various sources of supply.

#### WATER OBTAINED FROM SOURCES OF SUPPLY

(Average Gallons Per Day)

<u>YEAR</u>	<u>OTISCO LAKE</u>	<u>LAKE ONTARIO VIA METRO WATER BOARD</u>	<u>CITY OF SYRACUSE SOURCES</u>	<u>TOTAL</u>
2005	17,632,897	26,381,390	529,506	44,550,662
2006	16,772,679	21,263,156	482,810	38,524,849
2007	16,671,945	23,305,208	562,342	40,599,057
2008	16,516,595	21,568,024	453,729	38,545,505
2009	15,994,000	19,595,000	1,226,000	36,815,000
2010	16,778,016	19,203,734	1,306,120	37,287,870
2011	17,283,745	18,538,652	1,410,433	37,232,830
2012	17,246,609	19,816,303	1,163,298	38,226,210
2013	16,951,128	18,173,547	1,005,002	36,134,410
2014	17,543,150	18,637,823	1,125,978	36,859,446
2015	18,495,274	19,304,753	1,108,937	38,913,712
2016	17,774,549	19,300,844	1,123,209	38,202,724

<sup>1</sup> In 2009, the City of Syracuse, the MWB and the Authority agreed to modify their respective responsibilities for the operation and maintenance of certain regional water facilities (the Southern Branch system), with the Authority assuming responsibility for the operation and maintenance and the parties agreeing the Authority would purchase water directly from the City rather than from MWB (who had purchased the water from the City under the prior arrangements). As a result, the amount of water purchased from MWB decreased and the amount purchased from the City increased by an equal amount, but the source of the water had not changed.

**Condition of Properties:** Inspections of the visible physical plant of the Water System show it generally to be in good operating condition and well maintained. All structures are of substantial construction. The chemical properties of Otisco Lake Reservoir water are such that corrosion and tuberculation of underground piping is practically non-existent, and pipes in the ground for over 75 years have almost the same carrying capacities today as when new. Water System water losses are low, indicating a tight system with proper maintenance and control of leakage. The Water System has not realized any damage from any severe storms or flooding.

**Adequacy of System:** Since the acquisition of the Water System by the Authority in December 1955, improvements have been made to keep pace with demands. The Water System has adequate capacity to meet the peak demands of the Water System. The Authority's Capital Reinvestment Program is designed to address problem areas in a prioritized manner as identified on an ongoing basis.

**Quality Control:** The Authority has been at the forefront of the industry being proactive in taking steps to improve and maintain the quality of the water above the state and federal mandates. The Authority has received numerous awards attesting to the exceptional quality of their water.

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Present Water Sales: The metropolitan Syracuse area, which the Authority services, is well established as a major industrial, commercial and distribution center. Ample electrical power is available, and transportation facilities include a major railroad, major airlines, the New York State Barge Canal, the New York Thruway and Interstate Routes 81, 481 and 690. The area (which includes Onondaga County and other surrounding communities) has a diverse economic backbone of manufacturing and industrial facilities, educational institutions, and healthcare facilities. However, over the past decade the regional population has decreased slightly (less than 1%) and the area has seen a modest decrease in major industrial and manufacturing operations.

Nonetheless, the Authority has seen a steady increase in the number of its customers. The Authority has increased customer base through assuming operations of existing village and town water systems, operating newly constructed town water systems and through a moderate increase of new customers within its existing water service area. The Authority's annual growth in its customer base has averaged 2% since 2000 and accelerated somewhat during 2008 and 2009 and again in 2013 due to acquisition of existing village and town water systems coupled with the construction of new town water systems. This follows a growth rate during the 1990's that was a modest 1% per year. Also, over the past five years, the Authority's large customer base has remained stable in number with some fluctuation in overall use. At the same time, the Authority's overall water sales have remained relatively flat due to the decrease in industrial and manufacturing operations and a nation-wide trend of water conservation.

The Authority expanded into Cayuga County during 2015 with an extension into the northeast portion of the Town of Sterling. By the end of December 2016, 47 of the possible 80 accounts in the area had been activated.

The Authority also maintains a pro-active maintenance department and leak detection department which allows the Authority to maintain high quality service and continue to operate the system in a sound economical manner. The Authority also continues its efforts to remain competitive through initiatives such as streamlining operations through increased automation and use of technology advancements.

The Authority remains at the forefront of innovation through in-house development of programs aimed at improving and protecting OCWA assets. In 2016 two unique programs were completed and placed in to operation. First and foremost, OCWA now has deployed a vulnerability assessment platform tied to the Authority's asset management program. As a result, OCWA's vulnerability assessment is updated daily as opposed to every 5 years as presently required. Additionally, the vulnerability assessment program includes a cyber security component aimed at addressing regulations currently being developed. The second program developed is a digital platform used to track hydrant maintenance. This program is also tied to OCWA's asset management and by the close of 2017 all hydrants maintenance performed will be entered into the system using the new program. On tap for 2017 is the development of a valve maintenance program that essentially uses the same platform as the hydrant maintenance program.

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Water demand is illustrated by a comparison of water sales, revenues and physical plant of the Water System in 1985, 1995 and 2016 as shown in the following table:

<u>ITEM</u>	<u>1985</u>	<u>1995</u>	<u>PERCENT INCREASE (DECREASE)</u>	<u>2016</u>	<u>PERCENT INCREASE (DECREASE)</u>
Average Metered Water Sales	41.76 MGD	39.13 MGD	(6.2%)	31.58 MGD	(19.29%)
Operating Revenue	\$13,648,129	\$17,546,000	28.5%	\$44,843,238	155.58%
Miles of Mains Owned & Leased	875.5	1,332.72	52.2%	2040.39	53.10%
Active Accounts	44,603	69,445	55.7%	102,113	47.04%
Fire Hydrants	4,563	7,765	70.1%	12,961	66.92%

Average daily quantity of water sales and yearly totals of metered water sales by the Water System during the twelve months ended December 31, 2016 were as follows:

<u>CLASSIFICATION</u>	<u>AVERAGE DAILY SALES (1000 gallons)</u>	<u>YEARLY TOTALS (1000 gallons)</u>
Residential & Commercial	18,334	6,710,123
Industrial	7,214	2,640,189
Wholesale	<u>5,941</u>	<u>2,174,418</u>
TOTAL	31,489	11,524,730

**WATER METERED & BILLED  
(in Million Gallons)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Residential & Commercial	6,318	6,267	6,446	6,506	6,675	6,517	6,710
Industrials	2,717	2,539	2,658	2,583	2,509	2,725	2,640
Wholesale	<u>2,649</u>	<u>2,720</u>	<u>2,774</u>	<u>1,968</u>	<u>2,091</u>	<u>2,182</u>	<u>2,174</u>
Total	11,684	11,526	11,878	11,057	11,276	11,424	11,524

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Future Water Sales: The numbers of residential and commercial accounts are expected to show continued, modest increases. However, residential use has declined as the number of people per household shrinks and water efficient appliances and fixtures are increasingly installed. Local highway facilities and a present program of extensive interstate and arterial route construction in and around the City of Syracuse assist this growth in residential and commercial sales. The Authority also continues to expand in to new areas formerly served by private wells or small, outdated municipal water systems in Onondaga, Oswego, Madison, Oneida and Cayuga Counties. It should also be noted that wholesale customer use drops as former systems are converted to retail accounts. Also, with the push nationally for water conservation, industrial water use continues to decline.

The Authority is currently limited to an average of 20 million gallons per day (mgd) from Otisco Lake. Water demand over and above what the Otisco Lake supply can cover is met with supplemental water purchased from the MWB's Lake Ontario system. The Lake Ontario system is capable of producing and delivering 50 million gallons per day to Onondaga County. Further, up to 3 million gallons per day are available through purchase of water from the City of Syracuse. Ultimately the combined system delivery capacity is 73 mgd.

**Awards and Recognition**

The Marcellus water treatment plant has continued to maintain its Phase 3 certification under the United States Environmental Protection Agency (USEPA) for Safe Water Program for 19 straight years and has received five, 10 and 15 year recognition awards from the Director of the USEPA. This program supports the Authority and other utilities in voluntary efforts to achieve greater control of microbial impurities. The Authority was the eighth in the nation to be certified under this program, a great honor and example of how the Authority sets a higher standard for the quality of their water than what the state and federal government mandates.

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#### Financial Highlights

OCWA's 2016 total revenues increased by \$1,092,793 (2.5%) over 2015 and water revenue increased by \$1,058,478 for the year. A Base System Fee increase of \$4.00 per year for each equivalent dwelling unit (EDU) generated approximately \$472,000 of the overall increase in revenue, and an increase of 8.0 cents per 1,000 gallons for all use accounted for \$921,984 additional revenue. For 2016 total water sales increased by 100.67 million gallons (MG) over 2015 sales, generating roughly \$452,000 in additional revenues for the year. Residential and commercial sales increased by 192.8 MG primarily due to the prolonged warm and dry summer. A decline in industrial sales of 84.7 MG offset the overall increase. Bristol Labs use declined by 35.6 MG and Carr Street Cogeneration declined by 40.2 MG, accounting for 89.5% of the overall drop in industrial sales. It should also be noted that the overall increase in revenues for 2016 over 2015 appears lower than anticipated due to a 2015 change from a manual accrual for revenue calculation to a more accurate, automated method generated by the Authority's billing system. Accordingly, revenues for 2015 were approximately \$750,000 higher as a result of the change.

OCWA's 2016 total customer account base increased by 704 (0.69%) over the 2015 year-end total. By year end OCWA's total customer base totaled 102,113 accounts with 100,745 metered residential, commercial, industrial and wholesale accounts. Overall 2016 was a fairly nondescript year with respect to growth, however it did outpace the growth experienced in 2014 and 2015.

On the expense side of the Authority's operation, total expenses for 2016 increased \$33,882 (0.08%) over 2015. While this gives the appearance that little changed from 2015 to 2016, this is not the case.

Due to the warm, dry weather experience throughout most of the summer, Purchased Water was up by \$98,822, primarily attributed to increased residential and commercial demand. The overall increased demand was offset somewhat by lower industrial demand.

Wages for the year increased \$150,098 (1.7%) and is partly attributed to wage increases for the Teamsters union personnel (2.75%), CSEA union personnel (3.0%) and Administrative personnel (2.1-2.75%). Offsetting 2016 wage increases was a decline in the number of water

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**Financial Highlights – Continued**

main breaks experienced due to an abnormally warm winter, resulting in half the number of breaks normally experienced during the coldest months of the year. Also offsetting the overall increase in payroll was a hiring freeze that was implemented during the MWB consolidation negotiations.

2016 Outside Contractor costs were \$586,378 lower than the previous year, again due to the mild winter and the overall drop in the number of water main breaks. Transportation cost for 2016 were down \$42,141 lower due in part to lower fuel cost and in part to fewer miles driven as a result of fewer breaks. Chemical expenses were down \$25,414 primarily due to pricing. Electric and natural gas expenses dropped \$101,025 with commodity costs continuing to decline due to fuel cost decreases.

Offsetting the aforementioned decreases in expenses, employee benefits increased by \$801,991 mainly due to a \$1,116,919 increase in pension expense tied to the Governmental Accounting Standards Board (GASB) Statement No. 68. Changes to the health insurance program for CSEA, Administrative staff and retirees resulted in group insurance costs dropping \$387,055 from the previous year. On the other hand, Teamsters health care costs increased \$129,705 over 2105. For 2016, due to changes by the State, Workers Compensation insurance increased by \$116,014. Additionally, all other insurances increased by \$54,086 over 2105.

In December 2016 the Authority issued \$12,320,000 in General Water System Revenue Refunding Bonds. The bonds were issued to advance refund the 2011 Series bonds in the amount of \$13,495,000 maturing after September 15, 2018. The advance refunding will result in \$2,604,450 in budgetary savings over the next 12 years.

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Year Ended December 31, 2016**Summary of Statements of Net Position****TABLE 1**

	<b>2015</b>	<b>2016</b>
<b>ASSETS</b>		
Cash	\$ 251,477	\$ 221,613
Accounts Receivable	9,494,933	10,782,326
Materials, Supplies and Prepaid Expenses	2,590,768	3,471,095
Restricted Assets	28,637,890	27,486,584
Plant and Water Rights, Net	<u>224,538,583</u>	<u>227,911,623</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 265,513,651</u></u>	<u><u>\$ 269,873,241</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amount on Refunding	\$ 674,456	\$ 851,786
Deferred Outflows from Pension Plan	<u>2,099,686</u>	<u>6,688,841</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 2,774,142</u></u>	<u><u>\$ 7,540,627</u></u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 3,389,603	\$ 3,342,648
Liabilities Payable from Restricted Assets	1,074,562	875,390
Bonds Payable	66,332,803	62,759,665
OPEB Liability	15,587,963	16,994,384
Due to NYS Retirement System	1,166,871	5,729,286
Capital Lease Obligations	<u>138,250</u>	<u>87,325</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 87,690,052</u></u>	<u><u>\$ 89,788,698</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows from Pension Plan	<u>\$ -</u>	<u>\$ 679,111</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ -</u></u>	<u><u>\$ 679,111</u></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 158,741,986	\$ 166,945,910
Restricted	29,410,458	32,333,233
Unrestricted	<u>(7,554,703)</u>	<u>(12,333,084)</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 180,597,741</u></u>	<u><u>\$ 186,946,059</u></u>

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**Summary of Statements of Net Position – Continued**

Total Assets increased by \$4,359,590 in 2016 as a result of the following items:

- The decrease in cash of \$29,864 is due to a lower balance in the Authority’s operations and maintenance account at year-end.
- Accounts receivable have increased by \$1,287,393 or 13.9%. There are two significant components that make up this increase. The first is accounts receivable for water that has been billed to customers which increased by \$494,360 (12.0%). The second component is for estimated revenue that has been accrued on accounts that are billed on a quarterly or longer basis. The Authority’s method of determining that accrued amount is a system generated process using previous meter reading date. Because the last read for customers was on average much earlier in 2016 than in 2015, the amount of accrued utility revenue through the end of 2016 was significantly higher. In fact, accrued utility revenue at the end of 2016 increased by \$746,741 (13.8%) over the 2015 amount.
- Materials, supplies and prepaid expenses increased by \$880,327 (34.0%) over 2015 levels. Inventory increased by \$185,674 due to higher quantities required for jobs in progress or starting in the near future. Prepaid expenses went up by \$694,653 due primarily to an increase in prepaid insurance (\$734,598) partially offset by a \$42,505 decrease in prepaid service contracts. The main reason that prepaid insurance increased so significantly is that the Authority chose to pay its annual workers compensation premium of \$712,648 prior to year-end to take advantage of savings offered by the carrier. The Authority chose not to prepay its workers compensation premium in 2015.
- Restricted assets decreased by \$1,151,306 (4.0%) in 2016. This decrease is mainly due to the net effect of three factors. First, is that the total amount in the construction funds decreased by \$2.68 million due to the use of those funds to pay for capital projects. Second, there was a net increase of \$2.40 million in money in the General Authority, Renewal and Replacement and General Funds. And finally, the required balances in the various bond funds decreased by \$812,000, primarily due to the \$660,000 reduction in the reserve requirement for OCWA’s bonds. .
- Plant and water rights increased due to additional capital projects either completed or in progress at the end of 2016. A detailed outline of the additions is located just after Table 4 “Capital Assets at Year End” later in this analysis.

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**Summary of Statements of Net Position – Continued**

Deferred Outflows of Resources increased by \$4,766,485 in 2016 as a result of the following:

- The Deferred Amount on Refunding increased by \$177,330. In December 2016, the Authority issued bonds to complete a partial advance refunding of \$13,495,000 of its 2011 Revenue Bonds. This resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$248,253. This amount and the deferred amount on the Authority's other bond refunding which took place in 2013 are being recognized as a component of interest expense over the remaining life of the old debt. The amount recognized as a component of interest expense in 2016 was \$70,923.
- Deferred Contributions to Pension Plan increased by \$4,589,155 based on information provided by the NYS & Local Retirement System to enable the calculation of required GASB 68 entries.

Total liabilities increased by \$2,098,646 in 2016 as a result of the following items:

- Accounts Payable and Accrued Liabilities decreased by \$46,955 (1.4%) in 2016 due to the net effect of several items including a decrease in Accounts Payable - \$107,069 being partially offset by increases in Accrued Vacation/Sick Leave - \$10,020, Accrued Payroll - \$46,692 and Accrued Social Security - \$3,592.
- Liabilities Payable from Restricted Assets decreased by \$199,172 (18.5%) as compared to 2015 due to the combination of several factors. Customer deposits decreased by \$114,517, accrued interest on bonds decreased by \$172,337 and retainage held at year end decreased by \$22,459. Somewhat offsetting the decreases, is an increase in accounts payable for capital work in the amount of \$110,263.
- The Bonds Payable balance decreased by \$3.57 million due to a number of causes. First, the Authority issued refunding bonds in the amount of \$12,320,000 to partially advance refund \$13,495,000 of its 2011 revenue bonds. Next, principal payments totaling \$2,970,000 were made during the year. Finally, the bonds payable balance was also affected by the increase in bond premium in the amount of \$571,863 during 2016.
- GASB Statement No. 45 establishes guidance for the financial reporting of OPEB cost over a period that approximates employees' years of service. It does not require that the unfunded liability actually be funded, only that the Authority account for the unfunded liability. The financial statements at December 31, 2016 include a liability in the amount of \$16.99 million that represents the Authority's unfunded liability. This is an increase of \$1.41 million over the 2015 amount, but the increase and associated expense are over \$400,000 less than in 2015 due to the Authority's switch to a lower cost health plan.

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**Summary of Statements of Net Position – Continued**

- Due to NYS Retirement System increased by \$4,562,415. This represents the Authority's share of the total net pension liability based on information provided by the New York State Local Retirement System. This information is provided by the System on an annual basis. One of the reasons for the increase is that the retirement system lowered the discount rate that it uses to 7.0% in 2016 from 7.5% in 2015.
- Capital Lease Obligations decreased by \$50,925 due to principal payments made on various leases.

Deferred Inflows of Resources increased by \$679,111 over the end of 2015 at which time the balance was \$0.

- Deferred Inflows from Pension Plan increased to \$679,111 at the end of 2016 from \$0 at the end of 2015. This again is based on information provided by NYS & Local Retirement System and enables the calculation of required GASB 68 entries. It is described on retirement system documentation as the "Differences Between Expected and Actual Experience".

Net Position is the difference between all the other elements of the statement. That is assets plus deferred outflows, less liabilities, less deferred inflows.

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**Review of Revenues**

**TABLE 2**

	<b>2015</b>	<b>2016</b>
Residential/Commercial Sales	\$ 32,880,738	\$ 33,621,924
Industrial Sales	4,778,005	4,901,793
Municipal (Water Utility) Sales	3,768,161	3,888,628
Fire Protection	1,264,993	1,338,030
Miscellaneous Revenue	1,122,586	1,092,863
Interest from Investments Held in Trust	22,534	97,354
Gain on Disposal of Fixed Assets	<u>(17,585)</u>	<u>(28,367)</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 43,819,432</u></u>	<u><u>\$ 44,912,225</u></u>

- On January 1, 2016, OCWA implemented a Base System Fee increase of \$4.00 per year for each equivalent dwelling unit (EDU) and a \$0.08/1000 gallon rate increase for all customer classes except fire protection. Fire Protection had a rate increase of 5% effective September 1, 2016. The increases, which were determined in late 2015, were based on the projected requirements for 2016 and took into account changes that were expected to have an effect on 2016 operations.
- Total water revenues for 2016 increased by \$1,058,478 (2.5%) over the previous year. Residential and Commercial sales increased by \$741,186 (2.3%), Industrial sales increased by \$123,788 (2.6%), Municipal sales increased by \$120,467 (3.2%) and Fire Protection increased by \$73,037 (5.8%).
- Residential and Commercial sales increased by 2.3% in 2016 over 2015. In addition to the Base System Fee and rate increases, Residential and Commercial consumption grew from 6,517 MG in 2015 to 6,710 MG in 2016. The increase of 193 MG equates to a 3.0% rise in the number of gallons billed. Normally, one would expect revenue to increase by more than 2.3% when there is a 3.0% increase in consumption in addition to a rate increase. To understand the reason Residential and Commercial revenue did not increase as much as might be predicted, it must be remembered that in 2015 the Authority changed the calculation of accrued revenue from a manual estimate based on the customer's last billing date to the more accurate system generated amount based on the customer's last reading date. The one time increase in revenue when the change was made was approximately \$750,000 which is roughly 2% of Residential & Commercial revenue.

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**Review of Revenues - Continued**

- Industrial sales increased by 2.6% over the 2015 amounts. Projected revenue growth from the EDU and rate increases were partially offset by a decrease in Industrial consumption from 2,725 MG in 2015 to 2,640 MG in 2016. The decrease of 85MG equates to a 3.1% reduction in the number of gallons billed.
- Municipal sales increased by 3.2% over the 2015 amounts. Somewhat offsetting the anticipated revenue growth from the EDU and rate increases was a decrease in Municipal consumption from 2,182 MG in 2015 to 2,174 MG in 2016. The decrease of 8 MG equates to a 0.4% reduction in the number of gallons billed.
- Interest from Investments Held in Trust increased by \$74,820 (332.0%) over the 2015 amount. Significant increases in both money market and Treasury bill yields over the course of the year account for the rise in interest.

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**ONONDAGA COUNTY WATER AUTHORITY**

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Year Ended December 31, 2016

**Review of Expenses**

**TABLE 3**

	<b>2015</b>	<b>2016</b>
Operations	\$ 9,471,974	\$ 9,861,995
Purchased Water	9,634,684	9,733,506
General and Administrative	5,998,880	6,810,745
Less: Burden Applied	(990,811)	(1,092,765)
Depreciation	5,608,661	5,785,297
Bond Premium Amortization	(183,625)	(190,796)
Water District Lease Amortization	493,485	481,854
Maintenance	7,566,234	6,418,551
Other Expense	<u>2,912,117</u>	<u>2,737,094</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 40,511,599</u></u>	<u><u>\$ 40,545,481</u></u>

Total expenses for 2016 increased by just \$33,882 (0.1%) compared to fiscal year 2015. Areas of expense that experienced significant changes, both plus and minus, in 2016 included: labor, health insurance, pensions, OPEB, worker's compensation and general liability insurances, purchased water, electric/gas, fuel for vehicles, outside contractors and depreciation are discussed below.

**Labor Changes Impacting Operations, Maintenance, and General and Administrative Expenses**

Labor expenses in operations, maintenance and general and administrative accounts increased by \$150,098 (1.7%) during 2016 as compared to 2015. Both the Teamsters and CSEA contracts included wage increases effective January 1, 2016. The rates for CSEA employees increased by 3.0%, Teamsters increased by 2.75% and Administrative personnel increased by 2.1 - 2.75%.

As can be seen in the previous paragraph, the percent increase in labor expense in 2016 was less than the percent rate increases for employees. One of the main reasons is the very different weather experienced in the first part of 2016 as compared to 2015. In 2016 the weather was comparatively warm, whereas the Authority's service area experienced extreme cold at the beginning of 2015. At least partially due to the difference in the weather, OCWA repaired 172 (31.9%) fewer water main breaks in 2016 than it did in 2015. In addition, the frigid weather at the beginning of 2015 caused an inordinate number of frozen services that were not experienced in 2016. Those two factors allowed labor expenses in the first third of 2016 to be \$235,114 (7.8%) less than in the first third of 2015.

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## ONONDAGA COUNTY WATER AUTHORITY

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Year Ended December 31, 2016

#### Notable Expense Changes (Other Than Labor)

Group health insurance had an overall decrease of \$244,448 (7.6%) as compared to 2015 for the Authority's employees and retirees. Health insurance premiums paid for CSEA, non-union employees and retirees decreased by \$387,055 (28.1%) in 2016 going from \$1,375,471 in 2015 down to \$988,416 in 2016. The decrease is due to the Authority changing to a less expensive plan in January 2016. Health insurance premiums paid for the Authority's Teamsters employees increased by \$129,705 (6.1%) in 2016 going from \$2,127,499 in 2015 to \$2,257,204 in 2016.

Pension Expense increased by \$1,116,919 in 2016 as compared to 2015 based on the calculation provided by the NYS Local Retirement System. The NYSLRS calculates pension expense and other information on an annual basis and provides it to the Authority for inclusion in financials. One of the major influencers for the increase is that the retirement system lowered the discount rate that it uses from 7.5% in 2015 to 7.0% in 2016.

OPEB expense for 2016 decreased by \$408,908 (22.5%) as compared to the 2015 figure. The primary reason for the decrease is that, as noted above, the Authority changed to a lower cost plan for its retirees in 2016. The amount was determined by the Authority's interim actuarial valuation.

Worker's Compensation premium increased by \$116,014 and the expense related to various other insurances, including general liability, increased by \$54,086. The total increase of \$170,100 represents a 16.8% rise over 2015.

Purchased water cost increased by \$98,822 (1.0%) for 2016. While the Metropolitan Water Board's (MWB) did not implement a rate increase in 2016, the monthly cost for the computed peak increased by \$6,468 which equals \$77,611 for the year. In addition, the quantity purchased from MWB increased slightly by 18 MG (0.3%) going from 7,046 MG in 2015 to 7,064 MG in 2016. The additional gallons purchased cost \$18,402.

OCWA experienced a \$101,025 (14.4%) decrease in its electric and natural gas charges in 2016 as compared to 2015 amounts. Charges in the first third of 2016 decreased by \$89,326 (31.6%) from the higher costs of early 2015. In the final two thirds of 2016, costs were just \$11,689 (2.8%) less than the comparable period of 2015.

Fuel costs for the Authority's vehicles decreased by a total of \$69,071 (22.5%) in 2016. Gasoline costs decreased from \$196,734 in 2015 to \$164,617 in 2016 and diesel decreased from \$110,675 to 73,721 over the same period.

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## ONONDAGA COUNTY WATER AUTHORITY

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Year Ended December 31, 2016

#### **Notable Expense Changes (Other Than Labor) - Continued**

The Authority's expense for Outside Contractors decreased by \$586,378 (30.1%) in 2016 as compared to 2015. The 172 additional water main repairs and the high number of frozen services in 2015 due in part to the cold weather in the early part of the year, caused contractor costs to be significantly higher than this year. The Authority normally takes care of maintenance of the water system with its own personnel, but due to the issues noted above it hired its contractor to assist in 2015. This resulted in \$215,499 less paid to the contractor for maintenance work in 2016 than in 2015. Also, paving costs associated with road restoration after water main breaks decreased by \$328,568 in 2016, going from \$742,016 in 2015 down to \$413,448 in 2016.

Depreciation increased by \$176,636 (3.1%) in 2016 as compared to 2015 figures. This is a reflection of the fact that OCWA added over \$7.8 million to Water Plant in Service in 2015 as well as over \$9.3 million in 2016.

#### **Summary of Overall 2016 Operations**

In 2016, OCWA experienced a net income before capital contributions of \$4,366,744, an increase of \$1,058,911 from the net income of \$3,307,833 for the fiscal year ended December 31, 2015. The most substantial components that make up the increase were, water revenue increases due to base system fee and rate increases as well as increased consumption by residential and commercial customers. And on the expense side, total expenses increased by a very small \$33,882 (0.1%) caused, most significantly, by increases in labor, pension, worker's compensation, purchased water and depreciation nearly offset by decreases in health insurance, OPEB expense, outside contractor costs and electric and natural gas charges.

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**OCWA Budget Process**

Each year the Authority's department managers prepare comprehensive draft budgets, one for operations and maintenance and one for capital projects. The executive staff combines the budgets and prepares a recommendation for the Authority's Board to review in early October of each year. The Board, in turn, conducts a budget workshop with executive management and a final recommendation is made for approval by the Board at its October meeting. Per the implementation of New York State's Public Authorities Accountability Act, OCWA's annual budget process must be completed by the end of October. Copies of the approved budget are then forwarded to elected officials at the County and State level in accordance with PAAA guidelines.

Executive management, also in accordance with OCWA's trust indenture, provides a copy of the budgets to the Authority's consulting engineer for review and approval. Executive management and the consulting engineer meet to review both budgets prior to the consulting engineer submitting their letter acknowledging satisfactory review.

The operations and maintenance budget is generally not amended once it has been approved by the Board. On a monthly basis, each Authority department manager completes a budget variance, which is in turn submitted to the Executive Director. Also on a monthly basis, a summary budget variance report is provided to the Board and extraordinary variances (plus and minus) are explained.

With respect to the capital budget, specific projects for the year are approved at the preceding year's October board meeting. It should also be noted that although the October budget approval encompasses all approved projects for the coming year, each project must be submitted to the Board for approval of the project's work authorization prior to the start of the project.

Executive management also prepares 20-year capital budgets and 20-year operations and maintenance budgets for the Authority. Both budgets include a list of assumptions that are used to prepare the long-range projections. It should be noted that both long-range budgets are updated regularly and submitted to the OCWA Board for review and are ultimately added to the Authority's annual business plan.

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**System Growth**

Areas of growth included the following:

- For 2016 system growth included the installation of 23 developer / individual main extensions, totaling 27,291 feet of main.
- The Town of Volney continues to develop and add small districts throughout the town.
- OCWA expanded into Cayuga County during 2015 via an extension in to the Town of Sterling. By year-end 47 of the potential 80 accounts had been activated.
- The Town of Granby Water Supply Area 6A was completed in 2016 and will potentially to add 180 customers (to the current 569 accounts), should everyone connect to the new system.

**Areas of Growth, 2017 and Beyond**

- The Town of Constantia's Bernard's Bay Water System, which will extend water lines to the east close to the western border of the Village of Cleveland should be under construction in 2017 and has the potential to add over 600 new customers.
- Madison County's Agricultural and Renewable Energy (ARE) Park water system was nearing completion by the end of 2016. The ARE Park has the potential to add up to seven industrial users with a projected daily demand between 100,000 to 200,000 gallons per day. The system also has the potential to serves residents in and around the Clockville area.
- The Town of Sullivan and Madison County are working jointly on the development of a water system that would serve two small developments off Salt Springs Road in Manlius and Sullivan as well as the Clear Path for Veterans facility located on the border of the two towns.
- The Town of Granby has begun the process of developing Water Supply Area 7 that would serve the northern portions of the town, should it be approved.
- The Town of Parish is in ongoing discussions with OCWA regarding the prospect of developing a system to serve residents and a school to the north of the Town of Hastings.
- Discussions that would lead to additional customers being added in Cayuga County are in their infancy.

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**Areas of Growth, 2017 and Beyond – Continued**

- For the start of 2017 four developer contracts have been paid and are ready to start, seven contracts have been sent to developers and four developer extensions are in the design phase.
- The Town of Lysander Comprehensive Land Use Plan is being updated. The revised plan could lead to two major developments south of Route 31 along the Seneca River. If approved, the two developments have the potential to add 1,000 customers to the OCWA system.
- OCWA essentially now serves all the towns and villages within its potential service territory, which covers a very large geographic footprint in the Five Counties (Onondaga, Oswego, Madison, Oneida and Cayuga). Collectively OCWA serves 33 towns and 13 villages on a retail basis. OCWA also wholesales water to two towns on a regular basis and has another seven wholesale connections that are used on an intermittent basis. Future growth, with respect to retail sales, will be tied to infill in the 33 towns served throughout the five county region and the provision of service to the towns on the fringe of the system.

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**ONONDAGA COUNTY WATER AUTHORITY**

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**ANNUAL REPORT DOCUMENTATION**

Year Ended December 31, 2016

**Capital Assets at Year End (Net of Depreciation)**

**TABLE 4**

	<b>Governmental Activities</b>		<b>Total Percent Change</b>
	<b>2015</b>	<b>2016</b>	<b>2015-2016</b>
Water Plant in Service	\$ 293,392,809	\$ 302,741,331	3.19%
Water Rights - Source	5,250,000	5,250,000	0.00%
Construction Work-in-Progress (I&E)	3,904,809	3,617,356	-7.36%
Water District Lease	23,169,890	23,169,890	0.00%
Pre-Survey and Investigation	165,964	242,554	46.15%
Jobbing in Progress	224,450	58,601	-73.89%
Allowance for Depreciation	(83,094,374)	(88,213,919)	6.16%
Accumulated Amortization/Water Districts	(13,215,979)	(13,697,832)	3.65%
Residual Amortization/Water Rights	(5,250,000)	(5,250,000)	0.00%
Deferred Charge - Capital Interest on FP	(8,986)	(6,358)	-29.25%
Total	<u>\$ 224,538,583</u>	<u>\$ 227,911,623</u>	<u>1.50%</u>

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**Capital Assets at Year End (Net of Depreciation) – Continued**

Increase to Water Plant in Service Highlights

- Otisco Lake Dam Improvements - \$1,205,574
- Sherwood Pump Station to East View Tank - \$445,279
- 12” Ext. Pottery Rd - \$339,954
- 8” & 10” Ext. Peterboro St - \$246,569
- Zebra Mussel Line Replacement - \$148,487
- Water meters in the amount of \$1,123,278 as part of an ongoing meter replacement project
- The completion of various other water main projects – \$3,734,203
- The installation of new and replacement water services – \$886,225
- The installation of new and replacement hydrants – \$748,257
- The replacement of vehicles in its fleet as part of OCWA’s asset management program

Construction Work-In-Progress Highlights

Construction Work-In-Progress decreased by \$287,453 during 2015, from \$3,904,809 at the beginning of the year, to \$3,617,356 at year end. Of that amount, \$2,953,313 is related to the following four projects:

- Eagleview Tank Replacement - \$1,082,277
- Dunning Dr Pump Station - \$986,401
- Sherwood Dr Pump Station - \$718,044
- 8” Ext Miller Rd to Bartell Spur - \$166,591

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**Capital Assets at Year End (Net of Depreciation) – Continued**

Pre-Survey and Investigation Highlights

Pre-survey and investigation costs capture costs related to studies undertaken related to potential additions and improvements to the OCWA system. This account increased due to an increase in the number of studies in process.

Jobbing in Progress

Jobbing in progress captures costs associated with activities for which an individual or developer will pay for the job in full. The installation of new hydrants and large services within certain areas of OCWA's system are examples of this. A deposit for the job is taken. When the project is completed, the Authority will either bill the developer if the actual cost is more than the deposit or refund a portion of the deposit if the cost is less. "Job Orders" are also used to capture costs associated with repairing or replacing assets, generally hydrants and services, which are hit and damaged by individuals. The Authority then bills the individual or the individual's insurance for the repair cost. The account is also used to track the cost of contract operations and of maintenance agreements with various water systems.

**Long-Term Debt Administration**

The Authority has five General Water System Revenue Bond issues and two E.F.C. Drinking Water Bond issues outstanding with a remaining principal totaling \$60,115,000 as of December 31, 2016. OCWA's most recent bonds were issued in December 2016.

On December 1, 2016, the Authority issued \$12,320,000 in General Water System Revenue Refunding Bonds Series 2016A. The bonds bear interest at rates ranging from 2.0% to 5.0% and have a final maturity date of September 15, 2028. The bonds were issued to advance refund the Authority's Series 2011 bonds maturing after September 15, 2018. The 2011 bonds were originally issued for capital improvements to the water system including construction of a third covered water storage tank, two large pump stations, one small pump station and various other capital projects. As of December 31, 2016, the 2016 bonds have a remaining balance of \$12,320,000.

On April 22, 2015, the Authority issued \$5,200,000 in General Water System Revenue Bonds Series 2015A. The bonds bear interest at rates ranging from 1.0% to 3.375% and have a final maturity date of September 15, 2035. The bonds were issued for capital improvements to the water system including a water tank replacement, two pump stations, water tank improvements, Otisco Lake Dam improvements and water main improvements. As of December 31, 2016, the 2015 bonds have a remaining principal of \$4,745,000. This amount reflects a principal payment of \$190,000 made in September 2016.

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**Long-Term Debt Administration – Continued**

On March 5, 2013, the Authority issued \$8,390,000 in General Water System Revenue Bonds Series 2013. The bonds bear interest at rates ranging from 2.0% to 4.5% and have a final maturity date of September 15, 2025. The bonds were issued to advance refund the Authority's 2005 Series A bonds maturing after 2015. The 2005 Series A Bonds were originally issued to pay capital costs of certain improvements of the Water System. As of December 31, 2016, the 2013 bonds have a remaining principal of \$7,450,000. This amount reflects a principal payment of \$705,000 made in September 2016.

The General Water System Revenue Bonds Series 2011 have a remaining principal balance of \$1,950,000 as of December 31, 2016. This amount reflects a principal payment of \$900,000 made in September 2016. In addition, in December 2016, the 2011 Series bonds maturing after September 15, 2018 (\$13,495,000) were advance refunded. The advance refunding will result in \$2,604,450 in budgetary savings over the next 12 years. The bonds bear interest at rates ranging from 2.5% to 5.0% and have a final maturity date of September 15, 2028. The bonds were issued for capital improvements to the water system including construction of a third covered water storage tank, two large pump stations, one small pump station and various other capital projects.

The General Water System Revenue Bonds, Series 2010A have a remaining principal balance of \$1,355,000 as of December 31, 2016. This amount reflects a principal payment of \$120,000 made in September 2016. The required principal payment on the bond in 2017 is \$125,000. The bonds bear interest at rates ranging from 3.0% to 5.0% and have a final maturity date of September 15, 2025. The bonds were issued to provide funds to redeem all outstanding 2001 Series A Bonds maturing after 2010 as well as provide funds for capital improvements.

The E.F.C. Drinking Water Bonds, 2009 Series A have a remaining principal balance of \$21,750,000 as of December 31, 2016. The remaining balance reflects a principal payment of \$480,000 made in June 2016. The required principal payment on the bond in 2017 is \$515,000. The interest rate is 4.8721%. Bonds mature serially in varying annual amounts and have a final maturity date of June 15, 2038.

The E.F.C. Drinking Water Installment Bonds, 2008 Series A were issued in the amount of \$14,226,510 has a remaining principal balance of \$10,545,000 as of December 31, 2016. This amount reflects a principal payment of \$575,000 made in October 2016. The required principal payment on the bond in 2017 is \$590,000. The 2008 Bonds mature serially in varying annual amounts through 2029, with an interest rate of 4.27%, one third of which is subsidized by E.F.C. (New York State Environmental Facilities Corporation).

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**ONONDAGA COUNTY WATER AUTHORITY**

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**Long-Term Debt Administration – Continued**

Pursuant to its Trust Indenture, all revenues collected by the Authority are pledged to the payment of principal and interest on the bonds. All such revenues are deposited in the name of a trustee for allocation to funds set up in accordance with the Trust Indenture.

<b>Series Bonds</b>	<b>Bonds Outstanding as of December 31, 2016</b>
2016 Series A Bonds	\$ 12,320,000
2015 Series Bonds	4,745,000
2013 Series Bonds	7,450,000
2011 Series Bonds	1,950,000
2010 Series A Bonds	1,355,000
2009 E.F.C. Bonds	21,750,000
2008 E.F.C. Bonds	<u>10,545,000</u>
Total	<u>\$ 60,115,000</u>

**OCWA Bond Rating**

In October 2016, Moody’s Investors Service assigned a Aa3 rating and a positive outlook to OCWA’s 2016 Bonds. Concurrently, Moody’s affirmed the Aa3 rating and assigned a positive outlook to OCWA’s previously issued parity revenue bonds outstanding.

**Looking Ahead**

For 2017 OCWA implemented a \$1 per quarter (\$4 per year) increase of its Base System fee for each Equivalent Dwelling Unit (EDU). A 5/8-inch meter equals one EDU and is representative of a typical residential meter. By way of example a 2-inch commercial meter equals 8 EDUs and an 8-inch industrial meter equals 85 EDUs. Based on OCWA’s current metered customer base of 100,782 metered accounts (as of February 23, 2017) and a total EDU count of 119,164, the estimated annual revenue increase for 2017 is projected to be \$476,656, representing a 1.09% increase in total water sales revenue. It should also be pointed out that the EDU portion of the increase is fixed and not subject to the water use fluctuations as is the commodity rate per 1,000 gallons. The overall impact on an average OCWA customer, using 12,500 gallons per quarter, is a monthly increase of \$0.33 or 1.56% per year. The ongoing annual rate increases are in accordance with the Authority’s 2005 Bond Trust Indenture, whereby OCWA’s Board is required to review rates on an annual basis and adjust them accordingly.

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**Looking Ahead – Continued**

Rate increases since 2001 and up to and including 2017 are listed below:

<b>Year</b>	<b>Residential / Commercial</b>	<b>Wholesale</b>	<b>Industrial</b>	<b>Fire Protection</b>
2017	\$4.00 / EDU	\$4.00 / EDU	\$4.00 / EDU	0.00%
2016	\$4.00 / EDU + \$0.08/1,000 gal	\$4.00 / EDU + \$0.08/1,000 gal	\$4.00 / EDU + \$0.08/1,000 gal	5.00%
2015	\$12.00 / EDU + \$0.025 / 1,000 gal	\$12.00 / EDU + \$0.025 / 1,000 gal	\$12.00 / EDU + \$0.025 / 1,000 gal	0.00%
2014	\$8.00 / EDU	\$8.00 / EDU	\$8.00 / EDU	0.00%
2013	2.00%	2.00%	2.00%	0.00%
2012	2.47%	2.31%	2.38%	0.00%
2011	9.00%	9.00%	9.00%	0.00%
2010	12.00%	10.00%	10.00%	3.25%
2009	15.00%	15.00%	9.90%	3.25%
2008	7.70%	7.70%	6.70%	3.25%
2007	9.80%	9.80%	6.75%	4.00%
2006	6.00%	6.00%	4.00%	4.00%
2005	8.00%	8.00%	5.00%	5.00%
2004	15.00%	15.00%	3.00%	3.00%
2003	2.00%	2.00%	2.00%	2.00%
2002	2.00%	2.00%	2.00%	2.00%

- The Syracuse Water Department, which is on a July 1 – June 30 budget cycle, did not raise rates for the 2016-2017 cycle and OCWA's 2017 O&M Budget takes this into account.
  
- On a more significant note, after several months of negotiation with Onondaga County, the operation of the County's Metropolitan Water Board (MWB) was merged into the OCWA system effective January 1, 2017. Since its inception through December 31, 2016 MWB treated and wholesaled Lake Ontario Water to OCWA, the City of Syracuse and the Town of Hannibal (Oswego County). While Syracuse and Hannibal are small or intermittent users, OCWA bought roughly 50% of its daily demand from MWB. Post-merger, OCWA will assume all MWB operations and continue to sell water on a wholesale basis the City of Syracuse and the Town of Hannibal, but OCWA no longer has to purchase water from MWB. Instead, OCWA's cost to use Lake Ontario water will be directly related to the cost to operate and maintain the system coupled with the cost of funding a major upgrade of the 50-year-old Lake Ontario water treatment plant, which is currently estimated to be a \$40 million project.

## ONONDAGA COUNTY WATER AUTHORITY

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#### Looking Ahead – Continued

- Prior to the consolidation of OCWA and the Metropolitan Water Board the 2017 combined authorized staffing levels of the two organizations was budgeted for 182 employees. Both OCWA and MWB had vacant positions on their rosters at the end of 2016 and once merged the combined staffing of the two organizations on January 1, 2017 totaled 168 employees. The Authority's 2017 budget includes the addition of a night distribution maintenance crew that will consist of four employees working primarily on valve and hydrant operations and maintenance. OCWA is also adding three more distribution maintenance workers to address increasing demands of a water system that has doubled in size in the last 20 years. It is projected over the course of the next two years, by attrition, total staffing of the combined organizations will be 172 employees, which should result in a combined wages and benefits savings of nearly \$1 million per year.
- Chemical costs for 2017 are projected to remain stable. On a related water quality note, starting in 2017, OCWA will begin a program that will see the carbon in one filter in each of the water plant replaced each year.
- OCWA's cost of electric and natural gas costs in 2017 are projected to remain stable with improved energy efficiencies softening the impact of potential rate increases.
- OCWA's ongoing annual capital budget for 2017 is approved for \$9,581,226, keeping the level of capital projects in line with past years. In addition to reoccurring capital expenditures the list of major projects underway or about to start include the tank repairs and tank painting (\$2,350,000) and tank replacement evaluations (\$125,000). The construction of a new meter test facilities (\$750,000) start and be completed in 2017. The Solvay/Geddes Streetscape improvement project (\$750,000) should be completed by the summer of 2017. Also on tap is a major transmission main stabilization projects (\$400,000) in Marcellus along the Nine Mile Creek bed.
- OCWA's 2017 capital improvement program is funded in part by net income from 2016 and in part by capital construction funds. In addition to the projects mentioned above, the 2017 capital budget addresses increasing demand for meter replacements and upgrades, replacement of water mains, hydrants and valves. The budget also covers ongoing replacement of vehicles and heavy equipment. Additionally, the capital budget addresses building and facilities improvements ranging from control pit repairs and storage tank rehabilitation projects. All approved projects are in keeping with OCWA's ongoing asset management efforts, whereby operating and engineering staff continually review and prioritize the overall needs related to replacement and or enhancement of all assets throughout the system.

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**PROJECTS LIST**

Partial list of projects initiated in 2016. Some require more than one year to complete.

Eagleview Tank Replacement  
Oakridge Tank Replacement  
Fairmount Garage Addition  
Water Treatment Plant HVAC Improvements  
Otisco Lake WTP Fluoride System Improvements  
Fencing and Security Improvements Fairmount Reservoir  
Replace Otisco Lake WTP Backwash Pump  
Hydrant Inspection Software Program  
GIS Software Purchase and Implementation

12" Ext Milton Ave / Gertrude Ave  
8" Ext Miller Rd to Bartell Spur  
8" Ext James St  
8" Ext Burlingame Rd  
8" Ext Waterbridge Terrace  
8" Ext Megnin Farms Phase IV  
8" Ext Crimson Ridge Phase 4  
8" Ext White Tail Woods  
8" Ext CNY Raceway  
8" Ext OCC Mawhinney Hall  
8" Ext Harke Farms  
8" OCDOT Mud Mill  
12" Ext Bridge St  
8" Ext Longview Phase 1

New & Replacement Services - Various  
New & Replacement Hydrants - Various  
Meter Replacements - Various

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## COMPLETED PROJECTS

Partial List of projects that OCWA placed into service in 2016

Otisco Lake Dam Improvements  
Zebra Mussel Line Replacement  
Security Improvements Water Treatment Plant  
Piping and Valve Vault Improvements  
Water Treatment Plant Improvements  
Install VFDs Salt Springs Pump Station  
Sherwood Pump Station to East View Tank  
Transmission Main and Streambank Renovations

12"Ext Pottery Rd under CSX  
8"&10"Ext Peterboro St  
8" Ext Hartwell Ave  
10" Ext Stewart Dr East  
8"&12" Ext Marion Meadows  
8" Ext Fayetteville Gateway  
12" Ext Hinsdale PS Discharge  
8" Ext Adams Apartments  
8" Ext Orange Commons  
8" Ext Davidson Auto  
12" Ext Verplank Rd  
8" Ext Railroad Ave  
8" Ext River Pointe Subdivision  
6" Ext Huntington Rd  
8" Ext Canal Crossing Apartments  
8" Ext Wild Flower Subdivision  
8" Ext Route 48 Minetto  
8"&12" Ext Peregrine Landing  
8" Ext Township 5 Phase 3  
8" Ext Poolsbrooke Subdivision

New & Replacement Services - Various  
New & Replacement Hydrants - Various  
Meter Replacements - Various

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**ONONDAGA COUNTY WATER AUTHORITY  
OPERATIONS & MAINTENANCE RESULTS AND BUDGET PLAN**

DESCRIPTION	2016 Budget	2016 Actual	2017 Budget	2018 Projected	2019 Projected	2020 Projected
<b>REVENUES:</b>						
WATER REVENUES	\$41,793,071	\$43,750,375	\$42,868,668	\$45,226,445	\$47,713,899	\$50,338,164
MISC REVENUES	\$1,051,786	\$1,092,863	\$1,071,214	\$1,081,926	\$1,092,745	\$1,103,673
INVESTMENT INCOME	\$18,624	\$97,352	\$88,380	\$88,380	\$88,380	\$88,380
<b>TOTAL REVENUE</b>	<b>\$42,863,481</b>	<b>\$44,940,590</b>	<b>\$44,028,262</b>	<b>\$46,396,751</b>	<b>\$48,895,025</b>	<b>\$51,530,217</b>
<b>EXPENSES:</b>						
LABOR	\$9,368,564	\$9,163,409	\$9,840,207	\$10,135,413	\$10,439,476	\$10,752,660
EMPLOYEE BENEFITS	\$5,623,220	\$5,968,450	\$5,818,281	\$6,173,196	\$6,549,761	\$6,949,297
PURCHASED WATER	\$9,147,118	\$9,733,506	\$9,498,233	\$9,973,145	\$10,471,802	\$10,995,392
CHEMICALS	\$587,857	\$466,945	\$557,138	\$573,852	\$573,852	\$591,068
ELECTRIC (GAS)	\$773,931	\$600,337	\$709,713	\$723,907	\$738,385	\$753,153
O/S PROFESSIONAL SERVICES	\$336,310	\$328,905	\$290,479	\$296,289	\$302,214	\$308,259
O/S CONTRACTORS	\$1,831,198	\$1,362,758	\$1,905,492	\$1,943,602	\$1,982,474	\$2,022,123
SUPPLIES	\$1,026,780	\$1,187,718	\$1,058,232	\$1,079,397	\$1,100,985	\$1,123,004
TRANSPORTATION	\$815,194	\$856,330	\$851,017	\$868,037	\$885,398	\$903,106
OTHER EXPENSES	\$3,443,624	\$3,027,027	\$3,237,560	\$3,302,311	\$3,368,357	\$3,435,725
MISC. ADMIN. EXPENSES	(\$802,164)	(\$963,357)	(\$785,887)	(\$801,605)	(\$817,637)	(\$833,990)
<b>NET OPERATING EXPENSES</b>	<b>\$32,151,632</b>	<b>\$31,732,028</b>	<b>\$32,980,465</b>	<b>\$34,267,544</b>	<b>\$35,595,068</b>	<b>\$36,999,797</b>
BOND INTEREST EXPENSE	\$2,717,441	\$2,729,380	\$2,470,317	\$2,456,690	\$2,731,589	\$3,043,404
OTHER INTEREST	\$7,714	\$7,715	\$5,010	\$22,263	\$18,241	\$14,252
DEPRECIATION & AMORTIZATION	\$6,447,804	\$6,104,722	\$6,370,016	\$6,497,416	\$6,627,365	\$6,759,912
<b>TOTAL FIXED EXPENSES</b>	<b>\$9,172,959</b>	<b>\$8,841,817</b>	<b>\$8,845,343</b>	<b>\$8,976,369</b>	<b>\$9,377,195</b>	<b>\$9,817,568</b>
<b>TOTAL EXPENSES</b>	<b>\$41,324,591</b>	<b>\$40,573,845</b>	<b>\$41,825,808</b>	<b>\$43,243,914</b>	<b>\$44,972,262</b>	<b>\$46,817,364</b>
<b>NET INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>\$1,538,890</b>	<b>\$4,366,745</b>	<b>\$2,202,454</b>	<b>\$3,152,837</b>	<b>\$3,922,762</b>	<b>\$4,712,852</b>
CAPITAL CONTRIBUTIONS	\$1,870,000	\$1,981,576	\$1,800,000	\$1,870,000	\$1,870,000	\$1,870,000
<b>CHANGE IN NET ASSETS</b>	<b>\$3,408,890</b>	<b>\$6,348,321</b>	<b>\$4,002,454</b>	<b>\$5,022,837</b>	<b>\$5,792,762</b>	<b>\$6,582,852</b>
PLUS: NON-CASH CHARGES	\$8,263,128	\$7,511,143	\$7,903,016	\$8,030,416	\$8,160,365	\$8,292,912
LESS: BOND PRINCIPAL ALLOCATION AND LEASE PAYMENTS	\$3,070,098	\$3,073,431	\$3,192,184	\$3,938,462	\$4,545,961	\$5,324,423
<b>CHANGE IN NET ASSETS (CASH BUDGET)</b>	<b>\$8,601,920</b>	<b>\$10,786,033</b>	<b>\$8,713,286</b>	<b>\$9,114,792</b>	<b>\$9,407,166</b>	<b>\$9,551,341</b>

**ONONDAGA COUNTY WATER AUTHORITY**

**ANNUAL REPORT DOCUMENTATION**

Year Ended December 31, 2016



**ONONDAGA COUNTY WATER AUTHORITY  
CAPITAL BUDGET PLAN**

<b>Category:</b>	<b>BUDGET 2016</b>	<b>BUDGET 2017</b>	<b>PROJECTED 2018</b>	<b>PROJECTED 2019</b>	<b>PROJECTED 2020</b>
1A - Small Meters	590,034	737,824	752,580	767,632	782,985
1B - Large Meters	290,402	290,402	321,210	327,634	334,187
2A - Small Services	694,000	694,000	15,000	15,300	15,606
3A - MEC (Main Extensions)	1,045,000	1,045,000	1,065,900	1,087,218	1,108,962
JO - Job Orders	270,000	200,000	0	0	0
3B - System Betterment	2,185,000	2,200,000	3,550,000	3,905,000	4,295,500
3C - New Hydrants	30,000	30,000	30,000	30,600	31,212
3D - DOT Relocations	300,000	300,000	306,000	312,120	318,362
4A - Valve Replacements	320,000	375,000	350,000	385,000	423,500
4B - Hydrant Replacements	300,000	300,000	330,000	363,000	399,300
5A - Light Vehicles	455,000	550,500	561,510	572,740	584,195
5B - Heavy Vehicles	326,000	504,000	514,080	524,362	534,849
5C - Field Equipment	319,500	172,500	527,000	555,040	708,141
5D - Office Equipment	105,000	197,000	90,000	91,800	93,636
5E - Radio and Lab Equipment	0	0	5,000	5,100	5,202
5F - Safety Equipment	0	0	7,500	7,650	7,803
6A - Building Improvements	255,000	800,000	410,600	161,312	212,038
7 - Telemetry	0	0	5,000	5,100	5,202
8 - Control Valves	150,000	150,000	157,500	165,375	173,644
9 - Pumping Stations	210,000	25,000	800,000	2,050,000	1,200,000
10 - Filter Plant (Otisco)	161,500	25,000	165,000	101,000	52,020
11 - Reservoirs and Tanks	1,825,000	2,475,000	2,600,000	3,100,000	1,500,000
12 - Source of Supply (Otisco)	0	0	1,000,000	25,000	175,000
<b>MAJOR</b>	<b>1,150,000</b>	<b>810,000</b>	<b>2,800,000</b>	<b>625,000</b>	<b>1,725,000</b>
<b>MWB</b>		<b>0</b>	<b>7,415,100</b>	<b>11,860,202</b>	<b>9,522,906</b>
<b>Total / Ongoing Capital</b>	<b>10,981,436</b>	<b>11,881,226</b>	<b>23,778,981</b>	<b>27,043,185</b>	<b>24,209,250</b>
<b>Annual Grand Total Capital Work</b>	<b>10,981,436</b>	<b>11,881,226</b>	<b>23,778,981</b>	<b>27,043,185</b>	<b>24,209,250</b>
<b>Annual Funds From Operations &amp; Contributed Capital</b>	<b>8,601,920</b>	<b>8,713,286</b>	<b>9,114,792</b>	<b>9,407,166</b>	<b>9,551,341</b>
<b>Bond Funds Available</b>	<b>1,700,000</b>	<b>500,000</b>	<b>15,000,000</b>	<b>17,000,000</b>	<b>15,000,000</b>
<b>Annual +/- to Available Funds</b>	<b>-679,516</b>	<b>-2,667,940</b>	<b>335,811</b>	<b>-636,019</b>	<b>342,091</b>
<b>Projected Available Reserve Funds - Previous Y/E (Reserve Funds include Capital Reserve, Rate Stabilization Reserve and any excess funds)</b>		<b>9,689,177</b>	<b>7,021,237</b>	<b>7,357,048</b>	<b>6,721,029</b>
<b>Cumulative Balance of Available Funds</b>	<b>9,689,177</b>	<b>7,021,237</b>	<b>7,357,048</b>	<b>6,721,029</b>	<b>7,063,120</b>

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**ONONDAGA COUNTY WATER AUTHORITY**

**ANNUAL REPORT DOCUMENTATION**

Year Ended December 31, 2016



**ONONDAGA COUNTY WATER AUTHORITY**

**I. Analysis of 2016 Financial Results – Actual to Budget**

A. **Water Revenues** were \$1,957,304 (4.7%) more than budgeted for the year.

	Year to Date	
	Variance	Percent
Residential Revenue	\$1,365,890	5.6%
Commercial Revenue	541,002	7.4%
Industrial Revenue	16,533	0.3%
Municipal Revenue	(2,839)	(0.1%)
Fire Protection Revenue	36,718	2.8%
Total	\$1,957,304	4.7%

Total Water Revenues are not only up as compared to budget, they are also \$1,058,478 (2.5%) higher than at the end of December 2015. The amount of the variance would be larger except for the change in method of determining accrued revenue that was implemented in 2015. It provided a one-time increase in revenue estimated to be approximately \$750,000 in that year.

**Miscellaneous Revenues** were \$41,077 more than budgeted for 2016. Part of that variance is related to the net of Miscellaneous Sales and Cost of Miscellaneous Sales which was \$20,806 more than budgeted. Another part was Other Income which was \$10,491 more than budgeted for the year. The final positive variance was in Service Application Fees which were \$9,901 more than budgeted. These were positive variances were partially offset by Penalties which were \$7,731 less than budgeted for the year.

**Investment Income** was \$78,728 more than budgeted for the year. Significant increases in both money market and Treasury bill yields over the course of the year account for the growth in interest.

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**ONONDAGA COUNTY WATER AUTHORITY**

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**ANNUAL REPORT DOCUMENTATION**

Year Ended December 31, 2016

B. Total Expenses were \$750,738 (1.8%) less than budgeted for the year.

Expense Categories that were significantly under budget for the year include:

**Labor** was \$205,155 (2.2%) less than budgeted for the year. Budgeted but unfilled positions were the principal reason for this variance. The possibility of consolidation with the Metropolitan Water Board was a major factor in the decision not to fill various job titles. In addition, labor charged to capital projects was \$84,424 more than budgeted for the year.

**Chemicals** were \$120,912 (20.6%) less than budgeted for 2016 due to positive pricing as compared to the amounts budgeted. **Electric/Gas** costs were \$173,594 (22.4%) under budget for the year due to continued efficiency upgrades and commodity portion of electric bills continuing to stay low.

**Outside Contractors** were \$468,440 less than budgeted. Distribution departments were under budget by \$302,754 (37.5%) with the major variances in paving- \$86,552, top soil & seeding - \$134,015 and transmission main clearing - \$50,000. IT and Operations had the next highest variances with positive \$36,467 (10.9%) and \$34,601 (20.2%) respectively. Only the Business Office had a negative variance - \$10,391 (11.5%).

**Other Expenses** were under budget by \$416,597 (12.1%). OPEB expense for the year was \$408,903 (22.5%) less than budgeted. The reason that the expense came in so much lower than budgeted is that OCWA changed to a lower cost health insurance plan for retirees. **Depreciation & Amortization** was \$343,082 (5.3%) less than budgeted for the year. The 2016 Depreciation budget was based on a Lawson generated projection of depreciation for capital assets at the time of budget preparation plus an estimate of depreciation for assets to be added in 2015 and 2016. The actual capital assets added in 2015 and 2016 were less than the projected amounts.

Other expense categories that were under budget for the year include: Outside Professional Services - \$7,405 (2.2%) and Misc. Admin Expenses - \$161,193 (20.1%).

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**ONONDAGA COUNTY WATER AUTHORITY**

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Year Ended December 31, 2016

Expense Categories that were significantly over budget for the year include:

**Employee Benefits** were \$345,227 (6.1%) over budget for 2016. This variance is the result of the net effect of a couple of factors. The first is the expense related to the GASB 68 reporting standard for pensions. The information is provided by the NYS Local Retirement System and the entries involved caused pension expense to be \$521,747 more than budgeted. The other factor is health insurance which due to the change to a lower cost plan for OCWA's CSEA and Administrative employees and retirees resulted in an approximate positive variance of \$180,000 for the year which partially offset the pension variance.

**Purchased Water** was \$586,388 (6.4%) more than budgeted for the year. Purchases from the Metropolitan Water Board totaled \$8,736,127 and were \$419,495 (5.0%) more than budgeted for the year. Purchases from the City of Syracuse totaled \$832,008 and were \$129,096 (18.4%) more than budgeted and purchases from the Town of Clay totaled \$165,372 and were \$37,799 (29.6%) more than budgeted.

**Supplies** were \$160,949 (15.7%) over budget for the year. **Field Supplies** were over budget by \$53,027 (7.5%). **Inventory** used in operation and maintenance was \$14,470 (8.7%) less than budgeted. **Office Supplies** purchased were \$122,392 (78.5%) more than budgeted. Due the good financial outlook resulting from the significant positive variance in revenue, departments were informed that they could make supply purchases in 2016 that might have normally waited until 2017. In addition, because of the pending consolidation with the Metropolitan Water Board it was necessary to make purchases in 2016 so that computers and other equipment were available when the consolidation took place on January 1, 2017.

Other expense categories that were over budget for the year include: Transportation - \$41,136 (5.1%) and Bond Interest Expense - \$11,939 (0.4%)

Total Expenses were just \$33,882 (0.1%) higher compared to Total Expenses at the end of 2015.

**C. Net Income Before Capital Contributions** was \$2,827,847 more than budgeted for the year and \$1,058,911 more than 2015.

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**ONONDAGA COUNTY WATER AUTHORITY**

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**ANNUAL REPORT DOCUMENTATION**

Year Ended December 31, 2016

**Onondaga County Water Authority  
Measurements for NYS-ABO Annual Report  
Year Ending December 31, 2016**

**Board:**

1. OCWA Mission Statement review, and revision (if needed). Distributed annually in conjunction with Organizational Meeting. No changes for 2016
2. Ethic Policy Compliance: Policy distributed and reviewed annually. Most recently reviewed January 18, 2017. Acknowledgements collected from all Members of Board.
3. Board Member Training: One newly appointed Board member is scheduled for training in 2017.

**Finance:**

1. OCWA Bond Rating Status currently Aa3 and a positive outlook / Moody's
    - a. Assigned a Aa3 rating and a positive outlook by Moody's on October 17, 2016 in relation to OCWA's 2016 Revenue Refunding Bond issue. Concurrently, Moody's affirmed the Aa3 rating and assigned a positive outlook to OCWA's previously issued parity revenue bonds outstanding.
  2. Debt Service Coverage (Required, Goal and Actual)
    - a. Required – 1.25x
    - b. Goal – 1.75x
    - c. Actual – 2.32x
  3. Debt per Customer
    - a. Year-end 2016 - \$589 (Debt \$60,115,000 / Customers 102,113)
    - b. Year-end 2015 - \$634 (Debt \$64,260,000 / Customers 101,409)
    - c. Year-end 2014 - \$614 (Debt \$61,995,000 / Customers 100,958)
  4. Monthly Budget Variances
    - a. All departmental variances completed for 2016
  5. Annual Budget Fulfillment
    - a. The Net Income before Capital Contributions of \$4,366,745 exceeded the 2016 budgeted amount of \$1,538,898.
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## ONONDAGA COUNTY WATER AUTHORITY

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### ANNUAL REPORT DOCUMENTATION

Year Ended December 31, 2016

6. Quarterly and Annual Investment Activity
  - a. The 2016 annual report and four quarterly investment reports have all been accepted by the Board of Directors.

### Operations:

1. Water Quality Compliance
    - a. No violations were recorded for the year.
    - b. OCWA's Marcellus Water Treatment Plant received the USEPA Partnership for Safe Water Director's Award for 19 consecutive years of compliance with the Agency's voluntary Phase III program requirements.
  2. Metered Ratio
    - a. 2016 year-end Meter Ratio = 83.33% (up from 81.28% at the end of 2015)
    - b. Water Production -- 13,982,197,000 (38.3 mgd)
    - c. Water Sales -- 11,524,800,000 (31.6 mgd)
  3. Water Main Breaks
    - a. Total Repairs: 367 main breaks decrease of 172 from 2015 and 51 less than 2014)
    - b. Total Located by OCWA Leak Detection Personnel – 126 (decrease of 57 / 2015)
    - c. Leaks per Mile of Main – Total – 0.179 breaks per mile of main
    - d. Leaks per Mile of Main – Total minus leaks found by Leak Detection Crew – 0.118 breaks per mile of main without total detected.
  4. Condition of OCWA Facilities – Annual Facilities Inspection
    - a. 22 pump stations and 27 tank sites and 6 major facility sites were inspected by OCWA's Executive Engineer and or Risk Manager.
      1. 8 Tanks had a detailed inspection and evaluation. 19 tanks had a general inspection.
      2. 12 pump stations had a detailed inspection and evaluation.
    - b. In conjunction with OCWA's Consulting Engineer, Barton and Loguidice (B&L), a detailed condition assessment program was developed the integrates with OCWA's asset management program.
    - c. OCWA and B&L developed an automated vulnerability assessment program using the Authority's asset management program whereby OCWA vulnerability assessment is updated daily as opposed to every five years as currently required.
    - d. OCWA and B&L developed an interactive digital hydrant maintenance program using the Authority's asset management tool and interfaced the program with OCWA's geographic information system. All of OCWA's 13,134 hydrants were checked at least once during 2016 (15,944 inspections were completed).
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**ONONDAGA COUNTY WATER AUTHORITY**

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**ANNUAL REPORT DOCUMENTATION**

Year Ended December 31, 2016

- 5. Customer Statistics:
  - a. Total Accounts = 102,113
  - b. Total Metered Accounts = 100,745
    - 1. Residential = 94,054
    - 2. Commercial = 6,605
    - 3. Municipal = 13
    - 4. Industrial = 47

**Human Resources:**

- 1. Employee Statistics:
  - a. Total Full Time Equivalent Employees as of 12/31/2016 = 137
  - b. Accounts Served per Employee = 745
  
- 2. Employee Turnover Rate for 2016
  - a. Number of Employees Separated – Total of 8
  - b. Percent of Staff Separated - 5.84%
    - 1. Percent separated per retirement - 5.11%
    - 2. Percent separated voluntarily - 0.73%
    - 3. Percent separated involuntary - 0.00%
  
- 3. Employee Development Contact Hours (Total and per employee)
  - a. Total Development Hours - 3,247.0 Contact Hours
  - b. Development Hours per Employee - 23.7 Contact Hours / Employee

**Request for Information**

This report is presented as a broad overview of the financial condition of the Onondaga County Water Authority. Questions related to the report or the Authority in general should be sent to the Executive Director, Onondaga County Water Authority, PO Box 4949, Syracuse, New York 13221-4949. Questions can also be directed to the Executive Director via the Authority's web site at [www.ocwa.org](http://www.ocwa.org).



**Central New York's Water Authority**  
[www.ocwa.org](http://www.ocwa.org)

200 NORTHERN CONCOURSE  
P.O. BOX 4949  
SYRACUSE, NY 13221-4949

PHONE: (315) 455-7061  
FAX: (315) 455-8510

## **Management's Assessment of the Effectiveness of Internal Control Structure and Procedures**

The Authority's internal control over operations and financial reporting includes policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and disposition of assets; (b) provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are made in accordance with authorizations of the Executive Director and Members of the Authority; and, (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Authority assets that could have a material effect on the Authority's operations, financial statements and reports.

Because of its inherent limitations, internal control over operations and financial reporting may not prevent or detect misstatements. Projections of any evaluation of the effectiveness of internal controls to future periods are subject to risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

For the period January 1, 2016 through December 31, 2016 management conducted an assessment of the effectiveness of the Authority's internal control over operations and financial reporting and has determined that the controls are adequate. The assessment was made through testing, inquiry and observation.

Very truly yours,  
ONONDAGA COUNTY WATER AUTHORITY

A handwritten signature in blue ink, appearing to read 'Curtis R. Marvin', is written over a horizontal line.

Curtis R. Marvin  
Fiscal Officer



Central New York's Water Authority  
www.ocwa.org

200 NORTHERN CONCOURSE  
P.O. BOX 4949  
SYRACUSE, NY 13221-4949

PHONE: (315) 455-7061  
FAX: (315) 455-8510

We provide this certification in connection with the annual report required of Onondaga County Water Authority by Section 2800(2)(a) of the public authorities law.

We confirm, to the best of our knowledge and belief, the information provided within this annual report:

- 1) Is accurate, correct and does not contain any untrue statement of material fact.
- 2) Does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made.
- 3) Fairly represents in all material respects the financial condition and results of operations of the authority as of, and for, the periods presented in the financial statements.

ONONDAGA COUNTY WATER AUTHORITY

By Michael E. Hooker  
Michael E. Hooker, Executive Director

3/6/17  
Date

By Curtis R. Marvin  
Curtis R. Marvin, Fiscal Officer

3/6/17  
Date

**ANNUAL REPORT DOCUMENTATION**

Year Ended December 31, 2016

**APPENDIX**

**REAL PROPERTY REPORT**

OTISCO LAKE DAM					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>OTISCO LAKE DAM</b>		MARCELLUS			
Dam Structure			\$5,501,700	\$5,660,798	
Sluice Gates			\$558,600	\$574,754	
<b>TOTAL</b>			<b>\$6,060,300</b>	<b>\$6,235,551</b>	

OTISCO LAKE TREATMENT PLANT					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>OTISCO LAKE TREATMENT PLANT</b>		MARCELLUS			
Administration Building			\$4,921,700	\$5,064,025.21	
Contents			\$4,961,300	\$5,104,770.36	
Filter Beds			\$1,828,500	\$1,881,376.37	
Backwash Tank			\$1,392,400	\$1,432,665.28	
Clearwell (1mg)			\$1,163,700	\$1,197,351.76	
Clearwell (2mg)			\$1,764,400	\$1,815,422.74	
Pole Barn			\$73,300	\$75,419.68	
Misc. Structures			\$185,700	\$191,070.05	
Security Improvements (Bldg)			\$138,800	\$142,813.80	
Security Improvements (Cameras)			\$253,800	\$261,139.36	
Security Improvements (Doors)			\$24,300	\$25,002.70	
2008 Filter Expansion Improvements			\$10,543,700	\$10,848,601.62	
<b>TREATMENT PLANT TOTAL</b>			<b>\$27,251,600</b>	<b>\$28,039,659</b>	

PUMPING FACILITIES - LEASED					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>CONSTANTIA</b>		CONSTANTIA			
Building			\$330,200	\$339,749	
Contents			\$380,600	\$391,606	
<b>EAST HILL BOOSTER</b>		MARCELLUS			
Building			\$232,700	\$239,429	
Contents			\$213,600	\$219,777	
Special OCWA Improvements:					
Standby Emergency Generator			\$138,800	\$142,814	
Contents			\$8,200	\$8,437	
Two New Pumps (Replacement)			\$110,500	\$113,695	
Roof and Roof Structure			\$63,400	\$65,233	
Three VFD's			\$21,400	\$22,019	
Radio Install			\$5,400	\$5,556	
<b>EAST SYRACUSE</b>		EAST SYRACUSE			
Building			\$292,900	\$301,370	
Contents			\$171,500	\$176,459	
<b>GRANBY</b>	11	GRANBY			
Building			\$325,000	\$334,398	
Contents			\$309,200	\$318,141	
<b>GROLIER ROAD</b>	11	ONONDAGA			
Building			\$45,000	\$46,301	
Contents			\$75,000	\$77,169	
<b>HIDDEN KNOLLS</b>		CAMILLUS			
Vault	1				
Contents			\$53,400	\$54,944	
<b>HINSDALE (DUNNING DRIVE)</b>	7, 11	CAMILLUS			
Building			\$160,900	\$165,553	
Contents			\$150,000	\$154,338	
<b>HOWLETT HILL</b>		CAMILLUS			
Building			\$259,500	\$267,004	
Contents			\$269,900	\$277,705	
Standby Emergency Generator			\$194,600	\$200,227	
<b>KASSON ROAD</b>		CAMILLUS			
Vault	1				
Contents			\$74,800	\$76,963	
<b>LAKELAND</b>	11	GEDDES			
Building			\$150,000	\$154,338	
Contents			\$188,300	\$193,745	
<b>LIMELEDGE</b>		MARCELLUS			
Building			\$233,500	\$240,252	
Contents			\$173,400	\$178,414	
<b>MAKYES ROAD</b>	11	ONONDAGA			
Building			\$150,000	\$154,338	
Contents			\$187,000	\$192,408	

PUMPING FACILITIES - LEASED (CONTINUED)					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>NEDROW (GREEN HILLS)</b>		ONONDAGA			
Vaults	1				
Contents			\$36,300	\$37,350	
<b>NORTH STREET</b>	11	MARCELLUS			
Building			\$233,500	\$240,252	
Contents			\$170,800	\$175,739	
<b>OTISCO VALLEY</b>		MARCELLUS			
Building			\$468,700	\$482,254	
Contents			\$457,300	\$470,524	
<b>PLEASANT STREET</b>		V. MANLIUS			
Vaults	1				
Contents			\$27,300	\$28,089	
<b>POMPEY PINES</b>	11	POMPEY			
Building			\$150,000	\$154,338	
Contents			\$187,000	\$192,408	
<b>SALT SPRINGS</b>		MANLIUS			
Building			\$363,500	\$374,012	
Contents			\$373,700	\$384,507	
Special OCWA Improvements:					
Standby Emergency Generator			\$117,300	\$120,692	
<b>SCENIC HEIGHTS</b>		CAMILLUS			
Building			\$208,200	\$214,221	
Contents			\$135,000	\$138,904	
<b>SENECA TURNPIKE</b>		ONONDAGA			
Building			\$565,500	\$581,853	
Contents			\$1,143,400	\$1,176,465	
<b>SHERWOOD (OLD BUILDING)</b>	10	CAMILLUS			
Building			\$0		
Contents			\$0		
<b>SKY RIDGE (AT LOWER WELL)</b>		MANLIUS			
Building	2				
Contents	2				
Special OCWA Improvements:					
Bldg/Fence Improvements			\$8,300	\$8,540	
<b>SKY RIDGE (AT UPPER WELL)</b>	2	MANLIUS			
Building					
Contents					
<b>SOLVAY</b>		V. SOLVAY			
Building	3				
Contents			\$259,200	\$266,696	
Special OCWA Improvements:					
Standby Emergency Generator			\$133,900	\$137,772	
<b>SOUTH AVENUE</b>		ONONDAGA			
Building			\$103,100	\$106,081	
Contents			\$99,200	\$102,069	

PUMPING FACILITIES - LEASED (CONTINUED)					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>SYRACUSE GARDENS</b>	11	SALINA			
Building			\$100,000	\$102,892	
Contents			\$89,400	\$91,985	
<b>THURBER AVENUE</b>		CITY OF SYRACUSE			
Building			\$565,500	\$581,853	
Contents			\$1,143,400	\$1,176,465	
<b>VIENNA (McCONNELLSVILLE)</b>		VIENNA			
Building			\$127,000	\$130,673	
Contents			\$124,100	\$127,689	
<b>VIENNA (NORTH BAY)</b>		VIENNA			
Building			\$47,100	\$48,462	
Contents			\$46,800	\$48,153	
<b>VOLNEY (AIRPORT)</b>		VOLNEY			
Building			\$113,700	\$116,988	
Contents			\$111,100	\$114,313	
<b>VOLNEY (SENECA HILL MEDICAL)</b>		VOLNEY			
Building			\$208,800	\$214,838	
Contents			\$165,300	\$170,080	
<b>WESTVALE</b>		GEDDES			
Building			\$103,300	\$106,287	
Contents			\$100,700	\$103,612	
<b>LEASED PUMPING FACILITIES</b>					
<b>TOTAL</b>			<b>\$13,256,100</b>	<b>\$13,724,909</b>	

PUMPING FACILITIES - OWNED					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>ABBAY ROAD</b>		ONONDAGA			
Building			\$199,400	\$205,166	
Contents			\$194,700	\$200,330	
<b>ACADEMY HILL</b>		V. MANLIUS			
Building			\$98,100	\$100,937	
Contents			\$76,800	\$79,021	
<b>CENTRAL SQUARE</b>		HASTINGS			
Building			\$144,500	\$148,679	
Contents			\$141,000	\$145,077	
<b>COYE ROAD</b>	11	LAFAYETTE			
Building			\$150,000	\$154,338	
Contents			\$100,000	\$102,892	
<b>HASTINGS (AT CAUGHDENROY)</b>		HASTINGS			
Building			\$259,500	\$267,004	
Contents			\$380,700	\$391,709	
<b>HINSDALE ROAD (NEW)</b>	8	CAMILLUS			
Building			\$290,000	\$298,386	
Contents			\$460,000	\$473,302	
<b>PARK STREET</b>		SALINA			
Building			\$244,400	\$251,468	
Contents			\$409,400	\$421,239	
<b>ROLLINGS HILLS ROAD</b>		V. CAMILLUS			
Building			\$275,200	\$283,158	
Contents			\$163,100	\$167,817	
<b>SHERWOOD AVENUE (NEW)</b>	8	CAMILLUS			
Building			\$200,000	\$205,784	
Contents			\$240,000	\$246,940	
<b>WARNERS ROAD</b>		CAMILLUS			
Building			\$179,100	\$184,279	
Contents			\$174,700	\$179,752	
Standby Emergency Generator			\$64,800	\$66,674	
<b>WOLF STREET</b>		SALINA			
Building			\$347,700	\$357,755	
Contents			\$324,900	\$334,295	
<b>OWNED PUMPING FACILITIES</b>					
<b>TOTAL</b>			<b>\$5,118,000</b>	<b>\$5,266,002</b>	

PUMPING FACILITIES - TOTAL				
FACILITY			INSURABLE VALUE	
			December 31, 2015	December 31, 2016
<b>LEASED PUMPING FACILITIES</b>				
	<b>SUBTOTAL</b>		<b>\$13,256,100</b>	<b>\$13,724,909</b>
<b>OWNED PUMPING FACILITIES</b>				
	<b>SUBTOTAL</b>		<b>\$5,118,000</b>	<b>\$5,266,002</b>
<b>TOTAL PUMPING FACILITIES</b>			<b>\$18,374,100</b>	<b>\$18,990,910</b>

STORAGE FACILITIES - OWNED ELEVATED TANKS					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>BREWERTON</b>		CICERO			
1,000,000 gal			\$2,431,700	\$2,502,020	
Contents			\$39,100	\$40,231	
<b>CORPORATE DRIVE</b>		HASTINGS			
500,000 gal			\$1,214,900	\$1,250,032	
<b>HASTINGS</b>		CENTRAL SQUARE			
1,000,000 gal			\$3,245,700	\$3,339,559	
Contents			\$39,100	\$40,231	
<b>HENRY CLAY BLVD</b>		CLAY			
500,000 gal			\$1,214,900	\$1,250,032	
<b>LIVERPOOL</b>		LIVERPOOL			
1,000,000 gal			\$2,457,300	\$2,528,360	
Contents			\$39,100	\$40,231	
Generator			\$12,600	\$12,964	
<b>MAKYES ROAD</b>		ONONDAGA			
500,000 gal			\$1,595,900	\$1,642,050	
Contents			\$26,900	\$27,678	
<b>NORTH SYRACUSE</b>		N. SYR. (V)			
1,000,000 gal			\$2,962,800	\$3,048,478	
Contents			\$39,100	\$40,231	
<b>THOMPSON ROAD</b>		DEWITT			
2,000,000 gal			\$4,752,700	\$4,890,138	
Contents			\$39,100	\$40,231	
<b>WINCHELL</b>		VAN BUREN			
1,000,000 gal			\$2,566,000	\$2,640,203	
Contents			\$86,600	\$89,104	
<b>OWNED ELEVATED TANK</b>					
<b>TOTAL</b>			<b>\$22,763,500</b>	<b>\$23,421,773</b>	



STORAGE FACILITIES - LEASED STANDPIPES, ELEVATED TANKS, AND RESERVOIRS				
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE	
			December 31, 2015	December 31, 2016
<b>CANTON STREET - (WARNERS TANK)</b>		VAN BUREN		
200,000 gal			\$234,200	\$240,973
<b>CHITTENANGO UNDERGROUND TANK</b>	4	CHITTENANGO		
1,250,000 gal			\$1,137,700	\$1,170,600
<b>CONSTANTIA</b>		CONSTANTIA		
500,000 gal			\$1,430,500	\$1,471,867
Contents			\$11,000	\$11,318
<b>EAST HILL - MARCELLUS</b>		MARCELLUS		
1,300,000 gal			\$1,148,200	\$1,181,404
Contents			\$10,900	\$11,215
<b>EASTVIEW - CAMILLUS SKI CLUB</b>		CAMILLUS		
1,000,000 gal			\$1,043,800	\$1,073,984
Contents			\$32,100	\$33,028
<b>GRANBY</b>	11	GRANBY		
300,000 gal			\$1,250,000	\$1,286,147
Contents			\$61,800	\$63,587
<b>HIDDEN KNOLLS</b>	11	CAMILLUS		
250,000 gal			\$1,072,300	\$1,103,309
Contents			\$50,000	\$51,446
<b>HOWLETT HILL</b>		ONONDAGA		
1,000,000 gal			\$1,013,800	\$1,043,117
<b>INDIAN HILL</b>		MANLIUS		
1,500,000 gal			\$1,181,700	\$1,215,872
<b>KASSON ROAD TANK</b>		CAMILLUS		
500,000 gal			\$428,900	\$441,303
Contents			\$32,100	\$33,028
<b>LINDA ROAD</b>		ONONDAGA		
750,000 gal			\$580,300	\$597,081
<b>MARCELLUS, V. (HIGHLAND TANK)</b>		MARCELLUS		
250,000 gal			\$280,100	\$288,200
Contents			\$11,600	\$11,935
<b>MEADOW RIDGE ROAD</b>		MANLIUS		
500,000 gal			\$595,000	\$612,206
<b>LIMELEDGE</b>	11	MARCELLUS		
150,000 gal			\$1,000,000	\$1,028,918
Contents			\$50,000	\$51,446
<b>OCC UNDERGROUND TANK</b>	4	ONONDAGA		
500,000 gal			\$568,800	\$585,248
<b>OSWEGO TANK</b>		OSWEGO		
1,000,000 gal			\$1,083,700	\$1,115,038

STORAGE FACILITIES - LEASED STANDPIPES, ELEVATED TANKS, AND RESERVOIRS (CONTINUED)				
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE	
			December 31, 2015	
<b>OTISCO VALLEY</b>		OTISCO		
388,000 gal			\$585,900	\$602,843
<b>POMPEY PINES</b>	11	POMPEY		
150,000 gal			\$1,000,000	\$1,028,918
Contents			\$50,000	\$51,446
<b>SENECA TURNPIKE TANK</b>		ONONDAGA		
2,000,000 gal			\$1,670,200	\$1,718,499
<b>SENTINEL HEIGHTS TANKS</b>		ONONDAGA		
1,500,000 gal (2)			\$3,340,300	\$3,436,894
<b>SKY RIDGE</b>	2	CAMILLUS		
50,000 gal				
<b>SKYVIEW TANKS</b>		CAMILLUS		
2,000,000 gal			\$1,608,400	\$1,654,912
Contents			\$32,100	\$33,028
500,000 gal			\$626,300	\$644,411
Contents			\$32,100	\$33,028
<b>SOLVAY</b>		GEDDES		
90,000 gal			\$601,300	\$618,688
<b>SOUTHWOOD</b>		DEWITT		
200,000 gal			\$234,200	\$240,973
<b>SYLVAN BEACH</b>		VIENNA		
1,000,000 gal			\$815,100	\$838,671
<b>VAN BUREN - O'BRIEN RD</b>	6	VAN BUREN		
1,000,000 gal			\$0	
<b>VIENNA (McCONNELLSVILLE, YAGER ROAD)</b>		VIENNA		
200,000 gal			\$937,000	\$964,096
Contents			\$13,200	\$13,582
<b>VOLNEY (AIRPORT)</b>		VOLNEY		
300,000 gal			\$990,500	\$1,019,143
Contents			\$13,200	\$13,582
<b>VOLNEY (SENECA HILL MEDICAL)</b>		VOLNEY		
300,000 gal			\$975,800	\$1,004,018
Contents			\$13,200	\$13,582
<b>WEST HILL</b>		CAMILLUS		
500,000 gal			\$626,300	\$644,411
<b>WESTVALE TANKS</b>		GEDDES		
500,000 gal			\$626,300	\$644,411
250,000 gal			\$295,500	\$304,045
<b>LEASED STANDPIPES, ELEVATED TANKS AND RESERVOIRS TOTAL</b>			<b>\$29,395,400</b>	<b>\$30,245,453</b>

STORAGE FACILITIES - TOTAL				
FACILITY			INSURABLE VALUE	
			December 31, 2015	December 31, 2016
OWNED ELEVATED TANKS				
	SUBTOTAL		\$22,763,500	\$23,421,773
OWNED STANDPIPES AND RESERVOIRS				
	SUBTOTAL		\$41,877,300	\$43,088,303
LEASED STANDPIPES, ELEVATED TANKS, AND RESERVOIRS				
	SUBTOTAL		\$29,395,400	\$30,245,453
STORAGE FACILITIES TOTAL			\$94,036,200	\$96,755,529

GENERAL PROPERTY					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015		
<b>8J CONTROL VALVE</b>		CAMILLUS			
Vault	1				
Contents and Instrumentation			\$12,200	\$12,553	
<b>ALVERNA HEIGHTS</b>		FAYETTEVILLE			
Meter Vault	1				
Contents			\$10,200	\$10,495	
<b>BARTELL ROAD</b>		CICERO			
Vault	1				
Contents			\$6,700	\$6,894	
<b>BEAR/BUCKLEY</b>		CLAY			
Control Vault	1				
Contents			\$13,000	\$13,376	
<b>BEACH ROAD</b>		CAMILLUS/LAKELAND			
Meter Pit	1				
Contents			\$3,600	\$3,704	
<b>BREED ROAD</b>		CAMILLUS			
Pressure Reducing & Meter Vault	1				
Contents			\$9,200	\$9,466	
<b>BRIAR BROOK</b>		FAYETTEVILLE			
Control Vault	1				
Contents			\$6,600	\$6,791	
<b>BUXTON WOODS</b>		ONONDAGA			
Vault	1				
Contents			\$10,200	\$10,495	
<b>CANASTOTA</b>		V. CANASTOTA			
Control Vault (2)	1				
Contents			\$20,600	\$21,196	
<b>CANASTOTA - LAMB AVE.</b>	9	V. CANASTOTA			
Garage (leased)			\$0		
Contents			\$0		
Pole Barn			\$0		
Contents			\$0		
<b>CAUGHDENROY ROAD</b>		CLAY			
Vault, Control	1				
Contents			\$14,100	\$14,508	
<b>CHITTENANGO</b>	11	SULLIVAN			
Control Building			\$80,000	\$82,313	
Contents			\$20,000	\$20,578	
<b>FARREL ROAD</b>		GEDDES			
North Geddes Phosphate Station			\$11,600	\$11,935	
Contents			\$4,000	\$4,116	
<b>FLY ROAD CONTROL BUILDING</b>		SULLIVAN			
Radio Antenna Monopole			\$4,900	\$5,042	

GENERAL PROPERTY (CONTINUED)					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>GIRDEN ROAD</b>		MANLIUS			
Meter Vault	1				
Contents			\$2,700	\$2,778	
Phosphate Station			\$0		
Contents			\$0		
<b>GLOVER ROAD</b>		MARCELLUS			
Pressure Reducing Vault	1				
Contents			\$19,200	\$19,755	
<b>GLOVER ROAD (LIMEEDGE PRV)</b>		MARCELLUS			
Pressure Reducing Vault	1				
Contents			\$10,900	\$11,215	
<b>HINSDALE ROAD</b>		CAMILLUS			
Gate House			\$13,400	\$13,787	
Chlorine Building			\$15,600	\$16,051	
Contents			\$23,200	\$23,871	
Service Center and Garage			\$482,600	\$496,556	
Contents			\$19,100	\$19,652	
Pole Barn			\$167,700	\$172,550	
Contents			\$29,500	\$30,353	
2008 Security Improvements (cameras, monitors, lighting)			\$171,500	\$176,459	
<b>HOWLETT HILL</b>		ONONDAGA			
Radio Antenna Monopole			\$4,900	\$5,042	
<b>KASSON ROAD CONTROL</b>		ONONDAGA			
Vault	1				
Contents			\$10,200	\$10,495	
<b>KELLY'S CORNERS PRV</b>		ONONDAGA			
Vault	1				
Contents			\$6,800	\$6,997	
<b>KINGS PARK PRV</b>		ONONDAGA			
Vault	1				
Contents			\$6,800	\$6,997	
<b>LAKELAND MAINTENANCE BLDG.</b>	9	GEDDES			
Building			\$0		
Contents			\$0		
<b>LAKEPORT</b>		SULLIVAN			
Control Building			\$28,900	\$29,736	
Contents			\$38,300	\$39,408	
<b>MAKYES ROAD</b>		ONONDAGA			
Radio Antenna Monopole			\$4,900	\$5,042	
<b>MARCELLUS PIPE BRIDGES</b>		MARCELLUS			
Transmission Main Pipe Bridges (7)			\$836,300	\$860,484	
<b>MCKINLEY ROAD</b>		CICERO			
Vault	1				
Contents			\$6,700	\$6,894	

GENERAL PROPERTY (CONTINUED)					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015	December 31, 2016	
<b>MUNRO RD. PRESS. REDUCING STA.</b>		CAMILLUS			
Precast Concrete Vault	1				
Contents			\$6,800	\$6,997	
<b>NEDROW</b>		ONONDAGA			
Pressure Reducing Vaults (2)	1				
Contents			\$28,600	\$29,427	
<b>NIXON PARK CONTROL</b>		ONONDAGA			
Vault	1				
Contents			\$10,200	\$10,495	
<b>NORTHERN CONCOURSE BLDG.</b>		SALINA			
Administration Building			\$10,414,500	\$10,715,665	
Contents			\$1,272,200	\$1,308,989	
Material Inventory			\$1,454,200	\$1,496,252	
Computer Equipment (EDP)			\$675,000	\$694,520	
Security Improvements (Doors)			\$73,300	\$75,420	
2008 Security Improvements (cameras, monitors, lighting, fencing, misc. impr.)			\$171,500	\$176,459	
2012 Roof Replacement			\$145,100	\$149,296	
2011 Boiler Replacement			\$78,100	\$80,358	
2012 New Electrical Service Equipment			\$10,700	\$11,009	
2012 HVAC Upgrades			\$533,900	\$549,339	
<b>NORTHEAST TOWNLINE ROAD</b>		MARCELLUS			
Radio Building			\$33,900	\$34,880	
Antenna Tower			\$25,300	\$26,032	
Contents			\$18,100	\$18,623	
Generator			\$12,600	\$12,964	
<b>OCC EXCELL STATION PRV</b>		ONONDAGA			
Vault	1				
Contents			\$6,800	\$6,997	
<b>OSWEGO SERVICE CENTER</b>		OSWEGO			
Building		1743 County Rte 7	\$286,200	\$294,476	
Contents			\$63,500	\$65,336	
<b>OTISCO LAKE (DAM SITE)</b>		MARCELLUS			
Building No. 1 - Building			\$249,700	\$256,921	
Contents			\$167,100	\$171,932	
Building No. 2 - Chlorine Building			\$351,300	\$361,459	
Contents			\$800,300	\$823,443	
Building No. 3 - Storage Building			\$351,300	\$361,459	
Contents			\$800,300	\$823,443	
Stop Log Shed			\$12,300	\$12,656	
Contents			\$24,100	\$24,797	
Boat Dock			\$1,300	\$1,338	
Pole Barn Shelter/ Pavilion			\$14,400	\$14,816	
Wooden Shed (10'x10')			\$4,400	\$4,527	
Fencing			\$56,100	\$57,722	
Dry Chemical Storage Building			\$116,800	\$120,178	
Contents			\$5,700	\$5,865	
<b>PARDEE ROAD</b>		CICERO			
Vault	1				
Contents			\$6,700	\$6,894	

GENERAL PROPERTY (CONTINUED)					
FACILITY	NOTE	LOCATION (TOWN/VILLAGE)	INSURABLE VALUE		
			December 31, 2015		
<b>ROCKWELL #1</b>		ONONDAGA			
PRV Vault	1				
Contents			\$5,100		\$5,247
<b>ROCKWELL #2</b>		ONONDAGA			
PRA Vault	1				
Contents and Instrumentation			\$9,100		\$9,363
<b>SALT SPRINGS</b>		MANLIUS			
Radio Antenna Monopole			\$4,900		\$5,042
<b>SEAL ROAD</b>		MARCELLUS			
Vault	1				
Contents			\$6,700		\$6,894
<b>SENECA BEACH</b>		BALDWINSVILLE			
Control Valve Vault	1				
Contents and Instrumentation			\$10,200		\$10,495
<b>SPLIT ROCK</b>		ONONDAGA			
Pressure Reducing Station			\$47,500		\$48,874
Contents			\$38,300		\$39,408
<b>STARLIGHT</b>		ONONDAGA			
Pressure Reducing Vault	1				
Contents			\$6,600		\$6,791
<b>SYLVAN BEACH</b>		VIENNA			
Radio Building			\$12,700		\$13,067
Contents					
Rechlorination Building			\$47,100		\$48,462
Contents			\$23,100		\$23,768
<b>TAFT ROAD</b>		CLAY			
Vault	1				
Contents			\$49,200		\$50,623
<b>VIENNA</b>		VIENNA			
Radio Building			\$12,800		\$13,170
Contents			\$33,500		\$34,469
Generator			\$12,500		\$12,861
<b>GENERAL PROPERTY TOTAL</b>			<b>\$20,727,700</b>		<b>\$21,412,571</b>
<b>Notes</b>					
<b>Notes</b>	<b>Description</b>				
1	Concrete underground vaults are considered non-insurable				
2	The Town of Manlius owns and insures this property				
3	The Village of Solvay owns and insures this building				
4	This facility is a concrete underground storage tank				
5	Totals rounded to the nearest \$1,000				
6	Replacement cost was updated, Tank has been demolished				
7	Pumping Station will be removed from service in 2016				
8	Pumping Stations to be added to OCWA Facilities in 2016. Replacement costs updated to reflect lump sum bid prices of Construction Contract awarded on				
9	Replacement cost was updated, Ownership and insurance liability returned to munic				
10	Replacement cost updated, Pumping station has been demolished				
11	Replacement cost was updated to more accurately reflect insurable value of propert				