

**Kearny Municipal Utilities Authority**  
**Hudson County, New Jersey**  
2015 Sanitary Sewer User Charge Study  
April 2015

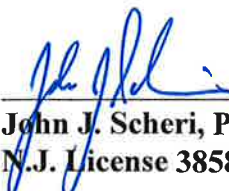


Hatch Mott  
MacDonald

**Kearny Municipal Utilities Authority  
Hudson County, New Jersey**

**2015 Sanitary Sewer User Charge Study**

**April 2015**

  
John J. Scheri, P.E.  
N.J. License 38586

## Introduction

The Kearny Municipal Utilities Authority (KMUA) provides sewer service to a portion of the Town of Kearny known as South Kearny and the Kearny Meadowlands. Wastewater collected by the KMUA from these areas flows to the Kearny Point Pumping Station (formerly the South Kearny Treatment Facility), which is located at the southern tip of the Kearny Point Peninsula. The wastewater receives preliminary treatment at the pumping station and is then pumped to the Passaic Valley Sewerage Commission (PVSC) Treatment Facility in Newark to provide for secondary treatment and ultimate discharge to Upper New York Bay.

The South Kearny service area comprises of the original sewer system that dates back to the early 1900's. These combined sewers receive both sanitary and storm flows. Until 1998, this was the only tributary service area of the KMUA. In 1998, a new gravity sewer, sewage pump station and force main were constructed by the KMUA to provide sewer service to the Kearny Meadowlands. The collection system constructed in this district is a separate sanitary sewer system.

Currently, the KMUA facilities comprise of approximately 10 miles of sewers as well as the sewage facilities constructed in 1998 for the Meadowlands User District and the Kearny Point Pumping Station. KMUA has financial responsibility for the maintenance and operation of these facilities. A user charge system is required in order to provide the funds needed for Authority operations, maintenance and repayment of debt associated with these facilities. The charge system is intended to recover the costs required to provide sewer service to the users that are within the KMUA service area. Accordingly, the KMUA has authorized Hatch Mott MacDonald to prepare this study to review the cost of system operation and current revenues for the purpose of establishing a sewer use charge system which equitably recoups the cost of the KMUA services to its users.

## User Classifications

Currently, there are 57 active KMUA customers. It is recognized, however, that there are several users within the KMUA system whose nature of operation is either such that there is much greater water consumption than actual sewer discharge or vice-versa. Accordingly, although most users will be billed based on municipal water meters, some users will require special water or sewage metering. The KMUA customers are segregated into three classes as follows:

- |           |   |
|-----------|---|
| Class I   | All customers with billing based on municipal water utility meters. |
| Class II  | Customers with billing based on private water meters.               |
| Class III | Customers with billing based on wastewater meters.                  |

For 2015, 43 customers will be Class I customers and will have their sewer bills based upon the previous year's water consumption. In cases where United Water used an estimated consumption values in the past year, the customer's historical data will be reviewed and compared to the estimated usage. If the estimated usage is within the reasonable range of the customer's consumption then the data will be accepted as is, otherwise an average of the past four years of actual historical data will be used in lieu of the estimated values provided by United Water. In cases where the United Water used an estimated consumption values in the past two or more years and the estimates have been comparable, the estimated values provided by United Water will be used for the purposes of this study.

In cases where a significant amount of water consumed by a customer is not returned to the sewer system as wastewater, a Class II customer would be allowed to install additional private water meters. These meters would be placed to allow measurement of those water uses which generate wastewater. The anticipated Class II customers will include the following:

- 1) River Terminal - Jacobus Avenue Property (JAP)
- 2) River Terminal - Central Avenue Property (CAP)
- 3) RTL Services Inc. (Formerly River Terminal - Hackensack Avenue Property - HAP)
- 4) Kuehne Chemical Company
- 5) Leeds Terminal
- 6) PSE&G

Class II customer status is subject to review and approval of KMUA with the requirement that KMUA representatives are authorized to monitor and inspect all meters utilized for the measurement of water for billing purposes. Due to the lack of private water meter data from Leeds Terminal and PSE&G, sewage discharges for these two customers were based on the Leeds municipal water meter and PSE&G's most recent sewer connection application to KMUA.

Customers that have actual wastewater flow are classified as Class III customers. Other than the New Jersey Sports and Exposition Authority (formerly NJ Meadowlands Commission) and U.S. Postal Services which provide their own flow data, most of Class III customer flow information is monitored by PVSC. This data includes volume, BOD and TSS values which are also used to perform surcharge calculations shown on Table 3.

The Class III customers for 2015 are:

- 1) NJ Transit Meadows Maintenance Complex
- 2) Talbot Hall (Community Education Corporation)
- 3) Spectraserv
- 4) OJ Food Grade Tank Truck Wash, Inc.
- 5) Hudson County Correctional Facility (Hudson County Jail)
- 6) NJ Sports and Exposition Authority (formerly NJ Meadowlands Commission)\*
- 7) U.S. Postal Service

\* NJSEA not assessed PVSC fees based upon April 2004 Agreement between EnCAP and PVSC

Under the user charge system, a consistent charge per unit volume of water/wastewater will be applied to the water consumption (Class I and II) or wastewater generation (Class III) of each customer. Since the municipal water utility meters flow in “Hundred Cubic Feet” units of volume, it is recommended that this measurement unit also be continued by the KMUA for wastewater charges.

## KMUA Revenue Requirements

The costs of operating the KMUA fall into many categories which are summarized in the annual KMUA budget. Table 1 of this report shows the annual KMUA budgets for the years 2010-2015. This provides the breakdown of revenues, expenses, and debt service for this time period. The corresponding Charts 1 to 5 also predict the KMUA budget and revenue requirements through 2018.

### Table 1

Table 1 shows that the annual revenue requirement has risen by approximately 28.20% since 2010. In 2010 the budget was approximately \$3.826 million while in 2015 the budget is approximately \$4.905 million. Charts 1 to 5 indicate average percent increases of significant items based upon extending trends from 2010 - 2015 into the year 2018 and also by reviewing debt service (which can be quite variable depending upon how repayment of the KMUA debt is structured and also will need to be adjusted if additional debt is incurred during this period). The total debt service this year is \$1,875,707.00. This includes bond and note interest.

Another significant cost component of the KMUA is the amount paid to the PVSC for wastewater treatment. The 2015 KMUA revenue requirement for PVSC charges based upon the actual invoice from PVSC to the Town of

Kearny is \$860,000.00. This cost is variable as it depends on metered wastewater flows that include infiltration and inflow components of sewage flows which will rise and fall depending on rainfall amounts. It also depends upon the quantity of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS) contained in the wastewater. It is also noted that the amounts above are KMUA's share of the total PVSC bill to the Town of Kearny. For 2015, the unit costs that PVSC charges for flow, BOD and TSS have increased.

<b>YEAR</b>	<b>VOL (per million gallons)</b>	<b>BOD (per 1,000 #)</b>	<b>TSS (per 1,000 #)</b>
2015	\$ 445.7042	\$ 436.4175	\$ 448.0926
2014	\$ 442.5107	\$ 415.8246	\$ 429.2818
2013	\$ 433.5509	\$ 403.7363	\$ 417.9495
2012	\$ 412.4249	\$ 387.8630	\$417.6262
2011	\$ 428.8251	\$ 394.7860	\$ 405.4650
2010	\$ 434.8033	\$ 406.5939	\$ 401.8539
2009	\$ 527.4634	\$ 323.9473	\$ 350.6006
2008	\$ 497.0068	\$ 302.8574	\$ 329.0207
2007	\$ 490.5578	\$ 288.7095	\$ 319.8936

The PVSC unit cost for flow has increased by 0.72% from last year's unit charge. Historically, the cost has increased from 2007 to 2009 by 7.52%, but decreased from 2009 to 2014 by 15.50%. BOD increased from 2007 to 2010 by 40.83% but decreased by 4.61% from 2010 to 2012 before it started to increase again between 2012-2014. This year's BOD charge has increased by 4.95% from last year's unit charge. TSS has constantly increased from 2007 to 2015 by 40.08%.

### **Table1A**

Table 1A isolates the 2015 Summary of Budget Data for the purpose of establishing the 2015 KMUA revenue requirement through user charges. The 2015 total KMUA revenue requirement is approximately \$4.905 million dollars. The KMUA has also earned interest on investments and deposits in the amount of \$2,000.00 and represents revenue that can be applied towards the total KMUA revenue earned in 2014 to approximately \$3.998 million dollars.

## **Revenue Sources**

The KMUA continues to have three primary sources of revenue under the current sewer rate structure as follows:

1. Base Sewer Rate per Hundred Cubic Feet (HCF) of water consumption (Class I) & (Class II) or Hundred Cubic Feet (HCF) of wastewater discharged (Class III).
2. Surcharges on Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS).
3. Connection Fees charged to new customers of the KMUA

### Table 3

For the purpose of establishing the surcharges on biochemical oxygen demand and total suspended solids, Table 3 has been prepared. This table presents the flow rates and BOD and suspended solids load which are monitored by PVSC and billed to the Town of Kearny. PVSC also monitors five industries within the KMUA district. PVSC provides KMUA with the monitoring results for these industries including flow, BOD (per 1,000 lbs.) and suspended solids (per 1,000 lbs.). It is noted that typical wastewater contains both BOD and suspended solids and the Town of Kearny wastewater taken in total has concentrations of 139.23 milligrams per liter of BOD and 130.48 milligrams per liter of suspended solids. It should be recognized that these are average concentrations with some customers contributing higher and others lower than these concentrations. We have computed the BOD and suspended solids concentration for each monitored industry for the purpose of determining which industries contribute higher than the average concentration and to the extent that this is the case, determining the excess BOD and suspended solids. Where the BOD or suspended solids are less than the Town of Kearny average for these industries, no surcharge is assessed. Based upon this analysis, the KMUA can anticipate \$28,520.59 in BOD and suspended solids surcharge revenue which will defray a portion of the total PVSC bill of \$860,000.00. Accordingly, the remaining PVSC charge of \$831,479.41 will need to be funded through the flow based sewer rate along with the other operations, maintenance and debt service requirements listed in Table 1A.

## 2015 User Charge

To arrive at the base sewer rate per 100 cubic feet, we have totalized the flow records of all users and arrived at a total annual water consumption (Class I and II) or wastewater generation (Class III) amount of 560,421 hundred cubic feet. This is shown in Table 2.

In 2004, an agreement was made between the New Jersey Meadowlands Commission (EnCAP) and PVSC. The agreement provided that the NJMC was not to be assessed PVSC user charges from that point forward. The New Jersey Sports and Exposition Authority (NJSEA) is the successor to NJMC. To comply with this agreement, the user rate was calculated by segregating the total KMUA revenue requirement from all service charges of \$4,905,186.49 into two components. These include the KMUA local revenue requirement of \$4,045,186.49 and

the PVSC charges of \$860,000.00. The first component applies to all KMUA users including the NJSEA. The PVSC charges are partially defrayed by the BOD/TSS surcharges of \$28,520.59. The remaining PVSC charge (\$831,479.41) is recovered from all KMUA users except the NJSEA through the base charge for flow.

The KMUA local revenue requirement of \$4,045,186.49 is then divided by the total volume of 560,421 HCF and results in the whole rate of \$7.22/HCF. The KMUA volume excluding the NJMC volume is 259,337 HCF. The PVSC charges of \$831,479.41 are then divided by the 259,337 HCF and results in the whole rate of \$3.21/HCF. Accordingly, the 2015 KMUA user charge is \$10.43/HCF to all KMUA customers with the exception of the NJSEA, where the applicable rate is \$7.22/HCF.

Table 2 provides for this calculation and for the 2015 charge for the individual KMUA users. Columns 1-5 provide a description of the customer. Column 6 identifies their flow in HCF. Column 7 provides their charge based upon \$7.22/HCF. Column 8 provides their PVSC charge based upon \$3.21/HCF. Where BOD or suspended solids surcharge has been identified for a monitored industry in Table 3, Column 9 identifies their surcharge. Column 10 is the summation of Columns 7-9 as applicable and is the total charge for those users.

The local component of the rate of \$7.22/HCF represents a 0.00% increase from the rate of \$7.22 in 2014. The PVSC component of the rate increased by 3.88% primarily due to the fact that there was less surcharge revenue generated from PVSC monitored users this year, and lower volume from the users excluding NJSEA. The undefrayed PVSC charges are accordingly, distributed amongst the other customers. The overall rate of \$10.43/HCF represents an increase of 1.16% from the 2014 rate of \$10.31/HCF.

## Connection Fee

The method of establishing the connection fee is established by regulation which generally provides that the connection fee be computed annually based upon taking the total past capital expenditures of the Authority including funds taken from annual general revenues to pay for capital improvements as well as debt service (principal and interest) paid by KMUA for improvements to the system and dividing this amount by the total number of EDU's within the system.

In 2014, no new connections were made to the system. Based upon the total EDU's within KMUA's system of 8,850 EDU's and the total debt service paid through December 31, 2014 of \$27,267,284.50, the connection fee for 2015 is \$3,081.05/EDU.



It is emphasized that only the cost that has already been paid by the existing customers is included in the computation in order to represent the investment that these customers have made in the system. The connection fee is intended to allow the new customer to connect to the system with an investment of a similar magnitude. It is recommended that the Authority annually update the connection fee each year. As the Authority pays principal and interest on bonds each year the connection fee will increase incrementally each year. The connection fees can be used as a revenue source which can either defray future operating costs or can accelerate the repayment of debt. In either case, it generally has a stabilizing effect on user fees.

**April, 2015**



**Kearny Municipal Utilities Authority  
Hudson County, New Jersey  
2015 User Charge Setting Report  
Table 1 - Summary of Budget Data**

TABLE 1-SUMMARY OF BUDGET DATA 2010-2015						
	2010 BUDGET	2011 BUDGET	2012 BUDGET <sup>†</sup>	2013 BUDGET <sup>†</sup>	2014 BUDGET <sup>†</sup>	2015 BUDGET <sup>†</sup>
	1	2	3	4	5	5
<b>REVENUES</b>						
<b>Operating Revenues</b>						
Service Charges	\$ 3,432,493.13	\$ 3,569,353.00	\$ 3,695,733.00	\$ 3,701,296.00	\$ 3,848,891.00	\$ 3,995,707.00
Connection Fees						
Parking Fees						
Other Operating Revenues						
<b>Non-Operating Revenues</b>						
Op Grants & Entitlements						
Local Subsidies & Donations						
Interest on investments & deposits	\$ 50,000.00	\$ 50,000.00	\$ 2,231.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Other Non-Op Revenues						
<b>Total Revenues</b>	<b>\$ 3,482,493.13</b>	<b>\$ 3,619,353.00</b>	<b>\$ 3,697,964.00</b>	<b>\$ 3,703,296.00</b>	<b>\$ 3,850,891.00</b>	<b>\$ 3,997,707.00</b>
<b>APPROPRIATIONS</b>						
<b>Administration</b>						
Salaries and Wages	\$ 326,622.50	\$ 328,255.61	\$ 72,095.00	\$ 171,731.00	\$ 177,717.00	\$ 179,000.00
Employees Benefits (Fringe)	\$ 112,652.00	\$ 113,215.26	\$ 54,503.00	\$ 93,360.00	\$ 74,460.00	\$ 79,000.00
Other Legal/Admin Expenses	\$ 166,750.00	\$ 167,583.75	\$ 150,000.00	\$ 150,000.00	\$ 138,000.00	\$ 145,000.00
Total Administration	\$ 606,024.50	\$ 609,054.62	\$ 276,598.00	\$ 415,091.00	\$ 390,177.00	\$ 403,000.00
<b>Cost of Providing Services (COPS)</b>						
Total Non-PVSC COPS*	\$ 300,798.00	\$ 306,813.96	\$ 582,985.00	\$ 579,577.00	\$ 729,029.00	\$ 859,000.00
Passaic Valley SC	\$ 860,000.00	\$ 860,000.00	\$ 860,000.00	\$ 860,000.00	\$ 860,000.00	\$ 860,000.00
Total Operations	\$ 1,160,798.00	\$ 1,166,813.96	\$ 1,442,985.00	\$ 1,439,577.00	\$ 1,589,029.00	\$ 1,719,000.00
<b>Debt Service</b>						
Bond Principal Payments	\$ 1,194,534.00	\$ 1,159,898.56	\$ 1,189,932.00	\$ 1,336,379.00	\$ 1,398,016.00	\$ 1,442,833.00
Bond and Note Interest	\$ 611,594.00	\$ 621,937.50	\$ 588,450.00	\$ 512,249.00	\$ 473,669.00	\$ 432,874.00
Total Debt Service	\$ 1,806,128.00	\$ 1,781,836.06	\$ 1,778,382.00	\$ 1,848,628.00	\$ 1,871,685.00	\$ 1,875,707.00
<b>Total Appropriations</b>	<b>\$ 3,572,950.50</b>	<b>\$ 3,557,704.64</b>	<b>\$ 3,497,965.00</b>	<b>\$ 3,703,296.00</b>	<b>\$ 3,850,891.00</b>	<b>\$ 3,997,707.00</b>
<b>MISCELLANEOUS ADJUSTMENTS</b>						
Fund Balance Applied	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Retained Earnings Appropriated	\$ -	\$ 100,000.00	\$ 200,000.00	\$ -	\$ -	\$ -
<b>Sub Total Appropriations</b>	<b>\$ 3,602,950.50</b>	<b>\$ 3,657,704.64</b>	<b>\$ 3,697,965.00</b>	<b>\$ 3,703,296.00</b>	<b>\$ 3,850,891.00</b>	<b>\$ 3,997,707.00</b>
<b>CONTINGENCY AMOUNT**</b>	<b>\$ 223,382.93</b>	<b>\$ 226,777.69</b>	<b>\$ 184,898.25</b>	<b>\$ 185,164.80</b>	<b>\$ 577,633.65</b>	<b>\$ 907,479.49</b>
<b>TOTAL REVENUE REQUIREMENT</b>	<b>\$ 3,826,333.43</b>	<b>\$ 3,884,482.33</b>	<b>\$ 3,882,863.25</b>	<b>\$ 3,888,460.80</b>	<b>\$ 4,428,524.65</b>	<b>\$ 4,905,186.49</b>

\* Includes Grit Removal, Equipment Repairs and Supplies, Fees and Permits, Consulting Fees, Laboratory, Education, Utilities, Property Lease, Trustee Fees.

\*\* 2015 Contingency is 21.31%

†In 2011, KMUA budget line items were revised to implement a new accounting system.

Prepared by HMM April 2015

**Kearny Municipal Utilities Authority  
Hudson County, New Jersey  
2015 User Charge Setting Report  
TABLE 1A-SUMMARY OF BUDGET DATA 2015**

DESCRIPTION	2015 BUDGET
<b>REVENUES</b>	
<b>Operating Revenues</b>	
Service Charges	\$ 3,995,707.00
Connection Fees	
Parking Fees	
Other Operating Revenues	
<b>Non-Operating Revenues</b>	
Op Grants & Entitlements	
Local Subsidies & Donations	
Interest on investments & deposits	\$ 2,000.00
Other Non-Op Revenues	\$ -
<b>Total Revenues</b>	<b>\$ 3,997,707.00</b>
<b>APPROPRIATIONS</b>	
<b>Administration</b>	
Salaries and Wages	\$ 179,000.00
Employees Benefits (Fringe)	\$ 79,000.00
Other Legal/Admin Expenses	\$ 145,000.00
<b>Total Administration</b>	<b>\$ 403,000.00</b>
<b>Cost of Providing Services (COPS)</b>	
Total Non-PVSC COPS*	\$ 859,000.00
Passaic Valley SC	\$ 860,000.00
<b>Total Operations</b>	<b>\$ 1,719,000.00</b>
<b>DEBT SERVICE</b>	
Bond Principal Payments	\$ 1,442,833.00
Bond and Note Interest	\$ 432,874.00
Total Debt Service	\$ 1,875,707.00
Adjustments and Fund Balance Adjustment	\$ -
<b>SUBTOTAL APPROPRIATIONS</b>	<b>\$ 3,997,707.00</b>
<b>CONTINGENCY AMOUNT</b>	<b>\$ 907,479.49</b>
<b>TOTAL KMUA REVENUE REQUIREMENT</b>	<b>\$ 4,905,186.49</b>
<b>Less PVSC Charges-BOD &amp; SS Surcharges (Table 3)</b>	<b>\$ 28,520.59</b>
<b>KMUA REVENUE REQ'D (WITH PVSC NON -SURCHARGES)</b>	<b>\$ 4,876,665.90</b>
<b>Less PVSC Charges-Non-Surcharges (Table 3)</b>	<b>\$ 831,479.41</b>
<b>KMUA REVENUE REQ'D (NO PVSC CHARGES)</b>	<b>\$ 4,045,186.49</b>
<b>Plus Total PVSC Charges (Table 3)</b>	<b>\$ 860,000.00</b>
<b>AMOUNT TO BE RECOVERED BY USER CHARGES</b>	<b>\$ 4,905,186.49</b>

\*Includes Grit Removal, Equipment repairs & supplies, Fees and Permits, Consulting Fees, Lab, Education, Utilities, Property Lease, Trustee Fees

Prepared by HMM, April 2015

**Kearny Municipal Utilities Authority  
Hudson County, New Jersey**

**2015 User Charge Setting Report  
TABLE 2 - Customer Charges 2015**

BLOCK	LOT	ACCOUNT	CLASS	USER NAME	HCFY	Charge	PVSC	Surcharge	TOTAL	NOTES
284	47	1003-0	1	AMONT, J - DYNAMIC DELIVERY SE	0	\$ -	\$ -		\$ -	Acquired by NJDOT
284	48	1035-0	1	SUNSET CAHUENGA	7,941	\$ 57,334.02	\$ 25,490.61		\$ 82,824.63	
284	49	1036-0	1	CSX INTERMODEL INC. - 63498	824	\$ 5,949.28	\$ 2,645.04		\$ 8,594.32	
284	51	1010-0	1	KEARNY FIDELCO ASSOC.	725	\$ 5,234.50	\$ 2,327.25		\$ 7,561.75	
284	4	1050-0	1	WALMART	3,121	\$ 22,533.62	\$ 10,018.41		\$ 32,552.03	
286	38	1047-0	1	G&S MOTOR EQUIP. CO.	1,122	\$ 8,100.84	\$ 3,601.62		\$ 11,702.46	
286	45.01	1044-0	1	ORANGWOOD MERIT	489	\$ 3,530.58	\$ 1,569.69		\$ 5,100.27	
286	40	1046-0	1	NATIONAL WATER MAIN CLEANING CO.	245	\$ 1,768.90	\$ 786.45		\$ 2,555.35	
286	45.03	1045-0	1	SAFER DEVELOPMENT	778	\$ 5,617.16	\$ 2,497.38		\$ 8,114.54	
288	11	1015-0	1	VERIZON	1	\$ 7.22	\$ 3.21		\$ 10.43	No recorded flow from United Water
288	5.01	1006-0	1	JAC JON ASSOCIATES	75	\$ 541.50	\$ 240.75		\$ 782.25	
288	4	1021-0	1	VECKRIDGE CHEMICAL CO.	245	\$ 1,768.90	\$ 786.45		\$ 2,555.35	
289	14.01, 17.02	1014-0	1	CLEAN EARTH NJ - S&W WASTE	1,099	\$ 7,934.78	\$ 3,527.79		\$ 11,462.57	
289	9.01	1005-0	1	LOMMA RIGGING C/O JIM LOMMA	171	\$ 1,234.62	\$ 548.91		\$ 1,783.53	
289	16	1012-0	1	MAC PRODUCTS	1,353	\$ 9,768.66	\$ 4,343.13		\$ 14,111.79	
290	4	1027-0	1	61 LINCOLN HWY CORP.	4,753	\$ 34,316.66	\$ 15,257.13		\$ 49,573.79	
290	1	1004-0	1	B&G INC. - EIGHTEEN WHEEL	188	\$ 1,357.36	\$ 603.48		\$ 1,960.84	
290	16	1025-0	1	DYNAMIC DELIVERY CORP.	2,867	\$ 20,699.74	\$ 9,203.07		\$ 29,902.81	
290	19	1038-0	1	58 J LLC	443	\$ 3,198.46	\$ 1,422.03		\$ 4,620.49	
291	2.02	1008-0	1	COURAGE REALTY	233	\$ 1,682.26	\$ 747.93		\$ 2,430.19	
291	2.02	1029-0	1	KEPHART TRUCKING	231	\$ 1,667.82	\$ 741.51		\$ 2,409.33	
291	2.01	1033-0	1	R HYER/ GARDENER ASPHALT	4,653	\$ 33,594.66	\$ 14,936.13		\$ 48,530.79	
291	1	1022-0	1	SIXTY SK CORP	75	\$ 541.50	\$ 240.75		\$ 782.25	
292	2	1034-0	1	JAMES LOMMA	1,690	\$ 12,201.80	\$ 5,424.90		\$ 17,626.70	
292	3	1020-0	1	TIL THE END LLC.	12	\$ 86.64	\$ 38.52		\$ 125.16	
293	1	1039-0	1	PJT TRANSPORT	111	\$ 801.42	\$ 356.31		\$ 1,157.73	
294	3	1026-0	1	ATLANTIC NE TRANSPORT	64	\$ 462.08	\$ 205.44		\$ 667.52	
294	13.01	1043-0	1	CSX INTERMODAL INC - 63498	3,509	\$ 25,334.98	\$ 11,263.89		\$ 36,598.87	
294	20	1031-0	1	EDEN WOOD	2,548	\$ 18,396.56	\$ 8,179.08		\$ 26,575.64	
294	14.01	1049-0	1	TOWN OF KEARNY	192	\$ 1,386.24	\$ 616.32		\$ 2,002.56	
294	15	1016-0	1	URBAN RENEWAL CORP.	325	\$ 2,346.50	\$ 1,043.25		\$ 3,389.75	
295	3	1000-0	1	CROSSPOINT REALTY SVS INC.	12	\$ 86.64	\$ 38.52		\$ 125.16	
295	4	1002-0	1	85 LINCOLN HWY ASSOC.	127	\$ 916.94	\$ 407.67		\$ 1,324.61	
295	7	1024-0	1	CROWN ENTERPRISES INC	1,579	\$ 11,400.38	\$ 5,068.59		\$ 16,468.97	
295	11	1030-0	1	NEW PENN	279	\$ 2,014.38	\$ 895.59		\$ 2,909.97	
295	13	1007-0	1	ROADWAY EXPRESS	92	\$ 664.24	\$ 295.32		\$ 959.56	
295	41	1037-0	1	YRC WORLDWIDE INC.	304	\$ 2,197.29	\$ 976.91		\$ 3,174.20	See Note 2
295	5	1053-0	1	S&R REALTY STANSON	61	\$ 438.62	\$ 195.01		\$ 633.62	
296	2	1023-0	1	SOUTH KEARNY ASSOCIATES	158	\$ 1,137.87	\$ 505.90		\$ 1,643.77	See Note 2
296	6	1001-0	1	TOSCANO'S DELI (RTL SERVICES)	0	\$ -	\$ -		\$ -	
297	1	1032-0	1	BRIDGEVIEW INVESTORS	693	\$ 5,003.46	\$ 2,224.53		\$ 7,227.99	
298	19.02	1013-0	1	DH REALTY ENTERPRISES	116	\$ 837.52	\$ 372.36		\$ 1,209.88	
298	14	1009-0	1	EPSTEIN, BERNARD R ETAL	817	\$ 5,898.74	\$ 2,622.57		\$ 8,521.31	
298	19.03	1040-0	2	PSE&G	1,464	\$ 10,567.97	\$ 4,698.50		\$ 15,266.48	
288	10	1055-0	2	RIVER TERMINAL JAP	639	\$ 4,613.58	\$ 2,051.19		\$ 6,664.77	
288	10	1055-1	2	RIVER TERMINAL CAP	4,505	\$ 32,526.10	\$ 14,461.05		\$ 46,987.15	
288	10	1055-2	2	RTL SERVICES INC. (FORMERLY RIVER TERMINAL HAP)	7,242	\$ 52,287.24	\$ 23,246.82		\$ 75,534.06	
295	8	1011-0	2	LEEDS TERMINAL	1,324	\$ 9,559.28	\$ 4,250.04		\$ 13,809.32	
298	10	1056-0	2	KUEHNE CHEMICAL CO.	77	\$ 555.94	\$ 247.17		\$ 803.11	See Note 3
175	1	1058-0	3	NJ SPORTS AND EXPOSITION AUTHORITY (NJ MEADOWLA	248,014	\$ 1,790,661.08			\$ 1,790,661.08	See Note 1
284	21.01	1052-0	3	NJ TRANSIT MEADOWS MAINT CMLPX	21,258	\$ 153,482.31	\$ 68,237.98	\$ 9,523.99	\$ 231,244.27	
284	33	1059-0	3	U S POSTAL SERVICE	6,784	\$ 48,980.48	\$ 21,776.64		\$ 70,757.12	
289	11	1057-0	3	SPECTRASERV INC.	30,511	\$ 220,291.80	\$ 97,941.37	\$ 6,869.09	\$ 325,102.25	
290	3	1051-0	3	OJ TRUCK WASH	13,488	\$ 97,386.27	\$ 43,297.77	\$ 12,127.51	\$ 152,811.56	
294	19	1054-0	3	TALBOT HALL (CCC) (Class 3)	20,241	\$ 146,137.32	\$ 64,972.41		\$ 211,109.73	
294	11	1049-0	3	HUDSON COUNTY CORRECTIONAL	107,483	\$ 776,030.56	\$ 345,021.90		\$ 1,121,052.46	
205	18	1058-1	3	NJ SPORTS AND EXPOSITION AUTHORITY (NJ MEADOWLA	53,070	\$ 383,165.40			\$ 383,165.40	See Note 1
<b>57 Accounts</b>				<b>TOTAL</b>	<b>560,421</b>	<b>\$ 4,046,240.66</b>	<b>\$ 832,472.23</b>	<b>\$ 28,520.59</b>	<b>\$ 4,907,233.48</b>	

43

	2015 BASE KMUA REVENUE REQUIREMENT	2015 PVSC REVENUE REQUIREMENT
REVENUE REQUIREMENT	\$ 4,045,186.49	\$ 831,479.41
ATTRIBUTABLE FLOW (HCF)	560,421	259,337
COST PER HCF	\$ 7.2181	\$ 3.2062
WHOLE RATE	\$ 7.22	\$ 3.21

2015 Rate Summary			
CLASS DESCRIPTION	2015		
	Base Charge	PVSC Charge	Total
User Class 1	\$ 7.22	\$ 3.21	\$ 10.43
User Class 2	\$ 7.22	\$ 3.21	\$ 10.43
User Class 3	\$ 7.22	\$ 3.21	\$ 10.43

- Note 1** NJSEA (formerly NJMC) not assessed PVSC fees based upon April 2004 Agreement between EnCAP and PVSC  
**Note 2** Utilized averaged water consumption data from 2009 to 2012. Estimated water consumption data from United Water were not consistent with customers historical use.  
**Note 3** KMUA did not receive private water meter reading from customer. Used United Water consumption data.

Prepared by HMM, April, 2015

**Kearny Municipal Utilities Authority  
Hudson County, New Jersey  
2015 User Charge Setting Report  
TABLE 3-SUMMARY OF KMUA SURCHARGE CALCULATION 2015**

DESCRIPTION	VOL	TH lbs	*BOD	EXCESS	BOD	TH lbs	SS	EXCESS	SS	TOTAL
	VOLUME	BOD	CONC	BOD	EXCESS	SS	CONC	SS	EXCESS	BOD/SS
	(MG)	(TH #)	(mg/L)	(TH #)	CHARGE	(TH #)	(mg/L)	(TH #)	CHARGE	SURCHARGE
<b>TOWN OF KEARNY TOTAL</b>	<b>3,002.43</b>	<b>3,486.33</b>	<b>139.23</b>	<b>N/A</b>	<b>N/A</b>	<b>3,267.29</b>	<b>130.48</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>MONITORED INDUSTRIES KMUA</b>										
HUDSON CO CORR FAC (HUDSON COUNTY JAIL)	80.40	90.26	134.61	0.00	\$ -	84.79	126.45	0.00	\$ -	\$ -
NJ TRANSIT MEADOWS MAINTENANCE COMPLEX	15.90	30.47	229.75	12.01	\$ 5,239.22	26.87	202.58	9.56	\$ 4,284.76	\$ 9,523.99
OJ FOOD GRADE TANK TRUCK WASH, INC.	10.09	39.51	469.46	27.79	\$ 12,127.51	7.91	94.05	0.00	\$ -	\$ 12,127.51
SPECTRASERV, INC.	22.82	24.02	126.18	0.00	\$ -	40.17	211.01	15.33	\$ 6,869.09	\$ 6,869.09
TALBOT HALL (COMMUNITY EDUCATION CORPORATION)	15.14	17.00	134.61	0.00	\$ -	15.97	126.45	0.00	\$ -	\$ -
<b>TOTAL SURCHARGES</b>					<b>\$ 17,366.74</b>				<b>\$ 11,153.85</b>	<b>\$ 28,520.59</b>
						<b>TOTAL 2015 TOWN OF KEARNY CHARGE TO KMUA</b>				<b>\$ 860,000.00</b>
						<b>REMAINDER FEES TO BE RECOVERED THROUGH FLOW CHARGES</b>				<b>\$ 831,479.41</b>

2015 PVSC USER CHARGE PER MG \$ 445.7042  
2015 PVSC USER CHARGE FOR BOD/ 1000# \$ 436.4175  
2015 PVSC USER CHARGE FOR SS/ 1000# \$ 448.0926

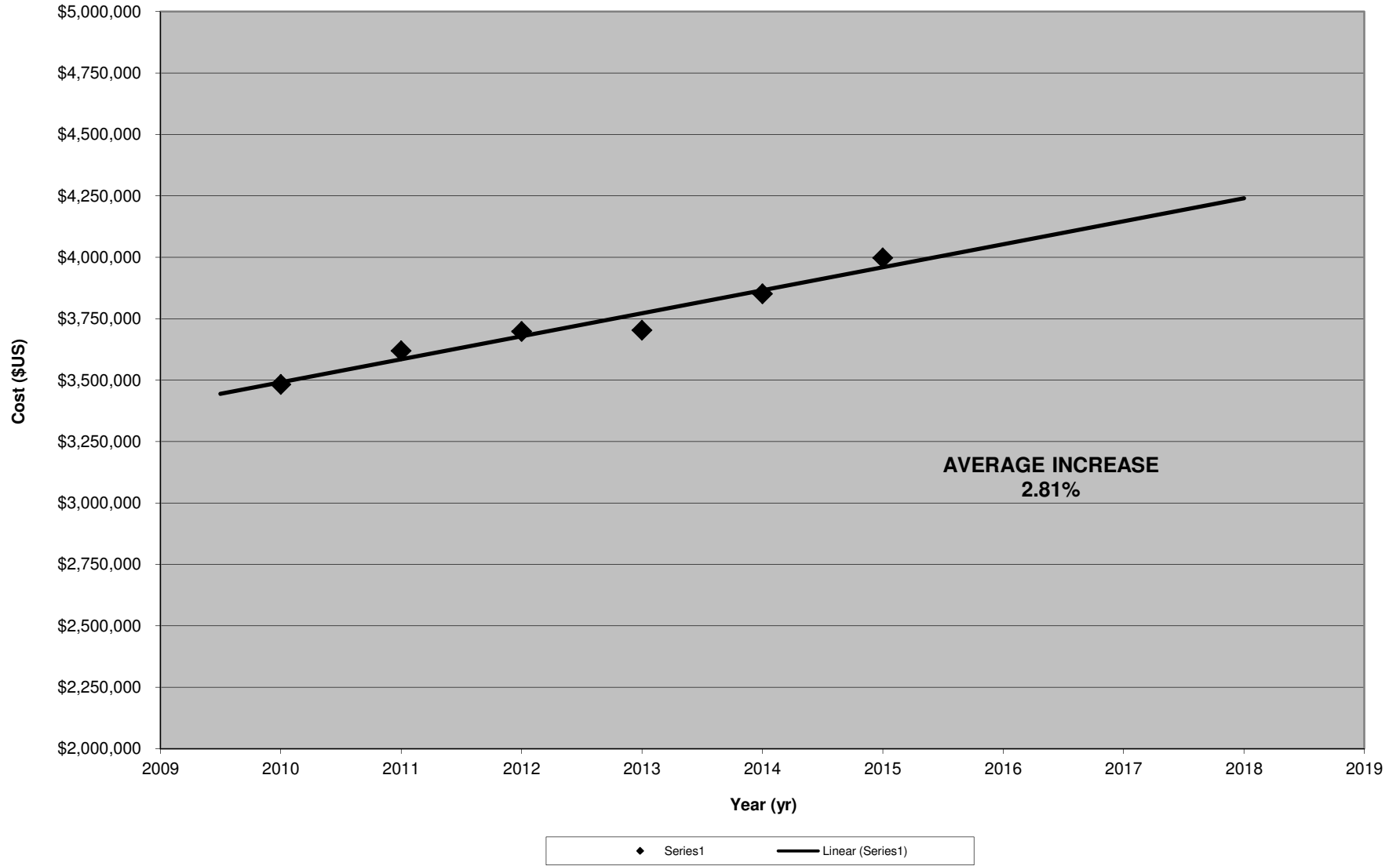
\* BOD CONC DETERMINED BY: 
$$\frac{\text{Thousand \#s BOD} \times 1000 \#}{Q \times 8.34} = \text{BOD (mg/L)}$$

\* SS CONC DETERMINED BY: 
$$\frac{\text{Thousand \#s SS} \times 1000 \#}{Q \times 8.34} = \text{SS (mg/L)}$$

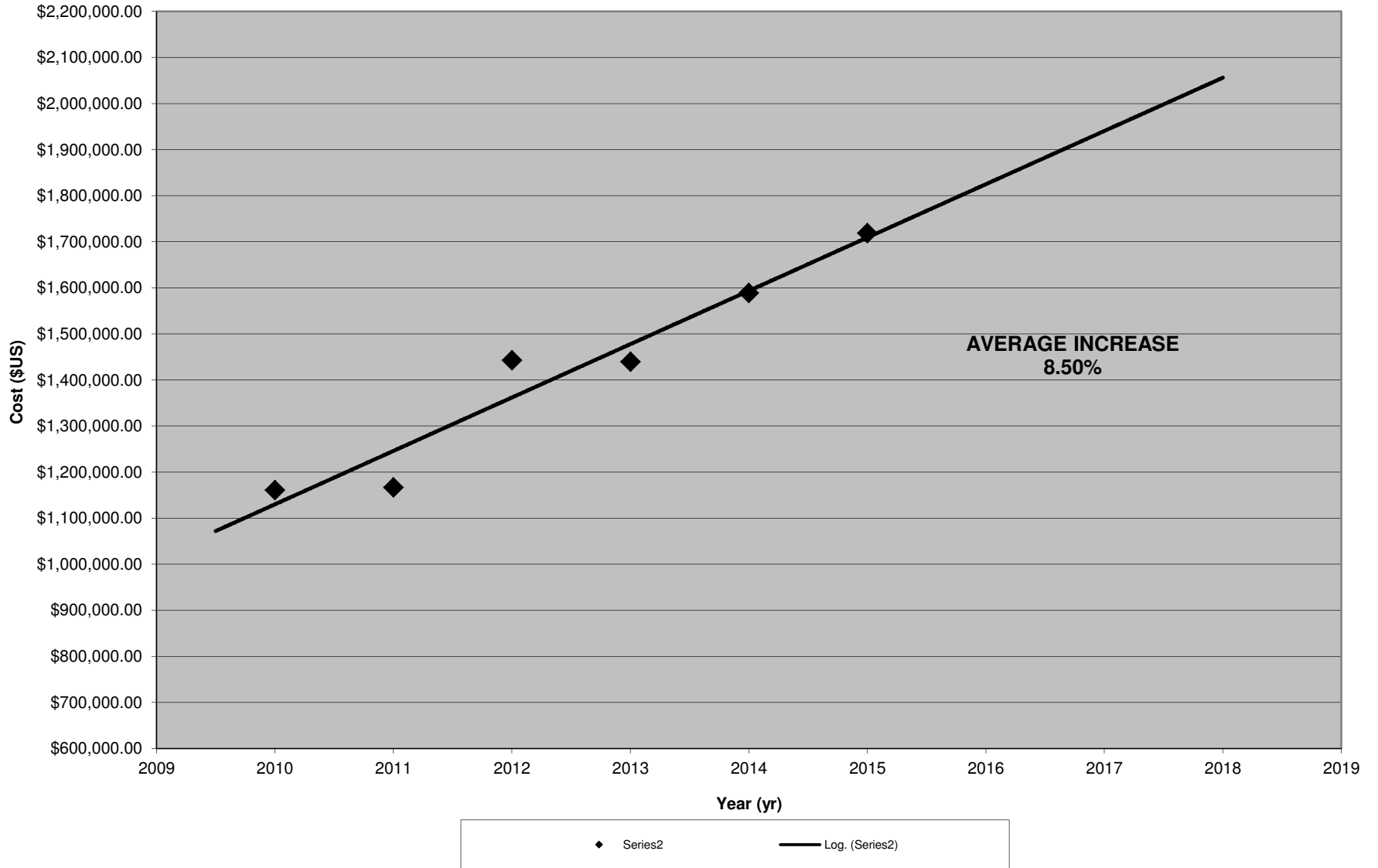
Note 1 NJMC not assessed PVSC fees based upon April 2004 Agreement between EnCAP and PVSC  
Note 2 The Town of Kearny charges KMUA a fix amount of \$860,000.  
Note 3 Surcharge rate is based on the PVSC invoice

Prepared by HMM April 2015

**KEARNY MUA REVENUE TREND 2010-2018**  
**CHART 1 - TOTAL REVENUE**

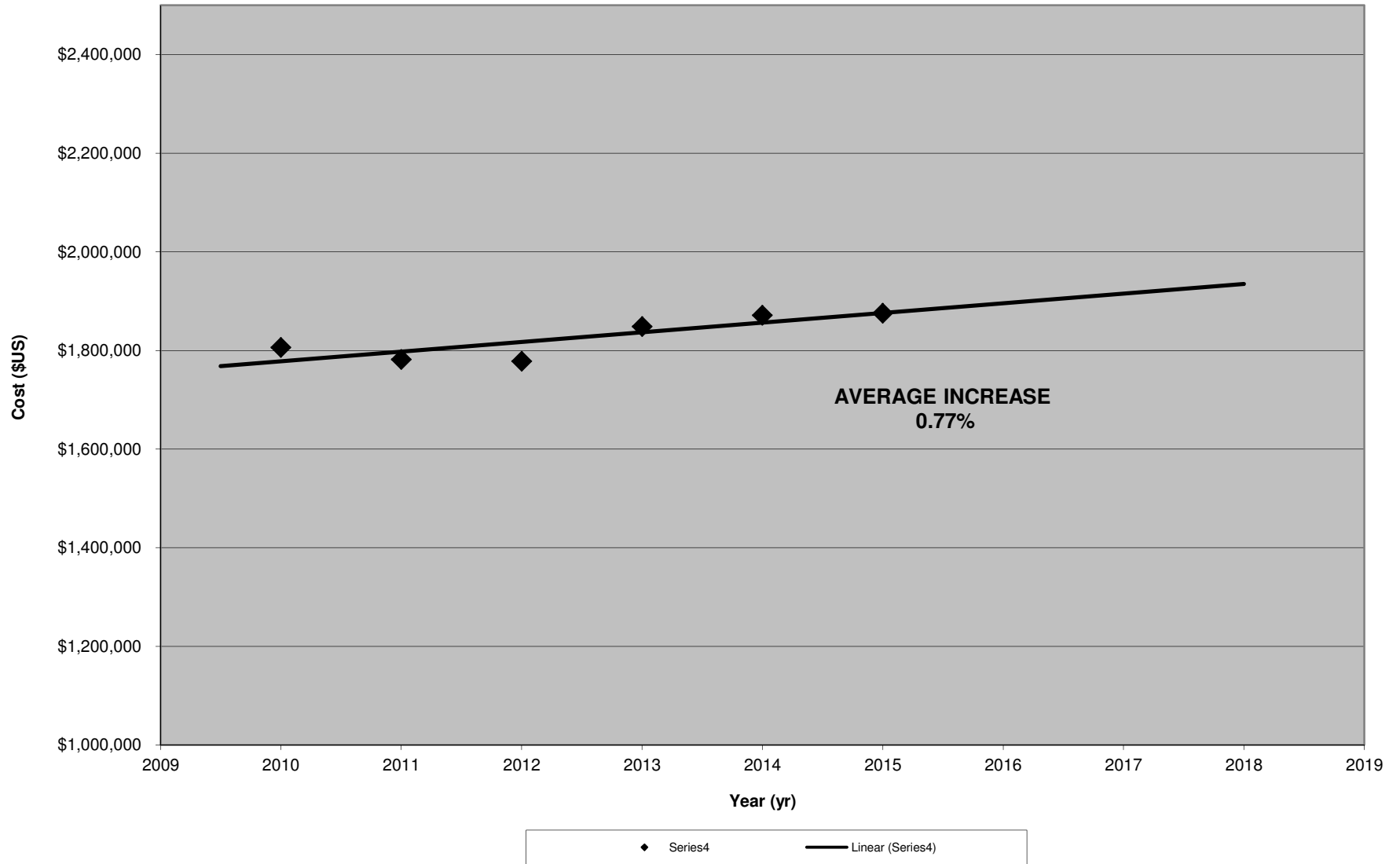


**KEARNY MUA APPROPRIATIONS TRENDS 2010-2018**  
**CHART 2 - TOTAL OPERATING COST**

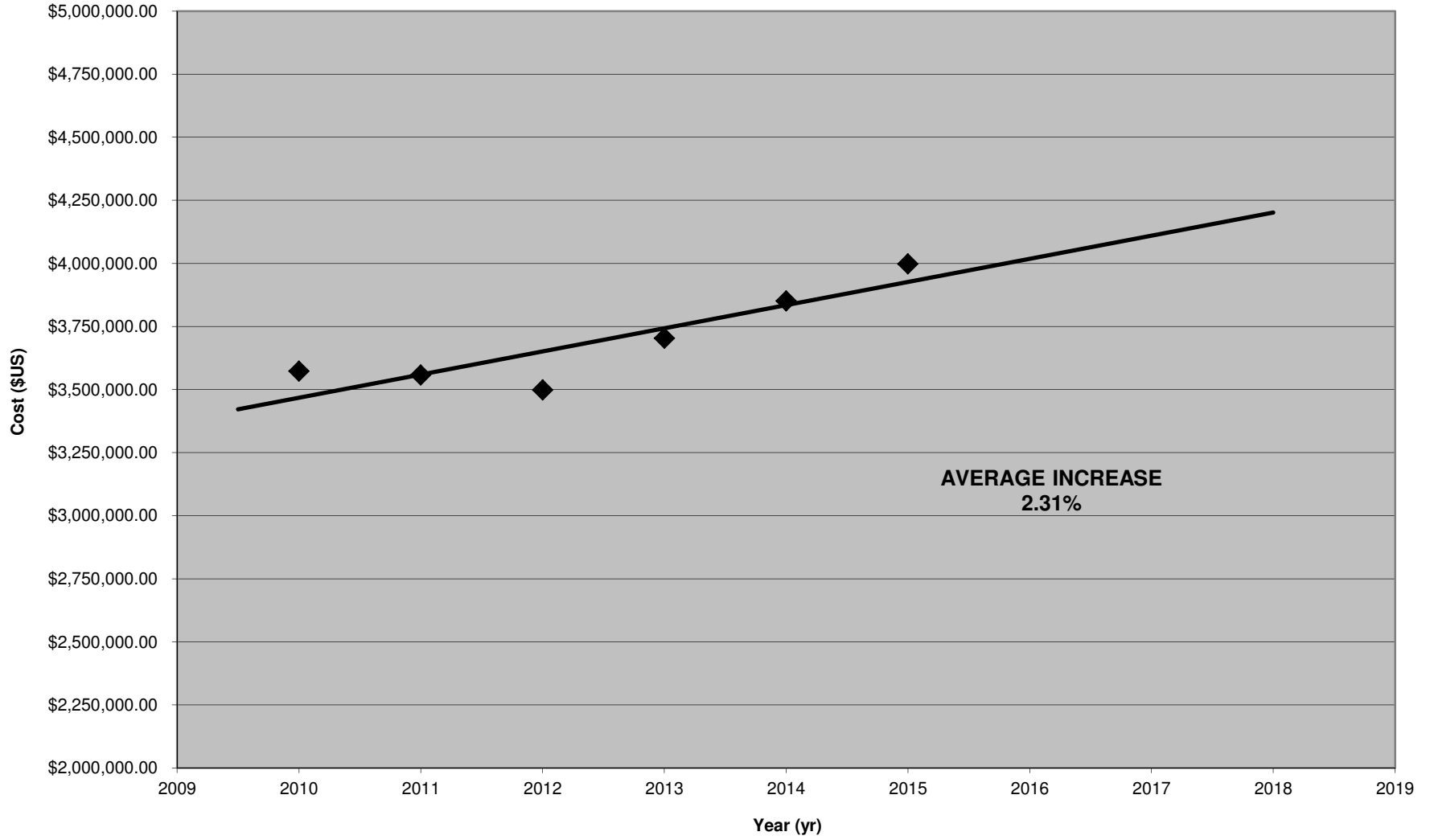




**KEARNY MUA APPROPRIATIONS TRENDS 2010-2018**  
**CHART 3 - TOTAL DEBT SERVICE**

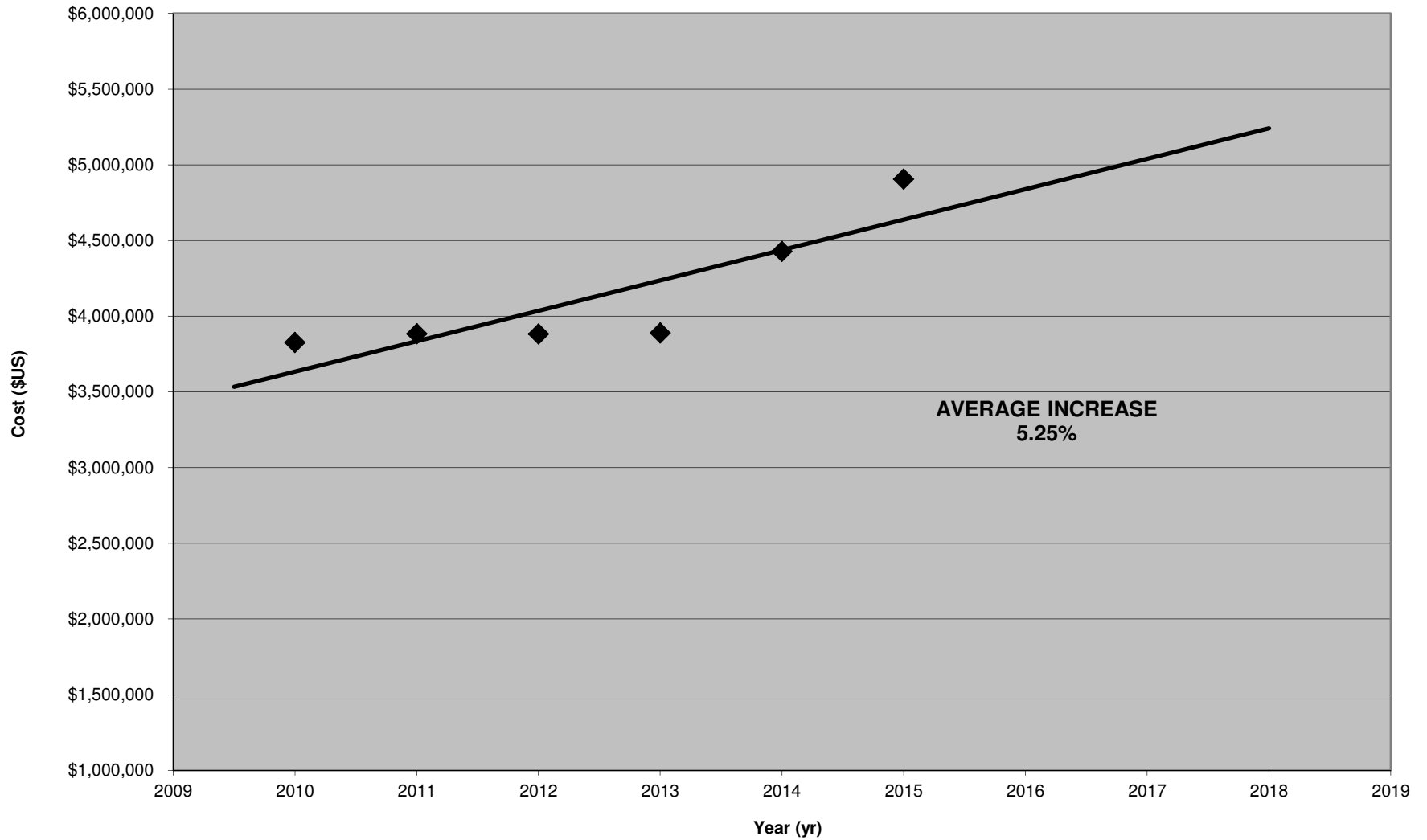


**KEARNY MUA APPROPRIATIONS TRENDS 2010-2018**  
**CHART 4 - TOTAL APPROPRIATION COST**



◆ Total Appropriations      — Linear (Total Appropriations)

**KEARNY MUA APPROPRIATIONS TRENDS 2010-2018**  
**CHART 5-TOTAL REVENUE REQUIREMENT**



◆ TOTAL REVENUE REQUIREMENT      — Linear (TOTAL REVENUE REQUIREMENT)