

Kearny Municipal Utilities Authority
Hudson County, New Jersey
2012 Sanitary Sewer User Charge Study
April 2012

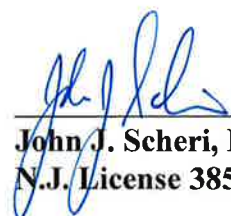


**Hatch Mott
MacDonald**

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

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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 Commissioners (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 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 from 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 54 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 2012, 43 customers will be Class I customers and will have their sewer bills based upon the previous year's water consumption. 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
- 2) Kuehne Chemical Company
- 3) Leeds Terminal
- 4) 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, Leeds Terminal water consumption for this report was based on the customer's municipal water utility meters.

River Terminal has requested to divide its current account into three separate accounts namely Jacobus Avenue property (JAP), Central Avenue property (CAP) and Hackensack Avenue property (HAP). This will allow River Terminal to properly monitor its consumption and ultimate discharge.

The Class III customers for 2012 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 Meadowlands Commission*
- 7) U.S. Postal Service

* NJMC 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 2008-2012. This provides the breakdown of revenues, expenses, and debt service for this time period. The corresponding charts also predicts the KMUA budget and revenue requirements through 2016.

Table 1

Table 1 shows that the annual revenue requirement has risen by approximately 20.05% since 2008. In 2008 the budget was approximately \$3.233 million. In 2012, the budget is approximately \$3.883 million. Charts 1-5 indicate average percent increases of significant items based upon extending trends from 2008-2012 into the year 2016 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 \$1,778,382.00. This includes bond and note interest.

Another significant cost component of the KMUA is the amount paid to the Passaic Valley Sewerage Commissioners for wastewater treatment. The 2012 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. In addition, the unit cost that PVSC charges for flow, BOD and TSS has increased as follows:

YEAR	VOL (per million gallons)	BOD (per 1,000 #)	TSS (per 1,000 #)
2012	\$ 412.4249	\$ 387.8630	\$ 427.6262

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
2006	\$ 480.1923	\$ 274.0046	\$ 305.7112
2005	\$ 396.2685	\$ 231.2487	\$ 257.1814

The PVSC unit charge for flow increased from 2005 to 2009 by 33.11%, but decreased from 2009 to 2012 by 21.81%. The increase for BOD from 2005 to 2010 period is 75.83% but decreased this year by 1.75% from last year's unit charge. TSS has constantly increased from 2005 to 2012 by 66.27%.

Table 1A

Table 1A isolates the 2012 Summary of Budget Data for the purpose of establishing the 2012 KMUA revenue requirement through user charges. The 2012 total KMUA revenue requirement is approximately \$3.883 million dollars. The KMUA has also earned interest on investments and deposits in the amount of \$2,231.00 and represents revenue that can be applied towards the total KMUA revenue earned in 2011 to approximately \$3.698 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 (1,000 lbs) and suspended solids (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 133.87 milligrams per liter of BOD and 125.59 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 \$27,660.81 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 \$832,339.19 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.

2012 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 557,511 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. To comply with this agreement, the user rate was calculated by segregating the total KMUA revenue requirement from all service charges of \$3,882,863.25 into two components. These include the KMUA local revenue requirement of \$3,022,863.25 and the PVSC charges of \$860,000.00. The first component applies to all KMUA users including the NJMC. The PVSC charges are partially defrayed by the BOD/TSS surcharges of \$27,660.81. The remaining PVSC charge (\$832,339.19) is recovered from all KMUA users except the NJMC through the base charge for flow.

The KMUA local revenue requirement of \$3,022,863.25 is then divided by the total volume of 557,511 HCF and results in the whole rate of \$5.42/HCF. The KMUA volume excluding the NJMC volume is 240,380 HCF. The PVSC charges of \$832,339.19 are then divided by the 240,380 HCF and results in the whole rate of \$3.46/HCF. Accordingly, the 2012 KMUA user charge is \$8.88/HCF to all KMUA customers with the exception of the NJMC, where the applicable rate is \$5.42/HCF.

Table 2 provides for this calculation and for the 2012 charge for the individual KMUA users. Columns 1-4 provide a description of the customer. Column 5 identifies their flow in HCF. Column 6 provides their charge based upon \$5.42/HCF. Column 7 provides their PVSC charge based upon \$2.46/HCF. Where BOD or

suspended solids surcharge has been identified for a monitored industry in Table 3, Column 8 identifies their surcharge. Column 9 is the summation of Columns 6-8 as applicable and is the total charge for those users.

The local component of the rate of \$5.42/HCF represents a 7.54% increase from the rate of \$5.04 in 2011 due to the lower flows received by the system this year. The PVSC component of the rate increased by 36.76% primarily due to the fact that there was less surcharge revenue generated from PVSC monitored users this year. The undefrayed PVSC charges are accordingly, distributed amongst the other customers. The overall rate of \$8.88/HCF represents an increase of 17.31% from the 2011 rate of \$7.57/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. There were no new customers added to the KMUA system in 2011. Based upon the current EDU's within KMUA's system of 8,682 EDU's and based upon the total debt service paid through December 31, 2011 of \$21,742,241.16, the connection fee for 2012 is \$2,504/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, 2012

**Kearny Municipal Utilities Authority
Hudson County, New Jersey
2012 User Charge Setting Report
Table 1 - Summary of Budget Data**

TABLE 1-SUMMARY OF BUDGET DATA 2008-2012					
	2008 BUDGET	2009 BUDGET	2010 BUDGET	2011 BUDGET	2012 BUDGET [†]
	1	2	3	4	5
REVENUES					
Operating Revenues					
Service Charges	\$ 3,078,858.36	\$ 3,120,448.30	\$ 3,432,493.13	\$ 3,569,353.00	\$ 3,695,733.00
Connection Fees					
Parking Fees					
Other Operating Revenues					
Non-Operating Revenues					
Op Grants & Entitlements					
Local Subsidies & Donations					
Interest on investments & deposits	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 2,231.00
Other Non-Op Revenues					
Total Revenues	\$ 3,128,858.36	\$ 3,170,448.30	\$ 3,482,493.13	\$ 3,619,353.00	\$ 3,697,964.00
APPROPRIATIONS					
Administration					
Salaries and Wages	\$ 306,692.24	\$ 317,426.46	\$ 326,622.50	\$ 328,255.61	\$ 72,095.00
Employees Benefits (Fringe)	\$ 107,570.12	\$ 108,741.23	\$ 112,652.00	\$ 113,215.26	\$ 54,503.00
Other Legal/Admin Expenses	\$ 155,000.00	\$ 153,000.00	\$ 166,750.00	\$ 167,583.75	\$ 150,000.00
Total Administration	\$ 569,262.36	\$ 579,167.69	\$ 606,024.50	\$ 609,054.62	\$ 276,598.00
Cost of Providing Services (COPS)					
Total Non-PVSC COPS*	\$ 311,000.00	\$ 294,900.00	\$ 300,798.00	\$ 306,813.96	\$ 582,985.00
Passaic Valley SC	\$ 930,000.00	\$ 994,191.95	\$ 860,000.00	\$ 860,000.00	\$ 860,000.00
Total Operations	\$ 1,241,000.00	\$ 1,289,091.95	\$ 1,160,798.00	\$ 1,166,813.96	\$ 1,442,985.00
Debt Service					
Bond Principal Payments	\$ 890,000.00	\$ 1,194,534.00	\$ 1,194,534.00	\$ 1,159,898.56	\$ 1,189,932.00
Bond and Note Interest	\$ 611,594.00	\$ 571,846.61	\$ 611,594.00	\$ 621,937.50	\$ 588,450.00
Total Debt Service	\$ 1,501,594.00	\$ 1,766,380.61	\$ 1,806,128.00	\$ 1,781,836.06	\$ 1,778,382.00
Total Appropriations	\$ 3,311,856.36	\$ 3,634,640.25	\$ 3,572,950.50	\$ 3,557,704.64	\$ 3,497,965.00
MISCELLANEOUS ADJUSTMENTS					
Fund Balance Applied	\$ (500,000.00)	\$ (150,000.00)	\$ 30,000.00	\$ -	\$ -
Retained Earnings Appropriated	\$ 267,000.00	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 200,000.00
Sub Total Appropriations	\$ 3,078,856.36	\$ 3,584,640.25	\$ 3,602,950.50	\$ 3,657,704.64	\$ 3,697,965.00
CONTINGENCY AMOUNT**	\$ 153,942.82	\$ 219,296.68	\$ 223,382.93	\$ 226,777.69	\$ 184,898.25
TOTAL REVENUE REQUIREMENT	\$ 3,232,799.18	\$ 3,803,936.93	\$ 3,826,333.43	\$ 3,884,482.33	\$ 3,882,863.25

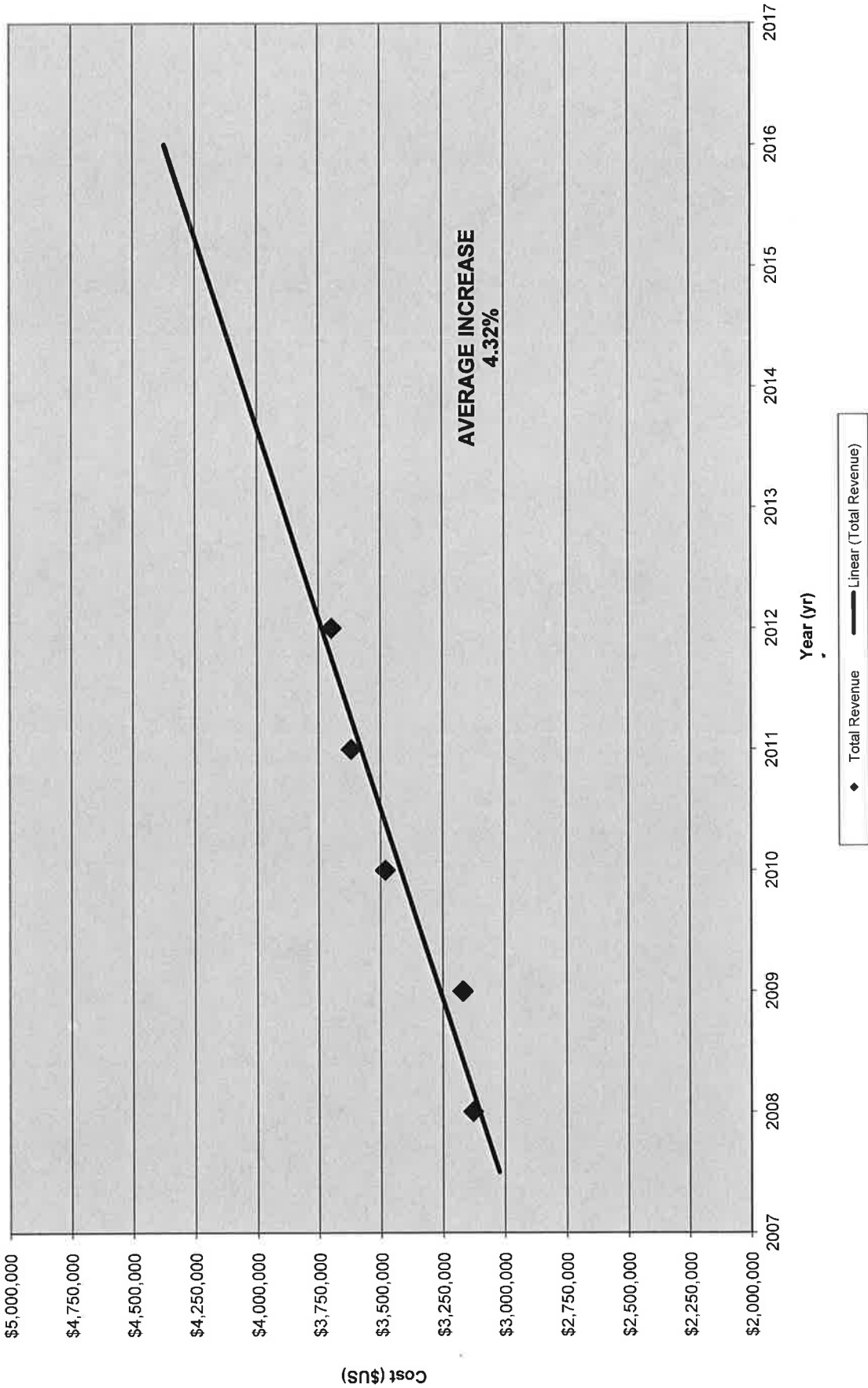
* Includes Grit Removal, Equipment Repairs and Supplies, Fees and Permits, Consulting Fees and Laboratory Education, Utilities, Property Lease, Trustee Fees.

** 2012 Contingency is 5.0%

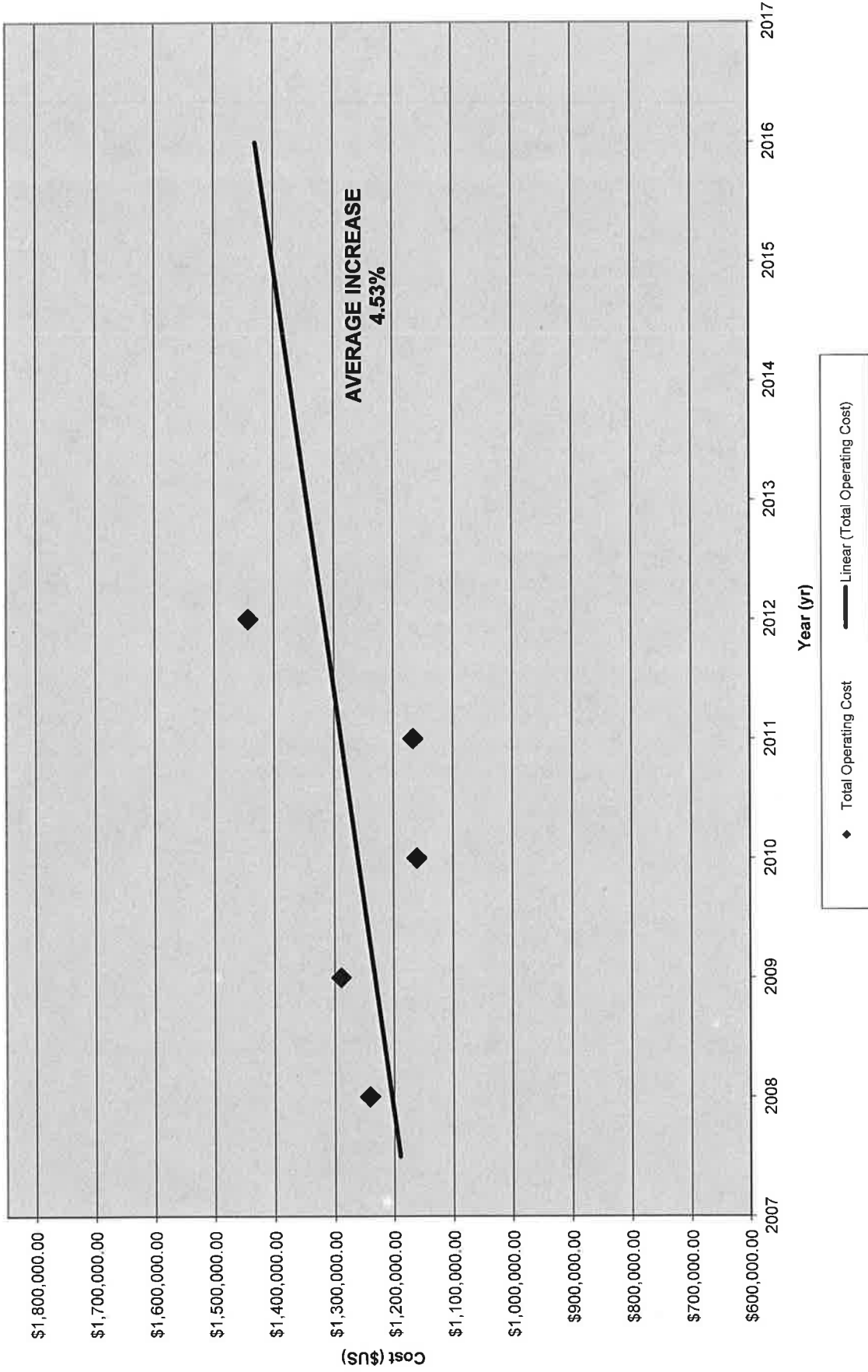
[†]In 2011, KMUA budget line items were revised to implement a new accounting system.

Prepared by HMM April 2012

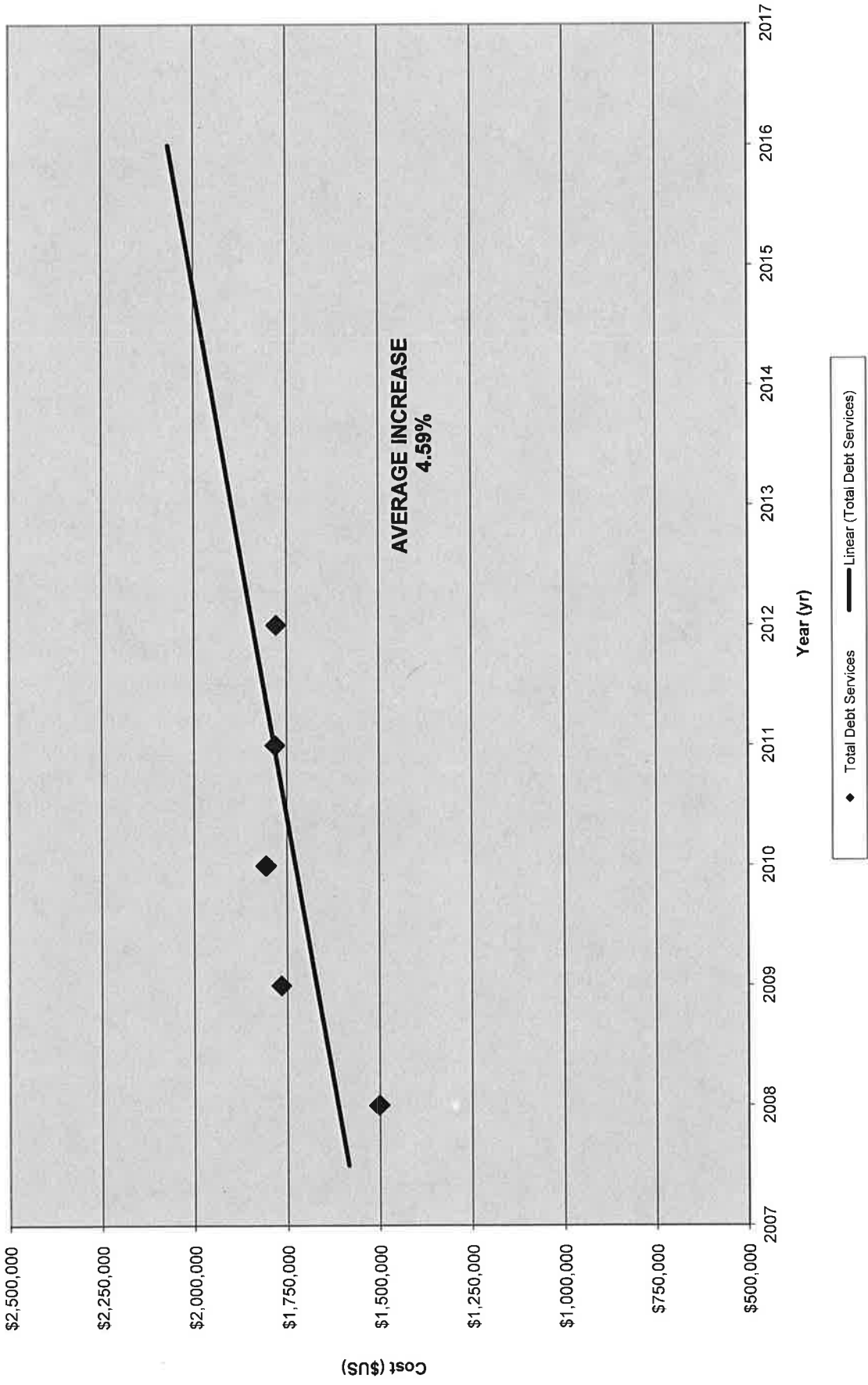
KEARNY MUA REVENUE TREND 2008-2016
CHART 1 - TOTAL REVENUE



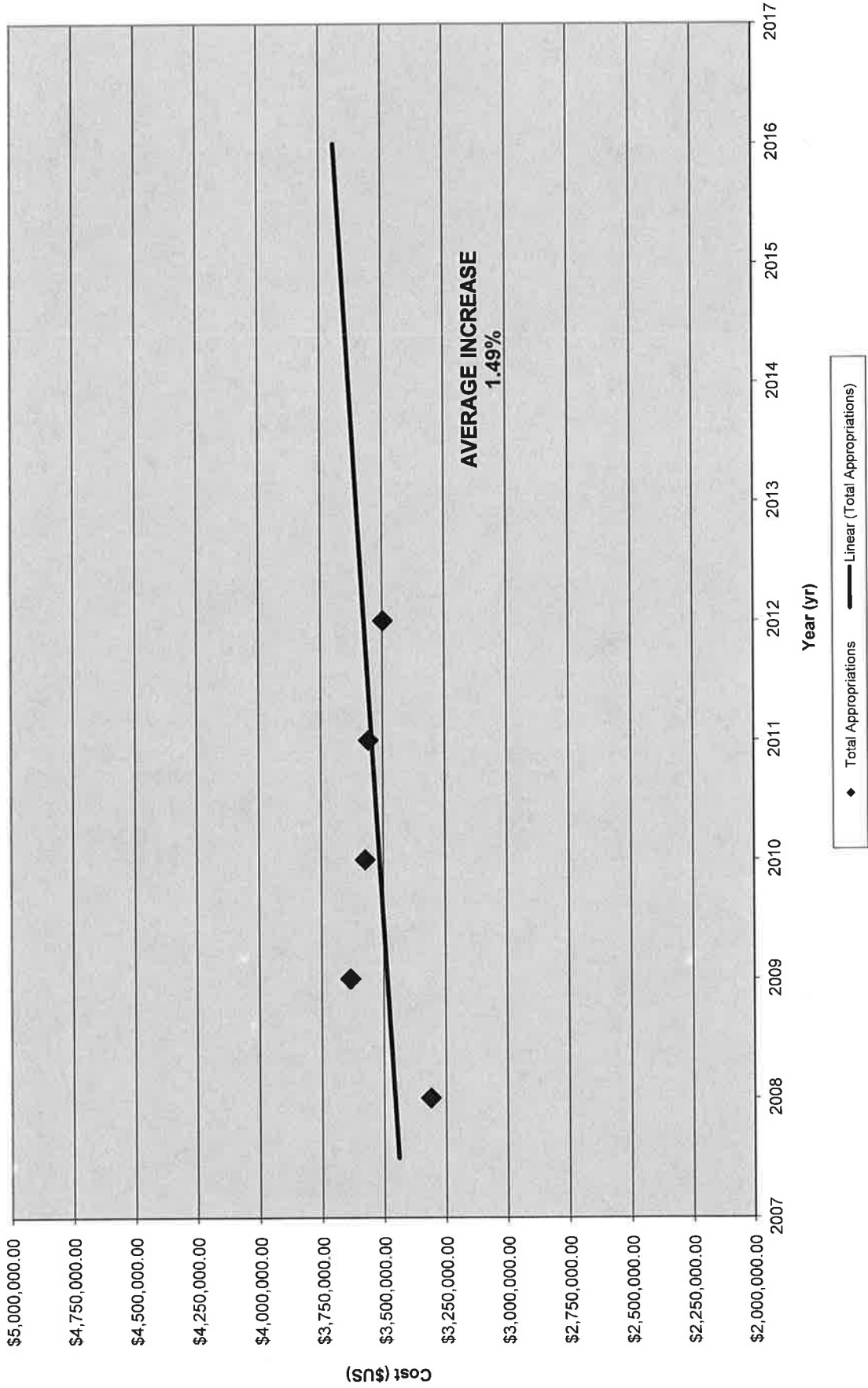
KEARNY MUA APPROPRIATIONS TRENDS 2008-2016
CHART 2 - TOTAL OPERATING COST



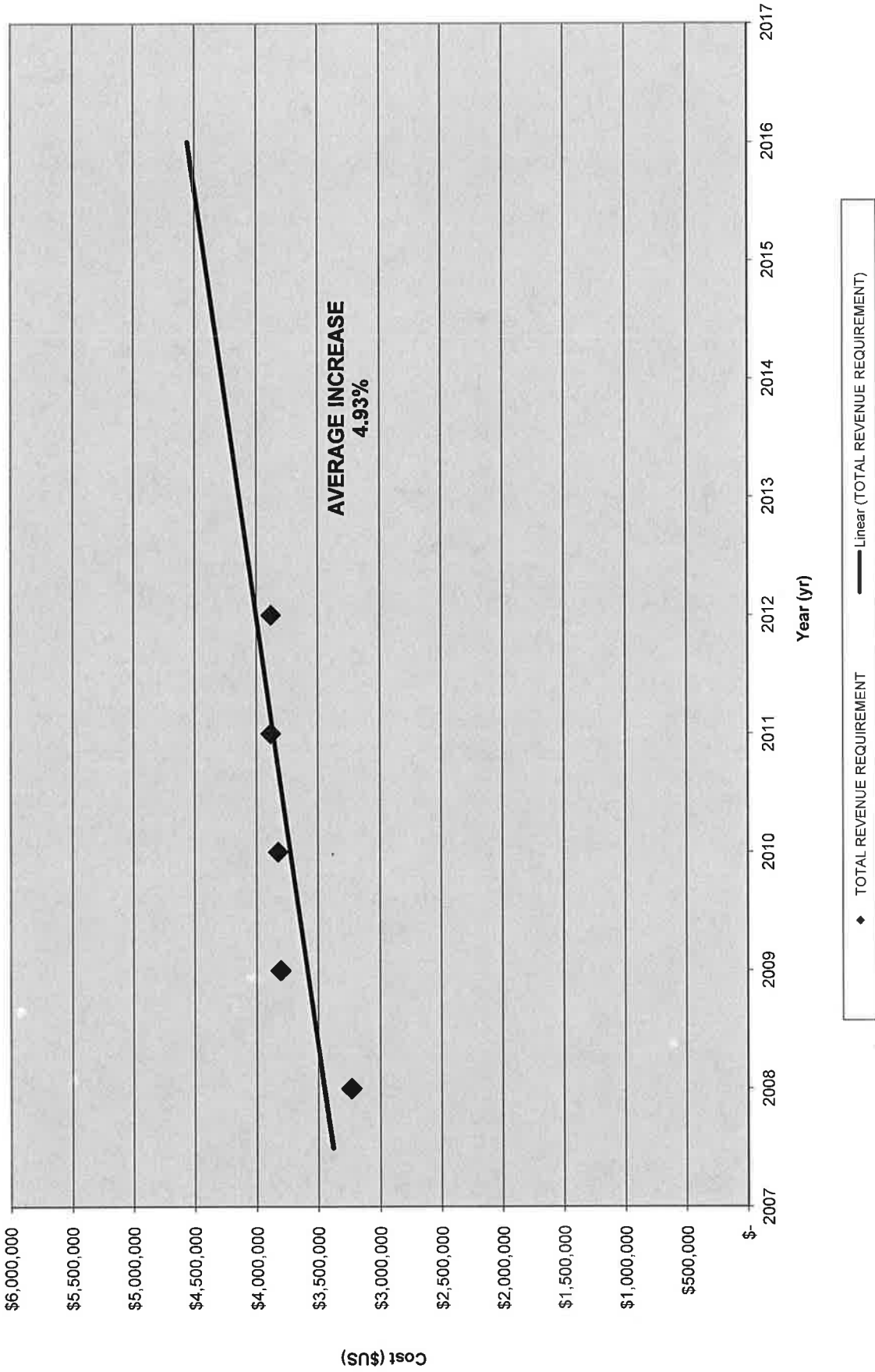
KEARNY MUA APPROPRIATIONS TRENDS 2008-2016
CHART 3 - TOTAL DEBT SERVICE



KEARNY MUJA APPROPRIATIONS TRENDS 2008-2016
CHART 4 - TOTAL APPROPRIATION COST



KEARNY MUA APPROPRIATIONS TRENDS 2008-2016
CHART 5-TOTAL REVENUE REQUIREMENT



**Kearny Municipal Utilities Authority
Hudson County, New Jersey
2012 User Charge Setting Report
TABLE 1A-SUMMARY OF BUDGET DATA 2012**

DESCRIPTION	2012 BUDGET
REVENUES	
Operating Revenues	
Service Charges	\$ 3,695,733.00
Connection Fees	
Parking Fees	
Other Operating Revenues	
Non-Operating Revenues	
Op Grants & Entitlements	
Local Subsidies & Donations	
Interest on investments & deposits	\$ 2,231.00
Other Non-Op Revenues	\$ -
Total Revenues	\$ 3,697,964.00
APPROPRIATIONS	
Administration	
Salaries and Wages	\$ 72,095.00
Employees Benefits (Fringe)	\$ 54,503.00
Other Legal/Admin Expenses	\$ 150,000.00
Total Administration	\$ 276,598.00
Cost of Providing Services (COPS)	
Total Non-PVSC COPS*	\$ 582,985.00
Passaic Valley SC	\$ 860,000.00
Total Operations	\$ 1,442,985.00
DEBT SERVICE	
Bond Principal Payments	\$ 1,189,932.00
Bond and Note Interest	\$ 588,450.00
Total Debt Service	\$ 1,778,382.00
Adjustments and Fund Balance Adjustment**	\$ 200,000.00
SUBTOTAL APPROPRIATIONS	\$ 3,697,965.00
CONTINGENCY AMOUNT (5.1%)	\$ 184,898.25
TOTAL KMUA REVENUE REQUIREMENT	\$ 3,882,863.25
Less PVSC Charges-BOD & SS Surcharges (Table 3)	\$ 27,660.81
KMUA REVENUE REQ'D (WITH PVSC NON -SURCHARGES)	\$ 3,855,202.44
Less PVSC Charges-Non-Surcharges (Table 3)	\$ 832,339.19
KMUA REVENUE REQ'D (NO PVSC CHARGES)	\$ 3,022,863.25
Plus Total PVSC Charges (Table 3)	\$ 860,000.00
AMOUNT TO BE RECOVERED BY USER CHARGES	\$ 3,882,863.25

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

**Capital Improvements - Building and Vehicle Purchase - Dump Truck

Prepared by HMM, April 2012

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

**2012 User Charge Setting Report
TABLE 2-Customer Charges 2012**

BLOCK	LOT	CLASS	USER NAME	HCFY	Charge	PVSC	Surcharge	TOTAL	NOTES
284	47	1	AMONT, J - DYNAMIC DELIVERY SE	52	\$ 281.95	\$ 180.05		\$ 462.00	
284	48	1	CHARLES DUNN CO., INC.	20,448	\$ 110,870.45	\$ 70,803.16		\$ 181,673.61	
284	49	1	CSX INTERMODEL INC. - 63498	1,207	\$ 6,544.44	\$ 4,179.35		\$ 10,723.79	
284	51	1	KEARNY FIDELCO ASSOC.	427	\$ 2,315.22	\$ 1,478.53		\$ 3,793.75	
284	4	1	WALMART	3,381	\$ 18,332.01	\$ 11,707.04		\$ 30,039.05	
286	38	1	G&S MOTOR EQUIP. CO.	1,128	\$ 6,116.09	\$ 3,905.81		\$ 10,021.90	
286	45.01	1	ORANGEWOOD MERIT	407	\$ 2,206.78	\$ 1,409.28		\$ 3,616.06	
286	40	1	PROFESSIONAL ENVIRONMENTAL SYS	401	\$ 2,174.25	\$ 1,388.50		\$ 3,562.75	
286	45.03	1	SAFER DEVELOPMENT	358	\$ 1,941.10	\$ 1,239.61		\$ 3,180.71	
288	11	1	VERIZON	21	\$ 113.86	\$ 72.71		\$ 186.58	
288	5.01	1	JAC JON ASSOCIATES	444	\$ 2,407.40	\$ 1,537.39		\$ 3,944.79	
288	4	1	VECKRIDGE CHEMICAL CO.	175	\$ 948.86	\$ 605.95		\$ 1,554.82	
289	14.01, 17.02	1	CLEAN EARTH NJ - S&W WASTE	1,360	\$ 7,374.01	\$ 4,709.13		\$ 12,083.14	
289	9.01	1	LOMMA RIGGING C/O JIM LOMMA	78	\$ 422.92	\$ 270.08		\$ 693.00	
289	16	1	MAC PRODUCTS	1,275	\$ 6,913.14	\$ 4,414.81		\$ 11,327.95	
290	4	1	61 LINCOLN HWY CORP.	1,440	\$ 7,807.78	\$ 4,986.14		\$ 12,793.92	
290	1	1	B&G INC. - EIGHTEEN WHEEL	239	\$ 1,295.87	\$ 827.56		\$ 2,123.43	
290	16	1	DYNAMIC DELIVERY CORP	1,997	\$ 10,827.87	\$ 6,914.80		\$ 17,742.67	
290	19	1	58 J LLC	502	\$ 2,721.88	\$ 1,738.22		\$ 4,460.10	
291	2.02	1	COURAGE REALTY	12	\$ 65.06	\$ 41.55		\$ 106.62	
291	2.02	1	KEPHART TRUCKING	251	\$ 1,360.94	\$ 869.11		\$ 2,230.05	
291	2.01	1	R HYER/ GARDENER ASPHALT	1,002	\$ 5,432.91	\$ 3,469.52		\$ 8,902.43	
291	1	1	SIXTY SK CORP	55	\$ 298.21	\$ 190.44		\$ 488.66	
292	2	1	JAMES LOMMA	238	\$ 1,290.45	\$ 824.10		\$ 2,114.55	
292	3	1	SOTIRHOS, K - NEW SKYWAY DINER	380	\$ 2,060.39	\$ 1,315.79		\$ 3,376.17	
293	1	1	PJT TRANSPORT	102	\$ 553.05	\$ 353.18		\$ 906.24	
293	10.02	1	WECCACOE RLTY C/O APL	276	\$ 1,496.49	\$ 955.68		\$ 2,452.17	
294	3	1	ATLANTIC NE TRANSPORT	25	\$ 135.55	\$ 86.56		\$ 222.12	
294	13-A	1	CSX INTERMODAL INC - 63498	1,433	\$ 7,769.82	\$ 4,961.90		\$ 12,731.72	
294	20	1	EDEN WOOD	4,979	\$ 26,996.48	\$ 17,240.26		\$ 44,236.74	
294	15	1	URBAN RENEWAL CORP.	160	\$ 867.53	\$ 554.02		\$ 1,421.55	
295	3	1	101 LINCOLN HWY, LLC	240	\$ 1,301.30	\$ 831.02		\$ 2,132.32	
295	4	1	85 LINCOLN HWY ASSOC.	99	\$ 536.78	\$ 342.80		\$ 879.58	
295	7	1	CROWN ENTERPRISES INC	696	\$ 3,773.76	\$ 2,409.97		\$ 6,183.73	
295	11	1	NEW PENN	229	\$ 1,241.65	\$ 792.93		\$ 2,034.59	
295	13	1	ROADWAY EXPRESS	150	\$ 813.31	\$ 519.39		\$ 1,332.70	
295	41	1	ROADWAY EXPRESS 111	193	\$ 1,046.46	\$ 668.28		\$ 1,714.74	
295	5	1	S&R REALTY STANSON	38	\$ 206.04	\$ 131.58		\$ 337.62	
296	2	1	SOUTH KEARNY ASSOCIATES	152	\$ 824.15	\$ 526.31		\$ 1,350.47	
296	6	1	TOSCANO'S DELI	81	\$ 439.19	\$ 280.47		\$ 719.66	
297	1	1	BRIDGEVIEW INVESTORS	503	\$ 2,727.30	\$ 1,741.69		\$ 4,468.99	
298	19.02	1	DH REALTY ENTERPRISES	94	\$ 509.67	\$ 325.48		\$ 835.16	
298	14	1	EPSTEIN, BERNARD R ETAL	707	\$ 3,833.40	\$ 2,448.06		\$ 6,281.46	
298	19.03	2	PSE&G	30	\$ 162.66	\$ 103.88		\$ 266.54	
288	10	2	RIVER TERMINAL JAP	314	\$ 1,702.53	\$ 1,087.26		\$ 2,789.78	Adjusted water consumption
288	10	2	RIVER TERMINAL CAP	4,519	\$ 24,502.33	\$ 15,647.47		\$ 40,149.80	Adjusted water consumption
288	10	2	RIVER TERMINAL HAP	4,331	\$ 23,482.98	\$ 14,996.50		\$ 38,479.48	Adjusted water consumption
295	8	2	LEEDS TERMINAL	1,179	\$ 6,392.62	\$ 4,082.40		\$ 10,475.02	
298	10	2	KUEHNE CHEMICAL CO.	91	\$ 493.41	\$ 315.10		\$ 808.50	
175	1	3	NJ MEADOWLANDS COMMISSION	259,901	\$ 1,409,200.91			\$ 1,409,200.91	See Note 1
284	21.01	3	NJ TRANSIT MEADOWS MAINT CMLPX	16,887	\$ 91,560.14	\$ 58,471.37	\$ 11,888.94	\$ 161,920.45	
284	33	3	U S POSTAL SERVICE	1,921	\$ 10,415.79	\$ 6,651.65		\$ 17,067.44	
289	11	3	SPECTRASERV INC.	23,870	\$ 129,425.10	\$ 82,652.38	\$ 11,085.69	\$ 223,163.17	
290	3	3	OU TRUCK WASH	16,115	\$ 87,377.89	\$ 55,800.54	\$ 4,686.18	\$ 147,864.61	
294	19	3	TALBOT HALL (CCC) (Class 3)	19,888	\$ 107,832.51	\$ 68,863.09	\$ -	\$ 176,695.60	
294	11	3	HUDSON COUNTY CORRECTIONAL	103,801	\$ 562,813.64	\$ 359,419.34	\$ -	\$ 922,232.97	
		3	NJ MEADOWLANDS COMMISSION-KEEGAN LANDFILL	57,230	\$ 310,304.95			\$ 310,304.95	See Note 1
54 Accounts		TOTAL		557,511	\$ 3,022,863.25	\$ 832,339.19	\$ 27,660.81	\$ 3,882,863.25	

	2012 BASE KMUA REVENUE REQUIREMENT	2012 PVSC REVENUE REQUIREMENT
REVENUE REQUIREMENT	\$ 3,022,863.25	\$ 832,339.19
ATTRIBUTABLE FLOW (HCF)	557,511	240,380
COST PER HCF	\$ 5.4221	\$ 3.4626
WHOLE RATE	\$ 5.42	\$ 3.46

2011 Rate Summary			
CLASS	2012	2012	2012
DESCRIPTION	Base Charge	PVSC Charge	Total
User Class 1	\$ 5.42	\$ 3.46	\$ 8.88
User Class 2	\$ 5.42	\$ 3.46	\$ 8.88
User Class 3	\$ 5.42	\$ 3.46	\$ 8.88

Note 1 NJMC not assessed PVSC fees based upon April 2004 Agreement between EnCAP and PVSC

Prepared by HMM, April, 2012

**Kearny Municipal Utilities Authority
Hudson County, New Jersey
2012 User Charge Setting Report**

TABLE 3-SUMMARY OF KMUA SURCHARGE CALCULATION 2012

DESCRIPTION	Q FLOW (MG)	TH lbs		BOD		EXCESS BOD		TH lbs		SS		EXCESS SS		SS		TOTAL	
		BOD (TH #)	CONC (mg/L)	EXCESS CHARGE	(TH #)	CONC (mg/L)	(TH #)	CHARGE	SS (TH #)	CONC (mg/L)	EXCESS (TH #)	CHARGE	SS (TH #)	CONC (mg/L)	EXCESS CHARGE	BOD/SS SURCHARGE	N/A
TOWN OF KEARNY TOTAL	3,065.47	3,554.46	139.03	N/A	3,235.99	N/A	126.57	N/A	N/A	126.57	0.00	N/A	N/A	N/A	N/A	N/A	N/A
MONITORED INDUSTRIES KMUA																	
HUDSON CO CORR FAC (HUDSON COUNTY JAIL)	77.65	86.70	133.87	0.00	81.33	-	\$ 7,350.39	23.95	227.32	10.61	\$ 4,538.54	0.00	\$ -	\$ -	\$ -	\$ -	\$ -
NJ TRANSIT MEADOWS MAINTENANCE COMPLEX	12.63	33.60	318.92	18.95	23.95	\$ 7,350.39	23.95	227.32	10.61	\$ 4,538.54	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OJ FOOD GRADE TANK TRUCK WASH, INC.	12.06	26.06	259.20	12.08	6.38	\$ 4,686.18	6.38	63.44	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPECTRASERV, INC.	17.86	24.98	167.75	4.28	40.89	\$ 1,658.77	40.89	274.61	22.04	\$ 9,426.92	0.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TALBOT HALL (COMMUNITY EDUCATION CORPORATION)	14.88	16.61	133.87	0.00	15.58	-	\$ 13,695.35	15.58	125.59	0.00	\$ -	0.00	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL SURCHARGES							\$ 13,695.35				\$ 13,965.46		\$ 27,660.81		\$ 860,000.00		\$ 832,339.19
TOTAL 2010 TOWNSHIP OF KEARNY CHARGE TO KMUA																	
REMAINDER FEES TO BE RECOVERED THROUGH FLOW CHARGES																	

2012 PVSC USER CHARGE PER MG \$ 412.4249
 2012 PVSC USER CHARGE FOR BOD/ 1000# \$ 387,8630
 2012 PVSC USER CHARGE FOR SS/ 1000# \$ 427,6262

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