

Kearny Municipal Utilities Authority
Hudson County, New Jersey
2013 Sanitary Sewer User Charge Study
April 2013



Hatch Mott
MacDonald

**Kearny Municipal Utilities Authority
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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 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 56 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 2013, 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 three years of actual historical data will be used in lieu of the estimated values provided by United Water.

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, Kuehne Chemical Company and Leeds Terminal water consumption for this report was based on the customer's municipal water utility meters.

On January 1, 2013, River Terminal has transferred the Hackensack Avenue property (HAP) account to RTL Services Incorporated who is the new owner of the site. Other than the transfer of ownership, it is anticipated that there will be no changes on the site's use and operation. Regular private water meter monitoring will continue as was performed in the past.

The Class III customers for 2013 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 2009-2013. 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 2016.

Table 1

Table 1 shows that the annual revenue requirement has risen by approximately 2.22% since 2009. In 2009 the budget was approximately \$3.804 million. In 2013, the budget is approximately \$3.888 million. Charts 1 to 5 indicate average percent increases of significant items based upon extending trends from 2009 - 2013 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 \$1,848,628.00. This includes bond and note interest.

Another significant cost component of the KMUA is the amount paid to the PVSC for wastewater treatment. The 2013 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 2013, the unit costs that PVSC charges for flow, BOD and TSS have increased.

YEAR	VOL (per million gallons)	BOD (per 1,000 #)	TSS (per 1,000 #)
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
2006	\$ 480.1923	\$ 274.0046	\$ 305.7112

The PVSC unit cost for flow has increased by 5.12% from last year's unit charge. Historically, the cost has increased from 2006 to 2009 by 9.84%, but decreased from 2009 to 2012 by 21.81%. BOD increased from 2006 to 2010 by 48.39% but decreased by 4.61% from 2010 to 2012. This year's BOD charge has increased by 4.09% from last year's unit charge. TSS has constantly increased from 2006 to 2013 by 36.71%.

Table1A

Table 1A isolates the 2013 Summary of Budget Data for the purpose of establishing the 2013 KMUA revenue requirement through user charges. The 2013 total KMUA revenue requirement is approximately \$3.888 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 2012 to approximately \$3.703 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 137.76 milligrams per liter of BOD and 126.94 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 \$13,287.51 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 \$846,712.49 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.

2013 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 464,330 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 \$3,888,460.80 into two components. These include the KMUA local revenue requirement of \$3,028,460.80 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 \$13,287.51. The remaining PVSC charge (\$846,712.49) is recovered from all KMUA users except the NJMC through the base charge for flow.

The KMUA local revenue requirement of \$3,028,460.80 is then divided by the total volume of 464,330 HCF and results in the whole rate of \$6.52/HCF. The KMUA volume excluding the NJMC volume is 231,310 HCF. The

PVSC charges of \$846,712.49 are then divided by the 231,310 HCF and results in the whole rate of \$3.66/HCF. Accordingly, the 2013 KMUA user charge is \$10.18/HCF to all KMUA customers with the exception of the NJMC, where the applicable rate is \$6.52/HCF.

Table 2 provides for this calculation and for the 2013 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 \$6.52/HCF. Column 7 provides their PVSC charge based upon \$3.66/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 \$6.52/HCF represents a 21.30% increase from the rate of \$5.42 in 2012 due to the lower flows received by the system this year. The PVSC component of the rate increased by 5.78% 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 \$10.18/HCF represents an increase of 14.64% from the 2012 rate of \$8.88/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 2012, 156 EDU's were added to the system due to the Keuhne Chemical Company request for an additional 133 EDU's and Hartz Mountain Industries application of 37 EDU's as a new customer. Walmart was also approved and had paid for an additional 6 EDU's. Based upon the total EDU's within KMUA's system of 8,838 EDU's and the total debt service paid through December 31, 2012 of \$23,590,869.16, the connection fee for 2013 is \$2,669.25/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.

March, 2013

**Kearny Municipal Utilities Authority
Hudson County, New Jersey
2013 User Charge Setting Report
Table 1 - Summary of Budget Data**

TABLE 1-SUMMARY OF BUDGET DATA 2009-2013					
	2009 BUDGET	2010 BUDGET	2011 BUDGET	2012 BUDGET [†]	2013 BUDGET [†]
	1	2	3	4	5
REVENUES					
Operating Revenues					
Service Charges	\$ 3,120,448.30	\$ 3,432,493.13	\$ 3,569,353.00	\$ 3,695,733.00	\$ 3,701,296.00
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	\$ 2,231.00	\$ 2,000.00
Other Non-Op Revenues					
Total Revenues	\$ 3,170,448.30	\$ 3,482,493.13	\$ 3,619,353.00	\$ 3,697,964.00	\$ 3,703,296.00
APPROPRIATIONS					
Administration					
Salaries and Wages	\$ 317,426.46	\$ 326,622.50	\$ 328,255.61	\$ 72,095.00	\$ 171,731.00
Employees Benefits (Fringe)	\$ 108,741.23	\$ 112,652.00	\$ 113,215.26	\$ 54,503.00	\$ 93,360.00
Other Legal/Admin Expenses	\$ 153,000.00	\$ 166,750.00	\$ 167,583.75	\$ 150,000.00	\$ 150,000.00
Total Administration	\$ 579,167.69	\$ 606,024.50	\$ 609,054.62	\$ 276,598.00	\$ 415,091.00
Cost of Providing Services (COPS)					
Total Non-PVSC COPS*	\$ 294,900.00	\$ 300,798.00	\$ 306,813.96	\$ 582,985.00	\$ 579,577.00
Passaic Valley SC	\$ 994,191.95	\$ 860,000.00	\$ 860,000.00	\$ 860,000.00	\$ 860,000.00
Total Operations	\$ 1,289,091.95	\$ 1,160,798.00	\$ 1,166,813.96	\$ 1,442,985.00	\$ 1,439,577.00
Debt Service					
Bond Principal Payments	\$ 1,194,534.00	\$ 1,194,534.00	\$ 1,159,898.56	\$ 1,189,932.00	\$ 1,336,379.00
Bond and Note Interest	\$ 571,846.61	\$ 611,594.00	\$ 621,937.50	\$ 588,450.00	\$ 512,249.00
Total Debt Service	\$ 1,766,380.61	\$ 1,806,128.00	\$ 1,781,836.06	\$ 1,778,382.00	\$ 1,848,628.00
Total Appropriations	\$ 3,634,640.25	\$ 3,572,950.50	\$ 3,557,704.64	\$ 3,497,965.00	\$ 3,703,296.00
MISCELLANEOUS ADJUSTMENTS					
Fund Balance Applied	\$ (150,000.00)	\$ 30,000.00	\$ -	\$ -	\$ -
Retained Earnings Appropriated	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 200,000.00	\$ -
Sub Total Appropriations	\$ 3,584,640.25	\$ 3,602,950.50	\$ 3,657,704.64	\$ 3,697,965.00	\$ 3,703,296.00
CONTINGENCY AMOUNT**	\$ 219,296.68	\$ 223,382.93	\$ 226,777.69	\$ 184,898.25	\$ 185,164.80
TOTAL REVENUE REQUIREMENT	\$ 3,803,936.93	\$ 3,826,333.43	\$ 3,884,482.33	\$ 3,882,863.25	\$ 3,888,460.80

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

** 2013 Contingency is 5.0%

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

Prepared by HMM March 2013

**Kearny Municipal Utilities Authority
Hudson County, New Jersey
2013 User Charge Setting Report
TABLE 1A-SUMMARY OF BUDGET DATA 2013**

DESCRIPTION	2013 BUDGET
REVENUES	
Operating Revenues	
Service Charges	\$ 3,701,296.00
Connection Fees	
Parking Fees	
Other Operating Revenues	
Non-Operating Revenues	
Op Grants & Entitlements	
Local Subsidies & Donations	
Interest on investments & deposits	\$ 2,000.00
Other Non-Op Revenues	\$ -
Total Revenues	\$ 3,703,296.00
APPROPRIATIONS	
Administration	
Salaries and Wages	\$ 171,731.00
Employees Benefits (Fringe)	\$ 93,360.00
Other Legal/Admin Expenses	\$ 150,000.00
Total Administration	\$ 415,091.00
Cost of Providing Services (COPS)	
Total Non-PVSC COPS*	\$ 579,577.00
Passaic Valley SC	\$ 860,000.00
Total Operations	\$ 1,439,577.00
DEBT SERVICE	
Bond Principal Payments	\$ 1,336,379.00
Bond and Note Interest	\$ 512,249.00
Total Debt Service	\$ 1,848,628.00
Adjustments and Fund Balance Adjustment	\$ -
SUBTOTAL APPROPRIATIONS	\$ 3,703,296.00
CONTINGENCY AMOUNT(5.1%)	\$ 185,164.80
TOTAL KMUA REVENUE REQUIREMENT	\$ 3,888,460.80
Less PVSC Charges-BOD & SS Surcharges (Table 3)	\$ 13,287.51
KMUA REVENUE REQ'D (WITH PVSC NON -SURCHARGES)	\$ 3,875,173.29
Less PVSC Charges-Non-Surcharges (Table 3)	\$ 846,712.49
KMUA REVENUE REQ'D (NO PVSC CHARGES)	\$ 3,028,460.80
Plus Total PVSC Charges (Table 3)	\$ 860,000.00
AMOUNT TO BE RECOVERED BY USER CHARGES	\$ 3,888,460.80

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

Prepared by HMM, March 2013

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

**2013 User Charge Setting Report
TABLE 2 - Customer Charges 2013**

BLOCK	LOT	CLASS	USER NAME	HCFY	Charge	PVSC	Surcharge	TOTAL	NOTES
284	47	1	AMONT, J - DYNAMIC DELIVERY SE	55	\$ 358.60	\$ 201.30		\$ 559.90	
284	48	1	CHARLES DUNN CO, INC	4,657	\$ 30,363.64	\$ 17,044.62		\$ 47,408.26	
284	49	1	CSX INTERMODEL INC - 63498	1,378	\$ 8,982.39	\$ 5,042.26		\$ 14,024.65	See Note 2
284	51	1	KEARNY FIDELCO ASSOC	572	\$ 3,729.44	\$ 2,093.52		\$ 5,822.96	
284	4	1	WALMART	3,182	\$ 20,746.64	\$ 11,646.12		\$ 32,392.76	
286	38	1	G&S MOTOR EQUIP CO	1,112	\$ 7,250.24	\$ 4,069.92		\$ 11,320.16	
286	45 01	1	ORANGWOOD MERIT	647	\$ 4,218.44	\$ 2,368.02		\$ 6,586.46	
286	40	1	PROFESSIONAL ENVIRONMENTAL SYS	249	\$ 1,623.48	\$ 911.34		\$ 2,534.82	
286	45 03	1	SAFER DEVELOPMENT	337	\$ 2,197.24	\$ 1,233.42		\$ 3,430.66	
288	11	1	VERIZON	24	\$ 158.65	\$ 89.06		\$ 247.71	See Note 2
288	5 01	1	JAC JON ASSOCIATES	221	\$ 1,440.92	\$ 808.86		\$ 2,249.78	
288	4	1	VECKRIDGE CHEMICAL CO	267	\$ 1,740.84	\$ 977.22		\$ 2,718.06	
289	14 01, 17 02	1	CLEAN EARTH NJ - S&W WASTE	2,894	\$ 18,868.88	\$ 10,592.04		\$ 29,460.92	
289	9 01	1	LOMMA RIGGING C/O JIM LOMMA	50	\$ 326.00	\$ 183.00		\$ 509.00	
289	16	1	MAC PRODUCTS	506	\$ 3,299.12	\$ 1,851.96		\$ 5,151.08	
290	4	1	61 LINCOLN HWY CORP	1,648	\$ 10,742.79	\$ 6,030.46		\$ 16,773.25	See Note 2
290	1	1	B&G INC - EIGHTEEN WHEEL	328	\$ 2,138.56	\$ 1,200.48		\$ 3,339.04	
290	16	1	DYNAMIC DELIVERY CORP	2,107	\$ 13,735.47	\$ 7,710.40		\$ 21,445.87	See Note 2
290	19	1	58 J LLC	288	\$ 1,877.76	\$ 1,054.08		\$ 2,931.84	
291	2 02	1	COURAGE REALTY	81	\$ 528.12	\$ 296.46		\$ 824.58	
291	2 02	1	KEPHART TRUCKING	169	\$ 1,101.88	\$ 618.54		\$ 1,720.42	
291	2 01	1	R HYER/ GARDENER ASPHALT	285	\$ 1,858.20	\$ 1,043.10		\$ 2,901.30	
291	1	1	SIXTY SK CORP	53	\$ 345.56	\$ 193.98		\$ 539.54	
292	2	1	JAMES LOMMA	381	\$ 2,484.12	\$ 1,394.46		\$ 3,878.58	See Note 2
292	3	1	SOTIRHOS, K - NEW SKYWAY DINER	178	\$ 1,160.56	\$ 651.48		\$ 1,812.04	
293	1	1	PJT TRANSPORT	103	\$ 671.56	\$ 376.98		\$ 1,048.54	
293	10 02	1	WECCACOE RLTY C/O APL	375	\$ 2,445.00	\$ 1,372.50		\$ 3,817.50	
294	3	1	ATLANTIC NE TRANSPORT	44	\$ 286.88	\$ 161.04		\$ 447.92	
294	13-A	1	CSX INTERMODAL INC - 63498	1,316	\$ 8,578.15	\$ 4,815.34		\$ 13,393.49	See Note 2
294	20	1	EDEN WOOD	2,093	\$ 13,646.36	\$ 7,660.38		\$ 21,306.74	
294	15	1	URBAN RENEWAL CORP	200	\$ 1,304.00	\$ 732.00		\$ 2,036.00	
295	3	1	101 LINCOLN HWY, LLC	244	\$ 1,593.05	\$ 894.26		\$ 2,487.31	
295	4	1	85 LINCOLN HWY ASSOC	131	\$ 854.12	\$ 479.46		\$ 1,333.58	
295	7	1	CROWN ENTERPRISES INC	585	\$ 3,816.37	\$ 2,142.32		\$ 5,958.69	See Note 2
295	11	1	NEW PENN	278	\$ 1,812.56	\$ 1,017.48		\$ 2,830.04	
295	13	1	ROADWAY EXPRESS	168	\$ 1,095.36	\$ 614.88		\$ 1,710.24	
295	41	1	ROADWAY EXPRESS 111	304	\$ 1,984.25	\$ 1,113.86		\$ 3,098.11	See Note 2
295	5	1	S&R REALTY STANSON	44	\$ 286.88	\$ 161.04		\$ 447.92	
296	2	1	SOUTH KEARNY ASSOCIATES	147	\$ 958.44	\$ 538.02		\$ 1,496.46	
296	6	1	TOSCANO'S DELI	88	\$ 573.76	\$ 322.08		\$ 895.84	
297	1	1	BRIDGEVIEW INVESTORS	544	\$ 3,546.88	\$ 1,991.04		\$ 5,537.92	
298	19 02	1	DH REALTY ENTERPRISES	67	\$ 436.84	\$ 245.22		\$ 682.06	
298	14	1	EPSTEIN, BERNARD R ETAL	654	\$ 4,264.08	\$ 2,393.64		\$ 6,657.72	
298	19 03	2	PSE&G	30	\$ 195.60	\$ 109.80		\$ 305.40	
288	10	2	RIVER TERMINAL JAP	304	\$ 1,982.08	\$ 1,112.64		\$ 3,094.72	
288	10	2	RIVER TERMINAL CAP	5,027	\$ 32,776.04	\$ 18,398.82		\$ 51,174.86	
288	10	2	RTL SERVICES INC. (FORMERLY RIVER TERMINAL HAP)	4,688	\$ 30,565.76	\$ 17,158.08		\$ 47,723.84	
295	8	2	LEEDS TERMINAL	287	\$ 1,871.24	\$ 1,050.42		\$ 2,921.66	See Note 3
298	10	2	KUEHNE CHEMICAL CO	154	\$ 1,004.08	\$ 563.64		\$ 1,567.72	See Note 3
175	1	3	NJ MEADOWLANDS COMMISSION	166,571	\$ 1,099,082.92			\$ 1,099,082.92	See Note 1
284	21 01	3	NJ TRANSIT MEADOWS MAINT CMLX	18,935	\$ 123,453.35	\$ 69,300.50	\$ 5,780.70	\$ 198,534.55	
284	33	3	U S POSTAL SERVICE	4,324	\$ 28,192.48	\$ 15,825.84		\$ 44,018.32	
289	11	3	SPECTRASERV INC.	29,104	\$ 189,755.93	\$ 106,519.43	\$ 2,913.04	\$ 299,188.40	
290	3	3	OJ TRUCK WASH	12,325	\$ 80,361.47	\$ 45,110.89	\$ 4,593.77	\$ 130,066.14	
294	19	3	TALBOT HALL (CCC) (Class 3)	17,989	\$ 117,291.14	\$ 65,841.35		\$ 183,132.49	
294	11	3	HUDSON COUNTY CORRECTIONAL	109,089	\$ 711,260.05	\$ 399,265.61		\$ 1,110,525.66	
294	11	3	NJ MEADOWLANDS COMMISSION-KEEGAN LANDFILL	64,449	\$ 420,207.48			\$ 420,207.48	See Note 1
56 Accounts				TOTAL	\$ 464,330	\$ 3,027,431.70	\$ 848,594.66	\$ 13,287.51	\$ 3,887,313.87

	2013 BASE KMUA REVENUE REQUIREMENT	2013 PVSC REVENUE REQUIREMENT
REVENUE REQUIREMENT	\$ 3,028,460.80	\$ 846,712.49
ATTRIBUTABLE FLOW (HCF)	464,330	231,310
COST PER HCF	\$ 6.5222	\$ 3.6605
WHOLE RATE	\$ 6.52	\$ 3.66

2013 Rate Summary			
CLASS	2013	2013	2013
DESCRIPTION	Base Charge	PVSC Charge	Total
User Class 1	\$ 6.52	\$ 3.66	\$ 10.18
User Class 2	\$ 6.52	\$ 3.66	\$ 10.18
User Class 3	\$ 6.52	\$ 3.66	\$ 10.18

- Note 1** NJMC not assessed PVSC fees based upon April 2004 Agreement between EnCAP and PVSC
Note 2 Utilized averaged water consumption data from 2009 to 2011. 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, March, 2013

**Kearny Municipal Utilities Authority
Hudson County, New Jersey
2013 User Charge Setting Report
TABLE 3-SUMMARY OF KMUA SURCHARGE CALCULATION 2013**

DESCRIPTION	Q	TH lbs	*BOD	EXCESS	BOD	TH lbs	SS	EXCESS	SS	TOTAL
	FLOW	BOD	CONC	BOD	EXCESS	SS	CONC	SS	EXCESS	BOD/SS
	(MG)	(TH #)	(mg/L)	(TH #)	CHARGE	(TH #)	(mg/L)	(TH #)	CHARGE	SURCHARGE
TOWN OF KEARNY TOTAL	3,015.93	3,465.00	137.76	N/A	N/A	3,192.99	126.94	N/A	N/A	N/A
MONITORED INDUSTRIES KMUA										
HUDSON CO CORR FAC (HUDSON COUNTY JAIL)	81.60	90.40	132.83	0.00	\$ -	85.31	125.35	0.00	\$ -	\$ -
NJ TRANSIT MEADOWS MAINTENANCE COMPLEX	14.16	30.59	258.97	14.32	\$ 5,780.70	13.50	114.27	0.00	\$ -	\$ 5,780.70
OJ FOOD GRADE TANK TRUCK WASH, INC.	9.22	21.97	285.73	11.38	\$ 4,593.77	4.84	62.94	0.00	\$ -	\$ 4,593.77
SPECTRASERV, INC	21.77	22.35	123.09	0.00	\$ -	30.02	165.33	6.97	\$ 2,913.04	\$ 2,913.04
TALBOT HALL (COMMUNITY EDUCATION CORPORATION)	13.46	14.91	132.83	0.00	\$ -	14.07	125.35	0.00	\$ -	\$ -
TOTAL SURCHARGES					\$ 10,374.47				\$ 2,913.04	\$ 13,287.51
					TOTAL 2013 TOWNSHIP OF KEARNY CHARGE TO KMUA					\$ 860,000.00
					REMAINDER FEES TO BE RECOVERED THROUGH FLOW CHARGES					\$ 846,712.49

2013 PVSC USER CHARGE PER MG \$ 433.5509
 2013 PVSC USER CHARGE FOR BOD/ 1000# \$ 403.7363
 2013 PVSC USER CHARGE FOR SS/ 1000# \$ 417.9495

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

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

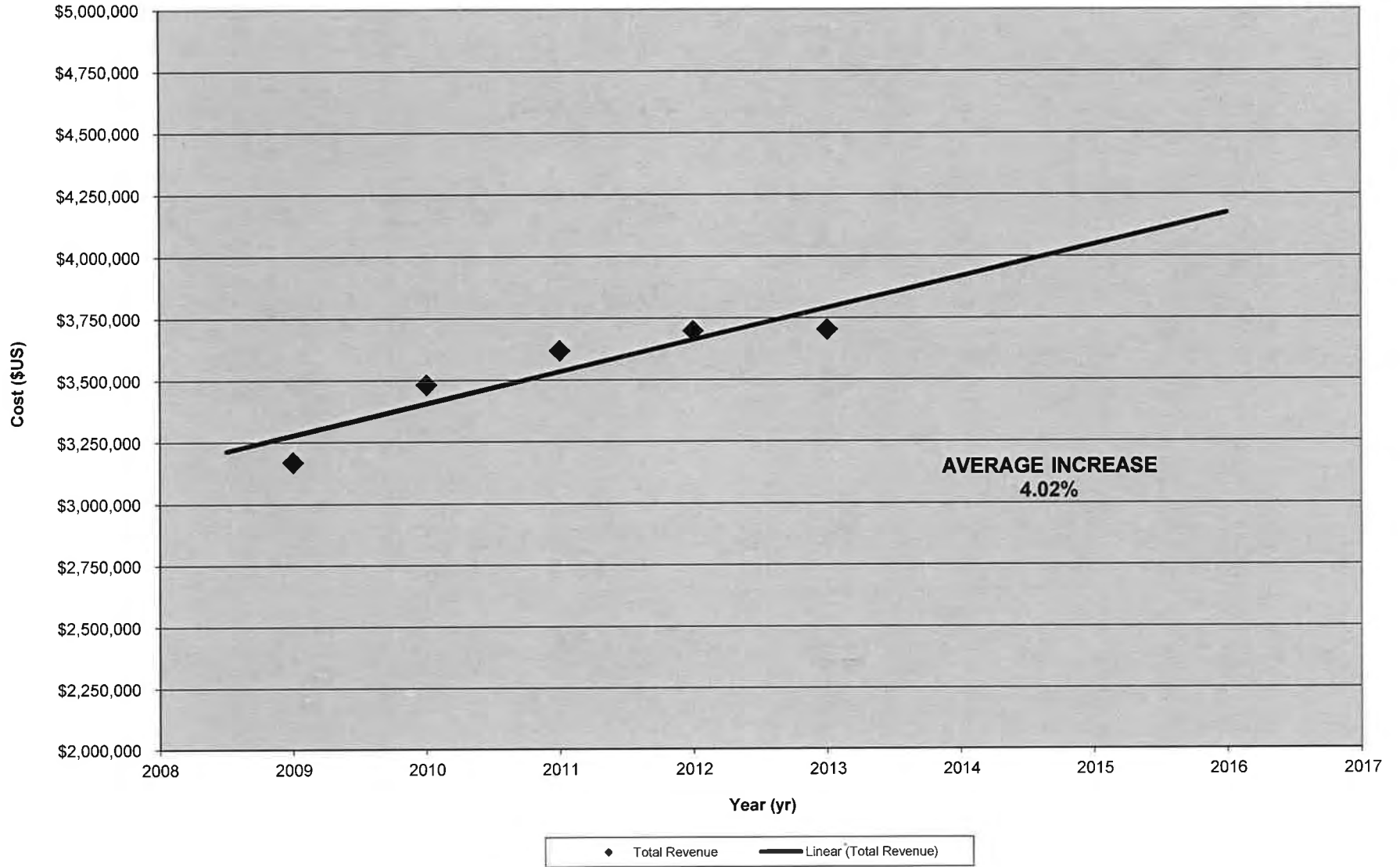
Note 1 NJMC not assessed PVSC fees based upon April 2004 Agreement between EnCAP and PVSC

Note 2 The Township of Kearny charges KMUA a fix amount of \$860,000.

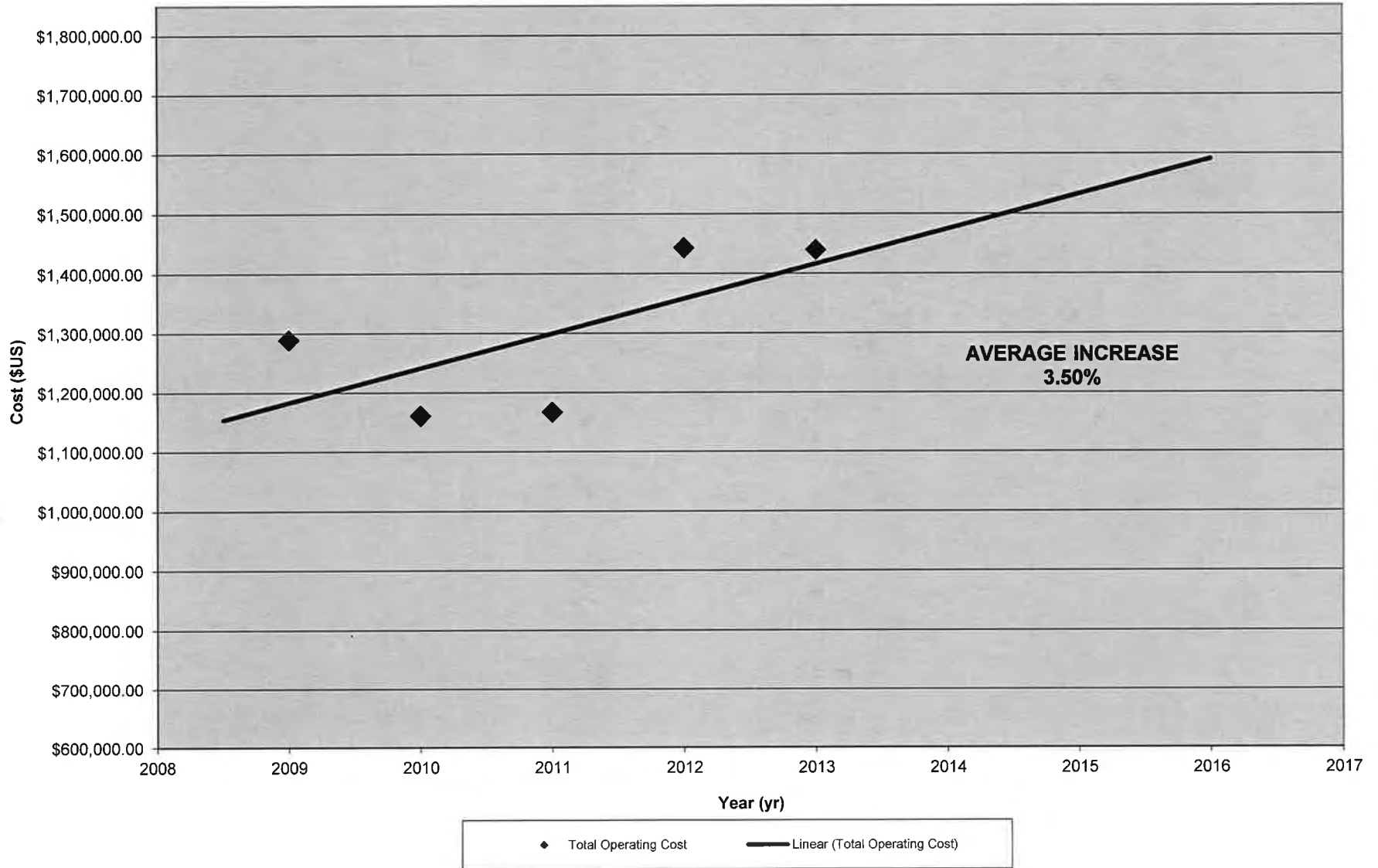
Note 3 Surcharge rate is based on the PVSC invoice

Prepared by HMM March 2013

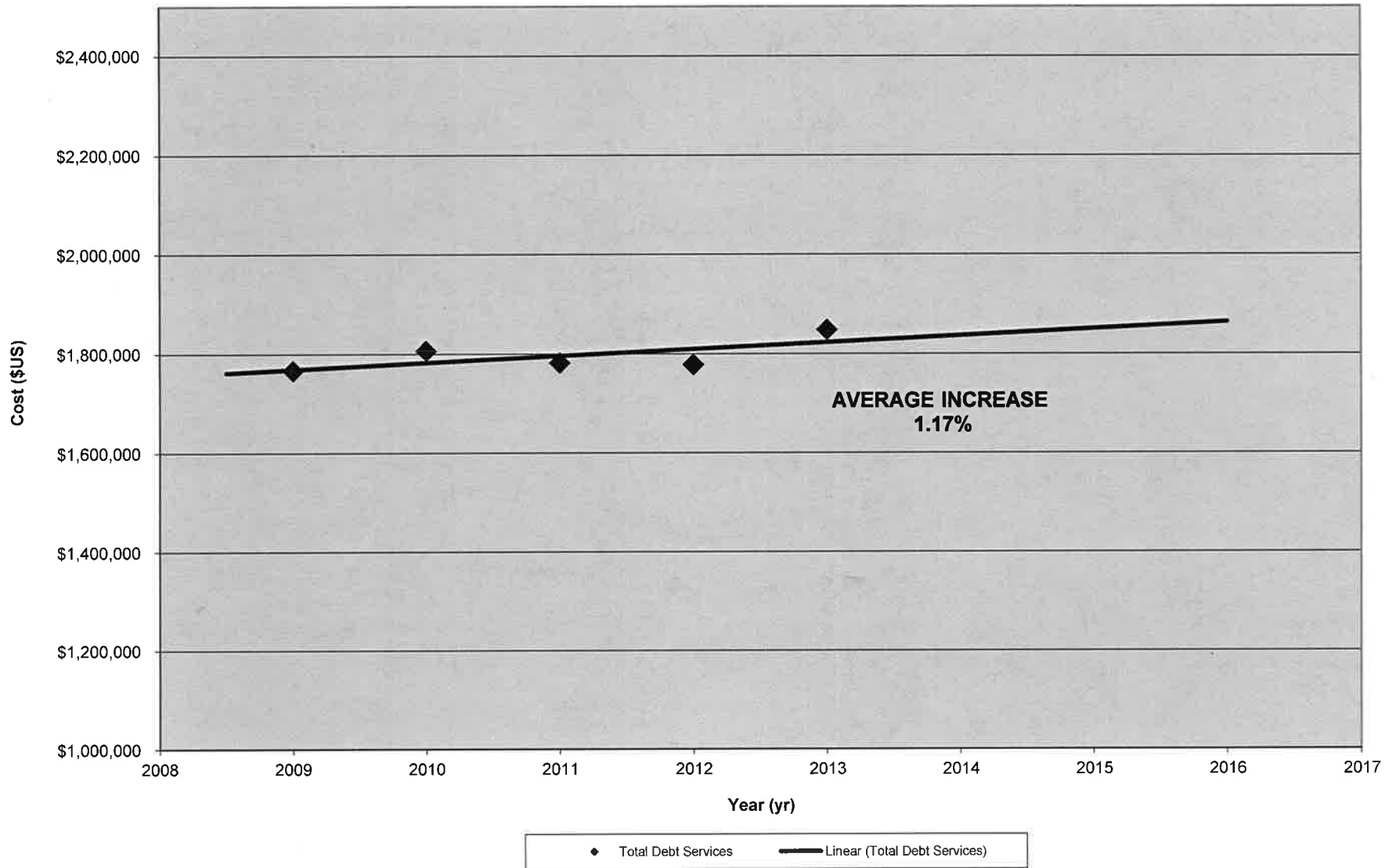
KEARNY MUA REVENUE TREND 2009-2016
CHART 1 - TOTAL REVENUE



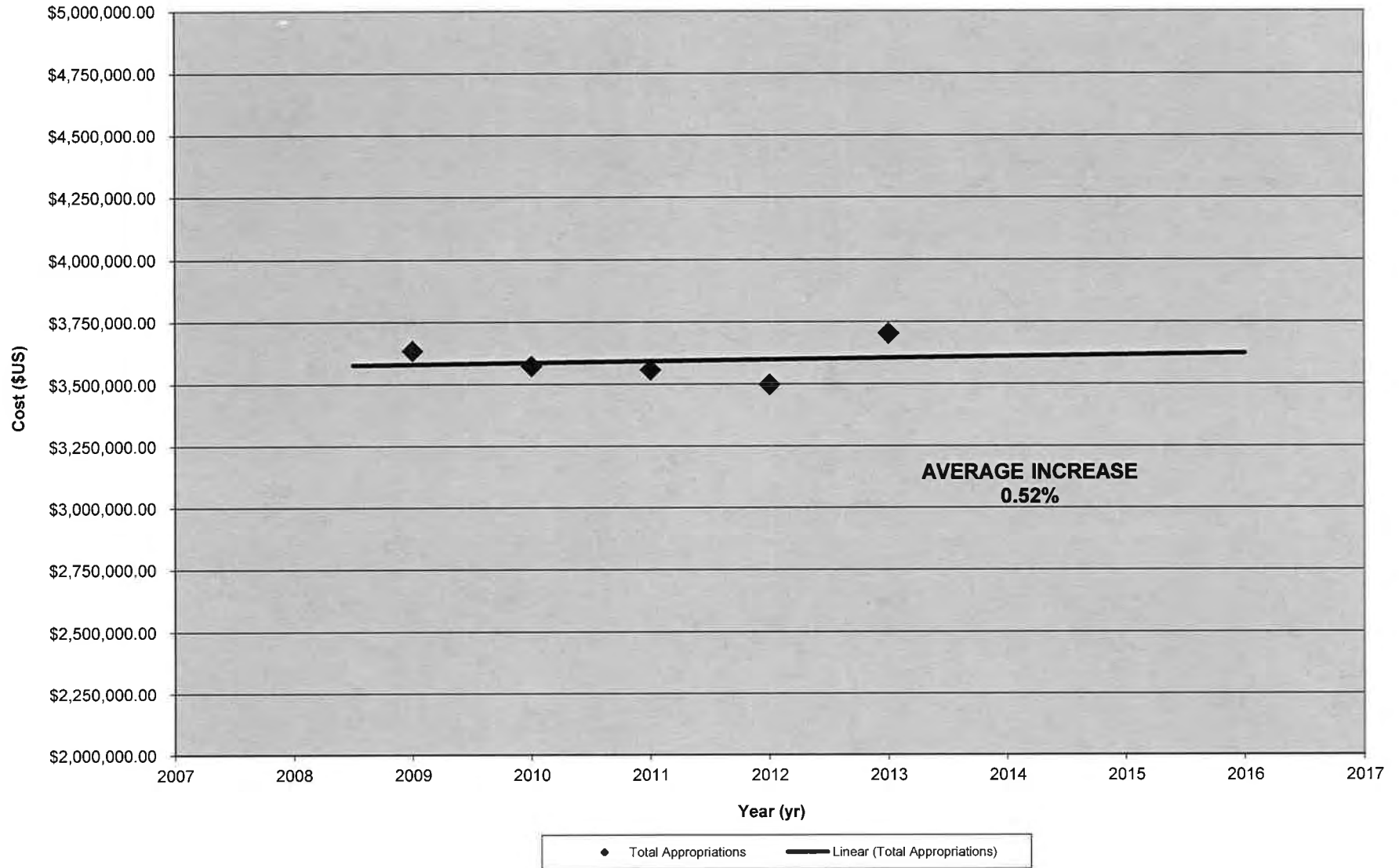
KEARNY MUA APPROPRIATIONS TRENDS 2009-2016
CHART 2 - TOTAL OPERATING COST



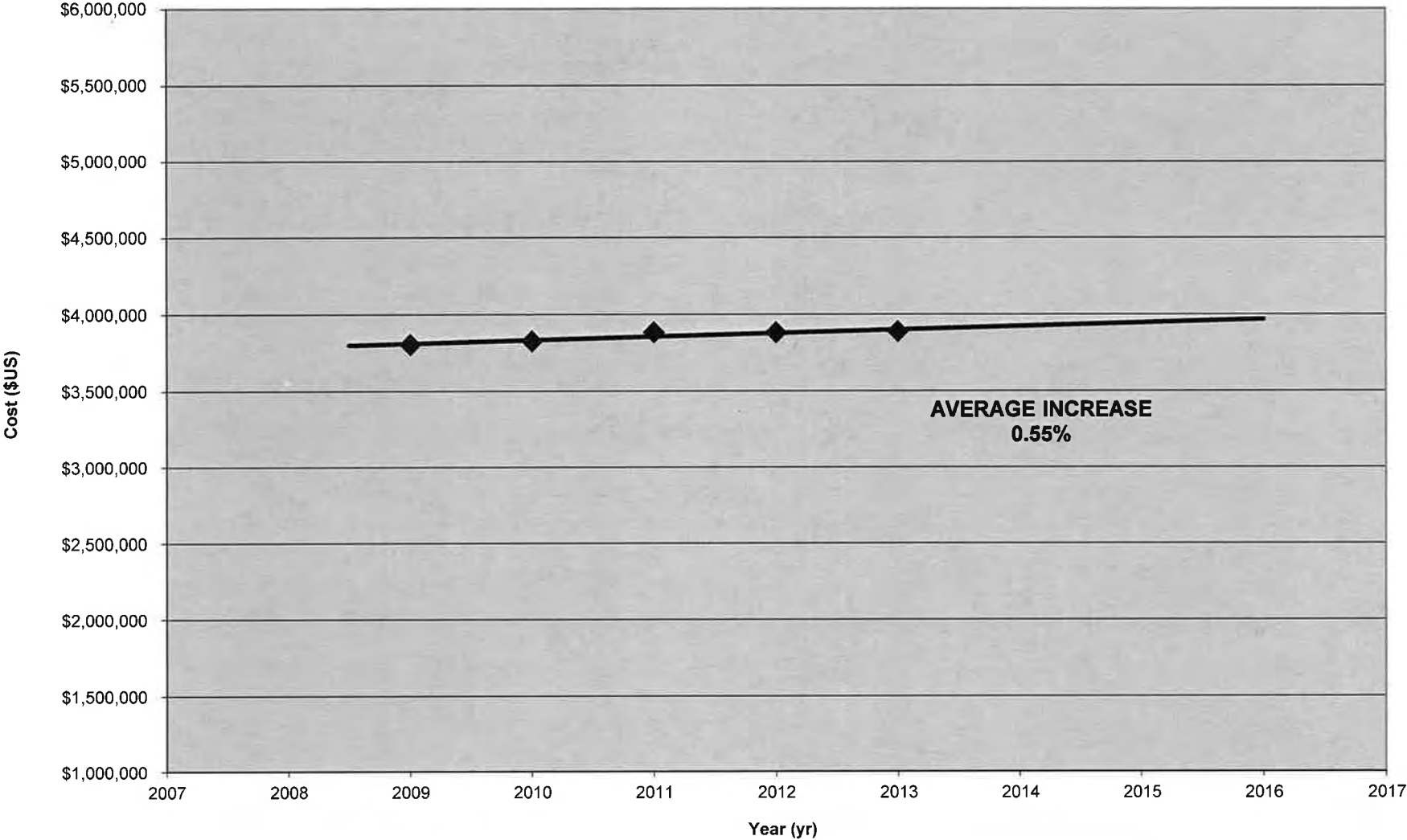
KEARNY MUA APPROPRIATIONS TRENDS 2009-2016
CHART 3 - TOTAL DEBT SERVICE



KEARNY MUA APPROPRIATIONS TRENDS 2009-2016
CHART 4 - TOTAL APPROPRIATION COST



KEARNY MUA APPROPRIATIONS TRENDS 2009-2016
CHART 5-TOTAL REVENUE REQUIREMENT



◆ TOTAL REVENUE REQUIREMENT — Linear (TOTAL REVENUE REQUIREMENT)