

**Kearny Municipal Utilities Authority
Hudson County, New Jersey**
2014 Sanitary Sewer User Charge Study
April 2014

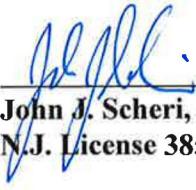


Hatch Mott
MacDonald

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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 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 2014, 44 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 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 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 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 2014 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 2010-2014. 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 2017.

Table 1

Table 1 shows that the annual revenue requirement has risen by approximately 15.74% since 2010. In 2010 the budget was approximately \$3.826 million while in 2014 the budget is approximately \$4.429 million. Charts 1 to 5 indicate average percent increases of significant items based upon extending trends from 2010 - 2014 into the year 2017 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 \$1,871,685.00. This includes bond and note interest.

Another significant cost component of the KMUA is the amount paid to the PVSC for wastewater treatment. The 2014 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 2014, 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 #)
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 2.07% from last year's unit charge. Historically, the cost has increased from 2007 to 2009 by 7.52%, but decreased from 2009 to 2012 by 21.81%. BOD increased from 2007 to 2010 by 40.83% but decreased by 4.61% from 2010 to 2012. This year's BOD charge has increased by 2.99% from last year's unit charge. TSS has constantly increased from 2007 to 2014 by 34.19%.

Table1A

Table 1A isolates the 2014 Summary of Budget Data for the purpose of establishing the 2014 KMUA revenue requirement through user charges. The 2014 total KMUA revenue requirement is approximately \$4.429 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 2013 to approximately \$3.851 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 137.57 milligrams per liter of BOD and 127.88 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 \$36,327.65 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 \$823,672.35 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.

2014 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 494,908 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 \$4,428,524.65 into two components. These include the KMUA local revenue requirement of \$3,568,524.65 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 \$36,327.65. The remaining PVSC charge (\$823,672.35) is recovered from all KMUA users except the NJMC through the base charge for flow.

The KMUA local revenue requirement of \$3,568,524.65 is then divided by the total volume of 494,908 HCF and results in the whole rate of \$7.22/HCF. The KMUA volume excluding the NJMC volume is 266,799 HCF. The

PVSC charges of \$823,672.35 are then divided by the 266,799 HCF and results in the whole rate of \$3.09/HCF. Accordingly, the 2014 KMUA user charge is \$10.31/HCF to all KMUA customers with the exception of the NJMC, where the applicable rate is \$7.22/HCF.

Table 2 provides for this calculation and for the 2014 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 \$3.09/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 10.74% increase from the rate of \$6.52 in 2013. The PVSC component of the rate decreased by 15.57% primarily due to the fact that there was more surcharge revenue generated from PVSC monitored users this year. The undefrayed PVSC charges are accordingly, distributed amongst the other customers. The overall rate of \$10.31/HCF represents an increase of 1.28% from the 2013 rate of \$10.18/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 2013, 12 EDU's were added to the system due to PSE&G request for an additional 10 EDU's and J. Supor Trucking application of 2 EDU's as a new customer. Based upon the total EDU's within KMUA's system of 8,850 EDU's and the total debt service paid through December 31, 2013 of \$25,395,599.50, the connection fee for 2014 is \$2,869.56/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, 2014

Kearny Municipal Utilities Authority
Hudson County, New Jersey
2014 User Charge Setting Report
Table 1 - Summary of Budget Data

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

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

** 2014 Contingency is 15.0%

^TIn 2011, KMUA budget line items were revised to implement a new accounting system.

Prepared by HMM March 2014

**Kearny Municipal Utilities Authority
Hudson County, New Jersey
2014 User Charge Setting Report**
TABLE 1A-SUMMARY OF BUDGET DATA 2014

DESCRIPTION	2014 BUDGET
REVENUES	
Operating Revenues	
Service Charges	\$ 3,848,891.00
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	\$ 3,850,891.00
APPROPRIATIONS	
Administration	
Salaries and Wages	\$ 177,717.00
Employees Benefits (Fringe)	\$ 74,460.00
Other Legal/Admin Expenses	\$ 138,000.00
Total Administration	\$ 390,177.00
Cost of Providing Services (COPS)	
Total Non-PVSC COPS*	\$ 729,029.00
Passaic Valley SC	\$ 860,000.00
Total Operations	\$ 1,589,029.00
DEBT SERVICE	
Bond Principal Payments	\$ 1,398,016.00
Bond and Note Interest	\$ 473,669.00
Total Debt Service	\$ 1,871,685.00
Adjustments and Fund Balance Adjustment	\$ -
SUBTOTAL APPROPRIATIONS	\$ 3,850,891.00
CONTINGENCY AMOUNT	\$ 577,633.65
TOTAL KMUA REVENUE REQUIREMENT	\$ 4,428,524.65
Less PVSC Charges-BOD & SS Surcharges (Table 3)	\$ 36,327.65
KMUA REVENUE REQ'D (WITH PVSC NON -SURCHARGES)	\$ 4,392,197.00
Less PVSC Charges-Non-Surcharges (Table 3)	\$ 823,672.35
KMUA REVENUE REQ'D (NO PVSC CHARGES)	\$ 3,568,524.65
Plus Total PVSC Charges (Table 3)	\$ 860,000.00
AMOUNT TO BE RECOVERED BY USER CHARGES	\$ 4,428,524.65

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

Prepared by HMM, March 2014

Kearny Municipal Utilities Authority
Hudson County, New Jersey

2014 User Charge Setting Report

TABLE 2 - Customer Charges 2014

BLOCK	LOT	ACCOUNT	CLASS	USER NAME	HCFY	Charge	PVSC	Surcharge	TOTAL	NOTES
284	47	1003-0	1	AMONT, J - DYNAMIC DELIVERY SE	0	\$ 9,007	\$ 65,030.54	\$ 27,831.63	\$ 92,862.17	Acquired by NJDOT
284	48	1035-0	1	SUNSET CAHUENGA	5,040	\$ 36,388.80	\$ 15,573.60	\$ 51,962.40		
284	49	1036-0	1	CSX INTERMODAL INC - 63498	959	\$ 6,923.95	\$ 2,963.31	\$ 9,887.29		
284	51	1010-0	1	KEARNY FIDELCO ASSOC.	2,059	\$ 14,865.98	\$ 6,362.31	\$ 21,228.29		
284	4	1050-0	1	WALMART	1,118	\$ 8,071.96	\$ 3,454.62	\$ 11,526.58		
286	38	1047-0	1	G&S MOTOR EQUIP CO.	528	\$ 3,812.16	\$ 1,631.52	\$ 5,443.68		
286	45,01	1044-0	1	ORANGEWOOD MERIT	180	\$ 1,299.60	\$ 556.20	\$ 1,855.80		
286	40	1046-0	1	NATIONAL WATER MAIN CLEANING CO.	560	\$ 4,043.20	\$ 1,730.40	\$ 5,773.60		
286	45,03	1045-0	1	SAFER DEVELOPMENT	0	\$ -	\$ -	\$ -	\$ -	No recorded flow from United Water
286	11	1015-0	1	VERIZON	66	\$ 476.52	\$ 203.94	\$ 680.46		
286	5,01	1006-0	1	JAC-JON ASSOCIATES	206	\$ 1,487.32	\$ 636.54	\$ 2,123.86		
286	4	1021-0	1	VECKRIDGE CHEMICAL CO.	3,091	\$ 22,317.02	\$ 9,551.19	\$ 31,868.21		
289	14,01,17,02	1014-0	1	CLEAN EARTH NJ - SAW WASTE	69	\$ 498.18	\$ 213.21	\$ 711.39		
289	9,01	1005-0	1	LOMMA RIGGING C/O JIM LOMMA	308	\$ 2,223.76	\$ 951.72	\$ 3,175.48		
289	16	1012-0	1	MAC PRODUCTS	128	\$ 924.16	\$ 389.52	\$ 1,319.68		
290	4	1027-0	1	61 LINCOLN HWY CORP.	207	\$ 1,494.54	\$ 639.63	\$ 2,134.17		
290	1	1004-0	1	B&G INC - EIGHTEEN WHEEL	2,092	\$ 15,104.24	\$ 6,464.28	\$ 21,568.52		
290	16	1025-0	1	DYNAMIC DELIVERY CORP	41	\$ 1,971.06	\$ 843.57	\$ 2,814.63		
290	19	1038-0	1	5B LLC	3,339	\$ 24,107.58	\$ 10,317.51	\$ 34,425.09		
291	2,02	1008-0	1	COURAGE REALTY	308	\$ 1,223.76	\$ 564.24	\$ 1,786.37		
291	2,02	1029-0	1	KEPHART TRUCKING	125	\$ 902.50	\$ 386.25	\$ 1,288.75		
291	2,01	1033-0	1	RHYER/GARDENER ASPHALT	174	\$ 1,353.75	\$ 579.38	\$ 1,933.13		
291	1	1022-0	1	SIXTY SK CORP	558	\$ 4,026.35	\$ 1,723.19	\$ 5,749.54		
292	2	1034-0	1	JAMES LOMMA	19	\$ 137.18	\$ 58.71	\$ 195.89		
292	3	1020-0	1	TIL THE END LLC	192	\$ 1,386.24	\$ 583.28	\$ 1,979.52		
293	1	1039-0	1	PUT TRANSPORT	95	\$ 685.90	\$ 283.55	\$ 979.45		
293	10,02	1042-0	1	WECCAGO BLTY CO/APL	1	\$ 722	\$ 177.22	\$ 899.45		
294	3	1026-0	1	ATLANTIC NE TRANSPORT	110	\$ 794.20	\$ 339.90	\$ 1,134.10		
294	13-A	1043-0	1	CSX INTERMODAL INC - 63498	372	\$ 2,688.25	\$ 1,150.51	\$ 3,838.76		
294	20	1031-0	1	EDEN WOOD	246	\$ 1,776.12	\$ 760.14	\$ 2,536.26		
294	14,01	1049-0	1	TOWN OF KEARNY	188	\$ 1,212.98	\$ 519.12	\$ 1,732.08		
294	15	1016-0	1	URBAN REVIEW CORP	304	\$ 2,197.29	\$ 940.39	\$ 3,137.68		
295	3	1000-0	1	CROSSPOINT REALTY SVS INC	61	\$ 438.62	\$ 187.72	\$ 626.33		
295	4	1002-0	1	B5 LINCOLN HWY ASSOC	117	\$ 844.74	\$ 361.53	\$ 1,206.27		
295	7	1024-0	1	CROWN ENTERPRISES INC	84	\$ 606.48	\$ 259.56	\$ 866.04		
295	11	1030-0	1	ROADWAY EXPRESS	188	\$ 3,826.60	\$ 1,637.70	\$ 5,464.30		
295	13	1007-0	1	YRC WORLDWIDE INC	168	\$ 1,212.98	\$ 519.12	\$ 1,732.08		
295	41	1037-0	1	S&R REALTY STANSON	304	\$ 2,197.29	\$ 940.39	\$ 3,137.68		
295	41	1037-0	1	SOUTH KEARNY ASSOCIATES	61	\$ 438.62	\$ 187.72	\$ 626.33		
295	5	1053-0	1	TOSCANO'S DELI (RTLS SERVICES)	117	\$ 844.74	\$ 361.53	\$ 1,206.27		
296	2	1023-0	1	BRIDGEVIEW INVESTORS	84	\$ 606.48	\$ 259.56	\$ 866.04		
296	6	1001-0	1	DH REALTY ENTERPRISES	530	\$ 1,637.70	\$ 6,113.57	\$ 835.11		
297	1	1032-0	1	EPSTEIN, BERNARD R ET AL	672	\$ 4,851.84	\$ 2,076.48	\$ 6,928.32		
298	19,02	1013-0	1	PS&G	1,464	\$ 10,587.97	\$ 4,522.86	\$ 15,909.83		
298	14	1009-0	1	RIVER TERMINAL CAP	256	\$ 1,862.76	\$ 797.22	\$ 2,659.98		
298	10	1040-0	2	RIVER TERMINAL CAP	5,040	\$ 36,388.80	\$ 15,573.60	\$ 51,962.40		
298	10	1052-0	3	RTL SERVICES INC. (FORMERLY RIVER TERMINAL HAP)	4,238	\$ 30,598.36	\$ 13,085.42	\$ 43,893.78		
298	10	1055-2	2	LEEDS TERMINAL	81	\$ 594.82	\$ 2,076.48	\$ 2,645.30		
298	8	1011-0	2	KUEHNE CHEMICAL CO.	1,979	\$ 14,284.77	\$ 6,113.57	\$ 20,998.34		
298	10	1056-0	2	NU MEADOWLANDS COMMISSION	276	\$ 1,982.72	\$ 852.84	\$ 2,845.56		
298	19,03	1047-0	2	NU TRANSIT MEADOWS MAINT CMPLX	181,990	\$ 1,313,987.80	\$ 527,222.32	\$ 1,841,209.82		
288	10	1055-1	2	US POSTAL SERVICE	16,087	\$ 116,149.29	\$ 49,709.32	\$ 165,858.61		
288	10	1057-0	3	SPECTRASERV INC.	53,774	\$ 41,688.28	\$ 17,841.66	\$ 59,529.94		
290	3	1051-0	3	OJ TRUCK WASH	388,068.36	\$ 166,084.66	\$ 21,314.96	\$ 575,467.98		
294	19	1049-0	3	TAUBOTHALL (CCC) (Class 3)	10,815	\$ 78,082.75	\$ 33,417.69	\$ 114,157.14		
294	11	1049-0	3	HUDSON COUNTY CORRECTIONAL	21,536	\$ 155,634.65	\$ 66,608.18	\$ 222,442.83		
294	11	1058-1	3	NU MEADOWLANDS COMMISSION-KEEGAN LANDFILL	106,201	\$ 766,774.52	\$ 328,182.50	\$ 1,094,937.02		
		496,119			46,119	\$ 332,979.18	\$ 332,979.18	\$ 332,979.18		See Note 1
57 Accounts					494,908	\$ 3,573,233.26	\$ 824,407.84	\$ 36,327.65	\$ 4,433,568.75	

CLASS DESCRIPTION	2014 REVENUE REQUIREMENT	2014 ATTRIBUTABLE FLOW (HCF)	2014 COST PER HCF	2014 WHOLE RATE
User Class 1	\$ 3,568,524.65	\$ 823,672.35	\$ 266,799	\$ 10.31
User Class 2	\$ 7,222	\$ 3,090	\$ 3,0872	\$ 10.31
User Class 3	\$ 7,222	\$ 3,090	\$ 3,090	\$ 10.31

Note 1

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

Utilized averaged water consumption data from 2008 to 2012. Estimated water consumption data

from United Water were not consistent with customer's historical use.

Note 2

KMUA did not receive private water meter reading from customer. Used United Water consumption data.

Note 3

Prepared by HMM, March, 2014

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

2014 User Charge Setting Report

TABLE 3-SUMMARY OF KMUA SURCHARGE CALCULATION 2014

DESCRIPTION	VOL (MG)	TH lbs (mg/L)	*BOD BOD (TH #)	EXCESS BOD (TH #)	BOD CHARGE	TH lbs (mg/L)	SS (mg/L)	EXCESS CONC (TH #)	SS CHARGE	SS	TOTAL BOD/SS SURCHARGE
TOWN OF KEARNY TOTAL	3,024.86	3,470.55	137.57	N/A	N/A	3,226.09	127.88	N/A	N/A	N/A	N/A
MONITORED INDUSTRIES KMUA											
HUDSON CO CORR FAC (HUDSON COUNTY JAIL)	79.44	88.39	133.41	0.00	\$	83.14	125.48	0.00	\$	-	\$ -
NJ TRANSIT MEADOWS MAINTENANCE COMPLEX	12.03	30.25	301.39	16.44	\$ 6,836.94	255.98	12.86	\$ 5,519.05	\$ 12,355.99		
QF FOOD GRADE TANK TRUCK WASH, INC.	8.09	15.67	232.26	6.39	\$ 2,656.70	5.16	76.46	0.00	\$ -	\$ 2,656.70	
SPECTRASERV, INC.	40.21	74.76	222.95	28.63	\$ 11,905.40	64.80	193.25	21.92	\$ 9,409.56	\$ 21,314.96	
TALBOT HALL (COMMUNITY EDUCATION CORPORATION)	16.13	17.94	133.41	0.00	\$ -	16.87	125.47	0.00	\$ -	\$ -	
TOTAL SURCHARGES					\$ 21,399.04				\$ 14,928.61	\$ 36,327.65	
									TOTAL 2013 TOWN OF KEARNY CHARGE TO KMUA \$ 860,000.00		
									REMAINDER FEES TO BE RECOVERED THROUGH FLOW CHARGES \$ 823,672.35		

2014 PVSC USER CHARGE PER MG

\$ 442.5107

\$ 415.8246

\$ 429.2818

2014 PVSC USER CHARGE FOR BOD/1000#

\$ 415.8246

\$ 429.2818

2014 PVSC USER CHARGE FOR SS/1000#

\$ 415.8246

\$ 429.2818

* BOD CONC DETERMINED BY:

$$\frac{\text{Thousand #'s BOD X 1000 #}}{\text{Q X 8.34}} = \text{BOD (mg/L)}$$

* SS CONC DETERMINED BY:

$$\frac{\text{Thousand #'s SS X 1000 #}}{\text{Q X 8.34}} = \text{SS (mg/L)}$$

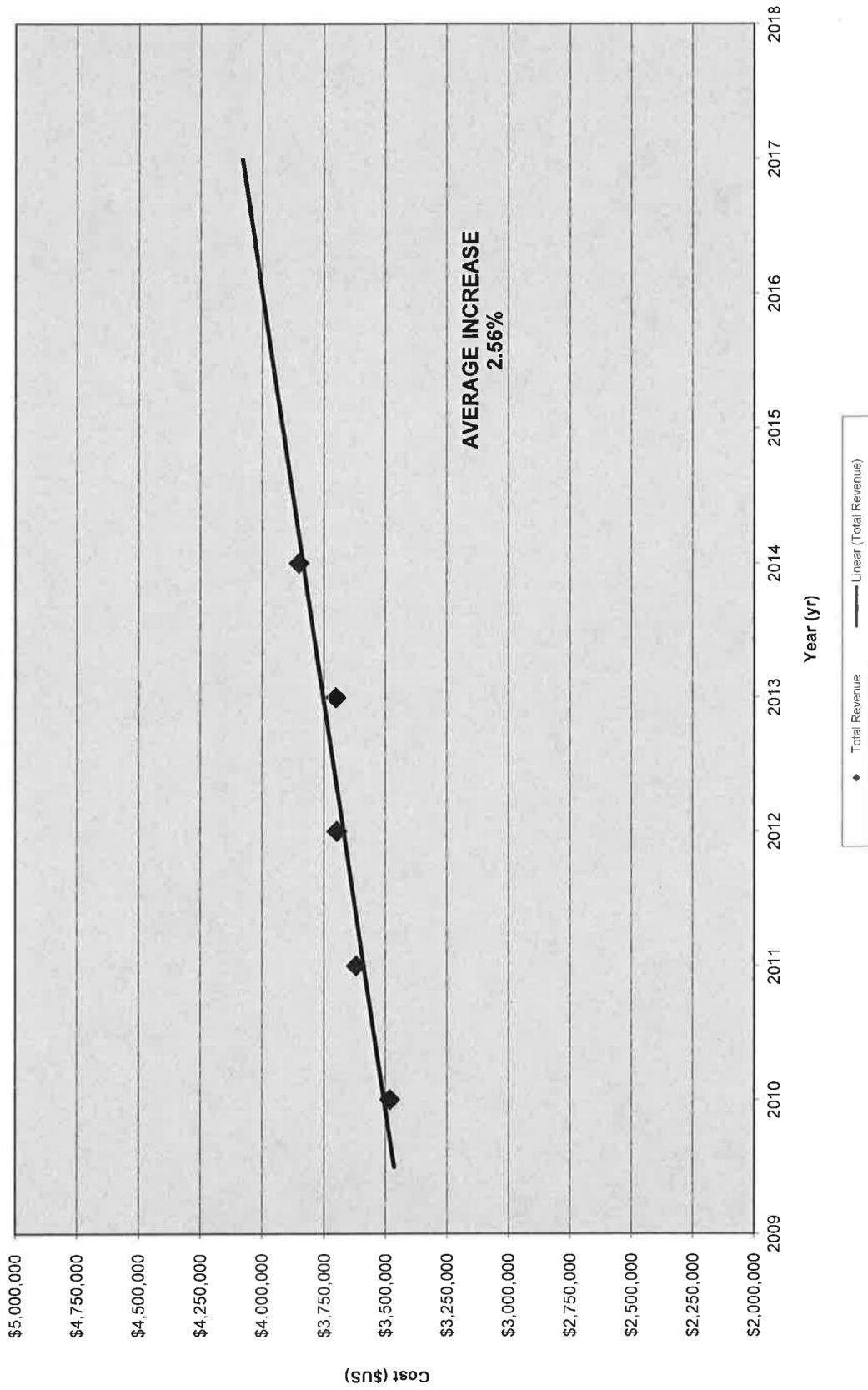
Note 1 NJMC not assessed PVSC fees based upon April 2004 Agreement between EnCAP and PVSC

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

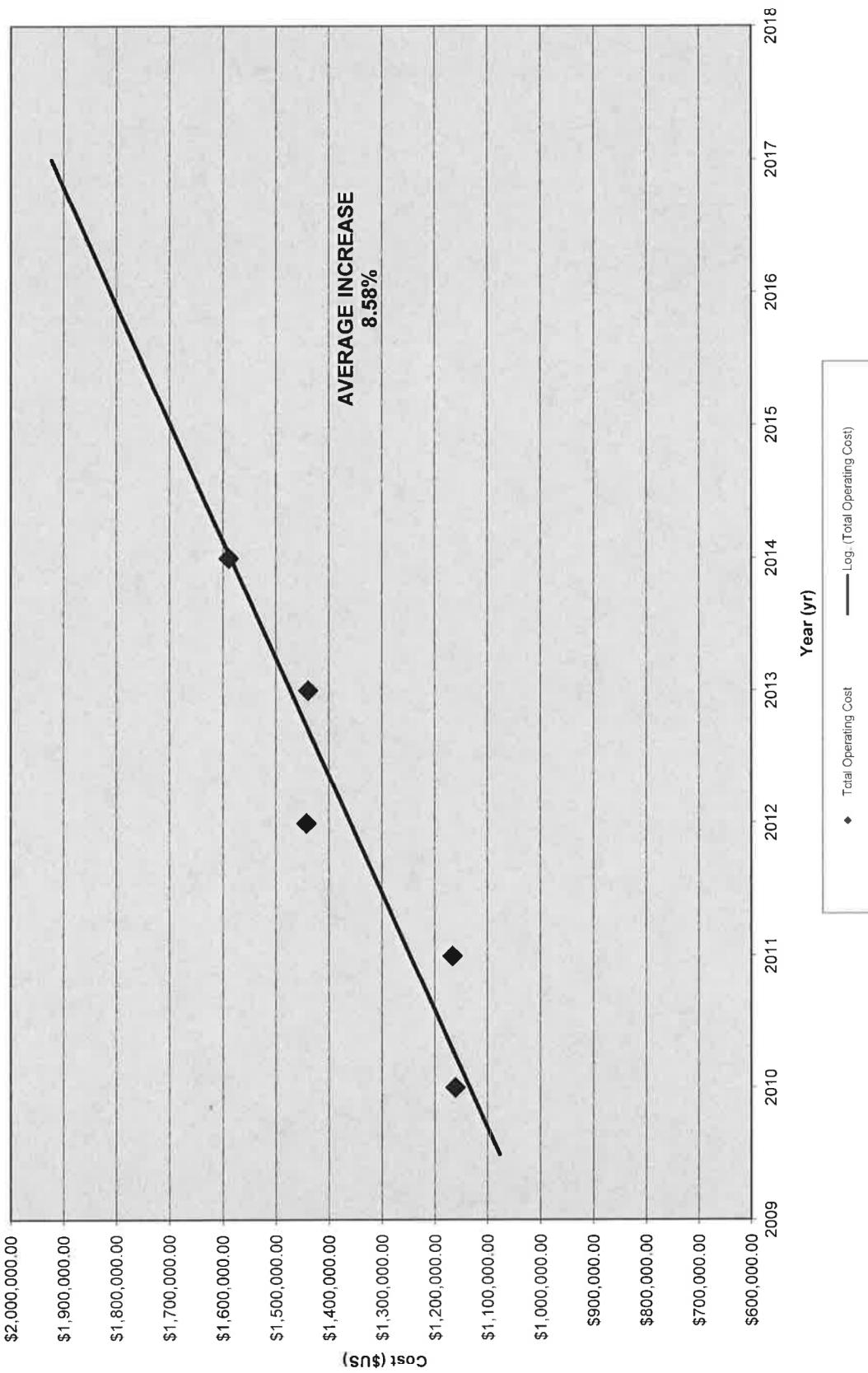
Note 3 Surchage rate is based on the PVSC invoice

Prepared by HMM March 2014

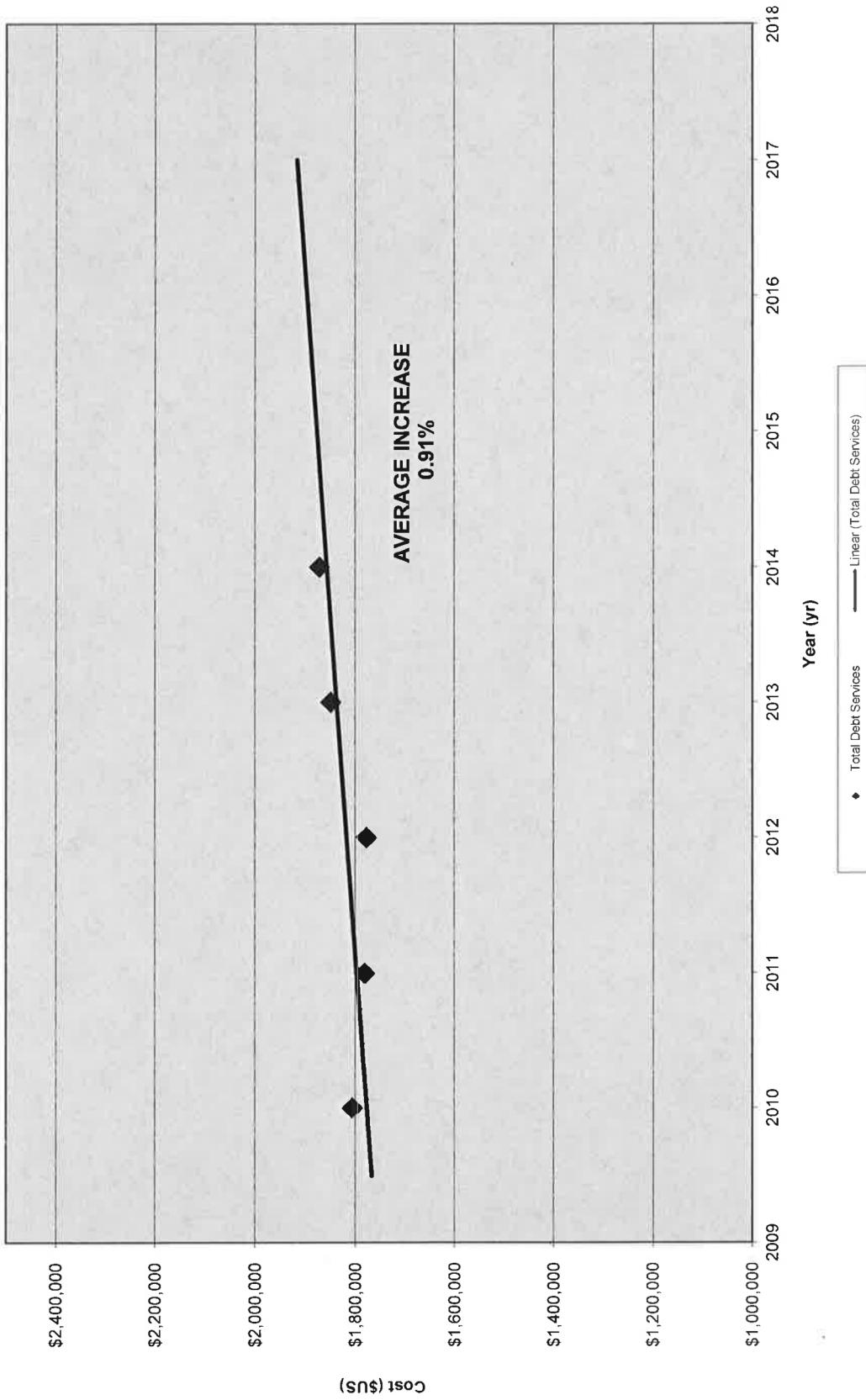
KEARNY MUA REVENUE TREND 2010-2017
CHART 1 - TOTAL REVENUE



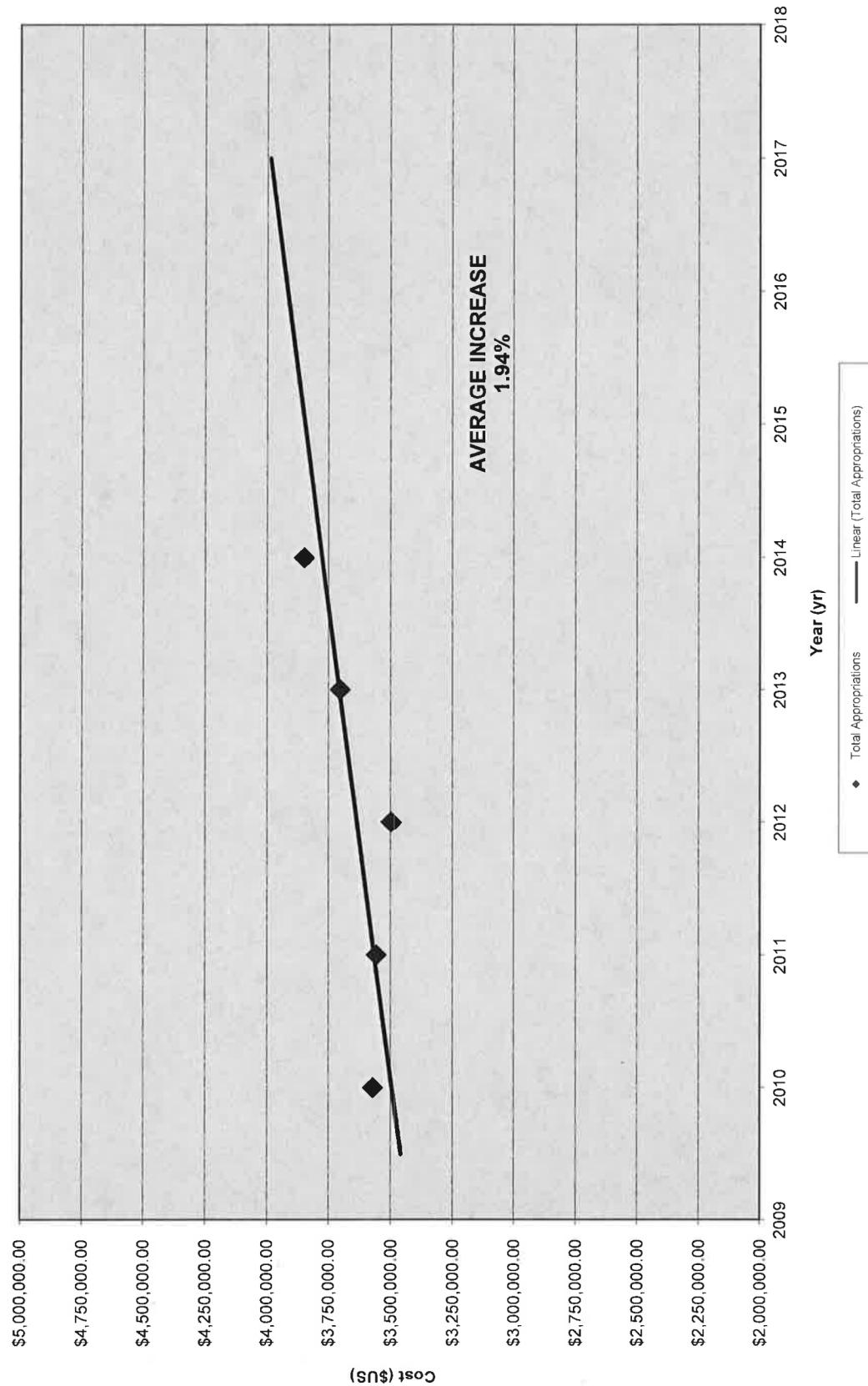
KEARNY MUA APPROPRIATIONS TRENDS 2010-2017
CHART 2 - TOTAL OPERATING COST



KEARNY MUA APPROPRIATIONS TRENDS 2010-2017
CHART 3 - TOTAL DEBT SERVICE



KEARNY MUA APPROPRIATIONS TRENDS 2010-2017
CHART 4 - TOTAL APPROPRIATION COST



KEARNY MUA APPROPRIATIONS TRENDS 2010-2017
CHART 5-TOTAL REVENUE REQUIREMENT

