

ROCKAWAY VALLEY REGIONAL
SEWERAGE AUTHORITY
SCHEDULE OF THREE YEAR AVERAGE DAILY
WASTEWATER METER READINGS
AND CHARGES TO EACH PARTICIPATING
MUNICIPALITY FOR THE PERIOD ENDED
SEPTEMBER 30, 2019, 2018 and 2017



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkutz, CPA, RMA, PSA
Matthew B. Wielkutz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
James J. Cerullo, CPA, RMA, PSA
Thomas M. Ferry, CPA, RMA, PSA

Headquarters
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
(973)-835-7900

Newton Office
100B Main Street
Newton, New Jersey 07860
(973)-835-7900

Chairman and Commissioners of the
Rockaway Valley Regional Sewerage Authority
99 Green Bank Road
Boonton, New Jersey 07005

Ladies and Gentlemen:

We have applied certain agreed-upon procedures, as discussed below, with respect to the schedule of three year average daily wastewater meter readings and charges to each participating municipality of the Rockaway Valley Regional Sewerage Authority ("RVRSA") for the twelve-month period ended September 30, 2019, 2018 and 2017. It should be noted that on November 14, 2002 the RVRSA passed a resolution amending the user charge system basis of preparing annual user charges. The methodology of calculation changed from a one year actual annual flow to a three year actual flow for purposes of calculating the distribution of budgeted costs to the participants for the years ended September 30, 2019, 2018 and 2017.

During the 2019 fiscal year, the Authority reexamined meter readings and flow rates for all municipalities. It was concluded that the 2019 municipal flow data for the Borough of Rockaway contained inconsistencies and conditions that required adjustment. Based on these conclusions and recommendations from Authority engineers and consultants, the Borough of Rockaway flow data from 2018 was utilized as the flow data for 2019 in order to maintain consistency.

RVRSA is allocating budgeted costs as operating, maintenance, repair and upkeep expenses under paragraph 6(c) of the Stipulation of Settlement Agreement dated August 17, 1984 (see Attachment 1 of the report).

This report is solely for your information and is not to be referred to or distributed for any purpose to anyone who is not a member of the Board of the RVRSA or management of the participating municipalities. The procedures we performed are summarized as follows:

- a) We obtained from management the daily flows spreadsheet for each meter, the monthly flow calculation worksheets and a schedule of adjusted weighted average daily flow, for the period October 1, 2018 to September 30, 2019.
- b) We scanned the daily meter reading sheets for indications of blockages, and recalculated on a test basis, adjustments made for the blockage based on the average flow through the meter for three to seven days prior to the blockage, depending on the circumstances.



- c) We reviewed the calculation of flow of participant meters by recalculating, on a judgmental basis, the flow of three meters for each month.
- d) We traced and agreed the flows from the schedule of adjusted weighted average daily flow to the flow calculation worksheets designed by Mott MacDonald.
- e) We reviewed the calculation by recalculating, on a judgmental basis, the flow of three meters for each month on the flow calculation worksheets. In addition, we agreed that the sum of the flows as calculated on the worksheets.
- f) We agreed the weighted average daily flows used to allocate the original budgeted 2019 sewer charges to each participating municipality to the actual three year average daily flows of the participating municipalities for the three year period ended September 30, 2019, 2018 and 2017.
- g) We reviewed the calculation by recalculating the schedule of adjusted weighted average daily flow by multiplying the number of days in the month and the millions of gallons per day for each participating municipality. We added twelve months of flow for the period October 1, 2018 to September 30, 2019. After obtaining a total for each municipality for the period, we recalculated the percentage applicable to each participating municipality.
- h) We agreed the total budgeted 2019 sewer charges of \$9,437,220 to the budget submitted to the Division of Local Government Services and allocated the total to each of the participating municipalities based on the three year actual weighted average daily flow for the three year period ended September 30, 2019.
- i) We verified the calculation by recalculating the credit or additional charge due to or from each participating municipality or Jersey City.
- j) We recalculated the average of the actual flows for the years ended September 30, 2019, 2018 and 2017.

Chairman and Commissioners of the
Rockaway Valley Regional Sewerage Authority
Page 3.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards generally accepted in the United States of America, we do not express an opinion on the Schedule of Three Year Average Daily Wastewater Meter Readings and Charges to Each Participating Municipality for the three year period ended September 30, 2019. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the schedule might require adjustments.

This report relates only to items specified above and does not extend to any financial statements of the Rockaway Valley Regional Sewerage Authority taken as a whole.

Very truly yours,

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants

Rockaway Valley Regional Sewerage Authority
Schedule of Three Year Average Daily Wastewater Meter Readings
And Charges To Each Participating Municipality For The Period Ended
Three Years Ended September 30, 2019, 2018 And 2017

Participant	Budget Three Years Average		Actual Three Years Average		Budget Estimated Charges			Actual Adjusted Charges			(Credit)/ Additional Charge
	Average Daily Flow (Gallons)	Percentage of Total Average Daily Flow	Average Daily Flow (Gallons)	Percentage of Total Average Daily Flow	Total	Jersey City	Municipalities	Total	Jersey City	Municipalities	
Town of Boonton	697,827	7.886%	823,561	8.470%	\$744,204	\$535,843	\$208,361	\$799,358	\$489,137	\$310,220	\$101,859
Boonton Township	116,617	1.318%	121,429	1.249%	\$124,367	\$45,808	\$78,560	\$117,860	\$41,815	\$76,045	(\$2,514)
Township of Denville	1,178,809	13.321%	1,232,175	12.673%	\$1,257,152	\$763,816	\$493,336	\$1,195,963	\$697,239	\$498,724	\$5,387
Town of Dover	2,122,049	23.980%	2,387,862	24.559%	\$2,263,080	\$1,518,044	\$745,036	\$2,317,686	\$1,385,727	\$931,959	\$186,924
Randolph Township	985,833	11.140%	1,119,926	11.518%	\$1,051,351	\$230,104	\$821,248	\$1,087,013	\$210,047	\$876,966	\$55,718
Rockaway Borough	657,222	7.427%	676,163	6.954%	\$700,901	\$568,867	\$132,034	\$656,291	\$519,283	\$137,009	\$4,975
Rockaway Township	2,068,243	23.372%	2,228,851	22.924%	\$2,205,698	\$606,152	\$1,599,545	\$2,163,348	\$553,318	\$1,610,030	\$10,484
Victory Gardens	180,913	2.044%	201,526	2.073%	\$192,936	\$102,268	\$90,668	\$195,603	\$93,354	\$102,249	\$11,581
Borough of Wharton	841,598	9.511%	931,473	9.580%	\$897,530	\$422,922	\$474,609	\$904,098	\$386,059	\$518,040	\$43,431
Total	8,849,111	100.000%	9,722,966	100.000%	\$9,437,220	\$4,793,824	\$4,643,396	\$9,437,220	\$4,375,979	\$5,061,241	\$417,845

(A)

(B)

(C)

(C)

Jersey City (Credit)/Charge (\$417,845)

(A) Based on The Average of The Actual Flows For The Year of 18, 17, 16

(B) Based on The Average of The Actual Flows For The Year of 19, 18, 17 (except for Rockaway Borough which utilized the 2018 average for 2019 as noted in this report)

(C) Allocated Based on Stipulation of Settlement.

having submitted Answers thereto; and

WHEREAS, Jersey City, the Authority and all other Defendants have adopted formal resolutions approving the basic terms of the settlement herein set forth.

NOW THEREFORE IT IS HEREBY AGREED AND STIPULATED by the respective parties through their duly appointed legal counsel, that the Stipulation be amended as follows:

1. Paragraph 6 of the Stipulation shall be amended to read as follows:

6. Jersey City shall pay over to the Authority, at such time as shall be determined by the Authority, the following amounts:

(a) A capital or principal amount equivalent to an amount that bears the same ratio to the total and complete local cost of the project that 4.5 million gallons per day bears to the total daily treatment capacity of the New Treatment Facilities, (Segments I and II), less Five Hundred Thousand (\$500,000) Dollars,

i.e.: Jersey City Share =

Total Local Cost x $\left(\frac{4.5 \text{ mgd}}{12 \text{ mgd}}\right)$ - \$500,000
Treatment Plant
(including Segment II)

(b) A capital or principal amount equivalent to an amount which bears the same ratio to the total and complete local cost of the New Interceptor that 4.5 million gallons per day bears to the total daily capacity of the New Interceptor.

i.e.: Jersey City Share =

$$\frac{\text{Total Local Cost} \times 4.5 \text{ mgd}}{\text{New Interceptor} \quad 21 \text{ mgd}}$$

(c) An amount which represents Jersey City's share of the operating maintenance, repair and upkeep expenses of the New Treatment Facilities and New Interceptor, bearing the same ratio to the total annual operating, maintenance, repair that 4.5 million gallons per day bears to the average daily plant flow,

i.e.: Jersey City Share =

$$\frac{\text{Total Annual Operation, Repair, Maintenance and Upkeep Expenses} \times 4.5 \text{ mgd}}{\text{Average Daily Plant Flow}}$$