

Hardyston Township Municipal Utilities Authority

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Dear HTMUA Customer:

The Hardyston Township Municipal Utility Authority (HTMUA) sewer portion of the system is serviced by the Sussex County Municipal Utility Authority (SCMUA) based in Lafayette. Based on allocation and several other factors, the HTMUA is charged annual sewer “usage fees” from SCMUA. This “usage fee” is a large portion of how the HTMUA calculates sewer charges to its customers quarterly.

Unfortunately, this year SCMUA presented sewer usage fee increases to us which were exorbitant in not only our eyes by other towns as well. Several other area towns serviced by SCMUA were also affected; Hamburg, Franklin, Sparta, and Vernon to name a few. To illustrate how the HTMUA and neighboring towns are being affected by this increase we have provided a chart for your reference.

TOWN	INCREASE %
HAMBURG	24.0%
FRANKLIN	29.2%
VERNON TRANS	27.8%
WALLKILL	24.6%
HTMUA	30.9%
SUSSEX	32.6%
WANTAGE	32.6%
SPARTA	32.6%

Why is the SCMUA increase so much? How will this increase impact residents serviced by the HTMUA? What is the HTMUA doing about this increase? How much will the sewer portion of my bill increase? These are just a few of the many questions you may have. Hopefully, this letter will answer them.

The administrative staff and professionals from the HTMUA attended the SCMUA rate hearing with questions as to why the rate increases. SCMUA informed us, and other towns, that due to a number of factors, the fiscal year 2010 sewer user charges are being impacted. It is a result of loss in revenues, not an increase in SCMUA budgetary costs. Economic conditions, decline in building construction in Sussex County, state regulatory changes designed to control growth may impact the system now and in the future, and a reduction of septage, sludge and hauled sewage volumes, to name a few. It has had a negative impact on revenues which subsidize the sewer fee charges to the systems participants/townships.

With this in mind, the HTMUA professional and administrative staff analyzed what could be done to absorb the impact. 61% of the HTMUA sewer budget is based on sewer charges from SCMUA, this is over half of the sewer budget. Our budget was scrutinized and each item carefully looked at. Budget cuts were made in several areas such as interlocal staff contracts, utility charges and operations and maintenance. Additionally, an increase in developer quarterly charges will begin with their next billing quarter and surplus funds normally set aside to avoid use of debt service will be utilized to soften the impact to everyone.

Unfortunately, HTMUA residents will be affected by an increase in the sewer portion of their quarterly bill. The increase will be \$12.50 per quarter or a yearly increase of \$50. Without the budget cuts, increase in developer charges and use of surplus, residents would have seen a quarterly increase of \$33.75 per quarter or \$85 per year.

The \$12.50 increase in the sewer portion only will take effect with the 3rd quarter bill mailed the first week of June 2010. To avoid any confusion, below is a chart showing you when the new rate will take effect, and our quarterly billing calendar.

HTMUA Billing Cycles				
Quarter	Time Period	Due Date	Water Rate	Sewer Rate
1st Qtr	Sept 1 – Nov 30	30 days	\$67.50	\$124.50
2nd Qtr	Dec 1 – Feb 28	from	\$67.50	\$124.50
3rd Qtr	March 1 – May 31	billing	\$67.50	\$137.00
4th Qtr	June 1 – Aug 31	date	\$67.50	\$137.00

The HTMUA recognizes the economic conditions and climate felt by all households in our area. This is why we have made the various financial changes and reductions from all areas of our operation. By making these changes we can lessen the burden to our customers, without negatively impacting the integrity of service and maintenance of our system. The HTMUA Commissioners and staff wishes to extend their disappointment in this unfortunate increase from SCMUA which directly affects our customers.

Sincerely,

HARDYSTON TOWNSHIP MUNICIPAL UTILITY AUTHORITY