



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 17-1068, Version: 1

Dept/ Agency: Water and Sewer Utilities

Action: (X) Ratifying (X) Authorizing () Amending

Type of Service: Intergovernmental Agreement

Purpose: Bulk Water Contract

Entity Name: City of Elizabeth, New Jersey

Entity Address: 50 Winfield Scott Plaza, Elizabeth, New Jersey 07201

Contract Amount: Income Generating Contract

Funding Source: No Municipal Funds Required

Contract Period: Term of ten (10) years: January 1, 2017 through December 31, 2026

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS

() Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale () Grant () Sub-recipient (X) n/a

Additional Information:

WHEREAS, the Township of Elizabeth desires to enter into an agreement with the City of Newark for the supply of potable water from the City of Newark's Pequannock Water Supply System ("Potable Water Contract"); and

WHEREAS, the previous agreement with the Township of Elizabeth for potable water expired on December 31, 2015; and

WHEREAS, the City of Newark desires to accept and execute the attached Potable Water Contract to cover the period January 1, 2017 through December 31, 2026 a period of ten (10) years for continuation of said water supply; and

WHEREAS, the City of Newark is able and willing to supply water to the Township of Elizabeth.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY THAT:

1. The Municipal Council hereby authorizes the Mayor and/or his designee, the Director of the Department of Water and Sewer Utilities to enter into an Agreement for the supply of water from Newark's Pequannock Water Supply System to the Township of Elizabeth for a period of ten (10) years beginning January 1, 2017 through December 31, 2026 ("Agreement" or "Potable Water Contract").
2. This Agreement is hereby ratified from January 1, 2017 through the date of adoption by the Municipal Council.

3. Pursuant to the terms of the Water Contract, the City shall charge the following rates:
4. January 1, 2017 through December 31, 2017, the rate shall be \$2,950.00 per month per million gallons. Beginning January 1, 2018, and annually thereafter, the Director of the Department of Water and Sewer Utilities shall adjust the water rate upward in an amount not to exceed the Adjustment based upon the Implicit Price Deflator of State and Local Governments for New Jersey and published by the United States Department of Commerce, Bureau of Economic Analysis. Newark reserves the right to increase the cost of water being provided under this contract in addition to the Cost of Living Adjustment for any and all charges imposed by the State of New Jersey for mandated water treatment cost increases, fees and capital improvement projects. This contract will also provide for an automatic pass through of any incurred cost from North Jersey District Water Supply Commission.
5. This Agreement is awarded without competitive bidding pursuant to N.J.S.A. 40A:11-5(2) because the contracting parties are New Jersey Municipalities.
6. No municipal funds need to be expended for this resolution. This Agreement is a revenue generating contract.
7. The Director of the Department of Water and Sewer Utilities shall forward a copy of this resolution and fully executed Contract to the Division of Environmental Protection and the North Jersey District Water Supply Commission. This Agreement is subject to the approval of the aforementioned.
8. The attached Water Contract became effective January 1, 2017 and will continue to December 31, 2026. Any changes to the Agreement will require the approval of the Newark Municipal Council.
9. The Director of the Department of Water and Sewer Utilities shall file a copy of this resolution and a fully executed copy of the Water Contract in the Office of the City Clerk .

STATEMENT

This resolution ratifies and authorizes the Director of the Department of Water and Sewer Utilities to execute the attached Agreement for the supply of potable water from Newark's Pequannock Water Supply System to with the Township of Elizabeth, for a period of ten (10) years from January 1, 2017 to December 31, 2026 at the rate of \$2,950.00 per month per million gallons for the first year, and an annual adjustment upward thereafter beginning January 1, 2018.