



## Legislation Text

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**File #:** 19-0151, **Version:** 2

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**Dept/ Agency:** Finance

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

**Type of Service:** Expressing intent to finance Phase 1 of Lead Service Line Replacement Program by Local Improvement Assessment.

**Purpose:** Implement a special assessment for Lead Service Line Replacement Program

**Program Period:** 8-year period from the beginning of Phase 1

**Additional Information:**

**Resolution of the City of Newark expressing the intention that the cost of construction of Phase 1 of The Lead Service Line Replacement Program should be financed by local improvement assessments and to undertake and finance said water supply facilities and directing the provisions of notice thereof**

**WHEREAS**, the City of Newark, in the County of Essex, New Jersey (the "City") finally adopted Bond Ordinance Number 6PSF-d on August 8, 2018 (the "Lead Service Lines Bond Ordinance"), authorizing the City to issue its bonds and notes in the principal amount of \$75,000,000.00 for the replacement of lead service lines in the City; and

**WHEREAS**, the lead service lines connect to the City's water distribution system, but are owned by the property owner; and

**WHEREAS**, prior to the adoption of the Lead Service Lines Bond Ordinance, the City had filed an application with the New Jersey Infrastructure Bank and the New Jersey Department of Environmental Protection under the State Water Bank Financing Program for the financing of Phase I of the lead service line replacement program ("Phase I of the Lead Service Line Replacement Program"); and

**WHEREAS**, at a hearing of the Local Finance Board in the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey (the "Local Finance Board") held on September 12, 2018, the Local Finance Board approved the City's application for Municipal Qualified Bond Act approval for the Lead Service Lines Bond Ordinance, but conditioned this approval on the City specially assessing the costs of the lead service line improvements to the benefited property; and

**WHEREAS**, the City has represented to its residents that the cost to participate in the lead service line replacement program would be not more than \$1,000.00 per service line replacement, depending on the State funding received for the program; and

**WHEREAS**, on December 19, 2018, the New Jersey Department of Environmental Protection proposed changes to the Intended Use Plan for the Drinking Water State Revolving Fund for State fiscal year 2019, proposing that \$30,000,000.00 principal forgiveness shall be available for lead service line replacement projects with up to \$10,000,000.00 project cap per system based on

population; and

**WHEREAS**, Chapter 114 of the Public Laws of 2018 of the State of New Jersey was approved by the Governor of the State on August 24, 2108 ("Chapter 114"); and

**WHEREAS**, Section 5 of Chapter 114 provides that the definition of "water supply facilities" in N.J.S.A. 40A:31-3 in the County and Municipal Water Supply Act (N.J.S.A. 40A:31-1 et seq.) shall include "the replacement of service connections to a publicly-owned water system, from the distribution main onto privately-owned real property and into a privately-owned structure, when used in reference to a project undertaken for the purpose of replacing lead-contaminated service connections, regardless of possible private service connection ownership, so long as the project is (1) an environmental infrastructure project, as defined under Section 3 of P.L.1985, c.334 (C.58:11B-3) and (2) funded either by loans from the New Jersey Infrastructure Bank, created pursuant to Section 4 of P.L.1985, c.334 (C.58:11B-4), or by loans issued through the Department of Environmental Protection; and

**WHEREAS**, N.J.S.A. 40A:31-13 in the County and Municipal Water Supply Act provides that if any part of the cost of construction of water supply facilities acquired or constructed pursuant to the County and Municipal Water Supply Act should be financed by local improvement assessments on real properties located within the local unit, the local unit shall pass a resolution on the intention to undertake and finance the water supply facilities and shall give notice thereof by advertising in one or more newspapers of general circulation in the local unit or units, and by notifying each concerned property owner by certified mail; and

**WHEREAS**, the City now desires to adopt this resolution in accordance with N.J.S.A. 40A:31-13.

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

1. The Municipal Council authorizes the Mayor and/or his designee the Director of Finance and/or the Acting Director of Water and Sewer Utilities, to undertake Phase I of the Lead Service Line Replacement Program and to finance a portion of the costs of Phase I of the Lead Service Line Replacement Program by local improvement assessments on real properties located within the City.

2. The lots and parcels of real estate which may be specially benefited by Phase I of the Lead Service Line Replacement Program are attached to this Resolution as Exhibit A.

3. The City Clerk is hereby directed to give notice, in the form attached to this Resolution as Exhibit B, of the intent of the City as set forth in resolving clause 1, by advertising in one or more newspapers of general circulation in the City, and by notifying by certified mail each concerned property owner at the addresses listed in Exhibit A attached hereto. The notice shall fix a date, time and place for a public hearing on the proposed action; except that the date of the hearing shall not be earlier than two weeks after the mailing of notices to concerned property owners. If, after the hearing, the Municipal Council decides to carry out the proposed local improvement, an ordinance shall be adopted declaring that determination.

**STATEMENT**

This resolution of the Municipal Council authorizing the Mayor and/or his designee, the Director of Finance and/or the Acting Director of Water and Sewer Utilities to undertake Phase I of the Lead Service Line Replacement Program and to finance a portion of the costs thereof by local improvement assessments on real properties located within the City and directing that notice thereof be provided by the City Clerk.