

City Clerk File No. Ord. 14.162

Agenda No. 3.II 1st Reading

Agenda No. 4.I. 2nd Reading & Final Passage



## ORDINANCE OF JERSEY CITY, N.J.

COUNCIL AS A WHOLE  
offered and moved adoption of the following ordinance:

CITY ORDINANCE 14.162

**TITLE: ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, APPROVING AN ADDENDUM TO THE 2005 AMENDED AND RESTATED WATER SERVICES FRANCHISE AND SERVICE AGREEMENT BETWEEN THE CITY AND THE JERSEY CITY MUNICIPAL UTILITIES AUTHORITY TO REVISE SCHEDULE C TO INCREASE THE PAYMENTS TO THE CITY**

**THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DOES ORDAIN:**

**WHEREAS**, the City of Jersey City (City) currently owns a water utility (hereinafter referred to and more specifically defined as the "Water System"), which provides water service (Water Services) within and outside the geographic boundaries of the City; and

**WHEREAS**, the Jersey City Sewerage Authority, created by the City pursuant to N.J.S.A. 40:14A-1, et seq., and reorganized as the Jersey City Municipal Utilities Authority (Authority) by ordinance of the City adopted on December 10, 1997, operates a sewer system (hereinafter referred to and more specifically defined as the "Sewer System") providing for sewerage service (the "Sewerage Service") to the residents, businesses and inhabitants of the City, and pursuant to a Franchise and Service Agreement, dated as of February 1, 1998 (the "Original Franchise Agreement") as amended and restated by an Amended and Restated Water Services Franchise and Service Agreement dated as of May 1, 2003 between the City and the Authority (the "2003 Amendment" and together with the Original Franchise Agreement, the "Franchise Agreement") operates the City's Water System until December 31, 2027 (the "Franchise Period"); and

**WHEREAS**, to enable the Authority to keep the Water System in good repair and working order, including making long term capital improvements, to meet the water needs of the residents and property owners of the City and other users of the Water System and to minimize the City's liability to the bondholders of the Authority for obligations issued from time to time for the Water System as set forth in the 2005 Amended and Restated Water Services Franchise and Service Agreement (the "2005 Amended Agreement"), the City approved and amendment to the Franchise Agreement by the adoption of Ordinance 05-106 on September 14, 2005; and

**WHEREAS**, a revenue surplus has now arisen at the Authority as the result of an expansion of the City's water customer base; and

**WHEREAS**, as a result, the Authority has agreed to increase the Annual Franchise Fee paid to the City of Jersey City, by revising Schedule C to the 2005 Amended and Restated Water Services Franchise and Service Agreement; and

**WHEREAS**, the City and the Authority have determined that is in the best interests of the City and Water System users to amend "Schedule C" to enable the Authority to increase franchise fees paid to the City.

**NOW, THEREFORE, BE IT ORDAINED**, by the Municipal Council of the City of Jersey City that:

ORDINANCE OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, APPROVING  
AN ADDENDUM TO THE 2005 AMENDED AND RESTATED WATER SERVICES FRANCHISE AND  
SERVICE AGREEMENT BETWEEN THE CITY AND THE JERSEY CITY MUNICIPAL UTILITIES  
AUTHORITY TO REVISE SCHEDULE C TO INCREASE THE PAYMENTS TO THE CITY

1. Schedule C attached to the 2005 Amended and Restated Water Services Franchise and Service Agreement, is hereby amended to increase the franchise fees to be paid by the Authority to the City. See "10/31/2014 Revision to Schedule C" attached hereto; and
2. The Mayor is hereby authorized to execute an Addendum to the 2005 Amended and Restated Water Services Franchise and Service Agreement with the form of "Schedule C" attached hereto, and any other documents appropriate or necessary to effectuate the purpose of the within ordinance.
3. The Clerk of the City is hereby authorized and directed, upon the execution of the Addendum to the 2005 Amended and Restated Water Services Franchise and Service Agreement, to attest to the signature of the Authorized Officer upon such document, and is hereby further authorized and directed thereupon affix the corporate seal of the City upon such document.
4. Upon the execution and attestation and placing of the seal upon the Addendum to the 2005 Amended and Restated Water Services Franchise and Service Agreement, an Authorized Officer is hereby authorized and directed to (i) deliver the fully executed, attested and sealed document to the Authority and (ii) perform such other actions as the Authorized Officer deem necessary or desirable in relation to the execution and delivery of the Addendum to the 2005 Amended and Restated Water Services Franchise and Service Agreement.
  - A. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.
  - B. This ordinance shall be a part of the Jersey City Code as though codified and fully set forth therein. The City Clerk shall have this ordinance codified and incorporated in the official copies of the Jersey City Code.
  - C. This ordinance shall take effect at the time and in the manner as provided by law.
  - D. The City Clerk and the Corporation Counsel be and they are hereby authorized and directed to change any chapter numbers, article numbers and section numbers in the event that the codification of this ordinance reveals that there is a conflict between those numbers and the existing code, in order to avoid confusion and possible accidental repealers of existing provisions.

**NOTE:** All material is new; therefore, underlining has been omitted.  
For purposes of advertising only, new matter is indicated by **bold face**  
and repealed matter by *italic*.

JM/he  
11/19/14

APPROVED AS TO LEGAL FORM

Certification Required ☐  
Not Required ☐

APPROVED: \_\_\_\_\_

APPROVED: \_\_\_\_\_

Corporation Counsel

Business Administrator

**RESOLUTION FACT SHEET – NON-CONTRACTUAL**

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

**Full Title of Ordinance/Resolution**

Ordinance of the City of Jersey City, in the County of Hudson, New Jersey, Approving an Addendum to the 2005 Amended and Restated Water Services Franchise and Service Agreement Between the City and the Jersey City Municipal Utilities Authority to Revise Schedule C to increase the Payments to the City

**Initiator**

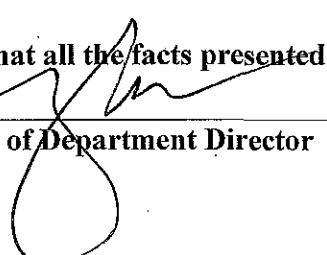
Department/Division	Administration	Administration
Name/Title	Robert J. Kakoleski	Business Administrator
Phone/email	(201) 547-4642	RKakoleski@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

**Resolution Purpose**

A revenue surplus has now arisen at the Authority as the result of an expansion of the City's water customer base. As a result, the Authority has agreed to increase the Annual Franchise Fee paid to the City of Jersey City, by revising Schedule C to the 2005 Amended and Restated Water Services Franchise and Service Agreement. The City and the Authority have determined that is in the best interests of the City and Water System users to amend "Schedule C" to enable the Authority to increase franchise fees paid to the City.

I certify that all the facts presented herein are accurate.

  
Signature of Department Director

  
Date

# CITY OF JERSEY CITY

## ANNUAL FRANCHISE FEE DUE FROM JCMUA

### SCHEDULE C

<u>YEAR</u>		<u>3/31/2010</u>		<i>Amendment</i> <u>10/31/2014</u>
2011	\$	12,000,000	\$	12,000,000
2012	\$	12,500,000	\$	12,500,000
2013	\$	13,000,000	\$	13,000,000
2014	\$	14,500,000	\$	14,500,000
2015	\$	15,000,000	\$	<b>19,000,000</b>
2016	\$	18,000,000	\$	<b>20,000,000</b>
2017	\$	19,000,000	\$	<b>21,000,000</b>
2018	\$	19,000,000	\$	<b>21,000,000</b>
2019	\$	19,500,000	\$	<b>21,000,000</b>
2020	\$	19,500,000	\$	<b>22,000,000</b>
2021	\$	20,000,000	\$	<b>22,000,000</b>
2022	\$	20,000,000	\$	<b>22,000,000</b>
2023	\$	20,000,000	\$	<b>22,000,000</b>
2024	\$	20,000,000	\$	<b>23,000,000</b>
2025	\$	20,000,000	\$	<b>23,000,000</b>
2026	\$	20,000,000	\$	<b>23,000,000</b>
2027	\$	20,000,000	\$	<b>23,000,000</b>

# Ordinance of the City of Jersey City, N.J.



ORDINANCE NO. Ord. 14.162

TITLE: 3.H NOV 25 2014 4.1, DEC 17 2014

Ordinance of the City of Jersey City, in the County of Hudson, New Jersey, approving an addendum to the 2005 Amended and Restated Water Services Franchise and Service agreement between the City and the Jersey City Municipal Utilities Authority to revise Schedule C to increase the payment to the City.

RECORD OF COUNCIL VOTE ON INTRODUCTION <span style="float: right;">NOV 25 2014 7-2</span>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING <span style="float: right;">DEC 17 2014 9-0</span>											
Councilperson <u>WATTERMANN</u> moved, seconded by Councilperson <u>COLEMAN</u> to close P.H.											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

## SPEAKERS:

YVONNE BALZER  
JAYSON BURG  
MIA SCANGA

RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY											
Councilperson _____ moved to amend* Ordinance, seconded by Councilperson _____ & adopted											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI				YUN				RIVERA			
RAMCHAL				OSBORNE				WATTERMANN			
BOGGIANO				COLEMAN				LAVARRO, PRES.			

RECORD OF FINAL COUNCIL VOTE <span style="float: right;">DEC 17 2014 7-2</span>											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN		✓		RIVERA	✓		
RAMCHAL	✓			OSBORNE	✓			WATTERMANN	✓		
BOGGIANO		✓		COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote

N.V.--Not Voting (Abstain)

Adopted on first reading of the Council of Jersey City, N.J. on NOV 25 2014

Adopted on second and final reading after hearing on DEC 17 2014

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on DEC 17 2014

Robert Byrne, City Clerk

\*Amendment(s):

APPROVED:

Rolando R. Lavarro, Jr., Council President

Date DEC 17 2014

APPROVED:

Steven M. Fulop, Mayor

Date DEC 18 2014

Date to Mayor DEC 18 2014