

MINUTES
SPECIAL MEETING
MUNICIPAL COUNCIL - CITY OF RAHWAY, NEW JERSEY
AUGUST 28, 2013
6:30 P.M.

1. Council President Steinman called the meeting to order at 6:34 p.m. and asked for a Roll Call.

PRESENT: Councilmembers Baker, Bresenhan, Brown, Cox, Mione, Wenson Maier, Steinman

ABSENT: Councilmembers Farrar, Saliga

The City Clerk, Jeffrey J. Jotz, announced the meeting had been advertised and posted in accordance with the Open Public Meetings Act of the State of New Jersey.

2. **PLEDGE OF ALLEGIANCE**

In the absence of a member of the Clergy, Councilmember Brown offered an invocation.

3. **ORDINANCES – SECOND READING**

O-34-13 Council President Steinman: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption.

A BOND ORDINANCE PROVIDING FOR PRELIMINARY COSTS ASSOCIATED WITH AN UPGRADE TO THE WATER TREATMENT PLANT, BY AND IN THE CITY OF RAHWAY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY; APPROPRIATING \$1,400,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,333,300 IN BONDS OR NOTES TO FINANCE THE COST THEREOF

BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF RAHWAY, IN THE COUNTY OF UNION, STATE OF NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

SECTION 1. The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the City of Rahway, in the County of Union, State of New Jersey (the “City”) as general improvements. For the said improvements or purposes stated in Section 3, there is hereby appropriated the sum of \$1,400,000 from the Water Utility of the City, said sum being inclusive of said sum being inclusive of a down payment in the aggregate amount of \$66,700 for said improvements or purposes as required by the Local Bond Law, N.J.S.A. §40A:2-1 et seq. (the “Local Bond Law”). The down payment is now available by virtue of surpluses in the Water Utility capital fund or a

provision or provisions in a previously adopted budget or budgets of the City for down payment or for capital improvement purposes.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof and to meet part of the said \$1,400,000 appropriation not provided for by application hereunder of said down payment, negotiable bonds of the Water Utility of the City are hereby authorized to be issued in the aggregate principal amount not exceeding \$1,333,300 pursuant to the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the City in an aggregate principal amount not exceeding \$1,333,300 are hereby authorized to be issued pursuant to and within the limitations prescribed by said Local Bond Law.

SECTION 3. (a) The improvements hereby authorized and purposes for the financing of which said obligations are to be issued are preliminary costs associated with an upgrade to the City's water treatment plant, including but not limited to, the backwash of tanks at the water treatment plant, the acquisition and installation, as applicable, of a check valve, the installation of various upgrades to the supervisory control and data acquisition system, and the cost of design and oversight related thereto.

(b) The estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$1,333,300.

(c) The aggregate estimated cost of said improvements or purposes is \$1,400,000, the excess amount thereof over the said estimated maximum amount of bonds or notes to be issued therefor is the down payment available for said purposes.

(d) The above improvements and purposes set forth in Section 3(a) are more particularly described in documents on file in the Office of the City Clerk and shall also include, but are not limited to, the following, as applicable, surveying, construction planning, engineering and design work, preparation of plans and specifications, permits, bid documents, construction inspection and contract administration, environmental testing and remediation and also all work, materials, equipment, labor and appurtenances as necessary therefor or incidental thereto.

SECTION 4. In the event the United States of America, the State of New Jersey, the County of Union or a private entity make a contribution or grant in aid, as applicable, to the City for the improvements or purposes authorized hereby and the same shall be received by the City prior to the issuance of the bonds or notes authorized in Section 2 hereof, then the amount of such bonds or notes to be issued shall be reduced by the amount so received from the United States of America, the State of New Jersey and/or the County of Union. In the event, however, that any amount so contributed or granted, as applicable, by the United States of America, the State of New Jersey, the County of Union or a private entity, shall be received by the City after the issuance of the bonds or notes authorized in Section 2 hereof, then such funds shall be applied to the payment of the bonds or notes so issued and shall be used for no other purpose. This Section 4 shall not apply, however, with respect to any contribution or grant in aid received by the City as a result of using funds

from this bond ordinance as “matching local funds” to receive such contribution or grant in aid.

SECTION 5. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer of the City, provided that no note shall mature later than one (1) year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer of the City shall determine all matters in connection with the notes issued pursuant to this bond ordinance, and the signature of the Chief Financial Officer upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time in accordance with the provisions of the Local Bond Law. The Chief Financial Officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchaser thereof upon receipt of payment of the purchase price and accrued interest thereon from their dates to the date of delivery thereof. The Chief Financial Officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the principal amount, the description, the interest rate, and the maturity schedule of the notes so sold, the price obtained and the name of the purchaser.

SECTION 6. The capital budget of the Water Utility of the City is hereby amended to conform with the provisions of this bond ordinance, and to the extent of any inconsistency herewith, a resolution in the form promulgated by the Local Finance Board showing full detail of the amended capital budget and capital programs of the Water Utility as approved by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, will be on file in the Office of the Clerk and will be available for public inspection.

SECTION 7. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvements or purposes described in Section 3 of this bond ordinance are not current expenses and are improvements or purposes which the City may lawfully undertake as general improvements, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The average period of usefulness of said improvements or purposes within the limitations of said Local Bond Law, according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is 10 years.

(c) The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the Clerk of the City and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, and such statement shows that the gross debt of the City as defined in the Local Bond Law is increased by the authorization of the bonds or notes provided for in this bond

ordinance by \$1,333,300 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(d) An aggregate amount not exceeding \$1,175,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purposes or improvements hereinbefore described.

SECTION 8. The full faith and credit of the City are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the City, and the City shall be obligated to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the obligations and the interest thereon without limitation as to rate or amount.

SECTION 9. The City reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof and paid prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. This Section 9 is intended to be and hereby is a declaration of the City's official intent to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations Section 150-2. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code"). The proceeds of any bonds or notes authorized by this bond ordinance used to reimburse the City for costs of the improvements or purposes described in Section 3 hereof, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of any bonds or notes authorized by this bond ordinance or another issue of debt obligations of the City, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). The bonds or notes authorized herein to reimburse the City for any expenditures toward the costs of the improvements or purposes described in Section 3 hereof will be issued in an amount not to exceed \$1,333,300. The costs to be reimbursed with the proceeds of the bonds or notes authorized herein will be "capital expenditures" in accordance with the meaning of Section 150 of the Code. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized by this bond ordinance is paid, or (ii) the date the improvements or purposes described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

SECTION 10. The City covenants to maintain the exclusion from gross income under Section 103(a) of the Code of the interest on all bonds and notes issued under this ordinance.

SECTION 11. This bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption and approval by the Mayor, as provided by the Local Bond Law.

Council President Steinman opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

No one appearing, Council President Steinman closed the Public Hearing.

Roll Call for O-34-13:

YES: Councilmembers Baker, Bresenhan, Brown, Cox, Mione, Wenson
Maier, Steinman

ABSENT: Councilmembers Farrar, Saliga

Council President Steinman: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

O-39-13

Council President Steinman: The following Ordinance was adopted on first reading, advertised according to law, and is now before you for a public hearing and final adoption.

**AN ORDINANCE AMENDING CHAPTER 411 OF THE CODE OF THE
CITY OF RAHWAY (“WATER”)**

BE IT ORDAINED, by the Municipal Council of the City of Rahway that Chapter 411 of the Code of the City of Rahway is hereby amended to read as follows:

§ 411-1 Rates and charges.

The rates and charges for water and services to be supplied by the Division of Water shall be as set forth in the following schedules, and the Division of Water Accounts shall render bills and accounts in accordance with said schedules from and after the effective date of this chapter.

§ 411-1 Rates and charges.

The rates and charges for water and services to be supplied by the Division of Water shall be as set forth in the following schedules, and the Division of Water Accounts shall render bills and accounts in accordance with said schedules from and after the effective date of this chapter.

A. Schedule I: Water supplied through a meter shall be charged for at a rate of \$ 39.37 per thousand cubic feet. Commercial and industrial accounts with meters

larger than one inch will be billed monthly. The minimum charge shall be as per meter size as follows:

Meter Size (inches)	Minimum Monthly Charges	Minimum Quarterly Charges
5/8	\$ 14.44	\$ 43.31
3/4	22.31	66.93
1	36.74	110.23
1 1/2	72.16	216.49
2	115.46	346.37
3	236.16	708.48
4	360.80	1,082.41
6	721.62	2,164.86
8	1,089.00	3,267.00
10	2,230.49	6,691.47
12	2,597.87	7,793.61

B. Schedule IA: Rates for Manufactured Water and Non Manufactured Supplied Water.

(1) Definitions. As used in this chapter, the following terms shall have the meanings indicated:

MANUFACTURED WATER — Water that is produced, supplied, metered and billed for by the Division of Water of the City of Rahway.

NONMANUFACTURED SUPPLIED WATER — Water used by Rahway consumers that is not necessarily produced, supplied or metered by the City Division of Water but the use of which is arranged for or administered by and billed for by the City Division of Water, and includes any such water supplied to Rahway consumers from utilities other than the City Division of Water. It is hereinafter referred to as "NMS water."

(2) Base rate. For any consumer whose water supply consists of manufactured water and NMS water, the base rate shall be \$39.37 per thousand cubic feet.

(3) Surcharge. Any increase in costs of charges to the City for NMS water above current costs or charges to the City for NMS water shall be passed on in the form of a surcharge to users of NMS water, and users shall be liable in full for such increases, based on their usage of NMS water.

C. Schedule II: Private Fire Service Rates:

(1) Private fire service rates shall be as follows:

Size of Service (inches)	Quarterly Charge
2 or less	\$ 175.00
3	350.00
4	525.00
6	900.00
8	1,350.00
10	1,850.00
12	2,150.00

(2) Testing.

(a) No water shall be used through private fire service connections except for test purposes or in case of fire, and no charge shall be made for water so used.

(b) Water for testing without charge is limited to a maximum of 1,000 cubic feet per quarter.

D. Schedule IIA: Fire Hydrant Charges.

(1) Private fire hydrants. Private fire hydrants are installed and owned by the owner of the property on which they are installed. A charge of \$800.00 per year, per hydrant, will be billed to the property owner. The hydrants will be maintained by the Division of Water.

(2) Leased fire hydrants. Leased fire hydrants are installed within the right-of-way of other municipalities. They are billed to the requesting municipal agency at a rate of \$325.00 per year, per hydrant. The hydrants are installed and maintained by the Division of Water.

E. Schedule III: Water for Temporary Purposes.

(1) Water for temporary purposes supplied through meters shall be billed at the rates set forth in Schedule I, but a deposit of \$120 per inch of diameter or fraction thereof shall be required for the meter.

(2) Water supplied for temporary purposes without meters shall be billed at the minimum quarterly rate in Schedule I for any use of three months or less. Charge for additional time will be at the same rate.

(3) The Division of Water will provide adapters and hydrant wrenches for the above at a nonrefundable charge of \$30 per item. A separate deposit of \$200 will also be required.

F. Schedule IV: Water Supply Installations. Charges for new water supply installations shall be as follows:

(1) Applicants seeking to install new water supply lines shall submit plans to the contract manager for the Water Division and pay a permit fee of \$250 for plan

review and inspection of the installation for any line up to two inches in diameter. No permit shall be issued until the Water Connection Fee has been paid in accordance with Section 411-4.

(2) Applicants seeking to install new water supply lines in excess of two inches shall submit plans to the contract manager for the Water Division and pay a permit fee based upon actual costs for plan review and inspection of the installation.

(3) Curb settings.

(a) When it is necessary that the meter be set outside the building, the contract manager for the Water Division will place a meter setting for services and meters one inch in diameter or less.

(b) The charge for the curb setting shall be at cost, including labor and materials. This charge is in addition to the permit fee for a new service installation as listed above.

(4) The property owner shall submit plans for pit settings for meters one and one-half inches or longer and pay a permit fee of \$250 for plan review and inspection. These pits shall be constructed and maintained by the property owner.

G. Schedule V: Services Not Involving the Use of Water.

(1) Removing, repairing or replacing lost or damaged meters due to negligence: The charge for meters of all sizes shall be at cost, including labor and materials.

(2) Resumption of service after discontinuance for nonpayment of bills or violations of rules and regulations of the Water Division: \$30 per inch of diameter of meter or fraction thereof for the first shutoff and \$60 per inch of diameter of meter or fraction thereof for any additional shutoffs within two years.

(3) Removing and replacing undamaged meters within a period of one year after installation at the request of a customer: \$30 per inch of diameter of meter or fraction thereof.

(4) Relocation of hydrants, shutoff valves or other appurtenances of the water supply system at the request of the customer: The charge shall be fixed by the Superintendent of Water, based upon cost to the Water Division, and paid in advance.

(5) Request for services of non emergency nature after normal working hours will be billed to customer. Charge will be equivalent to the cost incurred by the Division of Water.

(6) Customer request for meter testing because of high bill: \$35

(7) Deposits for meters installed outside of City limits.

Size (inches)	Charges
5/8 x 3/4	\$ 50.00
3/4	75.00
1	100.00
1 1/2	200.00

2 250.00

H. Schedule VI. Effective on the dates indicated, all rates, fees and charges as set forth above in Schedules I through V, inclusive, shall be as follows:

(1) The following rates for metered consumption shall take effect on the dates indicated:

Date	Rate
October 1, 2013	\$39.37/kcf
January 1, 2015	\$41.34/kcf
January 1, 2016	\$43.41/kcf
January 1, 2017	\$45.58/kcf
January 1, 2018	\$47.85/kcf

(2) Minimum charges shall increase accordingly.

I. Schedule VII: Delinquent Water Utility Charges; Interest Rates.

(1) Grace period. Bills are due upon receipt. A grace period of 30 calendar days is provided, within which a payment of water utility charges may be hereafter received without any charge for interest, provided that such payment is received within said thirty-calendar-day period after the billing date upon which the amount becomes payable.

(2) Interest rates. After the above grace period, water utility charges shall be considered delinquent, and interest shall run against such delinquent charges at the rate of 18% per annum.

J. Schedule VIII: Bad Check Charge: Should the City receive a negotiable instrument from a customer, in payment of a bill, charge or deposit due, and such instrument is subsequently dishonored or uncollectible for any reason, the City shall charge the customer a handling charge of \$25.

§ 411-2 Nonprofit Organizations

A. For the purpose of this section, the term “nonprofit organization” shall be defined as any organization which qualifies under the terms of N.J.S.A. 12A:40A:12-21 (a) through (1) or such other statutes concerning aid by municipalities to private organizations.

B. All nonprofit organizations shall be billed for and be required to pay for all water consumed as per the terms of § 411-1 hereof.

C. Any eligible nonprofit organization may apply for and receive reimbursement for water bills paid under the following terms and conditions:

- (1) That said organization has, at the conclusion of its fiscal year, submitted audited financial statements to the Division of Water.
 - (2) That said financial statements demonstrate that said nonprofit organization operated at a loss for the fiscal year submitted.
 - (3) That the sum of water bills paid for said fiscal year are equal to or more than 5% of the demonstrated losses as revealed by the financial statement.
 - (4) That when the organization is a component of, or subsidiary to, any other organization, the requirements and criteria established hereby shall be applied to any and all such organizations taken together as a whole. Any organization applying for free water by reimbursement must provide the required records for such other organizations also or a legal statement that it is not a component of, a division of, or subsidiary to, any other organization.
 - (5) Any reimbursements made hereunder shall be in full for the applicable fiscal year.
- D. The provisions of this section shall be administered by the Division of Water, which administration shall include the use of formal application forms. Actual approval or denial of reimbursement shall be done by a resolution of the Municipal Council of the City of Rahway as a matter of public record following the receipt of written reports from the Division of Water regarding the application. The Division of Water is authorized to adopt such other rules or regulations necessary to effectuate the terms of this section.

§ 411-3 Special Rates for Senior Citizens

Special rates for senior citizens. For all properties owned by senior citizens and which qualify for a senior citizen tax deduction pursuant to the provisions of N.J.S.A. 54:4-8.40 et seq., the rates shall be as follows:

- (1) One-family dwelling: \$5 per quarter for 1,100 cubic feet or less.
- (2) All other rate provisions, including excess usage rate, shall be set forth above.

BE IT FURTHER, ORDAINED, any ordinances or parts thereof in conflict with the provisions of this ordinance are repealed to the extent of such conflict.

BE IT FURTHER, ORDAINED, this ordinance shall take effect upon adoption and approval in accordance with applicable law.

Council President Steinman opened the Public Hearing on this matter and asked if any citizen wished to be heard, to approach the rail, give his/her name and address and be heard.

No one appearing, Council President Steinman closed the Public Hearing.

Roll Call for O-39-13:

YES: Councilmembers Baker, Bresenhan, Brown, Cox, Mione, Wenson
Maier, Steinman

ABSENT: Councilmembers Farrar, Saliga

Council President Steinman: This Ordinance having been read on two separate days and having achieved the vote required by law is declared adopted. The City Clerk is directed to deliver same to the Mayor for his approval or disapproval.

4. COMMUNICATIONS - Hearing of Citizens

With no one appearing, Council President Steinman closed the Public Hearing.

5. ADJOURNMENT

Motion to adjourn the meeting at 6:37 p.m. was made by Councilmember Steinman and seconded by Councilmember Bresenhan.

YES: Councilmembers Baker, Bresenhan, Brown, Cox, Mione, Wenson Maier, Steinman

ABSENT: Councilmembers Farrar, Saliga

Council President Steinman declared the motion carried.