

**MEMORANDUM**

**TO:** Hoboken City Council

**CC:** Jason Freeman, Business Administrator  
Olga Garcia, City Engineer  
Bill Lupo, Water Engineer

**FROM:** McManimon, Scotland & Baumann, LLC

**DATE:** July 7, 2023

**RE:** Second Amendment to the Amended and Restated Operation, Maintenance and Management Agreement

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On July 12, 2023, the Council of the City of Hoboken (the “City”) will consider for introduction an ordinance authorizing the execution of the Second Amendment (the “Second Amendment”) to the Amended and Restated Operation, Maintenance and Management Agreement between Veolia and the City. The Second Amendment provides (i) for the acquisition and installation by Veolia of an Advanced Leak Monitoring and Management System (the “LDS”) in the City’s water transmission and distribution system (the “System”), and (ii) that Veolia will continue to observe and comply with the terms of the current bulk water agreement among Veolia, Jersey City and JCMUA through the earlier of December 31, 2023 or the execution of a new bulk water agreement among the City, Jersey City and JCMUA.

The City entered the Amended and Restated Operation, Maintenance and Management Agreement with Veolia effective July 1, 2019 for the operation, maintenance and management of the System. On September 22, 2022, the parties executed a First Amendment in connection with the negotiation of a water supply agreement.

On February 27, 2023, a water main break occurred on Madison Street in connection with the installation of infrastructure by PSE&G. This water main break caused low to no water pressure throughout the System resulting in a multi-day City-wide boil water advisory. In recognition of the costs incurred by the City, Veolia agreed to fund the acquisition and installation of the LDS which includes 260 sensors and costs \$606,000. This project provides value to the City as it makes the funds which were previously designated for the acquisition of the LDS by the City available for other City projects; will reduce the amount of non-revenue water once the leaks identified by the LDS are repaired; and improves the infrastructure of the System by identifying and repairing vulnerable areas to prevent future water main breaks. Veolia will also add the services of a Smart Tech Advisor to the operating team for the City to process and analyze the data from the LDS. The City will own the LDS equipment installed in the System and the parties will develop a Standard Operating Procedure for the installation and operation of the LDS and the pressure monitoring sensors previously installed.

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The City is negotiating a bulk water agreement with Jersey City and JCMUA. The current bulk water agreement expired December 31, 2022. The Second Amendment confirms that Veolia will continue to observe and comply with the terms of the current bulk water agreement through the earlier of December 31, 2023 or the execution of a new bulk water agreement among the City, Jersey City and JCMUA.