

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF RAHWAY

RESOLUTION NO. 1570

DATE OF ADOPTION: SEPTEMBER 13, 2018

SUBJECT: THREE YEAR NATURAL GAS CONTRACT WITH SUPPLIER
WOODRUFF ENERGY

THE FOLLOWING RESOLUTION was written by Kenneth Pushko, Executive Director/Secretary and submitted at a Regular Meeting held on September 13, 2018:

WHEREAS, the Rahway Housing Authority purchases a significant amount of natural gas each month to supply our tenants with heat and cooking; and

WHEREAS, utility costs are a significant expense since the natural gas is used in 274 units; and

WHEREAS, Rahway Housing Authority is in the Elizabethtown Gas area who charges (low usage during non-heating months) \$4.94/Dekatherm ; and

WHEREAS, New Jersey's BPU floor for regulated utility companies in low usage months is \$4.41; and

WHEREAS, natural gas prices to the consumer (buyer) can fluctuate with the market and does so by month and by season; and

WHEREAS, during Hurricanes which affect major natural gas producing areas in the United States have increased prices as much as three fold when the supply chain is disrupted; and

WHEREAS, natural gas in New Jersey is deregulated meaning a buyer of natural gas (RHA buys natural gas) can obtain it's supply other than the approved BPU service company for the area (in our case Elizabethtown Gas); and

WHEREAS, Procurement Laws allow public entities to sign contracts for service/supplies if the control price is 10% or more below current market prices; and

WHEREAS, Woodruff Energy, a recognized supplier of natural gas in New Jersey by BPU offers a fixed price to supply natural gas for \$3.99 a Dekatherm for three years; and

WHEREAS, this fixed price is significant since the longer a contract period is, generally the higher the pricing due to the risk and the fixed price of \$3.99/Dekatherm is fixed for the entire three year period.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners of the Rahway Housing Authority acknowledge a three year natural gas contract with a State approved supplier at a fixed cost of \$3.99/Dekatherm for the entire three year period.

COMMISSIONER Ragan made a motion to adopt the above resolution, which was seconded by **COMMISSIONER** Simon, and on a roll call vote the Ayes and Nays were as follows:

AYES

Lesinski
Pekarofski
Ragan
Simon

NAYS

ABSTAIN

ABSENT

Thomas

THE CHAIRPERSON thereupon declared Resolution No. 1570 adopted.

I certify that the foregoing is a true copy of a resolution of the Housing Authority of the City of Rahway adopted on September 13, 2018.



Kenneth Pushko
Executive Director/Secretary

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