

**MINUTES OF THE PUBLIC WORK MEETING
OF THE
PASSAIC VALLEY SEWERAGE COMMISSIONERS**

JANUARY 21, 2016

The Passaic Valley Sewerage Commissioners met at their offices on the above date at 12:02 pm. Present: Chairman Thomas Tucci; Vice Chairman Kenneth Lucianin; Commissioner Elizabeth Calabrese; Commissioner David Catuogno; Commissioner Mildred Crump; Commissioner Scott Heck; and Commissioner Luis Quintana. Absent: None.

Also Present: Executive Director and General Counsel Gregory Tramontozzi; Chief Operating Officer Bridget McKenna; Chief Engineer John Rotolo; Chief Financial Officer and Clerk Joseph Kelly; and Special Counsel Michael Witt, Esq.

Chairman Tucci called the meeting to order and read into the record the statement of compliance with the New Jersey Open Public Meetings Act.

Roll Call was taken, with the persons identified above being present with the arrivals after the opening of the Meeting so denoted. Chairman Tucci then led the body in the Pledge of Allegiance.

The following matters were discussed:

ADMINISTRATIVE MATTERS:

A-1 Approval of Minutes

Mr. Kelly presented all minutes from the January 7, 2016, Public Meeting. There were no comments.

A-2 Public Hearing on Supplemental Bond Resolution No. 16

Mr. Kelly indicated that the Public Hearing was advertised to occur at the Regular Public Meeting at 2:00 p.m. for time purposes.

A-3 Supplemental Resolution No. 15 Relating to the Subordinate Bond Resolution Authorizing the Issuance of \$30,000,000 Subordinate Sewer System Bonds Pursuant Thereto Through the New Jersey Environmental Infrastructure Financing Program (NJEIFP)

Mr. Kelly presented items A-3 and A-4 together and introduced Bond Counsel John Cantalupo from Archer and Greiner, PC, who drafted the resolutions. Mr. Kelly gave a

presentation on the background of the issuance of the Series 2014 NJEIFP loans which were issued in May 2014 under PVSC's General Bond Resolution, which is traditionally used to issue only PVSC bonds. PVSC has a separate, subordinate bond resolution for the NJEIFP financing program; however due to the quorum issue in 2014, a subordinate resolution could not be adopted. Mr. Kelly explained that the Supplemental Resolution No. 15 would serve to reclassify the NJEIFP Series 2014 bonds as being issued under the subordinate bond resolution and would not actually increase or decrease the amount of bonds outstanding. Mr. Kelly further stated that by adopting this resolution, PVSC would be able to reduce the amount of funds required to be held in escrow in the bond reserve by approximately \$1.6 million. Mr. Kelly then referenced agenda item A-4 which is described in further below.

A-4 Resolution Amending, Restating and Canceling Supplemental Resolution No. 15 Relating to the General Bond Resolution Not Exceeding \$30,000,000

This matter is related to Item A-3. Mr. Kelly and Bond Counsel John Cantalupo from Archer and Greiner, PC presented this matter to the Commissioners. Bonding approval for this resolution was originally authorized in 2009 by the prior Board of Commissioners. This bond authorization was utilized to issue the Series 2014 NJEIFP loans referenced in agenda item A-3. The funds were necessary for capital improvements. Mr. Kelly explained that the bonds were originally characterized as "senior" bonds, which required the set aside by PVSC of one (1) year's worth of debt service payments in escrow to bond holders as surety. The resolution requested would re-characterize the bonds as "junior" bonds, which would not require the surety. Commissioner Heck asked if the re-characterization would affect the interest payments on the bonds. Mr. Cantalupo confirmed that there would be adverse effect on the interest payments or the security of the bondholders since the bonds were actually issued to the bondholders by the NJEIFP and not by PVSC. Commissioner Heck asked if the action would result in any budget savings which could be used to reduce the 2016 budget. Mr. Kelly referenced the presentation he made at the special reorganization meeting regarding PVSC's outstanding debt, advising that the savings to PVSC through PVSC's actions on outstanding bonds would not be realized in 2016, but would be realized in the following years. The Chairman and several other Commissioners reiterated that the current Commission did not issue the original debt that these resolutions will affect. Rather, these resolutions before the current Commission are re-characterizing the debt that was issued in 2014 to the appropriate authorizing resolution format for the benefit of PVSC's ratepayers. The benefit is that the \$1.6 million that otherwise would have to be held in the bond reserve escrow could be released to realize even greater savings on the planned debt refinancing. Commissioner Calabrese noted the serious nature of these refinancing issues and asked whether there were any more such issues that occurred prior to the current Board's tenure that would be brought before the Commission. Mr. Kelly responded that the debt refinancing resolutions on today's agenda would be the last on the previously existing debt.

- A-5 Resolution Declaring Official Intent to Reimburse Expenditures for Project Costs from the Proceeds of One or More Series of Debt Obligations in Connection with the New Jersey Environmental Infrastructure Financing Program

Mr. Kelly and Bond Counsel Matthew Jessup from McManimon, Scotland and Baumann, LLC presented item A-5. The resolution will allow PVSC to pay itself back from bond proceeds for funds that PVSC will be required to expend for project planning and design in advance as Project Costs for certain capital improvement projects, which costs must be paid as a condition of receiving loans from the State of New Jersey for the same.

- A-6 Resolution Authorizing the Issuance of Project Notes of the Passaic Valley Sewerage Commission

Mr. Kelly and Bond Counsel Matthew Jessup from McManimon, Scotland and Baumann, LLC presented agenda item A-6 which is the Resolution Authorizing the Issuance of Project Notes of the Passaic Valley Sewerage Commission. This resolution would authorize PVSC to issue short term notes, on a year to year basis to finance cash flow requirements for capital projects in advance of the issuance of long-term permanent financing. This resolution will allow PVSC to adapt to changes in the NJEIFP program, which is moving toward a construction loan financing format. Under this format, NJEIFP will issue loans on a short term basis until all project costs are known. Once the costs are known, the permanent long-term financing would be completed.

- A-7 Supplemental Resolution No. 16 Relating to the Subordinate Bond Resolution Authorizing the Issuance of Not to Exceed \$550,000,000 Subordinate Sewer System Bonds Through the New Jersey Environmental Infrastructure Financing Program (Superstorm Sandy Projects)

Mr. Kelly and Bond Counsel Matthew Jessup from McManimon, Scotland and Baumann, LLC presented agenda item A-7, Supplemental Resolution No. 16 which authorizes the issuance of bonds through the NJEIFP. Mr. Kelly noted that although the resolution authorizes the total amount of the estimated costs of the capital projects at \$550 million, PVSC would only issue long-term debt to finance the project costs that are not funded by FEMA. Chairman Tucci commented that the expected cost share of these projects is 90% FEMA funded and 10% PVSC funded. Mr. Kelly confirmed the expected funding percentages.

- A-8 Supplemental Resolution No. 17 Relating to the Subordinate Bond Resolution Authorizing the Issuance of Not to Exceed \$60,000,000 Subordinate Sewer System Bonds Through the New Jersey Environmental Infrastructure Financing Program

Mr. Kelly and Bond Counsel Matthew Jessup from McManimon, Scotland and Baumann, LLC presented agenda item A-8 which authorizes PVSC to participate in the NJEIFP for the projects listed in the resolution. These projects are traditional NJEIFP capital projects and all debt service on this financing funded by PVSC. Mr. Kelly presented a spreadsheet

that listed the funding sources for the FEMA projects funded by agenda item A-7 and the NJEIFP projects funded by agenda item A-8.

A-9 Adoption of 2016 Budget

Mr. Kelly presented for adoption the FY2016 Budget. Mr. Kelly noted that the Commissioners had previously authorized the adoption of a temporary operating budget for FY2016. However, certain funding issues have arisen that make the adoption of the full budget desirable, such as recurring insurance costs and the like. PVSC has never before adopted a temporary budget and has more than 30 cost centers, and it was very difficult to anticipate these matters in a more comprehensive manner. Further, PVSC has not yet released anticipated sewage user charge bills to its municipalities, who need such bills for their own budget planning. Accordingly, Mr. Kelly requested that the Commissioners adopt the full budget. Commissioner Heck commented that he had reviewed the budget and commended Mr. Kelly and his staff on the amount of work put into it. He suggested that PVSC may want to look at adopting temporary budgets in the future.

A-10 Contract B016 – Plantwide Replacement of Pipe, Fittings, and Ancillary Piping Systems on an As-Needed Basis for a Two (2) Year Period

Chief Engineer John Rotolo gave a presentation on the above-referenced contract. He recommended that all bids received be rejected. The rejection was recommended because of an ambiguity in the bid specifications that allowed the lowest bidder to manipulate the bid process to come in at a lower cost figure than the remaining bidders. The project will be rebid with new bid specifications. Chairman Tucci noted that the language in the bid specifications will be revised. A memorandum accompanied the presentation.

A-11 Contract A315 – Rehabilitation of the Main Interceptor Sewer and Various Manholes Project – Contract Modification No. 12

Mr. Rotolo gave a presentation on the above-referenced contract. He recommended that the Commissioners authorize a contract modification to a not-to-exceed amount of \$21,369,099.98, up from \$20,872,560.07. This contract deals with repair services to PVSC's main sewer interceptor. True conditions of the interceptor are often not observable until excavation of the interceptor is completed. The modification is required due to discovery of actual conditions after excavation. Commissioner Heck noted that the original contract was not issued by the current Commission. Chairman Tucci noted that such projects are often the subject of modifications because no one knows what the actual condition of a sewer line will be until it is actually uncovered. A memorandum accompanied the presentation.

A-12 Contract A919 (Project 59) – Unforeseen Overhead Structural Re-Enforcement Work – Furnish and Install Temporary Feeders – New Replacement Electrical Feeder Cables for a Two (2) Year Period

Mr. Rotolo gave a presentation on the above-referenced contract. He recommended that the Commissioners accept a proposal from Travis, Inc., for additional work on the contract in the amount of \$305,222.30. The additional work is required due to unforeseen circumstances and requirements that have arisen during the installation of temporary electrical cabling while PVSC's underground electrical feeder cables are being replaced. The cables were severely damaged by Superstorm Sandy and must be replaced. During their replacement, temporary overhead electrical cables must be installed to keep the plant operational. Some of the poles installed for cabling must be relocated due to ground support issues. Commissioner Heck asked if soil borings were done prior to installation. Mr. Rotolo responded that borings had previously been taken and that data was used, but data was not available for every single spot where Travis located poles. Most costs associated with this project will be reimbursed by FEMA. A memorandum accompanied the presentation.

- A-13 Contract A919 (Project 58) – Substation 16 Bus “B” Feeder Replacement for Sludge Storage/Decant – Furnish and Install Temporary Feeders – New Replacement Electric Feeder Cables for a Two (2) Year Period

Mr. Rotolo gave a presentation on the above-referenced contract. He recommended that the Commissioners accept the proposal from Travis, Inc., to perform the work for the amount of \$122,640. The equipment referenced was severely damaged by Superstorm Sandy and must be replaced. Most costs associated with this project will be reimbursed by FEMA. A memorandum accompanied the presentation.

- A-14 Contract A919 (Project 31, Revision 1 – Investigation of Low Voltage Cables in the Utility Tunnel) – New Replacement Electric Feeder Cables for a Two (2) Year Period

Mr. Rotolo gave a presentation on the above-referenced contract. He recommended that the Commissioners authorize an increase in the amount of \$9,000 to the original proposal from Travis, Inc., of \$140,000 to perform the work, for a new total amount of \$149,000. The increase is requested due to the necessity of additional services not included in the scope of the original proposal. Most costs associated with this project will be reimbursed by FEMA. A memorandum accompanied the presentation.

- A-15 Paulus, Sokolowski & Sartor (“PS&S”) Proposal to Provide Ongoing FEMA Support Services

Mr. Rotolo gave a presentation on the above-referenced matter. PS&S currently provides onsite engineering consulting services to PVSC pursuant to Professional Services Agreement No. 2639 relating to repair and rehabilitation projects necessitated by Superstorm Sandy, as well as projects to mitigate damage to the facility from potential future weather events. Mr. Rotolo recommended extending the agreement for a six-month period due to the continued need for such services as the repair, rehabilitation, and mitigations projects are still ongoing. Funds from the original contract are still available for this purpose, so this request will not require any additional expenditures. A memorandum accompanied the presentation.

A-16 Request for Authorization to Advertise for Receipt of Bids – Contract A884 – Contaminated Soil Removal Project – Former Witco Property

Chief Operating Officer Bridget McKenna gave a presentation on the above referenced matter. PVSC owns the former Witco Property in Newark, New Jersey. Soil on the property is contaminated with various pollutants from former owners, and the contamination must be remediated in accordance with New Jersey Department of Environmental regulations. The seller of the property placed funds in escrow for PVSC's use for this purpose. Ms. McKenna requested that the Commissioners authorize PVSC to advertise for proposals for performance of the remediation. A memorandum accompanied the presentation.

A-17 2015 Plant Performance

Ms. McKenna presented a report on the plant performance for December 2015. The plant was in compliance for all permit parameters. A report accompanied the presentation.

A-18 Sludge and Liquid Waste Disposal Agreements

Ms. McKenna gave a report on new Liquid Waste Acceptance Program contracts entered into by PVSC for the month of December 2015. A memorandum accompanied the report.

A-19 Amendment to Memorandum of Agreement with Port Authority of New York and New Jersey

Mr. Tramontozzi gave a report on the above-referenced matter. PANYNJ is constructing new docking facilities over a portion of PVSC's main outfall pipe in New York Harbor. The referenced agreement will ensure that PVSC has access in perpetuity to the outfall pipe should the need arise, such as for inspection or repair. A memorandum accompanied the report.

A-20 Revised Meeting Schedule

Mr. Tramontozzi gave a report on revising the Commissioners' Meetings schedule. Going forward, there will only be one meeting on each meeting date commencing at 12:00 pm, instead of separate work session and public meetings as had been previously noticed for 12:00 pm. and 2:00 pm, respectively.

A-21 2016 Property and Casualty Insurance

Mr. Fuscaldo gave a report on the renewal of PVSC's property and casualty insurance.

A-22 Check Register for Payment of Bills

Mr. Kelly presented the bills list for payment. A list of the bills accompanied the presentation.

A-23 Former Employee's Request for Compensation Relative to Waiver of Health Care Coverage

Mr. Tramontozzi gave a presentation regarding the above referenced matter. Under current PVSC policy, all employees are offered health care benefits. If an employee has an alternative source of health care, she or he may elect to waive health care coverage from PVSC. An employee who waives health care coverage from PVSC is eligible for a cash benefit for doing so, up to \$5,000, depending on the cost of what would have been the employee's coverage had she or he elected to receive it through PVSC. However, in order to receive this benefit, the employee must remain employed with PVSC throughout the calendar year for which the employee waived health care coverage. The only exception to this requirement is for employees who retire during the course of the year; in such instances, and only in such instances, PVSC will prorate the benefit to reflect the time the employee actually served during the year and pay the benefit out accordingly. Mr. Tramontozzi confirmed with both the current and the former PVSC Directors of Human Resources and confirmed that PVSC has adhered to this policy for some time, dating back at least 15 years. Recently, the former Executive Director of PVSC, Michael DeFrancisci, requested a change in this policy, sending multiple correspondences to that effect. Mr. DeFrancisci elected to waive PVSC-provided health care coverage for 2015. He then resigned in 2015, effective October 31st. Nevertheless, Mr. DeFrancisci requested a prorated payment of the waiver benefit and a change to the waiver policy. Mr. Tramontozzi, Mr. DeFrancisci's immediate successor, advised the Commissioners that the current labor proposals are to take away the current benefit from existing unionized employees and thus it would appear inconsistent to change the policy for former employees.

EXECUTIVE SESSION:

Chairman Tucci called for a motion for Executive Session for the matters identified below. The Clerk read into the record a motion in compliance with the New Jersey Open Public Meeting Act to discuss the matters. Motion: Commissioner Calabrese; Second: Commissioner Heck. A roll call vote was taken. Yes – Calabrese, Catuogno, Crump, Heck, Lucianin, Quintana, Tucci. No – none.

The Executive Session commenced at 12:54 pm.

A. Legal

L-1 Adjustment to User Charges for Township of North Bergen (N.J.S.A. 10:4-12(b) (7) (contract negotiation and attorney-client privilege)).

B. Personnel (Old Business) (N.J.S.A. 10:4-12(b)(8) (Personnel Matters))

- P-1 Request – New Employees
- P-2 Request – Out of Title
- P-3 Request – Salary Adjustments
- P-4 Request – Demotion

C. Personnel (New Business) (N.J.S.A. 10:4-12(b)(8) (Personnel Matters))

- P-5 Request – Promotion – Out of Title
- P-6 Request – Step Increases
- P-7 Request – New Employees
- P-8 Request – Salary Adjustments
- P-9 Request – Extended Medical Leave of Absence

A lunch break was taken after the discussion of Item L-1 at 1:19 pm. The Executive Session then resumed at 1:51 pm.

The Executive Session ended at 1:56 pm and the Public Work Session meeting resumed.

There being no further business, Chairman Tucci called for a motion to adjourn the Public Work Session Meeting.

Motion: Calabrese; second: Crump. A voice vote was taken. Yes: 7; no: 0. The Work Session Meeting adjourned at 1:57 pm.



Joseph F. Kelly, Clerk

This is to certify that the within minutes accurately reflect the time and place of this meeting, the members present, the subjects considered, the actions taken, the vote of each member and all other information required to be shown in the minutes by law.

MINUTES OF THE REGULAR PUBLIC MEETING
OF THE
PASSAIC VALLEY SEWERAGE COMMISSIONERS
JANUARY 21, 2016

The Passaic Valley Sewerage Commissioners met at their offices on the above date at 2:00 pm. Present: Chairman Thomas Tucci; Vice Chairman Kenneth Lucianin; Commissioner Elizabeth Calabrese; Commissioner David Catuogno; Commissioner Mildred Crump; Commissioner Scott Heck and Commissioner Luis Quintana. Absent: None.

Also present: Executive Director and General Counsel Gregory Tramontozzi; Chief Operating Officer Bridget McKenna; Chief Engineer John Rotolo; Chief Financial Officer and Clerk Joseph Kelly; and Special Counsel Michael Witt, Esq.

Chairman Tucci called the meeting to order and read into the record the statement of compliance with the New Jersey Open Public Meetings Act.

Clerk Joseph Kelly took the roll, with the above-identified Commissioners being present.

Chairman Tucci called for comments from the public on any matters, whether on the agenda or not.

1. Michael DeFrancisci. Mr. DeFrancisci is the immediate past Executive Director of PVSC, serving in that position from July 2012 until October 2015. Mr. DeFrancisci noted that under current PVSC policy, all employees are offered health care benefits. If an employee has an alternative source of health care, she or he may elect to waive health care coverage from PVSC. An employee who waives health care coverage from PVSC is eligible for a cash benefit for doing so, up to \$5000, depending on the cost of

what would have been the employee's coverage had she or he elected to receive it through PVSC. However, in order to receive this benefit, the employee must remain employed with PVSC throughout the calendar year for which the employee waived health care coverage. The only exception to this requirement is for employees who retire during the course of the year; in such instances, and only in such instances, PVSC will prorate the benefit to reflect the time the employee actually served during the year and pay the benefit out accordingly. Mr. DeFrancisci urged the Commissioners to change the policy so that he could obtain the waiver benefit. The change would also affect other employees going forward. Mr. DeFrancisci stated that this issue did not arise during his tenure with PVSC, but he was sure that if it had arisen, he, in consultation with PVSC's General Counsel, would have changed the policy to have the waiver benefit apply on a prorated basis for any employee who left employment in good standing for any reason during the course of a calendar year, not just retirement. Mr. DeFrancisci stated that during his tenure, he always sought to put the best interests of the employees first. As examples, he noted that one employee had been suspended numerous times, yet PVSC had not terminated the individual but offered a last chance agreement. He also noted that he was forced to terminate his friend's son because the son had drug issues. Mr. DeFrancisci stated that the issue was not that the amount of money was so great, but, rather, the issue was about treating employees with respect, as he stated had happened throughout his tenure. He again urged the Commissioners to change the policy. This concluded the public comment portion.

Chairman Tucci noted that he would be recusing himself on Resolution Number 37-16 because the personnel action affected the son of the Chief of Police in Cedar Grove, where Chairman Tucci works. He would recuse to avoid any appearance of conflict.

Chairman Tucci called for a motion to move Resolutions 16-16 to 36-16 and 38-16 to 44-16 by consent. Motion: Commissioner Calabrese; second: Commissioner Catouigno. A roll call vote was taken: Calabrese – yes; Catouigno – yes; Crump – yes; Heck – yes; Lucianin – yes; Quintana – yes; Tucci – yes. Motion passed.

Chairman Tucci recused himself on Resolution number 37-16 and left the room. Vice Chairman Lucianin called for a motion to move Resolution 37-16. Motion: Commissioner Crump; second Commissioner Quintana. A roll call vote was taken: Calabrese – yes; Catouigno – yes; Crump – yes; Heck – yes; Lucianin – yes; Quintana – yes; Tucci – Abstain. After the vote on Resolution number 37-16 Chairman Tucci returned to the meeting room. Motion passed.

No. 16-16

BE IT RESOLVED that the Minutes for the Regular Public Meeting of January 7, 2016, are hereby approved.

7 AYES

No. 17-16

RESOLUTION AMENDING, RESTATING AND CANCELING SUPPLEMENTAL RESOLUTION NO. 15 RELATING TO THE GENERAL BOND RESOLUTION OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND AUTHORIZING NOT EXCEEDING \$30,000,000 PRINCIPAL AMOUNT OF SEWER SYSTEM BONDS, SERIES I OF THE COMMISSION

WHEREAS, the Passaic Valley Sewerage Commission (including successors or assigns, the “*Commission*”), a body corporate and politic and an instrumentality of the State of New Jersey (the “*State*”), has been organized and exists under, and by virtue of, Chapter 14 of Title 58 of the Revised Statutes of the State, and the acts amendatory thereof and supplemental thereto (codified at N.J.S.A. 58:14-1, et seq., the “*Act*”);

WHEREAS, among other things, the Commission owns and operates in the Passaic Valley Sewerage District an intercepting sewer, together with its branches and appurtenances (as more fully described in the hereinafter defined Bond Resolutions, the “*System*”, which includes the various “*Projects*” defined therein);

WHEREAS, from time to time, in order to finance or refinance Projects for the System, the Commission issues (i) Bonds (the “*General Bonds*”) as defined in, and pursuant to, that certain senior lien bond resolution of the Commission adopted May 20, 1971 and entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND FOR THE RIGHTS OF THE HOLDERS THEREOF, AND AUTHORIZING \$23,700,000 PRINCIPAL AMOUNT THEREOF” (the “*Original General Bond Resolution*”), as amended and supplemented (the “*General Bond Resolution*”) and (ii) Subordinate Bonds (the “*Subordinate Bonds*”, and together with the General Bonds, the “*Bonds*”) as defined in, and pursuant to, that certain subordinate lien bond resolution of the Commission adopted June 20, 1996 and entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF SUBORDINATE BONDS OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND FOR THE RIGHTS OF THE HOLDERS THEREOF AND AUTHORIZING \$36,600,000 PRINCIPAL AMOUNT THEREOF” (the “*Original Subordinate Bond Resolution*”), as amended and supplemented (the “*Subordinate Bond Resolution*” or “*SBR*”, and together with the General Bond Resolution, the “*Bond Resolutions*”);

WHEREAS, the General Bond Resolution has been amended and supplemented, in part, by that certain Supplemental Resolution (as defined in the General Bond Resolution) adopted by the Commission on September 10, 2009 and entitled “SUPPLEMENTAL RESOLUTION NO. 15 RELATING TO THE GENERAL BOND RESOLUTION OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND AUTHORIZING NOT EXCEEDING \$30,000,000 PRINCIPAL AMOUNT OF SEWER SYSTEM BONDS, SERIES I OF THE COMMISSION” (the “*Supplemental Resolution No. 15 to GBR*”), prior to which meeting a duly issued notice for such meeting was issued in accordance with all applicable law, and at which meeting a quorum of Commissioners (as defined in the General Bond Resolution) was present and acted throughout;

WHEREAS, pursuant to N.J.S.A. 58:14-34.14(b) of the Act, (i) proper notice regarding a Public Hearing (as defined in the General Bond Resolution) in connection with Supplemental Resolution No. 15 to GBR was issued, and (ii) a Public Hearing was held on October 15, 2009 (the “*2009 Public Hearing*”) at the principal corporate office of the Commission;

WHEREAS, on November 17, 2009, with respect to the 2009 Public Hearing (a date that is greater than thirty (30) days from the adoption of Supplemental Resolution No. 15 to GBR, at which time such Supplemental Resolution No. 15 to GBR was then effective pursuant to N.J.S.A. 58:14-34.14(b) of the Act), a twenty (20) day estoppel notice with respect to Supplemental Resolution No. 15 to GBR was published, and no action or proceeding related thereto was timely commenced in any court of competent jurisdiction, the Supplemental Resolution No. 15 to GBR has not been revoked, modified or rescinded as of the date hereof, and accordingly the Supplemental Resolution No. 15 to GBR is in full force and effect;

WHEREAS, pursuant to N.J.S.A. 58:14-34.14(b) of the Act and the 2012 Trust Participation Executive Directive (as defined below), (i) proper notice regarding an additional Public Hearing (as defined in the General Bond Resolution) in connection with Supplemental Resolution No. 15 to GBR was issued, and (ii) a Public Hearing was held on June 29, 2012 (the “*2012 Public Hearing*”) at the principal corporate office of the Commission;

WHEREAS, on July 13, 2012, with respect to the 2012 Public Hearing (a date that is greater than thirty (30) days from the adoption of Supplemental Resolution No. 15 to GBR, at which time such Supplemental Resolution No. 15 to GBR was then effective pursuant to N.J.S.A. 58:14-34.14(b) of the Act), a twenty (20) day estoppel notice with respect to Supplemental Resolution No. 15 to GBR was published, and no action or proceeding related thereto was timely commenced in any court of competent jurisdiction, the Supplemental Resolution No. 15 to GBR has not been revoked, modified or rescinded as of the date hereof, and accordingly the Supplemental Resolution No. 15 to GBR is in full force and effect;

WHEREAS, among other things, the Supplemental Resolution No. 15 to GBR authorized the issuance of the Eighth Additional Bonds (as defined therein), as Additional Bonds defined under the General Bond Resolution (i.e., General Bonds as defined herein) entitled to the parity senior lien of the General Bond Resolution, in an aggregate principal amount not to exceed \$30,000,000, to finance the 2009 New Money Project (as defined therein), which includes various to be determined capital projects to and for the System;

WHEREAS, Under Executive Order No. #55, issued January 25, 2011 (Christie) (“*EO 55*”), which was issued following the resignation of all but one (1) of the Commissioners, the Governor of the State declared that a state of emergency existed at the Commission, affecting the health, safety and welfare of the residents of the State, and that due to the continuing state of emergency and the inability to constitute a quorum of the Commissioners, powers accorded by the Act to the Commissioners have been vested under EO 55 with the Executive Director of the Commission (including any designees, the “*Executive Director*”), which Executive Director acts by issuing “*Executive Directives*” pursuant to EO 55;

WHEREAS, by Executive Directive No. 85-12, issued May 29, 2012 (the “*2012 Trust Participation Executive Directive*”) and entitled “EXECUTIVE DIRECTIVE OF THE PASSAIC VALLEY SEWERAGE COMMISSION, DETERMINING TO PARTICIPATE IN THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM WITH RESPECT TO THE 2013 PROJECTS”, which was issued at a public meeting properly noticed under applicable law, the Commission determined, among other things, (i) to issue a note in an aggregate principal amount not to exceed \$19,000,000 (the “*Original IFP Note*”) to the New Jersey Environmental Infrastructure Trust (the “*Trust*”) as part of the Trust’s Interim Financing Program (the “*IFP*”), to finance the IFP Projects (as defined therein) and all or a portion of the Phase IV Sewer Project (as defined below), (ii) as determined by prior bond counsel that the IFP Note constituted an Eighth Additional Bond under the terms of the Supplemental Resolution No. 15 to GBR, and was therefore a senior lien Additional Bond (i.e., General Bond hereunder) for all purposes of the General Bond Resolution, (iii) as determined by prior bond counsel that the IFP Projects and the Phase IV Sewer Project each qualified as a 2009 New Money Project under the terms of the Supplemental Resolution No. 15 to GBR, (iv) the Commission intended to (a) refinance the IFP Note (and the IFP Projects and Phase IV Sewer Project financed thereby) and (b) finance any balance of the Phase IV Sewer Project, together with the Electrical Project (as defined below), all upon the closing (the “*Trust 2013 Closing*”) of the Trust’s State Fiscal Year 2013 Financing Program, which Trust 2013 Closing was scheduled for May of 2013 (the “*SFY 2013 Trust Financing Program*”), with escrow closing (the “*SFY 2013 Trust Escrow Closing*”) scheduled to occur prior to such time;

WHEREAS, due to circumstances beyond the Commission’s control, the 2013 Projects (as defined in the 2012 Trust Participation Executive Directive) were unable to be financed through the SFY 2013 Trust Financing Program and therefore the Commission desired to finance the 2013 Projects (which shall now be referred to as the “*2014 Projects*”) in 2014 and further to finance through the IFP all or a portion of the entire not to exceed \$30,000,000 authorized by the Supplemental Resolution No. 15 to GBR through the IFP instead of the \$19,000,000 portion originally authorized by the 2012 Trust Participation Executive Directive;

WHEREAS, by Executive Directive 167-13, issued September 25, 2013 (the “*2013 Trust Participation Executive Directive*” and together with the 2012 Trust Participation Executive Directive, the “*Trust Participation Executive Directives*”) and entitled “EXECUTIVE DIRECTIVE OF THE PASSAIC VALLEY SEWERAGE COMMISSION, DETERMINING TO PARTICIPATE IN THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM WITH RESPECT TO THE 2014 PROJECTS”, which was issued at a public meeting properly noticed under applicable law, the Commission determined, among other things, (i) to issue a note in an aggregate principal amount not to exceed \$30,000,000 (the “*2014 IFP Note*” and together with the Original IFP Note, the “*IFP Note*”) to the Trust as part of the Trust’s IFP, to finance all or a portion of the 2014 Projects (as defined below), (ii) as determined by prior bond counsel that the IFP Note constituted an Eighth Additional Bond under the terms of the Supplemental Resolution No. 15 to GBR, and was therefore a senior lien Additional Bond (i.e., General Bond hereunder) for all purposes of the General Bond Resolution, (iii) as determined by prior bond counsel that the 2014 Projects each qualified as a 2009 New Money Project under the terms of the Supplemental Resolution No. 15 to GBR, (iv) the Commission intended to (a) refinance the IFP Note (and the 2014 Projects financed thereby) and (b) finance any balance of the 2014 Projects, all upon the closing (the “*Trust 2014 Closing*”) of the Trust’s State Fiscal Year 2014 Financing Program, which Trust 2014 Closing occurred in May of 2014 (the “*SFY 2014 Trust Financing Program*”), with escrow closing (the “*SFY 2014 Trust Escrow Closing*”) occurring prior to such time, either (y) to the extent the Commission had in effect a quorum of Commissioners that could meet and adopt resolutions prior to the SFY 2014 Trust Escrow Closing, including a Supplemental Resolution (the “*Supplemental Resolution to SBR*”, and together with the Supplemental Resolution No. 15 to GBR, as applicable, the “*Trust Program Supplemental Resolution*”) as defined pursuant to the Subordinate Bond Resolution, through the issuance of Subordinate Bonds pursuant to the Subordinate Bond Resolution, or (z) failing to achieve such a quorum on a timely basis, through the issuance of General Bonds pursuant to the General Bond Resolution, including Supplemental Resolution No. 15 to GBR;

WHEREAS, the Trust Participation Executive Directives described the following four (4) Projects (also described in Schedule A attached hereto) needed for the System (as both such terms are defined under the respective Bond Resolutions):

- i. DEP Project No. S340689-20, Commission Contract A850 (\$4,566,129 Plant Wide Boiler Upgrades, IFP candidate, the “*Boiler Project*”);
- ii. DEP Project No. S340689-21, Commission Contract A841 (\$1,119,430, Kearny, Harrison, Newark Branch Interceptor, IFP candidate, the “*Interceptor Project*”);

- iii. Project No. S340689-03, Commission Contract A601 (\$18,393,779 Effluent and Wet Weather Pump Stations Electrical Improvements, the “*Electrical Project*”); and
- iv. Project No. S340689-10, Commission Contract A301 (\$12,717,637 Phase IV Sewer Repair, the “*Phase IV Sewer Project*”). The Boiler Project, the Interceptor Project, the Electrical Project and the Phase IV Sewer Project shall now be collectively referred to as the “*2014 Projects*” which were originally referred to as the 2013 Projects in the 2012 Trust Participation Executive Directive;

WHEREAS, the 2012 Trust Participation Executive Directive also authorized the submission by the Executive Director, the chief financial officer of the Commission, or the chief operating officer of the Commission (each an “*Authorized Officer*” hereunder and a Commission Officer under the Bond Resolutions) of all appropriate applications, financial addenda, and any other supplemental information required or deemed necessary, desirable or convenient by any of the Trust, the DEP, and/or the State or any of its agencies or instrumentalities for participation in the IFP or the SFY 2013 Trust Financing Program (collectively, the “*SFY 2013 Trust Financing Program Applications*”); and

WHEREAS, the 2013 Trust Participation Executive Directive further authorized the submission by each Authorized Officer of all appropriate applications, financial addenda, and any other supplemental information required or deemed necessary, desirable or convenient by any of the Trust, the DEP, and/or the State or any of its agencies or instrumentalities for participation in the IFP or the SFY 2014 Trust Financing Program (collectively, the “*SFY 2014 Trust Financing Program Applications*”).

WHEREAS, due to circumstances beyond the Commission’s control, the Commission was unable to achieve a quorum of Commissioners prior to the SFY 2014 Trust Escrow Closing to adopt a Supplemental Resolution to the SBR in order to issue the bonds for the 2014 Projects as Subordinate Bonds pursuant to the Subordinate Bond Resolution as originally desired by the 2013 Trust Participation Executive Directive and as is the tradition of the Commission to issue Subordinate Bonds to the Trust’s financing program and accordingly four (4) series of senior lien Eighth Additional General Bonds were issued by the Commission as permanent financing for the 2014 Projects through the SFY 2014 Trust Financing Program (the “*SFY 2014 Trust Financing Program Loan Bonds*” or “*Loan Bonds*”) which consisted of (i) a \$290,000 Sewer System Bond (Series I-2014-2) and a \$6,545,000 Sewer System Bond (Series I-2014-4) (collectively, the “Trust Loan 2014 Senior Lien Additional Bonds”) as market rate loans (the “*Trust Loans*”) issued by the Trust, which Trust Loans were evidenced by the Trust Loan 2014 Senior Lien Additional Bonds issued by the Commission to the Trust; and (ii) a \$882,000 Sewer System Bond (Series I-2014-1) and a \$19,952,177 Sewer System Bond (Series I-2014-3) (collectively, the “Fund Loan 2014 Senior Lien Additional Bonds” and together with the Trust Loan 2014 Senior Lien Additional Bonds, the “2014 Senior Lien Additional Bonds”) as zero percent loans (the “*Fund Loans*”) issued by the State, acting through the New Jersey Department of Environmental Protection (the “*DEP*”), which Fund Loans were evidenced by a Fund Loan 2014 Senior Lien Additional Bonds issued by the Commission to the State;

WHEREAS, due to circumstances beyond the Commission’s control, the Commission was unable to achieve a quorum of Commissioners prior to the SFY 2014 Trust Escrow Closing to adopt a Supplemental Resolution to the SBR in order to issue the bonds for the 2014 Projects as Subordinate Bonds pursuant to the Subordinate Bond Resolution as originally desired by the 2013 Trust Participation Executive Directive and as is the tradition of the Commission to issue Subordinate Bonds to the Trust’s financing program, it is the desire of the Commissioners to convert the 2014 Senior Lien Additional Bonds originally issued to SFY 2014 Trust Financing Program to Additional Subordinate Bonds pursuant to the Subordinate Bond Resolution and that are authorized and designated herein as the 2014 Subordinate Bonds and to coordinate same with the State and the Trust.

WHEREAS, it is the desire of the Commissioners to amend, restate and cancel the Supplemental Resolution No. 15 to GBR as part of its desire to convert the 2014 Senior Lien Additional Bonds originally issued to SFY 2014 Trust Financing Program to Additional Subordinate Bonds pursuant to the Subordinate Bond Resolution and that are authorized and designated herein as the 2014 Subordinate Bonds and to coordinate same with the State and the Trust.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Commission as follows:

ARTICLE I

AMENDMENT, RESTAMENT, CANCELLATION, NOTICES AND MISCELANOUS

Section 101. Amendment, Restatement And Cancellation Of Supplemental Resolution No. 15.

The Supplemental Resolution No. 15 to GBR is hereby amended, restated and cancelled as follows:

“Section 101. 2014 Senior Lien Additional Bonds Declared Null and Void. The 2014 Senior Lien Additional Bonds issued pursuant to the Supplemental Resolution No. 15 to GBR and issued to SFY 2014 Trust Financing Program are hereby declared null and void upon the issuance and delivery of the 2014 Subordinate Bonds (the “2014 Subordinate Bonds”) authorized pursuant to and defined in a supplemental resolution adopted by the Commission on January 21, 2016 and entitled “SUPPLEMENTAL RESOLUTION NO. 15 RELATING TO THE SUBORDINATE BOND RESOLUTION OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND AUTHORIZING THE ISSUANCE OF \$30,000,000 SUBORDINATE SEWER SYSTEM BONDS PURSUANT THERETO” (the “*Fifteenth Supplemental Resolution to the SBR*”).

Section 102. Supplemental Resolution No. 15 Cancelled and Declared Null and Void. The Supplemental Resolution No. 15 to GBR is hereby cancelled and declared null and void upon the issuance and delivery of the 2014 Subordinate Bonds authorized pursuant to the Fifteenth Supplemental Resolution to the SBR.

Section 103. Public Hearing. In accordance with the provisions of N.J.S.A. 58:14-34.14(b), the Commission hereby determines, if necessary and upon the advice of bond counsel,

to hold a public hearing on this Supplemental Resolution at the offices of the Commission, 600 Wilson Avenue; Newark, New Jersey, on March 10, 2016 at 12:00 P.M.

Section 104. Filing and Advertising. The Clerk of the Commission is hereby authorized and directed, if necessary and upon the advice of bond counsel, (a) to mail, or deliver, at least thirty (30) days prior to the date of the public hearing mentioned in Section 103 hereof, a certified copy of this Supplemental Resolution and a notice of the date, time and place of the public hearing mentioned in Section 103 hereof to the governing body of each contracting municipality, which notice shall be in substantially the form attached hereto as Exhibit A, and (b) at least thirty (30) days prior to the date of the public hearing mentioned in Section 103 hereof, publish the notice referred to in clause (a) above at least once in “The Star-Ledger”, a newspaper of general circulation published in the City of Newark, New Jersey.

Section 105. Estoppel Notice. The Clerk of the Commission is hereby authorized and directed, if necessary and upon the advice of bond counsel, to cause to be published, at least thirty (30) days after the date of the public hearing referred to in Section 103 hereof and after the taking effect of this Supplemental Resolution, in “The Star-Ledger,” a notice in substantially the form attached hereto as Exhibit B.

Section 106. Severability of Invalid Provision. If any one or more of the provisions, covenants or agreements in this Supplemental Resolution on the part of the Commission or any Fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of this Supplemental Resolution or of the 2014 Subordinate Bonds.

Section 107. Effective Date. This Supplemental Resolution shall take effect upon adoption by the Commission, the filing with the Trustee of a copy thereof certified by the Clerk as provided in Section 1101 and subject to the terms and conditions of the Act and upon the issuance and delivery of the 2014 Subordinate Bonds authorized pursuant to the Fifteenth Supplemental Resolution to the SBR.”

7 AYES

No. 18-16

**SUPPLEMENTAL RESOLUTION NO. 15 RELATING TO THE
SUBORDINATE BOND RESOLUTION OF PASSAIC VALLEY
SEWERAGE COMMISSIONERS AND AUTHORIZING THE ISSUANCE
OF \$30,000,000 SUBORDINATE SEWER SYSTEM BONDS PURSUANT
THERETO**

WHEREAS, the Passaic Valley Sewerage Commission (including successors or assigns, the “*Commission*”), a body corporate and politic and an instrumentality of the State of New Jersey (the “*State*”), has been organized and exists under, and by virtue of, Chapter 14 of Title 58 of the Revised Statutes of the State, and the acts amendatory thereof and supplemental thereto (codified at N.J.S.A. 58:14-1, et seq., the “*Act*”);

WHEREAS, among other things, the Commission owns and operates in the Passaic Valley Sewerage District an intercepting sewer, together with its branches and appurtenances (as more fully described in the hereinafter defined Bond Resolutions, the “*System*”, which includes the various “*Projects*” defined therein);

WHEREAS, from time to time, in order to finance or refinance Projects for the System, the Commission issues (i) Bonds (the “*General Bonds*”) as defined in, and pursuant to, that certain senior lien bond resolution of the Commission adopted May 20, 1971 and entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF BONDS OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND FOR THE RIGHTS OF THE HOLDERS THEREOF, AND AUTHORIZING \$23,700,000 PRINCIPAL AMOUNT THEREOF” (the “*Original General Bond Resolution*”), as amended and supplemented (the “*General Bond Resolution*”) and (ii) Subordinate Bonds (the “*Subordinate Bonds*”, and together with the General Bonds, the “*Bonds*”) as defined in, and pursuant to, that certain subordinate lien bond resolution of the Commission adopted June 20, 1996 and entitled “RESOLUTION PROVIDING FOR THE ISSUANCE OF SUBORDINATE BONDS OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND FOR THE RIGHTS OF THE HOLDERS THEREOF AND AUTHORIZING \$36,600,000 PRINCIPAL AMOUNT THEREOF” (the “*Original Subordinate Bond Resolution*”), as amended and supplemented (the “*Subordinate Bond Resolution*” or “*SBR*”, and together with the General Bond Resolution, the “*Bond Resolutions*”);

WHEREAS, the General Bond Resolution has been amended and supplemented, in part, by that certain Supplemental Resolution (as defined in the General Bond Resolution) adopted by the Commission on September 10, 2009 and entitled “SUPPLEMENTAL RESOLUTION NO. 15 RELATING TO THE GENERAL BOND RESOLUTION OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND AUTHORIZING NOT EXCEEDING \$30,000,000 PRINCIPAL AMOUNT OF SEWER SYSTEM BONDS, SERIES I OF THE COMMISSION” (the “*Supplemental Resolution No. 15 to GBR*”), prior to which meeting a duly issued notice for such meeting was issued in accordance with all applicable law, and at which meeting a quorum of Commissioners (as defined in the General Bond Resolution) was present and acted throughout;

WHEREAS, pursuant to N.J.S.A. 58:14-34.14(b) of the Act, (i) proper notice regarding a Public Hearing (as defined in the General Bond Resolution) in connection with Supplemental Resolution No. 15 to GBR was issued, and (ii) a Public Hearing was held on October 15, 2009 (the “*2009 Public Hearing*”) at the principal corporate office of the Commission;

WHEREAS, on November 17, 2009, with respect to the 2009 Public Hearing (a date that is greater than thirty (30) days from the adoption of Supplemental Resolution No. 15 to GBR, at which time such Supplemental Resolution No. 15 to GBR was then effective pursuant to N.J.S.A. 58:14-34.14(b) of the Act), a twenty (20) day estoppel notice with respect to Supplemental Resolution No. 15 to GBR was published, and no action or proceeding related thereto was timely commenced in any court of competent jurisdiction, the Supplemental Resolution No. 15 to GBR has not been revoked, modified or rescinded as of the date hereof, and accordingly the Supplemental Resolution No. 15 to GBR is in full force and effect;

WHEREAS, pursuant to N.J.S.A. 58:14-34.14(b) of the Act and the 2012 Trust Participation Executive Directive (as defined below), (i) proper notice regarding an additional Public Hearing

(as defined in the General Bond Resolution) in connection with Supplemental Resolution No. 15 to GBR was issued, and (ii) a Public Hearing was held on June 29, 2012 (the “2012 Public Hearing”) at the principal corporate office of the Commission;

WHEREAS, on July 13, 2012, with respect to the 2012 Public Hearing (a date that is greater than thirty (30) days from the adoption of Supplemental Resolution No. 15 to GBR, at which time such Supplemental Resolution No. 15 to GBR was then effective pursuant to N.J.S.A. 58:14-34.14(b) of the Act), a twenty (20) day estoppel notice with respect to Supplemental Resolution No. 15 to GBR was published, and no action or proceeding related thereto was timely commenced in any court of competent jurisdiction, the Supplemental Resolution No. 15 to GBR has not been revoked, modified or rescinded as of the date hereof, and accordingly the Supplemental Resolution No. 15 to GBR is in full force and effect;

WHEREAS, among other things, the Supplemental Resolution No. 15 to GBR authorized the issuance of the Eighth Additional Bonds (as defined therein), as Additional Bonds defined under the General Bond Resolution (i.e., General Bonds as defined herein) entitled to the parity senior lien of the General Bond Resolution, in an aggregate principal amount not to exceed \$30,000,000, to finance the 2009 New Money Project (as defined therein), which includes various to be determined capital projects to and for the System;

WHEREAS, Under Executive Order No. #55, issued January 25, 2011 (Christie) (“EO 55”), which was issued following the resignation of all but one (1) of the Commissioners, the Governor of the State declared that a state of emergency existed at the Commission, affecting the health, safety and welfare of the residents of the State, and that due to the continuing state of emergency and the inability to constitute a quorum of the Commissioners, powers accorded by the Act to the Commissioners have been vested under EO 55 with the Executive Director of the Commission (including any designees, the “Executive Director”), which Executive Director acts by issuing “Executive Directives” pursuant to EO 55;

WHEREAS, by Executive Directive No. 85-12, issued May 29, 2012 (the “2012 Trust Participation Executive Directive”) and entitled “EXECUTIVE DIRECTIVE OF THE PASSAIC VALLEY SEWERAGE COMMISSION, DETERMINING TO PARTICIPATE IN THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM WITH RESPECT TO THE 2013 PROJECTS”, which was issued at a public meeting properly noticed under applicable law, the Commission determined, among other things, (i) to issue a note in an aggregate principal amount not to exceed \$19,000,000 (the “Original IFP Note”) to the New Jersey Environmental Infrastructure Trust (the “Trust”) as part of the Trust’s Interim Financing Program (the “IFP”), to finance the IFP Projects (as defined therein) and all or a portion of the Phase IV Sewer Project (as defined below), (ii) as determined by prior bond counsel that the IFP Note constituted an Eighth Additional Bond under the terms of the Supplemental Resolution No. 15 to GBR, and was therefore a senior lien Additional Bond (i.e., General Bond hereunder) for all purposes of the General Bond Resolution, (iii) as determined by prior bond counsel that the IFP Projects and the Phase IV Sewer Project each qualified as a 2009 New Money Project under the terms of the Supplemental Resolution No. 15 to GBR, (iv) the Commission intended to (a) refinance the IFP Note (and the IFP Projects and Phase IV Sewer Project financed thereby) and (b) finance any balance of the Phase IV Sewer Project, together with the Electrical Project (as defined below), all upon the closing (the “Trust 2013 Closing”) of the Trust’s State Fiscal Year

2013 Financing Program, which Trust 2013 Closing was scheduled for May of 2013 (the “*SFY 2013 Trust Financing Program*”), with escrow closing (the “*SFY 2013 Trust Escrow Closing*”) scheduled to occur prior to such time;

WHEREAS, due to circumstances beyond the Commission’s control, the 2013 Projects (as defined in the 2012 Trust Participation Executive Directive) were unable to be financed through the SFY 2013 Trust Financing Program and therefore the Commission desired to finance the 2013 Projects (which shall now be referred to as the “*2014 Projects*”) in 2014 and further to finance through the IFP all or a portion of the entire not to exceed \$30,000,000 authorized by the Supplemental Resolution No. 15 to GBR through the IFP instead of the \$19,000,000 portion originally authorized by the 2012 Trust Participation Executive Directive;

WHEREAS, by Executive Directive 167-13, issued September 25, 2013 (the “*2013 Trust Participation Executive Directive*” and together with the 2012 Trust Participation Executive Directive, the “*Trust Participation Executive Directives*”) and entitled “EXECUTIVE DIRECTIVE OF THE PASSAIC VALLEY SEWERAGE COMMISSION, DETERMINING TO PARTICIPATE IN THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM WITH RESPECT TO THE 2014 PROJECTS”, which was issued at a public meeting properly noticed under applicable law, the Commission determined, among other things, (i) to issue a note in an aggregate principal amount not to exceed \$30,000,000 (the “*2014 IFP Note*” and together with the Original IFP Note, the “*IFP Note*”) to the Trust as part of the Trust’s IFP, to finance all or a portion of the 2014 Projects (as defined below), (ii) as determined by prior bond counsel that the IFP Note constituted an Eighth Additional Bond under the terms of the Supplemental Resolution No. 15 to GBR, and was therefore a senior lien Additional Bond (i.e., General Bond hereunder) for all purposes of the General Bond Resolution, (iii) as determined by prior bond counsel that the 2014 Projects each qualified as a 2009 New Money Project under the terms of the Supplemental Resolution No. 15 to GBR, (iv) the Commission intended to (a) refinance the IFP Note (and the 2014 Projects financed thereby) and (b) finance any balance of the 2014 Projects, all upon the closing (the “*Trust 2014 Closing*”) of the Trust’s State Fiscal Year 2014 Financing Program, which Trust 2014 Closing occurred in May of 2014 (the “*SFY 2014 Trust Financing Program*”), with escrow closing (the “*SFY 2014 Trust Escrow Closing*”) occurring prior to such time, either (y) to the extent the Commission had in effect a quorum of Commissioners that could meet and adopt resolutions prior to the SFY 2014 Trust Escrow Closing, including a Supplemental Resolution (the “*Supplemental Resolution to SBR*”, and together with the Supplemental Resolution No. 15 to GBR, as applicable, the “*Trust Program Supplemental Resolution*”) as defined pursuant to the Subordinate Bond Resolution, through the issuance of Subordinate Bonds pursuant to the Subordinate Bond Resolution, or (z) failing to achieve such a quorum on a timely basis, through the issuance of General Bonds pursuant to the General Bond Resolution, including Supplemental Resolution No. 15 to GBR;

WHEREAS, the Trust Participation Executive Directives described the following four (4) Projects (also described in Schedule A attached hereto) needed for the System (as both such terms are defined under the respective Bond Resolutions):

- v. DEP Project No. S340689-20, Commission Contract A850 (\$4,566,129 Plant Wide Boiler Upgrades, IFP candidate, the “*Boiler Project*”);

- vi. DEP Project No. S340689-21, Commission Contract A841 (\$1,119,430, Kearny, Harrison, Newark Branch Interceptor, IFP candidate, the “*Interceptor Project*”);
- vii. Project No. S340689-03, Commission Contract A601 (\$18,393,779 Effluent and Wet Weather Pump Stations Electrical Improvements, the “*Electrical Project*”); and
- viii. Project No. S340689-10, Commission Contract A301 (\$12,717,637 Phase IV Sewer Repair, the “*Phase IV Sewer Project*”). The Boiler Project, the Interceptor Project, the Electrical Project and the Phase IV Sewer Project shall now be collectively referred to as the “*2014 Projects*” which were originally referred to as the 2013 Projects in the 2012 Trust Participation Executive Directive;

WHEREAS, the 2012 Trust Participation Executive Directive also authorized the submission by the Executive Director, the chief financial officer of the Commission, or the chief operating officer of the Commission (each an “*Authorized Officer*” hereunder and a Commission Officer under the Bond Resolutions) of all appropriate applications, financial addenda, and any other supplemental information required or deemed necessary, desirable or convenient by any of the Trust, the DEP, and/or the State or any of its agencies or instrumentalities for participation in the IFP or the SFY 2013 Trust Financing Program (collectively, the “*SFY 2013 Trust Financing Program Applications*”); and

WHEREAS, the 2013 Trust Participation Executive Directive further authorized the submission by each Authorized Officer of all appropriate applications, financial addenda, and any other supplemental information required or deemed necessary, desirable or convenient by any of the Trust, the DEP, and/or the State or any of its agencies or instrumentalities for participation in the IFP or the SFY 2014 Trust Financing Program (collectively, the “*SFY 2014 Trust Financing Program Applications*”).

WHEREAS, due to circumstances beyond the Commission’s control, the Commission was unable to achieve a quorum of Commissioners prior to the SFY 2014 Trust Escrow Closing to adopt a Supplemental Resolution to the SBR in order to issue the bonds for the 2014 Projects as Subordinate Bonds pursuant to the Subordinate Bond Resolution as originally desired by the 2013 Trust Participation Executive Directive and as is the tradition of the Commission to issue Subordinate Bonds to the Trust’s financing program and accordingly four (4) series of senior lien Eighth Additional General Bonds were issued by the Commission as permanent financing for the 2014 Projects through the SFY 2014 Trust Financing Program (the “*SFY 2014 Trust Financing Program Loan Bonds*” or “*Loan Bonds*”) which consisted of (i) a \$290,000 Sewer System Bond (Series I-2014-2) and a \$6,545,000 Sewer System Bond (Series I-2014-4) (collectively, the “*Trust Loan 2014 Senior Lien Additional Bonds*”) as market rate loans (the “*Trust Loans*”) issued by the Trust, which Trust Loans were evidenced by the Trust Loan 2014 Senior Lien Additional Bonds issued by the Commission to the Trust; and (ii) a \$882,000 Sewer System Bond (Series I-2014-1) and a \$19,952,177 Sewer System Bond (Series I-2014-3) (collectively, the “*Fund Loan 2014 Senior Lien Additional Bonds*” and together with the Trust Loan 2014 Senior Lien Additional Bonds, the “*2014 Senior Lien Additional Bonds*”) as zero percent loans (the “*Fund Loans*”) issued by the State, acting through the New Jersey Department of Environmental Protection (the “*DEP*”),

which Fund Loans were evidenced by a Fund Loan 2014 Senior Lien Additional Bonds issued by the Commission to the State;

WHEREAS, due to circumstances beyond the Commission’s control, the Commission was unable to achieve a quorum of Commissioners prior to the SFY 2014 Trust Escrow Closing to adopt a Supplemental Resolution to the SBR in order to issue the bonds for the 2014 Projects as Subordinate Bonds pursuant to the Subordinate Bond Resolution as originally desired by the 2013 Trust Participation Executive Directive and as is the tradition of the Commission to issue Subordinate Bonds to the Trust’s financing program, it is the desire of the Commissioners to convert the 2014 Senior Lien Additional Bonds originally issued to SFY 2014 Trust Financing Program to Additional Subordinate Bonds pursuant to the Subordinate Bond Resolution and that are authorized and designated herein as the 2014 Subordinate Bonds and to coordinate same with the State and the Trust.

BE IT RESOLVED BY PASSAIC VALLEY SEWERAGE COMMISSIONERS, AS FOLLOWS:

Section 102. Short Title. This resolution may hereafter be cited by the Commissioners, and is hereinafter sometimes referred to, as “Fifteenth Supplemental Resolution to the SBR”.

Section 103. Authority for Fifteenth Supplemental Resolution to the SBR. This Fifteenth Supplemental Resolution to the SBR supplements the Subordinate Bond Resolution (the “SBR”) and is adopted pursuant to the provisions of the Act and pursuant to the Subordinate Bond Resolution and in accordance with the terms of Articles III, IV and VIII, for the purpose of specifying, determining and authorizing certain matters and things relative to the 2014 Subordinate Bonds authorized pursuant to Section 7 of this Fifteenth Supplemental Resolution to the SBR, and is a Supplemental Resolution. The Commission has ascertained and hereby determines that adoption of this Fifteenth Supplemental Resolution to the SBR is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary in order to promote, carry out and effectuate the purposes of the Commission in accordance with the Act and to carry out and effectuate the plans and purposes of the Act, and that the powers of the Commission herein exercised are in each case exercised in accordance with the provisions of the Act and the Subordinate Bond Resolution and in furtherance of the purposes of the Commission.

Section 104. Definitions. (A) Wherever used or referred to in this Fifteenth Supplemental Resolution to the SBR, all words or terms which are defined in Section 105 of the Subordinate Bond Resolution, except the words or terms which are defined in Paragraph (B) of this Section, shall, unless a different meaning clearly appears from the context, have the meanings given or ascribed to such words and terms, respectively, in Section 105 of the Subordinate Bond Resolution.

(A) In this Fifteenth Supplemental Resolution to the SBR, unless a different meaning clearly appears from the context:

(1) Articles and Sections mentioned by number alone and without qualification by the word “hereof” are the respective Articles and Sections of the Subordinate Bond Resolution so numbered;

(2) The term “Fifteenth Supplemental Resolution to the SBR” shall have the meaning ascribed to such term in Section 1 hereof;

(3) “2014 Project” means the various capital projects as set forth in the preambles hereof and in Exhibit A attached hereto and made a part hereof, including all work and materials necessary or desirable for the construction and operation of such facilities, all as shown on and in accordance with the plans and specifications therefor prepared by the Consulting Engineers and on file or to be filed in the office of the Commission, as such plans and specifications may be amended or modified from time to time;

(4) “2014 Subordinate Bonds” means any of the \$30,000,000 aggregate principal amount of Subordinate Bonds authorized to be issued pursuant to Section 7 of this Fifteenth Supplemental Resolution to the SBR;

(5) “Subordinate Bond Resolution” means the bond resolution of the Commission adopted June 20, 1996, entitled: “Resolution Providing for the Issuance of Subordinate Bonds of Passaic Valley Sewerage Commissioners and for the Rights of the Holders Thereof, and Authorizing \$36,600,000 Principal Amount Thereof”, as heretofore amended, modified or supplemented;

(6) “Trust” means the New Jersey Environmental Infrastructure Trust, a public body corporate and politic organized and existing under the laws of the State of New Jersey;

(B) The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar terms, refer to this Fifteenth Supplemental Resolution to the SBR; the term “heretofore” means before the date of adoption of this Fifteenth Supplemental Resolution to the SBR; and the term “hereafter” means after the date of adoption of this Fifteenth Supplemental Resolution to the SBR; words importing the masculine gender include every other gender; words importing persons include firms, associations and corporations; and words importing the singular number, include the plural number, and vice versa.

Section 105. Captions. Any captions or headings preceding the text of any section herein are solely for convenience of reference and shall not constitute part of this Fifteenth Supplemental Resolution to the SBR or affect its meaning, construction or effect.

Section 106. Purpose of the 2014 Subordinate Bonds. Pursuant to the provisions of Section 301(1) of the Subordinate Bond Resolution, the Commission does hereby determine to construct and acquire the 2014 Project or the 2014 Project has been constructed or acquired, as applicable, and the 2014 Project to be constructed or acquired or that has been constructed or acquired, as applicable, is herein described as the 2014 Project. The Commission does hereby determine to commence, proceed with and complete the 2014 Project or the 2014 has been completed, as applicable.

Section 107. Estimated Cost of the 2014 Project. The estimated Cost of Construction of the 2014 Project is not in excess of \$30,000,000. It is hereby determined that such cost so estimated includes provision for any discount, bond insurance premium and other issuance expense to be incurred upon sale of the 2014 Subordinate Bonds and the provisions of reserves, if any, to be made or established by application of proceeds of 2014 Subordinate Bonds for working capital or operating, maintenance or replacement expenses or for payment or security of principal of or interest on the 2014 Subordinate Bonds during or after construction or acquisition of the 2014 Project constitute and shall be part of such cost.

Section 108. Authorization of the 2014 Subordinate Bonds. In accordance with the Act and subject to and pursuant to the provisions of the Subordinate Bond Resolution, bonds of the Commission, each constituting a 2014 Subordinate Bond as defined herein, are hereby authorized to be issued, in one or more Series from time to time, in an aggregate principal amount not exceeding \$30,000,000 for the purpose of raising funds to pay the costs of construction of the 2014 Project (as described in Section 5 and Section 6 hereof) and to convert the 2014 Senior Lien Additional Bonds. All of the 2014 Subordinate Bonds constitute, and each of the 2014 Subordinate Bonds is part of, the \$30,000,000 original principal amount of bonds hereby authorized to be issued pursuant to the Act. Any 2014 Subordinate Bonds that are issued in a calendar year other than 2014 may, notwithstanding any other provision hereof, have such designation as shall be specified and determined by the Commission prior to the issuance thereof.

Section 109. Terms of 2014 Subordinate Bonds. The terms of the 2014 Subordinate Bonds, including the number of Series thereof, the principal amounts thereof, titles thereof, the dates and amounts of the maturities thereof, the Issue Dates thereof, the rate or rates of interest thereon, the Bond Reserve Requirements applicable thereto, the Record Dates thereof, the redemption features applicable thereto, the Registrar therefor, the Paying Agent therefor and the denominations thereof, shall be specified and determined by one or more Supplemental Resolutions adopted on or prior to the date of delivery of the 2014 Subordinate Bonds or by a Commission Officer authorized by this Fifteenth Supplemental Resolution to the SBR or as required by law or bond counsel.

Section 1010. Actions to be Taken on Behalf of the Commission. The various commissioners and officers and employees of the Commission, including the Commission Officers, are hereby authorized and directed to execute and deliver all documents and to do all matters necessary, useful, convenient or desirable to accomplish the purposes of this Fifteenth Supplemental Resolution to the SBR and to meet the requirements of the Trust and the State of New Jersey with respect to the issuance of the 2014 Subordinate Bonds.

Section 1011. Successors and Assigns. Whenever in this Fifteenth Supplemental Resolution to the SBR the Commission is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in this Fifteenth Supplemental Resolution to the SBR shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be

transferred by or in accordance with law any right, power or duty of the Commission or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Fifteenth Supplemental Resolution to the SBR.

Section 1012. Amendment of Fifteenth Supplemental Resolution to the SBR. Prior to issuance of the 2014 Subordinate Bonds and notwithstanding anything contained in the Subordinate Bond Resolution (including Article IX thereof), the Commission may by resolution of the Commission or by a certificate executed by a Commission Officer modify or amend or add to or delete any of the terms or provisions of this Fifteenth Supplemental Resolution to the SBR in any respect or for any purpose.

Section 1013. No Recourse on 2014 Subordinate Bonds: Obligations of Contracting Municipalities Under the Act. No recourse shall be had for the payment of the principal of or the interest on the 2014 Subordinate Bonds or for any claim based thereon or on the Subordinate Resolution against any member or Commissioner or officer of the Commission or any person executing the 2014 Subordinate Bonds. The 2014 Subordinate Bonds are not and shall not be in any way a debt or liability of the State of New Jersey or any county or municipality, and do not and shall not create or constitute any indebtedness or obligation, either legal, moral or otherwise, of said State or of any county or municipality, and neither said State nor any county or municipality shall be liable on the 2014 Subordinate Bonds, and the 2014 Subordinate Bonds are not and shall not be payable out of any funds other than those of the Commission.

The Act authorizes and directs the Contracting Municipalities and other users of the System to do and perform any and all acts and things necessary, convenient or desirable to pay to the Commissioners annually the total cost and expense (as referred to and described in the Act) of maintenance, repair and operation of the System apportioned in accordance with the Act. Every obligation assumed by or imposed upon a Contracting Municipality or other such user under or pursuant to the Act shall be enforceable by the Commissioners by appropriate action, suit or proceeding, and the Commissioners may have and pursue any and all remedies provided by law for the enforcement of such obligation.

Section 1014. Public Hearing. In accordance with the provisions of N.J.S.A. 58:14-34.14(b), the Commission hereby determines to hold a public hearing on this Fifteenth Supplemental Resolution to the SBR at the offices of the Commission, 600 Wilson Avenue; Newark, New Jersey, on March 10, 2016 at 12:00 P.M.

Section 1015. Filing and Advertising. The Clerk of the Commission is hereby authorized and directed (a) to mail, or deliver, at least thirty (30) days prior to the date of the public hearing mentioned in Section 13 hereof, a certified copy of this Fifteenth Supplemental Resolution to the SBR and a notice of the date, time and place of the public hearing mentioned in Section 13 hereof to the governing body of each contracting municipality, which notice shall be in substantially the form attached hereto as Exhibit B, and (b) at least thirty (30) days prior to the date of the public hearing mentioned in Section 301 hereof, publish the notice referred to in clause (a) above at least once in "The Star-Ledger", a newspaper of general circulation published in the City of Newark, New Jersey.

Section 1016. Estoppel Notice. The Clerk of the Commission is hereby authorized and directed, if necessary upon the advice of bond counsel, to cause to be published, at least thirty (30) days after the date of the public hearing referred to in Section 13 hereof and after the taking effect of this Fifteenth Supplemental Resolution to the SBR, in "The Star-Ledger," a notice in substantially the form attached hereto as Exhibit C.

Section 1017. Severability of Invalid Provision. If any one or more of the provisions, covenants or agreements in this Fifteenth Supplemental Resolution to the SBR on the part of the Commission or any Fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of this Fifteenth Supplemental Resolution to the SBR or of the 2014 Subordinate Bonds.

Section 1018. Effective Date. This Fifteenth Supplemental Resolution to the SBR shall take effect upon adoption by the Commission, the filing with the Trustee of a copy thereof certified by the Clerk as provided in Section 1101 and subject to the terms and conditions of N.J.S.A. §58:14-34.14(b) on the thirtieth (30th) day after a public hearing as required by the Act.

7 AYES

No. 19-16

**RESOLUTION OF THE PASSAIC VALLEY SEWERAGE COMMISSIONERS
DECLARING ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR
PROJECT COSTS FROM THE PROCEEDS OF ONE OR MORE SERIES OF
DEBT OBLIGATIONS IN CONNECTION WITH ITS PARTICIPATION IN THE
NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST'S STATEWIDE
ASSISTANCE INFRASTRUCTURE LOAN (SAIL) PROGRAM AND FINANCING
PROGRAM**

WHEREAS, the Passaic Valley Sewerage Commission (the "Borrower") intends to acquire, construct, renovate and/or install the environmental infrastructure projects more fully described in **Exhibit A** attached hereto (the "Projects"); and

WHEREAS, the Borrower intends to finance the Projects with one or more series of debt obligations of the Borrower (the "Project Debt Obligations") but may pay for certain costs of the Projects (the "Project Costs") prior to the issuance of the Project Debt Obligations with funds of the Borrower that are not borrowed funds; and

WHEREAS, the Borrower reasonably anticipates that obligations, the interest on which is excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), will be issued by the New Jersey Environmental Infrastructure Trust (the "Issuer") to finance the Project on a long-term basis by making a loan to the Borrower with the proceeds of the Issuer's obligations (the "Project Bonds"); and

WHEREAS, the Borrower desires to preserve its right to treat an allocation of proceeds of the Project Debt Obligations to the reimbursement of Project Costs paid prior to the issuance of the Project Debt Obligations as expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Borrower as follows:

Section 1. The Borrower reasonably expects to reimburse its expenditure of Project Costs paid prior to the issuance of the Project Debt Obligations with proceeds of its Project Debt Obligations.

Section 2. This resolution is intended to be and hereby is a declaration of the Borrower's official intent to reimburse the expenditure of Project Costs paid prior to the issuance of the Project Debt Obligations with the proceeds of a borrowing to be incurred by the Borrower, in accordance with Treasury Regulations §150-2.

Section 3. The maximum principal amount of the Project Debt Obligations expected to be issued to finance the Project is \$610,000,000.

Section 4. The Project Costs to be reimbursed with the proceeds of the Project Debt Obligations will be "capital expenditures" in accordance with the meaning of Section 150 of the Code.

Section 5. 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 Code. The proceeds of the Project Bonds used to reimburse the Borrower for Project Costs, 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 the Project Debt Obligations or another issue of debt obligations of the Borrower, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1).

Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Project Debt Obligations is paid, or (ii) the date the Project 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 7. This resolution shall take effect immediately.

7 AYES

No. 20-16

**RESOLUTION AUTHORIZING THE ISSUANCE OF PROJECT NOTES OF
PASSAIC VALLEY SEWERAGE COMMISSIONERS**

WHEREAS, Passaic Valley Sewerage Commissioners (the "*Commission*") was created as a public body corporate and politic of the State of New Jersey (the "*State*"), under the provisions of N.J.S.A. 58:14-1 *et seq.*, as amended and supplemented (the "*Act*"); and

WHEREAS, the Commission has determined to issue short-term project notes pursuant to and in accordance with this Project Note Resolution (as defined herein), from time to time and at any time, to provide for, among other things, the funding of certain capital projects of the Commission; and

WHEREAS, the Commission, in accordance with the provisions of this Project Note Resolution, desires to authorize the issuance and delivery of such notes in one or more series, each such note to be designated "Bond Anticipation Note (Series 20__)" (collectively, the "*Project Notes*") with such further designation as is necessary or as may be required to identify its series of issuance; and

WHEREAS, the Commission desires to issue Initial Project Notes in an amount not to exceed \$610,000,000; and

WHEREAS, the Commission wishes to provide terms and conditions with respect to such Project Notes and delegate the sale of such Project Notes to the Executive Director of the Commission.

NOW, THEREFORE, BE IT RESOLVED BY PASSAIC VALLEY SEWERAGE COMMISSIONERS AS FOLLOWS:

ARTICLE I

Definitions and Interpretations

Section 101. Short Title. This resolution may hereafter be cited by the Commission, and is hereinafter sometimes referred to, as the "Project Note Resolution".

Section 102. Definitions. As used or referred to in this Project Note Resolution, unless a different meaning clearly appears from the context:

"*Act*" means N.J.S.A. 58:14-1 *et seq.*;

"*Additional Project Notes*" means any of the Project Notes of the Commission authorized and issued pursuant to Section 311 hereof, and any notes issued in lieu of or in substitution for such Notes pursuant to this Project Note Resolution;

"*Bond Counsel*" means McManimon, Scotland & Baumann LLC or any other nationally recognized law firm of recognized standing selected by the Commission;

"*Certificate*" means a certificate signed by the Executive Director of the Commission upon consultation with the Chairperson;

"*Commission*" means Passaic Valley Sewerage Commissioners, a public body corporate and politic organized and existing under the Act;

"*Construction Fund*" means the fund so designated that is established and created by Section 503 hereof;

"*Contracting Municipality*" shall have the meaning ascribed to such term in the Act;

"*Debt Service Fund*" means the fund so designated that is established and created by Section 503 hereof;

"*Executive Director*" shall mean the Executive Director of the Commission;

"*Fiduciary*" means the Trustee, Paying Agent or Registrar appointed in accordance with the terms of this Project Note Resolution;

"*Initial Project Notes*" means one or more series of Project Notes in an amount not to exceed \$610,000,000 to provide for the cost of the Initial Projects and the payment of the costs of issuance associated with the issuance of such Initial Project Notes;

"*Initial Projects*" means those projects set forth in Schedule A attached hereto;

"*Investment Obligation*" means, to the extent otherwise authorized by applicable State law, (a) any direct and general obligation of, or any obligation fully and unconditionally guaranteed by, the United States of America or the State, or (b) any bond, debenture, note or participation certificate issued by any of the following federal agencies: Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Bank System, Federal Land Banks, Federal National Mortgage Association, Government National Mortgage Association or Farmers Home Administration, or (c) negotiable or non-negotiable certificates of deposit issued by any bank, trust company or national banking association, which certificates of deposit, except in the case of certificates of deposit issued by a bank, trust company or national banking association in the State or having a capital stock and surplus of more than \$50,000,000, shall be continuously secured by direct obligations of the United States of America or the State having a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Commission by the bank, trust company or national banking association issuing such certificates of deposit, or (d) deposits in interest bearing accounts in any bank, trust company or national banking association located in the State or having a capital stock and surplus of more than \$50,000,000; *provided*, that this subparagraph (d) shall not be considered to be an Investment Obligation for purposes of Section 702, or (e) any investments authorized by the State Local Fiscal Affairs Law as appropriate for municipal utilities authorities;

"*Paying Agent*" means any paying agent for the Project Notes appointed by or pursuant to Section 601(b) and its successor or successors and any other corporation or association that may at any time be substituted in its place pursuant to this Project Note Resolution;

"*Project*" means the Initial Projects and such other projects as may be set forth in a Supplemental Resolution of the Commission;

"*Project Note Resolution*" means this Project Note Resolution, as the same may from time to time be amended, modified or supplemented;

"*Project Notes*" means any of the Project Notes of the Commission authenticated and delivered under and pursuant to this Project Note Resolution and issued in anticipation of the issuance of bonds, including the Project Notes and any Additional Project Notes;

"*Registered Owner*" means the registered owner of any of the Project Notes as reflected on the registration books of the Commission that are kept and maintained by the Registrar on behalf of the Commission;

"*Registrar*" means any registrar for the Project Notes appointed by or pursuant to Section 601(c) and its successor or successors and any other corporation or association that may at any time be substituted in its place pursuant to this Project Note Resolution. The Registrar shall be responsible for the registration and transfer of any series of Project Notes issued pursuant to this Project Note Resolution;

"*Revenues*" shall mean the moneys paid or required to be paid by any Contracting Municipality or any other user of the System to the Commission on account of the cost of maintenance, repair and operation of the System, except as otherwise pledged by the Senior Bond Resolution or the Subordinated Bond Resolution;

"*Senior Bond Resolution*" means the resolution of the Commission duly adopted by the Commission on May 20, 1971, as amended and supplemented;

"*State*" means the State of New Jersey;

"*Subordinated Bond Resolution*" means the resolution of the Commission duly adopted by the Commission on June 20, 1996, entitled, "Resolution Providing for the Issuance of Subordinate Bonds of Passaic Valley Sewerage Commissioners and for the Rights of the Holders Thereof, and Authorizing \$36,600,000 Principal Amount Thereof", as amended and supplemented;

"*Supplemental Resolution*" means any resolution of the Commission amending or supplementing this Project Note Resolution that is adopted and becomes effective in accordance with the applicable terms of Sections 703 through 707 hereof;

"*System*" means the sewage collection, treatment and disposal system owned by the Commission or acquired, rehabilitated or constructed in connection with the Project (as defined in the Senior Bond Resolution); and

"*Trustee*" means any trustee for the Project Notes appointed by or pursuant to Section 601(a) and its successor or successors and any other corporation or association that may at any time be substituted in its place pursuant to this Project Note Resolution.

Section 103. Articles and Sections. Articles and Sections mentioned by number only herein are the respective Articles and Sections of this Project Note Resolution so numbered.

Section 104. Certain Terms Used. As used in this Project Note Resolution, the terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms refer to this Project Note Resolution; the term "heretofore" means before the time of adoption of this Project Note Resolution; and the term "hereafter" means after the time of adoption of this Project Note Resolution.

Section 105. Certain Other Words. As used in this Project Note Resolution, words importing persons include firms, associations and corporations, and words importing the singular number include the plural number and vice versa.

Section 106. Successors and Assigns. Whenever in this Project Note Resolution the Commission is named or referred to, it shall be deemed to include its successors and assigns, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in this Project Note Resolution shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law, or who or which is empowered to exercise or perform, any right, power or duty of the Commission, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with or perform any of the covenants, stipulations, obligations, agreements or other provisions of this Project Note Resolution or comply with or fulfill any conditions set forth in this Project Note Resolution.

Section 107. Severability of Invalid Provisions. If any one or more of the provisions, covenants or agreements in this Project Note Resolution on the part of the Commission, the Trustee or any Paying Agent or Registrar to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements, shall be deemed separable from the remaining provisions, covenants and agreements, and shall in no way affect the validity of the other provisions of this Project Note Resolution or of the Project Notes.

7 AYES

No. 21-16

SUPPLEMENTAL RESOLUTION NO. 16 RELATING TO THE SUBORDINATE BOND RESOLUTION OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$550,000,000 SUBORDINATE SEWER SYSTEM BONDS PURSUANT THERETO IN CONNECTION WITH NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST'S STATEWIDE ASSISTANCE INFRASTRUCTURE LOAN (SAIL) PROGRAM

WHEREAS, on June 20, 1996, the Passaic Valley Sewerage Commissioners (the "*Commission*") adopted a resolution entitled, "Resolution Providing for the Issuance of Subordinate Bonds of Passaic Valley Sewerage Commissioners and for the Rights of the Holders Thereof, and Authorizing \$36,600,000 Principal Amount Thereof" (as the same has been heretofore amended, modified and supplemented, the "*Subordinate Bond Resolution*"); and

WHEREAS, in accordance with the provisions of Section 302 of the Subordinate Bond Resolution, the Commission wishes to authorize one or more series of Additional Subordinate Bonds of the Commission in the principal amount of not to exceed \$550,000,000 to provide for the Cost of Construction of the Project to be completed; and

WHEREAS, the such Additional Subordinate Bonds shall be of equal rank and priority as any Subordinate Bonds of the Commission previously heretofore issued and any Additional Subordinate Bonds that may hereafter be issued by the Commission pursuant to the Subordinate Bond Resolution; and

WHEREAS, the Commission wishes to provide the terms and conditions with respect to such Additional Subordinate Bonds in addition to those that have been previously established under and pursuant to the Subordinate Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED BY PASSAIC VALLEY SEWERAGE COMMISSIONERS AS FOLLOWS:

Section 1. Short Title. This resolution may hereafter be cited by the Commission, and is hereinafter sometimes referred to, as "Supplemental Resolution No. 16".

Section 2. Authority for Supplemental Resolution No. 16. Supplemental Resolution No. 16 supplements the Subordinate Bond Resolution and is adopted pursuant to the provisions of the Act, and pursuant to the Subordinate Bond Resolution and in accordance with the terms of Article VIII, particularly Section 801, for the purpose of specifying, determining and authorizing certain matters and things relative to the Resolution 16 Subordinate Bonds authorized pursuant to Section 7 of Supplemental Resolution No. 16, and is a Supplemental Resolution. The Commission has ascertained and hereby determines that adoption of Supplemental Resolution No. 16 is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary in order to promote, carry out and effectuate the purposes of the Commission in accordance with the Act and to carry out and effectuate the plans and purposes of the Act, and that the powers of the Commission herein exercised are in each case exercised in accordance with the provisions of the Act and the Subordinate Bond Resolution and in furtherance of the purposes of the Commission.

Section 3. Definitions. (A) Wherever used or referred to in Supplemental Resolution No. 16, all words or terms that are defined in Section 105 of the Subordinate Bond Resolution, except the words or terms that are defined in Paragraph (B) of this Section, shall, unless a different meaning clearly appears from the context, have the meanings given or ascribed to such words and terms, respectively, in Section 105 of the Subordinate Bond Resolution.

(B) In Supplemental Resolution No. 16, unless a different meaning clearly appears from the context:

(1) Articles and Sections mentioned by number alone and without qualification by the word "hereof" are the respective Articles and Sections of the Subordinate Bond Resolution so numbered;

(2) "*Project*" means the various capital projects as set forth in Schedule A attached hereto and made a part hereof, including all work and materials necessary or desirable for the construction and operation of such facilities, all as shown on and in accordance with the plans and specifications therefor prepared by the Consulting Engineers and on file or to be filed in the office of the Commission, as such plans and specifications may be amended or modified from time to time, which Project shall be financed pursuant to the Trust's Statewide Assistance Infrastructure Loan (SAIL) Program;

(3) "*Resolution 16 Subordinate Bonds*" means any of the \$550,000,000 aggregate principal amount of Subordinate Bonds authorized to be issued pursuant to Section 7 of Supplemental Resolution No. 16;

(4) "*Subordinate Bond Resolution*" shall have the meaning ascribed to such term in the preambles hereof;

(5) The term "*Supplemental Resolution No. 16*" shall have the meaning ascribed to such term in Section 1 hereof; and

(6) "*Trust*" means the New Jersey Environmental Infrastructure Trust, a public body corporate and politic organized and existing under the laws of the State of New Jersey.

(C) The terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms refer to Supplemental Resolution No. 16; the term "heretofore" means before the date of adoption of Supplemental Resolution No. 16; and the term "hereafter" means after the date of adoption of Supplemental Resolution No. 16; words importing the masculine gender include every other gender; words importing persons include firms, associations and corporations; and words importing the singular number include the plural number and vice versa.

Section 4. Captions. Any captions or headings preceding the text of any section herein are solely for convenience of reference and shall not constitute part of Supplemental Resolution No. 16 or affect its meaning, construction or effect.

Section 5. Purpose of Resolution 16 Subordinate Bonds. Pursuant to the provisions of Section 301(1) of the Subordinate Bond Resolution, the Commission does hereby determine to construct and acquire the Project and the Project to be constructed or acquired is herein described as the Project. The Commission does hereby determine to commence, proceed with and complete the Project.

Section 6. Estimated Cost of Project. The estimated Cost of Construction of the Project is not in excess of \$550,000,000. It is hereby determined that such cost so estimated includes provision for any discount, bond insurance premium and other issuance expenses to be incurred upon the sale of the Resolution 16 Subordinate Bonds and the provisions of reserves, if any, to be made or established by application of the proceeds of the Resolution 16 Subordinate Bonds for working capital or operating, maintenance or replacement expenses or for payment or security of principal of or interest on the Resolution 16 Subordinate Bonds during or after construction or acquisition of the Project and shall constitute and be part of such cost.

Section 7. Authorization of Resolution 16 Subordinate Bonds. In accordance with the Act, and subject to and pursuant to the provisions of the Subordinate Bond Resolution, bonds of the Commission, each constituting a Resolution 16 Subordinate Bond as defined herein, are hereby authorized to be issued, in one or more Series from time to time, in an aggregate principal amount not exceeding \$550,000,000 for the purpose of raising funds to pay the Cost of Construction of the Project (as described in Sections 5 and 6 hereof). All of the Resolution 16 Subordinate Bonds constitute, and each of the Resolution 16 Subordinate Bonds is part of, the \$550,000,000 original principal amount of bonds hereby authorized to be issued pursuant to the Act. Any Resolution 16 Subordinate Bonds that are issued in a calendar year other than 2016 may, notwithstanding any other provision hereof, have such designation as shall be specified and determined by the Commission prior to the issuance thereof.

Section 8. Terms of Resolution 16 Subordinate Bonds. The terms of the Resolution 16 Subordinate Bonds, including the number of Series thereof, the principal amounts thereof, the titles thereof, the dates and amounts of the maturities thereof, the Issue Dates thereof, the rate or rates of interest thereon, the Bond Reserve Requirements applicable thereto, the Record Dates thereof, the redemption features applicable thereto, the Registrar therefor, the Paying Agent therefor and the denominations thereof, shall be specified and determined by one or more Supplemental Resolutions adopted on or prior to the date of delivery of the Resolution 16 Subordinate Bonds or by a Commission Officer appointed pursuant to a Supplemental Resolution. The useful life of each component of the Project shall be determined by a certificate of the Consulting Engineer.

Section 9. Actions to be Taken on Behalf of Commission. The various commissioners, officers and employees of the Commission, including the Commission Officers, are hereby authorized and directed to execute and deliver all documents and to do all matters necessary, useful, convenient or desirable to accomplish the purposes of Supplemental Resolution No. 16 and to meet the requirements of the Trust and the State of New Jersey with respect to the issuance of the Resolution 16 Subordinate Bonds.

Section 10. Successors and Assigns. Whenever in Supplemental Resolution No. 16 the Commission is named or referred to, it shall and shall be deemed to include its successors and assigns, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in Supplemental Resolution No. 16 shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Commission or of its successors or assigns, the possession of which is necessary or appropriate in

order to comply with any such covenants, stipulations, obligations, agreements or other provisions of Supplemental Resolution No. 16.

Section 11. Amendment of Supplemental Resolution No. 16. Prior to the issuance of the Resolution 16 Subordinate Bonds and notwithstanding anything contained in the Subordinate Bond Resolution (including Article IX thereof), the Commission may by resolution of the Commission or by a certificate executed by a Commission Officer modify, amend, add to or delete any of the terms or provisions of Supplemental Resolution No. 16 in any respect or for any purpose.

Section 12. No Recourse on Resolution 16 Subordinate Bonds; Obligations of Contracting Municipalities Under the Act. No recourse shall be had for the payment of the principal of or the interest on the Resolution 16 Subordinate Bonds or for any claim based thereon or on the Subordinate Bond Resolution against any member, Commissioner or officer of the Commission or any person executing the Resolution 16 Subordinate Bonds. The Resolution 16 Subordinate Bonds are not and shall not be in any way a debt or liability of the State of New Jersey or of any county or municipality, and do not and shall not create or constitute any indebtedness or obligation, either legal, moral or otherwise, of said State or of any county or municipality, and neither said State nor any county or municipality shall be liable on the Resolution 16 Subordinate Bonds, and the Resolution 16 Subordinate Bonds are not and shall not be payable out of any funds other than those of the Commission.

The Act authorizes and directs the Contracting Municipalities and other users of the System to do and perform any and all acts and things necessary, convenient or desirable to pay to the Commission annually the total cost and expense (as referred to and described in the Act) of maintenance, repair and operation of the System apportioned in accordance with the Act. Every obligation assumed by or imposed upon a Contracting Municipality or other such user under or pursuant to the Act shall be enforceable by the Commission by appropriate action, suit or proceeding, and the Commission may have and pursue any and all remedies provided by law for the enforcement of such obligation.

Section 13. Severability of Invalid Provision. If any one or more of the provisions, covenants or agreements in Supplemental Resolution No. 16 on the part of the Commission or any Fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements, shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of Supplemental Resolution No. 16 or of the Resolution 16 Subordinate Bonds.

Section 14. Public Hearing. In accordance with the provisions of N.J.S.A. 58:14-34.14(b), the Commission hereby determines to hold a public hearing on Supplemental Resolution No. 16 at the offices of the Commission, 600 Wilson Avenue, Newark, New Jersey, on March 10, 2016, at 12:00 o'clock p.m.

Section 15. Filing and Advertising. The Clerk of the Commission is hereby authorized and directed (a) to mail or deliver, at least thirty (30) days prior to the date of the public hearing mentioned in Section 14 hereof, a certified copy of Supplemental Resolution No. 16 and a notice of the date, time and place of the public hearing mentioned in Section 14 hereof to the governing

body of each Contracting Municipality, which notice shall be in substantially the form attached hereto as Exhibit A, and (b) at least thirty (30) days prior to the date of the public hearing mentioned in Section 14 hereof, publish the notice referred to in clause (a) above at least once in *The Star-Ledger*, a newspaper of general circulation published in the City of Newark, New Jersey.

Section 16. Estoppel Notice. The Clerk of the Commission is hereby authorized and directed to cause to be published, at least thirty (30) days after the date of the public hearing referred to in Section 14 hereof and after the taking effect of Supplemental Resolution No. 16, in *The Star-Ledger*, a notice in substantiality the form attached hereto as Exhibit B.

Section 17. Effective Date. Supplemental Resolution No. 16 shall take effect upon adoption by the Commission, the filing with the Trustee of a copy hereof certified by the Clerk of the Commission as provided in Section 801 and subject to the terms and conditions of N.J.S.A. §58:14-34.14(b) on the thirtieth (30th) day after a public hearing as required by the Act.

7 AYES

No. 22-16

SUPPLEMENTAL RESOLUTION NO. 17 RELATING TO THE SUBORDINATE BOND RESOLUTION OF PASSAIC VALLEY SEWERAGE COMMISSIONERS AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$60,000,000 SUBORDINATE SEWER SYSTEM BONDS PURSUANT THERETO IN CONNECTION WITH NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST'S ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

WHEREAS, on June 20, 1996, the Passaic Valley Sewerage Commissioners (the "*Commission*") adopted a resolution entitled, "Resolution Providing for the Issuance of Subordinate Bonds of Passaic Valley Sewerage Commissioners and for the Rights of the Holders Thereof, and Authorizing \$36,600,000 Principal Amount Thereof" (as the same has been heretofore amended, modified and supplemented, the "*Subordinate Bond Resolution*"); and

WHEREAS, in accordance with the provisions of Section 302 of the Subordinate Bond Resolution, the Commission wishes to authorize one or more series of Additional Subordinate Bonds of the Commission in the principal amount of not to exceed \$60,000,000 to provide for the Cost of Construction of the Project to be completed; and

WHEREAS, the such Additional Subordinate Bonds shall be of equal rank and priority as any Subordinate Bonds of the Commission previously heretofore issued and any Additional Subordinate Bonds that may hereafter be issued by the Commission pursuant to the Subordinate Bond Resolution; and

WHEREAS, the Commission wishes to provide the terms and conditions with respect to such Additional Subordinate Bonds in addition to those that have been previously established under and pursuant to the Subordinate Bond Resolution;

NOW, THEREFORE, BE IT RESOLVED BY PASSAIC VALLEY SEWERAGE COMMISSIONERS AS FOLLOWS:

Section 1. Short Title. This resolution may hereafter be cited by the Commission, and is hereinafter sometimes referred to, as "Supplemental Resolution No. 17".

Section 2. Authority for Supplemental Resolution No. 17. Supplemental Resolution No. 17 supplements the Subordinate Bond Resolution and is adopted pursuant to the provisions of the Act, and pursuant to the Subordinate Bond Resolution and in accordance with the terms of Article VIII, particularly Section 801, for the purpose of specifying, determining and authorizing certain matters and things relative to the Resolution 17 Subordinate Bonds authorized pursuant to Section 7 of Supplemental Resolution No. 17, and is a Supplemental Resolution. The Commission has ascertained and hereby determines that adoption of Supplemental Resolution No. 17 is necessary to carry out the powers, purposes and duties expressly provided in the Act, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary in order to promote, carry out and effectuate the purposes of the Commission in accordance with the Act and to carry out and effectuate the plans and purposes of the Act, and that the powers of the Commission herein exercised are in each case exercised in accordance with the provisions of the Act and the Subordinate Bond Resolution and in furtherance of the purposes of the Commission.

Section 3. Definitions. (A) Wherever used or referred to in Supplemental Resolution No. 17, all words or terms that are defined in Section 105 of the Subordinate Bond Resolution, except the words or terms that are defined in Paragraph (B) of this Section, shall, unless a different meaning clearly appears from the context, have the meanings given or ascribed to such words and terms, respectively, in Section 105 of the Subordinate Bond Resolution.

(B) In Supplemental Resolution No. 17, unless a different meaning clearly appears from the context:

(1) Articles and Sections mentioned by number alone and without qualification by the word "hereof" are the respective Articles and Sections of the Subordinate Bond Resolution so numbered;

(2) "*Project*" means the various capital projects as set forth in Schedule A attached hereto and made a part hereof, including all work and materials necessary or desirable for the construction and operation of such facilities, all as shown on and in accordance with the plans and specifications therefor prepared by the Consulting Engineers and on file or to be filed in the office of the Commission, as such plans and specifications may be amended or modified from time to time, which Project shall be financed pursuant to the Trust's Environmental Infrastructure Financing Program;

(3) "*Resolution 17 Subordinate Bonds*" means any of the \$60,000,000 aggregate principal amount of Subordinate Bonds authorized to be issued pursuant to Section 7 of Supplemental Resolution No. 17;

(4) "*Subordinate Bond Resolution*" shall have the meaning ascribed to such term in the preambles hereof;

(5) The term "*Supplemental Resolution No. 17*" shall have the meaning ascribed to such term in Section 1 hereof; and

(6) "*Trust*" means the New Jersey Environmental Infrastructure Trust, a public body corporate and politic organized and existing under the laws of the State of New Jersey.

(C) The terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms refer to Supplemental Resolution No. 17; the term "heretofore" means before the date of adoption of Supplemental Resolution No. 17; and the term "hereafter" means after the date of adoption of Supplemental Resolution No. 17; words importing the masculine gender include every other gender; words importing persons include firms, associations and corporations; and words importing the singular number include the plural number and vice versa.

Section 4. Captions. Any captions or headings preceding the text of any section herein are solely for convenience of reference and shall not constitute part of Supplemental Resolution No. 17 or affect its meaning, construction or effect.

Section 5. Purpose of Resolution 17 Subordinate Bonds. Pursuant to the provisions of Section 301(1) of the Subordinate Bond Resolution, the Commission does hereby determine to construct and acquire the Project and the Project to be constructed or acquired is herein described as the Project. The Commission does hereby determine to commence, proceed with and complete the Project.

Section 6. Estimated Cost of Project. The estimated Cost of Construction of the Project is not in excess of \$60,000,000. It is hereby determined that such cost so estimated includes provision for any discount, bond insurance premium and other issuance expenses to be incurred upon the sale of the Resolution 17 Subordinate Bonds and the provisions of reserves, if any, to be made or established by application of the proceeds of the Resolution 17 Subordinate Bonds for working capital or operating, maintenance or replacement expenses or for payment or security of principal of or interest on the Resolution 17 Subordinate Bonds during or after construction or acquisition of the Project and shall constitute and be part of such cost.

Section 7. Authorization of Resolution 17 Subordinate Bonds. In accordance with the Act, and subject to and pursuant to the provisions of the Subordinate Bond Resolution, bonds of the Commission, each constituting a Resolution 17 Subordinate Bond as defined herein, are hereby authorized to be issued, in one or more Series from time to time, in an aggregate principal amount not exceeding \$60,000,000 for the purpose of raising funds to pay the Cost of Construction of the Project (as described in Sections 5 and 6 hereof). All of the Resolution 17 Subordinate Bonds constitute, and each of the Resolution 17 Subordinate Bonds is part of, the \$60,000,000 original principal amount of bonds hereby authorized to be issued pursuant to the Act. Any Resolution 17 Subordinate Bonds that are issued in a calendar year other than 2016 may, notwithstanding any other provision hereof, have such designation as shall be specified and determined by the Commission prior to the issuance thereof.

Section 8. Terms of Resolution 17 Subordinate Bonds. The terms of the Resolution 17 Subordinate Bonds, including the number of Series thereof, the principal amounts thereof, the titles thereof, the dates and amounts of the maturities thereof, the Issue Dates thereof, the rate or rates of interest thereon, the Bond Reserve Requirements applicable thereto, the Record Dates thereof, the redemption features applicable thereto, the Registrar therefor, the Paying Agent therefor and the denominations thereof, shall be specified and determined by one or more Supplemental Resolutions adopted on or prior to the date of delivery of the Resolution 17 Subordinate Bonds or by a Commission Officer appointed pursuant to a Supplemental Resolution. The useful life of each component of the Project shall be determined by a certificate of the Consulting Engineer.

Section 9. Actions to be Taken on Behalf of Commission. The various commissioners, officers and employees of the Commission, including the Commission Officers, are hereby authorized and directed to execute and deliver all documents and to do all matters necessary, useful, convenient or desirable to accomplish the purposes of Supplemental Resolution No. 17 and to meet the requirements of the Trust and the State of New Jersey with respect to the issuance of the Resolution 17 Subordinate Bonds.

Section 10. Successors and Assigns. Whenever in Supplemental Resolution No. 17 the Commission is named or referred to, it shall and shall be deemed to include its successors and assigns, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Commission contained in Supplemental Resolution No. 17 shall bind and inure to the benefit of such successors and assigns and of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Commission or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of Supplemental Resolution No. 17.

Section 11. Amendment of Supplemental Resolution No. 17. Prior to the issuance of the Resolution 17 Subordinate Bonds and notwithstanding anything contained in the Subordinate Bond Resolution (including Article IX thereof), the Commission may by resolution of the Commission or by a certificate executed by a Commission Officer modify, amend, add to or delete any of the terms or provisions of Supplemental Resolution No. 17 in any respect or for any purpose.

Section 12. No Recourse on Resolution 17 Subordinate Bonds; Obligations of Contracting Municipalities Under the Act. No recourse shall be had for the payment of the principal of or the interest on the Resolution 17 Subordinate Bonds or for any claim based thereon or on the Subordinate Bond Resolution against any member, Commissioner or officer of the Commission or any person executing the Resolution 17 Subordinate Bonds. The Resolution 17 Subordinate Bonds are not and shall not be in any way a debt or liability of the State of New Jersey or of any county or municipality, and do not and shall not create or constitute any indebtedness or obligation, either legal, moral or otherwise, of said State or of any county or municipality, and neither said State nor any county or municipality shall be liable on the Resolution 17 Subordinate Bonds, and the Resolution 17 Subordinate Bonds are not and shall not be payable out of any funds other than those of the Commission.

The Act authorizes and directs the Contracting Municipalities and other users of the System to do and perform any and all acts and things necessary, convenient or desirable to pay to the Commission annually the total cost and expense (as referred to and described in the Act) of maintenance, repair and operation of the System apportioned in accordance with the Act. Every obligation assumed by or imposed upon a Contracting Municipality or other such user under or pursuant to the Act shall be enforceable by the Commission by appropriate action, suit or proceeding, and the Commission may have and pursue any and all remedies provided by law for the enforcement of such obligation.

Section 13. Severability of Invalid Provision. If any one or more of the provisions, covenants or agreements in Supplemental Resolution No. 17 on the part of the Commission or any Fiduciary to be performed should be contrary to law, then such provision or provisions, covenant or covenants, or agreement or agreements, shall be deemed separable from the remaining provisions, covenants and agreements and shall in no way affect the validity of the other provisions of Supplemental Resolution No. 17 or of the Resolution 17 Subordinate Bonds.

Section 14. Public Hearing. In accordance with the provisions of N.J.S.A. 58:14-34.14(b), the Commission hereby determines to hold a public hearing on Supplemental Resolution No. 17 at the offices of the Commission, 600 Wilson Avenue, Newark, New Jersey, on March 10, 2016, at 12:00 o'clock p.m.

Section 15. Filing and Advertising. The Clerk of the Commission is hereby authorized and directed (a) to mail or deliver, at least thirty (30) days prior to the date of the public hearing mentioned in Section 14 hereof, a certified copy of Supplemental Resolution No. 17 and a notice of the date, time and place of the public hearing mentioned in Section 14 hereof to the governing body of each Contracting Municipality, which notice shall be in substantially the form attached hereto as Exhibit A, and (b) at least thirty (30) days prior to the date of the public hearing mentioned in Section 14 hereof, publish the notice referred to in clause (a) above at least once in *The Star-Ledger*, a newspaper of general circulation published in the City of Newark, New Jersey.

Section 16. Estoppel Notice. The Clerk of the Commission is hereby authorized and directed to cause to be published, at least thirty (30) days after the date of the public hearing referred to in Section 14 hereof and after the taking effect of Supplemental Resolution No. 17, in *The Star-Ledger*, a notice in substantiality the form attached hereto as Exhibit B.

Section 17. Effective Date. Supplemental Resolution No. 17 shall take effect upon adoption by the Commission, the filing with the Trustee of a copy hereof certified by the Clerk as provided in Section 801 and subject to the terms and conditions of N.J.S.A. §58:14-34.14(b) on the thirtieth (30th) day after a public hearing as required by the Act.

7 AYES

No. 23-16

WHEREAS, the Proposed Gross Budget for the year 2016 is \$173,502.384, and

WHEREAS, the amount to be raised through the user charge is \$130,115,638, which represents a 1.99% overall increase in the user charge from year 2015.

NOW, THEREFORE, BE IT RESOLVED that the 2016 budget is hereby adopted.

7 AYES

No. 24-16

WHEREAS, in August 2015, the Passaic Valley Sewerage Commission advertised for bids on Contract No. B016 (Plant wide Replacement of Pipe, Fittings and Ancillary Piping Systems on an As Needed Basis for a Two (2) Year Period), and

WHEREAS, the bid opening took place on September 24, 2015, and bids were received from the following vendors:

1.	B.R. Welding, Inc.	\$158,960.00
2.	A&A Industrial Piping, Inc.	\$170,940.00
3.	A&J Construction, Inc.	\$170,940.00
4.	Municipal Maintenance Corp., Inc.	\$176,940.00
5.	Montana Construction Corp., Inc.	\$187,100.00
6.	Lusotech, LLC	\$190,874.00
7.	GMH Associates of America, Inc.	\$202,689.00

, and

WHEREAS, in a memo dated January 11, 2016, Chief Engineer John Rotolo recommends that all of the bid proposals received be rejected for the purpose of substantially revising the bid specifications and advertising a new contract bid, and

WHEREAS, in a memo dated January 11, 2016, Purchasing Agent Thomas Fuscaldo concurs with Mr. Rotolo's recommendation, subject to review by PVSC's General Counsel.

NOW, THEREFORE, BE IT RESOLVED that the Passaic Valley Sewerage Commission hereby rejects all bids received under Contract B016 for the purpose of substantially revising the bid specifications, and

BE IT FURTHER RESOLVED, upon revision of the specifications, the proper PVSC officials are authorized to advertise a new contract bid.

7 AYES

No. 25-16

WHEREAS, in a memo dated February 8, 2013, John Rotolo, P.E., Chief Engineer, recommended award of Contract No. A315 to Cruz Contractors, LLC, in the amount of \$17,891,176.00 for the Rehabilitation of the Main Interceptor Sewer and Various Manholes Project; and

WHEREAS, Executive Directives No. 17-13, 183-13, 38-14, 112-14, 201-14, 240-14, 246-14, 32-15, 82-15, and 157-15 were issued and Resolutions No. 197-15 and 250-15 were passed, awarding and modifying Contract A315 to Cruz Contractors, LLC, for the revised not-to-exceed Contract Amount of \$20,872,560.07 and the revised contract duration of seven hundred fifteen (715) calendar days; and

WHEREAS, as a result of changes to the existing conditions observed in the field once construction activities commenced, Cruz Contractors, LLC, needed to perform scope of work items not included within the Contract Documents; and

WHEREAS, the following is a summary of the additional scope of work items not included within the Contract Documents that Cruz Contractors, LLC, was required to perform for the rehabilitation of the Main Interceptor Sewer between MH MI-214 and MH MI-218 (5th Avenue [Passaic County Route 652], City of Paterson, Passaic County):

- Extra work (in the amount of \$56,613.91 – for Potential Change Order (“PCO”) No. 50) associated with the additional Maintenance and Protection of Traffic (“MPT”) with the additional MPT for the rehabilitation work between MH MI-214 and MH MI-218 between October 12, 2015, and November 6, 2015, in 5th Avenue (Passaic County Roadway) within the City of Paterson, Passaic County, which required additional coordination as per the Passaic County Engineering Department;
- Extra work (in the amount of \$439,926.00 – for PCO No. 51) associated with the relocation of the 8” CIP water distribution main and the 42” PCCP water transmission main owned and operated by the Passaic Valley Water Commission that is prohibiting the safe excavation of the Contractor’s proposed access shaft on 5th Avenue between East 11th Street and the railroad tracks as well as the extra work associated with the excavation of and within contaminated soils; and

WHEREAS, the consulting engineer, Charles A. Manganaro, Consulting Engineers has reviewed the Contract Modification Proposal and Acceptance (i.e., Contract Modification No. 12) submitted by Cruz Contractors, LLC, and has found it to be fair and reasonable, and recommends approval to Cruz Contractors, LLC, to increase the not-to-exceed contract amount by \$496,539.91 to the revised not-to-exceed Contract Amount of \$21,369,099.98; and

WHEREAS, in a memo dated December 22, 2015, John Rotolo, P.E., Chief Engineer, recommends authorization of Contract Modification Proposal and Acceptance (i.e., Contract Modification No. 12) to Cruz Contractors, LLC, modifying the not-to-exceed contract amount by \$496,539.91 to the revised not-to-exceed Contract Amount of \$21,369,099.98, subject to acceptance and approval from the NJDEP.

NOW, THEREFORE, BE IT RESOLVED, that the Passaic Valley Sewerage Co mmission hereby authorizes the Contract Modification Proposal and Acceptance (i.e. Contract Modification No. 12) to Cruz Contractors, LLC, modifying the not-to-exceed contract amount by \$496,539.91 to the revised not-to-exceed Contract Amount of \$21,369,099.98, subject to acceptance and approval from the NJDEP. This project will be funded as part of the NJEIT Project No. S340689-10 and S340689-10-1.

Contract/Change Order History

Original Contract Amount:	\$17,891,176.00
Previous Change Orders to date:	2,981,384.07
Proposed Change Order #12	496,539.91
 Total Revised Contract Amount	 \$21,369,099.98
 Change Order %	 19.44%

Certification of Available Funds

I hereby certify that funds are available for this expenditure and shall be charged to the following Account:

<u>Fund/Cost Center/Account</u>	<u>Amount</u>	<u>Grantor</u>
430.20100.8962	\$496,539.91	NJEIT S340689-10-1



 Joseph F. Kelly, Chief Financial Officer

7 AYES

No. 26-16

WHEREAS, on November 21, 2013, the Passaic Valley Sewerage Commission awarded Contract No. A919 (Furnish and Install New Replacement Electric Feeder Cables for a two (2) year period) to Travis Inc., and

WHEREAS, during the installation of the overhead cable system under Project 02, there were several unforeseen items identified which created additional emergent work due to safety concerns with the installation of the utility poles and support system. These are described below:

1. Relocation of utility poles and support systems to allow crane activity around EPS Facility – Request Change Order (“RCO”) No. 1
2. Soil conditions that caused settling/movement of utility poles. A Geotechnical Engineer was engaged to assist in providing guidance for Structural Engineer to address re-enforcement of utility pole system – RCO No. 2

3. Re-enforcement of utility pole line system due to soil conditions – RCO No. 3
4. Hazardous weather conditions and maintenance of plant operations resulted in contractor working overtime in order to complete installation. – RCO No. 4
5. Installation of additional utility poles and support systems based on the findings of the Geotechnical Engineer Report – RCO No. 5
6. Structural Engineer’s effort and meetings to address field adjustments due and underground obstructions at Oxygen Production – RCO No. 6

, and

WHEREAS, in accordance with PVSC’s executed agreement with Travis Inc. for Contract No. A919, PVSC received invoices from Travis Inc. to address Overhead Structural Re-Enforcement and unforeseen issues, and

WHEREAS, PVSC staff reviewed Travis Inc.’s proposal in accordance with its executed agreement for Contract No. A919 (Project 59) and found it to be responsive to the project requirements, and

WHEREAS, in a memo dated January 11, 2016, Chief Engineer John Rotolo recommends that the proposal from Travis Inc. be accepted.

NOW, THEREFORE, BE IT RESOLVED that the Passaic Valley Sewerage Commission hereby accepts the proposal from Travis Inc. in the amount of \$405,222.30 to complete Project 59. This project is anticipated to be submitted for reimbursement as part of a FEMA Project Worksheet (PW-UHBAJ37) (Fed #04701) for the replacement of the electrical feeder cables for the PVSC Facility.

Certification of Available Funds

I hereby certify that funds are available for this expenditure and shall be charged to the following Account:

<u>Fund/Cost Center/Account</u>	<u>Amount</u>	<u>Grantor</u>
370.20100.8962	\$405,222.30	FEMA PW4701



 Joseph F. Kelly, Chief Financial Officer

7 AYES

No. 27-16

WHEREAS, on November 21, 2013, the Passaic Valley Sewerage Commission awarded Contract No. A919 (Furnish and Install New Replacement Electric Feeder Cables for a two (2) year period) to Travis Inc., and

WHEREAS, Sludge Storage and Decant Facilities Substation "16" is fed with two redundant feeders, Bus "A" and Bus "B." Bus "A" experienced a failure and shut down plant processes. During the effort to replace the Bus "A" feeder, a pull box containing both Bus "A" and Bus "B" feeders was opened and found to have evidence of water/oil inside. Based on this information it was decided to replace the second feeder, Bus "B," on an emergent basis due to the potential for complete failure of the redundant system, and

WHEREAS, this work was determined necessary due to the result of flood damage caused by Superstorm Sandy. As a result, PVSC Engineering met on an emergent basis with Travis Inc. to discuss a solution to allow for replacement of feeder Bus "B" for the Sludge Store and Decant Facilities, and

WHEREAS, in accordance with PVSC's executed agreement with Travis Inc. for Contract No. A919, PVSC solicited a not-to-exceed proposal from Travis Inc. to replace the Sludge Storage Substation "16" Feeder for Bus "B," and

WHEREAS, on November 16, 2015, a proposal (Feeder "B") was received from Travis Inc. to perform the aforementioned feeder installations. PVSC has reviewed Travis Inc.'s proposal in the not-to-exceed amount of \$122,640.00 in accordance with its executed agreement for Contract No. A919 (Project 58) and found it to be responsive to the project requirements, and

WHEREAS, in a memo dated January 11, 2016, Chief Engineer John Rotolo recommends that the proposal from Travis Inc. for Project 58 be accepted.

NOW, THEREFORE, BE IT RESOLVED that the Passaic Valley Sewerage Commission hereby accepts the proposal from Travis Inc. in the amount of \$122,640.00 to complete project 58. This project is anticipated to be submitted for reimbursement as part of a FEMA Project Worksheet (PW-UHBAJ37) (Fed #04701) for the replacement of the electrical feeder cables for the PVSC Facility.

Certification of Available Funds

I hereby certify that funds are available for this expenditure and shall be charged to the following Account:

<u>Fund/Cost Center/Account</u>	<u>Amount</u>	<u>Grantor</u>
370.20100.8962	\$122,640.00	FEMA PW4701

Joseph F. Kelly, Chief Financial Officer

7 AYES

No. 28-16

WHEREAS, Travis Electric is currently performing work under Contract A919 (Project 31) to assist the Consulting Engineer as part of the design effort for Contract A939 (Plant Wide Replacement of Electric Power Cables). The scope includes identifying/documenting the significant amount of low voltage cables impacting the removal/replacement of the tunnel routed power cables identified by FEMA for replacement under Contract A939. These cables are critical to the plant operation and provide primary support for plant communications, SCADA, CCTV, MIS and other systems which have been compromised by Superstorm Sandy. In addition, this effort is necessary to properly identify/document the scope of work for reimbursement as part of FEMA Project Worksheet UHBAJ37 (Fed #04701), and

WHEREAS, the Consulting Engineer has identified additional low voltage cabling that was not included in Travis' initial scope of work. Travis was also directed to develop a tabular listing of all the cables found. This information will reduce the design costs of the Consulting Engineer, and

WHEREAS, in accordance with PVSC's executed agreement with Travis for Contract No. A919, PVSC solicited a not-to-exceed proposal from Travis for the additional work identified under Project 31 to support the investigation of the Utility Tunnel Low Voltage Cables. On November 20, 2015, a proposal was received from Travis to perform the aforementioned additional work, and

WHEREAS, PVSC staff reviewed Travis's proposal in accordance with its executed agreement for Contract No. A919 (Project 31) and found it to be responsive to the project requirements, and

WHEREAS, in a memorandum dated December 17, 2015, Chief Engineer John Rotolo recommends that Travis's proposal for the additional work on Project 31 be accepted for a total not-to-exceed amount of \$9,000.

NOW, THEREFORE, BE IT RESOLVED that the Passaic Valley Sewerage Commission hereby authorizes an increase of \$9,000.00 in Travis Inc.'s currently authorized budget from \$140,000.00 for a total not-to-exceed amount of \$149,000.00 to perform the described herein contract work. This project is anticipated to be submitted for reimbursement as part of a FEMA Project Worksheet (PW-UHBAJ37) (Fed #04701) for the replacement of the electrical feeder cables for the PVSC Facility.

Contract Summary

Original Not To Exceed Amount:	\$140,000.00
Increase This Resolution:	9,000.00
Revised Not to Exceed Amount:	<u>\$149,000.00</u>

Certification of Funds

I hereby certify that funds are available for this expenditure and shall be charged to the following Account:

<u>Fund/Cost Center/Account</u>	<u>Amount</u>	<u>Grantor</u>
370.20100.892	\$9,000.00	FEMA PW4701



Joseph F. Kelly, Chief Financial Officer

7 AYES

No. 29-16

WHEREAS, on January 16, 2015, the Passaic Valley Sewerage Commission issued Executive Directive 1-15 authorizing a professional services contract (Agreement 2639) with Paulus, Sokolowski & Sartor, LLC (“PS&S”), to provide on-site support and professional services associated with various on-going efforts related to the repair and rehabilitation of PVSC facilities and mitigation plans for protecting the facility from future weather events. PS&S had previously worked as a sub-consultant to the PVSC Disaster Recovery Consultant Witt O'Brien’s. The PS&S agreement included hourly billing rates less than what PVSC was billed for PS&S services by Witt O'Brien’s, resulting in overall cost savings to PVSC. On June 1, 2015, PVSC issued Executive Directive 84-15, extending the original contract term through December 2015, and

WHEREAS, on October 21, 2015, PVSC issued Executive Directive 201-15, authorizing an amendment to the contract agreement assigning design services, bidding process assistance, design services during construction, resident project representative services, and assistance with New Jersey Environmental Infrastructure Trust funding requirements for a proposed plant sump pump relocation and generator provision contract. The total amount of the Support Services Agreement is \$1,406,100.00, and

WHEREAS, the PVSC Engineering Department has determined that additional professional services including Field Support Services related to FEMA Project Worksheets, participation and assistance with weekly FEMA Coordination Meetings, and on-going services related to PVSC’s FEMA Hazard Mitigation Plan, Dredge Permit, Environmental Permitting for Cultural Resource

Management, Project Worksheet Amendments, NJEIT Coordination and Stakeholder Meetings are required beyond the agreement ending date of December 31, 2015, and

WHEREAS, in a memo dated January 7, 2016, Chief Engineer John Rotolo recommends an extension to the PS&S professional services agreement for a six-month period ending June 30, 2016, at no additional cost, utilizing the unexpended balance on Agreement 2639 for ED 1-15 and ED 84-15 of \$212,870.98.

NOW, THEREFORE, BE IT RESOLVED that the Passaic Valley Sewerage Commission hereby extends the PS&S professional services agreement for a six-month period ending June 30, 2016, at no additional cost utilizing the unexpended balance on Agreement 2639 of \$212,870.98. This project is anticipated to be reimbursed under FEMA Project Worksheet (PW UHBAJ37) (Fed. No. 04701) - Substations & Cables.

7 AYES

No. 30-16

WHEREAS, the Passaic Valley Sewerage Commission requires the removal and disposal of contaminated soils located at the former Witco property; and

WHEREAS, the estimated cost of the soil removal and disposal exceeds the PVSC bid threshold; and

WHEREAS, in a memorandum dated January 5, 2016, Chief Operating Officer Bridget McKenna requests authorization to advertise for the receipt of bids on Contract A884 (Contaminated Soil Removal Project).

NOW, THEREFORE, BE IT RESOLVED that PVSC approves the advertisement for receipt of bids on Contract A884 and that the proper officials of the Passaic Valley Sewerage Commission are hereby authorized to implement the same. This project will be funded by the Doremus Site Remediation Escrow Account.

7 AYES

No. 31-16

WHEREAS, pursuant to Passaic Valley Sewerage Commission Resolution No. 29 (December 18, 1997), the Commissioners delegated the authority to execute all Sludge and Liquid Waste Disposal Agreements with both governmental and private entities to PVSC's Clerk, a position that is currently served by Joseph Kelly.

NOW, THEREFORE, BE IT RESOLVED that the Passaic Valley Sewerage Commission hereby ratifies the actions of Joseph Kelly, Clerk, in approving the following contracts:

CUSTOMER

South Monmouth Regional

GENERATOR

South Monmouth Region

**Accurate Waste
Atlantic Waste Disposal**

**United Water-Lake Defo
Atlantic Waste Disposal**

7 AYES

No. 32-16

WHEREAS, the Passaic Valley Sewerage Commission and Royal Caribbean Cruises, LTD, and Cape Liberty Cruise Port, LLC, are parties to an Agreement dated as of January 1, 2014 (the "Agreement"), by which PVSC agreed to the construction of a cruise terminal over and adjacent to the PVSC Outfall Tunnel conditioned upon PVSC's access to the Outfall Tunnel for maintenance, repair or replacement; and

WHEREAS, the Agreement was conditioned upon PVSC obtaining the consent of the Port Authority of New York and New Jersey ("PANYNJ"), as Owner of the Terminal Property, and PVSC entering into a Memorandum of Agreement with PANYNJ, which consent was provided by PANYNJ and which Memorandum of Agreement was entered into between PVSC and PANYNJ; and

WHEREAS, in the Memorandum of Agreement, PANYNJ agreed to present a good faith request to its Board of Commissioners to provide PVSC with a written recordable Agreement providing that after December 31, 2043, PVSC would continue to have access for maintenance, repair or replacement of its Outfall Tunnel; and

WHEREAS, PVSC and PANYNJ have negotiated a form of Amendment to Memorandum of Agreement in form acceptable to PVSC staff and legal, a copy of which is attached hereto and made a part hereof.

NOW, THEREFORE, BE IT RESOLVED that the Passaic Valley Sewerage Commission does hereby authorize and approve the Amendment to Memorandum of Agreement with the Port Authority of New York and New Jersey in form attached hereto and made a part hereof, for PVSC to continue to have access over and adjacent to the PVSC Outfall Tunnel impacted by the expanded cruise terminal on and after December 31, 2043, for its maintenance, repair or replacement, and requiring any successor owner or tenant to the Terminal to provide PVSC access rights for maintenance, repair or replacement; and

BE IT FURTHER RESOLVED, that the Chairman and Authorized Officers of PVSC are hereby authorized to execute and deliver the Amendment to Memorandum of Agreement to PANYNJ for execution.

7 AYES

No. 33-16

BE IT RESOLVED that the Passaic Valley Sewerage Commission hereby approves the following revised Meeting Schedule for the remainder of 2016.

<u>DATE</u>	<u>DAY</u>	<u>TIME</u>
February 11, 2016	Thursday	12:00 PM
March 10, 2016	Thursday	12:00 PM
April 14, 2016	Thursday	12:00 PM
May 3, 2016	Tuesday	12:00 PM (ANNUAL RE-ORG.)
May 19, 2016	Thursday	12:00 PM
June 16, 2016	Thursday	12:00 PM
July 14, 2016	Thursday	12:00 PM
September 8, 2016	Thursday	12:00 PM
October 13, 2016	Thursday	12:00 PM
November 17, 2016	Thursday	12:00 PM
December 15, 2016	Thursday	12:00 PM

7 AYES

No. 34-16

WHEREAS, the PVSC Insurance Broker of Record, Fairview Insurance Agency Associates, Inc., recommends renewal of the PVSC Property and Casualty Insurance policies for 2016 as listed on the attached schedule.

NOW, THEREFORE, BE IT RESOLVED that PVSC accepts the recommendation of its Property and Casualty Broker of Record to renew the policies as listed on the attached Schedule for a one-year Period starting January 1, 2016 and ending on December 31, 2016, and

BE IT FURTHER RESOLVED, that PVSC hereby directs Fairview Insurance Agency Associates, Inc., to issue the attached schedule of policies effective January 1, 2016.

7 AYES

No. 35-16

BE IT RESOLVED that the payment of bills for the following Accounts be and the same is hereby approved as per the attached list (January 2016):

<u>FUND</u>	<u>AMOUNT</u>
RATIFICATION- GENERAL	\$ 6,930,172.70
RATIFICATION- INSURANCE	400,000.00
GENERAL 100	3,460,182.54
RESERVE 370	1,601,118.29
CAPITAL 380	357,251.80
WASTEWATER TRUST 430	925,547.67
ARRA WWT 470	<u>381,504.54</u>
TOTAL:	<u>\$ 14,055,777.54</u>

7 AYES

No. 36-16

BE IT RESOLVED, that the following individuals are approved for appointment as probationary employees:

BUCKMAN, Michael J. is approved for the position of Mechanic III, Range 7, Step 1, Annual Salary \$56,257.

MARQUES, Jennifer P. is approved for the position of Laboratory Supervisor, Range 12, Step 2, Annual Salary \$94,876.

SURDYKA, Walter is approved for the position of Low Voltage Electrician III, Range 7, Step 3, Annual Salary \$61,925.

ZUCCARELLO, William is approved for the position of Laboratory Director, Range 15, Step 4, Annual Salary \$133,055.

BE IT FURTHER RESOLVED, that the above appointments are subject to the passing of a physical examination given by a physician selected by the Passaic Valley Sewerage Commission.

7 AYES

No. 37-16

BE IT RESOLVED, that the following out of title assignments are hereby approved and shall remain in effect until such time as they are no longer performing out of title work:

PINHO, Alvaro – Inspector III – Range 6, Step 3, Annual Salary \$56,692, approved for out of title pay as an Inspector II – Range 7, Step 3, Annual Salary \$61,925, effective January 24, 2016.

VANDERSTREET, John – Inspector III – Range 5, Step 3, Annual Salary \$51,407, approved for out of title pay as an Inspector II – Range 7, Step 1, Annual Salary \$56,257, effective January 24, 2016.

WILLIAMSON, Jyhaad – Operations Worker – Range 3, Step 1, Annual Salary \$37,821, approved for out of title pay as an Operations Apprentice – Range 4, Step 1, Annual Salary \$42,300, effective January 10, 2016.

6 AYES 1 ABSTENTION (Chairman Tucci)

No. 38-16

BE IT RESOLVED, that the following salary adjustments are hereby approved:

CATENARO, Christine – Assistant to the Clerk, Range 8, Step 4, Annual Salary \$69,090, be changed to Range 8, Annual Salary \$78,518.

CROTTY, Terri-Anne – Paralegal, Range 5, Step 1, Annual Salary \$44,921, be changed to Range 6, Annual Salary \$56,977.

KELLY, Joseph – Chief Financial Officer, Range 16, Annual Salary \$148,904, be changed to Range 17, Step 4, Annual Salary \$161,597.

MCKENNA, Bridget – Chief Operating Officer, Range 17, Step 3, Annual Salary \$154,573, be changed to Range 17, Step 4, Annual Salary \$161,597.

PENGITORE, Heather – Financial Assistant, Range 7, Step 5, Annual Salary \$64,969, be changed to Range 8, Step 4, Annual Salary \$69,090.

ROTOLO, John – Chief Engineer, Range 16, Step 5, Annual Salary \$153,289, be changed to Range 17, Step 4, Annual Salary \$161,597.

BE IT FURTHER RESOLVED, that these salary adjustments shall be effective Sunday, January 24, 2016.

7 AYES

No. 39-16

BE IT RESOLVED, that the following demotion is hereby approved:

SCALERA, Anthony – Laboratory Director, Range 15, Annual Salary \$103,201, be demoted to Chemist I, Range 10, Step 6, Annual Salary \$91,524.

BE IT FURTHER RESOLVED, that this demotion shall be effective Sunday, January 24, 2016.

7 AYES

No. 40-16

BE IT RESOLVED, that the following promotion (out of title) is hereby approved:

ALLEN, Anthony – Operations Apprentice, Range 5, Step 2, Annual Salary \$49,071, be promoted to Operator III, Range 7, Step 1, Annual Salary \$56,257.

BE IT FURTHER RESOLVED, that this promotion (out of title) shall be effective Sunday, February 21, 2016.

7 AYES

No. 41-16

BE IT RESOLVED, that the following step changes are hereby approved:

BAILEY, Tyshawn – Operator III, Range 7, Step 1, Annual Salary \$56,257, be changed to Range 7, Step 2, Annual Salary \$59,091, effective February 22, 2016.

BETHEA, Alonzo – Operator I, Range 9, Step 2, Annual Salary \$72,506, be changed to Range 9, Step 3, Annual Salary \$75,950, effective February 22, 2016.

BLEICH, Geoffrey – Operator I, Range 9, Step 2, Annual Salary \$72,506, be changed to Range 9, Step 3, Annual Salary \$75,950, effective February 22, 2016.

BUTLER, Paul – Operations Apprentice, Range 4, Step 1, Annual Salary \$42,300, be changed to Range 4, Step 2, Annual Salary \$44,414, effective February 22, 2016

BYRNE, Patrick – Operator III, Range 7, Step 2, Annual Salary \$59,091, be changed to Range 7, Step 3, Annual Salary \$61,925, effective February 22, 2016.

DEFILLIPPES, Joseph – Operator I Driver, Range 9, Step 1, Annual Salary \$69,062, be changed to Range 9, Step 2, Annual Salary \$72,506, effective February 22, 2016.

DELORENZO, Frank – Equipment Operator III, Range 7, Step 2, Annual Salary \$59,091, be changed to Range 7, Step 3, Annual Salary \$61,925, effective February 22, 2016.

DILAURI, Nicholas – Equipment Operator III, Range 7, Step 2, Annual Salary \$59,091, be changed to Range 7, Step 3, Annual Salary \$61,925, effective February 22, 2016.

FISHER, Glenn – Fleet Mechanic I, Range 9, Step 1, Annual Salary \$69,062, be changed to Range 9, Step 2, Annual Salary \$72,506, effective February 22, 2016.

GARCIA, Alvaro – Operator III, Range 7, Step 1, Annual Salary \$56,257, be changed to Range 7, Step 2, Annual Salary \$59,091, effective February 22, 2016.

GARCIA, Christopher – Operator I, Range 9, Step 2, Annual Salary \$72,506, be changed to Range 9, Step 3, Annual Salary \$75,950, effective February 22, 2016.

LEE Jr., Leonard – Operator II, Range 8, Step 4, Annual Salary \$71,881, be changed to Range 8, Step 5, Annual Salary \$75,002, effective February 22, 2016.

MUGLIA, Steven – Operator Apprentice, Range 4, Step 1, Annual Salary \$42,300, be changed to Range 4, Step 2, Annual Salary \$44,414, effective February 22, 2016.

OROVIO, Anthony – Operator III, Range 7, Step 1, Annual Salary \$56,257, be changed to Range 7, Step 2, Annual Salary \$59,091, effective February 22, 2016.

PEREZ, Juan – Operator III, Range 7, Step 1, Annual Salary \$56,257, be changed to Range 7, Step 2, Annual Salary \$59,091, effective February 22, 2016.

RIZZO, Nicholas – Operator I, Range 10, Step 2, Annual Salary \$79,995, be changed to Range 10, Step 3, Annual Salary \$83,802, effective February 22, 2016.

RUSCIANO, John – Mason I, Range 9, Step 4, Annual Salary \$79,394, be changed to Range 9, Step 5, Annual Salary \$82,838, effective February 27, 2016.

VEYSEL, Ayri – Operator I, Range 10, Step 2, Annual Salary \$79,995, be changed to Range 10, Step 3, Annual Salary \$83,802, effective February 22, 2016.

WASHINGTON, Darrell – Operator III, Range 7, Step 2, Annual Salary \$59,091, be changed to Range 7, Step 3, Annual Salary \$61,925, effective February 22, 2016

WILSON, Edward – Instrumentation Technician I, Range 9, Step 1, Annual Salary \$69,062, be changed to Range 9, Step 2, Annual Salary \$72,506, effective February 09, 2016.

WILTROUT, Brian – Operator III, Range 7, Step 2, Annual Salary \$59,091, be changed to Range 7, Step 3, Annual Salary \$61,925, effective February 22, 2016.

7 AYES

No. 42-16

BE IT RESOLVED, that the following individuals are approved for appointment as probationary employees:

CASAS, Alberto J. is approved for the position of Fleet Mechanic III, Range 7, Step 1, Annual Salary \$56,257.

COLBETH, Jonathan A. is approved for the position of Low Voltage Electrician I, Range 9, Step 4, Annual Salary \$79,394.

DEL POZZO, Ronald is approved for the position of Stock Clerk, Range 3, Step 1, Annual Salary \$37,821.

JOHNSON, Na-il A. is approved for the position of Facilities Worker II, Range 1, Step 1, Annual Salary \$30,205.

MONTS, Scott is approved for the position of Operations Worker, Range 1, Step 1, Annual Salary \$30,205.

MUHAMMED, Shadeed A. is approved for the position of Facilities Worker II, Range 1, Step 1, Annual Salary \$30,205.

PATEL, Niralbhai S. is approved for the position of Operations Worker, Range 1, Step 1, Annual Salary \$30,205.

RODRIGUEZ, Demetri J. is approved for the position of Operations Apprentice, Range 4, Step 1, Annual Salary \$42,300.

BE IT FURTHER RESOLVED, that the above appointments are subject to the passing of a physical examination given by a physician selected by the Passaic Valley Sewerage Commission.

7 AYES

No. 43-16

BE IT RESOLVED, that the following salary adjustments are hereby approved:

MANDAGLIO, Rocco – Computer Systems Administrator, Range 10, Step 5, Annual Salary \$87,865, be changed to Range 11, Step 5, Annual Salary \$94,074.

MARTINEZ, Lisa – Software Systems Administrator III, Range 7, Step 6, Annual Salary \$67,693, be changed to Range 8, Step 5, Annual Salary \$72,090.

BE IT FURTHER RESOLVED, that these salary adjustments shall be effective Sunday, January 24, 2016.

7 AYES

No. 44-16

BE IT RESOLVED, that the Passaic Valley Sewerage Commission hereby approves the following personnel matter:

Extended Medical Leave of Absence

NEVELS, Steven – Mechanic III
January 7, 2016 through February 6, 2016

7 AYES

Chairman Tucci called for a motion to change PVSC's policy with regard to the cash benefit paid to PVSC employees who decline PVSC-issued health care coverage to provide that prorated benefits will be paid to employees who resign employment in good standing during the course of the calendar year for which the employee has declined such coverage. No motion was made.


Joseph F. Kelly, Clerk

This is to certify that the within minutes accurately reflect the time and place of this meeting, the members present, the subjects considered, the actions taken, the vote of each member and all other information required to be shown in the minutes by law.