

## NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION

### PUBLIC COMMISSION MEETING

WEDNESDAY, JULY 27, 2016

The monthly Public Meeting of the Commission was called to order by Chairman Charles P. Shotmeyer on Wednesday, July 27, 2016 at 9:08 a.m., One F.A. Orechio Drive, Wanaque, New Jersey.

Chairman Charles P. Shotmeyer, Vice Chairman Carmen A. Orechio and Commissioners Alan S. Ashkinaze, Donald C. Kuser, Howard L. Burrell and Robert C. Garofalo were recorded present. Also present were Todd R. Caliguire, Executive Director; Joseph E. Stroin, Jr., Chief Operating Officer; William Schaffner, Chief Financial Officer; John Wyciskala, Esq., Commission Counsel from the law firm of Inglesino, Webster, Wyciskala & Taylor, LLC, and Mary Maples, Associate Counsel of the Governor's Authorities Unit. Commissioner Robert C. Garofalo participated via conference call. Commissioner Jerome P. Amedeo was recorded absent.

Chairman Shotmeyer asked everyone to stand and recite the Pledge of Allegiance.

Pursuant to the requirements of N.J.S.A. 10:4-6, et seq., Commission Secretary Kim Diamond acknowledged compliance with the statute in the affidavit attached to and made a part of these minutes. Commission Secretary Kim Diamond advised that the provisions of the Open Public Meetings Act have been complied with as to the posting of notice in a public place reserved for such announcement and transmittal to the mass media for publication.

Commission Secretary Kim Diamond read the following resolution:

**WHEREAS**, *Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975, permits the exclusion of the public from a meeting in certain circumstances; and*

**WHEREAS**, *the public body is of the opinion that such circumstances recently exist.*

**NOW, THEREFORE, BE IT RESOLVED**, *by the Commissioners of the North Jersey District Water Supply Commission of the State of New Jersey as follows:*

- 1. The public shall be excluded from discussions of the hereinafter-specified subject matters; the general natures of the subject matters to be discussed are Personnel, Pending Litigation and Contracts;*
- 2. It is anticipated at this time that the above stated subject matters will be ratified during the Public Meeting to follow or as soon thereafter as the reason for discussing the matters in the Executive Conference no longer exists.*
- 3. This Resolution shall take effect immediately.*

Vice Chairman Orechio offered a motion to adopt the resolution regarding Section 8, Chapter 231, P.L. 1975 of the Open Public Meetings Act; seconded by Commissioner Ashkinaze and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative. The Public Meeting was recessed at 9:10 a.m.

Chairman Shotmeyer reconvened the Public Meeting at 11:06 a.m.

### PUBLIC COMMISSION BUSINESS

**ACTION REQUIRED:**

Vice Chairman Orechio offered a motion to approve the Public Commission Meeting Minutes of June 22, 2016; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Vice Chairman Orechio offered a motion to approve the Public Work Session Minutes of June 22, 2016; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Vice Chairman Orechio offered a motion to approve the Purchase Requisitions over \$5000 Report for July 2016 in the amount of \$66,451.11; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:****Commission Invoices:**

**a. Invoice #0721175 from GZA GeoEnvironmental, Inc. for Contract #1061 - Shooting Range Site Remediation in the amount of \$38,400.00**

Maria Alliegro, Director of Engineering and Ron Farr, Project Manager approved invoice 3(a) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$38,400.00 to GZA GeoEnvironmental, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**b. Invoice #1083-5 from Stone Hill Construction for Contract #1083 – Lagoon Decant Tower Discharge in the amount of \$21,688.62**

Maria Alliegro, Director of Engineering and Ron Farr, Project Manager approved invoice 3(b) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$21,688.62 to Stone Hill Construction; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**c. Invoice #1060-7 from Stone Hill Construction for Contract #1060 – Wanaque South Pump Station Upgrades in the amount of \$50,242.46**

Michael Dox, Plant Electrical Engineer and Edwin Reyes, Project Engineer approved invoice 3(c) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$50,242.46 to Stone Hill Construction; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**d. Invoice #IV00235343 from Hatch Mott MacDonald for Contract #1085 – WSPS Construction Administration in the amount of \$3,600.00**

Michael Dox, Plant Electrical Engineer and Edwin Reyes, Project Engineer approved invoice 3(d) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$3,600.00 to Hatch Mott MacDonald; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative.

**e. Invoice JFC #00-2016-150 from J. Fletcher Creamer & Son, Inc. Emergency Aqueduct Leak Repair in the amount of \$4,798.16**

Maria Alliegro, Director of Engineering and Chris Clamser, Engineer approved invoice 3(e) for payment

Vice Chairman Orechio offered a motion to approve payment in the amount of \$4,798.16 to J. Fletcher Creamer & Son, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**f. Invoice #142519 from Premier Utility Services for Contract #1013 – Underground Locating in the amount of \$3,647.80**

Maria Alliegro, Director of Engineering and James Stachura, Project Engineer approved invoice 3(f) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$3,647.80 to Premier Utility Services; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**g. Invoice #20175 from Landscape Materials, Inc. for Contract #1043-0100 – Removal of Residuals in the amount of \$18,032.00**

David Kirkham, Director of Residuals Treatment Operations and Douglas Delorie, Manager approved invoice 3(g) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$18,032.00 to Landscape Materials, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**h. Invoice #87380-8758 from JBL Electric, Inc. for Contract #1081 – Electrical Contracting Services in the amount of \$26,000.00**

Paul Serillo, Director of Facilities and Michael Dox, Plant Electrical Engineer approved invoice 3(h) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$26,000.00 to JBL Electric, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**i. Invoice #54210 from DLB Associates Consulting Engineers PCNJ for Contract #1045 – Electrical Infrastructure Study in the amount of \$5,415.00**

Paul Serillo, Director of Facilities and Michael Dox, Plant Electrical Engineer approved invoice 3(i) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$5,415.00 to DLB Associates Consulting Engineers PCNJ; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**j. Invoice #54470 from DLB Associates Consulting Engineers PCNJ for Contract #1045 – Electrical Infrastructure Study in the amount of \$29,782.50**

Paul Serillo, Director of Facilities and Michael Dox, Plant Electrical Engineer approved invoice 3(j) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$29,782.50 to DLB Associates Consulting Engineers PCNJ; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**k. Invoice #19066 from Public Strategies Impact LLC – Community/Media Relations Consulting in the amount of \$4,250.00**

Todd Caliguire, Executive Director approved invoice 3(k) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$4,250.00 to Public Strategies Impact LLC; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**l. Invoice #1031434 from Wilmington Trust for Trustee Fee Series 1999 Trust A-2 Debt Service Fund in the amount of \$2,500.00**

William Schaffner, Chief Financial Officer approved invoice 3(l) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$2,500.00 to Wilmington Trust; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**m. Invoice #1031444 from Wilmington Trust for Trustee Fee Series 2000-1 A-2 Debt Service Fund in the amount of \$2,500.00**

William Schaffner, Chief Financial Officer approved invoice 3(m) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$2,500.00 to Wilmington Trust; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**n. Invoice #1031445 from Wilmington Trust for Trustee Fee Series 2000-2 Loan Debt Service Fund in the amount of \$2,500.00**

William Schaffner, Chief Financial Officer approved invoice 3(n) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$2,500.00 to Wilmington Trust; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**o. Invoice #1031446 from Wilmington Trust for Trustee Fee Series 2003-1 Debt Service Fund in the amount of \$1,500.00**

William Schaffner, Chief Financial Officer approved invoice 3(o) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$1,500.00 to Wilmington Trust; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**p. Invoice #1031447 from Wilmington Trust for Trustee Fee EIT Series 2003-2 Debt Service Fund in the amount of \$1,500.00**

William Schaffner, Chief Financial Officer approved invoice 3(p) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$1,500.00 to Wilmington Trust; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**q. Invoice #1037665 from Wilmington Trust for Trustee Fee Series 2013A Debt Service Fund in the amount of \$5,000.00**

William Schaffner, Chief Financial Officer approved invoice 3(q) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$5,000.00 to Wilmington Trust; seconded by Commissioner Burrell and approved with Chairman Shotmeyer and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

- r. **Invoice #WBXB2200-007-JN-02 from Jacobs Engineering Group, Inc. for Contract #1090 – General Consulting Engineering Services in the amount of \$9,600.00**

Maria Alliegro, Director of Engineering and James Stachura, Project Engineer approved invoice 3(r) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$9,600.00 to Jacobs Engineering Group, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

- s. **Invoice #WBXB2200-012-JN-02 from Jacobs Engineering Group, Inc. for Contract #1090 – General Consulting Engineering Services in the amount of \$3,283.00**

Maria Alliegro, Director of Engineering and James Stachura, Project Engineer approved invoice 3(s) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$3,283.00 to Jacobs Engineering Group, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

- t. **Invoice #WBXB2200-010-JN-01 from Jacobs Engineering Group, Inc. for Contract #1090 – General Consulting Engineering Services in the amount of \$12,425.00**

Maria Alliegro, Director of Engineering and James Stachura, Project Engineer approved invoice 3(t) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$12,425.00 to Jacobs Engineering Group, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

- u. **Invoice #WBXB2200-012-JN-01 from Jacobs Engineering Group, Inc. for Contract #1090 – General Consulting Engineering Services in the amount of \$19,982.81**

Maria Alliegro, Director of Engineering, James Stachura, Project Engineer, Chris Clamser, Engineer and Les Malytskyy, Engineering Project Manager approved invoice 3(u) for payment.

Vice Chairman Orechio offered a motion to approve payment in the amount of \$19,982.81 to Jacobs Engineering Group, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**Resolution – Tenth Supplemental Subordinate Bond Resolution of the North Jersey District Water Supply Commission Wanaque South Project Subordinate Bond Anticipation Notes**

Commission Secretary Kim Diamond read the following resolution:

**TENTH SUPPLEMENTAL SUBORDINATE BOND RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION** (the "Commission"), a public body corporate and politic of the State of New Jersey (the "State"), organized and existing under and by virtue of the laws of the State, and in particular, N.J.S.A. §58:5-1 et seq., as amended and supplemented (the "Act").

**PRELIMINARY STATEMENT**

Pursuant to and in accordance with the provisions of the Act, on August 22, 1986, the Commission adopted that certain resolution entitled, "General Bond Resolution of the North Jersey District Water Supply Commission Securing One or More Series of Wanaque South Project Revenue Bonds" (the "South General Bond Resolution"), as may be amended and supplemented

(the South General Bond Resolution and all supplemental resolutions thereto shall be collectively referred to as the "South Bond Resolution"), authorizing, among other things, the issuance of one or more series of Bonds, including any and all Additional Bonds, as such term is defined in the South Bond Resolution, by the Commission in order to finance and refinance the Commission's share of the costs of the acquisition, construction and improvement of the Wanaque South Project, as such term is defined in the South Bond Resolution. The interest and principal of such Bonds (including Refunding Bonds) are payable from Revenues (as defined in the South Bond Resolution) available pursuant to the Act. The Commission has secured the payment of interest and principal of the Bonds by a pledge of the Revenues and other collateral provided for in the South Bond Resolution.

Pursuant to and in accordance with the provisions of the Act, on July 16, 1999, the Commission adopted that certain resolution entitled "Resolution Providing for the Issuance of Subordinate Wanaque South Project Water System Bonds of the North Jersey District Water Supply Commission and for the Rights of the Holders Thereof, and Authorizing \$1,075,000 Principal Amount Thereof" (the "South Subordinate General Bond Resolution") as amended and supplemented (the South Subordinate General Bond Resolution and all supplemental resolutions thereto, including without limitation, this Tenth Supplemental Subordinate Resolution, as such term is defined herein, shall be collectively referred to as the "South Subordinate Bond Resolution"), authorizing, among other things, the issuance of one or more series of Subordinate Bonds, including any and all Additional Subordinate Bonds, as such term is defined in the South Subordinate Bond Resolution, by the Commission in order to finance and refinance the Commission's share of the costs of the acquisition, construction and improvement of the Wanaque South Project, and which such Subordinate Bonds or Additional Subordinate Bonds shall be issued on a subordinate basis to any and all Bonds issued pursuant to the South Bond Resolution. The interest and principal of such Subordinate Bonds are payable from, and secured by a pledge of, all moneys, investment income, securities and funds held under the South Subordinate Bond Resolution. Such Subordinate Bonds are not secured by a pledge of or lien on the Revenues (as defined in the South Bond Resolution), and shall be in all respects subordinate to the provisions of the South Bond Resolution.

The Commission has heretofore adopted its Ninth Supplemental Subordinate Bond Resolution on June 22, 2016 pursuant to the South Subordinate General Bond Resolution (the "Ninth Supplemental Subordinate Resolution"), by which the Commission authorized the undertaking of additional improvements to the Commission's Wanaque South Project as described generally on Exhibit B attached thereto (collectively, the "2016A Authorized Project").

Pursuant to the provisions of the New Jersey Environmental Infrastructure Trust Financing Program (the "Program"), established pursuant to N.J.S.A. 58:11B-1 et seq. (the "Trust Act"), funds may be available for the purpose of financing certain projects eligible for inclusion in the Program ("Program Eligible Projects").

As a project that provides water quality improvements, the 2016A Authorized Project qualifies under the Program and the Trust Act as a Program Eligible Project, subject to a final determination made by the New Jersey Environmental Infrastructure Trust (the "Trust") and the New Jersey Department of Environmental Protection (the "DEP").

The Commission desires to participate in the Program in order to finance all, or a portion, of the costs of the 2016A Authorized Project from (i) the proceeds of one or more loans (collectively, the "Trust Loans") from the Trust to the Commission, such loans to be secured by one or more Bonds issued by the Commission to the Trust (collectively, the "Trust Loan Bonds") pursuant to the South Subordinate Bond Resolution, and (ii) the proceeds of one or more loans (collectively, the "Fund Loans", and together with the Trust Loans, the "Loans") from the State, acting by and through the DEP (the "Fund") to the Commission, such loans to be secured by one or more Bonds issued by the Commission to the Fund (collectively, the "Fund Loan Bonds", and together with the Trust Loan Bonds, the "Loan Bonds") pursuant to the South Subordinate Bond Resolution.

The Loan Bonds shall constitute Additional Subordinate Bonds, pursuant to the South Subordinate General Bond Resolution, and shall be entitled to the security and benefit of the pledge of and all other rights and benefits provided by the South Subordinate General Bond Resolution. The Loan Bonds shall not constitute Bonds or Bonded Indebtedness as such terms are defined in the South General Bond Resolution, and shall not be considered to be issued under the South General Bond Resolution; provided, however, that the Loan Bonds shall be considered Subordinated Indebtedness as such term is defined in the South General Bond Resolution for purposes of the flow of funds provisions of the South General Bond Resolution, including particularly Article V thereof.

The Loan Bonds shall be issued on a parity basis with all other Subordinate Bonds of the Commission previously issued pursuant to the South Subordinate Bond Resolution (which Subordinate Bonds are subordinate to any and all bonds issued pursuant to the South Bond Resolution) and shall be equally secured by the pledge of the funds provided in the South Subordinate Bond Resolution, which funds are to be derived from the Trust Estate, as such term is defined in the South Bond Resolution, which includes, without limitation, certain payments made by the local government units of Bayonne, Cedar Grove, Kearny, Newark, Nutley and Wayne (collectively, the "South Local Units") under and pursuant to a Service Contract dated as of 1982, as amended and supplemented (collectively, the "South Service Contract").

In accordance with the South Service Contract, the Commission has heretofore obtained the consents of two-thirds of the South Local Units, which consents are evidenced by resolutions duly adopted by the governing bodies of the applicable South Local Units.

The Loan Bonds shall be special and limited obligations of the Commission payable only out of moneys, investment income, securities and funds pledged under the South Subordinate Bond Resolution and hereunder for such purposes and shall not create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof (other than the special limited obligations of the Commission) nor constitute a pledge of the full faith and credit of the State of any such political subdivision.

The Commission has determined to issue one or more series of bond anticipation notes under the South Subordinate General Bond Resolution (collectively, the "Notes") in order to provide interim financing for the 2016A Authorized Project, and to sell such Notes to the Trust in accordance with its note purchase program.

The Notes shall be special and limited obligations of the Commission payable only out of the "Notes Trust Estate" pledged under this Tenth Supplemental Subordinate Resolution for such purposes and shall not create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof (other than the special limited obligations of the Commission) nor constitute a pledge of the full faith and credit of the State or any such political subdivision.

Pursuant to and in accordance with the provisions of the Act, on July 13, 2016, the Commission caused to be filed with the Clerk of each South Local Unit copies of this Tenth Supplemental Subordinate Resolution and notice of a public comment to be held by the Commission on July 27, 2016 regarding the issuance of the Notes. Such public comment was held on June 27, 2016.

All acts and things necessary to constitute this Tenth Supplemental Subordinate Resolution a valid resolution according to its terms have been done and performed; the Commission has duly authorized the adoption of this Tenth Supplemental Subordinate Resolution; and the Commission, in the exercise of the legal right and power vested in it, adopts this Tenth Supplemental Subordinate Resolution and proposes to make, execute, issue and deliver the Notes as contemplated hereunder.

At the time the Notes are issued by the Commission and authenticated and delivered by the Registrar in accordance with the provisions of the South Subordinate Bond Resolution, all acts and things necessary to authorize such Notes and constitute such Notes valid, binding and legal obligations of the Commission will have been done and performed; now therefore,

**BE IT RESOLVED ON THIS 27 DAY OF JULY, 2016**, in order to declare the terms and conditions upon which the Notes are to be authenticated, issued and delivered, and in consideration of the premises, the Commission covenants, for the benefit of the respective holders, from time to time of the Notes issued hereunder, as follows:

## **ARTICLE I**

**Section 101. Short Title.** This resolution may hereafter be cited by the Commission, and is hereinafter sometimes referred to, as this "Tenth Supplemental Subordinate Resolution" or "Supplemental Resolution No. 10".

**Section 102. Authority for Tenth Supplemental Subordinate Resolution.** This Tenth Supplemental Subordinate Resolution supplements the South Subordinate General Bond Resolution and is adopted pursuant to the provisions of the South Subordinate General Bond Resolution and in accordance with the terms of Article IV and Article VIII, particularly Section 420 and Section 801, for the purpose of creating one or more Series of Bond Anticipation Notes, as defined therein, and for the

purpose of specifying, determining and authorizing certain matters and things relative to the Notes authorized pursuant to Section 203 and 204 of this Tenth Supplemental Subordinate Resolution, and is a Supplemental Resolution. The Commission has ascertained and hereby determined that adoption of this Tenth Supplemental Subordinate Resolution 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 South Subordinate Bond Resolution and in furtherance of the purposes of the Commission.

**Section 103. Definitions.** (a) Wherever used or referred to in this Tenth Supplemental Subordinate Resolution, all words or terms which are defined in Section 105 of the South Subordinate Bond Resolution or in the Preliminary Statement hereof, 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 South Subordinate General Bond Resolution or in the Preliminary Statement hereof.

(b) In this Tenth Supplemental Subordinate Resolution, unless a different meaning clearly appears from the context:

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

"Authorized Officer" shall mean the Chairman, Vice-Chairman or Executive Director of the Commission.

"Bond Counsel" shall mean GluckWalrath LLP, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal exclusion from gross income of interest on bond, notes, or other obligations issued by states and political subdivisions and duly admitted to the practice law before the highest court of any state.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations pertaining thereto which from time to time shall be promulgated;

"Executive Director's Certificate" shall mean any Certificate executed by the Executive Director of the Commission and provided for in Section 206(a) hereof;

"Notes Trust Estate" shall have the meaning set forth in Section 202 hereof;

"Paying Agent" shall mean the Trustee, acting in its capacity as paying agent with respect to the Notes pursuant to Section 208(a) hereof and any successor paying agent;

"Record Date" shall mean the close of business on the fifteenth day of the month preceding each month in which there shall fall an Interest Payment Date;

"Registrar" shall mean the Trustee acting in its capacity as registrar, transfer agent and authenticating agent with respect to the Notes pursuant to Section 208(b) hereof and any successor registrar;

"Trustee" means Manufacturers and Traders Trust Company and any successor thereto appointed in accordance with the provisions set forth in Article XI of the South Subordinate General Bond Resolution for the Trustee (as therein defined);

(c) The terms "herein", "hereunder", "hereby", "hereto", "hereof", and any similar terms, refer to this Tenth Supplemental Subordinate Resolution; the term "heretofore" means before the date of adoption of this Tenth Supplemental Subordinate Resolution; and the term "hereafter" means after the date of adoption of this Tenth Supplemental Subordinate Resolution; 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 104. 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 Tenth Supplemental Subordinate Resolution or affect its meaning, construction or effect.

## ARTICLE II

**Section 201. Purpose of the Notes.** Pursuant to the terms and provisions of Section 420 of the South Subordinate General Bond Resolution and this Tenth Supplemental Subordinate Resolution, the Commission does hereby determine to issue the Notes, from time to time as provided herein, for the purpose of raising additional funds to pay (and/or to refinance Notes previously issued to pay) all or a portion of the Costs of the 2016A Authorized Project, including all costs in connection with the issuance of the Notes.

**Section 202. Pledge Securing the Notes.** Pursuant to the terms and provisions of Section 420 of the South Subordinate Bond Resolution, there are hereby pledged for the payment of the Notes issued from time to time hereunder the following (collectively, the "Notes Trust Estate"): (i) the proceeds of the sale of the Loan Bonds, to the extent such Loan Bonds are issued for the purpose of refinancing the Notes; (ii) the proceeds of the sale of any subsequent Series of Notes, to the extent such Notes are issued for the purpose of refinancing any previously-issued Notes; and (iii) if so determined by the Executive Director in accordance with Section 206(a)(7) hereof, and upon satisfaction of the condition set forth therein, the moneys, investment income, securities and funds held or set aside or to be held or set aside pursuant to the South Subordinate Bond Resolution by any Fiduciary or in any fund created by the South Subordinate Bond Resolution (which may be on a parity with or subordinate to the pledge of the Revenues under the South Subordinate Bond Resolution in respect of Subordinate Bonds issued there under). The pledges in clauses (i) and (ii) above have priority over any other pledge under the South Subordinate Bond Resolution. Except to the extent of any pledge of the amounts pursuant to clause (iii) above, the Notes shall not be entitled to payment from any of the funds and accounts established under the South Subordinate Bond Resolution in respect of Subordinate Bonds issued there under.

**Section 203. Authorization of the Notes.** Pursuant to the provisions of Section 420 of the South Subordinate General Bond Resolution, the Commission hereby authorizes the issuance of the Notes, in one or more Series and from time to time, in an aggregate principal amount not to exceed \$25,100,000, for the purpose of financing or refinancing all or a portion of the Cost of the 2016A Additional Project, including all costs in connection with the issuance of the Notes.

**Section 204. Terms of the Notes.** Subject to and pursuant to the provisions of the South Subordinate General Bond Resolution and for the purposes specified in Section 420 hereof, one or more Series of Notes of the Commission are hereby authorized to be issued from time to time and sold to the Trust in accordance with its note purchase program. The aggregate principal amount of each Series of the Notes shall be the amount determined by the Executive Director of the Commission in accordance with the requirements of the Trust on or before the date of delivery of such Notes to the Trust; provided, however, that the aggregate principal amount of all Notes issued hereunder shall not exceed \$25,100,000, except Notes issued in lieu thereof or in substitution therefore pursuant to the provisions of the South Subordinate General Bond Resolution. The Notes of each Series shall be designated as provided in Section 206(a)(4) hereof and shall mature on such dates in each of the years and in the principal amounts, all as shall be determined by the Executive Director of the Commission on or before the date of delivery of such Notes. The Notes shall bear interest at the rate of zero per centum (0%) per annum. Notwithstanding anything contained in the South Subordinate General Bond Resolution to the contrary, the Notes of each Series shall be issued in the form of one certificate setting forth the required annual installments of principal payable in each year and the respective rates of interest per annum thereon and shall be in substantially the form attached as Exhibit B hereto and hereby made a part hereof, with such insertions, omissions or changes as are necessary or desirable. The Notes of each Series shall be dated such date as may be determined by the Executive Director of the Commission on or before the date of delivery of such Notes. Notwithstanding anything contained in the South Subordinate General Bond Resolution to the contrary, principal on the Notes of each Series shall be payable on such date or dates (which shall not be later than five (5) years following the date of issuance thereof), commencing on such date or dates as may be determined by the Executive Director of the Commission. The determinations required by this Section in respect of any Series of Notes shall be contained in the Executive Director's Certificate authorized by Section 206(a) hereof, and the manual or facsimile signature of the Chairman or Vice Chairman of the Commission on the Notes shall constitute conclusive evidence of the determinations required by this Section.

**Section 205. Privilege of Redemption of the Notes.** The Notes of each Series may be subject to optional redemption prior to maturity by or on behalf of the Commission, mandatory

redemption at the direction of the Trust, and/or special redemption from unexpended note proceeds or from the net proceeds of any insurance, recovery or condemnation, all as shall be determined by the Executive Director in accordance with Section 206(a)(3) hereof and the requirements of the Trust, and in accordance with the terms and provisions of Article VII of the South Subordinate Bond Resolution. Notwithstanding the provisions of the South Subordinate General Bond Resolution, notice of any such redemption shall be given in the manner specified in the Executive Director's Certificate.

**Section 206. Additional Terms of the Notes; Delegation of Authority.**

(a) There is hereby delegated to the Executive Director of the Commission, subject to the limitations contained herein and in the South Subordinate General Bond Resolution, the power with respect to each Series of the Notes to determine, direct and carry out the following:

(1) The date or dates, maturity date or dates, and record dates, the aggregate principal amount and the principal amount of each maturity of such Series of the Notes;

(2) The interest rate or rates of the Notes of such Series, the date from which interest on such Notes shall accrue, and the first interest payment date;

(3) The Redemption Price or Prices, if any, and subject to Article VII of the South Subordinate General Bond Resolution, the redemption terms, if any, for the Notes of such Series, and the terms for the giving of notice thereof; provided, however, that the Redemption Price of any Notes subject to redemption at the election of the Commission or in accordance with the South Subordinate General Bond Resolution shall not be greater than one hundred percent (100%) of the principal amount of the Notes or portion thereof to be redeemed, plus accrued interest to the date of redemption;

(4) The form of the Notes of such Series and the designation thereof, which shall contain the words "Wanaque South Project Subordinate Bond Anticipation Notes", followed by a Series designator;

(5) The application of the proceeds of the Notes, and in connection therewith there may be established one or more funds and accounts to be held by the Trustee pending application thereof;

(6) The insertion of any other details or provision (including any additional designations of any notes) deemed necessary, desirable or convenient by the Executive Director of the Commission or upon advice of Bond Counsel, which details and provisions are not in conflict with the provisions hereof or of the South Subordinate General Bond Resolution. (If an issue of conflict arises between the Executive Director's Certificate and this Tenth Supplemental Subordinate Resolution with respect to the details or provisions contained in the Executive Director's Certificate, the Executive Director may rely exclusively upon an opinion of Bond Counsel.); and

(7) If required by the Trust, the Executive Director may provide in the Executive Director's Certificate for a pledge of the amounts described in clause (iii) of Section 202 hereof for the benefit of the Notes of such Series, which pledge may be on a parity with or subordinate to the pledge of the Revenues under the South Subordinate Bond Resolution in respect of Subordinate Bonds issued under the South Subordinate Bond Resolution; provided, that no such pledge shall be effected without the prior consent of the holders of all Subordinate Bonds then Outstanding under the South Subordinate Bond Resolution.

The Executive Director shall execute an Executive Director's Certificate in respect of each Series of the Notes evidencing determinations or other actions taken pursuant to the authority granted herein, and any such Certificate shall be conclusive evidence of the action or determination of the Executive Director as to the matters stated therein.

(b) Each Series of the Notes shall be issued in registered form and shall be numbered from R-1 upwards in order of their issuance, or in any other manner deemed appropriate by the Trustee.

(c) Each Series of Notes shall be signed on behalf of the Commission by the manual or facsimile signature of the Chairman, Vice-Chairman or Executive Director and the corporate seal or a facsimile of the corporate seal of the Commission shall be engraved, impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant

Secretary. The Registrar shall act as authenticating agent with respect to the Notes. The certificate of authentication of the Registrar shall be manually signed on behalf of the Registrar by an authorized officer of the Registrar identified in a certificate of the Registrar which shall have been delivered to the Commission.

(d) In case any officer whose facsimile signature shall appear on any Notes shall cease to be such officer before the delivery thereof, such facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until after such delivery.

(e) The Notes shall be authenticated by the Registrar and delivered to the purchasers thereof in accordance with written instructions of the Commission upon receipt by the Trustee of (i) the net proceeds of the issuance and sale of the Notes, the amount of which shall be certified by the Commission to the Trustee and which proceeds shall be applied as provided in the Executive Director's Certificate authorized pursuant to paragraph (a) above, and (ii) each other item set forth in Sections 305, 306 (including the certificate of the Consulting Engineer required by paragraph (6) thereof) and 419 of the South Subordinate General Bond Resolution (which are hereby made applicable to the Notes notwithstanding that the Notes do not constitute Subordinate Bonds); provided, however, that in the event any Series of Notes is issued as a "draw down" obligation, it shall be sufficient for purposes of clause (i) above that the Note provides for the payment of proceeds to the Commission over time.

(f) The Notes shall not be entitled to share in the security of the Debt Service Reserve Fund established under the South Subordinate General Bond Resolution.

(g) Any other provision of the South Subordinate General Bond Resolution that is necessary in order to effectuate the issuance and delivery of, and security for, the Notes as contemplated by this Tenth Supplemental Subordinate Resolution, are hereby made applicable to the Notes solely for such purpose, it being understood that the Notes shall not otherwise constitute Subordinate Bonds within the meaning of the South Subordinate General Bond Resolution.

**Section 207. Award of the Notes.** Each Series of the Notes is hereby sold and awarded to the Trust pursuant to and upon the terms and conditions set forth herein, at a purchase price equal to the principal amount thereof.

**Section 208. Paving Agent; Registrar.** (a) Paving Agent. The Trustee is hereby designated to be the initial Paying Agent with respect to the Notes. The Paying Agent shall act as paying agent with respect to the Notes and shall perform the duties of the Paying Agent as are set forth herein and in the South Subordinate General Bond Resolution and shall hold all sums delivered to it for the payment of principal of, redemption premium, if any, and interest on the Notes in trust for the benefit of the Registered Owners until such sums shall be paid to the Registered Owners or otherwise disposed of as herein provided. The Trustee, which may act by means of agents, shall signify its acceptance of the duties and obligations of the Paying Agent imposed upon it hereunder by its execution and delivery of a certificate reflecting such acceptance.

(b) Registrar. The Trustee is hereby designated to be the initial Registrar. The Registrar, which may act by means of agents, shall:

(i) keep such books and records as shall be consistent with prudent industry practice and make such books and records, including the books of registration for the Notes, available for inspection by the parties hereto;

(ii) promptly report to the Trustee all authentications of Notes transferred, exchanged or remarketed and any information received by it concerning the names and addresses of owners of the Notes; and

(iii) discharge each additional responsibility and obligation imposed on the Registrar pursuant to the South Subordinate General Bond Resolution and this Tenth Supplemental Subordinate Resolution.

The Registrar shall signify its acceptance of the duties and obligations of the Registrar imposed upon it hereunder by its execution and delivery of a certificate reflecting such acceptance.

(c) Removal or Resignation of Paying Agent and Registrar. (i) The Commission may

discharge the Paying Agent and/or the Registrar from time to time and appoint a successor to either of them. The Commission shall also designate a successor if the Paying Agent and/or the Registrar resigns or becomes ineligible. The Paying Agent and/or the Registrar may resign by giving at least thirty (30) days' written notice to the parties hereto. Each successor Paying Agent and/or the Registrar shall be a commercial bank or trust company having a capital and surplus of not less than \$50,000,000 and shall be registered as a transfer agent with the Securities and Exchange Commission. The Paying Agent and the Registrar each may, but need not, be the same person as the Trustee. The Commission shall give notice of the appointment of a successor Paying Agent and/or Registrar in writing to each owner of the Notes. The Commission will promptly certify to the Trustee that it has mailed such notice to all owners of the Notes, and such certificate will be conclusive evidence that such notice was given in the manner required hereby.

(ii) In the event of the resignation or removal of the Paying Agent or the Registrar, as the case maybe, the Paying Agent shall pay over, assign and deliver any moneys and Notes held by it, and the Registrar shall deliver the books of registry maintained by it and unauthenticated Notes held by it, to their respective successors or, if there be no successor, to the Trustee.

(d) Successor Agents. (i) Any corporation, association, partnership or firm which succeeds to the business of the Paying Agent or the Registrar (collectively, the "Agents") as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Agent under this Tenth Supplemental Subordinate Resolution and any other agreement governing the rights and obligations of the Agents.

(ii) In the event that an Agent (or Agents) shall resign or be removed, or be dissolved, or if the property or affairs of an Agent (or Agents) shall be taken under the control of any state of federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Commission shall not have appointed its successor, the Trustee shall appoint a successor and, if no appointment is made within thirty (30) days from the effective date of the resignation, shall apply to a court of competent jurisdiction for such appointment.

(e) Benefit of Provisions of South Subordinate General Bond Resolution. The Paying Agent and the Registrar each shall be entitled to the benefits of, and shall be governed in the performance of their respective duties by, the provisions of Article XI of the South Subordinate General Bond Resolution, in the same manner as the Trustee.

**Section 209. Successors and Assigns of Commission Bound by Tenth Supplemental Subordinate Resolution.** All the covenants, stipulations, promises and agreements in this Tenth Supplemental Subordinate Resolution contained by or on behalf of the Commission or the Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

**Section 210. Official Acts by Successors.** Any act or proceeding by any provision of this Tenth Supplemental Resolution authorized or required to be done or performed by any board, committee or officer of the Commission shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Commission.

**Section 211. Notice or Demand Served by Mail.** (a) With respect to any matters pertaining to the Notes, unless otherwise expressly specified or permitted by the terms of this Tenth Supplemental Resolution, all notices shall be deemed given when in writing and mailed by first-class mail, postage prepaid, as follows:

If to the Commission:                   The North Jersey District Water Supply Commission  
One Frank A. Orechio Drive  
Wanaque, New Jersey 07465  
Attn: Executive Director

If to the Trustee:                       Manufacturers and Traders Trust Company  
166 Mercer Street, Suite 2R  
New York, New York 10012  
Attn: Corporate Trust Department

(b) The Commission or the Trustee, may, by notice given in the manner described herein, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, which notice shall be deemed given when received.

**Section 212. Resolution to Constitute a Contract; Governing Law.** This Tenth Supplemental Resolution and the Bonded Indebtedness authorized hereby shall be deemed to be contracts made under the laws of the State and for all purposes shall be construed in accordance with the laws of the State.

**Section 213. Legal Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Tenth Supplemental Resolution or the Notes, shall not be a Business Day, such payment may, unless otherwise provided herein or in the Notes, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided herein or in the Notes, and no interest shall accrue for the period after such nominal date.

**Section 214. Benefits of Provisions of Tenth Supplemental Subordinate Resolution and Notes.** Nothing in this Tenth Supplemental Subordinate Resolution or in the Subordinate Bonds issued hereunder, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the Commission, the Trustee and the Holders of the Notes, any legal or equitable right, remedy or claim under or in respect of this Tenth Supplemental Resolution, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the Commission, the Trustee and of the Holders of the Notes.

**Section 215. Actions to be Taken on Behalf of the Commission.** The various Commissioners and officers and employees of the Commission, including the Executive Director, the Deputy Executive Director and the Chief Financial Officer, 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 Tenth Supplemental Subordinate Resolution and to meet the requirements of the Trust with respect to the issuance of the Notes.

**Section 216. Prior Action.** All action taken to date by the officers, employees and agents of the Commission with respect to the Notes hereby are approved, ratified, adopted and confirmed.

**Section 217. Successors and Assigns.** Whenever in this Tenth Supplemental Subordinate Resolution 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 Tenth Supplemental Subordinate Resolution 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 Tenth Supplemental Subordinate Resolution.

**Section 218. No Recourse on Notes.** No recourse shall be had for the payment of the principal of or the interest on the Notes or for any claim based thereon or on the South Subordinate General Bond Resolution or this Tenth Supplemental Subordinate Resolution against any member or Commissioner or officer of the Commission or any person executing the Notes. The Notes are not and shall not be in any way a debt or liability of the State 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 Notes, and the Notes are not and shall not be payable out of any funds other than those of the Commission.

**Section 219. Severability of Invalid Provision.** If any one or more of the provisions, covenants or agreements in this Tenth Supplemental Subordinate 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 Tenth Supplemental Subordinate Resolution or of the Notes.

**Section 220. Estoppel Statement.** The Secretary of the Commission is hereby directed to cause a notice of the adoption of this Tenth Supplemental Subordinate Resolution, substantially in the form attached hereto as Exhibit A, published in The Star-Ledger, The Record, the Herald

News and the Jersey Journal and posted in the office of the Commission and the office of the Clerk of each South Local Unit, in accordance with N.J.S.A. §58:5-40.

**Section 221. Effective Date.** This Tenth Supplemental Subordinate Resolution shall take effect upon adoption by the Commission.

Vice Chairman Orechio offered a motion to adopt the resolution authorizing the Tenth Supplemental Subordinate Bond Resolution of the North Jersey District Water Supply Commission Wanaque South Project Subordinate Bond Anticipation Notes; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

**Resolution – Eighteenth Supplemental Bond Resolution of the North Jersey District Water Supply Commission Wanaque North Project Bond Anticipation Notes**

Commission Secretary Kim Diamond read the following resolution:

**EIGHTEENTH SUPPLEMENTAL BOND RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION** (the "Commission"), a public body corporate and politic of the State of New Jersey (the "State"), organized and existing under and by virtue of the laws of the State, and in particular, N.J.S.A. §58:5-1 et seq., as amended and supplemented (the "Act").

***PRELIMINARY STATEMENT***

Pursuant to and in accordance with the provisions of the Act, on January 22, 1988, the Commission adopted that certain resolution entitled, "General Bond Resolution of the North Jersey District Water Supply Commission Securing One or More Series of Wanaque North Project Revenue Bonds" (the "North General Bond Resolution"), as may be amended and supplemented (the North General Bond Resolution and all supplemental resolutions, including this Eighteenth Supplemental Resolution, as such term is defined herein, shall be collectively referred to as the "North Bond Resolution"), authorizing, among other things, the issuance of one or more series of Bonds, including any and all Additional Bonds, as such terms are defined in the North Bond Resolution, by the Commission in order to finance and refinance the Commission's share of the costs of the acquisition, construction and improvement of the Wanaque North Project, as such term is defined in the North Bond Resolution. The interest and principal of such Bonds (including Refunding Bonds) are payable from Revenues (as defined in the North Bond Resolution) available pursuant to the Act. The Commission has secured the payment of interest and principal of the Bonds by a pledge of the Revenues and other collateral provided for in the North Bond Resolution.

The Commission has heretofore adopted its Seventeenth Supplemental Bond Resolution on June 22, 2016 pursuant to the North General Bond Resolution (the "Seventeenth Supplemental Resolution"), by which the Commission authorized the undertaking of additional improvements to the Commission's Wanaque North Project as described generally on Exhibit B attached thereto (collectively, the "2016A Authorized Project").

Pursuant to the provisions of the New Jersey Environmental Infrastructure Trust Financing Program (the "Program"), established pursuant to N.J.S.A. 58:JJ B-1 et seq. (the "Trust Act"), funds may be available for the purpose of financing certain projects eligible for inclusion in the Program ("Program Eligible Projects").

As a project that provides water quality improvements, the 2016A Authorized Project qualifies under the Program and the Trust Act as a Program Eligible Project, subject to a final determination made by the New Jersey Environmental Infrastructure Trust (the "Trust") and the New Jersey Department of Environmental Protection (the "DEP").

The Commission desires to participate in the Program in order to finance all, or a portion, of the costs of the 2016A Authorized Project from (i) the proceeds of one or more loans (collectively, the "Trust Loans") from the Trust to the Commission, such Trust Loans to be secured by one or more Bonds issued by the Commission to the Trust (collectively, the "Trust Loan Bonds") pursuant to the North Bond Resolution, and (ii) the proceeds of one or more loans (collectively, the "Fund Loans", and together with the Trust Loans, the "Loans") from the State, acting by and through the DEP (the "Fund"), to the Commission, such loans to be secured by one or more Bonds issued by the Commission to the

Fund (collectively, the "Fund Loan Bonds", and together with the Trust Loan Bonds, the "Loan Bonds") pursuant to the North Bond Resolution.

The Loan Bonds shall constitute Additional Bonds, pursuant to the North General Bond Resolution, and shall be entitled to the security and benefit of the pledge of and all other rights and benefits provided by the North General Bond Resolution.

The Loan Bonds shall be issued on a parity basis with all other Bonds of the Commission previously issued pursuant to the North Bond Resolution and shall be equally secured by the Trust Estate, as such term is defined in the North Bond Resolution, which includes, without limitation, certain payments made by the local government units of Paterson, Passaic, Clifton, Bloomfield, Glen Ridge, Kearny, Montclair and Newark (collectively, the "North Local Units") under and pursuant to a Service Contract dated as of 1918, as amended and supplemented (collectively, the "North Service Contract").

In accordance with the North Service Contract, the Commission has heretofore obtained the consents of each and every North Local Unit, which consents are evidenced by resolutions duly adopted by the governing bodies of the North Local Units.

The Loan Bonds shall be special and limited obligations of the Commission payable only out of Revenues and other moneys pledged under the North Bond Resolution and hereunder for such purposes and shall not create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof (other than the special limited obligations of the Commission) nor constitute a pledge of the full faith and credit of the State of any such political subdivision.

The Commission has determined to issue one or more series of bond anticipation notes under the North General Bond Resolution (collectively, the "Notes") in order to provide interim financing for the 2016A Authorized Project, and to sell such Notes to the Trust in accordance with its note purchase program.

The Notes shall be special and limited obligations of the Commission payable only out of the "Notes Trust Estate" pledged under this Eighteenth Supplemental Resolution for such purposes and shall not create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof (other than the special limited obligations of the Commission) nor constitute a pledge of the full faith and credit of the State or any such political subdivision.

Pursuant to and in accordance with the provisions of the Act, on July 13, 2016, the Commission caused to be filed with the Clerk of each North Local Unit copies of this Eighteenth Supplemental Resolution and notice of a public comment to be held by the Commission on July 27, 2016 regarding the issuance of the Notes. Such public comment was held on July 27, 2016.

All acts and things necessary to constitute this Eighteenth Supplemental Resolution a valid resolution according to its terms have been done and performed; the Commission has duly authorized the adoption of this Eighteenth Supplemental Resolution; and the Commission, in the exercise of the legal right and power vested in it, adopts this Eighteenth Supplemental Resolution and proposes to make, execute, issue and deliver the Notes as contemplated hereunder.

At the time the Notes are issued by the Commission and authenticated and delivered by the Registrar in accordance with the provisions of the North Bond Resolution, all acts and things necessary to authorize such Notes and constitute such Notes valid, binding and legal obligations of the Commission will have been done and performed; now therefore,

**BE IT RESOLVED ON THIS 27 DAY OF JULY, 2016**, in order to declare the terms and conditions upon which the Notes are to be authenticated, issued and delivered, and in consideration of the premises, the Commission covenants, for the benefit of the respective holders, from time to time of the Notes issued hereunder, as follows:

## ARTICLE I

**Section 101. Short Title.** This resolution may hereafter be cited by the Commission, and is hereinafter sometimes referred to, as this "Eighteenth Supplemental Resolution" or "Supplemental Resolution No. 18".

**Section 102. Authority for Supplemental Resolution No. 18.** Supplemental Resolution No. 18 supplements the General Bond Resolution and is adopted pursuant to the provisions of the

General Bond Resolution and in accordance with the terms of Articles II and XII, particularly Section 2.5 and Section 12.1, for the purpose of creating one or more Series of Bonded Indebtedness, as defined therein, and for the purpose of specifying, determining and authorizing certain matters and things relative to the Notes authorized pursuant to Sections 203 and 204 of this Supplemental Resolution No. 18, and is a Supplemental Resolution. The Commission has ascertained and hereby determines that adoption of this Supplemental Resolution No. 18 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 North General Bond Resolution and in furtherance of the purposes of the Commission.

**Section 103. Definitions.** (a) Wherever used or referred to in this Supplemental Resolution No. 18, all words or terms which are defined in Section 1.1 of the North General Bond Resolution or in the Preliminary Statement hereof, 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 1.1 of the North General Bond Resolution or in the Preliminary Statement hereof.

(b) In this Supplemental Resolution No. 18, unless a different meaning clearly appears from the context:

Articles and Sections mentioned by number alone and without qualification by the word "hereof" are the respective Articles and Sections of the North General Bond Resolution so numbered;

"Authorized Officer" shall mean the Chairman, Vice-Chairman or Executive Director of the Commission.

"Bond Counsel" shall mean GluckWalrath LLP, or any other attorney at law or firm of attorneys of nationally recognized standing in matters pertaining to the federal exclusion from gross income of interest on bond, notes, or other obligations issued by states and political subdivisions and duly admitted to the practice law before the highest court of any state.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations pertaining thereto which from time to time shall be promulgated;

"Executive Director's Certificate" shall mean any Certificate executed by the Executive Director of the Commission and provided for in Section 206(a) hereof;

"Notes Trust Estate" shall have the meaning set forth in Section 202 hereof;

"Paying Agent" shall mean the Trustee, acting in its capacity as paying agent with respect to the Notes pursuant to Section 208(a) hereof and any successor paying agent.

"Record Date" shall mean the close of business on the fifteenth day of the month proceeding each month in which there shall fall an Interest Payment Date.

"Registrar" shall mean the Trustee acting in its capacity as registrar, transfer agent and authenticating agent with respect to the Notes pursuant to Section 208(b) hereof and any successor registrar.

"Trustee" means The Bank of New York Mellon and any successor thereto appointed in accordance with the provisions set forth in Article IX of the North General Bond Resolution for the Trustee (as therein defined).

(c) The terms "herein", "hereunder", "hereby", "hereto", "hereof", and any similar terms, refer to this Supplemental Resolution No. 18; the term "heretofore" means before the date of adoption of this Supplemental Resolution No. 18; and the term "hereafter" means after the date of adoption of this Supplemental Resolution No. 18; 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 104. Captions.** Any captions or headings preceding the text of any section herein convenience of reference and shall not constitute part of this Supplemental Resolution No. 18 meaning, construction or effect.

## ARTICLE II

**Section 201. Purpose of the Notes.** Pursuant to the terms and provisions of Section 2.5 of the North General Bond Resolution and this Eighteenth Supplemental Resolution, the Commission does hereby determine to issue the Notes, from time to time as provided herein, for the purpose of raising additional funds to pay (and/or to refinance Notes previously issued to pay) all or a portion of the Costs of the 2016 Additional Project, including all costs in connection with the issuance of the Notes.

**Section 202. Pledge Securing the Notes.** Pursuant to the terms and provisions of Section 2.5 of the North General Bond Resolution, there are hereby pledged for the payment of the Notes issued from time to time hereunder the following (collectively, the "Notes Trust Estate"): (i) the proceeds of the sale of the Loan Bonds, to the extent such Loan Bonds are issued for the purpose of refinancing the Notes; (ii) the proceeds of the sale of any subsequent Series of Notes, to the extent such Notes are issued for the purpose of refinancing any previously-issued Notes; and (iii) if so determined by the Executive Director in accordance with Section 206(a)(7) hereof, the Revenues (which may be on a parity with or subordinate to the pledge of the Revenues under the North General Bond Resolution in respect of Bonds issued there under). The pledges in clauses (i) and (ii) above have priority over any other pledge under the North General Bond Resolution. Except to the extent of any pledge of the Revenues pursuant to clause (iii) above, the Notes shall not be entitled to payment from any of the funds and accounts established under the North General Bond Resolution in respect of Bonds issued there under.

**Section 203. Authorization of the Notes.** Pursuant to the provisions of Section 2.5 of the North General Bond Resolution, the Commission hereby authorizes the issuance of the Notes, in one or more Series and from time to time, in an aggregate principal amount not to exceed \$7,800,000, for the purpose of financing or refinancing all or a portion of the Cost of the 2016A Additional Project, including all costs in connection with the issuance of the Notes.

**Section 204. Terms of the Notes.** Subject to and pursuant to the provisions of the North General Bond Resolution, and for the purposes specified in Section 2.5 hereof, one or more Series of Notes of the Commission are hereby authorized to be issued from time to time and sold to the Trust in accordance with its note purchase program. The aggregate principal amount of each Series of the Notes shall be the amount determined by the Executive Director of the Commission in accordance with the requirements of the Trust on or before the date of delivery of such Notes to the Trust; provided, however, that the aggregate principal amount of all Notes issued hereunder shall not exceed \$7,800,000, except Notes issued in lieu thereof or in substitution therefore pursuant to the provisions of the North General Bond Resolution. The Notes of each Series shall be designated as provided in Section 206(a)(4) hereof and shall mature on such dates in each of the years and in the principal amounts, all as shall be determined by the Executive Director of the Commission on or before the date of delivery of such Notes. The Notes shall bear interest at the rate of zero per centum (0%) per annum. Notwithstanding anything contained in the North General Bond Resolution to the contrary, the Notes of each Series shall be issued in the form of one certificate setting forth the required annual installments of principal payable in each year and the respective rates of interest per annum thereon and shall be in substantially the form attached as Exhibit B hereto and hereby made a part hereof, with such insertions, omissions or changes as are necessary or desirable. The Notes of each Series shall be dated such date as may be determined by the Executive Director of the Commission on or before the date of delivery of such Notes. Notwithstanding anything contained in the North General Bond Resolution to the contrary, principal on the Notes of each Series shall be payable on such date or dates (which shall not be later than five (5) years following the date of issuance thereof), commencing on such date or dates as may be determined by the Executive Director of the Commission. The determinations required by this Section in respect of any Series of Notes shall be contained in the Executive Director's Certificate authorized by Section 206(a) hereof, and the manual or facsimile signature of the Chairman or Vice Chairman of the Commission on the Notes shall constitute conclusive evidence of the determinations required by this Section.

**Section 205. Privilege of Redemption of the Notes.** The Notes of each Series may be subject to optional redemption prior to maturity by or on behalf of the Commission, mandatory redemption at the direction of the Trust, and/or special redemption from unexpended note proceeds or from the net proceeds of any insurance, recovery or condemnation, all as shall be determined by the Executive Director in accordance with Section 206(a)(3) hereof and the requirements of the Trust, and in accordance with the terms and provisions of Article IV of the North General Bond Resolution. Notwithstanding the provisions of the North General Bond Resolution, notice of any such redemption shall be given in the manner specified in the Executive Director's Certificate.

**Section 206. Additional Terms of the Notes; Delegation of Authority.**

(a) There is hereby delegated to the Executive Director of the Commission, subject to the limitations contained herein and in the North General Bond Resolution, the power with respect to each Series of the Notes to determine, direct and carry out the following:

(1) The date or dates, maturity date or dates, the aggregate principal amount and the principal amount of each maturity of such Series of the Notes;

(2) The interest rate or rates of the Notes of such Series, the date from which interest on such Notes shall accrue, and the first interest payment date;

(3) The Redemption Price or Prices, if any, and subject to Article III of the North General Bond Resolution, the redemption terms, if any, for the Notes of such Series, and the terms for the giving of notice thereof; provided, however, that the Redemption Price of any Notes subject to redemption at the election of the Commission or in accordance with the North General Bond Resolution shall not be greater than one hundred percent (100%) of the principal amount of the Notes or portion thereof to be redeemed, plus accrued interest to the date of redemption;

(4) The form of the Notes of such Series and the designation thereof, which shall contain the words "Wanaque North Project Bond Anticipation Notes", followed by a Series designator;

(5) The application of the proceeds of the Notes, and in connection therewith there may be established one or more funds and accounts to be held by the Trustee pending application thereof;

(6) The insertion of any other details or provision (including any additional designations of any Notes) deemed necessary, desirable or convenient by the Executive Director of the Commission or upon advice of Bond Counsel, which details and provisions are not in conflict with the provisions hereof or of the North General Bond Resolution. (If an issue of conflict arises between the Executive Director's Certificate and this Supplemental Resolution No. 18 with respect to the details or provisions contained in the Executive Director's Certificate, the Executive Director may rely exclusively upon an opinion of Bond Counsel.); and

(7) If required by the Trust, the Executive Director may provide in the Executive Director's Certificate for a pledge of the Revenues for the benefit of the Notes of such Series, which pledge may be on a parity with or subordinate to the pledge of the Revenues under the North General Bond Resolution in respect of Bonds issued under the North General Bond Resolution.

The Executive Director shall execute an Executive Director's Certificate in respect of each Series of the Notes evidencing determinations or other actions taken pursuant to the authority granted herein, and any such Certificate shall be conclusive evidence of the action or determination of the Executive Director as to the matters stated therein.

(b) Each Series of Notes shall be issued in registered form and shall be numbered from R-1 upwards in order of their issuance, or in any other manner deemed appropriate by the Trustee.

(c) Each Series of Notes shall be signed on behalf of the Commission by the manual or facsimile signature of the Chairman, Vice-Chairman or Executive Director and the corporate seal or a facsimile of the corporate seal of the Commission shall be engraved, impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary. The Registrar shall act as authenticating agent with respect to the Notes. The certificate of authentication of the Registrar shall be manually signed on behalf of the Registrar by an

authorized officer of the Registrar identified in a certificate of the Registrar which shall have been delivered to the Commission.

(d) In case any officer whose facsimile signature shall appear on any Notes shall cease to be such officer before the delivery thereof, such facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until after such delivery.

(e) The Notes shall be authenticated by the Registrar and delivered to the purchasers thereof in accordance with written instructions of the Commission upon receipt by the Trustee of

(i) the net proceeds of the issuance and sale of the Notes, the amount of which shall be certified by the Commission to the Trustee and which proceeds shall be applied as provided in the Executive Director's Certificate authorized pursuant to paragraph (a) above, and (ii) each other item set forth in Sections 2.2(a), 2.5 (including by reference the certificate of the Consulting Engineer required by Section 2.3(1)) and 12.2 of the North General Bond Resolution; provided, however, that in the event any Series of Notes is issued as a "draw down" obligation, it shall be sufficient for purposes of clause (i) above that the Note provides for the payment of proceeds to the Commission over time.

(f) The Notes shall not be entitled to share in the security of the Debt Service Reserve Fund established under the North General Bond Resolution.

**Section 207. Award of the Notes.** Each Series of the Notes is hereby sold and awarded to the Trust pursuant to and upon the terms and conditions set forth herein, at a purchase price equal to the principal amount thereof.

**Section 208. Paying Agent; Registrar.** (a) Paying Agent. The Trustee is hereby designated to be the initial Paying Agent with respect to the Notes. The Paying Agent shall act as paying agent with respect to the Notes and shall perform the duties of the Paying Agent as are set forth herein and in the North General Bond Resolution and shall hold all sums delivered to it for the payment of principal of, redemption premium, if any, and interest on the Notes in trust for the benefit of the Registered Owners until such sums shall be paid to the Registered Owners or otherwise disposed of as herein provided. The Trustee, which may act by means of agents, shall signify its acceptance of the duties and obligations of the Paying Agent imposed upon it hereunder by its execution and delivery of a certificate reflecting such acceptance.

(b) Registrar. The Trustee is hereby designated to be the initial Registrar. The Registrar, which may act by means of agents, shall:

(i) keep such books and records as shall be consistent with prudent industry practice and make such books and records, including the books of registration for the Notes, available for inspection by the parties hereto;

(ii) promptly report to the Trustee all authentications of Notes transferred, exchanged or remarketed and any information received by it concerning the names and addresses of owners of the Notes; and

(iii) discharge each additional responsibility and obligation imposed on the Registrar pursuant to the North General Bond Resolution and this Eighteenth Supplemental Resolution.

The Registrar shall signify its acceptance of the duties and obligations of the Registrar imposed upon it hereunder by its execution and delivery of a certificate reflecting such acceptance.

(c) **Removal or Resignation of Paying Agent and Registrar.** (i) The Commission may discharge the Paying Agent and/or the Registrar from time to time and appoint a successor to either of them. The Commission shall also designate a successor if the Paying Agent and/or the Registrar resigns or becomes ineligible. The Paying Agent and/or the Registrar may resign by giving at least thirty (30) days' written notice to the parties hereto. Each successor Paying Agent and/or the Registrar shall be a commercial bank or trust company having a capital and surplus of not less than \$50,000,000 and shall be registered as a transfer agent with the Securities and Exchange Commission. The Paying Agent and the Registrar each may, but need not, be the same person as the Trustee. The Commission shall give notice of the appointment of a successor Paying Agent and/or Registrar in writing to each owner of the Notes. The Commission will promptly

certify to the Trustee that it has mailed such notice to all owners of the Notes, and such certificate will be conclusive evidence that such notice was given in the manner required hereby.

(ii) In the event of the resignation or removal of the Paying Agent or the Registrar, as the case maybe, the Paying Agent shall pay over, assign and deliver any moneys and Notes held by it, and the Registrar shall deliver the books of registry maintained by it and unauthenticated Notes held by it, to their respective successors or, if there be no successor, to the Trustee.

(d) Successor Agents. (i) Any corporation, association, partnership or firm which succeeds to the business of the Paying Agent or the Registrar (collectively, the "Agents") as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Agent under this Supplemental Resolution No. 18 and any other agreement governing the rights and obligations of the Agents.

(ii) In the event that an Agent (or Agents) shall resign or be removed, or be dissolved, or if the property or affairs of an Agent (or Agents) shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Commission shall not have appointed its successor, the Trustee shall appoint a successor and, if no appointment is made within thirty (30) days from the effective date of the resignation, shall apply to a court of competent jurisdiction for such appointment.

(e) Benefit of Provisions of North General Bond Resolution. The Paying Agent and the Registrar each shall be entitled to the benefits of, and shall be governed in the performance of their respective duties by, the provisions of Article IX of the North General Bond Resolution, in the same manner as the Trustee.

**Section 209. Successors and Assigns of Commission Bound by Supplemental Resolution No. 18.** All the covenants, stipulations, promises and agreements in this Supplemental Resolution No. 18 contained by or on behalf of the Commission or the Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

**Section 210. Official Acts by Successors.** Any act or proceeding by any provision of this Supplemental Resolution No. 18 authorized or required to be done or performed by any board, committee or officer of the Commission shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful sole successor of the Commission.

**Section 211. Notice or Demand Served by Mail.** (a) With respect to any matters pertaining to the Notes, unless otherwise expressly specified or permitted by the terms of this Supplemental Resolution No. 18, all notices shall be deemed given when in writing and mailed by first-class mail, postage prepaid, as follows:

If to the Commission:           The North Jersey District Water Supply Commission  
  One Frank A. Orechio Drive  
  Wanaque, New Jersey 07465  
  Attn: Executive Director

If to the Trustee:                The Bank of New York Mellon 385 Rifle Camp Road, 3rd Floor  
  Woodland Park, New Jersey 07424 Attn:  
  Corporate Trust Department

(b) The Commission or the Trustee, may, by notice given in the manner described herein, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent, which notice shall be deemed given when received.

**Section 212. Resolution to Constitute a Contract; Governing Law.** This Supplemental Resolution No. 18 and the Bonded Indebtedness authorized hereby shall be deemed to be contracts made under the laws of the State and for all purposes shall be construed in accordance with the laws of the State.

**Section 213. Legal Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Supplemental Resolution

No. 18 or the Notes, shall not be a Business Day, such payment may, unless otherwise provided herein or in the Notes, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided herein or in the Notes, and no interest shall accrue for the period after such nominal date.

**Section 214. Benefits of Provisions of Supplemental Resolution No. 18 and Notes.** Nothing in this Supplemental Resolution No. 18 or in the Bonded Indebtedness issued hereunder, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the Commission, the Trustee and the Holders of the Notes, any legal or equitable right, remedy or claim under or in respect of this Supplemental Resolution No. 18, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the Commission, the Trustee and of the Holders of the Notes.

**Section 215. Actions to be Taken on Behalf of the Commission.** The various Commissioners and officers and employees of the Commission, including the Executive Director, the Deputy Executive Director and the Chief Financial Officer, 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 Supplemental Resolution No. 18 and to meet the requirements of the Trust with respect to the issuance of the Notes.

**Section 216. Prior Action.** All action taken to date by the officers, employees and agents of the Commission with respect to the Notes hereby are approved, ratified, adopted and confirmed.

**Section 217. Successors and Assigns.** Whenever in this Supplemental Resolution No. 18 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 Supplemental Resolution No. 18 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 Supplemental Resolution No. 18.

**Section 218. No Recourse on Notes.** No recourse shall be had for the payment of the principal of or the interest on the Notes or for any claim based thereon or on the North General Bond Resolution or this Supplemental Resolution No. 18 against any member or Commissioner or officer of the Commission or any person executing the Notes. The Notes are not and shall not be in any way a debt or liability of the State 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 Notes, and the Notes are not and shall not be payable out of any funds other than those of the Commission.

**Section 219. Severability of Invalid Provision.** If any one or more of the provisions, covenants or agreements in this Supplemental Resolution No. 18 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 No. 18 or of the Notes.

**Section 220. Estoppel Statement.** The Secretary of the Commission is hereby directed to cause a notice of the adoption of this Supplemental Resolution No. 18, substantially in the form attached hereto as Exhibit A, published in The Star-Ledger, The Record, the Herald News and the Jersey Journal and posted in the office of the Commission and the office of the Clerk of each North Local Unit, in accordance with N.J.S.A. §58:5-46.

**Section 221. Effective Date.** This Supplemental Resolution No. 18 shall take effect upon adoption by the Commission.

Vice Chairman Orechio offered a motion to adopt the resolution authorizing the Eighteenth Supplemental Bond Resolution of the North Jersey District Water Supply Commission Wanaque North Project Bond Anticipation Notes; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

**Resolution – Authorizing an Amendment to Contract #1081 Between the North Jersey District Water Supply Commission and Jacobs Engineering Group, Inc.**

Commission Secretary Kim Diamond read the following resolution:

**RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY  
COMMISSION AUTHORIZING AN AMENDMENT TO CONTRACT #1090  
BETWEEN THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION  
AND JACOBS ENGINEERING GROUP, INC.**

**WHEREAS,** the North Jersey District Water Supply Commission (“Commission”) is a public body corporate duly organized and existing under and by virtue of the laws of the State of New Jersey, exercising public and essential governmental functions and providing for the public health and welfare, and is engaged in developing raw water sources, storing water and distributing a reliable supply of potable water to its participating municipalities; and

**WHEREAS,** the Commission had previously determined there was a need to retain the services of a general consulting engineering firm with expertise in the principles and practices of engineering as applied to the planning, design, construction, maintenance and operations of public water supply systems, providing the Commission with in-house expertise in the fields of civil, mechanical, electrical, environmental, structural and instrumentation engineering as it relates to the Commission’s large public water supply systems, for an initial two-year term (the “Engineering Services”); and

**WHEREAS,** on November 12, 2015, the Commission publicly advertised and issued a request for proposals for the Engineering Services, referenced as RFP #016-2015, and received proposals from five (5) firms on or about December 1, 2015; and

**WHEREAS,** the Commission’s evaluation committee reviewed and evaluated the proposals and determined that Jacobs Engineering Group, Inc. (“Jacobs”) submitted the most responsible and complying proposal for the performance of Engineering Services based upon predetermined criteria set forth in the RFP #016-2015, and recommended that Jacobs be awarded the contract in accordance with the Commission’s enabling legislation and applicable State law as the most qualified proposer, considering its experience and pricing proposal; and

**WHEREAS,** on or about January 22, 2016, the Board of Commissioners adopted Resolution No. 1606 authorizing the retention of Jacobs as the most qualified proposer to perform the Engineering Services and further authorizing the execution of a two-year contract with Jacobs in an amount not to exceed \$250,000.00 per contract year (“Contract #1090”); and

**WHEREAS,** pursuant to RFP #016-2015 and Contract #1090, the Commission may assign to Jacobs a broad array of work orders as it determines are necessary to the Commission’s efficient water supply operations and within the scope of work for the Engineering Services; and

**WHEREAS,** subsequent to the execution of Contract #1090, the Commission’s engineering staff identified several projects within the scope of Engineering Services under Contract #1090, including but not limited to the Peter’s Mine Watershed Impact Evaluation and the Power-Activated-Carbon System Design, that were unknown at the time the Commission set the original \$250,000.00 not-to-exceed amount for year one of Contract #1090; and

**WHEREAS,** after reviewing these projects and estimating the total cost associated therewith, the Commission’s engineering staff has recommended that Contract #1090 be amended so as to increase the \$250,000.00 not-to-exceed cap for year one by an additional \$250,000.00, to \$500,000.00 for year one; and

**WHEREAS,** Jacobs has provided quality Engineering Services thus far and the Commission desires to continue utilizing the firm for said services; and

**WHEREAS,** the additional projects necessitating an amendment to the not-to-exceed cap of Contract #1090 are within the scope of work for the Engineering Services; and

**WHEREAS**, in accordance with the terms and conditions of Contract #1090, the Commission will continue to carefully monitor and review Jacobs' task proposals and invoices to ensure that all projects are completed in a cost-efficient manner; and

**WHEREAS**, in light of the foregoing, the Commission has determined that it is necessary to authorize execution of an amendment to Contract #1090 so as to increase the original not-to-exceed amount of \$250,000.00 for year one by \$250,000.00, to \$500,000.00; and

**WHEREAS**, the adoption of this resolution and subsequent execution of an amendment to Contract #1090 is necessary for the Commission's efficient water treatment operations, the protection of the Commission's water supply facilities, and the health, safety and welfare of the public; and

**WHEREAS**, the Chief Financial Officer of the Commission has certified that the funds will be available for this amendment to Contract #1090.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the North Jersey District Water Supply Commission, that Contract #1090 be amended to increase the original not-to-exceed amount of \$250,000.00 for year one of the contract by an additional \$250,000.00, to \$500,000.00; and

**BE IT FURTHER RESOLVED** that the Executive Director and General Counsel are hereby authorized to prepare an amendment to Contract #1090 to increase the original not-to-exceed amount of \$250,000.00 for year one of the contract by an additional \$250,000.00, to \$500,000.00, with all other terms and conditions to remain unchanged; and

**BE IT FURTHER RESOLVED** that the Chairman or Vice Chairman of the Commission is hereby authorized to execute an amendment to Contract #1090 and the Secretary of the Commission is authorized to attest to the signature of either the Chairman or the Vice Chairman; and

**BE IT FURTHER RESOLVED** that a copy of this resolution and subsequent contract amendment shall be maintained in the Office of the Executive Director and made available for public inspection.

Vice Chairman Orechio offered a motion to adopt the resolution authorizing an amendment to Contract #1090 between the North Jersey District Water Supply Commission and Jacobs Engineering Group, Inc.; seconded by Commissioner Burrell and approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Kuser, Burrell and Garofalo voting in the affirmative. Commissioner Ashkinaze abstained.

**Resolution – Authorizing an Amendment to Contract #1081 Between the North Jersey District Water Supply Commission and JBL Electric, Inc.**

Commission Secretary Kim Diamond read the following resolution:

**RESOLUTION OF THE NORTH JERSEY DISTRICT WATER SUPPLY  
COMMISSION AUTHORIZING AN AMENDMENT TO CONTRACT #1081  
BETWEEN THE NORTH JERSEY DISTRICT WATER SUPPLY COMMISSION  
AND JBL ELECTRIC, INC.**

**WHEREAS**, pursuant to N.J.S.A. 58:5-1 et seq., the North Jersey District Water Supply Commission ("Commission") is a public body corporate duly organized and existing under and by virtue of the laws of the State of New Jersey, exercising public and essential governmental functions and providing for the public health and welfare, and is engaged in developing raw water sources, storing water and distributing a reliable supply of potable water to its participating municipalities, and

**WHEREAS**, the Commission had previously determined there was a need to retain the services of a firm that provides electrical contracting services to perform certain initial tasks, including: (1) replace feeder to Upper Gate House, (2) replace Filter Building substation 34.5 KV air switch, and (3) replace circuit breaker (OAB2) in Low Lift Pump Station Kinney Panel, with additional tasks to be potentially performed at the sole discretion of the Commission for a total, not-to-exceed amount of \$400,000.00 over the course of a two-year contract (the "Electrical Contracting Services"); and

**WHEREAS**, on or about July 23, 2015, the Commission publicly advertised and issued a request for proposals, referenced as RFP #013-2015, for the provision of Electrical Contracting Services and received a single proposal from JBL Electric, Inc. ("JBL") on or before September 3, 2015; and

**WHEREAS**, the Commission's evaluation committee reviewed and evaluated JBL's proposal and determined that it was a responsible and complying proposal for the performance of the Electrical Contracting Services based upon the criteria set forth in RFP #013-2015, and recommended that JBL be awarded the contract in accordance with the Commission's enabling legislation and applicable State law as the sole qualified respondent, considering its experience and pricing proposal; and

**WHEREAS**, on or about September 24, 2015, the Board of Commissioners adopted Resolution No. 1576 authorizing the retention of JBL as the sole, qualified respondent to perform Electrical Contracting Services in accordance with the Commission's enabling legislation and applicable State law, and further authorized the execution of a contract with JBL in an amount not-to-exceed \$200,000.00, the amount in excess of \$74,500.00 (which is the price for the three (3) aforementioned projects) to be utilized for other projects and on-call tasks to be performed by JBL as the Commission may deem necessary on an hourly basis; and

**WHEREAS**, the Commission subsequently reviewed Resolution No. 1576 and determined that it contained a typographical error that required amendment, specifically, that it only authorized the award and execution of a Contract with JBL for a not-to-exceed contract amount of \$200,000.00, whereas RFP #013-2015 provided that the Commission may award a contract for a total not-to-exceed amount of \$400,000.00, and subsequently adopted an amended resolution to correct the typographical error and permit execution of a contract for the Electrical Contracting Services for a total not-to-exceed amount of \$400,000.00; and

**WHEREAS**, pursuant to RFP #013-2015 and Contract #1081, the Commission may assign to JBL a broad array of work orders as it determines are necessary to the Commission's efficient water operations and within the scope of work for the Electrical Contracting Service; and

**WHEREAS**, the Low Lift Pump Station relies on the Kinney Panel to supply control voltage for all six (6) of its pump controllers, and the Kinney Panel is backed up by the existing 300 KW generator; and

**WHEREAS**, the Commission's engineering staff has determined that it is necessary to remove and replace both the 300 KW generator and the entire Kinney Panel (rather than only the aforementioned circuit breaker (OAB2)) at the Low Lift Pump Station due to the age of both devices and increased risk of failure; and

**WHEREAS**, the Commission currently has other major capital projects scheduled at the Low Lift Pump Station, leaving a short window of time to replace the Kinney Panel; and

**WHEREAS**, the Kinney Panel and the 300 KW generator are critical and related components of the Low Lift Pumping Station and their mechanical failure could potentially jeopardize Low Lift pumping operations; and

**WHEREAS**, after reviewing the foregoing projects and estimating the costs associated therewith, the Commission's engineering staff has recommended that Contract #1081 be amended so as to increase the \$400,000.00 not-to-exceed cap for the contract by an additional \$585,400.00 (which is JBL's proposed price for the replacement of the Kinney Panel), to a total of \$985,400.00; and

**WHEREAS**, DLB Associates Inc., the Commission's electrical engineering consultant, has evaluated JBL's proposed price for the Kinney Panel replacement and determined that it is reasonable; and

**WHEREAS**, JBL has provided quality Electrical Contracting Services thus far and the Commission desires to continue utilizing the firm for said services; and

**WHEREAS**, the additional projects necessitating an amendment to the not-to-exceed cap of Contract #1081 are within the scope of work for the Electrical Contracting Services; and

**WHEREAS**, in accordance with the terms and conditions of Contract #1081, the Commission will continue to carefully monitor and review JBL's task proposals and invoices to ensure that all projects are completed in a cost-efficient manner; and

**WHEREAS**, in light of the foregoing, the Commission has determined that it is necessary to authorize execution of an amendment to Contract #1081 so as to increase the original \$400,000.00 not-to-exceed cap for the contract by an additional \$585,400.00, to a total of \$985,400.00; and

**WHEREAS**, the adoption of this resolution and subsequent execution of an amendment to Contract #1081 is necessary for the Commission's efficient water treatment operations, the protection of the Commission's water supply facilities, and the health, safety and welfare of the public; and



**WHEREAS**, the Chief Financial Officer of the Commission has certified that the funds will be available for this amendment to Contract #1081.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the North Jersey District Water Supply Commission, that Contract #1081 be amended to increase the original \$400,000.00 not-to-exceed cap for the contract by an additional \$585,400.00, to a total of \$985,400.00; and

**BE IT FURTHER RESOLVED** that the Executive Director and General Counsel are hereby authorized to prepare an amendment to Contract #1081 to increase the original \$400,000.00 not-to-exceed cap for the contract by an additional \$585,400.00, to a total of \$985,400.00, with all other terms and conditions to remain unchanged; and

**BE IT FURTHER RESOLVED** that the Chairman or Vice Chairman of the Commission is hereby authorized to execute an amendment to Contract #1081 and the Secretary of the Commission is authorized to attest to the signature of either the Chairman or the Vice Chairman; and

**BE IT FURTHER RESOLVED** that a copy of this resolution and subsequent contract amendment shall be maintained in the Office of the Executive Director and made available for public inspection.

Vice Chairman Orechio offered a motion to adopt the resolution authorizing an amendment to Contract #1081 between the North Jersey District Water Supply Commission and JBL Electric, Inc.; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

**Personnel:**

Upon the recommendation of Executive Director Todd Caliguire and Department Heads, Vice Chairman Orechio offered a motion to approve the transfer of David Kirkham, Director of Water Treatment/Licensed Operator to Director of Residuals Treatment Operations, subject to all Commission policies and procedures; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Upon the recommendation of Executive Director Todd Caliguire and Department Heads, Vice Chairman Orechio offered a motion to approve the transfer of Lewis Schneider, Director of Lab/RTF and Compliance to Director of Treatment, Laboratory & Compliance – Licensed Operator Water Treatment/Residuals, subject to all Commission policies and procedures; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Upon the recommendation of Executive Director Todd Caliguire and Department Heads, Vice Chairman Orechio offered a motion to hire Jennifer McMaster, Acting Human Resources Assistant Manager, subject to all Commission policies and procedures; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Upon the recommendation of Executive Director Todd Caliguire and Department Heads, Vice Chairman Orechio offered a motion to accept the retirement of Anthony D'Agostino, Manager of Systems Maintenance Planning, subject to all Commission policies and procedures; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Upon the recommendation of Executive Director Todd Caliguire and Department Heads, Vice Chairman Orechio offered a motion to accept the resignation of Christopher Jurgensen, GFM, subject to all Commission policies and procedures; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Upon the recommendation of Executive Director Todd Caliguire and Department Heads, Vice Chairman Orechio offered a motion to approve the promotion of Robert Valania, Union Chemical Treatment Operator to Union Water Treatment Operator subject to all Commission policies and procedures; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

**Wanaque North Operating Account:**

Upon Chief Financial Officer Schaffner's certification of the attached bills and payroll transfers as being proper and accurate, Vice Chairman Orechio offered a motion to approve the Wanaque North Operating Account in the amount of \$4,000,369.73; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

**Wanaque South Operating Account:**

Upon Chief Financial Officer Schaffner's certification of the attached bills and payroll transfers as being proper and accurate, Vice Chairman Orechio offered a motion to approve the Wanaque South Operating Account in the amount of \$536,494.61; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

**Wanaque South Joint Venture Operating Account:**

Upon Chief Financial Officer Schaffner's certification of the attached bills and payroll transfers as being proper and accurate, Vice Chairman Orechio offered a motion to approve the Wanaque South Joint Venture Operating Account in the amount of \$569,205.11; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

There being no further business, Vice Chairman Orechio offered a motion to adjourn the meeting at 11:16 a.m.; seconded by Commissioner Burrell and unanimously approved with Chairman Shotmeyer, Vice Chairman Orechio and Commissioners Ashkinaze, Kuser, Burrell and Garofalo voting in the affirmative.

Respectfully submitted,

Kim Diamond  
Commission Secretary