

RAHWAY VALLEY SEWERAGE AUTHORITY

Summary of Minutes

Regular Meeting held January 18, 2018

- Communications
Two OPRA requests; a thank you note from Woodbridge High School, and appointment letter from the Town of Westfield.

- Oath of Office
Martin C. Rothfelder was sworn in as a Commissioner.

- Minutes
December 14, 2017 Finance Committee and Regular Meeting Minutes.

- Treasurers Reports
None.

- Executive Director
Sewer Connections and the status of various contracts.

- Counsel
Overview of legal matters.

- Committee Reports
Reports were given by the Engineering, Finance, Public Relations, and Nominating Committees.

- Unfinished Business
None.

- New Business
Approved the following: Approve the 2018 Budget; \$600,000 Bond Resolution; Mileage Reimbursement; Award Contract #1821 to Foley Inc. in an amount of \$529,719.89; Award Contract #1822 to Centrisys Corp. in an amount of \$127,000.00; and two Sewer Connections for the City of Rahway.

- Bills & Claims

OPERATING FUND	7-01	\$419,224.78
BUILDING & EQUIPMENT FUND	7-02	<u>\$97,459.55</u>
Year 2017 Total:		\$516,684.33
OPERATING FUND	8-01	\$529,175.46
BUILDING & EQUIPMENT FUND	8-02	<u>\$0.00</u>
Year 2018 Total:		\$529,175.46
TOTAL OF ALL FUNDS ALL YEARS:		\$1,045,859.79

RAHWAY VALLEY SEWERAGE AUTHORITY

Minutes of the Regular Meeting

January 18, 2018

The Chairman, Robert LaCosta, called the meeting to order at 7:08 p.m. The Chairman asked that the recorder be turned on and that everyone silence their cell phones.

The Chairman read the statement on “Open Public Meetings Law”.

“In accordance with the requirements of the Open Public Meetings Act, State of New Jersey, adequate notice of this meeting has been provided by the inclusion of the date, time and place in a Notice forwarded to The Star Ledger, the Home News Tribune and the Clerk of each of the eleven member municipalities on February 14, 2017.

If any member of this body believes that this meeting is being held in violation of the provisions of the Open Public Meetings Act, please state your objection and the reasons for same at this time.”

.... Hearing no objections, we shall proceed with our regularly scheduled meeting.

Roll Call

The following members were present:

Michael Furci	for the Township of Springfield
Michael J. Gelin	for the Township of Woodbridge
Stephen D. Greet	for the Borough of Garwood
Loren Harms	for the Borough of Roselle Park
Robert B. LaCosta	for the Township of Scotch Plains
Louis C. Lambe	for the Township of Cranford
Richard J. LoForte	for the Borough of Kenilworth
Frank G. Mazzarella	for the Township of Clark
Robert Rachlin	for the City of Rahway
Martin C. Rothfelder	for the Town of Westfield

The following member was absent:

John J. Tomaine	for the Borough of Mountainside
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The following were also present:

James J. Meehan	Executive Director
Robert J. Materna	Sr. Secretary-Treasurer
Karen A. Musialowicz	Secretary-Treasurer
Joanne Grimes	Board Secretary/Office Manager/QPA
Dennis A. Estis, Esq.	General Counsel, Greenbaum, Rowe, Smith
Howard Matteson	Consulting Engineer, CDM Smith
Dan Ward	Superintendent
John Buonocore	Chief Engineer/Asst. Superintendent
Anthony Gencarelli	Manager of Regulatory Compliance
Wayne Baker	Westfield Leader

Communications

An OPRA request was received from SmartProcure on December 19, 2017, requesting accounting records. The requested documents were submitted to them on December 19, 2017.

An OPRA request was received from Amy Kirk of Seagis Property Group on December 21, 2017 requesting records for a property located in Rahway. A response was sent to her on December 21, 2017 indicating that the Authority does not have these records, and to try contacting the City of Rahway. On January 5, 2018 Ms. Kirk sent another request for the same information which was replied to on that date.

The following letter addressed to Joanne Grimes was received from Constantino Ballos, Teacher, Woodbridge High School:

On behalf of Woodbridge High School, I want to thank you for the time you took to organize and host a tour of Rahway Valley Sewerage Authority. The educational tour and interesting commentary, made cherished use of our time. Special thanks to the employees (Anthony Gencarelli, Doug Reno, Caitlyn Silk) as well for showing us the facility, answering any questions and for providing us with great hospitality during lunch.

The visit helped the students understand all the processes involved in treating wastewater. Furthermore, they had a better understanding on defining what bio-solids are and what it can be used for. Additionally, all students found the tour meaningful. Finally, the tour helped students realize that through education and hard work, opportunities for career success are available to them.

Again I would like to thank you for making our visit a memorable and encouraging experience. I would also like to thank you for the pictures that were taken at the facility as well as the bag of resource material.

The following resolution was sent to Joanne Grimes on January 3, 2018, from Tara Rowley, Town Clerk for the Town of Westfield:

Resolution #19

WHEREAS, in accordance with R.S, 40:14A-4 and the by-laws of the Rahway Valley Sewerage Authority created pursuant thereto, the Town of Westfield is entitled to appoint one member of the said Authority for a term of five (5) years; and

WHEREAS, the Town of Westfield's position to the Rahway Valley Sewerage Authority is currently vacant.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Westfield, that Marty Rothfelder is hereby appointed a member of the Rahway Valley Sewerage Authority to fill an unexpired term ending February 1, 2020; and

BE IT FURTHER RESOLVED that the Town Clerk is hereby authorized and directed to file a certified copy of this resolution along with the appropriate filing fee of \$5.00 to the State of New Jersey, Division of Revenue, 225 West State Street, PO Box 308, Trenton, NJ 08625-0308 and a certified copy to the Secretary-Treasurer of the Authority.

Oath of Office

Mr. Rothfelder was sworn in as Commissioner to the Authority, representing the Town of Westfield. The Commissioners congratulated him on his appointment.

Approval of Minutes

Mr. Lambe made a motion, seconded by Mr. Harms, to approve the minutes of the Finance Committee and Regular Meetings held December 14, 2017. The motion was approved by those present with the exception of Mr. Greet, Mr. LaCosta and Mr. Rothfelder who abstained. Mr. Tomaine was absent.

Report of Treasurer

None.

Report of Executive Director

Sewer Treatment Endorsements

The following is a list of Sewer Treatment Endorsements processed between 12/19/17 and 01/18/18. A copy of the log sheet with additional information related to these applications has been distributed for your reference.

2017 Sewer Treatment Endorsement Permits 0-1999 gpd

<i>RVSA Number</i>					<i>Date</i>	<i>Applicant's Name</i>	<i>Municipality</i>
2204	-	17	-	WB	12/13/17	Regional Homes Mortgage / James Favilla	Woodbridge
2205	-	17	-	WF	12/13/17	Pupa Homes LLC	Westfield
2206	-	17	-	WB	12/20/17	Knock-on-Wood LLC	Woodbridge
2207	-	17	-	WB	12/20/17	Knock-on-Wood LLC	Woodbridge
2208	-	18	-	WF	01/02/18	Robert Scherer	Westfield
2209	-	18	-	WB	01/02/18	Amit Construction LLC	Woodbridge
2210	-	18	-	KW	01/12/18	Raffaele & Tommasso Pugliese	Kenilworth
2211	-	18	-	CR	01/16/18	QuickChek Corp. c/o Aundrea Schmidt	Cranford

Contract #173 – Codigestion/Liquid Waste Receiving Station and Contract #175 – Replacement of Digester Covers and Waste Gas Burner Relocation

Mr. Meehan stated that with regard to Contract #173, Waste Management is on schedule to kick-off the contract in April. He noted they will be bringing in bioslurry to the plant from their

facility located in Elizabeth.

With regard to Contract #175, Mr. Meehan noted that Tomar Construction is slightly behind schedule; however, CDM is working to keep them on task.

Contract #1821 – Furnish & Deliver Parts for Caterpillar Engines - Model #G-3608

A Notice to Bidders was advertised in the Star Ledger, emailed to several vendors and posted on the Authority's website. Bid Documents were made available for download from the website. Six vendors downloaded bid documents. Bids were received on January 9, 2018 as follows:

<u>Company</u>	<u>Amount</u>
Foley Inc. Piscataway, NJ	\$529,719.89

The low bid, submitted by Foley, Inc., was reviewed by the Purchasing Agent and found to be in order. Their bid includes per item pricing for approximately 800 parts, and the contract is for a two year period. This was discussed at the Engineering Committee meeting and action is on the agenda under New Business.

Contract #1822 – Decanter Centrifuge Rotating Assembly Rebuild

A Notice to Bidders was advertised in the Star Ledger, emailed to several vendors and posted on the Authority's website. Bid Documents were made available for download from the website. Eleven vendors downloaded bid documents. Bids were received on January 9, 2018 as follows:

<u>Company</u>	<u>Amount</u>
Centrisys Corporation Kenosha, WI	\$127,000.00

The low bid, submitted by Centrisys Corporation, was reviewed by the Purchasing Agent and found to be in order. The contract is for a two year period. This was discussed at the Engineering Committee meeting and action is on the agenda under New Business.

TWA Application for the City of Rahway

The Authority received a Treatment Works Application (TWA) from the City of Rahway on behalf of Dornoch Rahway Phase II, LP/Matrix New World Engineering for property located at Main and Monroe Streets in the City of Rahway. The application is for the construction of one (1) mixed use building which will include 28-Studio Apartments, 40-1 Bedroom Apartments, 24-2 Bedroom Apartments and 1,989 sq. ft. of retail space. The anticipated additional flow is 15,799 gpd (.0157 mgd). The application was reviewed by John Buonocore, Chief Engineer, who found it to be in order and recommends endorsement. This was discussed at the Engineering Committee meeting and action is on the agenda under New Business.

TWA Application for the City of Rahway

The Authority received a Treatment Works Application (TWA) from the City of Rahway on behalf of Meridia Brownstones Urban Rental at Rahway, LLC/MCB Engineering Associates for

property located at 1839-1905 Elizabeth Avenue in the City of Rahway. This is a re-application as the initial application expired prior to construction beginning and was approved by the RVSA on Resolution #15-19 on June 18, 2015. The application is for the construction of one (1) mixed use building which will include 171-1 Bedroom Apartments, 316-2 Bedroom Apartments and 3,912 sq. ft. of retail space. The anticipated additional flow is 97,141 gpd (.0971 mgd). The application was reviewed by John Buonocore, Chief Engineer, who found it to be in order and recommends endorsement. This was discussed at the Engineering Committee meeting and action is on the agenda under New Business.

Report of General Counsel

Dennis Estis, General Counsel, of the firm Greenbaum, Rowe, Smith & Davis submitted the following report covering the period December 14, 2017 through January 18, 2017:

General

A. Flow Rights

Mr. Johnson advised me that he was no longer counsel to Springfield. I spoke with Springfield's new counsel, Kraig Dowd, who advised me that the new Township Committee wanted to resolve the issue with Rahway Valley. As a result, I sent Mr. Dowd various documents related to the exceedances. In addition, I have confirmed that Mr. Dowd and probably the new Mayor will both be present at our Engineering Committee Meeting.

B. Local Contracts Law/Open Public Meetings Act

I have been consulted on several questions related to the Public Contracts Law including communications with a bonding company, as well as issues necessitating the extension of an existing contract and responsibility for additional costs as a result.

C. ODI Monitoring and Pride Solvents Monitoring

Our environmental consultant communicated with Quala's consultant. He learned that the consultant had been authorized to undertake four quarterly groundwater sampling events during 2018 with the first beginning on January 29th. The sampling is expected to be conducted on the RVSA property, as well as Quala's property and other locations. We should expect to receive a letter shortly asking for permission to access the plant property. The Quala consultant also asked for a copy of the report issued by our consultant regarding the US Healthworks' property. I determined not to provide that report to him.

Cogeneration Facility

Mr. Cipolla agreed to provide the information that I had requested with regard to his 2009 and 2010 invoices. We did receive the requested invoices and I have transmitted them to our forensic accountant.

Rahway – Union County Park

I have heard from Union County's Assistant Counsel and we are trying to schedule a meeting.

S848

As all of you know, the Governor signed this bill into law. We now have to determine whether it applies to RVSA and what we can do to moderate its impact on the Authority.

Mr. Gelin asked why the Authority thinks this law applies to it. Mr. Estis stated that he is having his staff look into the applicability to the Authority. Mr. Estis added that part of the law would negate the Authority's contract with the Member Municipalities, specifically billing using the 5 year rolling average.

Mr. Estis said he will report back to the Board after this matter is reviewed further.

Committee Reports

Chairman: Are there reports from any of the following Committees:

2/2017-2/2018 Committees

Committee	Committee Chairman	2/2017-2/2018 Committee Members		
Engineering	Louis Lambe	Michael Furci	Frank Mazzearella	Michael Gelin
Finance	Stephen Greet	Richard LoForte	Robert Rachlin	John Tomaine
Legal	Richard LoForte		Frank Mazzearella	Loren Harms
Personnel	John Tomaine	Michael Furci	Louis Lambe	Richard LoForte
Insurance	Frank Mazzearella	Loren Harms	Robert Rachlin	John Tomaine
Nominating	Michael Furci	Loren Harms	Stephen Greet	
Public Relations	Robert Rachlin	Louis Lambe	Michael Gelin	
Security	Michael Gelin		Stephen Greet	Loren Harms

Engineering Committee (Louis Lambe, Committee Chairman)

Mr. Lambe stated that an Engineering Committee Meeting was held January 11, 2018 at which time several items were discussed. Items which require action are on the agenda under New Business.

Finance Committee (Stephen Greet, Committee Chairman)

Mr. Greet stated that a Finance Committee Meeting was held earlier this evening to review the Bills & Claims and action to approve the Bills is on the agenda under Bills & Claims. He added that the Finance Committee met on January 11, 2018 to discuss the 2018 proposed budget and then made their recommendation to the Commissioners at the Engineering Committee Meeting held later that evening. He further noted that the committee has had further discussion with the staff regarding the budget based on the Commissioners comments made at the Engineering Meeting.

He stated that two resolutions have been prepared for consideration. He noted that the Committee is recommending the resolution that includes a new line item (Assessment Stabilization Fund) of \$100,000 to be included in the 2018 Budget. As a result, the 2018 assessment to the member municipalities included in the proposed 2018 budget is \$25,060,000, an increase of 2/61% over the prior year budget. The staff and committee feel this is a prudent

decision especially with the law S-848 being passed in the Senate.

Mr. LoForte stated that he does not have a problem with the budget. He feels that the staff does a good job in presenting the budget with a minimal increase. He added that he does; however, have a problem with the billing procedure as his municipality is getting hit with a 28% increase which is huge on such a small community.

The Commissioners concurred with the recommendation to add the \$100,000 for assessment stabilization, resulting is a budget including a 2.61% increase to the municipalities. A resolution is on the agenda under New Business for action.

Legal Committee (Richard LoForte, Committee Chairman)

No report.

Personnel Committee (John Tomaine, Committee Chairman)

No report.

Insurance Committee (Frank Mazzarella, Committee Chairman)

No report.

Public Relations Committee (Robert Rachlin, Committee Chairman)

Mr. Meehan noted that there was an article written about the Authority entering into the PPP with Waste Management in the January issue of NJ Business & Industry Magazine.

Mr. Meehan also noted that John Buonocore is not present this evening because he and two other staff members are hosting an exhibit at one of Westfield's elementary schools for the schools STEAM (Science, Technology, Engineering, Arts and Math) project.

Security Committee (Michael Gelin, Committee Chairman)

No report.

Nominating Committee (Michael Furci, Committee Chairman)

Mr. Furci noted that the Nominating Committee members will have an informal meeting, after this meeting, in order to formulate the recommendations for Chairman and Vice Chairman for the 2018 reorganization meeting.

Unfinished Business

None.

New Business

Mr. Meehan advised the Board that he wished to attend a conference in Colorado in March where he and Eric Sapir of Hawkins Delafield & Wood would make a presentation regarding the

PPP. He stated that the cost of the trip will be about \$3,000.00 and asked for the Boards approval. Mr. Mazzarella made a motion, seconded by Mr. Harms, to approve Mr. Meehan’s attendance at the conference at an estimated cost of \$3,000.00. The motion was approved by those present. Mr. Tomaine was absent.

The following Resolution #18-01 was offered by Mr. Greet, on motion of Mr. Greet, and seconded by Mr. Mazzarella. The Chairman requested a roll call vote.

<u>AYES</u>	<u>NAYES</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Clark	Kenilworth		Mountainside
Cranford			
Garwood			
Rahway			
Roselle Park			
Scotch Plains			
Springfield			
Westfield			
Woodbridge			

As the vote was 9 to 1 with 1 absent, the resolution was approved.

RESOLUTION #18-01

Fiscal Year January 1, 2018 to December 31, 2018

WHEREAS, the Annual Budget and Capital Budget for the Rahway Valley Sewerage Authority for the fiscal year beginning January 1, 2018 and ending December 31, 2018 has been presented before the governing body of the Rahway Valley Sewerage Authority at its open public meeting of January 18, 2018; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$25,839,500.00, Total Appropriations, including any Accumulated Deficit if any, of \$26,422,500.00 and Total Unrestricted Net Position utilized of \$583,000; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$7,691,783 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend

funds for the purposes described in this section of the budget must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Rahway Valley Sewerage Authority, at an open public meeting held on January 18, 2018 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Rahway Valley Sewerage Authority for the fiscal year beginning January 1, 2018 and ending December 31, 2018 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Rahway Valley Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on February 15, 2018.

The following Resolution #18-02 was offered by Mr. Greet, on motion of Mr. Greet, and seconded by Mr. Harms.

Mr. Meehan noted that this Bond will cover the legal and engineering fees the Authority has paid over the last four years, associated with entering into the PPP with Waste Management.

As there was no discussion, the Chairman requested a roll call vote.

<u>AYES</u>	<u>NAYES</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Clark			Mountainside
Cranford			
Garwood			
Kenilworth			
Rahway			
Roselle Park			
Scotch Plains			
Springfield			
Westfield			
Woodbridge			

As the vote was 10 to 0 with 1 absent, the resolution was approved.

RESOLUTION #18-02
RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$600,000 SUBORDINATE BONDS (RECEIVING STATION PROJECT SUPPLEMENTAL LOAN) OF THE RAHWAY VALLEY

SEWERAGE AUTHORITY AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND THE STATE OF NEW JERSEY AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS IN CONNECTION THEREWITH.

WHEREAS, the Rahway Valley Sewerage Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State"), has determined that there exists a need to acquire, construct, renovate, install or refinance the Project (the "Project"), as described herein and as further defined in each of that certain Loan Agreement (the "Trust Loan Agreement") to be entered into by and between the Authority and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement" and, together with the Trust Loan Agreement, the "Loan Agreements") to be entered into by and between the Authority and the State acting by and through the New Jersey Department of Environmental Protection all pursuant to the State Fiscal Year 2018 New Jersey Environmental Infrastructure Trust Financing Program or other similar program (the "Program"); and

WHEREAS, the Authority has determined to finance or refinance the acquisition, construction, renovation or installation of the Project with the proceeds of a loan to be made by each of the Trust (the "Trust Loan") and the State (the "Fund Loan" and, together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively; and

WHEREAS, to evidence the Loans, each of the Trust and the State require the Authority to authorize, execute, attest and deliver the Authority's Subordinate Bond (Receiving Station Project) (Series 2018C) to the State (the "State Loan Bond") and Subordinate Bond (Receiving Station Project) (Series 2018D) to the Trust (the "Trust Loan Bond" and, together with the State Loan Bond, the "Authority Subordinate Bonds") pursuant to the terms of the Sewerage Authorities Law of the State, constituting Chapter 14A of Title 40 of the Revised Statutes of the State (the "Sewerage Authorities Law"), other applicable law and the Loan Agreements; and

WHEREAS, the Trust and the State have expressed their desire to close in escrow the making of one or more of the Loans, the issuance of one or more of the Authority Subordinate Bonds and the execution and delivery of one or more of the Loan Agreements, all pursuant to the terms of an Escrow Agreement (the "Escrow Agreement") to be entered into by and among the Trust, the State, the escrow agent named therein and the Authority; and

WHEREAS, N.J.S.A. §40:14A-12 of the Sewerage Authorities Law allows for the sale of the Trust Loan Bond and the Fund Loan Bond to the Trust and the State, respectively, without any public offering, and N.J.S.A. §58:11B-9(a) allows for the sale of the Trust Loan Bond to the Trust without any public offering, all under the terms and conditions set forth in the following resolution; and

WHEREAS, the Authority has heretofore issued revenue bonds pursuant to a resolution of the Authority adopted on March 21, 2002, entitled: "Resolution Authorizing the Issuance of Sewer Revenue Bonds, Notes and Other Obligations of the Rahway Valley

Sewerage Authority”, as amended and supplemented (the “General Bond Resolution”), whereunder, all the Revenues of the Authority, as defined and provided for therein, have been pledged to the payment of the principal of, redemption price, if any, and interest on any revenue bonds heretofore or hereafter issued by the Authority under the General Bond Resolution (the “Revenue Bonds”), to the extent and in the manner provided in the General Bond Resolution; and

WHEREAS, the provisions of Section 614 of the General Bond Resolution authorize the Authority to issue subordinate bonds payable out of the General Fund created and established by the General Bond Resolution, all in accordance with and upon the terms and conditions set forth in the General Bond Resolution and, in particular, Section 510(2) thereof and provided that the purpose financed (i.e., the Project) will not cause a reduction in Revenues to be thereafter derived by or for the account of the Authority; and

WHEREAS, the Project will not cause a reduction in Revenues to be thereafter derived by or for the account of the Authority; and

WHEREAS, bonds, notes and other evidences of indebtedness of the Authority, including the Authority Subordinate Bonds, benefit from the provisions of the Authority’s existing 1951 Service Agreement, as amended in 1995, between the Authority and the Boroughs of Garwood, Kenilworth, Mountainside and Roselle Park, the City of Rahway, the Town of Westfield and the Townships of Clark, Cranford, Scotch Plains, Springfield and Woodbridge, New Jersey; and

WHEREAS, any and all bonds and other obligations of the Authority, including the Authority Subordinate Bonds, benefit from the provisions of the Service Agreement (as defined in the General Bond Resolution); and

WHEREAS, the Authority has heretofore authorized the issuance of not in excess of \$2,000,000 of bonds to finance the cost of the Project pursuant to a resolution adopted by the Authority on April 20, 2017, and entitled “Resolution Authorizing the Issuance of Not to Exceed \$2,000,000 Subordinate Bonds (Receiving Station Project) of the Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith” (the “First Subordinate Bond Resolution”); and

WHEREAS, the estimated cost of the Project has increased since the adoption of the First Subordinate Bond Resolution and the Authority is desirous of authorizing additional bonds to finance the additional cost of the Project; and

WHEREAS, the Authority is desirous of authorizing the issuance of the Authority Subordinate Bonds as subordinate bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE RAHWAY VALLEY SEWERAGE AUTHORITY, and the Members or Commissioners thereof, AS FOLLOWS:

Section 1. Determination to Undertake the Project. The Authority does hereby determine to undertake the Project which shall consist of the improvement of the

wastewater treatment system of the Authority by the construction of a receiving station for receipt of an engineered bioslurry and subsequent feeding into the existing anaerobic sludge digesters, including also the construction of a new truck off-loading station, together with all work and materials necessary therefor or incidental thereto, equipment, apparatus, structures and appurtenances and all personal property necessary or desirable for the efficient construction and operation of such facilities, all as shown on and in accordance with the plans and specifications therefor on file or to be filed in the office of the Authority, as such plans and specifications may be amended or modified from time to time.

Section 2. Estimated Cost of the Project. The cost of the Project as estimated in April 2017 was \$2,000,000. The estimated maximum additional cost of the Project, as defined in the Sewerage Authorities Law is \$600,000. The estimated maximum total cost of the Project, as defined in the Sewerage Authorities Law, is \$2,600,000.

Section 3. Authorization of Authority Subordinate Bonds. In accordance with Section 11 of the Sewerage Authorities Law and subject to and pursuant to the provisions of this resolution, bonds of the Authority (herein referred to as the Authority Subordinate Bonds) are hereby authorized to be issued in the principal amount not to exceed \$600,000 for the purpose of raising additional funds to pay the costs of the Project, including the funding of any required or desirable reserves, capitalized interest and costs of issuance. The Authority Subordinate Bonds authorized pursuant to this resolution are in addition to the \$2,000,000 principal amount of subordinate bonds heretofore authorized by the First Subordinate Bond Resolution.

Section 4. Payment of Authority Subordinate Bonds. The Authority does hereby determine that the Authority Subordinate Bonds shall be and constitute subordinate bonds, and shall be payable from amounts in the General Fund established and created by the General Bond Resolution in the manner and upon the terms and conditions set forth in the General Bond Resolution and this resolution.

Section 5. Award of Authority Subordinate Bonds. In accordance with N.J.S.A. §40:14A-12 of the Sewerage Authorities Law and N.J.S.A. §58:11B-9(a), the Authority hereby sells and awards its (a) Trust Loan Bond to the Trust in accordance with the provisions of this resolution and (b) Fund Loan Bond to the State in accordance with the provisions of this resolution.

Section 6. Basic Terms of Authority Subordinate Bonds; Delegation of Power to Make Certain Determinations. The Chairman or Vice Chairman of the Authority (the "Chairman") or the Executive Director of the Authority is hereby authorized to determine, in accordance with the Sewerage Authorities Law and pursuant to the terms and conditions established by the Trust and the State under the Loan Agreements and the terms and conditions of this resolution, the following items with respect to the Trust Loan Bond and the Fund Loan Bond:

- (a) The aggregate principal amount of the Trust Loan Bond to be issued and the aggregate principal amount of the Fund Loan Bond to be issued, which amounts in the aggregate shall not exceed \$600,000 (such amount being exclusive of the

- amount of \$2,000,000 subordinate bonds authorized to be issued by the First Subordinate Bond Resolution);
- (b) The maturity or maturities and annual principal installments of the Authority Subordinate Bonds, which maturity or maturities shall not exceed thirty (30) years;
 - (c) The date or dates of the Authority Subordinate Bonds;
 - (d) The interest rates of the Authority Subordinate Bonds, provided that the effective cost of the Trust Loan Bond does not exceed seven per centum (7%) and that the interest rate on the Fund Loan Bond is zero per centum (0%);
 - (e) The purchase price for the Authority Subordinate Bonds;
 - (f) The terms and conditions under which the Authority Subordinate Bonds shall be subject to redemption prior to their stated maturities; and
 - (g) Such other matters with respect to the Authority Subordinate Bonds as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof, including (1) adjusting the title of the Authority Subordinate Bonds to reflect the issuance thereof in a calendar year other than 2018, (2) issuing each Authority Subordinate Bond in the form of multiple subordinate bonds from time to time if the Project is funded in more than one installment by the Program and (3) combining the issuance of the Authority Subordinate Bonds with the issuance of other subordinate bonds of the Authority authorized or to be authorized to be issued for other purposes.

Section 7. Determinations Conclusive. Any determination made by the Chairman or the Executive Director pursuant to the terms of this resolution shall be conclusively evidenced by the execution and attestation of the Authority Subordinate Bonds by the parties authorized under Section 8(c) of this resolution.

Section 8. Further Terms of Authority Subordinate Bonds. The Authority hereby determines that certain terms of the Authority Subordinate Bonds shall be as follows:

- (a) The Fund Loan Bond shall be issued in a single denomination and shall be numbered RC-1, or as may otherwise be determined by the Chairman or the Executive Director. The Trust Loan Bond shall be issued in a single denomination and shall be numbered RD-1, or as may otherwise be determined by the Chairman or the Executive Director;
- (b) The Authority Subordinate Bonds shall be issued in fully registered form (convertible to bearer as therein provided) and shall (unless converted to bearer) be payable to the registered owners thereof as to both principal and interest in lawful money of the United States of America;
- (c) The Authority Subordinate Bonds shall be executed by the manual or facsimile signature of the Chairman, and the Secretary or the Assistant Secretary of the Authority (the "Secretary"), by manual signature, shall attest to the execution of the Authority Subordinate Bonds and shall affix, imprint, engrave or reproduce thereon the corporate seal of the Authority; and
- (d) In order to distinguish the Authority Subordinate Bonds from other bonds of the Authority, the Authority Subordinate Bonds shall have such letters and/or

numbers incorporated in their titles as shall be determined by the Chairman or the Executive Director.

Section 9. Forms of Authority Subordinate Bonds. The Fund Loan Bond and the Trust Loan Bond shall be substantially in the forms set forth in Exhibit A and Exhibit B hereto, respectively, with such changes, insertions and omissions as may be approved by the Chairman, such approval to be evidenced by the signature of the Chairman on the Authority Subordinate Bonds.

Section 10. Authorized Parties. The law firm of Hawkins Delafield & Wood LLP, bond counsel to the Authority, is hereby authorized to arrange for the printing of the Authority Subordinate Bonds, which law firm may authorize McCarter & English, LLP, bond counsel to the Trust and the State for the Program, to arrange for same. The Authority auditor and financial advisor are hereby authorized, if necessary, to prepare the financial information, if any, necessary in connection with the issuance of the Authority Subordinate Bonds. The Chairman, the Executive Director, the Secretary-Treasurer (collectively, the “Authorized Officers”), and the Manager of Regulatory Compliance are hereby severally authorized to execute any certificates necessary or desirable in connection with the financial and other information.

Section 11. Report to the Authority. The Authorized Authority Officers are hereby directed to report in writing to the Authority at the meeting of the Authority next following the closing with respect to the Authority Subordinate Bonds as to the terms of the Authority Subordinate Bonds authorized to be determined by the Authorized Authority Officers pursuant to and in accordance with the provisions of this resolution.

Section 12. Delivery of Authority Subordinate Bonds. Each Authorized Authority Officer is hereby authorized to execute any certificate or document necessary or desirable in connection with the sale of the Authority Subordinate Bonds and is hereby further authorized to deliver same to the Trust and the State upon delivery of the Authority Subordinate Bonds and the receipt of payment therefor in accordance with the Loan Agreements.

Section 13. Execution of Agreements. The Trust Loan Agreement, the Fund Loan Agreement and the Escrow Agreement (collectively, the “Financing Documents”) are hereby authorized to be manually executed and delivered on behalf of the Authority by the Chairman in substantially the forms required and traditionally used by the Trust and the State (which forms are available from the Trust and the State), with such changes as the Chairman, in his or her sole discretion, after consultation with counsel, bond counsel and any other advisors to the Authority (the “Authority Consultants”) and after further consultation with the Trust, the State and their representatives, agents, counsel and advisors (collectively, the “Program Consultants” and, together with the Authority Consultants, the “Consultants”), shall determine, such determination to be conclusively evidenced by the execution of each such Financing Document by the Chairman. The Secretary is hereby authorized, if necessary, to attest by manual signature to the execution of the Financing Documents by the Chairman and to affix, imprint, engrave or reproduce the corporate seal of the Authority to such Financing Documents.

Section 14. Authorized Actions. The Authorized Authority Officers are hereby further severally authorized to (i) manually execute and deliver and the Secretary is hereby further authorized to attest by manual signature to such execution and to affix, imprint, engrave or reproduce the corporate seal of the Authority to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Authority Officers or the Secretary, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the Authority Subordinate Bonds and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such document, instrument or closing certificate by the party authorized under this resolution to execute such document, instrument or closing certificate and (ii) perform such other actions as the Authorized Authority Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof.

Section 15. Subordinate Nature of Authority Subordinate Bonds. (A) In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Authority or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Authority, whether or not involving insolvency or bankruptcy, the holders of all Revenue Bonds shall be entitled to receive payment in full of all payments on such Revenue Bonds before the holders of all outstanding Authority Subordinate Bonds are entitled to receive any payment from the Revenues (as defined in the General Bond Resolution).

(B) In the event that any of the Authority Subordinate Bonds are declared due and payable before their expressed maturity because of the occurrence of a default (under circumstances when the provisions of (A) above shall not be applicable), the holders of all Revenue Bonds at such time outstanding shall be entitled to receive payment in full of all payments then due on such Revenue Bonds before the holders of such Authority Subordinate Bonds are entitled to receive any accelerated payment from the Revenues of principal or interest upon such Authority Subordinate Bonds. Any event of default with respect to the Authority Subordinate Bonds shall not in itself create the right to declare an event of default with respect to the Revenue Bonds.

(C) If any event of default with respect to the Revenue Bonds shall have occurred and be continuing (under circumstances when the provisions of (A) above shall not be applicable), the holders of all Revenue Bonds then outstanding shall be entitled to receive payment in full of all payments on all such Revenue Bonds before the holders of the Authority Subordinate Bonds are entitled to receive any accelerated payment from the Revenues of principal or interest on such Authority Subordinate Bonds.

(D) No holder of any Revenue Bonds shall be prejudiced in such holder's right to enforce subordination of the Authority Subordinate Bonds by any act or failure to act on the part of the Authority.

(E) The provisions of (A), (B), (C) and (D) above are solely for the purpose of defining the relative rights of the holders of the Revenue Bonds on the one hand and the holders of

the Authority Subordinate Bonds on the other hand, and nothing herein shall impair, as between the Authority and the holders of the Authority Subordinate Bonds, the duty of the Authority, which is unconditional and absolute, to pay to the holders of the Authority Subordinate Bonds, the principal thereon and premium, if any, and interest thereon in accordance with their terms, nor shall anything herein prevent the holders of the Authority Subordinate Bonds from exercising all remedies otherwise permitted by applicable law upon default under the General Bond Resolution, subject to the rights under (A), (B), (C) and (D) above of the holders of the Revenue Bonds to receive cash, property or securities otherwise payable or deliverable to the holders of the Authority Subordinate Bonds.

Section 16. Withdrawals from the General Fund. In accordance with Section 510 of the General Bond Resolution and provided that the amount in every account or fund created and established by the General Bond Resolution, including the Operating Fund, Debt Service Fund, the Debt Service Reserve Fund and the Capital Replacement Fund, equals or exceeds the amount required to be therein and that the Authority is not in default in the payment of the principal of or interest on or redemption price of any Revenue Bonds or in the payment of any costs which are due and payable to the issuer of any Financing Facility or Liquidity Facility (each as defined in the General Bond Resolution) pursuant to the terms of any agreement between the Authority of such issuer, and all administrative costs of the Authority, including fees and expenses of any Fiduciary (as defined in the General Bond Resolution), have been paid, the trustee under the General Bond Resolution is hereby authorized and directed to withdraw from the General Fund from time to time amounts necessary to satisfy the debt service payments with respect to the Authority Subordinate Bonds.

Section 17. Covenant to Pay Authority Subordinate Bonds. The Authority hereby particularly covenants and agrees with the holders of the Authority Subordinate Bonds and makes provisions which shall be a part of its contract with such holders, that the Authority will pay or cause to be paid the principal of every Authority Subordinate Bond and the interest thereon at the date and place and in the manner mentioned in such Authority Subordinate Bond according to the true intent and meaning thereof and will carry out and perform all of the acts and things required of it by the terms of this resolution.

Section 18. Resolution Constitutes Contract. In consideration of the purchase and acceptance of the Authority Subordinate Bonds by those who shall hold the same from time to time, the provisions of this resolution shall be deemed to be and shall constitute contracts between the Authority and the holders from time to time of the Authority Subordinate Bonds.

Section 19. No Recourse. No recourse shall be had for the payment of the principal or redemption price, if any, of or the interest on the Authority Subordinate Bonds or for any claim based thereon or on this resolution against any member or other officer of the Authority or any person executing the Authority Subordinate Bonds. The Authority Subordinate Bonds are not and shall not be in any way a debt or liability of the State or of any county or municipality, and do not and shall not create or constitute any indebtedness, liability or obligation of the State or of any county or municipality, either

legal, moral or otherwise.

Section 20. Authorization for Resolution. This resolution is adopted by virtue of the Sewerage Authorities Law and pursuant to its provisions, and the Authority has ascertained and hereby determines that adoption of this resolution is necessary to carry out the powers, purposes and duties expressly provided in the Sewerage Authorities Law and that each and every matter and thing as to which provision is made in this resolution is necessary in order to carry out and effectuate the purposes of the Authority in accordance with the Sewerage Authorities Law.

Section 21. Filing of Resolution. The Secretary is hereby authorized and directed to cause copies of this resolution to be filed for public inspection in the following places: in the offices of the Borough Clerks of the Boroughs of Garwood, Kenilworth, Mountainside and Roselle Park in the Municipal Building of said Boroughs, in the office of the City Clerk of the City of Rahway, in the Municipal Building of said City, in the office of the Municipal Clerk of the Town of Westfield, in the Municipal Building of said Town, in the offices of the Township Clerks of the Townships of Clark, Cranford, Scotch Plains, Springfield and Woodbridge, in the Municipal Building of said Townships, and in the office of the Authority, 1050 East Hazelwood Avenue, Rahway, New Jersey.

Section 22. Publication of Notice. The Secretary is hereby authorized and directed to cause to be published, after completion of filing of copies of this resolution as directed in the preceding Section, in the "*Star Ledger*", a legally qualified public newspaper circulating in the district of the Authority, a notice in substantially the form attached as Exhibit C hereto and by this reference incorporated as if set forth in full herein.

Section 23. Multiple Document Sets. Notwithstanding any other provision of this resolution to the contrary, if in connection with the participation of the Authority in the Program, the State and the Trust require that the Authority execute more than one set of documents, the provisions of this resolution shall be deemed to apply to the Authority Subordinate Bonds and the Financing Documents related to each set of documents; provided, however, that in no event may the aggregate principal amount of all Authority Subordinate Bonds issued and delivered pursuant to the provisions of this resolution be in excess of the amount authorized in Section 3 hereof.

Section 24. Interim Financing. In anticipation of the issuance of the Authority Subordinate Bonds, the Authority hereby authorizes, if necessary or desirable, the issuance, sale and award of a note (the "Subordinate Note") pursuant to the Trust's Construction Loan Program. The Subordinate Note shall be substantially in the form required and traditionally used by the Trust (which form is available from the Trust). The execution and delivery of the Subordinate Note shall be in the same manner as herein prescribed with respect to the Authority Subordinate Bonds. An Authorized Authority Officer is hereby authorized to determine, pursuant to the terms and conditions established by the Trust under its Construction Loan Program and the terms and conditions of this resolution, the following items with respect to the Subordinate Note: (a) the aggregate principal amount of the Subordinate Note to be issued, which amount shall not exceed \$600,000 (exclusive of the amount of \$2,000,000 authorized to be issued by the First Subordinate Bond Resolution); (b) the maturity of the Subordinate Note,

which shall be no later than three (3) years after the date of issuance thereof or such longer period of time as may be permitted under the rules of the Trust’s Construction Loan Program; (c) the date of the Subordinate Note; (d) the interest rate or rates of the Subordinate Note (including different interest rates applicable to different drawdowns on the Subordinate Note), which shall not exceed three percent (3%) per annum; (e) the purchase price for the Subordinate Note; and (f) such other matters with respect to the Subordinate Note as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof, without limitation (i) combining the issuance of the Subordinate Note with the issuance of other subordinate notes of the Authority authorized or to be authorized to be issued for other purposes and (ii) issuing the Subordinate Note in the form of multiple subordinate notes from time to time if the Project is funded in more than one installment by the Program. The Authorized Authority Officers are hereby further severally authorized to manually execute and deliver and the Secretary is hereby further authorized to attest by manual signature to such execution and to affix, imprint, engrave or reproduce the corporate seal of the Authority to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Authority Officers or the Secretary, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Subordinate Note and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such document, instrument or closing certificate by the party authorized under this resolution to execute such document, instrument or closing certificate.

Section 25. Capitalized Terms. All capitalized words and terms used but not defined in this resolution shall have the meanings ascribed to such words and terms, respectively, in the preambles to this resolution.

Section 26. Effective Date. This resolution shall take effect immediately.

EXHIBIT A

Form of Fund Loan Bond

**RAHWAY VALLEY SEWERAGE AUTHORITY
 SUBORDINATE BOND (RECEIVING STATION PROJECT)
 (SERIES 2018C)
 No. RC-1
 Principal Amount: \$ _____
 Dated Date: _____, 2018**

The RAHWAY VALLEY SEWERAGE AUTHORITY (the “Authority”), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey (the “State”), acknowledges itself indebted and for value received hereby promises to pay to the order of the State the principal amount stated above, or such lesser amount as shall be determined in accordance with Section 3.01 of the loan agreement

dated as of _____, 2018 by and between the State, acting by and through the New Jersey Department of Environmental Protection and the Authority (the “Loan Agreement”), at the times and in the amounts determined as provided in the Loan Agreement, plus any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower irrevocably pledges its full faith and credit for the punctual payment of the principal of, and all other amounts due under, this bond and the Loan Agreement according to their respective terms.

This bond is issued in consideration of the loan made under the Loan Agreement (the “Loan”) to evidence the payment obligations of the Authority set forth in the Loan Agreement. Payments under this bond shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee (as defined in the Loan Agreement) for the account of the State. This bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this bond.

Pursuant to the Loan Agreement, disbursements shall be made by the State to the Authority upon the receipt by the State of requisitions from the Authority executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Authority to make the payments required hereunder shall be absolute and unconditional, without any defense or right of setoff, counterclaim or recoupment by reason of any default by the State under the Loan Agreement or under any other agreement between the Authority and the State or out of any indebtedness or liability at any time owing to the Authority by the State or for any other reason.

This bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law and the Subordinate Resolution (as hereinafter defined), this bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

The Authority acknowledges that payments made hereunder may be used by the Trustee referred to above to satisfy loan repayments then due and payable on the Authority’s Trust Loan (as defined in the Loan Agreement).

This bond is a direct and general obligation of the Authority and is one of the subordinate bonds of the Authority issued or to be issued under and by virtue of the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946, and the acts amendatory thereof and supplemental thereto (collectively, the “Act”), and under and pursuant to a resolution of the Authority adopted January 18, 2018 and entitled: “Resolution Authorizing the Issuance of Not to Exceed \$600,000 Subordinate Bonds (Receiving Station Project – Supplemental Loan) of the Rahway Valley Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the

Execution and Delivery of Certain Agreements in Connection Therewith” (the “Subordinate Resolution”).

Pursuant to the Act, the Authority has heretofore authorized and issued and has outstanding revenue bonds (the “Revenue Bonds”) pursuant to a resolution of the Authority adopted March 21, 2002, entitled: “Resolution Authorizing the Issuance of Sewer Revenue Bonds, Notes and Other Obligations of the Rahway Valley Sewerage Authority”, as amended and supplemented (the “General Bond Resolution”), whereunder, all the Revenues of the Authority, as defined and provided for therein, have been pledged to the payment of the principal of, redemption price, if any, and interest on the Revenue Bonds and any additional bonds hereafter issued under the General Bond Resolution, to the extent and in the manner provided in the General Bond Resolution. This bond is not secured by a pledge of or lien on the Revenues and the indebtedness evidenced hereby is and shall be in all respects subordinate to the provisions of the General Bond Resolution and this bond is not entitled to the benefits of the pledge of Revenues made therein. This bond is payable from amounts in the General Fund established and created by the General Bond Resolution in the manner and upon the terms and conditions set forth in the General Bond Resolution and the Subordinate Resolution.

Notwithstanding anything to the contrary contained herein, at the request and expense of the registered owner this bond upon presentation at the office of the Authority will be converted into a bond payable to bearer and coupon in form by the preparation and substitution of a new bond, signed or executed by such of its officers then in office as the Authority shall designate and of the same tenor as this bond at the time of its issuance, with coupons annexed for interest, if any, thereafter payable on this bond until its maturity.

The Act provides that neither the members of the Authority nor any person executing bonds of the Authority shall be liable personally on said bonds by reason of the issuance thereof.

This bond is not and shall not be in any way a debt or liability of the State or of any county or municipality and does not and shall not create or constitute any indebtedness, liability or obligation of the State or of any county or municipality, either legal, moral or otherwise.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State or the Subordinate Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed and that this bond together with all other indebtedness of the Authority, is within every debt and other limit prescribed by said Constitution or statutes.

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IN WITNESS WHEREOF, the RAHWAY VALLEY SEWERAGE AUTHORITY has caused this bond to be signed in its name and on its behalf by the manual or facsimile

signature of its Chairman or Vice Chairman, and its corporate seal to be affixed, imprinted or reproduced hereon and attested by the manual signature of its Secretary or Assistant Secretary, all as of the Dated Date hereinabove

EXHIBIT B
Form of Trust Loan Bond

RAHWAY VALLEY SEWERAGE AUTHORITY
SUBORDINATE BOND (RECEIVING STATION PROJECT)
(SERIES 2018D)

No. RD-1

Principal Amount: \$ _____

Dated Date: _____, 2018

The RAHWAY VALLEY SEWERAGE AUTHORITY (the "Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey (the "State"), acknowledges itself indebted and for value received hereby promises to pay to the New Jersey Environmental Infrastructure Trust (the "Trust") (i) the principal amount stated above, or such lesser amount as shall be determined in accordance with Section 3.01 of the loan agreement dated as of _____, 2018 by and between the Trust and the Authority (the "Loan Agreement"), at the times and in the amounts determined as provided in the Loan Agreement, (ii) interest on the Loan constituting the Interest Portion, the Administrative Fee (as such terms are defined in the Loan Agreement) and any late charges incurred under the Loan Agreement in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts and as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as also set forth in Exhibit A attached hereto under the column headings respectively entitled "Principal" and "Interest", plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Borrower irrevocably pledges its full faith and credit for the punctual payment of the principal of and the Interest on this bond and for the punctual payment of all other amounts due under this bond and the Loan Agreement according to their respective terms.

This bond is issued in consideration of the loan made under the Loan Agreement (the "Loan") to evidence the payment obligations of the Authority set forth in the Loan Agreement. This bond has been assigned to U.S. Bank National Association, as trustee (the "Trustee") under the "Environmental Infrastructure Bond Resolution, Series 2018[]" adopted by the Trust on _____, 2018, as the same may be amended and supplemented in accordance with the terms thereof (the "Trust Bond Resolution"), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee for the account of the Trust pursuant to such assignment. Such assignment has been made as security for the payment of the Trust Bonds (as defined in the Loan Agreement) issued to finance or refinance the Loan and as otherwise described in the Loan Agreement. This bond is subject to further assignment or

endorsement in accordance with the terms of the Trust Bond Resolution and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this bond.

Pursuant to the Loan Agreement, disbursements shall be made by the Trustee to the Authority, in accordance with written instructions of the Trust, upon receipt by the Trust and the Trustee of requisitions from the Authority executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Authority to make the payments required hereunder shall be absolute and unconditional without any defense or right of setoff, counterclaim or recoupment by reason of any default by the Trust under the Loan Agreement or under any other agreement between the Authority and the Trust or out of any indebtedness or liability at any time owing to the Authority by the Trust or for any other reason.

This bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law and the Subordinate Resolution (as hereinafter defined), this bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

This bond is a direct and general obligation of the Authority and is one of the subordinate bonds of the Authority issued or to be issued under and by virtue of the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946, and the acts amendatory thereof and supplemental thereto (collectively, the "Act"), and under and pursuant to a resolution of the Authority adopted January 18, 2018 and entitled: "Resolution Authorizing the Issuance of Not to Exceed \$600,000 Subordinate Bonds (Receiving Station Project – Supplemental Loan) of the Rahway Valley Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith" (the "Subordinate Resolution").

Pursuant to the Act, the Authority has heretofore authorized and issued and has outstanding revenue bonds (the "Revenue Bonds") pursuant to a resolution of the Authority adopted March 21, 2002, entitled: "Resolution Authorizing the Issuance of Sewer Revenue Bonds, Notes and Other Obligations of the Rahway Valley Sewerage Authority", as amended and supplemented (the "General Bond Resolution"), whereunder, all the Revenues of the Authority, as defined and provided for therein, have been pledged to the payment of the principal of, redemption price, if any, and interest on the Revenue Bonds and any additional bonds hereafter issued under the General Bond Resolution, to the extent and in the manner provided in the General Bond Resolution. This bond is not secured by a pledge of or lien on the Revenues and the indebtedness evidenced hereby is and shall be in all respects subordinate to the provisions of the General Bond Resolution and this bond is not entitled to the benefits of the pledge of Revenues made therein. This bond is payable from amounts in the General Fund established and created by the General

Bond Resolution in the manner and upon the terms and conditions set forth in the General Bond Resolution and the Subordinate Resolution.

Notwithstanding anything to the contrary contained herein, at the request and expense of the registered owner this bond upon presentation at the office of the Authority will be converted into a bond payable to bearer and coupon in form by the preparation and substitution of a new bond, signed or executed by such of its officers then in office as the Authority shall designate and of the same tenor as this bond at the time of its issuance, with coupons annexed for interest, if any, thereafter payable on this bond until its maturity.

The Act provides that neither the members of the Authority nor any person executing bonds of the Authority shall be liable personally on said bonds by reason of the issuance thereof.

This bond is not and shall not be in any way a debt or liability of the State or of any county or municipality and does not and shall not create or constitute any indebtedness, liability or obligation of the State or of any county or municipality, either legal, moral or otherwise.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State or the Subordinate Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this bond exist, have happened and have been performed and that this bond, together with all other indebtedness of the Authority, is within every debt and other limit prescribed by said Constitution or statutes.

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IN WITNESS WHEREOF, the RAHWAY VALLEY SEWERAGE AUTHORITY has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chairman or Vice Chairman, and its corporate seal to be affixed, imprinted or reproduced hereon and attested by the manual signature of its Secretary or Assistant Secretary, all as of the Dated Date hereinabove mentioned.

New Jersey Environmental Infrastructure Trust hereby assigns the foregoing bond to U.S. Bank National Association as trustee under the “Environmental Infrastructure Bond Resolution, Series 2018[]” adopted on _____, 2018, as amended and supplemented, all as of the date of this bond, as security for the Trust Bonds issued or to be issued under said bond resolution to finance or refinance the Project Fund (as defined in said bond resolution).

EXHIBIT C

RAHWAY VALLEY SEWERAGE AUTHORITY NOTICE OF ADOPTION OF BOND RESOLUTION

PUBLIC NOTICE is hereby given that a bond resolution entitled: “Resolution Authorizing the Issuance of Not to Exceed \$600,000 Subordinate Bonds (Receiving Station Project – Supplemental Loan) of the Rahway Valley Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the

State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith” (the “Bond Resolution”) was adopted by the Rahway Valley Sewerage Authority (the “Authority”) on January 18, 2018; that copies of the Bond Resolution have been filed and are available for public inspection in the offices of the Borough Clerks of the Boroughs of Garwood, Kenilworth, Mountainside and Roselle Park, in the Municipal Building of said Boroughs, in the office of the City Clerk of the City of Rahway, in the Municipal Building of said City, in the office of the Town Clerk of the Town of Westfield, in the Municipal Building of said Town, in the offices of the Township Clerks of the Townships of Clark, Cranford, Scotch Plains, Springfield and Woodbridge, in the Municipal Building of said Townships, and in the office of the Authority, 1050 East Hazelwood Avenue, Rahway, New Jersey; and that any action or proceeding of any kind or nature in any court questioning the validity of the creation and establishment of the Authority or the validity or proper authorization of bonds provided for by the Bond Resolution, or the validity of any covenants, agreements or contracts provided for by the Bond Resolution, shall be commenced within twenty (20) days after the first publication of this notice, which was first published this ____ day of _____, 2018.

CERTIFICATE

I, ROBERT J. MATERNA, Secretary of the Rahway Valley Sewerage Authority (the “Authority”), a public body politic and corporate of the State of New Jersey, HEREBY CERTIFY that the foregoing resolution entitled: “Resolution Authorizing the Issuance of Not to Exceed \$600,000 Subordinate Bonds (Receiving Station Project – Supplemental Loan) of the Rahway Valley Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith”, is a true copy of an original resolution which was adopted at a meeting of the Authority which was duly called and held on January 18, 2018, and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution officially recorded in the records of the Authority and that it is a true, correct and complete transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed, but is in the form attached as of the date hereof in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 18th day of January, 2018.

Mr. Greet made a motion, seconded by Mr. Rachlin, to approve the mileage reimbursement to be amended from \$0.535 to \$0.545 effective January 1, 2018 through December 31, 2018, as per the IRS tax guidelines, as recommended by the Executive Director. The motion was approved by those present. Mr. Tomaine was absent.

Mr. Lambe made a motion, seconded by Mr. Greet, to award Contract #1821 – Replacement Parts for G-3608 CAT Engines to the sole bidder, Foley, Inc. of Piscataway, NJ, for a two year period, in an amount of \$529,719.89. The motion was approved by those present. Mr. Tomaine

was absent.

Mr. Lambe made a motion, seconded by Mr. Mazzarella, Motion to award Contract #1822 – Decanter Centrifuge Rotating Assembly Rebuild to the sole bidder, Centrisys Corporation of Kenosha, WI, for a two year period, in an amount of \$127,000.00. The motion was approved by those present. Mr. Tomaine was absent.

The following Resolution #18-03 was offered by Mr. Rachlin, on motion of Mr. Rachlin, seconded by Mr. Mazzarella, and approved by those present. Mr. Tomaine was absent.

RESOLUTION #18-03

WHEREAS, the City of Rahway submitted a Treatment Works Application for Dornoch Rahway II, LP/Matrix New World Engineering for property located at Main and Monroe Streets in the City of Rahway, State of New Jersey; and

WHEREAS, the application is for the connection of 1-mixed use building; the building will contain 28 Studio apartments, 40-1 bedroom apartments, 24-2 bedroom apartments, and 1989 sq. ft. of retail space; and

WHEREAS, the proposed connection will generate an approximate discharge of 15,799 gpd of flow (0.0157 mgd); and

WHEREAS, the flow from the foregoing connection will not cause the Authority to exceed its permitted flow of 40 mgd; and

WHEREAS, the application has been reviewed by John Buonocore, Chief Engineer, and found to be in order.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that it does hereby accept and approve the aforesaid application.

The following Resolution #18-04 was offered by Mr. Rachlin, on motion of Mr. Rachlin, seconded by Mr. Mazzarella, and approved by those present. Mr. Tomaine was absent.

RESOLUTION #18-04

WHEREAS, the City of Rahway submitted a Treatment Works Application (reapplication) for Meridia Brownstones Urban Renewal at Rahway, LLC/MCB Engineering for property located at 1839-1905 Elizabeth Avenue in the City of Rahway, State of New Jersey; and

WHEREAS, the application is for the connection of 5 story apartment buildings; the buildings will contain 171-1 bedroom apartments, 316-2 bedroom apartments and 3,912 sq. ft. of retail space; and

WHEREAS, the proposed connection will generate an approximate discharge of 97,141 gpd of flow (0.0971 mgd); and

WHEREAS, the flow from the foregoing connection will not cause the Authority to exceed its permitted flow of 40 mgd; and

WHEREAS, the application has been reviewed by John Buonocore, Chief Engineer, and found to be in order.

NOW, THEREFORE, BE IT RESOLVED by the Rahway Valley Sewerage Authority that it does hereby accept and approve the aforesaid application.

Bills and Claims

Mr. Greet made a motion, seconded by Mr. LoForte, that the following bills and claims previously audited by the Finance Committee be ordered paid. The motion was approved by those present. Mr. Tomaine was absent.

BILLS AND CLAIMS LISTING

BUILDING & EQUIPMENT FUND

CHECK	DATE	VENDOR	LINE/ACCT	AMOUNT
3086	12/19/17	VOID – FOR NJEIT LOAN ACH SETUP		0.00
3087	01/18/18	HAWKINS, DELAFIELD & WOOD LLP	140.2	1,601.39
3088	01/18/18	RAHWAY VALLEY SEWERAGE AUTH.	140.2	4,300.00
3089	01/18/18	TOMAR CONSTRUCTION, LLC.	140.2	91,558.16

Total Building & Equipment Fund Checks: 3
 Total Void Checks: 1
 Total Void Check Amount: \$0.00
 Total Building & Equipment Fund Checks Paid: \$97,459.55

OPERATING FUND - MANUAL

CHECK	DATE	VENDOR	LINE/ACCT	AMOUNT
293	01/08/18	NJ STATE HEALTH BENEFITS	03/04	126,681.58

Total Operating Fund Manual Checks: 1
 Total Void Checks: 0
 Total Void Check Amount: \$0.00
 Total Operating Fund Manual Checks Paid: \$126,681.58

OPERATING FUND

CHECK	DATE	VENDOR	LINE/ACCT	AMOUNT
48424	12/20/17	CANON FINANCIAL SERVICES, INC.	16	424.55
48425	12/20/17	ELIZABETHTOWN GAS	22	5,766.00
48426	12/20/17	PITNEY BOWES INC.	48	135.00

CHECK	DATE	VENDOR	LINE/ACCT	AMOUNT
48427	12/20/17	ROBERT I. RACHLIN	49	129.49
48428	12/20/17	VERIZON	27	4,077.82
48429	12/20/17	VERIZON WIRELESS	11	1,723.94
48430	12/20/17	WAGE WORKS INC.	03	85.00
48431	12/28/17	CITY OF RAHWAY - UNITED WATER	33	174.04
48432	12/28/17	DIRECT ENERGY BUSINESS	22	27,518.97
48433	12/28/17	ELIZABETHTOWN GAS	22	2,104.38
48434	12/28/17	INTELLIGENT ENERGY	22	524.25
48435	12/28/17	NJ MANUFACTURERS INSURANCE CO.	17	18,300.00
48436	12/28/17	PSE&G COMPANY	19	6,889.73
48437	12/28/17	PURCHASE POWER	48	520.99
48438	12/28/17	RAHWAY VALLEY SEWERAGE AUTH.	01/02/03	187,465.69
48439	01/10/18	CANON USA INC.	16	444.18
48440	01/10/18	CRYSTAL SPRINGS WATER	13	27.50
48441	01/10/18	DELTA DENTAL OF NEW JERSEY INC	03	7,154.46
48442	01/10/18	ELIZABETHTOWN GAS	22	3,413.55
48443	01/10/18	ELIZABETHTOWN GAS	22	13,648.92
48444	01/10/18	INTELLIGENT ENERGY	22	4,419.73
48445	01/10/18	THE LINCOLN NATIONAL LIFE .	03	1,271.57
48446	01/10/18	MAGELLAN BEHAVIORAL HEALTH	03	524.70
48447	01/10/18	MIDDLESEX WATER COMPANY	33	6,771.01
48448	01/10/18	PSE&G COMPANY	19	554.54
48449	01/10/18	STAPLES CREDIT PLAN	27	2,994.15
48450	01/10/18	VISION SERVICE PLAN	03	1,329.77
48451	01/10/18	WINDSTREAM COMMUNICATIONS	11	1,300.65
48452	01/18/18	A TOUCH OF ITALY	49	453.00
48453	01/18/18	ADP, LLC.	16	1,768.09
48454	01/18/18	ADVANTAGE VACUUM	32	409.95
48455	01/18/18	ALL AMERICAN SEWER SERVICE INC	32	1,520.00
48456	01/18/18	AMERICAN INDUSTRIAL SUPPLY	28	117.20
48457	01/18/18	AMERICAN WEAR	32	1,372.15
48458	01/18/18	APPLIED ANALYTICS, INC.	28	1,362.69
48459	01/18/18	AQUA PRO-TECH LABORATORIES	41	5,268.00
48460	01/18/18	ATLANTIC ANALYTICAL LABORATORY	41	1,695.00
48461	01/18/18	B & B DISPOSAL	32	675.00
48462	01/18/18	BOBCAT OF CENTRAL JERSEY	32	494.70
48463	01/18/18	BOWCO LABORATORIES, INC.	32	63.00
48464	01/18/18	CHRISTOPHER J. BRINKER	31	99.98
48465	01/18/18	BUREAU OF NATIONAL AFFAIRS, INC	41	2,032.00
48466	01/18/18	BUYWISE AUTO PARTS	35	459.97
48467	01/18/18	CANON FINANCIAL SERVICES, INC.	16	261.14
48468	01/18/18	CHARLES F. CONNOLLY DIST. CO.	32	1,141.00
48469	01/18/18	CITY OF RAHWAY - UNITED WATER	32	333.00
48470	01/18/18	COOPER ELECTRIC SUPPLY CO.	32	1,164.94
48471	01/18/18	CRESTON HYDRAULICS, INC	35	768.52
48472	01/18/18	CSL SERVICES, INC.	30	12,870.00

CHECK	DATE	VENDOR	LINE/ACCT	AMOUNT
48473	01/18/18	DAVID WEBER OIL COMPANY	28	765.60
48474	01/18/18	DELL MARKETING L.P.	27	3,517.26
48475	01/18/18	DIVITA BALANCE SERVICE CO. LLC	40	1,360.00
48476	01/18/18	ENVIRONMENTAL COMPLIANCE	41	6,345.00
48477	01/18/18	EVOQUA WATER TECHNOLOGIES	40	1,450.66
48478	01/18/18	FACTORY DIRECT PIPELINE	32	1,430.33
48479	01/18/18	FISHER SCIENTIFIC	40	892.51
48480	01/18/18	FOLEY, INCORPORATED	28	2,164.08
48481	01/18/18	NAIM FRANKLIN	31	50.01
48482	01/18/18	GE INTERNATIONAL INC.	28	2,090.00
48483	01/18/18	GRAINGER	28	2,261.43
48484	01/18/18	GREAT LAKES ENVIRONMENTAL	41	175.53
48485	01/18/18	GREENBAUM, ROWE, SMITH & DAVIS	07	1,840.20
48486	01/18/18	HACH COMPANY	40	1,745.00
48487	01/18/18	INTELLIGENT ENERGY	22	7,606.86
48488	01/18/18	INGERSOLL RAND COMPANY	34	526.84
48489	01/18/18	INTELEPEER CLOUD COMM.	11	432.33
48490	01/18/18	LABCHEM INC.	40	408.84
48491	01/18/18	LYONS ENVIRONMENTAL SERVICES	42	2,550.00
48492	01/18/18	MCMASTER-CARR SUPPLY CO.	32	1,598.97
48493	01/18/18	METRO HYDRAULIC JACK CO.	32	870.00
48494	01/18/18	MILLER MECHANICAL CORPORATION	32	5,743.28
48495	01/18/18	MOTION INDUSTRIES, INC.	32	900.88
48496	01/18/18	NAVITEND	27	25.00
48497	01/18/18	COLOGIX	11	294.00
48498	01/18/18	NJ ADVANCE MEDIA	12	144.16
48499	01/18/18	STATE OF NJ - BUREAU OF REVENUE	37	350.00
48500	01/18/18	NJEIT - U.S. BANK NAT'L ASSOC.	09	129,224.00
48501	01/18/18	NORTHEAST INDUSTRIAL TECH, INC	32	1,375.21
48502	01/18/18	NW FINANCIAL GROUP, LLC	09	6,210.95
48503	01/18/18	ON THE MARK COMMUNICATIONS	12	4,582.00
48504	01/18/18	ONE CALL CONCEPTS, INC.	32	17.50
48505	01/18/18	MARIO PASQUALICCHIO	31	125.00
48506	01/18/18	POLYDYNE INC.	23	14,880.00
48507	01/18/18	RADWELL INTERNATIONAL, INC.	32	2,954.56
48508	01/18/18	TOWNSHIP OF RANDOLPH	52	1,100.00
48509	01/18/18	ROBERT REMITE	31	125.00
48510	01/18/18	FRANCISCO RIVERA, JR.	31	35.00
48511	01/18/18	RAHWAY VALLEY SEWERAGE AUTH.	01/02	221,097.18
48512	01/18/18	PETTY CASH	14	112.85
48513	01/18/18	SAKER SHOPRITES, INC.	40/49	94.04
48514	01/18/18	SCHWARTZ SIMON EDELSTEIN	08	499.00
48515	01/18/18	SCIENTIFIC WATER CONDITIONING	32	819.00
48516	01/18/18	SKC INC.	41	683.01
48517	01/18/18	SMITH TRACTOR & EQUIPMENT INC.	35	669.52
48518	01/18/18	SPECTRASERV INC.	25	17,420.08

CHECK	DATE	VENDOR	LINE/ACCT	AMOUNT
48519	01/18/18	TAYLOR OIL CO., INC.	24	2,166.67
48520	01/18/18	TD BANK, NA	09	4,140.00
48521	01/18/18	TD BANK, NA	09	19,882.50
48522	01/18/18	THE TRAINING CENTER	32	550.00
48523	01/18/18	TURTLE & HUGHES INC.	32	1,723.28
48524	01/18/18	U.S. HEALTHWORKS MEDICAL	50	43.00
48525	01/18/18	USA BLUEBOOK	32/43	963.36
48526	01/18/18	VERIZON	27	2,046.71
48527	01/18/18	WB MASON COMPANY, INC.	13	122.56
48528	01/18/18	WHIPPS, INC.	34	3,817.00
48529	01/18/18	WOODBIDGE PRINTING CENTER	12	2,677.00

Total Operating Fund Checks: 106
 Total Void Checks: 0
 Total Void Check Amount: \$0.00
 Total Operating Fund Checks Paid: \$821,718.66

OPERATING FUND	7-01	\$419,224.78
BUILDING & EQUIPMENT FUND	7-02	<u>\$97,459.55</u>
Year 2017 Total:		\$516,684.33
OPERATING FUND	8-01	\$529,175.46
BUILDING & EQUIPMENT FUND	8-02	<u>\$0.00</u>
Year 2018 Total:		\$529,175.46
TOTAL OF ALL FUNDS ALL YEARS:		\$1,045,859.79

Open the floor to the Public for questions or comments

None.

Adjournment

As there was no further business, on motion of Mr. LoForte, seconded by Mr. Rachlin, the meeting adjourned at 8:13 p.m. The motion was approved by those present.

 Chairman

Joanne Grimes

 Joanne Grimes, Board Secretary

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 Attachments