



PASSAIC VALLEY WATER COMMISSION

Resolution #23-SP-1

RESOLUTION OF PASSAIC VALLEY WATER COMMISSION

DATE OF ADOPTION: 8/28/23

Factual Contents certified to by Louis Amodio, Administrative Secretary.

Approved as to Form and Legality on the basis of facts set forth by General Counsel.

TITLE: Entering Executive Closed Session in accordance with Open Public Meetings Act, R.S. 10:4-6 et seq.

Pursuant to the Open Public Meetings Act, COMMISSIONER: DEPADUA Offers the following Resolution for adoption:

WHEREAS, Section 8 of the Open Public Meetings Act, c. 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 presently exist;

NOW, THEREFORE, BE IT RESOLVED, by the Commissioners of Passaic Valley Water Commission:

1. The public shall be excluded from discussion of the hereinafter specified subject Matters; the general nature of the subject matter being Personnel and such other matters as may come before the Commission for consideration.
2. It is anticipated at this time that the above-stated subject matter will be ratified During public meeting following or as soon thereafter as the reason for discussion No longer exists.
3. This Resolution shall take effect immediately.

Second by COMMISSIONER: KOLODZIEJ Ayes: 7 Time: 10:05 am

RECORD OF COMMISSION VOTE ON FINAL PASSAGE

| | AYE | NAY | ABSTAIN | ABSENT |
|--------------------|--------------|-----|---------|--------|
| RIGO SANCHEZ | <u> x </u> | | | |
| RUBY N. COTTON | <u> x </u> | | | |
| CARMEN DEPADUA | <u> x </u> | | | |
| JOSEPH KOLODZIEJ | <u> x </u> | | | |
| JEFF LEVINE | <u> x </u> | | | |
| RON VAN RENSA LIER | <u> x </u> | | | |
| GERALD FRIEND | <u> x </u> | | | |



 GERALD FRIEND
 PRESIDENT



 RUBY N. COTTON
 SECRETARY



PASSAIC VALLEY WATER COMMISSION

CERTIFICATION

I, LOUIS AMODIO, Administrative Secretary of the Passaic Valley Water Commission in the County of Passaic, and the State of New Jersey do hereby certify that the foregoing Resolution is a true copy of the Original Resolution duly passed and adopted by a majority of the full membership of the Passaic Valley Water Commission at its meeting of August 28, 2023.



LOUIS AMODIO
Administrative Secretary

RESOLUTION NO. 23-119

PASSAIC VALLEY WATER COMMISSION

**APPROVAL OF EMERGENCY PROCUREMENT OF NEW FILTER
INFLUENT, DRAIN VALVES AND ACTUATORS FOR THE LFWTP**

DATE OF ADOPTION: AUGUST 28, 2023

Introduced by Commissioner: JOSEPH KOLODZIEJ

Seconded by Commissioner: CARMEN DEPADUA

WHEREAS, in July of 2023, due to the Filter C-3 valve at the Little Falls Water Treatment Plant not closing properly, large amounts of water entered the Equalization Basin and PVWC's Operations Department was unable to lower the levels at the Equalization Basin; and

WHEREAS, the stem on Filter A-4's drain valve broke, rendering the filter unusable, resulting in more than 3% of total capacity per filter being removed; and

WHEREAS, it was determined that all of the influent and drain valves are leaking which notably reduces the efficiency and treatment capacity of the Treatment Plant; and

WHEREAS, there are 24 influent valves and 24 drain valves that need to be replaced, of which 8 influent valves and 24 drain valves are custom made by Henry Pratt with a 52-to-56-week lead time, therefore procuring these valves in advance of the construction contract will expedite valve replacement; and

WHEREAS, a copy of the Director of Engineering's Memorandum dated July 28, 2023 (the "Memorandum") providing notification to the Commission of the emergency situation (a copy of which has been filed by the Director of Engineering and is endorsed by the Executive Director in support of this resolution), is attached hereto and made a part hereof **Exhibit A**; and

WHEREAS, PVWC received a quotation from Quality Controls Inc, who has provided a sole source letter stating they are the exclusive manufacturing representative for Henry Pratt in New Jersey; and

WHEREAS, in the opinion of the Director of Engineering and the Executive Director, that the conditions constitute an emergency affecting the

immediate health, safety or welfare of the public, and require an immediate performance of services and procurement of necessary goods and services as a result of the emergency; and

WHEREAS, it was necessary, in accordance with N.J.S.A. 40A:11-6, to proceed with the performance of services and procurement of necessary goods and materials as necessary to perform all recovery and repairs, and a purchase order was issued without public advertisement for bids pursuant to the above Statute; and

WHEREAS, the Director of Engineering's formal certification signed and dated August 24, 2023 (the "Formal Certification") of the emergency (and which has been filed by the Director of Engineering and endorsed by the Executive Director in support of this resolution) is attached hereto and made a part hereof as **Exhibit B**; and

WHEREAS, the aggregate expected cost of the required goods and services provided to remedy the emergency (which exceeded PVWC's stipulated threshold of \$44,000.00 required for public bidding) was \$2,802,992.00, and a quote for the expenditures is attached hereto and made a part hereof as **Exhibit C**; and

WHEREAS, PVWC's Chief Financial Officer has certified, with respect hereto, that funds are currently available for said purpose and a copy of the said certification is attached hereto and made a part hereof as **Exhibit D**; and

WHEREAS, the Local Public Contracts Law N.J.S.A. 40A:11-6 authorizes local public entities to enter into certain contracts under emergent conditions as specified therein;

NOW, THEREFORE, BE IT RESOLVED that in accordance with the provisions of N.J.S.A. 40A:11-6, Passaic Valley Water Commission, in the County of Passaic, New Jersey:

1. Authorizes and/or ratifies the action taken by the Director of Engineering and the Executive Director, based on the documentation incorporated herein, confirming the existence of an emergency within the meaning and contemplation of the Local Public Contracts Law; and

2. Hereby approves and/or ratifies actions taken by officers and employees of Passaic Valley Water Commission to implement the terms and intentions of this resolution, and hereby authorizes the appropriate officers and employees of Passaic Valley Water Commission to perform such additional acts and execute such additional documents as are necessary to implement the terms and intentions of this Resolution; and
3. That this matter shall be advertised as required by New Jersey law, in accordance with an appropriate form of notice, and a copy of this Resolution shall be placed on file and made available for public inspection at the office of the Administrative Secretary of Passaic Valley Water Commission.

RECORD OF COMMISSION VOTE ON FINAL PASSAGE

| | AYE | NAY | ABSTAIN | ABSENT |
|--------------------------|------------|------------|----------------|---------------|
| FRIEND, G. | <u>X</u> | --- | --- | --- |
| DEPADUA, C. | <u>X</u> | --- | --- | --- |
| VAN RENSALIER, R. | <u>X</u> | --- | --- | --- |
| SANCHEZ, R. | <u>X</u> | --- | --- | --- |
| KOLODZIEJ, J. | <u>X</u> | --- | --- | --- |
| LEVINE, J. | <u>X</u> | --- | --- | --- |
| COTTON, R. | <u>X</u> | --- | --- | --- |

Adopted at a meeting of Passaic Valley Water Commission.



President
GERALD FRIEND



Secretary
RUBY COTTON

This Resolution, when adopted, must remain in the custody of the Administrative Secretary.

CERTIFICATION

I, LOUIS AMODIO, Administrative Secretary of the Passaic Valley Water Commission in the County of Passaic, and the State of New Jersey do hereby certify that the foregoing Resolution is a true copy thereof of the foregoing Resolution duly passed and adopted by a majority of a legal quorum of the full membership of the Passaic Valley Water Commission at its duly noticed and convened meeting of the said Commission on August 28, 2023.



LOUIS AMODIO
Administrative Secretary

EXHIBIT A

PASSAIC VALLEY WATER COMMISSION

INTER-OFFICE MEMORANDUM

Date: July 28, 2023
From: P. Porcaro
To: J. Mueller
Copy: J. Alesandrelli, D. Soffer, W. Simone, M. Marotta, L. Bresemann, Y. Weiss
Subject: LFWTP - Filter Building
Request for Emergency Procurement of Filter Valves

It is recommended that the Commission declares an emergency and procures in advance filter influent and drain valves that are at the end of life (in the range of 20 to 60 years old) at the Filter Building for the reasons stated below.

Operations was unable to lower the Equalization Basin despite increasing pumping volume to the maximum amount. The issue was determined to be the drain valve on Filter C-3. The valve was not closing properly and large amounts of water was entering into the Equalization Basin.

The stem on the drain valve on Filter A-4 broke and we are no longer able to use that valve, taking the filter offline. Over 3% of our total capacity is removed per filter taken offline.

All of the influent and drain valves are known to be leaking which notably reduces efficiency and treatment capacity of the plant. There are 24 influent and 24 drain valves that need to be replaced.

These valves have a 52-56 week lead time, and are mostly custom-made by Pratt with 24 drain valves and 8 influent valves custom-made. We are going back to the original manufacturer. Selecting another type of valve or manufacturer would require utilizing retooling machines and creating new molds to allow us to connect the new asset to the existing piping within the confines of the site which would increase costs and lead times further.

We will be utilizing new actuators which have significantly less maintenance requirements and are designed for a longer service life.

Ordering the valves in advance of launching the construction contract will expedite the procurement process and will allow us more time to finalize the bidding documents and drawings and get a construction management contract in place. We will need to spend about \$3 million for the emergency procurement of filter valves and an updated quotation will follow.

EXHIBIT B

PASSAIC VALLEY WATER COMMISSION
CERTIFICATION FOR EMERGENCY PURCHASE

Exhibit B

The undersigned hereby certifies the following:

In July of 2023, due to the Filter C-3 valve at the Little Falls Water Treatment Plant not closing properly, large amounts of water entered the Equalization Basin and PVWC's Operations department was unable to lower the levels at the Equalization Basin.

It was determined that all of the influent and drain valves are leaking which notably reduces the efficiency and treatment capacity of the Treatment Plant.

There are 24 influent valves and 24 drain valves that need to be replaced, of which 8 influent valves and 24 drain valves are custom made by Henry Pratt with a 52-to-56-week lead time, therefore procuring these valves in advance of the construction contract will expedite valve replacement.

Conditions created by this event caused an unacceptable situation which constituted an immediate, direct, demonstrable, and severe hazard to the health and safety of the public and of the water system, and which required immediate action to effectively and comprehensively address this emergency situation. In the opinion of the Director of Engineering and the Executive Director, action had to be undertaken immediately to correct this situation.

CERTIFICATION

I hereby certify the foregoing statements made by me are true. I am aware that if any of the foregoing statements made are willfully false, I am subject to punishment.

Date: 8/23/2023

Patrick A Porcaro Jr, P.E.

Print Name

DIRECTOR OF ENGINEERING

Print Title

Patrick A. Porcaro Jr.

Signature

EXHIBIT C



QUALITY CONTROLS INC.
 15 Industrial Park, Suite 1
 Waldwick, NJ 07463
 Ph: 201-251-9000
 Fx: 201-251-9507

QUOTE
Passaic Valley Water Commission
Passaic Valley Water Commission - MDT Duracyl Option

Quote # 1011919
Date 08/10/23
Billing Terms Net 30

Bill To

Passaic Valley Water Commission
 1525 Main Ave
 PO Box 230
 Clifton, NJ 07011

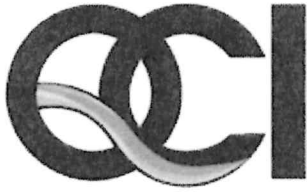
Ship To

Passaic Valley Water Commission
 1525 Main Ave
 PO Box 230
 Clifton, NJ 07011

Shipping Terms **FOB**
 Freight Allowed Waldwick, NJ

Order Items

| Item | Description | Quantity | Unit Price | Item Total |
|------|---|----------|------------|--------------|
| 1 | <p>Assembly 24" AWWA Butterfly Valve with Actuator</p> <p>Henry Pratt 24" 2FII 125# Flanged EPDM AWWA 150B Butterfly Valve 125# Flanged Ductile Iron body, DI disc w/ SS edge, 316SS stem, EPDM seat</p> <p>Pratt MDT4S gear operator with 8" Duracyl Non-Metallic cylinder FS2250DA08-P04-M-S-62-LH</p> | 16 | 17,839.00 | 285,424.00 |
| 2 | <p>Assembly 24" x 36" rectangular with actuator</p> <p>24" x 36" rectangular carbon steel painted butterfly valves (fabricated body and Disc) with torque tube floorstand. Distance from floor to valve invert is 106-1/2</p> <p>Pratt MDT4S gear operator with 8" Duracyl Non-Metallic cylinder</p> <p>32" Carbon Steel Pedestal Floorstand Base Details TBD [Standard is 12"x12" with 10" Bolt Square] Inner Driver 3" 304SS Sch 80 Includes Valve Side Coupler [to be filed Welded by PVWC] Inner Bearing support via bronze wear ring Distance from floor to valve invert is 106-1/2 Final Field Lengths to be field cut by installer</p> | 16 | 69,139.00 | 1,106,224.00 |
| 3 | <p>Assembly 24" x 36" Ob-round with actuator</p> <p>24" x 36" rectangular carbon steel painted butterfly valves (Cast body and Disc) with torque tube floorstand). Distance from floor to valve invert is 106-1/2</p> <p>Pratt MDT5 Gear operator with 8" Duracyl Non-Metallic cylinder</p> <p>32" Carbon Steel Pedestal Floorstand Base Details TBD [Standard is 12"x12" with 10" Bolt Square] Inner Driver 3" 304SS Sch 80 Includes Valve Side Coupler [to be filed Welded by PVWC] Inner Bearing support via bronze wear ring</p> | 8 | 88,209.00 | 705,672.00 |



QUALITY CONTROLS INC.
 15 Industrial Park, Suite 1
 Waldwick, NJ 07463
 Ph: 201-251-9000
 Fx: 201-251-9507

QUOTE
Passaic Valley Water Commission
 Passaic Valley Water Commission - MDT Duracyl Option

Quote # 1011919
 Date 08/10/23
 Billing Terms Net 30

Order Items

| Item | Description | Quantity | Unit Price | Item Total |
|------|---|----------|------------|------------|
| | <i>Distance from floor to valve invert is 106-1/2</i> <i>Final Field Lengths to be field cut by installer</i> | | | |
| 4 | Assembly 24" x 36" Ob-round with actuator 24" x 36" rectangular carbon steel painted butterfly valves (Cast iron body and fabricated carbon steel disc) with torque tube floorstand. HH distance from floor to valve centerline is 106-9/16 Pratt MDT5 Gear operator with 8" Duracyl Non-Metallic cylinder 32" Carbon Steel Pedestal Floorstand <i>Base Details TBD [Standard is 12"x12" with 10" Bolt Square]</i> <i>Inner Driver 3" 304SS Sch 80</i> <i>Includes Valve Side Coupler [to be filed Welded by PVWC]</i> <i>Inner Bearing support via bronze wear ring</i> <i>Distance from floor to valve invert is 106-1/2</i> <i>Final Field Lengths to be field cut by installer</i> | 8 | 88,209.00 | 705,672.00 |

Additional Information

Lead Time: 52-56 Weeks ARO
 Installation / Flange / Floorstand mounting hardware by others.
 Installation Supervision and startup available for \$1500 / Day.

| | |
|--------------------|--------------|
| Subtotal | 2,802,992.00 |
| Shipping | 0.00 |
| Tax | 0.00 |
| Grand Total | 2,802,992.00 |
| Payments | 0.00 |
| Payment Due | 0.00 |

Best Regards,

Dave Castellano
 (201) 301-1544
 dcastellano@qualitycontrols.com

EXHIBIT D

OFFICE OF THE COMPTROLLER

CERTIFICATION OF AVAILABILITY OF FUNDS

It is hereby certified that subject to Commission approval of future Budgets, with respect to multi-budget year contracts, there are or will be sufficient available funds for expenditures to be incurred as result of any contract or commitment to be entered into by Passaic Valley Water Commission as follows:

Description of Project or Contract: **Quality Controls, Inc. – Emergency Procurement Proprietary – New Filter Influent, Drain Valves and Actuators for LFWTP**

Amount of Project or Contract: \$2,802,992.00

1. Acct: #- 001-0901-419-95-32 - CAPITAL/VALVE REPLACEMENT

Specific Appropriation to which expenditures will be charged: Capital Budget 2023/2024

Other comments: Single Purchase

Date of Certification: August 28, 2023 - Certified: \$2,802,992.00

Yitzchak Weiss
Comptroller and Chief Financial Officer

YW:lb

RESOLUTION: 23-120

SERIES 2023 SUPPLEMENTAL RESOLUTION NO. 1 SUPPLEMENTING THE PASSAIC VALLEY WATER COMMISSION'S GENERAL BOND RESOLUTION DULY ADOPTED MAY 27, 1992, AS AMENDED AND SUPPLEMENTED, AND PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$130,000,000 PRINCIPAL AMOUNT OF WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2023 IN ONE OR MORE SERIES OF THE COMMISSION AND DETERMINING VARIOUS MATTERS PERTAINING THERETO

Approved as to form and legality by Bond Counsel on the basis of facts set forth by Executive Director, Purchasing, Engineering and Finance Departments.

Introduced by Commissioner: JOSEPH KOLODZIEJ

Seconded by Commissioner: CARMEN DEPADUA

ADOPTED: August 28, 2023

WHEREAS, the Passaic Valley Water Commission (the "Commission") was created and operates pursuant to the provisions of Chapter 195 of the Laws of 1923 of the State of New Jersey, as amended and supplemented (codified at N.J.S.A. 40:62-108 *et seq.*), as supplemented by Chapter 162 of the Laws of 1991 of the State of New Jersey, as amended and supplemented (codified at N.J.S.A. 40:62-133.1 *et seq.* (collectively, the "Act"); and

WHEREAS, on May 27, 1992, the Commission adopted a resolution entitled "Resolution Authorizing the Issuance of Water Supply System Revenue Bonds of The Passaic Valley Water Commission," as amended and supplemented (the "General Bond Resolution"), providing for, among other things, the acquisition, construction or improvement of the Commission's water system and the issuance of the Commission's bonds to finance all or a portion of the cost thereof; and

WHEREAS, the Commission has determined to undertake various capital improvements to the Commission's water supply, treatment and distribution system as outlined in the Commission's approved 2023-2024 capital budget, including, among other things, construction and replacement of water supply system components; water main, valve and meter replacements; equipment upgrades; acquisition of vehicles and equipment; dam improvements; improvements to pump stations and hydro-turbine generators; water main replacements; upgrades to instrumentation and control systems; all as more particularly described in the list of approved 2023-2024 capital budget items contained in Exhibit A attached hereto, together with such additional and/or replacement capital improvements relating to the Commission's water system as the Commission may determine from time to time, all such items collectively constituting an "Additional Project" (as such term is defined in the General Bond Resolution), together with all work and materials necessary or desirable in connection therewith (collectively, the "2023 Additional Projects"); and

WHEREAS, the Commission has determined to authorize the issuance of one or more Series of its Bonds, constituting “Additional Bonds” within the meaning of Section 317(1)(a) of the General Bond Resolution, in the aggregate principal amount not to exceed \$130,000,000 (the “Series 2023 Bonds”) in order to provide for, among other things, (1) the financing of the costs of the 2023 Additional Projects, (2) deposits to the Commission’s Bond Reserve Fund to increase the amounts therein to amounts equal to the Bond Reserve Requirement, and (3) the payment of the costs associated with the issuance of such Bonds (together, the “Project”); and

WHEREAS, in accordance with the provisions of the General Bond Resolution, the Commission desires to authorize the issuance, delivery and sale of such Series 2023 Bonds and to provide certain terms and conditions with respect to such Series 2023 Bonds, in addition to those which have been previously established by the General Bond Resolution; and

WHEREAS, the Commission has determined that the 2023 Additional Projects cannot feasibly be financed at this time through the Water Bank Financing Program of the New Jersey Infrastructure Bank (the “I-Bank”), and that it would be prudent to independently finance such costs at this time without I-Bank assistance; and

WHEREAS, pursuant to N.J.S.A. 58:11B-5.1, the Commission has requested that the I-Bank prepare a financing cost estimate covering the 2023 Additional Projects; and

WHEREAS, the Commission has made application to the Local Finance Board for findings in respect of its project financing pursuant to N.J.S.A. 40A:5A-6, which application, pursuant to N.J.S.A. 40A:5A-6.1, included a copy of the financing cost estimate provided to the Commission by the I-Bank pursuant to N.J.S.A. 58:11B-5.2; and

WHEREAS, on July 12, 2023, the Local Finance Board held a public hearing and issued its findings in respect of the Commission’s project financing pursuant to N.J.S.A. 40A:5A-7;

NOW THEREFORE, BE IT RESOLVED BY THE PASSAIC VALLEY WATER COMMISSION (at least five (5) Commissioners voting in the affirmative, with each of the three (3) Owner Cities represented among the Commissioners voting in the affirmative), as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATIONS

SECTION 101. SHORT TITLE.

This resolution may hereinafter be cited by the Commission and is hereinafter sometimes referred to as “Series 2023 Supplemental Resolution No. 1.”

SECTION 102. AUTHORIZATION FOR SERIES 2023 SUPPLEMENTAL RESOLUTION NO. 1.

This Series 2023 Supplemental Resolution No. 1 is authorized by and adopted pursuant to the provisions of Sections 317, 802(6) and 802(7) of the General Bond Resolution.

SECTION 103. CERTAIN DEFINITIONS.

Terms that are used as defined terms herein shall, unless specifically defined herein or unless the context clearly requires otherwise, have the meanings assigned to such terms in the General Bond Resolution.

ARTICLE II
AUTHORIZATION AND ISSUANCE OF SERIES 2023 BONDS

SECTION 201. AMOUNT AND TITLE OF SERIES 2023 BONDS.

An aggregate principal amount not to exceed \$130,000,000 of Series 2023 Bonds are hereby authorized to be issued pursuant to the terms of the General Bond Resolution by the Commission in accordance with the provisions of the General Bond Resolution and this Series 2023 Supplemental Resolution No. 1. The Series 2023 Bonds shall be designated “Water Supply System Revenue Bonds, Series 2023”, consisting of one or more series of obligations. Notwithstanding the foregoing, if the Series 2023 Bonds (or any series thereof) are not issued during 2023, then the year of issuance shall be substituted for “2023” wherever applicable.

SECTION 202. DESCRIPTION OF SERIES 2023 BONDS.

(1) Term. The Series 2023 Bonds shall be dated and shall bear interest from their dated date and shall mature at the respective principal amounts, subject to prior redemption, at such rates, on such dates and in such amounts, and at such Redemption Price(s), if applicable, as shall be provided by either (i) one or more resolutions of the Commission (any such resolution(s) are hereinafter referred to as the “Details Resolution”) and/or (ii) one or more certificates of the President, Vice President or Executive Director of the Commission (any such certificate(s) are hereinafter referred to as the "Award Certificate"); provided that if determined by Award Certificate, the final maturity of the Series 2023 Bonds shall not be later than forty (40) years after the date of issuance thereof and the interest rate shall not exceed six percent (6%) per annum. Principal of the Series 2023 Bonds shall mature on October 15 or such other date as may be determined by the Details Resolution or Award Certificate.

(2) Interest Rates Per Annum and Interest Payment Dates. The Series 2023 Bonds shall bear interest at the interest rate per annum as shall be set forth in the Details Resolution or Award Certificate. Unless otherwise provided in the Details Resolution or Award Certificate, interest on the Series 2023 Bonds shall be payable on each March 15 and October 15, and shall commence on such dates as are determined by the Details Resolution or Award Certificate, until the Commission’s obligation with respect to the Series 2023 Bonds shall be discharged.

(3) Denomination and Place of Payment. The Series 2023 Bonds shall be issued in fully registered form, without coupons, and are issuable in the denomination of \$5,000 each, or any integral multiple thereof. The principal of and interest on the Series 2023 Bonds shall be payable to the Registered Owner thereof, or registered assigns, on the applicable payment date(s) of the Series 2023 Bonds or on the applicable date(s) fixed for redemption. All other terms and conditions with respect to the payment of the principal and interest on the Series 2023 Bonds shall be as provided in the General Bond Resolution or in the Details Resolution or Award Certificate, as the case may be.

(4) Form of the Series 2023 Bonds. The Series 2023 Bonds shall be in substantially the form described in Section 1209 of the General Bond Resolution, with such omissions, insertions and variations as are properly required and which are not contrary to any of the

provisions of the General Bond Resolution or this Series 2023 Supplemental Resolution No. 1, or as may otherwise be set forth in the Details Resolution or Award Certificate.

SECTION 203. REDEMPTION OF SERIES 2023 BONDS.

The Series 2023 Bonds shall be subject to redemption prior to maturity in accordance with the terms of the General Bond Resolution and as shall be set forth in the Details Resolution or Award Certificate.

SECTION 204. APPOINTMENT OF TRUSTEE, PAYING AGENT AND REGISTRAR.

Manufacturers and Traders Trust Company is hereby appointed Trustee, Paying Agent and Registrar for the Series 2023 Bonds. The Trustee, Paying Agent and Registrar shall signify its acceptance of the trusts and duties hereunder and under the General Bond Resolution by its execution of a certificate accepting same.

SECTION 205. SYSTEM RESERVE AND OPERATING FUND RESERVE ACCOUNT REQUIREMENTS.

As determined by the Chief Financial Officer of the Commission, the System Reserve Requirement (aka the Renewal and Replacement Reserve) is \$4,000,000 and the Operating Fund Reserve Account Requirement is \$13,815,000, or such respective amounts as may be determined from time to time by the Chief Financial Officer of the Commission.

SECTION 206. BOND RESERVE REQUIREMENT.

The Bond Reserve Requirement shall be determined in accordance with the requirements of the General Bond Resolution at the time of issuance of the Series 2023 Bonds, based on a certificate of the Chief Financial Officer of the Commission. Such requirement may be satisfied with funds and investments of the Commission or a surety bond or bonds, or by a combination thereof.

ARTICLE III
EXECUTION AND SALE OF SERIES 2023 BONDS

SECTION 301. EXECUTION OF THE SERIES 2023 BONDS.

The President, Vice President or Executive Director of the Commission are hereby authorized to execute the Series 2023 Bonds in the name and on behalf of the Commission, and the Secretary shall cause the corporate seal of the Commission to be affixed thereto or reproduced thereon, and the Secretary is hereby authorized to attest to said corporate seal.

SECTION 302. AUTHENTICATION AND DELIVERY OF THE SERIES 2023 BONDS.

The President, Vice President or Executive Director of the Commission is hereby authorized, after the execution of the Series 2023 Bonds, to cause the same to be issued and delivered in accordance with the terms of the General Bond Resolution and this Series 2023 Supplemental Resolution No. 1.

SECTION 303. SALE OF SERIES 2023 BONDS.

The Commission has determined that the Series 2023 Bonds shall be sold by private sale to Raymond James & Associates, Inc. (the "Underwriter"). The President, Vice President or Executive Director of the Commission is hereby authorized to execute a bond purchase agreement on behalf of the Commission with the Underwriter, provided such terms are consistent with this Series 2023 Supplemental Resolution No. 1 and provided further that the underwriter's discount for the Series 2023 Bonds shall not exceed \$2.115 per \$1,000 principal amount of Series 2023 Bonds, exclusive of counsel fees.

SECTION 304. BOND PURCHASE AGREEMENT.

The Bond Purchase Agreement with the Underwriter, in substantially the form attached hereto as Exhibit B, is hereby approved, with such revisions, modifications and insertions as may be approved by the officers of the Commission executing the Bond Purchase Agreement, such approval to be evidenced by the execution thereof, and the President, Vice President, Secretary, Treasurer and/or Executive Director of the Commission is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Commission.

SECTION 305. AUTHORIZATION FOR OFFICIAL STATEMENT.

The distribution by the Commission and the Purchaser of one or more Preliminary Official Statements relating to the Series 2023 Bonds (a draft of which is attached hereto as Exhibit C and shall be filed with the records of the Commission) is hereby authorized in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as bond counsel may advise and the Commission officer executing the same may approve, such approval to be evidenced by such Commission officer's execution thereof. The President or Executive Director is hereby authorized to deem the Preliminary Official Statement

“final” within the meaning of Rule 15c2-12 of the Rules of the Securities and Exchange Commission and to execute and deliver a certificate to that effect. The President or Executive Director is hereby authorized to sign such Official Statement on behalf of the Commission, in substantially such form, with such insertions, deletions or changes therein and any supplements thereto as bond counsel may advise and the Commission office executing the same may approve, such approval to be evidenced by such Commission officer’s execution thereof.

SECTION 306. CONTINUING DISCLOSURE.

The Continuing Disclosure Agreement in substantially the form attached hereto as Exhibit D is hereby approved, with such revisions, modifications and insertions as may be approved by the officers of the Commission executing the Continuing Disclosure Agreement, such approval to be evidenced by the execution thereof, and the President, Vice President, Secretary, Treasurer and/or Executive Director of the Commission is hereby authorized to execute and deliver the Continuing Disclosure Agreement on behalf of the Commission.

SECTION 307. DEPOSITORY TRUST COMPANY.

The Depository Trust Company (“DTC”) will serve as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully registered securities in the name of Cede & Co., as nominee of DTC. One fully registered bond certificate will be issued for each maturity of the Series 2023 Bonds, and will be deposited with DTC. The Commission shall comply with all requisite terms and conditions of DTC in order to qualify the Series 2023 Bonds for its book-entry-only system. The Commission reserves the right to terminate the book-entry-only system for the Series 2023 Bonds if, in its sole discretion, it determines that such termination is for the benefit of the holders of the Series 2023 Bonds.

SECTION 308. PAYMENT OF COSTS OF ISSUANCE.

The President, Vice President or Executive Director of the Commission is authorized and directed to pay or cause to be paid all of the approved costs associated with the sale and issuance of the Series 2023 Bonds, as approved by the Executive Director.

SECTION 309. ADDITIONAL ACTS REGARDING SERIES 2023 BONDS.

The President, Vice President and Executive Director, together with all other Commission Officers and the staff and consultants of the Commission, are hereby authorized and directed to take all actions which are necessary or which are convenient to effectuate the terms of the General Bond Resolution in connection with the issuance, sale and delivery of the Series 2023 Bonds. The Commission is also authorized to enter into any additional agreements and/or investments necessary in order to provide for the issuance of the Series 2023 Bonds.

The President, Vice President and Executive Director, together with all other Commission Officers, are hereby further severally authorized to (i) execute and deliver, and the Secretary of the Commission is hereby further authorized to attest to such execution and to affix

the corporate seal of the Commission to, any document, instrument or closing certificate deemed necessary, desirable or convenient by said Commission Officer(s) or the Secretary of the Commission, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution, sale and delivery of the Series 2023 Bonds and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such certificate or other document by the party authorized hereunder to execute such certificate or other document, and (ii) perform such other actions as said Commission Officer(s) deem necessary, desirable or convenient in relation to the execution, sale and delivery of the Series 2023 Bonds and the consummation of the transactions contemplated thereby. Such closing certificates shall include, without limitation a determination that any information provided by or on behalf of the Commission or relating to the Commission, the Series 2023 Bonds or the transactions contemplated thereby in connection with the preparation and distribution of the Preliminary Official Statement and the Official Statement complies with Section 10 and Rule 10b-5 of the Securities Exchange Act.

The President, Vice President and Executive Director, together with all other Commission Officers and the staff and consultants of the Commission, are hereby authorized and directed to take all actions which are necessary or which are convenient to effectuate the terms of the General Bond Resolution in connection with the issuance, sale and delivery of the Series 2023 Bonds, including but not limited to, the preparation and distribution of a preliminary and final offering document. The Commission is also authorized to enter into any additional agreements and/or investments necessary in order to provide for the issuance of the Series 2023 Bonds.

*SECTION 310.*PRIOR ACTION.

All action which has been taken prior to the date hereof by the officers, employees, and agents of the Commission with respect to the sale of the Series 2023 Bonds is hereby approved and ratified.

**ARTICLE IV
BOND INSURANCE**

SECTION 401. BOND INSURANCE.

The Executive Director of the Commission is hereby authorized to determine, in consultation with the Commission's municipal advisor, whether it would be advantageous to cause all or a portion of the Series 2023 Bonds to be secured by a municipal bond insurance policy. If so determined, and if provision of said policy will result in debt service savings to the Commission, the Executive Director is hereby further authorized to negotiate the terms of any such municipal bond insurance policy (the "2023 Bond Insurance Policy"), to execute and deliver on behalf of the Commission a commitment letter with the applicable bond insurance company (the "2023 Bond Insurer") in respect of such bond insurance, to enter into an insurance agreement with the 2023 Bond Insurer in respect of such bond insurance, and (subject to the following paragraph) to incorporate the terms of such bond insurance in the General Bond Resolution and this Series 2023 Supplemental Resolution No. 1 by including the terms thereof in the Award Certificate.

The Commission hereby approves the terms of bond insurance contained in Exhibit E attached hereto, and the Executive Director is hereby authorized to accept terms of bond insurance substantially consistent with such approved terms, with such revisions, modifications and insertions as may be approved by the officers of the Commission executing the Bond Purchase Agreement, such approval to be evidenced by the execution thereof; provided, however, that any substantive changes from the terms set forth in said Exhibit E which materially increase the obligations of the Commission shall be approved in a Details Resolution.

The President, Vice President, Secretary, Treasurer and/or Executive Director of the Commission are each hereby authorized to execute and deliver on behalf of the Commission all additional documents necessary or desirable in connection with the 2023 Bond Insurance Policy.

ARTICLE V
MISCELLANEOUS

SECTION 501. EFFECTIVE DATE.

Pursuant to and in accordance with Section 806 of the General Bond Resolution, this Series 2023 Supplemental Resolution No. 1 shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy of this Series 2023 Supplemental Resolution No. 1, certified by the Secretary of the Commission or a person designated to serve in that capacity by the Commission together with the opinion of Bond Counsel required by Section 806 of the General Bond Resolution, and if applicable, the consent of any Bond Insurer or provider of any Credit Facility.

SECTION 502. INCORPORATION OF REMAINDER OF RESOLUTION BY REFERENCE.

All provisions of the General Bond Resolution, as amended, other than those amended by the provisions of this resolution, are incorporated herein by reference as if set forth at length herein. Such provisions shall remain in full force and effect.

SECTION 503. COVENANT AS TO COMPLIANCE WITH FEDERAL TAX MATTERS.

The Commission hereby covenants that it will take all actions within its control that are necessary to assure that interest on the Series 2023 Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). The Commission will refrain from taking any action that would adversely affect the exclusion of interest on such Series 2023 Bonds from gross income under the provisions of the Code. To assist the Commission in complying with this covenant, the Commission may periodically request that its Bond Counsel and/or Municipal Advisor from time to time provide instructions to the Executive Director and Chief Financial Officer of the Commission concerning the application of the proceeds and investment income, if any, from such Series 2023 Bonds and the manner in which the record of expenditures and investments may be maintained.

SECTION 504. PUBLICATION AND FILING.

The Secretary is hereby directed to publish the Notice of Adoption of this Series 2023 Supplemental Resolution No. 1, in substantially the form attached hereto as Exhibit F, in the official newspaper(s) of the Commission and to file a certified copy of this Series 2023 Supplemental Resolution No. 1 with the Trustee, the Director of the Department of Local Government Services and with the Offices of the Clerks of the Owner Cities as prescribed by N.J.S.A. 40:62-133.5.

RECORD OF COMMISSION VOTE ON FINAL PASSAGE

| | AYE | NAY | ABSTAIN | ABSENT |
|--------------------------|--------------|------------|----------------|---------------|
| FRIEND, G. | <u> x </u> | _____ | _____ | _____ |
| DEPADUA, C. | <u> x </u> | _____ | _____ | _____ |
| VAN RENSALIER, R. | <u> x </u> | _____ | _____ | _____ |
| SANCHEZ, R. | <u> x </u> | _____ | _____ | _____ |
| KOLODZIEJ, J. | <u> x </u> | _____ | _____ | _____ |
| LEVINE, J. | <u> x </u> | _____ | _____ | _____ |
| COTTON, R. | <u> x </u> | _____ | _____ | _____ |

Adopted at a meeting of Passaic Valley Water Commission.




President
GERALD FRIEND



Secretary
RUBY COTTON

CERTIFICATION

I, LOUIS AMODIO, Administrative Secretary of the Passaic Valley Water Commission in the County of Passaic, and the State of New Jersey do hereby certify that the foregoing Resolution is a true copy of the Original Resolution duly passed and adopted by a majority of the full membership of the Passaic Valley Water Commission at its meeting of August 28, 2023.



LOUIS AMODIO
Administrative Secretary