



PASSAIC VALLEY WATER COMMISSION

RESOLUTION #22-054

RESOLUTION OF PASSAIC VALLEY WATER COMMISSION

DATE OF ADOPTION: May 11, 2022

Factual Contents certified to by Louis Amodio, Administrative Secretary. Approved as to Form and Legality on basis of facts set forth by Yaacov Brisman, General Counsel. 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: CARMEN 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; Contracts, Security, Negotiations, Personnel, Law and: other matters as may be discussed in camera.
2. It is anticipated at this time that the above-stated subject matters 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: RUBY N. COTTON Time: 10:00 AM

RECORD OF COMMISSION VOTE ON FINAL PASSAGE

Table with 5 columns: Name, AYE, NAY, ABSTAIN, ABSENT. Rows include FRIEND, G., DEPADUA, C., LEVINE, J., SANCHEZ, R., VAN RENSA LIER, R., KOLODZIEJ, J., and COTTON, R.

Adopted at a meeting of Passaic Valley Water Commission.

Signature of Rigo Sanchez, President

Signature of Ruby N. Cotton, Secretary

This Resolution, when adopted, must remain in the custody of the Administrative 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 a legal quorum 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 May 11, 2022.

  
LOUIS AMODIO  
Administrative Secretary

# 2022 AUTHORITY BUDGET RESOLUTION

## Passaic Valley Water Commission

**FISCAL YEAR: January 01, 2022 to December 31, 2022**

WHEREAS, the Annual Budget for Passaic Valley Water Commission for the fiscal year beginning January 01, 2022 and ending December 31, 2022 has been presented before the governing body of the Passaic Valley Water Commission at its open public meeting of May 11, 2022; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$105,624,924.00, Total Appropriations including any Accumulated Deficit, if any, of \$96,205,553.00, and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$49,467,213.00 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$18,534,798.00; and

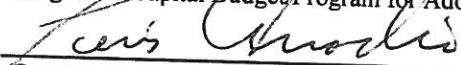
WHEREAS, the schedule of rents, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for 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 Passaic Valley Water Commission, at an open public meeting held on May 11, 2022 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Passaic Valley Water Commission for the fiscal year beginning January 01, 2022 and ending December 31, 2022, 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 Housing 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 Passaic Valley Water Commission will consider the Annual Budget and Capital Budget/Program for Adoption on June 22, 2022.

  
 \_\_\_\_\_  
 (Secretary's Signature)

MAY 11, 2022  
 (Date)

**Governing Body Recorded Vote**

Member	Aye	Nay	Abstain	Absent
Rigoberto Sanchez	X			
Gerald Friend			X	
Carmen Depadua	X			
Ruby Cotton	X			
Joseph Kolodziej	X			
Jeffrey Levine				
Ronald Van Rensalier	X			X

# 2022 ADOPTION CERTIFICATION

Passaic Valley Water Commission

## AUTHORITY BUDGET

**FISCAL YEAR: January 01, 2022 to December 31, 2022**

It is hereby certified that the Authority Budget and Capital Budget/Program annexed hereto is a true copy of the Budget adopted by the governing body of the Passaic Valley Water Commission, pursuant to N.J.A.C 5:31-2.3, on June 22, 2022.

<b>Officer's Signature:</b>			
<b>Name:</b>	Yitzchak Weiss		
<b>Title:</b>	Chief Financial Officer		
<b>Address:</b>	1525 Main Avenue Clifton, New Jersey 07055		
<b>Phone Number:</b>	(973) 340-4328	<b>Fax:</b>	(973) 340-4334
<b>E-mail address:</b>	yweiss@pvwc.com		

**2022 AUTHORITY BUDGET  
NARRATIVE AND INFORMATION SECTION**

# 2022 AUTHORITY BUDGET MESSAGE & ANALYSIS

Passaic Valley Water Commission

**FISCAL YEAR: January 01, 2022 to December 31, 2022**

*Answer all questions below using the space provided. Do not attach answers as a separate document.*

1. Complete a brief statement on the Fiscal Year 2022 proposed Annual Budget and make comparison to the Fiscal Year 2021 adopted budget for each Revenues and Appropriations. Explain any variances over +/-10% (as shown on budget pages F-2 and F-4) for each individual revenue and appropriation line item. Explanations of variances should include a description of the reason for the increase or decrease in the budgeted line item, not just an indication of the amount and percent of change. Upload any supporting documentation that will help explain the reason for the increase or decrease in the budgeted line item.

Please see attached budget narrative.

2. Describe the state of the local/regional economy and how it may impact the proposed Annual Budget, including the planned Capital Program.

A 2.0% retail and wholesale rate increase has been approved pursuant to our five-year plan as well as a 2.0% fireline rate increase for Owner Cities and Out of Town Cities, and a 6.5% rate increase for Lodi. Other aspects of our rate structure remain stable.

3. Describe the reasons for utilizing Unrestricted Net Position in the proposed Annual Budget (i.e. rate stabilization, debt service reduction, to balance the budget, etc.) If the Authority's budget anticipated a use of Unrestricted Net Position, this question must be answered.

To minimize need for issuing debt.

# 2022 AUTHORITY BUDGET MESSAGE & ANALYSIS

Passaic Valley Water Commission

FISCAL YEAR: January 01, 2022 to December 31, 2022

*Answer all questions below using the space provided. Do not attach answers as a separate document.*

4. Identify any sources of funds transferred to the County/Municipality as a budget subsidy or shared service payments, pilot payments, or other types of contracts or agreements. (Example - To provide police services to the Authority, etc. and explain the reason for the transfer (i.e. to balance the County/Municipal Budget, etc.)

N/A

5. The proposed budget must not reflect an anticipated deficit from 2022 operations. If there exists an accumulated deficit from prior year's budgets (and funding is included in the proposed budget as a result of a prior year deficit) explain the funding plan to eliminate said deficit (N.J.S.A. 40A:5A-12). If the Authority has a net deficit reported in its most recent audit, it must provide a deficit reduction plan in response to this question.

PVWC will pay its annual pension bills, post-employment benefits, and over time will fund the GAAP accounting deficit.

**(Prepare a response to deficits in most recent audit report pertaining to Deficits to Unrestricted Net Position caused by recording Pension and Post-Employment Benefits liabilities as required by GASB 68 and GASB 75) and similar types of deficits in the audit report. How would these deficits be funded?**

# 2022 AUTHORITY BUDGET MESSAGE & ANALYSIS

Passaic Valley Water Commission

FISCAL YEAR: January 01, 2022 to December 31, 2022

*Answer all questions below using the space provided. Do not attach answers as a separate document.*

6. Attach a schedule of the Authority's existing rate structure (connection fees, parking fees, service charges, etc.) **if it has been changed since the prior year budget submission** and a schedule of the proposed rate structure for the upcoming fiscal year. Explain any proposed changes in the rate structure and attach the resolution approving the change in rate structure, **if applicable**. (If no changes to fees or rates, indicate answer as "**Rates Are Staying The Same**").

Please see answer # 2. A rate schedule is attached.



# AUTHORITY CONTACT INFORMATION

## 2022

Please complete the following information regarding this Authority. **All** information requested below must be completed.

<b>Name of Authority:</b>	Passaic Valley Water Commission		
<i>Federal ID Number:</i>	22-6002470		
<i>Address:</i>	1525 Main Avenue		
<i>City, State, Zip:</i>	Clifton	NJ	07011
<i>Phone: (ext.)</i>	(973) 340-4300	<i>Fax:</i>	(973) 340-4334

<b>Preparer's Name:</b>	Yitzchak Weiss		
<i>Preparer's Address:</i>	1525 Main Avenue		
<i>City, State, Zip:</i>	Clifton	NJ	07011
<i>Phone: (ext.)</i>	(973) 340-4328	<i>Fax:</i>	(973) 340-4334
<i>E-mail:</i>	yweiss@pvwc.com		

<b>Chief Executive Officer*</b>	James Mueller		
<i>*Or person who performs these functions under another title.</i>			
<i>Phone: (ext.)</i>	(973) 340-4328	<i>Fax:</i>	(973) 340-4334
<i>E-mail:</i>	jmueller@pvwc.com		

<b>Chief Financial Officer*</b>	Yitzchak Weiss		
<i>*Or person who performs these functions under another title.</i>			
<i>Phone: (ext.)</i>	(973) 340-4328	<i>Fax:</i>	(973) 340-4334
<i>E-mail:</i>	yweiss@pvwc.com		

<b>Name of Auditor:</b>	Steven Wielkocz		
<i>Name of Firm:</i>	Wielkocz & Company, LLC		
<i>Address:</i>	401 Wanaque Avenue		
<i>City, State, Zip:</i>	Pompton Lakes	NJ	07442
<i>Phone: (ext.)</i>	(973) 835-7900	<i>Fax:</i>	(973) 835-6631
<i>E-mail:</i>	sdw@w-cpa.com		

# AUTHORITY INFORMATIONAL QUESTIONNAIRE

## Passaic Valley Water Commission

FISCAL YEAR: January 01, 2022 to December 31, 2022

1. Provide the number of individuals employed as reported on the Authority's most recent Form W-3, Transmittal of Wage, and Tax Statement:

242

2. Provide the amount of total salaries and wages reported on the Authority's most recent Form W-3, Transmittal of Wage, and Tax Statements:

\$ 18,732,482.48

3. Provide the number of regular voting members of the governing body:

7

(5 or 7 per State statute, possibly more for regional authorities)

4. Provide the number of alternate voting members of the governing body:

0

(Maximum is 2)

5. **Regional Authorities Only** - Did all individuals that were required to file a Financial Disclosure Statement for the current fiscal year because of their relationship with the Authority file the form as required?

N/A

Check to see if individuals filed their FDS on the FDS webpage: <https://www.nj.gov/dca/divisions/dlgs/resources/fds.html>.

If "no", provide a list of those individuals who failed to file a Financial Disclosure Statement and an explanation as to the reason for their failure to file.

6. Does the Authority have any amounts receivable from current or former commissioners, officers, key employees, or the highest compensated employee?

No

If "yes", provide a list of those individuals, their position, the amount receivable, and a description of the amount due to the Authority.

7. Was the Authority a party to a business transaction with one of the following parties:

a. A current or former commissioner, officer, key employee, or highest compensated employee?

No

b. A family member of a current or former commissioner, officer, key employee, or highest compensated employee?

No

c. An entity of which a current or former commissioner, officer, key employee, or highest compensated employee (or family member thereof) was an officer or direct or indirect owner?

No

If the answer to any of the above is "yes", provide a description of the transaction including the name of the commissioner, officer, key employee, or highest compensated employee (or family member thereof) of the Authority; the name of the entity and relationship to the individual or family member; the amount paid; and whether the transaction was subject to a competitive bid process.

8. Did the Authority during the most recent fiscal year pay premiums, directly or indirectly, on a personal benefit contract\*?

No

\*A personal benefit contract is generally any life insurance, annuity, or endowment contract that benefits, directly or indirectly, the transferor, a member of the transferor's family, or any other person designated by the transferor.

If "yes", provide a description of the arrangement, the premiums paid, and indicate the beneficiary of the contract.

9. Explain the Authority's process for determining compensation for all persons listed on Page N-4. Include whether the Authority's process includes any of the following: 1) review and approval by the commissioners or a committee thereof; 2) study or survey of compensation data for comparable positions in similarly sized entities; 3) annual or periodic performance evaluation; 4) independent compensation consultant; and/or 5) written employment contract. Attach a narrative of your Authority's procedures for all individuals listed on Page N-4 (2 of 2).

# AUTHORITY INFORMATIONAL QUESTIONNAIRE (CONTINUED)

## Passaic Valley Water Commission

**FISCAL YEAR: January 01, 2022 to December 31, 2022**

**10. Did the Authority pay for meals or catering during the current fiscal year?** Yes  
*If "yes", provide a detailed list of all meals and/or catering invoices for the current fiscal year and provide an explanation for each expenditure listed.*

**11. Did the Authority pay for travel expenses for any employee of individual listed on Page N-4?** Yes  
*If "yes", provide a detailed list of all travel expenses for the current fiscal year and provide an explanation for each expenditure listed.*

**12. Did the Authority provide any of the following to or for a person listed on Page N-4 or any other employee of the Authority?**

a. First class or charter travel	No
b. Travel for companions	No
c. Tax indemnification and gross-up payments	No
d. Discretionary spending account	No
e. Housing allowance or residence for personal use	No
f. Payments for business use of personal residence	No
g. Vehicle/auto allowance or vehicle for personal use	No
h. Health or social club dues or initiation fees	No
i. Personal services (i.e. maid, chauffeur, chef)	No

*If the answer to any of the above is "yes", provide a description of the transaction including the name and position of the individual and the amount expended.*

**13. Did the Authority follow a written policy regarding payment or reimbursement for expenses incurred by employees and/or commissioners during the course of Authority business and does that policy require substantiation of expenses through receipts or invoices prior to reimbursement?** Yes  
*If "no", attach an explanation of the Authority's process for reimbursing employees and commissioners for expenses. (If your authority does not allow for reimbursements, indicate that in answer).*

**14. Did the Authority make any payments to current or former commissioners or employees for severance or termination?** No  
*If "yes", provide explanation, including amount paid.*

**15. Did the Authority make payments to current or former commissioners or employees that were contingent upon the performance of the Authority or that were considered discretionary bonuses?** No  
*If "yes", provide explanation including amount paid.*

**16. Did the Authority receive any notices from the Department of Environmental Protection or any other entity regarding maintenance or repairs required to the Authority's systems to bring them into compliance with current regulations and standards that it has not yet taken action to remediate?** No  
*If "yes", provide explanation as to why the Authority has not yet undertaken the required maintenance or repairs and describe the Authority's plan to address the conditions identified.*

**AUTHORITY INFORMATIONAL QUESTIONNAIRE  
(CONTINUED)**

Passaic Valley Water Commission

**FISCAL YEAR: January 01, 2022 to December 31, 2022**

17. Did the Authority receive any notices of fines or assessments from the Department of Environmental Protection or any other entity due to noncompliance with current regulations (i.e. sewer overflow, etc.)?

*If "yes", provide description of the event or condition that resulted in the fine/assessment and indicate the amount of the fine/assessment.*

# AUTHORITY INFORMATIONAL QUESTIONNAIRE (CONTINUED)

Passaic Valley Water Commission

**FISCAL YEAR: January 01, 2022 to December 31, 2022**

*Use the space below to provide clarification for any Questionnaire responses.*

10) PVWC's process for determining compensation includes review and approval by the commissioners and personnel committee, a study or survey of compensation data for comparable positions in similarly sized entities, and annual or periodic performance evaluations.

11) All meal expenditures were small in nature and were for the following reasons: (1) providing food for employees working during COVID emergencies, employee appreciation events and/or training courses, (2) providing refreshments for on-site professional association meetings and commission meetings.

12) All travel was for industry conferences, employee training, and professional continuing education.



**AUTHORITY SCHEDULE OF COMMISSIONERS, OFFICERS, KEY EMPLOYEES  
HIGHEST COMPENSATED EMPLOYEES AND INDEPENDENT CONTRACTORS**

**Passaic Valley Water Commission**

**FISCAL YEAR: January 01, 2022 to December 31, 2022**

*Complete the attached table for all persons required to be listed per #1-4 below.*

- 1) List all of the Authority's current commissioners and officers and amount of compensation from the Authority as defined below. Enter zero if no compensation was paid.
- 2) List all of the Authority's key employees and highest compensated employees other than a commissioner or officer as defined below and amount of compensation from the Authority.
- 3) List all of the Authority's former officers, key employees, and highest compensated employees who received more than \$100,000 in reportable compensation from the Authority during the most recent fiscal year completed.
- 4) List all of the Authority's former commissioners who received more than \$10,000 in reportable compensation from the Authority during the most recent fiscal year completed.

**Commissioner:** A member of the governing body of the authority with voting rights. Include alternates for the purposes of this schedule.

**Officer:** A person elected or appointed to manage the authority's daily operations at any time during the year, such as the chairperson, vice-chairperson, secretary, or treasurer. For the purposes of this schedule, treat the authority's top management official and top financial officer as officers, if applicable. A member of the governing body may be both a commissioner and an officer for the purposes of this schedule.

**Key Employee:** An employee or independent contractor of the authority (other than a commissioner or officer) who meets

- a) The individual received reportable compensation from the authority and other public entities in excess of \$150,000 for the most recent fiscal year completed; and
- b) The individual has responsibilities or influence over the authority as a whole or has power to control or determine 10% or more of the authority's capital expenditures or operating budget.

**Highest Compensated Employee:** One of the five highest compensated employees or independent contractors of the authority other than current commissioners, officers, or key employees whose aggregate reportable compensation from the authority and other public entities is greater than \$100,000 for the most recent fiscal year completed.

**Compensation:** All forms of cash and non-cash payments or benefits provided in exchange for services, including salaries and wages, bonuses, severance payments, deferred payments, retirement benefits, fringe benefits, and other financial arrangements or transactions such as personal vehicles, meals, housing, personal, and family education benefits, below-market loans, payment of personal or family travel, entertainment, and personal use of the Authority's property. Compensation includes payments and other benefits provided to both employees and independent contractors in exchange for services.

**Reportable Compensation (Use the most recent W-2 available):** The aggregate compensation that is reported (or required to be reported) on Form W-2, box 1 or 5, whichever amount is greater, and/or Form 1099-MISC, box 7, for the most recent calendar year ended 60 days before the start of the proposed budget year.

Passaic Valley Water Commission  
For the Period January 01, 2022 to December 31, 2022

Name	Title	Average Hours per Week Dedicated to Position	Position		Reportable Compensation from Authority (W-2/ 1099)					Estimated amount of other compensation from the Authority (health benefits, pension, etc.)	Total Compensation from Authority	
			Commissioner	Officer	Key Employee	Highest Compensated	Former	Base Salary/ Stipend	Bonus			Other (auto allowance, expense account, payment in lieu of health benefits, etc.)
1 Rigoberto Sanchez	Commissioner	part time	x						\$ 7,500.00	\$	\$ 31,540.00	\$ 39,040.00
2 Jeffrey Levine	Commissioner	part time	x						\$ 7,500.00	\$	\$ 31,540.00	\$ 39,040.00
3 Carmen Depadua	Commissioner	part time	x						\$ 7,500.00	\$	\$ -	\$ 7,500.00
4 Joe Kolodziej	Commissioner	part time	x						\$ 7,500.00	\$	\$ 30,264.00	\$ 37,764.00
5 Ruby Cotton	Commissioner	part time	x						\$ 8,500.00	\$	\$ -	\$ 8,500.00
6 Ron Van Rensalier	Commissioner	part time	x						\$ 7,500.00	\$	\$ 11,384.00	\$ 18,884.00
7 Gerald Friend	Commissioner	part time	x						\$ 7,500.00	\$	\$ 22,500.00	\$ 30,000.00
8 Joseph Bella	Exec Director	part time	x				x		\$ 113,426.00	\$	\$ 9,074.00	\$ 122,500.00
9 Yitzhak Weiss	CFO	35	x						\$ 268,061.00	\$	\$ 31,540.00	\$ 299,601.00
10 James Gallagher	Dir of Personnel	35	x			x			\$ 203,753.00	\$	\$ 1,276.00	\$ 205,029.00
11 Michael Marotta	Gen'l Spv Maint	40	x			x			\$ 205,100.00	\$	\$ 20,693.00	\$ 225,793.00
12 Wendy Simone	Wtr Superintendent	40	x			x			\$ 194,751.00	\$	\$ 31,540.00	\$ 226,291.00
13 Jeffrey Baig	Asst Gen'l Spv Water	40	x			x			\$ 194,045.00	\$	\$ 31,069.00	\$ 225,114.00
14 Louis Amodio	Business Admin	35	x			x			\$ 200,967.00	\$	\$ 31,540.00	\$ 232,507.00
15 Patrick Porcaro	Chief Engineer	35	x			x			\$ 219,957.00	\$	\$ 31,540.00	\$ 251,497.00
16 Gregg Lucianin	Dir of Purchasing	35	x			x			\$ 154,092.00	\$	\$ 154,092.00	\$ 154,092.00
17 Suzanne Delorenzo	Lab Director	35	x			x			\$ 167,561.00	\$	\$ 22,500.00	\$ 190,061.00
18										\$	\$ -	\$ -
19										\$	\$ -	\$ -
20										\$	\$ -	\$ -
21										\$	\$ -	\$ -
22										\$	\$ -	\$ -
23										\$	\$ -	\$ -
24										\$	\$ -	\$ -
25										\$	\$ -	\$ -
26										\$	\$ -	\$ -
27										\$	\$ -	\$ -
28										\$	\$ -	\$ -
29										\$	\$ -	\$ -
30										\$	\$ -	\$ -
31										\$	\$ -	\$ -
32										\$	\$ -	\$ -
33										\$	\$ -	\$ -
34										\$	\$ -	\$ -
35										\$	\$ -	\$ -
Total:									\$ 1,975,213.00	\$ -	\$ 338,000.00	\$ 2,313,213.00



## Schedule of Health Benefits - Detailed Cost Analysis

Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

If no health benefits, check this box:

	# of Covered Members		Annual Cost		Total Cost		# of Covered Members		Annual Cost per		Total Current		% Increase	
	(Medical & Rx) Proposed Budget	(Medical & Rx) Current Year	Estimate per Employee	Proposed Budget	Estimate	Proposed Budget	(Medical & Rx) Current Year	Current Year	Employee Current Year	Year	Year Cost	Year Cost	(Decrease)	(Decrease)
<b>Active Employees - Health Benefits - Annual Cost</b>														
Single Coverage	83		13,209.00	1,096,347.00		79		12,474.00		985,446.00		110,901.00		11.3%
Parent & Child	23		23,643.00	543,789.00		22		23,758.00		522,676.00		21,113.00		4.0%
Employee & Spouse (or Partner)	24		26,417.00	634,008.00		29		24,949.00		723,521.00		(89,513.00)		-12.4%
Family	64		36,852.00	2,358,528.00		65		34,803.00		2,262,195.00		96,333.00		4.3%
Employee Cost Sharing Contribution (enter as negative - )				(1,190,350.00)						(1,006,435.00)		(183,915.00)		18.3%
<b>Subtotal</b>	<b>194</b>			<b>3,442,322.00</b>		<b>195</b>				<b>3,487,403.00</b>		<b>(45,081.00)</b>		<b>-1.3%</b>
<b>Commissioners - Health Benefits - Annual Cost</b>														
Single Coverage	1		13,209.00	13,209				12,474.00		-		13,209.00		
Parent & Child			23,643.00	-				23,758.00		-		-		
Employee & Spouse (or Partner)	1		26,417.00	26,417		1		24,949.00		24,949.00		1,468.00		5.9%
Family	3		36,852.00	110,556		3		34,803.00		104,409.00		6,147.00		5.9%
Employee Cost Sharing Contribution (enter as negative - )				(4,965)						(3,588.00)		(1,377.00)		38.4%
<b>Subtotal</b>	<b>5</b>			<b>145,217</b>		<b>4</b>				<b>125,770.00</b>		<b>19,447.00</b>		<b>15.5%</b>
<b>Retirees - Health Benefits - Annual Cost</b>														
Single Coverage				-		48		7,466.00		358,368.00		(358,368.00)		-100.0%
Parent & Child				-		3		26,330.00		78,990.00		(78,990.00)		-100.0%
Employee & Spouse (or Partner)				-		66		24,440.00		1,613,040.00		(1,613,040.00)		-100.0%
Family				-		12		36,149.00		433,788.00		(433,788.00)		-100.0%
Employee Cost Sharing Contribution (enter as negative - )				-						-		-		
<b>Subtotal</b>				<b>-</b>		<b>129</b>				<b>2,484,186.00</b>		<b>(2,484,186.00)</b>		<b>-100.0%</b>
<b>GRAND TOTAL</b>	<b>199</b>			<b>3,587,539.00</b>		<b>328</b>				<b>6,097,359.00</b>		<b>(2,509,820.00)</b>		<b>-41.2%</b>

Is medical coverage provided by the SHBP (Yes or No)?	No
Is prescription drug coverage provided by the SHBP (Yes or No)?	No

Passaic Valley Water Commission  
For the Period: January 01, 2022 to December 31, 2022

Complete the below table for the Authority's accrued liability for compensated absences.  
If no accumulated absences, check this box:

Individuals Eligible for Benefit	Gross Days of Accumulated Compensated Absences at January 1, 2020	Dollar Value of Accrued Compensated Absence Liability	Legal Basis for Benefit		
			Approved Labor Agreement	Resolution	Individual Employment Agreement
Please see attached		\$ 2,961,221.02	x		
		<u>\$ 2,961,221.02</u>			

Total liability for accumulated compensated absences at January 1, 2021 (this page only) \$ 2,961,221.02

**Passaic Valley Water Commission**  
**For the Period: January 01, 2022 to December 31, 2022**

*Complete the below table for the Authority's accrued liability for compensated absences.*

Individuals Eligible for Benefit	Gross Days of Accumulated Compensated Absences at January 1, 2020	Dollar Value of Accrued Compensated Absence Liability	Legal Basis for Benefit		
			Approved Labor Agreement	Resolution	Individual Employment Agreement
<b>Total liability for accumulated compensated absences at January 1, 2021 (all pages)</b>		<b>\$ 2,961,221.02</b>			

# Schedule of Shared Service Agreements

Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

If no shared services, check this box:

Enter the shared service agreements that the Authority currently engages in and identify the amount that is received/paid for those services.

Name of Entity Providing Service	Name of Entity Receiving Service	Type of Shared Service Provided	Comments (Enter more specifics if needed)	Agreement Effective Date	Agreement End Date	Amount to be Received by/ Paid from Authority

**2022 AUTHORITY BUDGET  
FINANCIAL SCHEDULES SECTION**

# SUMMARY

## Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

	<b>FY 2022 Proposed Budget</b>						<b>FY 2021 Adopted Budget</b>		\$ Increase (Decrease) Proposed vs. Adopted	% Increase (Decrease) Proposed vs. Adopted
	Water	#2	#3	#4	#5	#6	Total All Operations	Total All Operations		
	Operation	Operation	Operation	Operation	Operation	Operation	#6	#6		
<b>REVENUES</b>										
Total Operating Revenues	\$ 104,874,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,874,924	\$ 101,178,117	\$ 3,696,807	3.7%
Total Non-Operating Revenues	750,000	-	-	-	-	-	750,000	250,000	500,000	200.0%
Total Anticipated Revenues	105,624,924	-	-	-	-	-	105,624,924	101,428,117	4,196,807	4.1%
<b>APPROPRIATIONS</b>										
Total Administration	32,375,597	-	-	-	-	-	32,375,597	-	32,375,597	#DIV/0!
Total Cost of Providing Services	47,336,213	-	-	-	-	-	47,336,213	-	47,336,213	#DIV/0!
Total Principal Payments on Debt Service in Lieu of Depreciation	12,921,918	-	-	-	-	-	12,921,918	14,874,598	(1,952,680)	-13.1%
Total Operating Appropriations	92,633,728	-	-	-	-	-	92,633,728	14,874,598	77,759,130	522.8%
Total Interest Payments on Debt	3,571,825	-	-	-	-	-	3,571,825	3,249,052	322,773	9.9%
Total Other Non-Operating Appropriations	-	-	-	-	-	-	-	-	-	#DIV/0!
Total Non-Operating Appropriations	3,571,825	-	-	-	-	-	3,571,825	3,249,052	322,773	9.9%
Accumulated Deficit	-	-	-	-	-	-	-	-	-	#DIV/0!
Total Appropriations and Accumulated Deficit	96,205,553	-	-	-	-	-	96,205,553	18,123,650	78,081,903	430.8%
Less: Total Unrestricted Net Position Utilized	-	-	-	-	-	-	-	-	-	#DIV/0!
Net Total Appropriations	96,205,553	-	-	-	-	-	96,205,553	18,123,650	78,081,903	430.8%
<b>ANTICIPATED SURPLUS (DEFICIT)</b>	\$ 9,419,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,419,371	\$ 83,304,467	\$ (73,885,096)	-88.7%

## Revenue Schedule

Passaic Valley Water Commission  
For the Period: January 01, 2022 to December 31, 2022

	<b>FY 2022 Proposed Budget</b>						<b>FY 2021</b>	<b>\$ Increase</b>	<b>% Increase</b>	
	Water	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	<b>Adopted</b>	<b>(Decrease)</b>	<b>(Decrease)</b>	
							<b>Budget</b>	<b>Proposed vs.</b>	<b>Proposed vs.</b>	
	<b>Total All</b>						<b>Total All</b>	<b>All Operations</b>	<b>All Operations</b>	
	<b>Operations</b>						<b>Operations</b>	<b>Adopted</b>	<b>Adopted</b>	
<b>OPERATING REVENUES</b>										
<i>Service Charges</i>										
Residential							\$ -	\$ -	\$ -	#DIV/0!
Business/Commercial							-	-	-	#DIV/0!
Industrial							-	-	-	#DIV/0!
Intergovernmental							-	-	-	#DIV/0!
Other	56,632,137						56,632,137	55,046,573	1,585,564	2.9%
<b>Total Service Charges</b>	<b>56,632,137</b>						<b>56,632,137</b>	<b>55,046,573</b>	<b>1,585,564</b>	<b>2.9%</b>
<i>Connection Fees</i>										
Residential							-	-	-	#DIV/0!
Business/Commercial							-	-	-	#DIV/0!
Industrial							-	-	-	#DIV/0!
Intergovernmental							-	-	-	#DIV/0!
Other							-	-	-	#DIV/0!
<b>Total Connection Fees</b>							<b>-</b>	<b>-</b>	<b>-</b>	<b>#DIV/0!</b>
<i>Parking Fees</i>										
Meters							-	-	-	#DIV/0!
Permits							-	-	-	#DIV/0!
Fines/Penalties							-	-	-	#DIV/0!
Other							-	-	-	#DIV/0!
<b>Total Parking Fees</b>							<b>-</b>	<b>-</b>	<b>-</b>	<b>#DIV/0!</b>
<i>Other Operating Revenues (List)</i>										
Wholesale	35,576,984						35,576,984	34,464,170	1,112,814	3.2%
Fireline	6,992,744						6,992,744	6,109,635	883,109	14.5%
Miscellaneous	5,673,059						5,673,059	5,557,739	115,320	2.1%
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
<b>Total Other Revenue</b>	<b>48,242,787</b>						<b>48,242,787</b>	<b>46,131,544</b>	<b>2,111,243</b>	<b>4.6%</b>
<b>Total Operating Revenues</b>	<b>104,874,924</b>						<b>104,874,924</b>	<b>101,178,117</b>	<b>3,696,807</b>	<b>3.7%</b>
<b>NON-OPERATING REVENUES</b>										
<i>Other Non-Operating Revenues (List)</i>										
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
							-	-	-	#DIV/0!
<b>Total Other Non-Operating Revenue</b>							<b>-</b>	<b>-</b>	<b>-</b>	<b>#DIV/0!</b>
<i>Interest on Investments &amp; Deposits (List)</i>										
Interest Earned	750,000						750,000	250,000	500,000	200.0%
Penalties							-	-	-	#DIV/0!
Other							-	-	-	#DIV/0!
<b>Total Interest</b>	<b>750,000</b>						<b>750,000</b>	<b>250,000</b>	<b>500,000</b>	<b>200.0%</b>
<b>Total Non-Operating Revenues</b>	<b>750,000</b>						<b>750,000</b>	<b>250,000</b>	<b>500,000</b>	<b>200.0%</b>
<b>TOTAL ANTICIPATED REVENUES</b>	<b>\$ 105,624,924</b>						<b>\$ 105,624,924</b>	<b>\$ 101,428,117</b>	<b>\$ 4,196,807</b>	<b>4.1%</b>

**Prior Year Adopted Revenue Schedule**

Passaic Valley Water Commission

<i>FY 2021 Adopted Budget</i>							Total All
	Water	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	Operations
<b>OPERATING REVENUES</b>							
<i>Service Charges</i>							
Residential							\$ -
Business/Commercial							-
Industrial							-
Intergovernmental							-
Other	55,046,573						55,046,573
Total Service Charges	55,046,573	-	-	-	-	-	55,046,573
<i>Connection Fees</i>							
Residential							-
Business/Commercial							-
Industrial							-
Intergovernmental							-
Other							-
Total Connection Fees	-	-	-	-	-	-	-
<i>Parking Fees</i>							
Meters							-
Permits							-
Fines/Penalties							-
Other							-
Total Parking Fees	-	-	-	-	-	-	-
<i>Other Operating Revenues (List)</i>							
Wholesale	34,464,170						34,464,170
Fireline	6,109,635						6,109,635
Miscellaneous	5,557,739						5,557,739
							-
							-
							-
							-
							-
							-
							-
							-
Total Other Revenue	46,131,544	-	-	-	-	-	46,131,544
Total Operating Revenues	101,178,117	-	-	-	-	-	101,178,117
<b>NON-OPERATING REVENUES</b>							
<i>Other Non-Operating Revenues (List)</i>							
							-
							-
							-
							-
							-
							-
							-
<i>Other Non-Operating Revenues</i>	-	-	-	-	-	-	-
<i>Interest on Investments &amp; Deposits</i>							
Interest Earned	250,000						250,000
Penalties							-
Other							-
Total Interest	250,000	-	-	-	-	-	250,000
Total Non-Operating Revenues	250,000	-	-	-	-	-	250,000
<b>TOTAL ANTICIPATED REVENUES</b>	<b>\$ 101,428,117</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 101,428,117</b>



# Appropriations Schedule

Passaic Valley Water Commission  
For the Period: January 01, 2022 to December 31, 2022

## FY 2022 Proposed Budget

	Water	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations	FY 2021 Adopted Budget		
								Total All Operations	All Operations	
<b>OPERATING APPROPRIATIONS</b>										
<i>Administration - Personnel</i>										
Salary & Wages	\$ 7,139,700						\$ 7,139,700	\$ -	\$ 7,139,700	#DIV/0!
Fringe Benefits	4,607,117						4,607,117	-	4,607,117	#DIV/0!
Total Administration - Personnel	11,746,817	-	-	-	-	-	11,746,817	-	11,746,817	#DIV/0!
<i>Administration - Other (List)</i>										
Other expenses	20,628,780						20,628,780	-	20,628,780	#DIV/0!
Miscellaneous Administration*								-	-	#DIV/0!
Total Administration - Other	20,628,780	-	-	-	-	-	20,628,780	-	20,628,780	#DIV/0!
Total Administration	32,375,597	-	-	-	-	-	32,375,597	-	32,375,597	#DIV/0!
<i>Cost of Providing Services - Personnel</i>										
Salary & Wages	14,868,800						14,868,800	-	14,868,800	#DIV/0!
Fringe Benefits	9,594,563						9,594,563	-	9,594,563	#DIV/0!
Total COPS - Personnel	24,463,363	-	-	-	-	-	24,463,363	-	24,463,363	#DIV/0!
<i>Cost of Providing Services - Other (List)</i>										
Other expenses	22,872,850						22,872,850	-	22,872,850	#DIV/0!
Miscellaneous COPS*								-	-	#DIV/0!
Total COPS - Other	22,872,850	-	-	-	-	-	22,872,850	-	22,872,850	#DIV/0!
Total Cost of Providing Services	47,336,213	-	-	-	-	-	47,336,213	-	47,336,213	#DIV/0!
Total Principal Payments on Debt Service in Lieu of Depreciation	12,921,918	-	-	-	-	-	12,921,918	14,874,598	(1,952,680)	-13.1%
Total Operating Appropriations	92,633,728	-	-	-	-	-	92,633,728	14,874,598	77,759,130	522.8%
<b>NON-OPERATING APPROPRIATIONS</b>										
Total Interest Payments on Debt	3,571,825	-	-	-	-	-	3,571,825	3,249,052	322,773	9.9%
Operations & Maintenance Reserve								-	-	#DIV/0!
Renewal & Replacement Reserve								-	-	#DIV/0!
Municipality/County Appropriation								-	-	#DIV/0!
Other Reserves								-	-	#DIV/0!
Total Non-Operating Appropriations	3,571,825	-	-	-	-	-	3,571,825	3,249,052	322,773	9.9%
<b>TOTAL APPROPRIATIONS</b>	<b>96,205,553</b>						<b>96,205,553</b>	<b>18,123,650</b>	<b>78,081,903</b>	<b>430.8%</b>
<b>ACCUMULATED DEFICIT</b>										
<b>TOTAL APPROPRIATIONS &amp; ACCUMULATED DEFICIT</b>										
<b>DEFICIT</b>	96,205,553	-	-	-	-	-	96,205,553	18,123,650	78,081,903	430.8%
<b>UNRESTRICTED NET POSITION UTILIZED</b>										
Municipality/County Appropriation								-	-	#DIV/0!
Other								-	-	#DIV/0!
Total Unrestricted Net Position Utilized								-	-	#DIV/0!
<b>TOTAL NET APPROPRIATIONS</b>	<b>\$ 96,205,553</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 96,205,553</b>	<b>\$ 18,123,650</b>	<b>\$ 78,081,903</b>	<b>430.8%</b>

\* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations \$ 4,631,686.40 \$ - \$ - \$ - \$ - \$ - \$ - \$ 4,631,686.40

# AUTHORITY PROPOSED APPROPRIATIONS

## APPROPRIATION DETAIL PAGE

Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

*Use the space below to provide further detail of any Appropriations listed on "F-4 Appropriations (Proposed)"*

<b>Line Item:</b>	<b>Water</b>	<b>Operation #2</b>	<b>Operation #3</b>	<b>Operation #4</b>	<b>Operation #5</b>	<b>Operation #6</b>
Executive:						
Salaries	1,015,300.00					
Conference & seminars	20,000.00					
General Expense	500.00					
Membership Affiliations	35,000.00					
Legal:						
Salaries	252,000.00					
Overtime	1,000.00					
Prof Services Legal/Defense - Pers In	168,300.00					
Prof Services Legal/Defense - Prop D	1,500.00					
Prof Services Legal/Professional Serv	25,300.00					
PROFL SERV-LEGAL / PROF SVCS-Dist	5,100.00					
PROFL SERV-LEGAL / Land Use (Escro	1,000.00					
PROFL SERV-LEGAL / Land Use Gener	36,100.00					
PROFL SERV-LEGAL / Tax Appeals	25,300.00					
PROFL SERV-LEGAL / Bond Counsel	5,200.00					
PROFL SERV-LEGAL / Regulatory & A	82,400.00					
PROFL SERV-LEGAL / Personnel	20,600.00					
PROFL SERV-LEGAL / Bankruptcy	20,800.00					
PROFL SERV-LEGAL / General Litigati	96,900.00					
PROFL SERV-LEGAL / Easements/ROV	2,000.00					
PROFL SERV-LEGAL / Easements/ROV	2,100.00					
Personal Injuries	50,000.00					
Property	100,000.00					
Settlements	50,000.00					
Conference & seminars	10,000.00					
Supplies Books & Publications	5,000.00					
Purchases General Expense	3,000.00					
Membership Affiliations	500.00					
Engineering:						
Salaries	2,219,900.00					
Overtime	120,300.00					
Professional Services/Engineering	2,500,000.00					
Conference & seminars	15,500.00					
Supplies / Stationary & Supplies	5,100.00					
Computer Equip / Printer Supplies	10,000.00					
Purchases/General Expense	3,100.00					
Membership Affiliations	2,100.00					

**AUTHORITY PROPOSED APPROPRIATIONS**  
**APPROPRIATION DETAIL PAGE**

Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

*Use the space below to provide further detail of any Appropriations listed on "F-4 Appropriations (Proposed)"*

<b>Line Item:</b>	<b>Water</b>	<b>Operation #2</b>	<b>Operation #3</b>	<b>Operation #4</b>	<b>Operation #5</b>	<b>Operation #6</b>
Purchasing:						
Salaries	384,600.00					
Overtime	7,800.00					
Conference & seminars	5,100.00					
Supplies/Book/Publications	500.00					
SUPPLIES / STATIONARY & SUPPLIES	500.00					
Computer Equip / Printer Supplies	3,100.00					
Purchases/General Expense	1,500.00					
Membership Affiliations	1,000.00					
Accounting:						
Salaries	1,224,200.00					
Overtime	62,500.00					
Conference & seminars	20,200.00					
Supplies/Book/Publications	3,100.00					
Purchases/General Expense	10,300.00					
Membership Affiliations	4,100.00					
Purchases - Services/Financial	130,000.00					
Commercial:						
Salaries	1,061,500.00					
Overtime	59,900.00					
R & M / OUTSIDE CONTRACTORS	10,300.00					
R&M Office Equipment	10,000.00					
Conference & seminars	15,200.00					
Conference & seminars - Outreach	15,500.00					
Stationary & Supplies	5,000.00					
Purchases/General Expense	4,000.00					
Purchases/Water Bills-Bank Pymts	154,500.00					
Purchases/Maint & Licensing Agmts	25,800.00					
Outreach Promotions	101,000.00					
Purchases - Outside Meter Reading	550,000.00					
Credit Card Fees	500,000.00					
Personnel:						
SALARIES / GENERAL	482,900.00					
Overtime	5,300.00					
Conference & seminars	20,000.00					
Purchases/General Expense	5,100.00					
Purchases - Services/Medical Exams	51,500.00					

# AUTHORITY PROPOSED APPROPRIATIONS

## APPROPRIATION DETAIL PAGE

Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

*Use the space below to provide further detail of any Appropriations listed on "F-4 Appropriations (Proposed)"*

<b>Line Item:</b>	<b>Water</b>	<b>Operation #2</b>	<b>Operation #3</b>	<b>Operation #4</b>	<b>Operation #5</b>	<b>Operation #6</b>
Personnel (cont'd):						
Purchases - Services/Safety Equip & Membership Affiliations	2,600.00					
	2,500.00					
Insurance & Taxes:						
Emp Ben-Worker's Comp	515,000.00					
Emp Ben-Hospitalization Current Sta	7,200,000.00					
FSA Employer Contribution	2,200.00					
Emp Ben-Hospitalization Retired Sta	1,800,000.00					
Emp Ben-Group Life	10,300.00					
Emp Ben-Payroll Taxes/FICA & FICAN	1,455,300.00					
Emp Ben-Payroll Taxes/Current Exp	25,800.00					
Emp Ben-Dental Plan	108,000.00					
Emp Ben-Optical Plan	50,400.00					
Emp Ben-PERS Liability	3,034,680.00					
NJ DEP Safe Drinking Water Tax	100,000.00					
General Liability Insurance	800,000.00					
Fees & Taxes - Vehicle Registration	1,000.00					
Gov't Fines & Penalties	25,000.00					
Gov't Fees & Assessments	118,500.00					
Fees & Taxes - Property Taxes	576,800.00					
Admin & General:						
Commissioner Salaries	53,500.00					
Summer Help Salaries	189,000.00					
Co-op Salaries	189,280.00					
Professional Services General & Adm	120,000.00					
Professional Services Accounting Auc	50,000.00					
Professional Services Computer Cons	10,000.00					
Professional Services Computer Cons	125,000.00					
IT Network Operating Expenses	50,000.00					
IT Security	30,000.00					
IT GPS	35,000.00					
IT Telephones	30,000.00					
IT Enterprise Software Licensing & Su	25,000.00					
R&M - Outside Contractors	15,000.00					
R&M - Office Equipment	40,400.00					
Stationary & Supplies	1,000.00					
Computer Equip - Desktops	75,000.00					
Computer Equip - Laptops	25,000.00					

## Prior Year Adopted Appropriations Schedule

### Passaic Valley Water Commission

<i>FY 2021 Adopted Budget</i>							Total All
	Water	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	Operations
<b>OPERATING APPROPRIATIONS</b>							
<i>Administration - Personnel</i>							
Salary & Wages							\$ -
Fringe Benefits							-
Total Administration - Personnel	-	-	-	-	-	-	-
<i>Administration - Other (List)</i>							
Other expenses							-
Miscellaneous Administration*							-
Total Administration - Other	-	-	-	-	-	-	-
Total Administration	-	-	-	-	-	-	-
<i>Cost of Providing Services - Personnel</i>							
Salary & Wages							-
Fringe Benefits							-
Total COPS - Personnel	-	-	-	-	-	-	-
<i>Cost of Providing Services - Other (List)</i>							
Other expenses							-
Miscellaneous COPS*							-
Total COPS - Other	-	-	-	-	-	-	-
Total Cost of Providing Services	-	-	-	-	-	-	-
Total Principal Payments on Debt Service in Lieu of Depreciation	14,874,598	-	-	-	-	-	14,874,598
Total Operating Appropriations	14,874,598	-	-	-	-	-	14,874,598
<b>NON-OPERATING APPROPRIATIONS</b>							
Total Interest Payments on Debt	3,249,052	-	-	-	-	-	3,249,052
Operations & Maintenance Reserve							-
Renewal & Replacement Reserve							-
Municipality/County Appropriation							-
Other Reserves							-
Total Non-Operating Appropriations	3,249,052	-	-	-	-	-	3,249,052
<b>TOTAL APPROPRIATIONS</b>	18,123,650	-	-	-	-	-	18,123,650
<b>ACCUMULATED DEFICIT</b>							-
<b>TOTAL APPROPRIATIONS &amp; ACCUMULATED DEFICIT</b>	18,123,650	-	-	-	-	-	18,123,650
<b>UNRESTRICTED NET POSITION UTILIZED</b>							
Municipality/County Appropriation	-	-	-	-	-	-	-
Other							-
Total Unrestricted Net Position Utilized	-	-	-	-	-	-	-
<b>TOTAL NET APPROPRIATIONS</b>	\$ 18,123,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,123,650

\* Miscellaneous line items may not exceed 5% of total operating appropriations shown below. If amount in miscellaneous is greater than the amount shown below, then the line item must be itemized above.

5% of Total Operating Appropriations	\$ 743,729.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 743,729.90
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**AUTHORITY PRIOR YEAR ADOPTED APPROPRIATIONS  
APPROPRIATION DETAIL PAGE**

Passaic Valley Water Commission

FY 2021 Adopted Budget

*Use the space below to provide further detail of any Appropriations listed on "F-5 Appropriations (PY Adopted)"*

<b>Line Item:</b>	<b>Water</b>	<b>Operation #2</b>	<b>Operation #3</b>	<b>Operation #4</b>	<b>Operation #5</b>	<b>Operation #6</b>
Admin & General (cont'd):						
Computer Equip - Other	100,000.00					
Computer Equip - Printers	15,500.00					
Computer Equip - Printer Supplies	15,500.00					
R & M / OUTSIDE CONTRACTORS	30,000.00					
Supplies Postage	350,000.00					
Stationary & Supplies	50,500.00					
General Expense	40,400.00					
Montclair Water Purchases	35,000.00					
High Crest Water Purchases	90,000.00					
Services/Uniforms	90,000.00					
Telephone	850,000.00					
Wanaque South Lease Expense	120,000.00					
Newspaper Legal Ads	45,000.00					
Membership Affiliations	75,800.00					
NJDWSC Budget Expense (Purchased	9,850,800.00					
PURCHASES / MAINT & LICENSING A	30,900.00					
Emergency Protective Measures	300,000.00					
Purchases / Copier Expense	36,100.00					
Depreciation	15,320,800.00					
Service contracts	405,000.00					
Bad Debt Expense	250,000.00					
Interest/Bond Insurance	1,500.00					
Bank Charges	100,000.00					
Short/Over Account/Inventory Depo	250,000.00					
Short/Over Account/Inventory Mete	100,000.00					
Bond interest expense (total)	3,086,456.00					
Pumping:						
Salaries	1,024,300.00					
Overtime	139,800.00					
Conference & seminars	6,300.00					
Purchases - General Exp	3,000.00					
PURCHASES-POWER & ELEC / PUMP	6,000,000.00					
Outside Contractors	500,000.00					
Printer Supplies	1,000.00					
Purchases - General Exp	2,500.00					
Purchases - Pumping System	1,000.00					
PURCHASES-SERVICES/Meter Callibr	12,000.00					

**AUTHORITY PRIOR YEAR ADOPTED APPROPRIATIONS  
APPROPRIATION DETAIL PAGE**

Passaic Valley Water Commission

FY 2021 Adopted Budget

*Use the space below to provide further detail of any Appropriations listed on "F-5 Appropriations (PY Adopted)"*

<b>Line Item:</b>	<b>Water</b>	<b>Operation #2</b>	<b>Operation #3</b>	<b>Operation #4</b>	<b>Operation #5</b>	<b>Operation #6</b>
Maintenance & Construction:						
Salaries	3,936,100.00					
Overtime	239,300.00					
Conference & seminars	15,000.00					
PURCHASES-SERVICES/OUTSIDE SEC	375,000.00					
Purchases - Services/Safety Equip &	10,000.00					
R&M - Materials	30,000.00					
R&M - Outside Contractors	400,000.00					
R&M - Outside Contractors HVAC	135,000.00					
R&M - Outside Contractors Chem St	45,000.00					
R&M - Outside Contractors Chem St	135,000.00					
R&M - Buildings - Little Falls	80,000.00					
R & M / BLDGS - CLIFTON	35,000.00					
R&M - Buildings - Off Site	25,000.00					
R&M - Equipment/Tools/Groundskee	10,000.00					
R&M - Equipment/Tools/Rental	25,000.00					
R&M - Equipment/Tools/Supplies	150,000.00					
Environmental Compliance	25,000.00					
R&M - Chemical Feed System	50,000.00					
R&M - Finished Pumping System Equ	150,000.00					
R&M - Settling Tube Facility	10,000.00					
R&M - Actiflo Facility	50,000.00					
R&M - Residual Treatment Facility	20,000.00					
R&M - Fences	40,000.00					
R&M - Right of Way, Groundskeepin	40,000.00					
Supplies/Gasoline	85,000.00					
Computer Equip / Printer Supplies	1,000.00					
Purchases - General Exp	50,000.00					
Hazmat Disposal	50,000.00					
Purchases - Garbage Disposal	40,000.00					
Purchases - Bldg Material & Supplies	25,000.00					
Purchases - Electrical Equipment & S	150,000.00					
Purchases - Store Room	100,000.00					
Security Equipment	55,000.00					
Distribution:						
Salaries	5,273,200.00					
Overtime	582,800.00					
Conference & seminars	25,000.00					

**AUTHORITY PRIOR YEAR ADOPTED APPROPRIATIONS  
 APPROPRIATION DETAIL PAGE**

Passaic Valley Water Commission

FY 2021 Adopted Budget

*Use the space below to provide further detail of any Appropriations listed on "F-5 Appropriations (PY Adopted)"*

<b>Line Item:</b>	<b>Water</b>	<b>Operation #2</b>	<b>Operation #3</b>	<b>Operation #4</b>	<b>Operation #5</b>	<b>Operation #6</b>
Distribution (cont'd):						
Purchases General Exp	3,000.00					
Membership Affiliations	3,000.00					
R&M Materials/Distribution Repairs	40,000.00					
R&M Materials/Service Pipe Repairs	50,000.00					
R&M Materials/Hydrant Repairs	10,000.00					
R&M Materials/Street Resurface	15,000.00					
Supplies/General/Restock	150,000.00					
Purchases-Equip & Tools	15,000.00					
Road Department Fees	175,000.00					
Purchases -Services/Meter Installatic	5,000.00					
Purchases -Services/Hydrant Inspect	669,900.00					
Purchases -Services/Outside Contrac	450,000.00					
R&M Equip/Tools/Rental	10,000.00					
Supplies/Motor Oil	5,000.00					
Supplies/Batteries	9,000.00					
Supplies/Gasoline	150,000.00					
Supplies/Tires	35,000.00					
Supplies/Auto Maintenance	150,000.00					
Purchases-Services/Towing	6,000.00					
Purchases-Services/Outside Vehicle	100,000.00					
Laboratory:						
Salaries	1,557,000.00					
Overtime	41,900.00					
Conference & seminars	35,000.00					
SUPPLIES / STATIONARY & SUPPLIES	5,000.00					
Printer Supplies	1,000.00					
Certification Fees	5,000.00					
Contractors/USGS	275,000.00					
School Outreach	26,000.00					
SUPPLIES / LAB SUPPLIES-GENERAL	130,000.00					
SUPPLIES / LAB CHEMICALS	85,000.00					
SUPPLIES / LAB INSTRMNT PART/SER	85,000.00					
PURCHASES / SMALL NON-CAP	5,000.00					
LAB WATER ANALYSIS	238,000.00					
PURCHASES / FIELD INSTRUMENTS	40,000.00					
Contractor-Lab Services	45,000.00					
Service contracts	153,000.00					
Add'l expenses (no more room)	580,000.00					



# Debt Service Schedule - Principal

Passaic Valley Water Commission

If Authority has no debt, check this box:

	Date of Local Finance Board Approval	FY 2021 Adopted Budget	FY 2022 Proposed Budget	Fiscal Year Ending in						Total Principal Outstanding	
				2023	2024	2025	2026	2027	Thereafter		
<i>Water</i>											
Various (per audit)		\$ 13,483,324	\$ 9,723,205	\$ 5,008,146	\$ 5,081,534	\$ 5,271,535	\$ 5,461,534	\$ 4,462,116	\$ 39,631,270	\$ 74,639,340	
EIT debt to be issued		1,310,000	1,325,000	3,705,000	3,725,000	3,745,000	3,790,000	3,795,000	52,410,000	72,495,000	
Lodi capital lease		81,274	83,712	86,224	88,811	91,475	94,219	97,046	-	541,487	
Revenue bonds to be issued			1,790,001	1,800,000	1,805,000	1,815,000	1,825,000	1,840,000	27,464,999	38,340,000	
<b>Total Principal</b>		<b>14,874,598</b>	<b>12,921,918</b>	<b>10,599,370</b>	<b>10,700,345</b>	<b>10,923,010</b>	<b>11,170,753</b>	<b>10,194,162</b>	<b>119,506,269</b>	<b>186,015,827</b>	
<b>Operation #2</b>											
<b>Total Principal</b>											
<b>Operation #3</b>											
<b>Total Principal</b>											
<b>Operation #4</b>											
<b>Total Principal</b>											
<b>Operation #5</b>											
<b>Total Principal</b>											
<b>Operation #6</b>											
<b>Total Principal</b>											
<b>TOTAL PRINCIPAL ALL OPERATIONS</b>		<b>\$ 14,874,598</b>	<b>\$ 12,921,918</b>	<b>\$ 10,599,370</b>	<b>\$ 10,700,345</b>	<b>\$ 10,923,010</b>	<b>\$ 11,170,753</b>	<b>\$ 10,194,162</b>	<b>\$ 119,506,269</b>	<b>\$ 186,015,827</b>	

Indicate the Authority's most recent bond rating and the year of the rating by ratings service.

<b>Moody's</b>	<b>Standard &amp; Poors</b>
_____	_____
<b>Fitch</b>	_____
_____	_____
<b>Bond Rating</b>	_____
<b>Year of Last Rating</b>	_____

# Debt Service Schedule - Interest

Passaic Valley Water Commission

If Authority has no debt, check this box:

	Fiscal Year Ending in							Total Interest Payments Outstanding
	FY 2022 Proposed Budget	2023	2024	2025	2026	2027	Thereafter	
<i>Water</i>								
Various (per audit) EIT debt to be issued	\$ 3,014,705	\$ 2,144,229	\$ 1,984,994	\$ 1,815,810	\$ 1,621,567	\$ 1,424,874	\$ 6,653,610	\$ 18,659,789
Lodi capital lease	234,347	702,992	685,361	665,807	644,097	620,524	5,020,066	8,567,811
Revenue bonds to be issued		320,027	311,099	301,220	290,504	279,038	2,222,740	4,052,784
<b>Total Interest Payments</b>	<b>3,571,825</b>	<b>3,167,248</b>	<b>2,981,454</b>	<b>2,782,837</b>	<b>2,556,168</b>	<b>2,324,436</b>	<b>13,896,416</b>	<b>31,280,384</b>
<i>Operation #2</i>								
<i>Operation #3</i>								
<i>Operation #4</i>								
<i>Operation #5</i>								
<i>Operation #6</i>								
<b>TOTAL INTEREST ALL OPERATIONS</b>	<b>\$ 3,571,825</b>	<b>\$ 3,167,248</b>	<b>\$ 2,981,454</b>	<b>\$ 2,782,837</b>	<b>\$ 2,556,168</b>	<b>\$ 2,324,436</b>	<b>\$ 13,896,416</b>	<b>\$ 31,280,384</b>

# Net Position Reconciliation

Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

## FY 2022 Proposed Budget

	Water	Operation #2	Operation #3	Operation #4	Operation #5	Operation #6	Total All Operations
<b>TOTAL NET POSITION BEGINNING OF LATEST AUDIT REPORT YEAR(1)</b>	\$ 109,872,058						\$ 109,872,058
Less: Invested in Capital Assets, Net of Related Debt (1)	142,650,247						142,650,247
Less: Restricted for Debt Service Reserve (1)	18,097,729						18,097,729
Less: Other Restricted Net Position (1)	15,954,151						15,954,151
Total Unrestricted Net Position (1)	(66,830,069)						(66,830,069)
Less: Designated for Non-Operating Improvements & Repairs							
Less: Designated for Rate Stabilization							
Less: Other Designated by Resolution	608,084						608,084
Plus: Accrued Unfunded Pension Liability (1)	61,006,747						61,006,747
Plus: Accrued Unfunded Other Post-Employment Benefit Liability (1)	91,268,992						91,268,992
Plus: Estimated Income (Loss) on Current Year Operations (2)	(8,374,893)						(8,374,893)
Plus: Other Adjustments (attach schedule)							
<b>UNRESTRICTED NET POSITION AVAILABLE FOR USE IN PROPOSED BUDGET</b>	76,462,693						76,462,693
Unrestricted Net Position Utilized to Balance Proposed Budget							
Unrestricted Net Position Utilized in Proposed Capital Budget	18,534,798						18,534,798
Appropriation to Municipality/County (3)							
Total Unrestricted Net Position Utilized in Proposed Budget	18,534,798						18,534,798
<b>PROJECTED UNRESTRICTED UNDESIGNATED NET POSITION AT END OF YEAR</b>							
<b>Last issued Audit Report (4)</b>	\$ 57,927,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,927,895

(1) Total of all operations for this line item must agree to audited financial statements.

(2) Include budgeted and unbudgeted use of unrestricted net position in the current year's operations.

(3) Amount may not exceed 5% of total operating appropriations. See calculation below.

Maximum Allowable Appropriation to Municipality/County \$ 4,631,686 \$ - \$ - \$ - \$ - \$ - \$ 4,631,686  
 (4) If Authority is projecting a deficit for any operation at the end of the budget period, the Authority must attach a statement explaining its plan to reduce the deficit, including the timeline for elimination of the deficit, if not already detailed in the budget narrative section.

**2022**

**Passaic Valley Water Commission**

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(Authority Name)

**2022 AUTHORITY CAPITAL BUDGET/PROGRAM**

# 2022 CERTIFICATION OF AUTHORITY CAPITAL BUDGET / PROGRAM

**Passaic Valley Water Commission**

(Authority Name)

**Fiscal Year: January 01, 2022 to December 31, 2022**

*Check the box for the applicable statement below:*

It is hereby certified that the Authority Capital Budget/Program annexed hereto is a true copy of the Capital Budget/Program approved, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget, of governing body of the Passaic Valley Water Commission, on .

It is hereby certified that the governing body of the Passaic Valley Water Commission have elected **NOT** to adopt and Capital Budget/Program for the aforesaid fiscal year, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget by the governing body of the Passaic Valley Water Commission, for the following reason(s):

<b>Officer's Signature:</b>	
<b>Name:</b>	Yitzchak Weiss
<b>Title:</b>	Chief Financial Officer
<b>Address:</b>	1525 Main Avenue Clifton, New Jersey 07055
<b>Phone Number:</b>	(973) 340-4328
<b>Fax Number:</b>	(973) 340-4334
<b>E-mail Address:</b>	yweiss@pvwc.com

# 2022 CAPITAL BUDGET/PROGRAM MESSAGE

## Passaic Valley Water Commission

**Fiscal Year: January 01, 2022 to December 31, 2022**

*Answer all questions below using the space provided.*

1. Has each municipality or county affected by the actions of the authority participated in the development of the capital plan and reviewed or approved the plans or projects included within the Capital Budget/Program (this may include the governing body or certain officials, such as planning boards, Construction Code Officials) as to these projects?

Yes

2. Has each capital project/project financing been developed from a specific capital improvement plan or report; does it include lifecycle costs; and is it consistent with the appropriate elements of Master Plans or other plans in the jurisdiction(s) served by the authority?

Yes

3. Has a long-term (5 years or more) infrastructure needs and other capital items (Vehicles, Equipment) needs assessment been prepared?

Yes

4. If amounts are on Page CB-3 in the column Debt Authorizations, indicate the primary source of funding the debt service for the Debt Authorizations (example - rate increase).

Projected revenues, including future rate increases, will be sufficient to fund the additional debt service.

5. Please indicate which capital projects/project financings are being undertaken in the Metropolitan or Suburban Planning Areas as defined in the State Development and Redevelopment Plan.

N/A

6. Please indicate which capital projects/project financings are being undertaken within the boundary of a State Planning Commission-designated Center and/or Endorsed Plan and if the project was included in the Plan Implementation Agenda for that Center/Endorsed Plan.

N/A

# Proposed Capital Budget

Passaic Valley Water Commission  
For the Period: January 01, 2022 to December 31, 2022

	Estimated Total Cost	Funding Sources			
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants Other Sources
<i>Water</i>					
Please see detail attached	\$ 49,467,213	\$ 18,534,798	\$ 30,932,415		
Total	49,467,213	18,534,798	30,932,415	-	-
<i>Operation #2</i>					
	-				
Total	-	-	-	-	-
<i>Operation #3</i>					
	-				
Total	-	-	-	-	-
<i>Operation #4</i>					
	-				
Total	-	-	-	-	-
<i>Operation #5</i>					
	-				
Total	-	-	-	-	-
<i>Operation #6</i>					
	-				
Total	-	-	-	-	-
<b>TOTAL PROPOSED CAPITAL BUDGET</b>	<b>\$ 49,467,213</b>	<b>\$ 18,534,798</b>	<b>\$ 30,932,415</b>	<b>\$ -</b>	<b>\$ -</b>

Enter brief description of up to four projects for each operation above. For operations with more than four budgeted projects, please attach additional schedules. Input total amount of all projects for the operation on single line and enter "See Attached Schedule" instead of project description.

# 5 Year Capital Improvement Plan

Passaic Valley Water Commission  
For the Period: January 01, 2022 to December 31, 2022

*Fiscal Year Beginning in*

	Estimated Total Cost	Current Budget					2026	2027
		Year 2022	2023	2024	2025	2026		
<i>Water</i>								
Please see detail attached	\$ 718,575,809	\$ 49,467,213	\$ 123,092,438	\$ 147,408,965	\$ 158,016,879	\$ 129,957,507	\$ 110,632,808	
	-	-						
	-	-						
<b>Total</b>	<b>718,575,809</b>	<b>49,467,213</b>	<b>123,092,438</b>	<b>147,408,965</b>	<b>158,016,879</b>	<b>129,957,507</b>	<b>110,632,808</b>	
<i>Operation #2</i>								
	-	-						
	-	-						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>Operation #3</i>								
	-	-						
	-	-						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>Operation #4</i>								
	-	-						
	-	-						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>Operation #5</i>								
	-	-						
	-	-						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<i>Operation #6</i>								
	-	-						
	-	-						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL</b>	<b>\$ 718,575,809</b>	<b>\$ 49,467,213</b>	<b>\$ 123,092,438</b>	<b>\$ 147,408,965</b>	<b>\$ 158,016,879</b>	<b>\$ 129,957,507</b>	<b>\$ 110,632,808</b>	

*Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.*



# 5 Year Capital Improvement Plan Funding Sources

Passaic Valley Water Commission

For the Period: January 01, 2022 to December 31, 2022

	Estimated Total Cost	Funding Sources			
		Unrestricted Net Position Utilized	Renewal & Replacement Reserve	Debt Authorization	Capital Grants Other Sources
<i>Water</i>					
Please see detail attached	\$ 718,575,809	\$ 93,534,798		\$ 625,041,011	
Total	718,575,809	93,534,798	-	625,041,011	-
<i>Operation #2</i>					
Total	-	-	-	-	-
<i>Operation #3</i>					
Total	-	-	-	-	-
<i>Operation #4</i>					
Total	-	-	-	-	-
<i>Operation #5</i>					
Total	-	-	-	-	-
<i>Operation #6</i>					
Total	-	-	-	-	-
<b>TOTAL</b>	\$ 718,575,809	\$ 93,534,798	\$ -	\$ 625,041,011	\$ -
Total 5 Year Plan per CB-4	\$ 718,575,809				
Balance check		(0) If amount is other than zero, verify that projects listed above match projects listed on CB-4.			

Project descriptions entered on Page CB-3 will carry forward to Pages CB-4 and CB-5. No need to re-enter project descriptions above.

## 2022 Commission Budget Resolution Passaic Valley Water Commission

**FISCAL YEAR: FROM January 1, 2022 TO December 31, 2022**

WHEREAS, the Annual Budget and Capital Budget for the Passaic Valley Water Commission for the fiscal year beginning, January 1, 2022 and ending, December 31, 2022 has been approved by the governing body of the Passaic Valley Water Commission at its open public meeting of May 11, 2022; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$ 105,624,924, Total Appropriations, including any Accumulated Deficit if any, of \$ 96,205,553 and Total Unrestricted Net Assets utilized of \$ 0; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$ 49,467,213 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$ 18,534,798; and

WHEREAS, it is anticipated that 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 Commission, 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; and

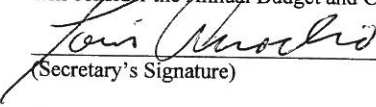
WHEREAS, the Commissioners wished to spend more time, study and effort examining the proposed budget and attempting to find potential economies, especially with respect to the expense side of the proposed budget, in concert with Passaic Valley Water Commission staff and approved the budget at its scheduled meeting of May 11, 2022; and

WHEREAS, the Commission normally is required to submit it's budget for approval sixty days before the beginning of it's fiscal year,

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Passaic Valley Water Commission, at an open public meeting held on May 11, 2022, that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Passaic Valley Water Commission for the fiscal year beginning, January 1, 2022 and ending, December 31, 2022 was approved for late submission subject to the above-recited reservations; 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 Passaic Valley Water Commission will consider the Annual Budget and Capital Budget/Program for adoption on June 22, 2022.

  
\_\_\_\_\_  
(Secretary's Signature)

May 11, 2022  
(Date)

Governing Body Member:	Recorded Vote			
	Aye	Nay	Abstain	Absent
<b>Sanchez, Rigo</b>	X			
<b>Friend, Gerald</b>			X	
<b>Depadua, Carmen</b>	X			
<b>Cotton, Ruby</b>	X			
<b>Kolodziej, Joe</b>	X			
<b>Levine, Jeffrey</b>				X
<b>Van Rensalier, Ronald</b>	X			

**RESOLUTION # 22-052**

**RESOLUTION OF THE PASSAIC VALLEY WATER COMMISSION  
DECLARING ITS OFFICIAL INTENT TO REIMBURSE  
EXPENDITURES FOR PROJECT COSTS FROM THE PROCEEDS OF  
DEBT OBLIGATIONS OF THE COMMISSION, INCLUDING IN  
CONNECTION WITH ITS PARTICIPATION IN THE NEW JERSEY  
INFRASTRUCTURE BANK FINANCING PROGRAM**

**DATE OF ADOPTION: MAY 11, 2022**

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: RUBY N. COTTON

**WHEREAS**, the Passaic Valley Water Commission (the "Commission") intends to replace the remaining lead services in the Main System from the water main to the customer's meter, pursuant to an application filed with the I-Bank for Project No. 1605002-002, and perform all work necessary or desirable in connection therewith (collectively, the "Project"); and

**WHEREAS**, the Commission intends to finance the Project with debt obligations of the Authority (the "Project Debt Obligations") but may pay for certain costs of the Project (the "Project Costs") prior to the issuance of the Project Debt Obligations with funds of the Commission that are not borrowed funds; and

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

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

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

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

**Section 2.** This resolution is intended to be and hereby is a declaration of the Commission's official intent to reimburse the expenditure of Project Costs paid prior to the issuance of the Project Debt Obligations with the proceeds of a borrowing to be incurred by the Commission, in accordance with Treasury Regulations §1.150-2.

**Section 3.** The maximum principal amount of the Project Debt Obligations expected to be issued to finance the Project is \$40,000,000.

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

**Section 5.** No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds of the Project Bonds used to reimburse the Commission for Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds",

including “sinking funds”, “pledged funds” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations §1.148-1), of the Project Debt Obligations or another issue of debt obligations of the Authority, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations §1.148-1).

**Section 6.** All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Project Debt Obligations is paid, or (ii) the date the Project is “placed in service” (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

**Section 7.** This resolution shall take effect immediately.

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**RECORD OF COMMISSION VOTE ON FINAL PASSAGE**

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

**Adopted at a meeting of Passaic Valley Water Commission.**

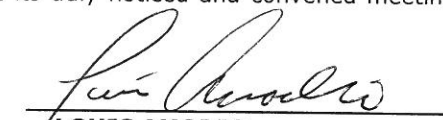
  
\_\_\_\_\_  
**President**  
**RIGOBERTO SANCHEZ**

  
\_\_\_\_\_  
**Secretary**  
**RUBY N. 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 May 11, 2022.

  
\_\_\_\_\_  
**LOUIS AMODIO**  
**Administrative Secretary**

**RESOLUTION # 22-053**

**RESOLUTION OF PASSAIC VALLEY WATER COMMISSION**

**AWARD CONTRACT NO. 22-B-7 ENTITLED  
"WATER TRANSMISSION MAIN IMPROVEMENTS TO THE INDUSTRIAL  
LOOP"**

**DATE OF ADOPTION: MAY 11, 2022**

Introduced by Commissioner: CARMEN DEPADUA

Seconded by Commissioner: JOSEPH KOLODZIEJ

**WHEREAS**, on April 24, 2022, nine (9) bids were received by Passaic Valley Water Commission ("PVWC") for Contract No. 22-B-7 entitled "Water Transmission Main Improvements to the Industrial Loop"; and

**WHEREAS**, said bids have been reviewed by the Executive Director, Director of Engineering and Assistant Buyer; and

**WHEREAS**, the Local Public Contracts Law provides for award of the Contract upon receipt of bid and qualifications of bidder therefor; and

**WHEREAS**, the lowest responsible, responsive bid submitted for this contract was that of Grade Construction of Paterson, New Jersey (the "Awardee") with respect to said bid, in the amount of \$6,199,555.39 over a period of three hundred and sixty five (365) consecutive calendar days; 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;

**NOW, THEREFORE, BE IT RESOLVED**, by Passaic Valley Water Commission, in the County of Passaic, New Jersey:

1. That Contract No. 22-B-7 "Water Transmission Main Improvements to the Industrial Loop" in the total amount set forth hereinabove in connection with the above described goods and services is hereby authorized and awarded to the Awardee as also set forth hereinabove; and
2. That the appropriate officers of the Commission are hereby authorized to execute the Contract; and implement the terms of said Contract in accordance with this Resolution and the submissions provided in connection therewith, with respect to solicitation for bids made in connection with Contract 22-B-7 as set forth hereinabove.

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**RECORD OF COMMISSION VOTE ON FINAL PASSAGE**

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

**Adopted at a meeting of Passaic Valley Water Commission.**

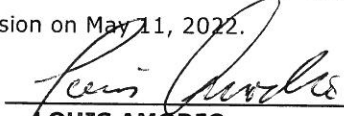
  
\_\_\_\_\_  
**President**  
**RIGOBERTO SANCHEZ**

  
\_\_\_\_\_  
**Secretary**  
**RUBY N. 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 May 11, 2022.

  
\_\_\_\_\_  
**LOUIS AMODIO**  
**Administrative Secretary**

**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: **22-B-7 – Water Transmission Main Improvements to the Industrial Loop - Grade Construction**

Amount of Project or Contract: \$6,199,555.39

1. 001-0901-419-95-14 Capital / Transmission Main/Pipes

Specific Appropriation to which expenditures will be charged:  
Capital Budget 2022/2023

Other comments: One (1) Year Contract Commencing: May 2022

Date of Certification: 05/06/2022 Certified: \$6,199,555.39



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**Yitzhak Weiss**  
Comptroller and Chief Financial Officer

YW:lb



**RESOLUTION # 22-049**

**RESOLUTION OF PASSAIC VALLEY WATER COMMISSION**

**AWARD CONTRACT NO. 22-B-8 ENTITLED  
"LEAD SERVICE LINE REPLACEMENT IN THE MAIN SYSTEM"**

**DATE OF ADOPTION: MAY 11, 2022**

Introduced by Commissioner: JOSEPH KOLODZIEJ

Seconded by Commissioner: CARMEN DEPADUA

**WHEREAS**, on April 20, 2022, seven (7) bids were received by Passaic Valley Water Commission ("PVWC") for Contract No. 22-B-8 entitled "Lead Service Line Replacement in the Main System"; and

**WHEREAS**, said bids have been reviewed by the Executive Director, Director of Engineering, Assistant Buyer, General Counsel and the State of New Jersey under the New Jersey Water Bank Program, Project No. 1605002-002 ; and

**WHEREAS**, the State of New Jersey has provided the Commission with an Authorization to Award letter dated April 28, 2022 and a copy is attached hereto and made a part hereof; and

**WHEREAS**, the Local Public Contracts Law provides for award of the Contract upon receipt of bid and qualifications of bidder therefor; and

**WHEREAS**, the lowest responsible, responsive bid submitted for this contract was that of Pacific Construction, LLC of Whitehouse Station, New Jersey (the "Awardee") with respect to said bid, in the amount of \$26,033,994.00 and shall reach substantial completion by March 28, 2025; 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;

**NOW, THEREFORE, BE IT RESOLVED**, by Passaic Valley Water Commission, in the County of Passaic, New Jersey:

1. That Contract No. 22-B-8 "Lead Service Line Replacement in the Main System" in the total amount set forth hereinabove in connection with the above described goods and services is hereby authorized and awarded to the Awardee as also set forth hereinabove; and
2. That the appropriate officers of the Commission are hereby authorized to execute the Contract; and implement the terms of said Contract in accordance with this Resolution and the submissions provided in connection therewith, with respect to solicitation for bids made in connection with Contract 22-B-8 as set forth hereinabove.

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**RECORD OF COMMISSION VOTE ON FINAL PASSAGE**

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

**Adopted at a meeting of Passaic Valley Water Commission.**

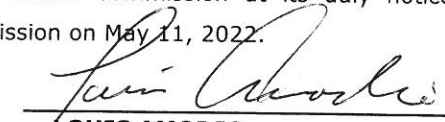
  
\_\_\_\_\_  
**President**  
**RIGOBERTO SANCHEZ**

  
\_\_\_\_\_  
**Secretary**  
**RUBY N. 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 May 11, 2022.

  
\_\_\_\_\_  
**LOUIS AMODIO**  
**Administrative Secretary**

**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: **22-B-8 – Lead Service Line Replacement in the Main System – Pacific Construction, LLC**

Amount of Project or Contract: \$26,033,994.00

1. 001-0901-419-95-46 Capital / Lead Service Replacements

Specific Appropriation to which expenditures will be charged:  
Capital Budget 2022/2023/2024/2025

Other comments: Three (3) Year Contract Commencing: May 2022

Date of Certification: 05/06/2022 Certified: \$26,033,994.00



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**Yitzhak Weiss**  
Comptroller and Chief Financial Officer

YW:lb



State of New Jersey

PHILIP D. MURPHY  
Governor

SHEILA Y. OLIVER  
Lt. Governor

MAIL CODE 401-03D  
DEPARTMENT OF ENVIRONMENTAL PROTECTION  
DIVISION OF WATER QUALITY  
MUNICIPAL FINANCE & CONSTRUCTION ELEMENT  
PO BOX 420  
TRENTON, NJ 08625-0420  
TEL: # (609) 633-1180  
FAX: # (609) 292-1381  
[www.state.nj.us/dep/dwq](http://www.state.nj.us/dep/dwq)

SHAWN LATOURETTE  
Commissioner

April 28, 2022

Patrick Porcaro, Director of Engineering  
Passaic Valley Water Commission  
1525 Main Avenue  
Clifton, New Jersey 07011

Subject: New Jersey Water Bank  
Project No. 1605002-002 (Contract 1 of 1)  
Passaic Valley Water Commission  
Lead Service Line Replacement in Main System  
Authorization to Award

Dear Mr. Porcaro:

After reviewing the material submitted, we wish to inform you that, provided there are no outstanding bid protests, you are hereby authorized to award the following contract:

**Lead Service Line Replacement in Main System, to Pacific Construction, LLC, for their corrected low bid amount of \$26,033,994.00, all of which is allowable for loan participation.**

After this contract has been signed, we will require a certified copy for our files. Forward only the contract pages that show the contract amount, the dates, and the signatures of both parties, exclusive of the accompanying specifications. Certification that the appropriate bonds (performance and payment) and all required insurance have been obtained must be provided to this office prior to the issuance of the notice to proceed. Please note that in accordance with N.J.A.C. 7:22-3.17 (a) 19 and 7:22-4.17 (a) 19, evidence must be provided which verifies that the State and its agencies, employees and officers as additional "named issuers" on any certificate of liability insurance.

In addition, within 10 days of the award of construction contracts over \$10,000, we require you to submit a separate letter for our files listing:

- a. Loanee name, project and contract number, and site location of the contract.
- b. Name, address, telephone number, and employee ID number (tax number) of the contractor who is awarded the contract.
- c. Amount of award.
- d. Estimated starting and completion dates.

You are to contact this department by telephone to schedule a preconstruction conference for this contract in accordance with the enclosed Form G-2-E.

If you have any questions or comments concerning this correspondence, please contact James Keil, of this office at (609) 633-1180.

Very truly yours,

A handwritten signature in black ink, appearing to read "Paul Hauch", enclosed in a circular scribble.

Paul Hauch P.E., Bureau Chief  
Bureau of Construction, Payments & Administration

Enclosure: Preconstruction Conference Form G-2-E

cc: David E. Zimmer, Executive Director, NJIB  
Mary Pearsall, NJIB  
Maria Andujar, NJIB  
Deborah Mikolite, McCarter & English  
Rohini Gandhi, Esq, NJDEP Office of Equal Opportunity & Public Contract Asst.  
Marcus Roorda, MFCE  
Charles Jenkins, MFCE  
Dave Shu, MFCE  
Kevin Power, MFCE  
Patricia Forgang, CDM Smith

PRECONSTRUCTION CONFERENCE FORM G-2-E

**Project Name: Passaic Valley Water Commission**  
**Project No.: 1605002-002**  
**Lead Service Line Replacement in Main System (Contract 1 of 1)**

As per requirements of the New Jersey Environmental Infrastructure Financing Program, it is necessary for a Preconstruction Conference to be held prior to the start of construction. This conference must be attended by the contractor, loanee, consulting engineer, the chief construction inspector representing the applicant, the applicant's environmental inspector, the contractor and a representative from this office.

The following guidelines are suggested:

1. Call the N.J. Department of Environmental Protection, Bureau of Construction, Payments and Administration to establish a date.
2. Invite only the above listed attendees to this part of the meeting.
3. Schedule this part of the preconstruction conference in two segments--
  - a. A quick tour of the site (WWTP or PS) or route (pipeline).
  - b. A meeting immediately following to discuss applicable construction and environmental requirements.
4. Call the N.J. Department of Labor and Workforce Development, Office of Diversity and Compliance, Construction EEO Monitoring Program at (609) 292-9550 to determine if their attendance is necessary.

Nd

This part of the conference will be limited to items primarily concerned with the New Jersey Environmental Infrastructure Financing Program assisted projects. It is not necessary to have representatives of the police, fire department, utilities, etc., at this part of the conference.

If you have any questions, please contact this office at (609) 633-1180.

**RESOLUTION # 22-051**

**SERIES 2022 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 \$40,000,000  
PRINCIPAL AMOUNT OF WATER SUPPLY SYSTEM REVENUE  
BONDS, SERIES 2022 IN ONE OR MORE SERIES OF THE  
COMMISSION AND DETERMINING VARIOUS MATTERS  
PERTAINING THERETO**

**DATE OF ADOPTION: MAY 11, 2022**

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

**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 a capital project constituting an "Additional Project" (as such term is defined in the General Bond Resolution) consisting of the replacement of lead services from the water main up to the customer's meter following test pitting operations, pursuant to an application filed with the New Jersey Infrastructure Bank (the "I-Bank") for Project No. 1605002-002, and all work and materials necessary or desirable in connection therewith (the "2022 Additional Project"); and

**WHEREAS**, the Commission has heretofore applied to the I-Bank for a loan or loans to finance the aforesaid improvements; and

**WHEREAS**, in accordance with the applicable procedures of the I-Bank, the Commission has determined to temporarily finance the costs of the 2022 Additional Project through the issuance of one or more series of project notes of the Commission (the "2022 Project Notes") and the sale thereof to the I-Bank, which issuance and sale shall be authorized under a separate bond resolution of the Commission; 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 \$40,000,000 (the "Series 2022 Bonds") and the sale thereof to the I-Bank, in order to provide for, among other things, (1) the permanent financing of the costs of the 2022 Additional Project, including through the refinancing of the 2022 Project Notes upon completion of the 2022 Additional Project (or such earlier or later time as determined by the I-Bank), (2) deposits into the various funds and accounts held under the General Bond Resolution 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 and delivery of such Series 2022 Bonds and to

provide certain terms and conditions with respect to such Series 2022 Bonds, in addition to those which have been previously established by the General Bond Resolution; and

**WHEREAS**, it is the desire of the Commission to authorize, execute, attest and deliver the Series 2022 Bonds to the I-Bank and/or the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (the "State"), pursuant to the terms of the Act and (to the extent applicable) the "Local Authorities Fiscal Control Law" (codified at N.J.S.A. 40A:5A-1 *et seq.*, as the same may from time to time be amended and supplemented) (the "Local Authorities Fiscal Control Law"); and

**WHEREAS**, the Act and N.J.S.A. 58:11B-9 each allow for the sale of the Series 2022 Bonds to the I-Bank and/or the State, without any public offering, all pursuant to the terms and conditions set forth therein; and

**WHEREAS**, pursuant to N.J.S.A. 40A:5A-9, the Series 2022 Bonds will have been approved by the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs, and accordingly the issuance of findings by the Local Finance Board is not required

**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 2022 Supplemental Resolution No. 1."

*SECTION 102.*      AUTHORIZATION FOR SERIES 2022 SUPPLEMENTAL RESOLUTION NO. 1.

This Series 2022 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 2022 BONDS**

*SECTION 201.*      AMOUNT AND TITLE OF SERIES 2022 BONDS.

An aggregate principal amount not to exceed \$40,000,000 of Series 2022 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 2022 Supplemental Resolution No. 1. The Series 2022 Bonds shall be designated "Water Supply System Revenue Bonds, Series 2022A" (the "Series 2022A Bonds") and, if applicable, "Water Supply System Revenue Bonds, Series 2022B" (the "Series 2022B Bonds"). Notwithstanding the foregoing, if the Series 2022 Bonds (or any series thereof) are not issued during 2022, then the year of issuance shall be substituted for "2022" wherever applicable.

*SECTION 202.*      DESCRIPTION OF SERIES 2022 BONDS.

(1) Term. The Series 2022 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 may be provided by one or more resolutions of the Commission or certificate of the President, Vice President or Executive Director of the Commission in furtherance of this Series 2022 Supplemental Resolution No. 1) (any such resolution(s) and/or certificate(s) are hereinafter referred to as the "Details Resolution"); provided that if determined by certificate, the final maturity of the Series 2022 Bonds shall not be later than twenty-one (21) years after the date of issuance thereof and the interest rate shall not exceed seven percent (7%) per annum. Principal of the Series 2022 Bonds shall mature on August 1 or such other date as may be determined by the Details Resolution.

(2) Interest Rates Per Annum and Interest Payment Dates. The Series 2022 Bonds shall bear interest at the interest rate per annum as shall be set forth in the Details Resolution. Unless otherwise provided in the Details Resolution, interest on the Series 2022 Bonds shall be payable on each February 1 and August 1, and shall commence on such dates as are determined by the Details Resolution, until the Commission's obligation with respect to the Series 2022 Bonds shall be discharged.

(3) Denomination and Place of Payment. The Series 2022A Bonds shall be issued in a single denomination equal to the aggregate principal amount thereof, payable to the I-Bank or registered assigns, unless otherwise provided in the Details Resolution. The Series 2022B Bonds, if applicable, shall be issued in a single denomination equal to the aggregate principal amount thereof, payable to the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection, or registered assigns, unless otherwise provided in the Details Resolution. The principal of and interest on the Series 2022 Bonds shall be payable to the Registered Owner thereof, or registered assigns, on the maturity date(s) of the Series 2022 Bonds or on the applicable date fixed for redemption, upon presentation and surrender of the Series 2022 Bonds at the principal corporate trust office of the Paying Agent. All other terms and conditions with respect to the payment of the principal and interest on the Series 2022 Bonds shall be as provided in the General Bond Resolution or in the Details Resolution.

(4) Form of the Series 2022 Bonds. The Series 2022A Bonds and Series 2022B Bonds shall be in substantially the forms set forth in Exhibits A and B hereto, with such omissions, insertions and variations as are properly required and which are not contrary to any of the provisions of the Resolution or this Certificate.

*SECTION 203.*      REDEMPTION OF SERIES 2022 BONDS.

The Series 2022 Bonds shall be subject to redemption prior to maturity in accordance with the terms of the General Bond Resolution and the forms of the Series 2022 Bonds set forth in Exhibits A and B hereto, and as may be set forth in the Details Resolution.

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

Manufacturers and Traders Trust Company is hereby appointed Trustee, Escrow Agent, Bond Registrar and Paying Agent for the Series 2022 Bonds. The Trustee, Bond Registrar and Paying Agent shall signify its acceptance of the trusts and duties hereunder and under the General Bond Resolution by its execution of a certificate accepting same, and the Escrow Agent shall signify its acceptance of the trusts and duties under the Escrow Agreement by its execution thereof.

*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 \$14,400,000, or such amount 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 2022 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 2022 BONDS**

*SECTION 301.*      EXECUTION OF THE SERIES 2022 BONDS.

The President, Vice President or Executive Director of the Commission are hereby authorized to execute the Series 2022 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.*      SALE OF SERIES 2022 BONDS.

The Commission has determined that the Series 2022A Bonds shall be sold by private sale to the I-Bank, and that the Series 2022B Bonds, if applicable, shall be sold by private sale to the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection. Unless otherwise provided in the Details Resolution, the Series 2022 Bonds shall be sold at par; provided, that proceeds applied or to be applied by the I-Bank to the refunding of the 2022 Project Notes or to the payment of expenses of the Project (including fees payable by the Commission) shall be deemed to constitute proceeds received by the Commission.

*SECTION 303.*      AUTHENTICATION AND DELIVERY OF THE SERIES 2022 BONDS.

The President, Vice President or Executive Director of the Commission is hereby authorized, after the execution of the Series 2022 Bonds, to cause the same to be issued and delivered in accordance with the terms of the General Bond Resolution and this Series 2022 Supplemental Resolution No. 1.

*SECTION 304.*      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 2022 Bonds is hereby approved and ratified.

*SECTION 305.*      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 2022 Bonds.

*SECTION 306.*      APPROVAL OF AGREEMENTS.

The terms of the loan from the I-Bank to the Commission, as evidenced by the Series 2022A Bonds, shall be set forth in a loan agreement to be entered into between the I-Bank and the Commission (the "I-Bank Loan Agreement"). The terms of the loan, if any, from the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection (in this capacity, the "State"), as evidenced by the Series 2022B Bonds, shall be set forth in a loan agreement to be entered into between the State and the Commission (the "Fund Loan Agreement"). In connection with the issuance of the Series 2022 Bonds, the I-Bank is expected to require that the Commission and the Trustee enter into an escrow agreement with the I-Bank, the State and the I-Bank's bond trustee (the "Escrow Agreement"), by which executed copies of the Series 2022 Bonds, the I-Bank Loan Agreement, the Fund Loan Agreement and various other opinions and closing certificates will be placed in escrow in advance of the actual closing.

The I-Bank Loan Agreement, the Fund Loan Agreement and the Escrow Agreement (collectively, the "Financing Documents") are hereby authorized to be executed and delivered on behalf of the Commission by either the President, the Vice President or the Executive Director of the Commission (each an "Authorized Officer"), in such forms as shall be provided by the I-Bank and its bond counsel and reviewed by the Commission's Bond Counsel and Municipal Advisor (the "Commission Consultants"), with such changes as the Authorized Officer executing same, in their respective sole discretion, after consultation with the Commission Consultants and after further consultation with the I-Bank, the State and their representatives, agents, counsel and

advisors (collectively, the "Program Consultants", and together with the Commission Consultants, the "Consultants"), shall determine, such determination to be conclusively evidenced by the execution of such Financing Documents by an Authorized Officer as determined hereunder. The Secretary of the Commission is hereby authorized to attest to the execution of the Financing Documents by an Authorized Officer of the Commission as determined hereunder and to affix the corporate seal of the Commission to such Financing Documents.

The Commission hereby authorizes the preparation and distribution of financial statements and demographic and other information concerning the Commission and any related government entity, if applicable, contained in a "Preliminary Official Statement" and final "Official Statement" to be issued in connection with the marketing of the I-Bank's bonds that will finance the loan represented by the I-Bank Bonds. In furtherance of such authorization, the Commission hereby severally directs the Authorized Officers to take such action as the particular Authorized Officer, after consultation with the Consultants, deems necessary, desirable or convenient in connection with the preparation and distribution of such information for inclusion in the Preliminary Official Statement and the final Official Statement.

The Authorized Officers of the Commission 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 the Authorized Officers 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 and delivery of the Financing Documents 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 the Authorized Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof. Such closing certificates shall include, without limitation, (a) a determination that any information provided by the Commission in connection with the preparation and distribution of the (i) Preliminary Official Statement is "deemed final" for the purposes and within the meaning of Rule 15c2-12 and (ii) Official Statement constitutes a final Official Statement for the purposes and within the meaning of Rule 15c2-12, and (b) a determination that any information provided by or on behalf of the Commission or relating to the Commission, the Financing Documents 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.

*SECTION 307.           ADDITIONAL ACTS REGARDING SERIES 2022 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 2022 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 2022 Bonds. The President, Vice President and Executive Director of the Commission are hereby severally authorized and directed to pay or cause to be paid all of the approved costs associated with the sale and issuance of the Series 2022 Bonds.

**ARTICLE IV  
MISCELLANEOUS**

*SECTION 401.*      EFFECTIVE DATE.

Pursuant to and in accordance with Section 806 of the General Bond Resolution, this Series 2022 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 2022 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 402.*      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 403.*      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 2022 Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended ("Code"). The Commission will refrain from taking any action that would adversely affect the exclusion of interest on such Series 2022 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 2022 Bonds and the manner in which the record of expenditures and investments may be maintained.

*SECTION 404.*      PUBLICATION AND FILING.

The Secretary is hereby directed to publish the Notice of Adoption of this Series 2022 Supplemental Resolution No. 1, in substantially the form attached hereto as Exhibit C, in the official newspaper(s) of the Commission and to file a certified copy of this Series 2022 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**

	<b>AYE</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
<b>FRIEND, G.</b>	<u>X</u>	---	---	---
<b>DEPADUA, C.</b>	<u>X</u>	---	---	---
<b>LEVINE, J.</b>	<u>X</u>	---	---	---
<b>COTTON, R.</b>	<u>X</u>	---	---	---
<b>KOŁODZIEJ, J.</b>	<u>X</u>	---	---	---
<b>VAN RENSA LIER, R.</b>	<u>X</u>	---	---	---
<b>SANCHEZ, R.</b>	<u>X</u>	---	---	---

**Adopted at a meeting of Passaic Valley Water Commission.**

  
\_\_\_\_\_  
**President**  
**RIGOBERTO SANCHEZ**

  
\_\_\_\_\_  
**Secretary**  
**RUBY N. 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 May 11, 2022.

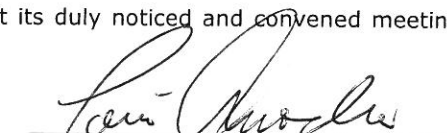
  
\_\_\_\_\_  
**LOUIS AMODIO**  
**Administrative Secretary**

EXHIBIT A

FORM OF SERIES 2022A BOND

PASSAIC VALLEY WATER COMMISSION  
WATER SUPPLY SYSTEM REVENUE BOND, SERIES 2022A

No. R-1

INTEREST RATE PER ANNUM	DATED DATE	MATURITY DATE	DATE OF AUTHENTICATION
----------------------------	---------------	------------------	---------------------------

See below \_\_\_\_\_, 202\_ August 1, 20\_\_ \_\_\_\_\_, 202\_

REGISTERED OWNER: NEW JERSEY INFRASTRUCTURE BANK

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

The PASSAIC VALLEY WATER COMMISSION (hereinafter called the "Commission"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, (i) the Principal Sum shown above or such lesser amount as shall be determined in accordance with Section 3.01 of the Loan Agreement (as hereinafter defined), at the times and in the amounts determined as provided in the Loan Agreement, together with (ii) Interest on the Loan constituting the Interest Portion, the Administrative Fee and any late charges incurred under the Loan Agreement (as such terms are defined in the Loan Agreement) in the amount calculated 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 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.

This Bond, as to principal or redemption price when due, will be payable at the principal corporate trust office of the Paying Agent upon surrender. Principal on this Bond will be payable by check and will be mailed to the registered owner hereof who shall appear on the registration books of the Commission which shall appear on the registration books of the Commission which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the 15<sup>th</sup> day of January and July (each a "Record Date") or, in the case of any proposed redemption of the Bond, next preceding the date of the first publication of notice of such redemption. Notwithstanding the foregoing, if this Bond is held by the New Jersey Infrastructure Bank (the "I-Bank"), all of the foregoing payments shall be made as provided in the Loan Agreement. Payment of the principal or Redemption Price of and interest on this Bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the duly authorized issue of revenue bonds, each designated as "Water Supply System Revenue Bond, Series 2022A" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount set forth above, and authorized and issued under and pursuant to Section B, Article 8, Chapter 62 of Title 40 of the New Jersey Statutes Annotated (N.J.S.A. 40:62-108 et seq.) (the "Act"), and under and in accordance with a resolution of the Commission duly adopted on May 27, 1992, and entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF WATER SUPPLY SYSTEM REVENUE BONDS OF THE PASSAIC VALLEY WATER COMMISSION" as amended and supplemented, and specifically by a resolution duly adopted on May 11, 2022, and entitled "SERIES 2022 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 OF NOT TO EXCEED \$40,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2022 IN ONE OR MORE SERIES OF THE COMMISSION AND DETERMINING VARIOUS MATTERS PERTAINING THERETO", as supplemented by an Award Certificate dated \_\_\_\_\_, 202\_ (collectively, the "Resolution").



Copies of the Resolution are on file in the office of the Commission in Clifton, New Jersey and at the principal corporate trust office of Manufacturers and Traders Trust Company (the "Trustee"), as trustee under the Resolution.

This Bond is issued in consideration of the loan (the "Loan") made by the I-Bank to the Commission pursuant to the Loan Agreement dated as of \_\_\_\_\_, 202\_ by and between the I-Bank and the Commission (the "Loan Agreement") to evidence and secure the payment obligations of the Commission set forth in the Loan Agreement. This Bond has been assigned to Zions Bancorporation, National Association d/b/a Zions Bank, as trustee (the "I-Bank's Trustee"), under the Indenture of Trust, dated as of \_\_\_\_\_, 202\_, by and between the I-Bank and the I-Bank's Trustee, with respect to the I-Bank's Environmental Infrastructure Bonds, Series 202\_\_ - (Green Bonds), as the same may be amended and supplemented in accordance with the terms thereof (the "Bond Indenture"), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the I-Bank's Trustee for the account of the I-Bank pursuant to such assignment. Such assignment has been made as security for the payment of the I-Bank 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 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.

This Bond is a special obligation of the Commission and is payable from the Revenues of the Commission, as such term is defined in the Resolution; provided however, that the power and obligation of the Commission to cause application of such Revenues or other funds to the payment of the principal or redemption price of the Bond is subject to the right of the Commission to pay Operating Expenses and to pay rebate to the United States government.

Pursuant to the terms of the Resolution, the Commission may hereafter issue additional bonds (hereinafter called "Additional Bonds") for the purposes, in the amounts and on the conditions set forth in the Resolution. All bonds issued and to be issued under the terms of the Resolution, including all Additional Bonds, are and will be equally secured by the pledge of the funds and revenues provided in the Resolution except as otherwise expressly provided in or pursuant to the terms of the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and any modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Bond, the funds or revenues pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the holders of the Bond with respect thereto, the terms and conditions upon which the Bond is issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Commission and of the Trustee.

The provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions set forth in the Resolution. The pledge of the revenues and other obligations of the Commission under the terms of the Resolution may be discharged at or prior to the maturity or redemption of the Bond upon making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

This Bond is transferable, as provided in the Resolution, only upon the registration books of the Commission kept and maintained for that purpose at the principal corporate trust office of Manufacturers and Traders Trust Company (the "Registrar") by the registered owner hereof in person or by this attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Commission shall issue in the name of the transferee a new registered Bond or Bond, or the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond as provided in the Resolution, upon payment of the charges therein prescribed. The Commission, the Trustee, the Registrar and any Paying Agent of the Commission may treat and consider the person in whose name this Bond is registered as the holder and absolute owner of this Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes.

Pursuant to the Loan Agreement, disbursements shall be made by the I-Bank's Trustee to the Commission, in accordance with written instructions of the I-Bank, upon receipt by the I-Bank and the I-Bank's Trustee of requisitions from the Commission 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 Commission to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the I-Bank under the Loan Agreement or under any other agreement between the Commission and the I-Bank or out of any indebtedness or liability at any time owing to the Commission by the I-Bank 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, 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 Act provides that neither the members of the Commission nor any person executing the Bond shall be liable personally on the Bond by reason of the issuance thereof.

**The Bond is not and shall not be in any way a debt or liability of the State of New Jersey or of any county or any municipality, and do not and shall not create or constitute any indebtedness, liability or obligation of said State, or of any county or any municipality, either legal, moral or otherwise.**

It is hereby certified and recited that all conditions, acts and things which are required by the Constitution or by the statutes of the State of New Jersey or by the 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 the Bond, together with all other indebtedness of the Commission, are within every debt and other limit prescribed by said Constitution or statutes.

This Bond shall not be entitled to any security or benefit under the terms of the Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

IN WITNESS WHEREOF, the PASSAIC VALLEY WATER COMMISSION has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its President or Vice President, and its corporate seal to be affixed, impressed or reproduced hereon, and this Bond and such seal to be attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the DATED DATE set forth above.

ATTEST:

PASSAIC VALLEY WATER COMMISSION

\_\_\_\_\_  
Ruby N. Cotton, Secretary

By: \_\_\_\_\_  
Rigoberto Sanchez, President

[SEAL]

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Bonds described in the within-mentioned Resolution and is one of the "Water Supply System Revenue Bonds, Series 2022A" of the Passaic Valley Water Commission.

Manufacturers and Traders Trust Company,  
as Trustee

By: \_\_\_\_\_  
Authorized Signature

EXHIBIT B

FORM OF SERIES 2022B BOND

PASSAIC VALLEY WATER COMMISSION  
WATER SUPPLY SYSTEM REVENUE BOND, SERIES 2022B

No. R-1

INTEREST RATE PER ANNUM	DATED DATE	MATURITY DATE	DATE OF AUTHENTICATION
0%	_____, 202_	August 1, 20__	_____, 202_

REGISTERED OWNER: STATE OF NEW JERSEY

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_)

The PASSAIC VALLEY WATER COMMISSION (hereinafter called the "Commission"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Sum shown above or such lesser amount as shall be determined in accordance with Section 3.01 of the Loan Agreement (as hereinafter defined), 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.

This Bond, as to principal or redemption price when due, will be payable at the principal corporate trust office of the Paying Agent upon surrender. Principal on this Bond will be payable by check and will be mailed to the registered owner hereof who shall appear on the registration books of the Commission which shall appear on the registration books of the Commission which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the 15<sup>th</sup> day of January and July (each a "Record Date") or, in the case of any proposed redemption of the Bond, next preceding the date of the first publication of notice of such redemption. Notwithstanding the foregoing, if this Bond is held by the State of New Jersey (the "State"), all of the foregoing payments shall be made as provided in the Loan Agreement. Payment of the principal or Redemption Price of and interest on this Bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the duly authorized issue of revenue bonds, each designated as "Water Supply System Revenue Bond, Series 2022B" (the "Bond" or "Bonds") of the Commission, limited to the aggregate principal amount set forth above, and authorized and issued under and pursuant to Section B, Article 8, Chapter 62 of Title 40 of the New Jersey Statutes Annotated (N.J.S.A. 40:62-108 *et seq.*) (the "Act"), and under and in accordance with a resolution of the Commission duly adopted on May 27, 1992, and entitled "RESOLUTION AUTHORIZING THE ISSUANCE OF WATER SUPPLY SYSTEM REVENUE BONDS OF THE PASSAIC VALLEY WATER COMMISSION" as amended and supplemented, and specifically by a resolution duly adopted on May 11, 2022, and entitled "SERIES 2022 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 OF NOT TO EXCEED \$40,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2022 IN ONE OR MORE SERIES OF THE COMMISSION AND DETERMINING VARIOUS MATTERS PERTAINING THERETO", as supplemented by an Award Certificate dated \_\_\_\_\_, 202\_ (collectively, the "Resolution"). Copies of the Resolution are on file in the office of the Commission in Clifton, New Jersey and at the principal corporate trust office of Manufacturers and Traders Trust Company (the "Trustee"), as trustee under the Resolution.

This Bond is issued in consideration of the loan (the "Loan") made by the State, acting by and through the New Jersey Department of Environmental Protection, to the Commission

pursuant to the Loan Agreement dated as of \_\_\_\_\_, 202\_ by and between the State and the Commission (the "Loan Agreement") to evidence and secure the payment obligations of the Commission 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.

This Bond is a special obligation of the Commission and is payable from the Revenues of the Commission, as such term is defined in the Resolution; provided however, that the power and obligation of the Commission to cause application of such Revenues or other funds to the payment of the principal or redemption price of the Bond is subject to the right of the Commission to pay Operating Expenses and to pay rebate to the United States government.

Pursuant to the terms of the Resolution, the Commission may hereafter issue additional bonds (hereinafter called "Additional Bonds") for the purposes, in the amounts and on the conditions set forth in the Resolution. All bonds issued and to be issued under the terms of the Resolution, including all Additional Bonds, are and will be equally secured by the pledge of the funds and revenues provided in the Resolution except as otherwise expressly provided in or pursuant to the terms of the Resolution.

Reference to the Resolution and any and all resolutions supplemental thereto and any modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Bond, the funds or revenues pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the holders of the Bond with respect thereto, the terms and conditions upon which the Bond is issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Commission and of the Trustee.

The provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Commission in the manner and subject to the conditions and exceptions set forth in the Resolution. The pledge of the revenues and other obligations of the Commission under the terms of the Resolution may be discharged at or prior to the maturity or redemption of the Bond upon making of provision for the payment thereof on the terms and conditions set forth in the Resolution.

This Bond is transferable, as provided in the Resolution, only upon the registration books of the Commission kept and maintained for that purpose at the principal corporate trust office of Manufacturers and Traders Trust Company (the "Registrar") by the registered owner hereof in person or by this attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Commission shall issue in the name of the transferee a new registered Bond or Bond, or the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond as provided in the Resolution, upon payment of the charges therein prescribed. The Commission, the Trustee, the Registrar and any Paying Agent of the Commission may treat and consider the person in whose name this Bond is registered as the holder and absolute owner of this Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due thereon and for all other purposes.

Pursuant to the Loan Agreement, disbursements shall be made by the State to the Commission upon receipt by the State of requisitions from the Commission 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 Commission to make the payments required hereunder shall be absolute and unconditional, without any defense or right of set-off, counterclaim or recoupment by reason of any default by the State under the Loan Agreement or under any other agreement between the Commission and the State or out of any indebtedness or liability at any time owing to the Commission 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, 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.

To the extent provided by law, this Bond is junior and subordinate in all respects to any bonds of the Commission issued on even date herewith to the New Jersey Infrastructure Bank as to lien on, and source and security for payment from, the Revenues of the Commission.

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

**The Bond is not and shall not be in any way a debt or liability of the State of New Jersey or of any county or any municipality, and do not and shall not create or constitute any indebtedness, liability or obligation of said State, or of any county or any municipality, either legal, moral or otherwise.**

It is hereby certified and recited that all conditions, acts and things which are required by the Constitution or by the statutes of the State of New Jersey or by the 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 the Bond, together with all other indebtedness of the Commission, are within every debt and other limit prescribed by said Constitution or statutes.

This Bond shall not be entitled to any security or benefit under the terms of the Resolution or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

IN WITNESS WHEREOF, the PASSAIC VALLEY WATER COMMISSION has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its President or Vice President, and its corporate seal to be affixed, impressed or reproduced hereon, and this Bond and such seal to be attested by the manual or facsimile signature of its Secretary or Assistant Secretary, all as of the DATED DATE set forth above.

ATTEST:

**PASSAIC VALLEY WATER COMMISSION**

\_\_\_\_\_  
Ruby N. Cotton, Secretary

By: \_\_\_\_\_  
Rigoberto Sanchez, President

[SEAL]

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the Bonds described in the within-mentioned Resolution and is one of the "Water Supply System Revenue Bonds, Series 2022B" of the Passaic Valley Water Commission.

Manufacturers and Traders Trust Company,  
as Trustee

By: \_\_\_\_\_  
Authorized Signature

**EXHIBIT C**

**FORM OF PUBLIC NOTICE**

PUBLIC NOTICE IS HEREBY GIVEN by the Passaic Valley Water Commission, that Resolution No. 22-051 entitled "SERIES 2022 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 \$40,000,000 PRINCIPAL AMOUNT OF WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2022 IN ONE OR MORE SERIES OF THE COMMISSION AND DETERMINING VARIOUS MATTERS PERTAINING THERETO" was adopted on May 11, 2022, and that a copy of such resolution is available for public inspection in the offices of the Administrative Secretary of the Passaic Valley Water Commission, 1525 Main Ave., Clifton, NJ 07015, and in the offices of the City Clerks of the Cities of Paterson, Passaic and Clifton; and that any action or proceeding of any kind or nature and any court questioning the validity or proper authorization of the obligations authorized by the Supplemental Resolution, or the validity of any covenants, agreements or contracts provided by the Supplemental Resolution, must be commenced within twenty (20) days after the first publication of this notice. This notice is published pursuant to N.J.S.A 40:62-133.5.

PASSAIC VALLEY WATER COMMISSION  
By Louis Amodio, Administrative Secretary

Dated: May \_\_, 2022



**RESOLUTION # 22-050**

**RESOLUTION OF THE PASSAIC VALLEY WATER COMMISSION  
AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED  
\$40,000,000 PRINCIPAL AMOUNT OF PROJECT NOTES RELATING  
TO THE WATER BANK CONSTRUCTION FINANCING PROGRAM OF  
THE NEW JERSEY INFRASTRUCTURE BANK AND DETERMINING  
VARIOUS MATTERS PERTAINING THERETO**

**DATE OF ADOPTION:** MAY 11, 2022

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

**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 a capital project constituting an "Additional Project" (as such term is defined in the General Bond Resolution) consisting of the replacement of lead services from the water main up to the customer's meter following test pitting operations, pursuant to an application filed with the New Jersey Infrastructure Bank (the "I-Bank") for Project No. 1605002-002, and all work and materials necessary or desirable in connection therewith (the "2022 Additional Project"); and

**WHEREAS**, the Commission has heretofore applied to the I-Bank for a loan or loans to finance the aforesaid improvements; and

**WHEREAS**, in accordance with the applicable procedures of the I-Bank, the Commission has determined to temporarily finance the costs of the 2022 Additional Project through the issuance of one or more series of project notes of the Commission (the "Notes") and the sale thereof to the I-Bank, which issuance and sale shall be authorized by this resolution (the "Note Resolution"); and

**WHEREAS**, the Commission has determined to authorize, under a separate bond resolution of the Commission, 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 \$40,000,000 (the "Series 2022 Bonds") and the sale thereof to the I-Bank, in order to provide for, among other things, (1) the permanent financing of the costs of the 2022 Additional Project, including through the refinancing of the Notes upon completion of the 2022 Additional Project (or such earlier or later time as determined by the I-Bank), (2) deposits into the various funds and accounts held under the General Bond Resolution and (3) the payment of the costs associated with the issuance of such Bonds (together, the "Project"); and

**WHEREAS**, it is the desire of the Commission to authorize, execute, attest and deliver the Notes to the I-Bank, pursuant to the terms of the Act and (to the extent applicable) the "Local Authorities Fiscal Control Law" (codified at N.J.S.A. 40A:5A-1 *et seq.*, as the same may from time to time be amended and supplemented) (the "Local Authorities Fiscal Control Law"); and

**WHEREAS**, the Act and N.J.S.A. 58:11B-9 each allow for the sale of the Notes to the I-Bank, without any public offering, all pursuant to the terms and conditions set forth therein; and

**WHEREAS**, pursuant to N.J.S.A. 40A:5A-9, the Notes will have been approved by the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs, and accordingly the issuance of findings by the Local Finance Board is not required

**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:**

Section 1. The Commission hereby determines to undertake the construction of the 2022 Additional Project, which has an estimated total cost of \$40,000,000. In accordance with the Act and N.J.S.A. 58:11B-9, in order to provide funds with which to provide for the temporary financing of the costs of 2022 Additional Project and in anticipation of the application of the proceeds of the issuance and sale of Series 2022 Bonds of the Commission to be issued for such purpose, the Commission hereby determines to borrow a sum not to exceed Forty Million Dollars (\$40,000,000) and to issue its negotiable Notes, in one or more series, in the aggregate principal amount not exceeding said sum. The obligation represented by the Notes is authorized by this Note Resolution, the Act and other applicable law. This Note Resolution constitutes a "bond resolution" adopted pursuant to N.J.S.A. 40:62-133.2.

Section 2. Each such Note shall be designated "Note Relating to the Water Bank Construction Financing Program of the New Jersey Infrastructure Bank," and shall contain such other or additional designation as may be determined by the Executive Director of the Commission (the "Executive Director"). Said Notes may be sold at one time or in blocks from time to time as may be determined by the Executive Director. The Executive Director is hereby authorized to determine pursuant to the terms and conditions of this Note Resolution (i) the final principal amount of the Notes (subject to the maximum limitation set forth in Section 3(a) hereof) and (ii) the dated date of the Notes. Any determination made by the Executive Director pursuant to the terms hereof shall be conclusively evidenced by the execution and attestation of the Notes by the parties authorized pursuant to Section 4 hereof.

Section 3. The Commission hereby determines that certain terms of the Notes shall be as follows:

- (a) The principal amount of the Notes to be issued shall be an amount up to \$40,000,000;
- (b) The maturity date of the Notes shall be as determined by the I-Bank;
- (c) The interest rate of the Notes shall be as determined by the I-Bank;
- (d) The purchase price for the Notes shall be par;
- (e) The Notes shall be subject to prepayment prior to their stated maturity in accordance with the terms and conditions of the Notes;
- (f) The Notes shall be issued in a single denomination and shall be numbered "NJWB-CFP-22-1"; and
- (g) The Notes shall be issued in fully registered form and shall be payable to the registered owner thereof as to both principal and interest in lawful money of the United States of America.

Section 4. The Notes shall be signed in the name of the Commission by the manual or facsimile signature of the President or Vice President of the Commission and shall have the seal of the Commission (or a facsimile thereof) impressed, imprinted or otherwise reproduced thereon and attested by the manual signature of the Secretary or any Assistant Secretary of the Commission.

Section 5. The Notes shall be issued in substantially the form of the Note attached hereto as Exhibit A with such changes therein or variations thereof as the President, Vice President or Executive Director (each, an "Authorized Officer"), in consultation with bond counsel to the Commission ("Bond Counsel"), may deem necessary and advisable. The law firm of GluckWalrath LLC is hereby authorized to arrange for the printing of the Notes, which law firm may authorize McCarter & English, LLP, bond counsel to the I-Bank for the Construction Financing Program, to arrange for same.

Section 6. The Notes shall constitute "Subordinated Bonds" within the meaning of the General Bond Resolution, and as such are subordinated to all "Bonds" now or hereafter outstanding under the General Bond Resolution and, together with any other "Subordinated Bonds" of the Commission, shall be secured by a pledge of Revenues and funds under the General Bond Resolution subordinate to the pledge in favor of said Bonds, and shall be payable solely from such amounts in the Subordinated Indebtedness Fund created under the General Bond Resolution as may from time to time be available for the purpose of payment thereof, in accordance with Sections 504(1) and 615 of the General Bond Resolution. In addition, without limiting the foregoing obligation, for the punctual payment of the principal of and interest on the Notes, the Commission hereby expressly and irrevocably promises to pay such sums received from the sale of the Series 2022 Bonds, or any other long-term bonds or other obligations to be issued by the Commission to permanently finance the 2022 Additional Project, as shall be sufficient to pay the principal of and interest on the Notes. The foregoing pledge of Revenues and funds under the General Bond Resolution is and shall be in all respects subordinate and junior to the pledge and lien created by the General Bond Resolution as security for the "Bonds" issued and to be issued thereunder. Pursuant to Sections 504(1) and 615 of the General Bond Resolution, the Commission hereby directs Manufacturers and Traders Trust Company, in its capacity as Trustee under the General Bond Resolution, to (i) periodically transfer from the Revenue Fund into the Subordinated Indebtedness Fund such amounts as shall be required to timely pay the principal (subject to the proviso in the immediately following sentence) of and interest on the Notes (if any) as and when due and (ii) to pay such amounts out of the Subordinated Indebtedness Fund to the Trustee hereunder at such times and in such amounts as may be necessary to enable the Trustee to timely pay the principal (subject to the proviso in the immediately following sentence) of and interest on the Notes to the holders thereof as and when due. For so long as the Commission expects in good faith to issue and sell the Series 2022 Bonds to the I-Bank upon completion of the 2022 Additional Project (or such earlier or later time as determined by the I-Bank) as contemplated in the recitals of this Note Resolution, the Commission shall not be required to make deposits into, nor payments out from, the Subordinated Indebtedness Fund in respect of said maturing principal of the Notes, nor shall the Commission be required to take into account said maturing principal when establishing its rates and charges pursuant to Section 611 of the General Bond Resolution.

Section 7. The Commission hereby appoints Manufacturers and Traders Trust Company, Iselin, New Jersey, as the trustee, paying agent and registrar for the Notes (the "Paying Agent"). The proceeds derived from the sale of the Notes (if any) shall be deposited with and held by the Paying Agent in an account or subaccount herein created and established with the Paying Agent (the "Project Note Account"). Monies so deposited in said Project Note Account shall be used and applied solely for the purpose of (i) paying the costs of the Project and (ii) paying the costs of issuance of the Notes. Monies shall be withdrawn from the Project Note Account from time to time for any of such purposes upon checks, drafts or orders for payments therefrom, signed by an Authorized Officer.

Pending the application of the monies deposited in the Project Note Account to fund the Project, to the extent any funds are advanced prior to payment, such monies shall be invested and reinvested by the Paying Agent on behalf of the Commission in direct obligations of the United States of America or the State of New Jersey, or obligations the principal of and interest on which are guaranteed by the United States of America or agencies of the United States of America. The monies in the Project Note Account to be so invested, and the maturity date or dates, or date or dates of redemption at the option of the holders of such obligations, shall be such as an Authorized Officer shall direct the Paying Agent in writing.

In lieu of the investment of such monies in obligations of the State of New Jersey or the United States of America or agencies thereof, as aforesaid, the Paying Agent shall, upon direction of the Commission in writing, signed by an Authorized Officer, deposit monies from the Project Note Account in interest-bearing time deposits, provided further that each such interest-bearing time

deposit or other similar banking arrangement shall permit the monies so placed to be available for use at the times provided with respect to the investment or reinvestment of such monies; and provided further that all monies in each such interest-bearing time deposit or other similar banking arrangement shall be, except to the extent of federal deposit insurance, continuously and fully secured by direct obligations of the United States of America, the State of New Jersey or the Commission, of a market value equal at all times to the amount of the deposit or of the other similar banking arrangement.

Section 8. With respect to the Notes, the Commission covenants and agrees as follows:

(1) It shall neither take any action nor fail to take any action which, if either taken or not taken, would adversely affect the exclusion of the interest on the Notes from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), or any permanent bonds, as if issued on a tax-exempt basis. To the extent permitted by law, however, nothing contained herein shall prevent the Commission from issuing bonds, the interest on which is not excluded from gross income for federal income tax purposes, provided that such issuance will not adversely affect such exclusion of interest on any Note issued hereunder (as if issued on a tax-exempt basis).

(2) The Commission shall not use or permit the use of any proceeds of the Notes or any other funds of the Commission, directly or indirectly, to acquire securities or obligations, and shall not use or permit the use of any amounts received by the Commission in any manner, and shall not permit to be taken any other action or actions, which would cause any Note to be an "arbitrage bond" within the meaning of Section 148 of the Code if the Notes are issued with the expectation that interest will be excludable from gross income. In order to assure compliance with the rebate requirements of Section 148 of the Code, the Commission further covenants that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any amount or amounts required to be paid to the Treasury Department of the United States in a manner consistent with the requirements of Section 148 of the Code.

(3) The Commission shall not be required to comply with any provision in this Section 8 in the event the Commission receives an opinion of nationally recognized bond counsel (a "Bond Counsel's Opinion") that compliance therewith is not required to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, or in the event the Commission receives a Bond Counsel's Opinion that compliance with some other requirement in lieu of a requirement specified herein will be sufficient to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, in which case compliance with such other requirement specified in the Bond Counsel's Opinion shall constitute compliance with the requirement specified in this Section.

Section 9. If the Commission shall pay, or shall deposit in escrow with a bank or trust company, monies or investments in direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America, the principal of and interest on which when due will provide monies which together with the monies, if any, on deposit in escrow at the same time, shall be sufficient to pay, when due, the principal and interest due and to become due on the Notes on the maturity date thereof, then and in that event, the covenants, agreements and other obligations of the Commission to the holders of the Notes shall be discharged, defeased and satisfied.

Section 10. Nothing contained in the foregoing provisions of this Note Resolution is intended to limit, nor shall be construed as limiting, in any way, the authorization, issuance or securing of any additional notes, bonds or other obligations of the Commission.

Section 11. All covenants, stipulations, promises, agreements and obligations of the Commission contained in this Note Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Commission and not of any member, officer or employee of the Commission in his individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Notes or for any claim based thereon or on this Note Resolution against any member, officer or employee of the Commission or any person executing said Notes.

Section 12. The Authorized Officers of the Commission are hereby further authorized to (i) execute and deliver, and the Secretary 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 the Executive Director or the Secretary, as applicable, in their respective sole discretion, after consultation with counsel and any advisors to the Commission and after further consultation with the I-Bank and its representatives, agents, counsel and advisors, to be executed in connection the issuance and sale of the Notes and the participation of the Commission in the Construction Financing Program, 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, (ii) file a certified copy of this Note Resolution with the Municipal Clerks of the Owner Cities (as defined in the General Bond Resolution) in accordance with N.J.S.A. 40:62-133.5, (iii) publish notice of the adoption of this Note Resolution in accordance with N.J.S.A. 40:62-133.5 substantially in the form attached hereto as Exhibit B, and (iv) perform such other actions as the Executive Director and the Secretary deem necessary, desirable or convenient in relation to the execution and delivery of the Notes and the participation of the Commission in the Construction Financing Program. Costs of issuance of the Notes are hereby authorized to be paid in such amounts and to the persons or firms listed on a certificate executed by an Authorized Officer and delivered in connection with the issuance of any Notes.

Section 13. Upon the adoption hereof, the Secretary shall forward certified copies of this Note Resolution to GluckWalrath LLP, bond counsel to the Commission, and to Richard T. Nolan, Esq., McCarter & English, LLP, bond counsel to the I-Bank.


Section 14. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the General Bond Resolution.


Section 15. This Note Resolution shall take effect immediately.

**RECORD OF COMMISSION VOTE ON FINAL PASSAGE**

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

**Adopted at a meeting of Passaic Valley Water Commission.**

  
\_\_\_\_\_  
**President**  
**RIGOBERTO SANCHEZ**

  
\_\_\_\_\_  
**Secretary**  
**RUBY N. 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 May 11, 2022.

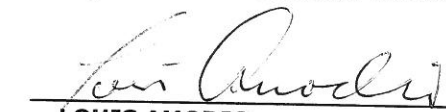
  
\_\_\_\_\_  
**LOUIS AMODIO**  
**Administrative Secretary**

EXHIBIT A

FORM OF NOTE

PASSAIC VALLEY WATER COMMISSION

NOTE RELATING TO  
THE WATER BANK CONSTRUCTION FINANCING PROGRAM  
OF THE NEW JERSEY INFRASTRUCTURE BANK

§  
NJWB-CFP-22-1

\_\_\_\_\_, 2022

**FOR VALUE RECEIVED**, the **PASSAIC VALLEY WATER COMMISSION**, a water commission, acting as a public body corporate and politic with corporate succession duly created and validly existing pursuant to the laws of the State (as hereinafter defined), including, without limitation, the Borrower Enabling Act (as hereinafter defined), and its successors and assigns (the "Borrower"), hereby promises to pay to the order of the **NEW JERSEY INFRASTRUCTURE BANK**, a public body corporate and politic with corporate succession, duly created and validly existing under and by virtue of the Act (as hereinafter defined) (the "I-Bank"), the Principal (as hereinafter defined), together with all unpaid accrued Interest (as hereinafter defined), fees, late charges and other sums due hereunder, if any, in lawful money of the United States of America, on the Maturity Date (as hereinafter defined) or the date of any optional prepayment or acceleration in accordance with the provisions of this note (this "Note"); provided, however, that portions of the Interest may be due and payable earlier, at the time(s) and in the amount(s), as and to the extent provided in accordance with Section 4 hereof. This Note constitutes a "Subordinated Bond" within the meaning of the General Bond Resolution (as hereinafter defined).

**SECTION 1. Definitions.** As used in this Note, unless the context requires otherwise, the following terms shall have the following meanings:

**"Act"** means the "New Jersey Infrastructure Trust Act", constituting Chapter 334 of the Pamphlet Laws of 1985 of the State (codified at N.J.S.A. 58:11B-1 *et seq.*), as the same has been, and in the future may from time to time be amended and supplemented.

**"Administrative Fee"** means the "NJDEP Fee" as defined and calculated in Exhibit B hereto, which is an administrative fee that is payable by the Borrower to the NJDEP (at the time and in the amount as is established by the provisions of Section 4(b) hereof) as a portion of the Cost of the Project that has been incurred by the Borrower for engineering and environmental services provided to the Borrower by the NJDEP.

**"Anticipated Financing Program"** means the New Jersey Water Bank financing program of the I-Bank, pursuant to which the I-Bank will issue its I-Bank Bonds for the purpose of financing, on a long term basis, the Project as well as other projects of certain qualifying borrowers.

**"Anticipated Long-Term Loan"** means the long-term loan made by the I-Bank to the Borrower from the proceeds of its I-Bank Bonds, as part of the Anticipated Financing Program.

**"Authorized Officer"** means any person authorized by the Borrower or the I-Bank, as the case may be, to perform any act or execute any document relating to the Loan or this Note.

**"Borrower Enabling Act"** means 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.*), as the same may from time to time be amended and supplemented.

**"Borrower Note Resolution"** means the resolution of the Borrower entitled "RESOLUTION OF THE PASSAIC VALLEY WATER COMMISSION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$40,000,000 PRINCIPAL AMOUNT OF PROJECT NOTES RELATING TO THE WATER BANK CONSTRUCTION FINANCING

PROGRAM OF THE NEW JERSEY INFRASTRUCTURE BANK AND DETERMINING VARIOUS MATTERS PERTAINING THERETO”, adopted on May 11, 2022, as amended and supplemented from time to time, pursuant to which the Note has been issued.

“**Code**” means the Internal Revenue Code of 1986, as the same may from time to time be amended and supplemented, including any regulations promulgated thereunder, any successor code thereto and any administrative or judicial interpretations thereof.

“**Cost**” or “**Costs**” means those costs that are allocable to the Project, as shall be determined on a project-specific basis in accordance with the Regulations, as further set forth in Exhibit B hereto, (i) as such Exhibit B shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit B or an additional Exhibit B, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of “Project” as set forth herein), and (ii) as the then-current Exhibit B may be amended by subsequent changes to eligible costs as evidenced by a certificate of an Authorized Officer of the I-Bank.

“**Credit Policy**” means the “New Jersey Infrastructure Bank Credit Policy,” as adopted by the Board of Directors of the I-Bank and as further amended and supplemented from time to time.

“**Environmental Infrastructure Facilities**” means Wastewater Treatment Facilities, Stormwater Management Facilities or Water Supply Facilities (as such terms are defined in the Regulations).

“**Environmental Infrastructure System**” means the Environmental Infrastructure Facilities of the Borrower, including the Project, for which the Borrower is receiving the Loan.

“**Event of Default**” means any occurrence or event specified in Section 6 hereof.

“**Financial Plan**” means the then-applicable Financial Plan, as prepared for the then-current State Fiscal Year and as submitted to the State Legislature by the I-Bank and the NJDEP, all pursuant to, and in satisfaction of the requirements of, sections 21, 21.1, 22 and 22.1 of the Act.

“**General Bond Resolution**” means the resolution of the Borrower entitled “RESOLUTION AUTHORIZING THE ISSUANCE OF WATER SUPPLY SYSTEM REVENUE BONDS OF THE PASSAIC VALLEY WATER COMMISSION”, adopted on May 27, 1992, as amended and supplemented from time to time.

“**I-Bank Bonds**” means the revenue bonds of the I-Bank to be issued pursuant to, and as part of, the Anticipated Financing Program.

“**Interest**” means the interest that shall accrue on a daily basis with respect to Principal to be calculated each day by applying the Interest Rate established for a State Fiscal Year divided by 360 to the Principal amount on that day.

“**Interest Rate**” means the rate of interest as shall be established by an Authorized Officer of the I-Bank in a manner consistent with the terms and provisions of the Financial Plan for such State Fiscal Year.

“**Issue Date**” means the date of issuance of this Note.

“**Loan**” means the loan of the Principal, made by the I-Bank to the Borrower to finance or refinance a portion of the Cost of the Project, as evidenced and secured by this Note.

“**Loan Disbursement Requisition**” means the requisition, to be executed by an Authorized Officer of the Borrower and approved by the NJDEP, in a form to be determined by the I-Bank and the NJDEP.



“**Local Authorities Fiscal Control Law**” means the “Local Authorities Fiscal Control Law”, constituting Chapter 313 of the Pamphlet Laws of 1983 of the State (codified at N.J.S.A. 40A:5A-1 *et seq.*), as the same may from time to time be amended and supplemented.

“**Maturity Date**” means the Maturity Date as determined pursuant to clause (i), (ii) or (iii) of this definition, subject to being redetermined pursuant to clause (iv) or (v) of this definition, but subject, in all events, to the rights and remedies of the I-Bank pursuant to the provisions of Section 6 hereof and the provisions of Section 7 hereof in furtherance of the enforcement by the I-Bank of all covenants and obligations of the Borrower hereunder, including, without limitation and in particular, the covenants and obligations of the Borrower set forth in Section 3 hereof.

(i) If the construction contract relating to the Project has not been certified for funding pursuant to the Act by the date that is the second anniversary of the Issue Date, then the Maturity Date shall be the second anniversary of the Issue Date. If this clause (i) is applicable, then the Maturity Date shall be \_\_\_\_\_, 2024, being the second anniversary of the Issue Date.

(ii) If the construction contract relating to the Project has been certified for funding pursuant to the Act prior to the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the Issue Date occurs, which is June 30, 2025. In the event that there is more than one construction contract relating to the Project, the determination under this clause (ii) shall be based on the first construction contract that has been certified for funding pursuant to the Act.

(iii) If the construction contract relating to the Project has been certified for funding pursuant to the Act after the Issue Date and on or before the date that is the second anniversary of the Issue Date, then the Maturity Date shall be June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract relating to the Project has been certified for funding pursuant to the Act. In the event that there is more than one construction contract relating to the Project, the determination under this clause (iii) shall be based on the first construction contract that has been certified for funding pursuant to the Act. Thus,

(A) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the same State Fiscal Year as the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 2025, being June 30 of the third State Fiscal Year following the State Fiscal Year during which the Issue Date occurs.

(B) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the first State Fiscal Year following the State Fiscal Year during which the Issue Date occurs, then the Maturity Date shall be June 30, 2026, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

(C) If this clause (iii) is applicable, and if the first construction contract relating to the Project has been certified for funding in the second State Fiscal Year following the State Fiscal Year during which the Issue Date occurs (but on or before the second anniversary of the Issue Date), then the Maturity Date shall be June 30, 2027, being June 30 of the third State Fiscal Year following the State Fiscal Year in which the construction contract has been certified for funding.

(iv) Notwithstanding any of the foregoing, the Maturity Date shall be such earlier date as shall be determined by an Authorized Officer of the I-Bank in his or her sole discretion, which date shall be determined by such Authorized Officer of the I-Bank to be the date of the closing for the Anticipated Financing Program.

(v) Notwithstanding any of the foregoing, the Maturity Date shall be such later date (subject to the then-applicable limits of the Act) to be determined by an Authorized Officer of the I-Bank in his or her sole discretion, pursuant to a written certification thereof, as acknowledged and agreed by an Authorized Officer of the Borrower.

“**New Jersey Water Bank**” means the joint initiative of the I-Bank and the NJDEP to provide low-cost financing to qualified applicants with respect to water quality projects that are identified in the Act.

“**NJDEP**” means the New Jersey Department of Environmental Protection.

“**Payment Date**” means, as applicable: (i) the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, the date of such optional prepayment or acceleration; provided, however, that in all cases, a portion of the Interest shall be payable by the Borrower to the I-Bank prior to the Maturity Date as provided in Section 4 hereof.

“**Principal**” means the principal amount of the Loan, at any time being the lesser of (i) \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), or (ii) the aggregate outstanding amount as shall actually be disbursed to the Borrower by the I-Bank pursuant to one or more Loan Disbursement Requisitions, which Principal shall be payable by the Borrower to the I-Bank (i) on the Maturity Date or (ii) with respect to any optional prepayment or acceleration of the Loan pursuant to the terms of this Note, on the date of such optional prepayment or acceleration, as the case may be.

“**Project**” means the Environmental Infrastructure Facilities of the Borrower which constitute a project for which the I-Bank is making the Loan to the Borrower, as further described in Exhibit A-1 hereto; provided, however, that the description of the Project, as set forth in Exhibit A-1 attached hereto, may be supplemented by means of either (i) the substitution of a revised and updated Exhibit A-1 for the current Exhibit A-1 or (ii) the inclusion of an additional Exhibit A-1, in either case, promptly following the certification for funding by the NJDEP of the remaining components of the Project, as applicable, such supplement to be undertaken by an Authorized Officer of the I-Bank.

“**Regulations**” means the rules and regulations, as applicable, now or hereafter promulgated pursuant to N.J.A.C. 7:22-3 *et seq.*, 7:22-4 *et seq.*, 7:22-5 *et seq.*, 7:22-6 *et seq.*, 7:22-7 *et seq.*, 7:22-8 *et seq.*, 7:22-9 *et seq.* and 7:22-10 *et seq.*, as the same may from time to time be amended and supplemented.

“**Revenues**” means the “Revenues” as defined in the General Bond Resolution.

“**State**” means the State of New Jersey.

“**Subordinated Indebtedness Fund**” means the fund defined and referred to as the “Subordinated Indebtedness Fund” in the General Bond Resolution.

**SECTION 2. Representations of the Borrower.** The Borrower hereby represents and warrants to the I-Bank, as follows:

(a) Organization. The Borrower: (i) is a water commission, acting as a public body corporate and politic with corporate succession, duly created and validly existing under and pursuant to the Constitution and laws of the State, including, without limitation, the Borrower Enabling Act, and is subject to the Local Authorities Fiscal Control Law; (ii) has full legal right and authority to execute, attest, issue and deliver this Note, to authorize the authentication of this Note, to sell this Note to the I-Bank, and to perform its obligations hereunder, and (iii) has duly authorized, approved and consented to all necessary action to be taken by the Borrower for: (A) the issuance of this Note, the authentication of this Note, the sale thereof to the I-Bank and the due performance of its obligations hereunder and (B) the execution, delivery and due performance of all certificates and other instruments that may be required to be executed, delivered and performed by the Borrower in order to carry out and give effect to this Note.

(b) Authority. This Note has been duly authorized by the Borrower, duly executed, attested and delivered to the I-Bank by Authorized Officers of the Borrower, and duly authenticated by the trustee or the paying agent pursuant to the Bond Resolution. This Note has been duly issued by the Borrower and duly sold by the Borrower to the I-Bank and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as the enforcement thereof may be affected by bankruptcy,

insolvency or other similar laws or the application by a court of legal or equitable principles affecting creditors' rights.

(c) Pending Litigation. There are no proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower that, if adversely determined, would adversely affect (i) the condition (financial or otherwise) of the Borrower, (ii) the adoption of the Bond Resolution, (iii) the ability of the Borrower to satisfy all of its Loan repayment obligations hereunder, (iv) the authorization, execution, attestation, authentication or delivery of this Note, (v) the issuance of this Note and the sale thereof to the I-Bank, and (vi) the Borrower's ability otherwise to observe and perform its duties, covenants, obligations and agreements under this Note, including, without limitation, the undertaking and completion of the Project.

(d) Compliance with Existing Laws and Agreements; Governmental Consent. (i) The authorization, execution, attestation and delivery of this Note by the Borrower, (ii) the authentication of this Note by the trustee or paying agent pursuant to the Bond Resolution, (iii) the adoption of the Bond Resolution, (iv) the sale of this Note to the I-Bank, (v) the observation and performance by the Borrower of its duties, covenants, obligations and agreements hereunder, including, without limitation, the repayment of the Loan and all other amounts due hereunder, and (vi) the undertaking and completion of the Project, will not (A) other than the lien, charge or encumbrance created by this Note and by any other outstanding debt obligations of the Borrower that are at parity with this Note as to lien on, and source and security for payment thereon from, the Revenues of the Borrower's Environmental Infrastructure System, result in the creation or imposition of any lien, charge or encumbrance upon any properties or assets of the Borrower pursuant to, (B) result in any breach of any of the terms, conditions or provisions of, or (C) constitute a default under, any existing ordinance or resolution, outstanding debt or lease obligation, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument to which the Borrower is a party or by which the Borrower, its Environmental Infrastructure System or any of its properties or assets may be bound, nor will such action result in any violation of the provisions of the charter, applicable law or other document pursuant to which the Borrower was established or any laws, ordinances, injunctions, judgments, decrees, rules, regulations or existing orders of any court or governmental or administrative agency, authority or person to which the Borrower, its Environmental Infrastructure System or its properties or operations are subject. The Borrower has obtained all permits and approvals required to date by any governmental body or officer for the authorization, execution, attestation, authentication and delivery of this Note, for the issuance and sale of this Note to the I-Bank, for the making, observance and performance by the Borrower of its duties, covenants, obligations and agreements under this Note, including, without limitation, the undertaking and completion of the Project (provided, that, with respect to the undertaking and completion of the Project, such permits and approvals are obtainable by the Borrower as of the date hereof).

(e) I-Bank Credit Policy. The Borrower is in full compliance with the applicable requirements of the Credit Policy as in effect on the date hereof.

(f) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the representations of the Borrower set forth in this Section 2.

### **SECTION 3. Covenants of the Borrower.**

(a) Participation in the Anticipated Financing Program. The Borrower covenants and agrees that it shall undertake and complete in a timely manner all conditions precedent identified by the I-Bank relating to (i) the participation by the Borrower in the Anticipated Financing Program and (ii) the qualification by the Borrower for receipt of the Anticipated Long-Term Loan.

(b) Revenue Pledge. The Borrower irrevocably pledges the Revenues and funds under the General Bond Resolution in accordance with the terms of, and to the extent provided in, the Borrower Note Resolution, for the punctual payment of any and all obligations and amounts due under this Note (including, without limitation, the payment of the Administrative Fee in the amount and at the time as required by the provisions of Section 4(b) hereof). Such pledge is, however, in all respects subordinate and junior to the pledge and lien created by the General Bond Resolution in favor of all "Bonds" now or hereafter issued and outstanding under

the General Bond Resolution. Together with any other "Subordinated Bonds" of the Borrower, this Note shall be payable solely from such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the purpose of payment thereof, in accordance with Sections 504(1) and 615 of the General Bond Resolution. The Borrower acknowledges that, to assure the continued operation and solvency of the I-Bank, the I-Bank may, pursuant to and in accordance with Section 12a of the Act, require that if the Borrower fails or is unable to pay promptly to the I-Bank in full any Loan repayments, any Interest or any other amounts due pursuant to this Note, an amount sufficient to satisfy such deficiency shall be paid by the State Treasurer to the I-Bank from State-aid otherwise payable to any municipality or county to which the Borrower provides services pursuant to a contractual arrangement.

(c) Disposition of Environmental Infrastructure System. The Borrower covenants and agrees that it shall not sell, lease, abandon or otherwise dispose of all or substantially all of its Environmental Infrastructure System without the express written consent of the I-Bank, which consent may or may not be granted by the I-Bank in its sole discretion.

(d) Financing With Tax-Exempt Bonds. The Borrower acknowledges, covenants and agrees that it is the intention of the Borrower to finance the Project, in whole or in part, on a long term basis with proceeds of I-Bank Bonds now or hereinafter issued, the interest on which is excluded from gross income for purposes of federal income taxation pursuant to Section 103(a) of the Code ("tax-exempt bonds"). In furtherance of such long term financing with tax-exempt bonds, the Borrower covenants that, except to the extent expressly permitted in writing by the I-Bank, in its sole discretion, the Borrower will not take any action or permit any action to be taken which would result in any of the proceeds of the Loan being used (directly or indirectly) (i) in any "private business use" within the meaning of Section 141(b)(6) of the Code, (ii) to make or finance loans to persons other than the Borrower, or (iii) to acquire any "nongovernmental output property" within the meaning of Section 141(d)(2) of the Code. In addition, the Borrower covenants and agrees that no portion of the Project will be investment property, within the meaning of Section 148(b) of the Code. The Borrower covenants and agrees that any Costs of the Borrower's Project to be paid or reimbursed with proceeds of the Loan will result in the expenditure of proceeds under Treasury Regulations §1.148-6(d) and Treasury Regulations §1.150-2.

(e) Operation and Maintenance of Environmental Infrastructure System. The Borrower covenants and agrees that it shall maintain its Environmental Infrastructure System in good repair, working order and operating condition, and make all necessary and proper repairs and improvements with respect thereto.

(f) Records and Accounts; Inspections. The Borrower covenants and agrees that it shall keep accurate records and accounts for its Environmental Infrastructure System, separate and distinct from its other records and accounts, which shall be audited annually by an independent registered municipal accountant and shall be made available for inspection by the I-Bank upon prior written notice. The Borrower covenants and agrees that it shall permit the I-Bank (and any party designated thereby to act on its behalf or to assist it, including, without limitation, its professional advisors), at any and all reasonable times during construction of the Project and thereafter, upon prior written notice, (i) to visit, inspect and examine the property constituting the Project and the site on which the Project is located, and (ii) to inspect (and make and retain copies of) any Borrower accounts, books, records, correspondence and files, including, without limitation, Borrower records regarding contracts, receipts, disbursements, investments and the overall financial standing of the Borrower, and any other matters related to the Borrower, the Project and the foregoing list of deliverables. In furtherance of the intent of this subsection, the Borrower covenants and agrees that it shall promptly prepare and provide such written reports and informational summaries as the I-Bank may reasonably require.

(g) Insurance. The Borrower covenants and agrees that it shall maintain insurance policies providing against risk of direct physical loss, damage or destruction of its Environmental Infrastructure System, in an amount that will satisfy all applicable regulatory requirements. The Borrower covenants and agrees that it shall include, or cause to be included, the I-Bank as an additional "named insured" on any certificate of liability insurance procured by the Borrower and by any contractor or subcontractor for the Project.

(h) Reliance. The Borrower hereby acknowledges that the I-Bank is making the Loan to the Borrower pursuant to the terms hereof in reliance upon each of the covenants of the Borrower set forth in this Section 3.

**SECTION 4. Disbursement of the Loan Proceeds; Amounts Payable; Prepayment; and Late Fee.**

(a) The I-Bank shall effectuate the Loan to the Borrower by making one or more disbursements to the Borrower promptly after receipt by the I-Bank of a Loan Disbursement Requisition and the approval of such Loan Disbursement Requisition by an Authorized Officer of the I-Bank or a designee thereof, each such disbursement and the date thereof to be recorded and maintained by an Authorized Officer of the I-Bank, or a designee thereof, in the records of the I-Bank with respect to the Loan; provided, however, that the approval by the I-Bank of any Loan Disbursement Requisition for disbursement pursuant to the terms hereof shall be subject to the terms, conditions and limitations as set forth in Section 4(d) of this Note. It is expected that the proceeds of the Loan will be disbursed to the Borrower in accordance with the schedule set forth in Exhibit C hereto, as Exhibit C shall be supplemented by an Authorized Officer of the I-Bank by means of either a substitute Exhibit C or an additional Exhibit C, such supplement to be implemented concurrently with the supplement to Exhibit A-1 hereto (as provided in the definition of "Project" as set forth herein). The latest date upon which the Borrower may submit to the I-Bank a Loan Disbursement Requisition is the business day immediately preceding the date fixed by the I-Bank for the sale of its I-Bank Bonds in connection with the Anticipated Financing Program, or such alternative date as shall be identified by the I-Bank for the Borrower in writing.

(b) Notwithstanding the provisions of Section 4(a) to the contrary, the Borrower hereby acknowledges and agrees, as follows: (i) to the extent that all or a portion of the Interest is funded by the Loan (as provided pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof), payment of such Interest shall be made to the I-Bank via one or more disbursements by the I-Bank hereunder, at the times and in the amounts, as and to the extent provided in one or more written notices provided to the Borrower pursuant to the terms hereof by an Authorized Officer of the I-Bank, or a designee thereof, and each such disbursement shall be recorded by an Authorized Officer of the I-Bank, or a designee thereof, and maintained in the records of the I-Bank with respect to the Loan; and (ii) on the date of issuance of this Note, a disbursement shall be made and shall be recorded and maintained by an Authorized Officer of the I-Bank, or a designee thereof, in the records of the I-Bank with respect to the Loan for purposes of funding fifty percent (50%) of the Administrative Fee identified in Exhibit B hereto, with such disbursement (and any subsequent and supplemental disbursements made pursuant to Exhibit B hereto, as Exhibit B may hereafter be amended or supplemented as provided by the provisions hereof) being made by the I-Bank on behalf of the Borrower directly to the NJDEP. The Borrower further acknowledges and agrees that the remaining unpaid balance of the Administrative Fee shall be due and payable on the Maturity Date or as otherwise established by the I-Bank pursuant to the terms of the Anticipated Financing Program.

(c) On the Maturity Date or, with respect to the payment of all or a portion of the Interest, on the applicable Payment Date(s) as and to the extent provided herein, the Borrower shall repay the Loan to the I-Bank in an amount equal to: (i) the Principal; (ii) the Interest then due and owing pursuant to the provisions of this Note; and (iii) any other amounts then due and owing pursuant to the provisions of this Note. The Borrower may prepay the Loan obligations hereunder, in whole or in part, upon receipt of the prior written consent of an Authorized Officer of the I-Bank. Each payment made to the I-Bank shall be applied to the payment of, first, the Interest then due and payable, second, the Principal, third, any late charges, and, finally, any other amount then due and payable pursuant to the provisions of this Note. In the event that the repayment obligation set forth in this Note is received by the I-Bank later than the Maturity Date or the Payment Date, as the case may be, a late fee shall be payable to the I-Bank in an amount equal to the greater of twelve percent (12%) per annum or the prime rate as published in the Wall Street Journal on the Maturity Date or the Payment Date, as the case may be, plus one half of one percent per annum on such late payment from the Maturity Date or the Payment Date, as the case may be, to the date it is actually paid; provided, however, that any late payment charges incurred hereunder shall not exceed the maximum interest rate permitted by law.

(d) Notwithstanding the provisions of this Note to the contrary with respect to the funding, pursuant to Section 4(a) hereof, of any Loan Disbursement Requisition relating to all or any portion of the Project, the Borrower hereby acknowledges and agrees, as follows: (i) the I-Bank shall not, and shall not be required to, commit funds, pursuant to the Water Bank Construction Financing Program of the I-Bank, to any portion of the Project until such time as the particular portion of the Project in question has been certified for funding by the NJDEP; (ii) no Loan Disbursement Requisition shall be approved by the I-Bank for disbursement pursuant to Section 4(a) hereof unless and until the portion of the Project to which such Loan Disbursement Requisition relates has been certified for funding by the NJDEP; and (iii) the I-Bank has no obligation pursuant to this Note to make all or any portion of any Loan Disbursement Requisition disbursement pursuant to the provisions of Section 4(a) hereof if the Borrower lacks the authority to pay interest on this Note in an amount equal to the Interest Rate.

**SECTION 5. Unconditional Obligations.** The obligation of the Borrower to make the Loan repayments and all other payments required hereunder and the obligation to perform and observe the other duties, covenants, obligations and agreements on its part contained herein shall be absolute and unconditional, and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner whatsoever while any Loan repayments, or any other payments due hereunder, remain unpaid, regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project or Environmental Infrastructure System, commercial frustration of the purpose, any change in the laws of the United States of America or of the State or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the I-Bank to perform and observe any agreement or any duty, liability or obligation arising out of this Note, or any rights of set-off, recoupment, abatement or counterclaim that the Borrower might have against the I-Bank or any other party; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

**SECTION 6. Events of Default.** The following events shall constitute an "Event of Default" hereunder: (i) failure by the Borrower to pay, when due, any and all of its Loan repayment obligations hereunder, and any other payment obligations due hereunder; (ii) failure by the Borrower to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed pursuant to the terms of this Note; (iii) any representation made by the Borrower contained in this Note or in any instrument furnished in compliance with or with reference to this Note is false or misleading in any material respect; and (iv) a petition is filed by or against the Borrower under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Note or thereafter enacted, unless in the case of any such petition filed against the Borrower such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal, or the Borrower shall become insolvent or bankrupt or shall make an assignment for the benefit of its creditors, or a custodian of the Borrower or any of its property shall be appointed by court order or take possession of the Borrower or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

**SECTION 7. Remedies upon Event of Default.** Whenever an Event of Default shall have occurred and be continuing pursuant to the terms hereof, the Borrower hereby acknowledges and agrees to the rights of the I-Bank to take any action permitted or required at law or in equity to collect the amounts then due and thereafter to become due hereunder or to enforce the observance and performance of any duty, covenant, obligation or agreement of the Borrower hereunder. If an Event of Default shall have occurred, the Borrower hereby acknowledges and agrees that the I-Bank shall have the right to (i) immediately cease disbursements of the proceeds of the Loan, and/or (ii) declare all Loan repayments and all other amounts due hereunder to be due and payable immediately without further notice or demand. The Borrower hereby acknowledges and agrees that no remedy herein is intended to be exclusive, and every remedy shall be cumulative and in addition to every other remedy given under this Note or now or hereafter existing at law or in equity. The Borrower hereby further acknowledges and agrees that no delay or omission by the I-Bank to exercise any remedy or right accruing upon any Event of Default shall impair any such remedy or right or shall be construed to be a waiver thereof, but any such remedy or right may be exercised as often as may be deemed expedient. The Borrower hereby further acknowledges and agrees that, pursuant to the I-Bank's

Credit Policy, during such time as an Event of Default has occurred and is continuing hereunder, the Borrower shall be ineligible for additional financial assistance from the I-Bank (including, without limitation, long-term financing through the Anticipated Financing Program), in addition to certain other consequences set forth in the Credit Policy. The Borrower hereby agrees that upon demand it shall pay to the I-Bank the reasonable fees and expenses of attorneys and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred in the collection of Loan repayments or any sum due hereunder or in the enforcement of the observation or performance of any obligations or agreements of the Borrower upon an Event of Default. Any moneys collected by the I-Bank pursuant to this Section 7 shall be applied first to pay any attorneys' fees or other fees and expenses owed by the Borrower.

**SECTION 8. Certain Miscellaneous Provisions.** The Borrower hereby acknowledges and agrees as follows: (a) all notices hereunder shall be deemed given when hand delivered or when mailed by registered or certified mail, postage prepaid, to the Borrower at the following address: Passaic Valley Water Commission, 1525 Main Avenue, Clifton, New Jersey 07011, Attention: Executive Director; and to the I-Bank at the following address: New Jersey Infrastructure Bank, 3131 Princeton Pike, Building 4, Suite 216, Lawrenceville, New Jersey 08648-2201, Attention: Executive Director; (b) this Note shall be binding upon the Borrower and its successors and assigns; (c) in the event any provision of this Note is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof; (d) the obligations of the Borrower pursuant to the terms of this Note may not be assigned by the Borrower for any reason, unless the I-Bank shall have approved said assignment in writing; (e) this Note may not be amended, supplemented or modified without the prior written consent of the I-Bank; (f) this Note shall be governed by and construed in accordance with the laws of the State; (g) the Borrower shall, at the request of the I-Bank, execute and deliver such further instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights, security interests and agreements granted or intended to be granted by this Note; (h) whenever the Borrower is required to obtain the determination, approval or consent of the I-Bank pursuant to the terms hereof, such determination, approval or consent may be either granted or withheld by the I-Bank in its sole and absolute discretion; and (i) consistent with the provisions of N.J.S.A. 58:11B-13, neither the directors of the I-Bank nor any officers of the I-Bank taking any action with respect to this Loan shall be liable personally with respect to the Loan or any matters or transactions related thereto.

**IN WITNESS WHEREOF**, the Borrower has caused this Note to be duly executed, sealed and delivered on the date first above written.

**PASSAIC VALLEY WATER  
COMMISSION**

[SEAL]

ATTEST:

By: \_\_\_\_\_  
**Rigoberto Sanchez, President**

\_\_\_\_\_  
**Ruby N. Cotton, Secretary**

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Note is delivered pursuant to the within-mentioned Bond Resolution.

**MANUFACTURERS AND TRADERS TRUST  
COMPANY, as Trustee**

By: \_\_\_\_\_  
Authorized Signatory



**EXHIBIT B**  
**FORM OF PUBLIC NOTICE**

PUBLIC NOTICE IS HEREBY GIVEN by the Passaic Valley Water Commission, that Resolution No. 22-050 entitled "RESOLUTION OF THE PASSAIC VALLEY WATER COMMISSION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$40,000,000 PRINCIPAL AMOUNT OF PROJECT NOTES RELATING TO THE WATER BANK CONSTRUCTION FINANCING PROGRAM OF THE NEW JERSEY INFRASTRUCTURE BANK AND DETERMINING VARIOUS MATTERS PERTAINING THERETO" was adopted on May 11, 2022, and that a copy of such resolution is available for public inspection in the offices of the Administrative Secretary of the Passaic Valley Water Commission, 1525 Main Ave., Clifton, NJ 07015, and in the offices of the City Clerks of the Cities of Paterson, Passaic and Clifton; and that any action or proceeding of any kind or nature and any court questioning the validity or proper authorization of the obligations authorized by the Supplemental Resolution, or the validity of any covenants, agreements or contracts provided by the Supplemental Resolution, must be commenced within twenty (20) days after the first publication of this notice. This notice is published pursuant to N.J.S.A 40:62-133.5.

PASSAIC VALLEY WATER COMMISSION  
By Louis Amodio, Administrative Secretary

Dated: May \_\_, 2022