

MUSCONETCONG SEWERAGE AUTHORITY

Commissioners' Meeting
September 22, 2022

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY 110 CONTINENTAL DRIVE BUDD LAKE, NJ 07828

Vice Chairman Sylvester called the meeting to order at 7:30 PM. Following the Pledge of Allegiance to the Flag, announcement was made that adequate notice of this meeting had been provided for as defined by the "Open Public Meetings Act".

Members Present: Michael Grogan, Brian McNeilly, Melanie Michetti, Michael Pucilowski, Steven Rattner, Thomas Romano, Richard Schindelar, Joseph Schwab, Elmer Still

Members Absent: James Benson, Andrew Cangiano, Jack Sylvester

Others Present: Thomas Carroll – QPA, Patrick Dwyer – Esq., Jilliam Martucci – Administrative, James Schilling – Executive Director, James Wancho - PE

Attendance Roll Call:

Mr. Benson	Absent	Chairman Rattner	Present
Mr. Cangiano	Absent	Mr. Romano	Present
Mr. Grogan	Present	Mr. Schindelar	Present
Mr. McNeilly	Present	Mr. Schwab	Present
Mrs. Michetti	Present	Mr. Still	Present
Mr. Pucilowski	Present	Mr. Sylvester	Absent

Comments:

- Mrs. Michetti entered the meeting at 7:33pm

Date/Time Call to Order: Thursday September 22, 2022 – 7:30PM
Others Present: Tom Carroll, Pat Dwyer, James Wancho, James Schilling, Jilliam Martucci

Motion / Resolution	Benson	Cangiano	Grogan	McNeilly	Michetti	Pucilowski	Rattner	Romano	Schindelar	Schwab	Still	Sylvester
Attendance	Absent	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present	Absent
Regular Meeting Minutes: 08.25.2022 ALL IN FAVOR	Absent	Absent	Aye	Aye	Aye	Second Aye	Aye	Aye	Aye	Aye	Motion Aye	Absent
2021 Budget vs Actual ROLL CALL	Absent	Absent	Yes	Yes	Yes	Yes	Yes	Motion Yes	Second Yes	Yes	Yes	Absent
December 31, 2021 Balance Sheet ROLL CALL	Absent	Absent	Yes	Yes	Yes	Yes	Yes	Motion Yes	Second Yes	Yes	Yes	Absent
2022 Budget vs Actual ROLL CALL	Absent	Absent	Yes	Yes	Yes	Yes	Yes	Motion Yes	Second Yes	Yes	Yes	Absent
August 31, 2022 Balance Sheet ROLL CALL	Absent	Absent	Yes	Yes	Yes	Yes	Yes	Motion Yes	Second Yes	Yes	Yes	Absent
Pending Vouchers September 15, 2022 ROLL CALL	Absent	Absent	Yes	Yes	Yes	Yes	Yes	Motion Yes	Yes	Second Yes	Yes	Absent
Correspondence ALL IN FAVOR	Absent	Absent	Aye	Motion Aye	Aye	Aye	Aye	Aye	Second Aye	Aye	Aye	Absent
Directors Report, Maintenance & Repairs September, 2022 Flow Data – August 2022 ALL IN FAVOR	Absent	Absent	Aye	Aye	Aye	Aye	Aye	Second Aye	Motion Aye	Aye	Aye	Absent
Engineers Report-September, 2022 ALL IN FAVOR	Absent	Absent	Aye	Aye	Aye	Second Aye	Aye	Aye	Motion Aye	Aye	Aye	Absent
New Business:												
Resolution # 22-40 ROLL CALL	Absent	Absent	Aye	Aye	Aye	Aye	Aye	Motion Aye	Aye	Second Aye	Aye	Absent
Resolution # 22-41 ROLL CALL	Absent	Absent	Yes	Yes	Yes	Motion Yes	Yes	Yes	Second Yes	Yes	Yes	Absent
Straw Vote Conference Stipend Old Business:	Absent	Absent	No	Motion Yes	Yes	No	Second Yes	No	Yes	Yes	Yes	Absent
Closed Session 08:21 pm ALL IN FAVOR	Absent	Absent	Aye	Second Aye	Aye	Aye	Aye	Aye	Motion Aye	Aye	Aye	Absent
Open Session: 08:23 pm ALL IN FAVOR	Absent	Absent	Aye	Motion Aye	Aye	Aye	Aye	Aye	Second Aye	Aye	Aye	Absent
Adjournment: 08:23 pm ALL IN FAVOR	Absent	Absent	Aye	Aye	Aye	Aye	Aye	Motion Aye	Second Aye	Aye	Aye	Absent

Chairman Rattner open and closed the meeting to the public.

The "Regular" meeting minutes of August 25, 2022 accepted on a motion offered by Mr. Still, seconded by Mr. Pucilowski and the affirmative all in favor vote of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

Comments:

- None

The Financial Reports for 2021 were accepted on a motion offered by Mr. Romano, seconded by Mr. Schindelar and the affirmative Roll Call vote of members present. Roll Call Vote:

Mr. Benson	Absent	Chairman Rattner	Yes
Mr. Cangiano	Absent	Mr. Romano	Yes
Mr. Grogan	Yes	Mr. Schindelar	Yes
Mr. McNeilly	Yes	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Still	Yes
Mr. Pucilowski	Yes	Mr. Sylvester	Absent

Comments:

- None

Financial Reports – 2021

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Accrual Basis

Musconetcong Sewerage Authority Budget vs. Actual Expenditure Report January through December 2021

	Jan - Dec 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Interest	17,842.51			
Trustee passdown	5,617,750.08			
Total Income	5,634,792.59			
Gross Profit	5,634,792.59			
Expense				
6699 - Reconciliation Discrepancies	-276.54			
Personnel Services				
B-1 - Administrative-S&W	159,988.18	171,840.00	-15,571.82	90.0%
B-14 - Operating-S&W	639,118.21	666,000.00	-37,881.79	94.3%
Total Personnel Services	799,106.39	839,840.00	-39,453.61	93.6%
Employee Benefits				
B-9 - Pension	96,343.08	105,000.00	-8,656.92	91.8%
B-8 - Social Security	58,470.42	66,458.00	-7,987.58	88.0%
B-10 - Hosp.	4,048.31			
Dental/Vision	1,200.00			
Hospitalization	166,842.59	200,000.00	-34,157.41	82.9%
B-10 - Hosp - Other				
Total B-10 - Hosp	171,090.90	200,000.00	-28,909.10	85.5%
B-11 - Disability Insurance	8,824.55	10,000.00	-1,075.45	89.2%
B-6 - Unemployment	6,873.58	7,000.00	-1,126.42	83.9%
Total Employee Benefits	340,702.53	388,458.00	-47,755.47	87.7%
Administration Expenses				
B-2 - Administrative-OE	15,770.22	40,000.00	-24,229.78	39.4%
Total Administration Expenses	15,770.22	40,000.00	-24,229.78	39.4%
Operations and Maintenance				
B-3 - Legal	35,018.00	35,000.00	18.00	100.1%
B-4 - Audit	25,680.00	20,000.00	5,680.00	128.4%
B-5 - Engineer	45,385.29	45,385.29	0.00	100.0%
B-15 - Telephone	13,504.90	25,000.00	-11,495.10	54.0%
B-16 - Electric	352,275.85	352,575.85	0.00	100.0%
B-17 - Propane/Fuel Oil	31,989.26	31,989.26	0.00	100.0%
B-18 - Supplies/Chemicals	229,273.92	229,273.92	0.00	100.0%
B-27 - Laboratory Supplies	5,137.95	6,149.51	-1,011.56	83.6%
B-13 - Office	26,361.56	27,813.86	-2,452.30	91.2%
B-21 - External Services	53,989.48	75,000.00	-21,010.52	72.0%
B-28 - Education/Training	8,021.75	28,000.00	-19,978.25	28.6%
B-25 - Laboratory Fees	13,507.44	14,614.71	-1,007.27	93.1%
B-19 - Maintenance/Repairs	180,576.57	180,576.57	0.00	100.0%
B-20 - Insurance	109,040.00	110,000.00	-960.00	99.7%
B-24 - NJSEF Fees	20,189.00	22,810.74	-2,621.74	91.7%
B-12 - Trustee Admin Fee	20,225.00	20,000.00	225.00	101.1%
B-23 - Permit Appl/Compliance Fees	27,786.34	27,186.34	600.00	102.2%
B-21 - Equipment	59,721.78	59,721.78	0.00	100.0%
B-26 - Sludge Disposal	881,075.07	890,202.37	-9,127.30	99.0%
B-22 - Contingency	0.00	0.00	0.00	0.0%
Total Operations and Maintenance	2,138,786.18	2,200,500.00	-61,713.82	97.2%
Debt Service				
Debt Svc - Principal Payment	418,166.59			
Debt Svc - Interest Payment	371,853.88			
Debt Service - Other	0.00	723,513.00	-723,513.00	0.0%
Total Debt Service	790,020.27	723,513.00	67,307.27	109.3%
Reserve				
B-29 - Capital Improvement	200,000.00	200,000.00	0.00	100.0%
B-30 - Renewal & Replacement	200,000.00	200,000.00	0.00	100.0%
Total Reserves	400,000.00	400,000.00	0.00	100.0%
Misc. Income	-21,899.05			
Operating Refund	-39,362.98			

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Accrual Basis

Musconetcong Sewerage Authority Budget vs. Actual Expenditure Report January through December 2021

	Jan - Dec 21	Budget	\$ Over Budget	% of Budget
Pension Reimbursement	-801.81			
Total Expense	4,409,825.11	4,592,111.00	-182,285.89	99.0%
Net Ordinary Income	1,224,967.48	-4,592,111.00	5,817,078.48	-26.7%
Other Income/Expense				
Other Income				
Short Term Disability Reimburse	6,650.95			
Total Other Income	6,650.95			
Other Expense				
Bank Fee	185.00			
Total Other Expense	185.00			
Net Other Income	6,465.95			
Net Income	1,231,433.43	-4,592,111.00	5,823,544.43	-28.8%

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Cash Basis

Musconetcong Sewerage Authority
Balance Sheet
As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
DA 8169 - Operating Acct TD - 8169	1,077,188.55
PE 2717 - Payroll Account TD - 2717	4,258.19
CI 5030 - Capital Improvement TD - 5030	1,800,002.51
ES 1028 - Escrow Account TD Bank - 1028	8,081.74
RR 1369 - Renewal & Replacement TD - 1360	526,258.20
Pelly Cash	150.00
Total Checking/Savings	3,215,889.29
Other Current Assets	
NJIB Note Receivable	3,090,435.00
Prepaid Expenses	179.59
Total Other Current Assets	3,090,614.59
Total Current Assets	6,306,513.28
Fixed Assets	
Construction in Progress	1,609,602.35
Accumulated Depreciation	-39,721,847.17
Capital Assets, Depreciated	61,481,162.62
Land	505,700.00
Total Fixed Assets	23,875,337.80
Other Assets	
Def. Pension Outflows	329,952.00
Total Other Assets	329,952.00
TOTAL ASSETS	30,511,803.08
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 - Accounts Payable	94,844.02
Total Accounts Payable	94,844.02
Other Current Liabilities	
NJIB Note Payable	8,236,100.00
Accrued Payroll Liabilities	
Garnishment	302.14
VALIC	400.00
PERS - Contributions	75,378.82
PERS - Loans	82,214.00
PERS - Insurance	10,381.43
Union Dues	+1,016.41
Accrued Payroll Liabilities - Other	47,869.00
Total Accrued Payroll Liabilities	119,410.73
Escrow Deposits Payable	
271 891 - 271 Kings Hwy, Andover NH	961.25
43 - Bank Street Crown Walk Urban Re	1,825.00
34 - Bank Street Urban Renewal LLC	12.50
GC - QuikChek Riskbury	210.00
Waterloo Valley Road Sewer Ext.	100.79
Cromwell Multifamily Project	994.25
Escrow Deposits Payable - Other	6,548.40
Total Escrow Deposits Payable	9,962.24

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Cash Basis

Musconetcong Sewerage Authority
Balance Sheet
As of December 31, 2021

	Dec 31, 21
Current Liabilities	
Compensated Absences Payable	61,681.72
Accrued Interest Payable	24,811.48
Accounts Payable - Pension	-16,481.50
Accrued Liabilities	47,771.68
Total Other Current Liabilities	8,482,685.35
Total Current Liabilities	8,577,529.37
Long Term Liabilities	
Net Pension Liability	1,394,376.00
Loans Payable	2,145,402.38
Def. Inflows of Resources	
Unamort Gain on Refunding 2007	10,200.00
Def. Pension Inflows	991,342.00
Total Def. Inflows of Resources	1,001,542.00
Total Long Term Liabilities	4,541,320.38
Total Liabilities	13,118,829.75
Equity	
Net Investment in Capital Asset	23,689,413.56
Restricted	
Current Debt Service	29,202.00
Future Retirement Reserve	50,000.00
B-29 Capital Improvements	
Contract 286 - Tertiary Tmt	
286 P85 - Contract 286 TT - P8AS	30,808.81
286 HC - Contract 286 TT - HC	540,845.50
286 - Misc (Permit, Legal)	104.00
Total Contract 286 - Tertiary Tmt	571,618.31
Contract 300 Influent Screening	
300 P85 - Contract 300 Infl Scr - P85	13,995.44
300 Csp - Contract 300 Infl Scr - Coppola	177,733.95
300 - Misc (Permit, Legal)	1,668.00
Total Contract 300 Influent Screening	193,400.39
AS - Air Sampling	6,110.76
302 - Contract 300 - PCSU	1,122.50
335 - Contract 335 - SC 364	11,094.10
332 - Contract 330 ST 1	6,776.65
319 - Contract 319 Phase II Air Perm	1,460.02
Telecommunications Project	4,760.00
305 - Contract 305 NJIB Application	750.62
286 - Contract 286 - SC #1 & 2	59,801.48
270 - Contract 270 Thickeners	8,843.08
280 - Contract 280 HC #1	21,342.48
B-29 Capital Improvements - Other	228,961.48
Total B-29 Capital Improvements	1,155,554.99
B-30 Renewal and Replacement	
335 - Contract 335 - 19 Pumps	29,033.67
B-30 Renewal and Replacement - Other	602,289.55
Total B-30 Renewal and Replacement	631,323.22
Operations	50,000.00
Total Restricted	1,982,130.22

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Musconetcong Sewerage Authority
Balance Sheet
As of December 31, 2021

	Dec 31, 21
Unrestricted	-107,819.00
Designated	835,952.10
Undesignated	
Total Unrestricted	727,974.10
3000 - Opening Bal Equity	-5,186,751.57
32000 - Retained Earnings	-2,992,095.40
Net Income	172,303.42
Total Equity	17,392,673.33
TOTAL LIABILITIES & EQUITY	30,511,803.08

The Financial Reports for 2022 were accepted on a motion offered by Mr. Romano, seconded by Mr. Schindelar and the affirmative Roll Call vote of members present. Roll Call Vote:

Mr. Benson	Absent	Chairman Rattner	Yes
Mr. Cangiano	Absent	Mr. Romano	Yes
Mr. Grogan	Yes	Mr. Schindelar	Yes
Mr. McNeilly	Yes	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Still	Yes
Mr. Pucilowski	Yes	Mr. Sylvester	Absent

Comments:

- Chairman Rattner inquired about ASAP Container
 - Mr. Schilling advised that this is sludge and that this company goes by several names including Wind River, ASAP Container and FRANCO.

Financial Reports – 2022

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Cash Basis

Musconetcong Sewerage Authority
Balance Sheet
As of August 31, 2022

	Aug 31, 22
ASSETS	
Current Assets	
Checking/Savings	
OA 8169 - Operating Acct TD - 8169	1,323,564.34
PR 3717 - Payroll Account TD - 3717	36,640.48
CI 5030 - Capital Improvement TD - 5030	1,322,416.69
Es 3226 - Escrow Account TD Bank - 3226	11,131.74
RR 1360 - Renewal & Replacement TD -1360	639,509.65
Petty Cash	100.00
Total Checking/Savings	3,333,364.90
Other Current Assets	
NJIB Note Receivable	3,090,435.00
Prepaid Expenses	179.99
Total Other Current Assets	3,090,614.99
Total Current Assets	6,423,979.89
Fixed Assets	
Construction In Progress	1,609,092.35
Accumulated Depreciation	-39,721,047.17
Capital Assets, Depreciated	61,481,692.62
Land	505,700.00
Total Fixed Assets	23,875,337.80
Other Assets	
Def. Pension Outflows	329,952.00
Total Other Assets	329,952.00
TOTAL ASSETS	30,629,269.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 - Accounts Payable	-44,758.98
Total Accounts Payable	-44,758.98
Other Current Liabilities	
NJIB Note Payable	9,013,738.00
Accrued Payroll Liabilities	
Garnishment	302.14
VALIC	50.00
PERS - Contributions	91,852.23
PERS - Loans	108,145.19
PERS - Insurance	12,278.21
Union Dues	-1,016.41
Accrued Payroll Liabilities - Other	-47,699.60
Total Accrued Payroll Liabilities	161,911.76
Escrow Deposits Payable	
Matrix Mount Olive	1,000.00
271 KH - 271 Kings Hwy - Adler WH	2,036.25
40 - Bank Street Crown Walk Urban Re	1,825.00
34 - Bank Street Urban Renewal LLC	12.50
QC - QuickChek Roxbury	210.00
Waterloo Valley Road Sewer Ext.	100.75
Villages at Roxbury	955.00
Crownpoint Multifamily Project	904.25
Escrow Deposits Payable - Other	5,548.49
Total Escrow Deposits Payable	12,602.24

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Cash Basis

Musconetcong Sewerage Authority
Balance Sheet
As of August 31, 2022

	Aug 31, 22
Compensated Absenses Payable	
Accrued Interest Payable	61,681.72
Accounts Payable - Pension	26,072.79
Accrued Liabilities	-61,619.46
Total Other Current Liabilities	47,771.68
Total Current Liabilities	9,261,958.73
Long Term Liabilities	
Net Pension Liability	1,394,376.00
Loans Payable	2,145,402.38
Def. Inflows of Resources	
Unamort Gain on Refunding 2007	10,200.00
Def. Pension Inflows	991,342.00
Total Def. Inflows of Resources	1,001,542.00
Total Long Term Liabilities	4,541,320.38
Total Liabilities	13,758,520.13
Equity	
Net Investment in Capital Asset	
Restricted	22,689,413.56
Current Debt Service	
Future Retirement Reserve	29,252.00
B-29 Capital Improvements	50,000.00
360 - Contract 360 HVAC & Roofs	
360 IB - Contract 360 HVAC/Roots-NJIBank	29,432.50
360 PSS - Contract 360 HVAC Roofs PSS	171,449.59
Total 360 - Contract 360 HVAC & Roofs	200,882.09
Contract 295 - Tertiary Tmt	
295 PSS - Contract 295 TT - PS&S	11,155.18
295 IHC - Contract 295 TT - IHC	97,685.50
295 - Misc (Permit, Legal)	104.00
Total Contract 295 - Tertiary Tmt	108,944.68
Contract 300 Influent Screening	
300 PSS - Contract 300 Infl Scr - PSS	1.08
300 Cop - Contract 300 Infl Scr - Coppola	39,709.24
300 - Misc (Permit, Legal)	1,958.00
Total Contract 300 Influent Screening	41,378.32
AS - Air Sampling	
350 - Contract 350 - PCSIU	5,479.08
325 - Contract 325 - SC 3&4	1,122.50
330 - Contract 330 GT 1	11,694.10
310 - Contract 310 Phase III Air Perm	9,776.65
Telecommunications Project	1,460.92
305 - Contract 305 NJIB Application	4,760.00
285 - Contract 285 - SC #1 & 2	48.82
270 - Contract 270 Thickeners	93,801.49
280 - Contract 280 PC #2	9,843.08
B-29 Capital Improvements - Other	21,342.49
Total AS - Air Sampling	134,501.48
Total B-29 Capital Improvements	644,635.70
B-30 Renewal and Replacement	
335 - Contract 335 - 19 Pumps	29,033.67
B-30 Renewal and Replacement - Other	648,336.56
Total B-30 Renewal and Replacement	677,370.23

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Cash Basis

Musconetcong Sewerage Authority
Balance Sheet
As of August 31, 2022

	Aug 31, 22
ASSETS	
Current Assets	
Checking/Savings	1,323,564.34
DA 8169 - Operating Acct TD - 8169	39,840.48
PS 3717 - Payroll Account TD - 3717	1,322,416.69
CI 0030 - Capital Improvement TD - 6030	11,131.74
Es 3208 - Escrow Account To Bank - 3208	639,906.65
RR 1305 - Renewal & Replacement TD - 1305	100.00
Party Cash	-
Total Checking/Savings	3,333,364.90
Other Current Assets	3,090,435.00
NJIB Note Receivable	179.99
Prepaid Expenses	-
Total Other Current Assets	3,090,614.99
Total Current Assets	6,423,979.89
Fixed Assets	
Construction in Progress	1,609,262.35
Accumulated Depreciation	-39,721,047.17
Capital Assets, Depreciated	61,481,562.62
Land	505,700.00
Total Fixed Assets	23,875,337.80
Other Assets	-
Def. Pension Outflows	329,952.00
Total Other Assets	329,952.00
TOTAL ASSETS	30,629,269.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	-44,758.98
2000 - Accounts Payable	-44,758.98
Total Accounts Payable	-44,758.98
Other Current Liabilities	9,013,738.00
NJIB Note Payable	-
Accrued Payroll Liabilities	300.14
Guarantismnt	90.00
VALIC	91,852.23
PERS - Contributions	126,145.19
PERS - Loans	12,278.21
PERS - Insurance	-1,016.41
Union Dues	-47,699.60
Accrued Payroll Liabilities - Other	-
Total Accrued Payroll Liabilities	161,911.76
Escrow Deposits Payable	1,000.00
Bank Mount Other	2,038.25
271 KH - 271 Kings Hwy - Adler WH	1,825.00
45 - Bank Street Cover Walk Urban Ho	12.50
34 - B&A Street Urban Renewal LLC	210.00
OC - Oak Creek Roadway	100.75
Waterloo Valley Road Sewer Ext.	960.00
Village at Barkway	904.25
Crowpoint Multifamily Project	5,448.45
Escrow Deposits Payable - Other	-
Total Escrow Deposits Payable	12,602.24

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Cash Basis

Musconetcong Sewerage Authority
Balance Sheet
As of August 31, 2022

	Aug 31, 22
Compensated Absences Payable	
Accrued Interest Payable	61,681.73
Accounts Payable - Pension	26,072.79
Accrued Liabilities	41,816.46
Total Other Current Liabilities	129,571.98
Total Current Liabilities	129,571.98
Long Term Liabilities	
Net Pension Liability	1,394,376.00
Loans Payable	2,145,402.38
Def. Inflow of Resources	-
Unamort Gain on Refunding 2007	50,200.00
Def. Pension Inflow	991,382.00
Total Def. Inflow of Resources	1,001,542.00
Total Long Term Liabilities	4,641,330.38
Total Liabilities	4,770,902.36
Equity	
Net Investment in Capital Asset	22,669,413.66
Restricted	-
Current Debt Service	29,292.00
Future Retirement Reserve	50,000.00
B-29 Capital Improvements	-
360 - Contract 360 HVAC & Roofs	29,432.50
360 SP - Contract 360 HVAC/Roofs-HillBank	171,449.59
360 PSB - Contract 360 HVAC/ Roofs PSB	-
Total 360 - Contract 360 HVAC & Roofs	200,882.09
Contract 285 - Tertiary Tint	11,155.18
285 PSB - Contract 285 TT - PSAS	97,680.50
285 INC - Contract 285 TT - INC	50.00
285 - Misc (Chemical, Labor)	-
Total Contract 285 - Tertiary Tint	108,844.68
Contract 300 Influent Screening	1.08
300 PSB - Contract 300 Infl Scr - PSB	39,709.24
300 Cap - Contract 300 Infl Scr - Coppola	1,668.92
300 - Misc (Chemical, Labor)	-
Total Contract 300 Influent Screening	41,379.32
AS - Air Sampling	5,479.08
380 - Contract 380 - PCSUJ	1,122.30
326 - Contract 326 - SC 34.4	11,684.10
330 - Contract 330 OT 1	9,776.85
310 - Contract 310 Phase II Air Perm	1,460.92
Telecommunications Project	4,760.00
305 - Contract 305 NLRB Application	46.82
285 - Contract 285 - SC #1 & 2	93,961.49
270 - Contract 270 Thickeners	8,843.08
280 - Contract 280 FC #2	21,347.49
B-29 Capital Improvements - Other	134,501.45
Total B-29 Capital Improvements	644,035.70
B-30 Renewal and Replacement	-
335 - Contract 335 - 19 Pumps	29,033.07
B-30 Renewal and Replacement - Other	648,330.56
Total B-30 Renewal and Replacement	677,373.23

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Cash Basis

Musconetcong Sewerage Authority
Balance Sheet
As of August 31, 2022

	Aug 31, 22
Operations	50,000.00
Total Restricted	1,450,657.93
Unrestricted	-
Designated	-107,978.00
Undesignated	835,952.10
Total Unrestricted	727,974.10
3000 - Operating Bal Equity	-3,440,881.59
23000 - Retained Earnings	-2,819,792.58
Net Income	269,346.52
Total Equity	16,873,740.60
TOTAL LIABILITIES & EQUITY	30,629,269.69

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The **Pending Vouchers** for September 15, 2022 were approved for payment on a motion offered by Mr. Romano, seconded by Mr. Schwab and the affirmative roll call vote of members present. Roll Call Vote: Roll Call Vote:

Mr. Benson	Absent	Chairman Rattner	Yes
Mr. Cangiano	Absent	Mr. Romano	Yes
Mr. Grogan	Yes	Mr. Schindelar	Yes
Mr. McNeilly	Yes	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Still	Yes
Mr. Pucilowski	Yes	Mr. Sylvester	Absent

Comments:

-

Musconetcong Sewerage Authority
August 15 through September 15, 2022

OPERATING:	Description	Invoice/Account	Category	Amount
	Alfred Defelice	2022 Disability Reimbursement	B-11 - Disability Insura	75.92
	Allen, Scott	2022 Disability Reimbursement	B-11 - Disability Insura	102.01
	American Aquatic Testing,	Invoice 12172 - 08.23.2022 - 7	B-25 - Laboratory Fees	1,000.00
	American Wear	Uniform Service 08.23.22-09.13	B-31 - External Service	632.52
	AmeriGas Propane	Invoice 3140233366 - Propane C	B-17 - Propane/Fuel O	498.93
	Aqua Pro-Tech Laboratorie	Invoice 2070236M	B-25 - Laboratory Fees	604.20
	ASAP Container Services,	Invoice 5543597	B-26 - Sludge Disposal	3,394.50
	ASAP Container Services,	Invoice 5540932	B-26 - Sludge Disposal	2,750.00
	Barbato, Nicholas	License Reimbursement	B-28 - Education/Traini	51.65
	Barbato, Nicholas	2022 Disability Reimbursement	B-11 - Disability Insura	115.21
	Blue Diamond Disposal, Inc	Invoice 663362- Monthly Trash	B-31 - External Service	437.33
	Business Machine Technol	Invoice(s) 2365568, 2365567, 2	B-31 - External Service	982.10
	Cintas First Aid & Safety	Invoice 5123570752 - First Aid	B-31 - External Service	315.51
	Colabella, Robert	2022 Disability Reimbursement	B-11 - Disability Insura	102.01
	Davidson Heating & Coolin	Invoice 4173	B-19 - Maintenance/Re	477.00
	DeFazio, Keith	2022 Disability Reimbursement	B-11 - Disability Insura	99.97
	Fisher Scientific	Invoice A22295490	B-27 - Laboratory Supp	1,381.12
	Fras-Air Service Experts	Invoice 463386 474956	B-19 - Maintenance/Re	1,920.55
	Grainger	Invoice # 9405284556	B-19 - Maintenance/Re	59.84
	Hach Company	Invoice # 13203433	B-27 - Laboratory Supp	122.59
	Jilliam Martucci	09/2022 Dental Reimbursement	B-10 - Hosp/Dental	42.56
	Lawson Products	Invoice 9309837602	B-19 - Maintenance/Re	329.99
	Loftus Electric Inc.	Invoice 14374	B-19 - Maintenance/Re	4,400.00
	Longo Electrical-Mechanic	Invoice 72612	B-19 - Maintenance/Re	700.00
	Modern Floors Company, li	Admin Bldg Flooring Closets Inst	B-19 - Maintenance/Re	1,988.00
	Najarian Assoc.	Invoice 40863 -Professional Ser	B-23 - Permit Appl/Cor	600.00
	N.J.MVC	Account # OL236910	B-2 - Administrative-Of	150.00
	North Jersey Pump & Cont	Invoice 1190-22 1188-22	B-19 - Maintenance/Re	2,564.16
	Nusbaum, Stein,Goldstein,	Invoice 32770, 32771	B-3, B-23	4,383.00
	Office Concepts Group	Invoices 1091573-0, 1091573-1	B-13 - Office	1,053.83
	One Call Concepts, Inc.	Invoice 2085439	B-2 - Administrative-Of	52.91
	Passaic Valley Sewerage C	Invoice 520860 - Liquid Waste A	B-26 - Sludge Disposal	44,517.90
	PS&S	Invoice 155332	B-23 - Permit Appl/Cor	647.50
	PS&S	Invoice 155333	B-5 - Engineer	4,587.50
	R&J Control, Inc.	Invoice E2201644, 652, 651, 65	B-19 - Maintenance/Re	2,581.06
	Reiner Pump Systems, Inc.	Invoice # KCP321NJ	B-19 - Maintenance/Re	3,600.00
	RingCentral	Invoice CD_000446138 - Month	B-15 - Telephone	315.94
	Roxbury Twp. Water Dept.	Invoice # 9318-0 & 8250-0	B-31 - External Service	134.94
	Russell Reid	Invoice 0006558592 - Sludge Hi	B-26 - Sludge Disposal	33,170.20
	Schilling, James	08/2022 Reimbursements	B-2 - Administrative-Of	454.91
	Schilling, James	2022 Disability Reimbursement	B-11 - Disability Insura	159.23
	Shane Quinn	Dental Reimbursement	B-10 - Hosp/Dental	932.24
	Tritec Office Equipment	Invoice 70055 - Contract Usage	B-13 - Office	100.42
	Tulpenhocken Spring Wate	Invoice 5948701	B-31 - External Service	131.32
	United Federated Systems	Invoice 253569 & 253628	B-19 - Maintenance/Re	430.00
	USA Bluebook	Invoice 072194	B-18 - Supplies/Chemik	381.92
	USPS	Prestamped/Preprinted Envelop	B-2 - Administrative-Of	739.20
	Vince Barbato	2022 Disability Reimbursement	B-11 - Disability Insura	102.01
	Water Environment Federa	2022 Annual Memberships:Invoi	B-28 - Education/Traini	182.00
			TOTAL:	124,555.70

PAYROLL:	MSA Payroll	09.02.2022 Processing	B-1, B-14	31,484.90
	MSA Payroll	09.16.2022 Processing	B-1, B-14	32,452.12
			TOTAL:	63,936.62
ONLINE & MANUAL CHECKS:	First Energy	Confirmation # 90895311	B-16 - Electric	32,309.10
	Lowe's	Reference # 2185022833	B-19 - Maintenance/Re	1,946.18
	NJ Division of Pensions & E	Reference # 25630706 - 2022 C	Accounts Payable - Pe	15,288.60
	NJSHBP	Reference # 25070350 - 09.01.;	B-10 - Hosp	16,922.02
	Primepoint Payroll	Invoice 530650 - Processing 09.	B-31 - External Service	45.50
	Primepoint Payroll	Invoice 532159 - Processing 09.	B-31 - External Service	31.50
	Shell/WEX Fleet	Confirmation # 816909202022	B-17 - Propane/Fuel O	477.57
	State of NJ: DCA BFCE-DC	Confirm # 11030-563393413 - li	B-28 - Education/Traini	257.00
	Tractor Supply	Confirm # 610834989874157	B-19 - Maintenance/Re	2,496.09
	VALIC	Accrued Payroll Liabilities:VALI	Confirm # 239268 - Pi	500.00
			TOTAL:	70,273.56
CAPITAL:	PS&S	Invoice # 155334	B-29, C:360	14,503.75
		Invoice # 155331	B-29, C:295	8,602.05
		Invoice # 155335	B-29, C:360 NJIBANK	955.00
			TOTAL:	24,060.80
ESCROW:			TOTAL:	0.00
RENEWAL & REPLACE			TOTAL:	0.00

The following **correspondence** for the September 2022 was received and filed on a motion offered by Mr. McNeilly, seconded by Mr. Schindelar and the affirmative all in favor vote of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Yes

Comments:

- Mr. Pucilowski inquired on D:
 - Mr. Schilling advised that this was a surprise inspection with no issues reported.
 - Mr. Pucilowski asked about the issues from last year
 - Mr. Schilling advised that we responded to those issues last year and there was no response.
- Chairman Rattner inquired on G, is \$1,000,000.00 sufficient
 - Mr. Schilling deferred to Counsel as we are not in the drinking water business.
 - Mr. McNeilly advised that this letter is regarding those that may have any claims outstanding relative to a PFOS claim.
 - Currently the MEL has two class action lawsuits which is why they had to limit the claims to \$25,000.00.
 - Attempting to have this aspect coincide within Title 59.
 - Only solution will be to burn it.
 - NJ levels are a thousand times lower than the National Average.
 - Any municipality with a PFOS claim will be given \$25,000.00 to establish their legal team.

***Inaudible**

Correspondence:

- A. Musconetcong Watershed Association: Thank You for Sponsorship
- B. BMT: 09.2022 IT Report
- C. NJ Ibank: Construction Loan Accrued Interest Monthly Statement, 08.31.2022
- D. Mount Olive Township, Fire Marshall: Inspection Certificate # FPP-22-005
- E. State of NJ, DCA: Bureau of Fire Code Enforcement: Life Hazard use Certificate of Registration
- F. *Nusbaum Stein Law Firm: Sewer Agreements Review Estimate
- G. *NJ Municipal Environmental Risk Management Fund: Claims Sweep for PFOA and PFOS
- H. *State of NJ, DEP: NJWB, State Project No. S340384-09, MSA – Mount Olive Township, Contract 295 – Tertiary Treatment Replacement Project, Change Order No. 2FQCO
- I. *State of NJ, Division of Water Quality: NJWB, State Project No. S340384-09, MSA, Mt Olive Twp – Wastewater Treatment Plant Improvements, Interim Construction Inspection

Monthly Reports:

The Director's Report for the month of September, 2022 and Maintenance and Repairs and Flow Data for August, 2022 was accepted on a motion offered by Mr. Schindelar and seconded by Mr. Romano and the affirmative all-in favor vote of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

Comments:

- Chairman Rattner discussed the reimbursements with regard to the Annual Conferences, deferred to Mr. McNeilly for clarification.
 - Mr. McNeilly suggested passing a resolution with a stipend dollar amount for reimbursements.
 - Tom Carroll, QPA advised that without receipts it is a stipend and would have to be declared at year end on Ethics Form as a 1099 for anything over \$600.00. The Board would determine the amount.
 - Mr. Carroll, QPA stated that the best way to handle this is for the MSA to make all reservations for lodging and conference registrations.
 - Mr. Pucilowski stated that you must attend the conference in order to receive the stipend.

***Inaudible**

Chairman Rattner conducted a *straw vote* with regard to issuance of 2022 AEA Conference stipend. This will reflect on Resolution No. 22-42 which will be formerly voted on October 27, 2022 Board Meeting. Offered on a motion by Mr. McNeilly seconded by Mr. Rattner and the affirmative roll call vote of members present. Roll Call Vote:

Mr. Benson	Absent	Chairman Rattner	Yes
Mr. Cangiano	Absent	Mr. Romano	No
Mr. Grogan	No	Mr. Schindelar	Yes
Mr. McNeilly	Yes	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Still	Yes
Mr. Pucilowski	No	Mr. Sylvester	Absent

Comments (continued Director’s Report):

***Inaudible**

- Mr. Schindelar asked that the MSA handle the reservations & registrations to remove that amount from the stipend.
 - Mr. Schilling advised that in the past it was handled both ways and it does not matter administratively how it is handled

***Inaudible**

- Tom Carroll, QPA advised that the payments are due 15 days prior
- Mr. Schilling stated that we can only make recommendations to the Board.

***Inaudible**

- Chairman Rattner deferred to Mr. Dwyer, Esq. with regard to the Resolution regarding this stipend.

***Inaudible**

- Mr. McNeilly confirmed that Mr. Dwyer, Esq. will have something available under New Business:

***Inaudible**

Comments (continued Director’s Report):

- Mr. Pucilowski inquired about the difference in the quotes for the paving at PS#4
 - Mr. Schilling advised that there was paving being conducted in and around PS#4, he was contacted and asked if we would be interested in having the driveway paved where it had been excavated during the emergency – initial quote was \$1,500.00, once the final quote was submitted it was \$13,000.00, prior services were declined.
 - There was discussion among The Board.

***Inaudible**

- 8:03pm - QPA dismissed

***Inaudible**

Comments (continued Director’s Report):

- Mr. Schilling – Flow Data for October, 2022 will look different.
 - There was an internal miscommunication with regard to allocations from the gallonage transfer, Flow Data is in fact accurate.

The Maintenance and Repairs and Flow Data for August, 2022 was accepted on a motion offered by Mr. Schindelar and seconded by Mrs. Michetti and the affirmative all-in favor vote of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

The Engineer's Report for the month of July and August 2022 was accepted on a motion offered by Mr. Schindelar, seconded by Mr. Pucilowski and the affirmative all-in favor of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

Comments:

- Mr. Wancho, P.E. stated that there was Engineering Committee Meeting held earlier this morning and PS&S made a presentation on the HVAC/Roofing Project and that there is no change in the scope of work.
- Mr. Schilling advised that there was another water leak and ceiling collapse in the Administrative Office as well as the Control Room.

New Business:

Resolution No. 22-40 was offered on a motion by Mr. Romano seconded by Mr. Schwab and the affirmative all-in favor of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

*See attached resolution

Comments:

- None

Resolution No. 22-41 was offered on a motion by Mr. Pucilowski seconded by Mr. Schindelar and the affirmative roll call vote of members present. Roll Call Vote:

Mr. Benson	Absent	Chairman Rattner	Yes
Mr. Cangiano	Absent	Mr. Romano	Yes
Mr. Grogan	Yes	Mr. Schindelar	Yes
Mr. McNeilly	Yes	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Still	Yes
Mr. Pucilowski	Yes	Mr. Sylvester	Absent

*See attached resolution

Comments:

- Mr. Schwab confirmed the specific pages he is required to sign.

New Business:

Chairman Rattner conducted a *straw vote* with regard to issuance of 2022 AEA Conference stipend. This will reflect as Resolution No. 22-42 which will be formerly voted on October 27, 2022 Board Meeting. Offered on a motion by Mr. McNeilly seconded by Mr. Rattner and the affirmative roll call vote of members present. Roll Call Vote:

Mr. Benson	Absent	Chairman Rattner	Yes
Mr. Cangiano	Absent	Mr. Romano	No
Mr. Grogan	No	Mr. Schindelar	Yes
Mr. McNeilly	Yes	Mr. Schwab	Yes
Mrs. Michetti	Yes	Mr. Still	Yes
Mr. Pucilowski	No	Mr. Sylvester	Absent

Comments:

- Mr. Dwyer, Esq. stated that the Resolution being passed for the purpose of continuing education stipend in the amount of \$700.00 for the 2022 AEA Conference
 - Chairman Rattner stated this will be reevaluated at the Re-Organization Meeting in 2023.
 - Mr. Pucilowski confirmed that they are able to refuse a stipend, it was confirmed yes.
 - Mr. Schilling confirmed that the MSA will in fact handle all registrations and the costs and the individual will handle lodging accommodations.

**Inaudible*

Old Business:

Comments:

- None

Closed Session:

Entered Closed Session on a motion made by Mr. Schindelar, seconded by Mr. McNeilly at 08:21pm and the affirmative all in favor vote of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

Comments:

- Pat Dwyer – Esq. advised that we will discuss litigation in closed session.

Open Session:

Entered Open Session on a motion made by Mr. McNeilly, seconded by Mr. Schindelar at 08:23pm by an all-in favor Vote of members present. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

Comments:

- None

Adjournment:

Motion made by Mr. Romano, seconded by Mr. Schindelar at 08:23pm and the all-in favor Vote of members present, Chairman Rattner adjourned the meeting at 08:23pm. All In Favor Vote:

Mr. Benson	Absent	Chairman Rattner	Aye
Mr. Cangiano	Absent	Mr. Romano	Aye
Mr. Grogan	Aye	Mr. Schindelar	Aye
Mr. McNeilly	Aye	Mr. Schwab	Aye
Mrs. Michetti	Aye	Mr. Still	Aye
Mr. Pucilowski	Aye	Mr. Sylvester	Absent

Respectfully Submitted:
Jilliam Martucci - Administrative Assistant

RESOLUTION NO. 22-40

**Resolution Establishing Meeting Dates
for the Musconetcong Sewerage Authority
for the Calendar Year 2023**

WHEREAS, the Musconetcong Sewerage Authority ("MSA") hereby establishes the following meeting dates for the Calendar Year 2023, which meetings will begin at 7:30 p.m. and will be held in person at the MSA's Water Pollution Control Facilities located at 110 Continental Drive in Budd Lake, New Jersey:

JANUARY – 26TH @ 7:30PM

FEBRUARY - 23RD (REORGANIZATION @ 7:30PM FOLLOWED BY REGULAR MEETING)

MARCH - 23RD @ 7:30PM

APRIL – 27TH @ 7:30PM

MAY – 25TH @ 7:30PM

JUNE – 22ND @ 7:30PM

JULY – 27TH @ 7:30PM

AUGUST – 24TH @ 7:30PM

SEPTEMBER – 28TH @ 7:30PM

OCTOBER – 26TH @ 7:30PM

* NOVEMBER – 21ST – TUESDAY BEFORE THANKSGIVING @ 7:30PM

*DECEMBER - 21ST – THIRD THURSDAY @ 7:30PM

MUSCONETCONG SEWERAGE AUTHORITY

ATTEST:



Joseph Schwab, Secretary-Treasurer



Steven Rattner, Chairman

Date: September 22, 2022

RESOLUTION NO. 22-41

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$3,000,000 SUBORDINATE BONDS (ROOF AND HVAC PROJECT) OF THE MUSCONETCONG SEWERAGE AUTHORITY AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY INFRASTRUCTURE BANK AND THE STATE OF NEW JERSEY AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS IN CONNECTION THEREWITH.

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

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

WHEREAS, to evidence the Loans, each of the I-Bank and the State require the Authority to authorize, execute, attest and deliver the Authority's Subordinate Bond (Roof and HVAC Project) to the State (the "State Loan Bond") and Subordinate Bond (Roof and HVAC Project) to the I-Bank (the "I-Bank Loan Bond" and, together with the State Loan Bond, the "Authority Subordinate Bonds") pursuant to the terms of the Sewerage Authorities Law of the State, constituting Chapter 14A of Title 40 of the Revised Statutes of the State (the "Sewerage Authorities Law"), other applicable law and the Loan Agreements; and

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

WHEREAS, N.J.S.A. §40:14A-12 of the Sewerage Authorities Law allows for the sale of the I-Bank Loan Bond and the Fund Loan Bond to the I-Bank and the State, respectively, without any public offering, and N.J.S.A. §58:11B-9(a) allows for the sale of the I-

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Bank Loan Bond to the I-Bank without any public offering, all under the terms and conditions set forth in the following resolution; and

WHEREAS, the Authority may hereafter issue revenue bonds (the "Revenue Bonds") pursuant to a bond resolution or resolutions hereafter adopted whereunder all or a portion of the revenues of the Authority are pledged to the payment of the principal of, redemption price, if any, and interest on the Revenue Bonds; and

WHEREAS, bonds, notes and other evidences of indebtedness of the Authority, including the Authority Subordinate Bonds, benefit from the provisions of (a) the service contract dated as of July 14, 1988, as amended as of July 1, 1993, by and between the Authority and the Townships of Mount Olive and Roxbury and the Borough of Netcong, all in the County of Morris, and the Borough of Stanhope, in the County of Sussex, (b) the agreement dated as of July 1, 1993, by and between the Authority and the Borough of Mount Arlington and the Townships of Mount Olive and Roxbury, all in the County of Morris and (c) the service contract dated as of August 1, 2001, by and between the Authority and the Borough of Hopatcong, in the County of Sussex, each as amended and supplemented (the "Service Contracts"); and

WHEREAS, Section 202 of the respective Service Contracts provide that the Authority may at any time in its discretion alter, improve, enlarge and extend the System (as defined in the respective Service Contracts) in any respect or renew or replace any part thereof and issue Bonds (as defined in the respective Service Contracts) to finance any such work, provided, however, that certain conditions be satisfied prior to the Authority constructing any enlargement or extension of the System; and

WHEREAS, the Project (as defined herein and as described in Section 1 hereof) is not an enlargement or extension of the System; and

WHEREAS, the Authority is desirous of authorizing the issuance of the Authority Subordinate Bonds as subordinate bonds to any Revenue Bonds that may hereafter be issued;

NOW, THEREFORE, BE IT RESOLVED BY THE MUSCONETCONG SEWERAGE AUTHORITY, and the members or commissioners thereof, **AS FOLLOWS:**

Section 1. Determination to Undertake the Project. The Authority has heretofore determined and does hereby determine to undertake the Project, which shall consist of the improvement of the wastewater treatment plant, including by the installation of a new roof and the upgrade of the heating, ventilation and air conditioning system, together with all structures, equipment work, material site work and appurtenances necessary or desirable for the efficient construction and operation of such facilities necessary therefor or incidental thereto, all as shown on and in accordance with the plans and specifications therefor on file or to be filed in the office of the Authority, as such plans and specifications may be amended or modified from time to time.

Section 2. Estimated Cost of the Project. The estimated maximum cost of the Project, as defined in the Sewerage Authorities Law is \$3,000,000.

Section 3. Authorization of Authority Subordinate Bonds. In accordance with Section 11 of the Sewerage Authorities Law and subject to and pursuant to the provisions of

this resolution, bonds of the Authority (herein referred to as the Authority Subordinate Bonds) are hereby authorized to be issued in the principal amount not to exceed \$3,000,000 for the purpose of raising funds to pay the costs of the Project, including the funding of any required or desirable reserves, capitalized interest and costs of issuance.

Section 4. Award of Authority Subordinate Bonds. In accordance with N.J.S.A. §40:14A-12 of the Sewerage Authorities Law and N.J.S.A. §58:11B-9(a), the Authority hereby sells and awards its (a) I-Bank Loan Bond to the I-Bank in accordance with the provisions of this resolution and (b) Fund Loan Bond to the State in accordance with the provisions of this resolution.

Section 5. Basic Terms of Authority Subordinate Bonds; Delegation of Power to Make Certain Determinations. The chairman or vice chairman of the Authority (the "Chairman") or Executive Director of the Authority is hereby authorized to determine, in accordance with the Sewerage Authorities Law and pursuant to the terms and conditions established by the I-Bank and the State under the Loan Agreements and the terms and conditions of this resolution, the following items with respect to the I-Bank Loan Bond and the Fund Loan Bond:

- (a) The aggregate principal amount of the I-Bank Loan Bond to be issued and the aggregate principal amount of the Fund Loan Bond to be issued, which amounts in the aggregate shall not exceed \$3,000,000;
- (b) The maturity or maturities and annual or semi-annual principal installments of the Authority Subordinate Bonds, which maturity or maturities shall not exceed thirty-five (35) years;
- (c) The date or dates of the Authority Subordinate Bonds;
- (d) The interest rates of the Authority Subordinate Bonds, provided that the effective cost of the I-Bank Loan Bond does not exceed seven per centum (7%) and that the interest rate on the Fund Loan Bond is zero per centum (0%);
- (e) The purchase price for the Authority Subordinate Bonds;
- (f) The terms and conditions under which the Authority Subordinate Bonds shall be subject to redemption prior to their stated maturities; and

- (g) Such other matters with respect to the Authority Subordinate Bonds as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof including (1) adding to the title of the Authority Subordinate Bonds the calendar year in which issued and (2) issuing each Authority Subordinate Bond in the form of multiple subordinate bonds from time to time if the Project is funded in more than one installment by the Program and (3) combining the issuance of the Authority Subordinate Bonds with the issuance of other subordinate bonds of the Authority authorized or to be authorized to be issued for other purposes.

Section 6. Determinations Conclusive. Any determination made by the Chairman or Executive Director pursuant to the terms of this resolution shall be conclusively evidenced by the execution and attestation of the Authority Subordinate Bonds by the parties authorized under Section 7(c) of this resolution.

Section 7. Further Terms of Authority Subordinate Bonds. The Authority hereby determines that certain terms of the Authority Subordinate Bonds shall be as follows:

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

Section 8. Forms of Authority Subordinate Bonds. The Fund Loan Bond and the I-Bank Loan Bond shall be substantially in the forms set forth in Exhibit A and Exhibit B hereto, respectively, with such changes, insertions and omissions as may be approved by the Chairman or Executive Director, such approval to be evidenced by the signature of the Chairman on the Authority Subordinate Bonds.

Section 9. Authorized Parties. The law firm of Hawkins Delafield & Wood LLP, bond counsel to the Authority, is hereby authorized to arrange for the printing of the

Authority Subordinate Bonds, which law firm may authorize McCarter & English, LLP, bond counsel to the I-Bank and the State for the Program, to arrange for same. The Authority auditor and financial advisor are hereby authorized, if necessary, to prepare the financial information, if any, necessary in connection with the issuance of the Authority Subordinate Bonds. The Chairman, the Treasurer, the Executive Director and the Secretary (collectively, the "Authorized Authority Officers") are hereby severally authorized to execute any certificates necessary or desirable in connection with the financial and other information.

Section 10. Report to the Authority. The Authorized Authority Officers are hereby directed to report in writing to the Authority at the meeting of the Authority next following the closing with respect to the Authority Subordinate Bonds as to the terms of the Authority Subordinate Bonds authorized to be determined by the Authorized Authority Officers pursuant to and in accordance with the provisions of this resolution.

Section 11. Delivery of Authority Subordinate Bonds. Each Authorized Authority Officer is hereby authorized to execute any certificate or document necessary or desirable in connection with the sale of the Authority Subordinate Bonds and is hereby further authorized to deliver same to the I-Bank and the State upon delivery of the Authority Subordinate Bonds and the receipt of payment therefor in accordance with the Loan Agreements.

Section 12. Execution of Agreements. The I-Bank Loan Agreement, the Fund Loan Agreement and the Escrow Agreement (collectively, the "Financing Documents") are hereby authorized to be manually executed and delivered on behalf of the Authority by the Chairman in substantially the forms required and traditionally used by the I-Bank and the State (which forms are available from the I-Bank and the State), with such changes as the Chairman, in his or her sole discretion, after consultation with counsel, bond counsel and any other advisors to the Authority (the "Authority Consultants") and after further consultation with the I-Bank, the State and their representatives, agents, counsel and advisors (collectively, the "Program Consultants" and, together with the Authority Consultants, the "Consultants"), shall determine, such determination to be conclusively evidenced by the execution of each such Financing Document by the Chairman. The Secretary is hereby authorized, if necessary, to attest by manual signature to the execution of the Financing Documents by the Chairman and to affix, imprint, engrave or reproduce the corporate seal, if applicable, of the Authority, to such Financing Documents.

Section 13. Authorized Actions. The Authorized Authority Officers are hereby further severally authorized to (i) manually execute and deliver and the Secretary is hereby further authorized to attest by manual signature to such execution and, if applicable, to affix, imprint, engrave or reproduce the corporate seal of the Authority to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Authority Officers or the Secretary, as applicable, in their respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Financing Documents and the Authority Subordinate Bonds and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such document, instrument or closing certificate by the party authorized under this resolution to execute such document, instrument or closing certificate and (ii) perform such other actions as the Authorized Authority Officers deem necessary, desirable or convenient in relation to the execution and delivery thereof including the application to one or more credit rating agencies for purposes of receiving a credit rating in connection with the issuance of the Subordinate Bonds.

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Section 14. Subordinate Nature of Authority Subordinate Bonds. (A) In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Authority or to its property, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of the Authority, whether or not involving insolvency or bankruptcy, the holders of all Revenue Bonds shall be entitled to receive payment in full of all payments on such Revenue Bonds before the holders of all outstanding Authority Subordinate Bonds are entitled to receive any payment from the revenues of the Authority.

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

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

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

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

Section 15. Covenant to Pay Authority Subordinate Bonds. The Authority hereby particularly covenants and agrees with the holders of the Authority Subordinate Bonds and makes provisions which shall be a part of its contract with such holders, that the Authority will pay or cause to be paid the principal of every Authority Subordinate Bond and the interest thereon at the date and place and in the manner mentioned in such Authority Subordinate Bond according to the true intent and meaning thereof and will carry out and perform all of the acts and things required of it by the terms of this resolution.

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Section 16. Resolution Constitutes Contract. In consideration of the purchase and acceptance of the Authority Subordinate Bonds by those who shall hold the same from time to time, the provisions of this resolution shall be deemed to be and shall constitute contracts between the Authority and the holders from time to time of the Authority Subordinate Bonds.

Section 17. No Recourse. No recourse shall be had for the payment of the principal or redemption price, if any, of or the interest on the Authority Subordinate Bonds or for any claim based thereon or on this resolution against any member or other officer of the Authority or any person executing the Authority Subordinate Bonds. The Authority Subordinate Bonds are not and shall not be in any way a debt or liability of the State or of any county or municipality, and do not and shall not create or constitute any indebtedness, liability or obligation of the State or of any county or municipality, either legal, moral or otherwise.

Section 18. Authorization for Resolution. This resolution is adopted by virtue of the Sewerage Authorities Law and pursuant to its provisions, and the Authority has ascertained and hereby determines that adoption of this resolution is necessary to carry out the powers, purposes and duties expressly provided in the Sewerage Authorities Law and that each and every matter and thing as to which provision is made in this resolution is necessary in order to carry out and effectuate the purposes of the Authority in accordance with the Sewerage Authorities Law.

Section 19. Interim Financing. In anticipation of the issuance of the Authority Subordinate Bonds, the Authority hereby authorizes, if necessary or desirable, the issuance, sale and award of a note or notes (the "Subordinate Note") pursuant to the I-Bank's financing program. The Subordinate Note shall be substantially in the form required and traditionally used by the I-Bank (which form is available from the I-Bank). The execution and delivery of the Subordinate Note shall be in the same manner as herein prescribed with respect to the Authority Subordinate Bonds. An Authorized Authority Officer is hereby authorized to determine, pursuant to the terms and conditions established by the I-Bank under its financing program and the terms and conditions of this resolution, the following items with respect to the Subordinate Note: (a) the aggregate principal amount of the Subordinate Note to be issued, which amount shall not exceed \$3,000,000; (b) the maturity of the Subordinate Note, which shall be no later than the June 30 following the date that is five (5) years after the date of issuance thereof or such longer or extended period of time as may be permitted under the rules of the I-Bank's financing program; (c) the date of the Subordinate Note; (d) the interest rate or rates of the Subordinate Note (including different interest rates applicable to different drawdowns on the Subordinate Note), which shall not exceed three percent (3%) per annum; (e) the purchase price for the Subordinate Note; and (f) such other matters with respect to the Subordinate Note as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof, including, without limitation (i) combining the issuance of the Subordinate Note with the issuance of other subordinate notes of the Authority authorized or to be authorized to be issued for other purposes, (ii) issuing the Subordinate Note in the form of multiple subordinate notes from time to time if the Project is funded in more than one installment by the I-Bank and (iii) applying to one or more credit rating agencies for purposes of receiving a credit rating. The Authorized Authority Officers are hereby further severally authorized to manually execute and deliver and the Secretary is hereby further authorized to attest by manual signature to such execution and, if applicable, to affix, imprint, engrave or reproduce the corporate seal of the Authority to any document, instrument or closing certificate deemed necessary, desirable or convenient by the Authorized Authority Officers or the Secretary, as applicable, in their

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respective sole discretion, after consultation with the Consultants, to be executed in connection with the execution and delivery of the Subordinate Note and the consummation of the transactions contemplated thereby, which determination shall be conclusively evidenced by the execution of each such document, instrument or closing certificate by the party authorized under this resolution to execute such document, instrument or closing certificate.

Section 20. Multiple Document Sets. Notwithstanding any other provision of this resolution to the contrary, if in connection with the participation of the Authority in the Program, the State and the I-Bank require that the Authority execute more than one set of documents, the provisions of this resolution shall be deemed to apply to the Authority Subordinate Bonds and the Financing Documents related to each set of documents; provided, however, that in no event may the aggregate principal amount of all Authority Subordinate Bonds issued and delivered pursuant to the provisions of this resolution be in excess of the amount authorized in Section 3 hereof.

Section 21. Filing of Resolution. The Secretary is hereby authorized and directed to cause copies of this resolution to be filed for public inspection in the following places: in the office of the Borough Clerk of the Borough of Netcong, in the County of Morris, New Jersey, in the Municipal Building of said Borough; in the office of the Township Clerk of the Township of Roxbury, in the County of Morris, New Jersey, in the Municipal Building of said Township; in the office of the Borough Clerk of the Borough of Stanhope, in the County of Sussex, New Jersey, in the Municipal Building of said Borough; in the office of the Township Clerk of the Township of Mount Olive, in the County of Morris, New Jersey, in the Municipal Building of said Township; in the office of the Borough Clerk of the Borough of Mount Arlington, in the County of Morris, New Jersey, in the Municipal Building of said Borough; in the office of the Township Clerk of the Township of Byram, in the County of Sussex, New Jersey, in the Municipal Building in said Township; in the office of the Borough Clerk of the Borough of Hopatcong, in the County of Sussex, New Jersey, in the Municipal Building in said Borough; and in the office of the Authority, Waterloo Road, Mount Olive, New Jersey.

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

Section 23. Capitalized Terms. All capitalized words and terms used but not defined in this resolution shall have the meanings ascribed to such words and terms, respectively, in the preambles to this resolution.

Section 24. Effective Date. This resolution shall take effect immediately.

Adopted: September 22, 2022

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EXHIBIT A

Form of Fund Loan Bond

3727239.2 032148 RSIND

**THE MUSCONETCONG SEWERAGE AUTHORITY
SUBORDINATE BOND (ROOF AND HVAC PROJECT) (SERIES 20__A)**

No. RA-1

Principal Amount: \$ _____

Dated Date: _____, 20__

THE MUSCONETCONG SEWERAGE AUTHORITY (the "Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey (the "State"), acknowledges itself indebted and for value received hereby promises to pay to the order of the State the principal amount stated above, or such lesser amount as shall be determined in accordance with Section 3.01 of the loan agreement dated as of _____, 20__ by and between the State, acting by and through the New Jersey Department of Environmental Protection and the Authority (the "Loan Agreement"), at the times and in the amounts determined as provided in the Loan Agreement, plus any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Authority irrevocably pledges its full faith and credit for the punctual payment of the principal of, and all other amounts due under, this bond and the Loan Agreement according to their respective terms.

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

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

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

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

to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

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

This bond is a direct and general obligation of the Authority and is one of the subordinate bonds of the Authority issued or to be issued under and by virtue of the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946 and the acts amendatory thereof and supplemental thereto (collectively, the "Act"), and under and pursuant to a resolution of the Authority adopted September 22, 2022 and entitled: "Resolution Authorizing the Issuance of Not Exceeding \$3,000,000 Subordinate Bonds (Roof and HVAC Project) of the Musconetcong Sewerage Authority and Providing for Their Sale to the New Jersey Infrastructure Bank and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith" (the "Subordinate Resolution").

Pursuant to the Act, the Authority may hereafter issue revenue bonds (the "Revenue Bonds") pursuant to a bond resolution or resolutions hereafter adopted whereunder all or a portion of the revenues of the Authority are pledged to the payment of the principal of, redemption price, if any, and interest on the Revenue Bonds. **This bond is not secured by a pledge of or lien on the Revenues and the indebtedness evidenced hereby is and shall be in all respects subordinate to the Revenue Bonds.**

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

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

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

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

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

THE MUSCONETCONG SEWERAGE AUTHORITY

(SEAL)

ATTEST:



Secretary

By: 

Chairman

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EXHIBIT B

Form of I-Bank Loan Bond

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**THE MUSCONETCONG SEWERAGE AUTHORITY
SUBORDINATE BOND (ROOF AND HVAC PROJECT) (SERIES 20__B)**

No. RB-1

Principal Amount: \$ _____

Dated Date: _____, 20__

THE MUSCONETCONG SEWERAGE AUTHORITY (the "Authority"), a public body corporate and politic organized and existing under and by virtue of the laws of the State of New Jersey (the "State"), acknowledges itself indebted and for value received hereby promises to pay to the New Jersey Infrastructure Bank (the "I-Bank") (i) the principal amount stated above, or such lesser amount as shall be determined in accordance with Section 3.01 of the loan agreement dated as of _____, 20__ by and between the I-Bank and the Authority (the "Loan Agreement"), at the times and in the amounts determined as provided in the Loan Agreement, (ii) interest on the Loan constituting the Interest Portion, the Administrative Fee (as such terms are defined in the Loan Agreement) and any late charges incurred under the Loan Agreement in the amount calculated as provided in the Loan Agreement, payable on the days and in the amounts and as provided in the Loan Agreement, which principal amount and Interest Portion of the Interest on the Loan shall, unless otherwise provided in the Loan Agreement, be payable on the days and in the amounts as also set forth in Exhibit A attached hereto under the column headings respectively entitled "Principal" and "Interest", plus (iii) any other amounts due and owing under the Loan Agreement at the times and in the amounts as provided therein. The Authority irrevocably pledges its full faith and credit for the punctual payment of the principal of and the Interest on this bond and for the punctual payment of all other amounts due under this bond and the Loan Agreement according to their respective terms.

This bond is issued in consideration of the loan made under the Loan Agreement (the "Loan") to evidence the payment obligations of the Authority set forth in the Loan Agreement. This bond has been assigned to Zions Bank, a Division of ZB, National Association, as trustee (the "Trustee") under the "Environmental Infrastructure Bond Resolution, Series 20__ []" adopted by the I-Bank on _____, 20__, as the same may be amended and supplemented in accordance with the terms thereof (the "I-Bank Bond Resolution"), and payments hereunder shall, except as otherwise provided in the Loan Agreement, be made directly to the Trustee for the account of the 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 I-Bank Bond Resolution and the Loan Agreement. All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this bond.

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

This bond is entitled to the benefits and is subject to the conditions of the Loan Agreement. The obligations of the Authority to make the payments required hereunder shall be absolute and unconditional without any defense or right of setoff, counterclaim or recoupment by reason of any default by the I-Bank under the Loan Agreement or under any other agreement between the Authority and the I-Bank or out of any indebtedness or liability at any time owing to the Authority 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 and the Subordinate Resolution (as hereinafter defined), this bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

This bond is a direct and general obligation of the Authority and is one of the subordinate bonds of the Authority issued or to be issued under and by virtue of the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of 1946, of the State of New Jersey, approved April 23, 1946 and the acts amendatory thereof and supplemental thereto (collectively, the "Act"), and under and pursuant to a resolution of the Authority adopted September 22, 2022 and entitled: "Resolution Authorizing the Issuance of Not Exceeding \$3,000,000 Subordinate Bonds (Roof and HVAC Project) of the Musconetcong Sewerage Authority and Providing for Their Sale to the New Jersey Infrastructure Bank and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith" (the "Subordinate Resolution").

Pursuant to the Act, the Authority may hereafter issue revenue bonds (the "Revenue Bonds") pursuant to a bond resolution or resolutions hereafter adopted whereunder all or a portion of the revenues of the Authority are pledged to the payment of the principal of, redemption price, if any, and interest on the Revenue Bonds. **This bond is not secured by a pledge of or lien on the Revenues and the indebtedness evidenced hereby is and shall be in all respects subordinate to the Revenue Bonds.**

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

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

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

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

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

THE MUSCONETCONG SEWERAGE AUTHORITY

(SEAL)

ATTEST:

By: _____

Chairman

Secretary

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New Jersey Infrastructure Bank hereby assigns the foregoing bond to Zions Bank, a Division of ZB, National Association, as trustee under the "Environmental Infrastructure Bond Resolution, Series 20__ []" adopted on _____, 20__, as amended and supplemented, all as of the date of this bond, as security for the I-Bank Bonds issued or to be issued under said bond resolution to finance or refinance the Project Fund (as defined in said bond resolution).

NEW JERSEY INFRASTRUCTURE BANK

(SEAL)

ATTEST:

By: _____

David E. Zimmer
Chairman

Secretary

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EXHIBIT C

THE MUSCONETCONG SEWERAGE AUTHORITY

NOTICE OF ADOPTION OF BOND RESOLUTION

PUBLIC NOTICE is hereby given that a bond resolution entitled: "Resolution Authorizing the Issuance of Not Exceeding \$3,000,000 Subordinate Bonds (Roof and HVAC Project) of the Musconetcong Sewerage Authority and Providing for Their Sale to the New Jersey Infrastructure Bank and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith" (the "Bond Resolution") was adopted by the Musconetcong Sewerage Authority (the "Authority") on September 22, 2022; that copies of the Bond Resolution have been filed and are available for public inspection in the office of Borough Clerk of the Borough of Netcong, in the County of Morris, New Jersey, in the Municipal Building of said Borough; in the office of the Township Clerk of the Township of Roxbury, in the County of Morris, New Jersey, in the Municipal Building of said Township; in the office of the Borough Clerk of the Borough of Stanhope, in the County of Sussex, New Jersey, in the Municipal Building of said Borough; in the office of the Township Clerk of the Township of Mount Olive, in the County of Morris, New Jersey, in the Municipal Building of said Township; in the office of the Borough Clerk of the Borough of Mount Arlington, in the County of Morris, New Jersey, in the Municipal Building of said Borough; in the office of the Township Clerk of the Township of Byram, in the County of Sussex, New Jersey, in the Municipal Building in said Township; in the office of the Borough Clerk of the Borough of Hopatcong, in the County of Sussex, New Jersey, in the Municipal Building in said Borough; and in the office of the Authority, Waterloo Road, Mount Olive, New Jersey; and that any action or proceeding of any kind or nature in any court questioning the validity of the creation and establishment of the Authority or the validity or proper authorization of bonds provided for by the Bond Resolution, or the validity of any covenants, agreements or contracts provided for by the Bond Resolution, shall be commenced within twenty (20) days after the first publication of this notice, which was first published this ____ day of September, 2022.

**THE MUSCONETCONG SEWERAGE
AUTHORITY**

By: /s/ _____ Joseph Schwab _____
Secretary

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CERTIFICATE

I, **JOSEPH SCHWAB**, Secretary of the Musconetcong Sewerage Authority (the "Authority"), a public body politic and corporate of the State of New Jersey, **HEREBY CERTIFY** that the foregoing resolution entitled: "Resolution Authorizing the Issuance of Not Exceeding \$3,000,000 Subordinate Bonds (Roof and HVAC Project) of the Musconetcong Sewerage Authority and Providing for Their Sale to the New Jersey Infrastructure Bank and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith", is a true copy of an original resolution which was adopted at a meeting of the Authority which was duly called and held on September 22, 2022, and at which a quorum was present and acted throughout, and that said copy has been compared by me with the original resolution officially recorded in the records of the Authority and that it is a true, correct and complete transcript thereof and of the whole of said resolution, and that said original resolution has not been altered, amended or repealed, but is in the form attached as of the date hereof in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Authority this 22nd day of September, 2022.

(SEAL.)



Joseph Schwab
Secretary

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