

BY-LAWS
OF THE
UNION COUNTY UTILITIES AUTHORITY

As of February 10, 2016

COMMISSIONERS

Sharda Badri
Jeanette Criscione
Roy Eastman
Reni Erdos
Edward Jackus

James Kennedy
Edward Kahn
Clifton People
Laura Scutari

ALTERNATE COMMISSIONERS

Charles Lombardo

Margaret McManus

Daniel P. Sullivan, Executive Director
Thomas M. Brennan, Deputy Executive Director/Comptroller
Kraig M. Dowd, Esq., General Counsel
Joseph C. Bodek, Clerk of the Authority
Lisa M. da Silva, Deputy Clerk of the Authority

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UNION COUNTY UTILITIES AUTHORITY

BY-LAWS

ARTICLE I

GENERAL PROVISIONS

Section 1. Name of the Authority. The name and title of this Authority shall be the Union County Utilities Authority.

Section 2. Office. The administrative offices of the Union County Utilities Authority shall be located at 1499 Routes 1 & 9, North, Rahway, New Jersey 07065.

Section 3. Seal. The Seal of the Authority shall have the following words:
UTILITIES AUTHORITY OF UNION COUNTY, NEW JERSEY.

Section 4. Fiscal Year. The Fiscal Year of the Authority shall begin on January 1 and end on December 31.

Section 5. Powers of the Authority. The Union County Utilities Authority is a public body politic and corporate constituting a political subdivision of the State of New Jersey established as an instrumentality exercising public and essential governmental function to provide for the public health and welfare, shall have perpetual succession and all of the powers conferred by N.J.S.A. 40:14B-20; including the following:

- (A) To adopt and have a common seal and to alter the same at pleasure;
- (B) To sue and be sued;
- (C) In the name of the Authority and on its behalf, to acquire, hold, use and dispose of its service charges and other revenues and other moneys;
- (D) In the name of the Authority but for the local unit or units, to acquire, rent, hold, lease as lessor, use and dispose of other personal property for the purposes of the Authority;
- (E) In the name of the Authority but for the local unit or units and subject to the limitations of law, to acquire by purchase, gift, condemnation or otherwise, or lease as lessee, real property and easements therein, necessary or useful and convenient for the purposes of the Authority, and subject to mortgages, deeds of trust or other liens, or otherwise, and to hold, lease as lessor, and to use the same, and to dispose of property so acquired no longer necessary for the purpose of the Authority;
- (F) To provide for and secure the payment of any bonds and the rights of the holders thereof, and to purchase, hold and dispose of any bonds;

- (G) To accept gifts or grants of real or personal property, money, material, labor or supplies for the purposes of the Authority, and to make and perform such agreements and contracts as may be necessary or convenient in connection with the procuring, acceptance or disposition of such gifts or grants;
- (H) To make and enforce by-laws or rules, policies and regulations for the management and regulation of its business and affairs and for the use, maintenance and operation of the utility system and any other of its properties, and to amend the same;
- (I) To do and perform any acts and things authorized by law under, through or by means of its own officers; agents and employees, or by contract with any person; and
- (J) To enter into any and all contracts, execute any and all instrument, and do and perform any and all acts or things necessary, convenient or desirable for the purpose of the Authority or to carry out any power expressly given by law, subject to the "Local Public Contracts Law," N.J.S.A. 40A:11-1 et seq.

Section 6. Authority Membership. The Authority shall consist of nine (9) regular members, and two (2) alternate members. The alternate members, designated "Alternate No. 1" and "Alternate No. 2," shall serve during the absence or disqualification of any regular member or members, in the order of their designation.

Section 7. Vesting of Powers. The powers of the Authority shall be vested in the members thereof in office from time to time.

Section 8. Exercise of Powers. Consistent with the powers conferred upon the Authority by virtue of N.J.S.A. 40:14B-20, the Authority shall exercise all enumerated, necessary and implied powers in the broadest possible sense to fulfill its responsibilities as a public body politic and corporate, discharging essential government services to provide for the public health and safety. The broad exercise of power and liberal interpretation thereof shall apply to the Authority's actions in all events, but specifically, to its actions in effecting its powers under these by-laws and N.J.S.A. 40:14B-20.

Section 9. Affirmative Action Policy. It shall be the Authority's policy in the area of Affirmative Action, to

- (A) Provide fair and equitable treatment for all employees regardless of race, religion, color, national origin, age, gender, disability, sexual orientation or affection, marital status, blood borne pathogens, military or veterans' status, in compliance with federal, state and local laws.
- (B) Identify female and minority-owned businesses that fit the Authority's purchasing requirements.
- (C) Strengthen the Authority's image and reputation as an equal opportunity employer.

Section 10. Document Production Policy and Procedure. To facilitate timely and orderly compliance by Authority staff to document requests by Authority members, the following policy and procedure is implemented:

- (A) All document requests by Authority members shall be made to the Clerk or Deputy Clerk of the Authority, in writing, on forms available from the Clerk and Deputy Clerk. The Clerk and Deputy Clerk shall provide copies of all such requests to the Executive Director.
- (B) All requests shall describe the document(s) requested with reasonable particularity to facilitate the staffs search for such document(s).
- (C) Generally, all documents requested in accordance with the policy and procedure set forth herein will be provided within seven (7) business days of receipt by the Clerk or Deputy Clerk of such request, except where the document request is voluminous or where extraordinary circumstances exist. In such a circumstance, the Executive Director shall refer the request to the Executive Committee for determination of an appropriate time frame for response. The Executive Committee shall consist of the Chairperson, Vice Chairperson, Treasurer and Secretary of the Authority and shall hereafter be a standing committee of the Authority.
- (D) Notwithstanding the above, the Authority shall provide requested documentation pursuant to the "Open Public Records Act."

ARTICLE II

MEETINGS

Section 1. Annual Meetings. The annual public meeting of the Authority shall be held at the offices of the Authority on the second (2nd) Wednesday of February at 6:30 p.m. The Secretary shall notify each member and alternate member of the Authority of the annual meeting, in writing, not less than four (4) days or more than twelve (12) days before the meeting day.

Section 2. Regular Meetings. Regular public meetings shall be held on the third (3rd) Wednesday

of each month at such time and place each month as is established each year by the Authority by appropriate resolution and publication thereof.

Section 3. Preliminary Agendas. The Executive Director and General Counsel shall prepare preliminary agendas and draft proposed resolutions with attached documentation to be distributed to the members of the Authority not later than five (5) days prior to the public meetings of the Authority.

Section 4. Special Meetings. Special meetings of the Authority may be called by the Chairperson. The Chairperson shall also call such a meeting upon the written request of the majority of the members of the Authority. Written notice of such meetings shall be served personally or sent by mail, not less than 48 hours before the date set for the meeting. The notice shall state the business to be transacted at the meeting. All notices shall comply with the Open Public Meetings Act.

Section 5. Quorum. A majority of the full membership of the Authority shall constitute a quorum for any meeting. Once established at any meeting, a quorum shall not be dissipated in the event a member of the quorum vacates the membership.

Section 6. Voting. Questions shall be determined by the majority of the members present and voting. An affirmative vote of a majority of the members present shall be required to take action, unless state law or these by-laws require a larger number. All voting by members of the Authority shall be by public roll call and shall be recorded by the Clerk. If there is no objection by any member, the membership may adopt more than one legislative item at one time by one roll call.

Section 7. Order of Business. The Order of the Business at regular meetings shall be as follows:

1. Call to Order.
2. Notice of Compliance with Open Public Meetings Act, Proof of Notice, or Waiver.
3. Roll Call.
4. Pledge of Allegiance.
5. Approval of Minutes.
6. Report of Officers.
7. Report of Committees, Staff and Counsel --- Open Public Session I.
8. Report of Committees, Staff and Counsel — Executive Session.
9. Report of Committees, Staff and Counsel — Open Public Session II (if necessary for discussion and action on any item discussed in Executive Session).
10. Unfinished Business.
11. New Business.
12. Adjournment.

Pursuant to Article III, Sections (1), (2) and (3), the election of officers shall come before

the approval of minutes at the Annual Meeting.

Section 8. Minutes of Meetings.

(A) The minutes of Authority meetings shall be prepared and recorded in such a fashion as to be free of extraneous material. Minutes shall note motions and resolutions made, the votes thereon, and all topics discussed at Authority meetings. They shall not record comments except to note, if applicable, whether such comments were made in favor of or in opposition to a motion, resolution, or proposition, unless a member specifically requests his or her comments to be recorded. The Authority may provide for the electronic tape recording of any or all of its open public meetings solely for the purpose of assisting the Clerk in preparation of the minutes.

(B) Minutes of Public Sessions shall be prepared by the Clerk, and approved by the Authority, whenever possible, at the next meeting of the Authority, whether regular or special. In no event, however, shall minutes be submitted and approved later than the next regular meeting of the Authority. Upon approval, minutes shall be made promptly available to the public, pursuant to the Open Public Records Act.

(C) Minutes of Closed Executive Sessions shall be prepared by the Clerk following each regular or special meeting of the Authority. The draft minutes shall be made available for review by the members of the Authority, whenever possible, prior to the next meeting of the Authority. Thereafter, such minutes shall be kept and maintained in confidence by the Authority until such time when there no longer exists a reason for said minutes to be kept confidential, as required by the provisions of the Open Public Meetings Act and the Open Public Records Act. Such determinations may be made periodically, by resolution of the Authority setting forth its determination that the matters contained in certain closed session minutes no longer require confidentiality or on a case by case basis by General Counsel in response to requests for specific closed session minutes. In either case, closed session minutes, which are determined to no longer be confidential, shall promptly be made available to the public pursuant to the following procedure:

(1) Periodically (as determined by the Authority, e.g., annually) the Authority will cause the closed session minutes from the prior year(s) to be reviewed for the purpose of determining whether some or all of those minutes may be released to the public because the need for confidentiality has passed. Under these circumstances, the Authority may approve, by resolution, the release of such minutes in bulk; and

(2) In those instances where there is a specific request made for closed session minutes which have not yet been voted upon for release, as provided for in (1), above, such minutes shall be reviewed by General Counsel to determine whether the minutes, or portions thereof, may be released because the need for confidentiality no longer exists.

Section 9. Parliamentary Authority. Except where superseded by law or by these by-laws, ROBERTS RULES OF ORDER. NEWLY REVISED, shall be the parliamentary authority for all meetings.

ARTICLE III

OFFICERS

Section 1. Officers. The Authority's Officers shall be Chairperson, Vice Chairperson, Secretary and Treasurer and such other assistant officers as the Authority may determine necessary by Resolution for its sufficient operation. The Chairperson, Vice Chairperson, Treasurer and Secretary shall be members of the Authority.

Section 2. Nominations. Nominations for each office shall be made from the floor prior to voting in any election. The only discussions of nominees shall be in nominating statements, limited to five (5) minutes, unless such limitations shall be waived by a majority of the Authority members.

Section 3. Election of Chairperson, Vice Chairperson, Treasurer & Secretary. The Chairperson, Vice Chairperson, Treasurer and Secretary of the Authority shall be elected at the February Annual Meeting.

They shall serve until February 1st of the ensuing year and thereafter until their successors have been elected and duly qualified, except as hereinafter provided. No persons elected as Chairperson shall be allowed to succeed himself to that office for more than two (2) successive terms.

Section 4. City of Rahway Representative. In accordance with the Consent Judgment entered on October 17, 1986 in the matter entitled City of Rahway v. County of Union et al., Docket No. L-85103-86, the City of Rahway shall be guaranteed the right to have one of its designated representatives elected to either of the positions of Chairperson, Treasurer or Secretary of the Authority, which position is subject to the majority vote of the full membership of the Authority. The purpose of this provision is to assure that the City of Rahway shall, at all times during the existence of this Authority, have one of its official representatives holding one of the three above referenced positions.

Section 5. Duties of Officers.

Chairperson

The Chairperson shall be responsible for calling all special meetings of the Authority. The Chairperson shall also be responsible for canceling any special meeting unless such meeting was called by a majority of the full membership. He shall be, responsible for, and preside over, the deliberations of the Authority and conduct the meetings thereof. The Chairperson shall, on all occasions, preserve order and decorum, and may cause the removal of all persons who interrupt the orderly proceedings of the Authority. He shall, with the advice of General Counsel, decide all questions of order. The Chairperson shall be an ex-officio member of all standing and special committees, and shall be informed in advance of all meetings of such committees.

Unless the Authority otherwise authorizes, the Chairperson shall, with the Treasurer and any chief financial officer designated by Resolution, sign all checks, drafts, notes, requisitions of funds, contracts and

other agreements and obligations of the Authority. The Chairperson shall enforce these by-laws and perform all the duties incident to the position and office required by-law. He shall sign the minutes after they are approved by the Authority.

Vice Chairperson

In the absence of the Chairperson, the Vice Chairperson shall have all powers to perform the duties of the Chairperson. The Vice Chairperson shall also receive notice of all standing and special committee meetings and shall be permitted to participate in the deliberations, in the absence of the Chairperson.

Secretary

The Secretary shall review the accuracy of the minutes of the organization as prepared by the Clerk prior to their submission to the Authority. The Secretary shall also co-sign minutes with the Clerk prior to the action of the Authority on the minutes. He shall assume such other duties and obligations as shall be set forth from time to time by the Authority.

Treasurer

The Treasurer shall co-sign all checks, drafts, notes, requisitions of funds, contracts and other agreements and obligations of the Authority. He shall be a member of the Finance and Budget Committee. The Treasurer shall prepare and disseminate a monthly report of all accounts receivable for review by the Authority membership. The Treasurer shall assume such other duties and obligations as shall be set forth from time to time by the Authority.

The Treasurer shall enforce the policy of the Authority that requires all professionals, consultants, vendors, and companies doing business with the Authority and submitting monthly vouchers for payment of services and goods rendered, to submit such vouchers no later than six (6) days prior to a regular meeting of the Authority. Any voucher submitted after this cut off date shall not be paid until the next regular meeting.

ARTICLE IV

EMPLOYEES, STAFF & PROFESSIONALS

Section 1. Appointments. The Authority may appoint and employ (without regard to the provisions of Title 11A of the Revised Statutes) full or part-time employees, including an Executive Director, Clerk and Deputy Clerk, and such managerial personnel, support staff, technical advisors and experts, professional employees and persons who render professional services as set forth in N.J.S.A. 40A:11-2(6), as the Authority may determine necessary for its efficient operations. The Authority shall determine the qualifications, duties and compensation of all employees and staff personnel. Procurement of professional services shall be conducted in accordance with Section 3 of this article.

Section 2. Terms and Conditions. The terms and conditions of said appointment or employment shall be as set forth in a Resolution by the Authority, or in any agreement as may be executed between the Authority and said appointee or employee. The provisions of this section shall not apply to the procurement of professional and consultant services, e.g., General Counsel and Consulting Engineer.

Section 3. Procurement of Professional Services.

Selection of professional staff and consultant services shall be effected pursuant to the following Policy and Procedures for the Procurement of Professional Services as adopted by the Authority:

(A) Policy

It shall be the policy of the Authority to negotiate agreements and to make professional appointments on the basis of demonstrated competence and qualifications for the type of services required by the Authority at fair and reasonable fees or compensation. This policy shall apply to legal, engineering, managerial, financial, architectural, and other professional hiring, contracting and appointments. It shall further be the Authority's policy to give consideration first to those firms, or persons, maintaining an office within Union County, and then to those within the State of New Jersey.

(B) Implementation of Policy

This policy shall embrace hiring, contracting, and appointments for firms or individuals to provide professional services as defined in the Local Public Contracts Law, N.J.S.A. 40A:11-5.

(C) Solicitation of Services

Prior to any professional hiring, contracting or appointment, solicitation shall be made in writing to no less than three (3) firms or persons, who:

- (i) have expressed an interest, in writing;
- (ii) are deemed appropriate by the Executive Director or any members of the Authority; or
- (iii) have responded to advertisements or public invitation or notices in those cases where the Authority has deemed it appropriate to publish same.

The firms or persons being solicited shall be provided with a job description or scope of services, as the case may be, and an estimate amount of funding for the project, where applicable. At the discretion of the Authority, the Authority may determine to solicit Requests for Qualifications pursuant to N.J.S.A. 19:44A-20.4 et seq.

(D) Selection

Any firm or person solicited, as indicated above, shall be screened by the Personnel, Procurement and Insurance Committee. Said Committee shall consider any recommendations from any other relevant committee to the area of expertise of the position or contract being considered.

(E) Screening Criteria

The Personnel, Procurement and Insurance Committee shall consider and evaluate the following for each firm or person being screened based upon:

- (i) Qualifications. A firm's or person's qualifications shall be based upon education, training and expertise in the area to be performed.
- (ii) Services by Third Parties. Services by third parties to the firm or person, i.e. subcontractors, associates, consultants, etc. shall comply with the same requirements as the firm or person offering services to the Authority. In addition, the firm or person shall be required to supply in detail their program and procedure

on how their entire task would be coordinated and controlled effectively and efficiently.

- (iii) Competitiveness. Competitiveness of fees or compensation shall be based on comparable fee/pay activities.
- (iv) References. References shall be carefully checked based on:
 - a. Scope of work performed.
 - b. Client's satisfaction with quality and quantity of work performed.
 - c. Reliability with respect to cost estimates versus effective costs.
 - d. Reliability with respect to schedule compliance.

(F) Recommendations

The Personnel, Procurement and Insurance Committee shall conduct such preliminary interviews and investigations as it deems appropriate in order to consider and evaluate the established criteria for each firm or person and shall subsequently make recommendations to the Authority.

(G) Final Interviews

Prior to action on any professional hiring, contracting, or appointment, the finalists recommended by the Personnel, Procurement and Insurance Committee shall be interviewed by the Authority only upon the request of five (5) or more members.

(H) Final Hiring, Appointment or Award of Contract

Final hiring, appointments or awards of contracts shall be made by the Authority in compliance with these policies and procedures.

(I) Formal Contract

A formal contract shall be negotiated with the professional vendor by the Executive Director and General Counsel to the Authority and approved by the Authority. The contract shall contain a Scope of Services provision.

(J) The duties and tasks of professional consultants shall be assigned by the Authority, the Chairperson, or the Executive Director.

Section 4. Duties of Employees, Staff and Professionals.

(A) Executive Director

(1) Executive Director shall perform the administrative duties and control the day to day operations as designated by the Authority.

(2) The Executive Director shall have absolute discretion to make expenditures necessary to the day to day operations of the Authority, without the necessity of consultation with, or prior approval from, the Chairperson or the Authority's Board of Commissioners, whenever such expenditures for goods or services shall be \$15,000.00 or less.

(3) The Executive Director shall have the obligation to secure the prior approval of the Chairperson whenever it is determined that a necessary expenditure for goods or services will fall within a range greater than \$15,000.00 but less than the applicable statutory bid threshold under the Local Public Contracts. In the event that the Chairperson of the Authority is unavailable for prior authorization, the Executive Director shall secure such prior authorization from the Vice Chairperson or next ranking officer, or next ranking member of the Authority by seniority as may be available in such emergent circumstance, prior to making the actual expenditure.

(B) Comptroller

The Comptroller shall serve under the general direction of the Executive Director and shall be responsible for the accounting, financial reporting, cash management, budget preparation and control functions of the Authority. In the event of an unscheduled absence of the Executive Director, the Comptroller shall perform the administrative duties of the Executive Director and the day to day operations, at no additional compensation, in consultation with the Authority and General Counsel. In all other circumstances, the Authority may, by resolution, delegate such duties in such manner as it deems necessary and appropriate under the circumstances.

(C) Clerk

The Clerk shall be appointed and employed by the Authority. The Clerk's term of office shall be as set forth in the Resolution appointing the Clerk pursuant to these by-laws. The Clerk shall attend all

meetings of the Authority and act as recording secretary thereof and record all votes. The Clerk shall keep a record of the proceedings of the Authority in bound form, in a Minute Book and Resolution Book to be maintained for such purpose. He shall keep the seal of the Authority in safe custody and shall affix such seal to all papers authorized to be executed by the Authority requiring such seal to be affixed. The Clerk may cause copies to be made of all minutes, resolutions and other records and documents of the Authority, and certify under the seal of the Authority that such copies are true copies, and all persons dealing with the Authority may rely on such certification. He shall perform such other duties as are incident to the office or as may be assigned from time to time by the Authority.

(D) Deputy Clerk/ Confidential Administrative Assistant

In the absence of the Clerk, the Deputy Clerk shall perform the duties of the Clerk. The Deputy Clerk shall perform such other duties of a confidential nature as are incident to the office or as may be assigned from time to time by the Authority. The Deputy Clerk shall supervise and evaluate Authority secretarial and other administrative staff.

(E) Staff Personnel

The duties and obligations of all staff personnel shall be set forth from time to time by the Authority as stated in the respective job description.

(F) General Counsel

The Authority shall appoint the General Counsel, who shall be the legal advisor of the Authority, and who shall furnish such opinions, advice and counsel as shall, from time to time, be required. The General Counsel shall represent the Authority in all legal matters or hearings, as directed by the Authority, and shall perform such other duties as shall be assigned to him or her by the Authority.

(G) Consulting Engineer

The Authority shall appoint a Consulting Engineer, who shall be the technical advisor to the

Authority, and who shall furnish such opinions, advice and counsel as may be required. The Consulting Engineer shall also represent the Authority, for all technical aspects, in legal matters and/or hearings, as directed by the Authority.

ARTICLE V

COMMITTEES

Section 1. Standing Committees. The Chairperson shall appoint the following standing committees: (1) Finance and Budget, (2) Operations, (3) Personnel, Procurement and Insurance, (4) Policy, Ethics and By-Laws, (5) Projects Liaison and Affirmative Action, (6) Public Information, and (7) Solid Waste Management and Recycling. The Chairperson shall appoint any other committees he may deem necessary.

Section 2. Committee Membership. The Chairperson of each standing committee of the Authority shall be a member of the Authority.

Section 3. Duties of Standing Committees.

(A) Finance and Budget Committee

The Committee shall negotiate loans and the sale of bonds under the direction of the Authority, shall examine all vouchers against the Authority and certify same for payment upon the approval of the Authority Commissioners, and shall make recommendations to the Authority from time to time with respect to any and all matters having to do with the Authority's finances. It shall prepare the annual budget for the Authority's consideration.

(B) Operations Committee

The Committee shall ensure the proper operations of Authority facilities, i.e., the safe and efficient operation thereof, within the description of the law. The Committee shall also oversee the maintenance of all properties owned by the Authority.

(C) Personnel, Procurement and Insurance Committee

The Committee shall recommend to the Authority the retainment of such employees and/or officers of the Authority as may be needed from time to time; it shall review wage policies, wage schedules, salary increments and make appropriate recommendations with regard thereto to the Authority. It shall review any disciplinary action against any employee or officer of the Authority as may be recommended by the Executive Director and make written recommendations to the Authority in this regard. The Committee shall implement and carry out the Policy and Procedure for the Procurement of Professional Services as set forth in Article IV, Section 3 hereof. The Committee shall, from time to time, study the insurance requirements and needs of the Authority, the costs thereof and shall make recommendations to the Authority with respect thereto.

(D) Policy, Ethics and By-Laws Committee

The Committee shall make recommendations concerning new policies and amendments to existing Authority policies in all areas not expressly within the domain of another standing committee. The Committee shall ensure the compliance by all members of the Authority, and its employees, with all applicable ethical standards as required by relevant law, including the County and Municipal Utilities Authority Law (N.J.S.A. 40:14B-1, et. seq., and the Local Government Ethics Law (N.J.S.A 40A:9-22.1, et. seq.) The Committee shall make recommendations concerning all amendments, revisions and supplements to these by-laws on a yearly basis.

(E) Projects Liaison and Affirmative Action Committee

The Committee shall monitor local economic and labor matters. In that regard, the Committee shall examine and ensure compliance with local hiring in host community agreements and with affirmative action

laws and regulations in construction and operation of all Authority projects.

(F) Public Information Committee

The Committee shall review plans for all major public education and information events. The Committee shall make recommendations concerning new policies and amendments to existing policies in the area of public education.

(G) Solid Waste Management and Recycling Committee

The Committee shall examine the compliance of the Authority with the Union County District Solid Waste Management Plan and make recommendations for amendments thereto. The Committee shall review the process by which solid waste materials are collected, separated or processed and returned to the economic mainstream in the form of raw materials or products, and shall make recommendations for the implementation of policies concerning recyclable materials, to the extent that such activities are deemed necessary and advisable in assisting the County of Union in implementing and carrying out the County's Recycling Program.

Section 4. Special Committees. Special committees shall be appointed by the Chairperson of the Authority as the need arises. Said committees shall have a duration of one (1) year.

Section 5. Appointment. The appointment of all members to all committees set forth herein shall be subject to the advice and consent of the Authority members, including appointments to special committees pursuant to Section 4 above. In no event shall more than three (3) members of the Authority, including alternate members, be appointed to any committee.

Section 6. Alternate Members. The Chairperson may appoint alternate members of the Authority to any standing or special committee as shall from time to time be deemed necessary or advisable. Such appointment shall be subject to the advice and consent of the Authority.

Section 7. Advisory Boards. The Chairperson may establish advisory boards, consisting of concerned and interested public citizens as non-voting board members, to assist the Authority's standing and special committees, as may from time to time be deemed necessary or advisable. The appointment of advisory board members shall be subject to the advice and consent of the Authority.

Section 8. Committee Agendas. The Executive Director shall prepare an agenda for every committee meeting of the Authority and shall submit same to the members of the committee and to the Chairperson of the Authority for review prior to such committee meeting. The agenda shall be retained by the Executive Director as a record of such committee meeting.

ARTICLE VI

BY-LAW AMENDMENTS

Section 1. Procedure. These by-laws which incorporate legislative directives as embodied in the Revised Statutes may not be altered, amended or repealed. All other by-laws may be amended by an affirmative vote of at least five (5) members of the Authority at any meeting called for the purpose of amending the by-laws, provided written notice shall have been sent to each member at least ten (10) days before the date set for such meeting. The notice shall state the amendments proposed to be made in the by-laws.

Section 2. Distribution. A copy of the within By-Laws shall be furnished to each new member of the Authority.

ARTICLE VII

DESIGNATION OF ALTERNATE OFFICER

Section 1. Appointment. In the interest of ensuring the efficient operation of the Authority, the Chairperson, or the Vice Chairperson, in the Chairperson's absence, may appoint any member of the Authority to act as an alternate for any officer of the Authority in those instances where said officer is unable to perform his duties by virtue of incapacity, unavailability, or refusal to perform his ministerial acts.

Section 2. Powers. The Authority member appointed by the Chairperson as an alternate officer shall have the full authority to act in the place of any officer who is unable to perform his duties as set forth in Section 1 hereof. The term of service for such alternate officer shall be determined by the Chairperson when the appointment is made, and the Chairperson shall expressly set forth the terms and conditions upon which said alternate shall act.

ARTICLE VIII

INDEMNIFICATION AND DEFENSE OF EMPLOYEES

Section 1. Definition of "Employee". For the purpose of this Article, the term "employee" shall include a member of the Authority, and any employee, former employee, or servant, full-time or part-time, whether or not compensated, who is or was authorized by the Authority to perform any act or service; provided, however, that the term shall not include an independent contractor.

Section 2. Indemnification.

(1) The Authority has the discretion to indemnify employees or former employees for acts performed within their authority as determined by the Authority. This Article authorizes the Authority to pay compensatory damages only. Nothing in this Article authorizes the Authority to pay for punitive or exemplary damages or damages arising from the commission of a crime pursuant to N.J.S.A 59:9-2.

(2) If the employee or former employee establishes that he is entitled to be defended by the Authority under the provisions of this Article, the Authority shall pay or reimburse the employee or former employee for any bona fide settlement agreement entered into by the employee or former employee and shall pay or reimburse such employee or former employee for any judgment entered against him or her. The Authority shall pay or reimburse him for all reasonable costs of defending the action, including reasonable counsel fees and expenses, together with costs of appeal, if any. The Authority has the sole discretion to interpret the reasonableness of said fees and shall set the legal fees schedule by which it shall pay or reimburse the approved defense.

Section 3. Refusal to Defend or Indemnify.

(A) The Authority may refuse to provide for the defense of an action referred to in this Article if it determines that:

- (1) The act or omission was not within the scope of employment; or
- (2) The act or failure to act was the result of actual fraud, willful misconduct or actual malice;

- or
- (3) The defense of the action or proceeding by the Authority would create a conflict of interest between the Authority and the employee or former employee.

(B) If the Authority refuses to provide for the defense of an employee or former employee, the employee or former employee shall be entitled to indemnification from the Authority if he establishes that the act or omission upon which the claim or judgment was based occurred within the scope of employment as an employee of the Authority.

Section 4. Employee's Duty to Notify and Cooperate with Authority.

An employee or former employee shall not be entitled to indemnification under this Article unless, within ten (10) calendar days of the time he is served with any summons, complaint, process, notice, demand or pleading, the employee or former employee delivers the original or a copy thereof to the Chairperson or the Executive Director. Upon such delivery, the Authority may assume exclusive control of the employee's or former employee's representation and such employee or former employee shall cooperate fully with the Authority's defense. Any employee or former employee who fails to cooperate fully with the Authority's defense shall lose the right to indemnification and defense as provided in this Article.

Section 5. Authority's Exclusive Control Over Litigation. Whenever the Authority provides for the defense of an employee or former employee pursuant to this Article, the Authority may assume exclusive control over the representation of such employee or former employee, and such employee or former employee shall cooperate fully with the Authority's defense.