



UNION COUNTY UTILITIES AUTHORITY

1499 Routes 1 & 9, North, Rahway, New Jersey 07065

(732) 382-9400

FAX (732) 382-5862

RESOLUTION NO.: 33-2014

DATED: March 19, 2014

RESOLUTION OF THE UNION COUNTY UTILITIES AUTHORITY INDEMNIFYING EXECUTIVE DIRECTOR'S COUNSEL FEES PERTAINING TO HIS DEFENSE IN THE FACT-FINDING INQUIRY CONCERNING STIPEND PAYMENTS MADE TO AUTHORITY EMPLOYEES IN 2013 AND 2014.

APPROVED AS TO FORM:

Joseph C. Bodek *Lisam daSilva*
Clerk of the Authority

Deputy

By: *Lisam daSilva*

APPROVED AS TO SUFFICIENCY OF FUNDS

YES NO NONE REQUIRED
UNION COUNTY UTILITIES AUTHORITY

By: *[Signature]*

| | PRESENT | ABSENT | AYE | NAY | ABSTAIN | MOTION | SECOND |
|----------------------------------|---------|--------|-----|-----|---------|--------|--------|
| <i>Badri</i> | X | | X | | | | X |
| <i>Eastman</i> | X | | X | | | | |
| <i>Jackus</i> | X | | X | | | | |
| <i>Kahn</i> | X | | X | | | X | |
| <i>Kennedy, Secretary</i> | | X | | | | | |
| <i>Kulish</i> | X | | | | X | | |
| <i>People, Treasurer</i> | X | | X | | | | |
| <i>Erds, Vice Chairwoman</i> | | X | | | | | |
| <i>Huff, Chairman</i> | X | | X | | | | |
| <i>Bonanno, Alternate No. 1</i> | X | | | X | | | |
| <i>Lombardo, Alternate No. 2</i> | X | | | | | | |

RESOLUTION NO.: 33-2014

DATED: March 19, 2014

**RESOLUTION OF THE UNION COUNTY UTILITIES AUTHORITY
INDEMNIFYING EXECUTIVE DIRECTOR'S COUNSEL FEES
PERTAINING TO HIS DEFENSE IN THE FACT-FINDING INQUIRY
CONCERNING STIPEND PAYMENTS MADE TO AUTHORITY
EMPLOYEES IN 2013 AND 2014.**

WHEREAS, the Union County Utilities Authority (the "Authority") has been created by a resolution of the Board of Chosen Freeholders of the County of Union, New Jersey as a public body corporate and politic of the State of New Jersey, pursuant to and in accordance with County Utilities Authorities Law, N.J.S.A. 40:14B-1 *et seq.* and the acts amendatory thereof and supplemental thereto; and

WHEREAS, on February 26, 2014, by way of Resolution 24-2014, the Authority resolved to retain an independent fact-finder to conduct an appropriate inquiry into the facts surrounding the issuance of certain stipend payments to Authority employees;

WHEREAS, following its retention by the Authority as an independent fact-finder regarding the aforesaid matter, Saiber LLC commenced a fact-finding inquiry; and

WHEREAS, as part of that fact-finding inquiry, Saiber LLC determined that it was necessary to interview the Authority's Executive Director, Daniel P. Sullivan and Mr. Sullivan was informed of that he would be interviewed; and

WHEREAS, Mr. Sullivan retained Vito A. Gagliardi, Esq., of the firm of Porzio, Bromberg & Newman, P.C., to represent and defend him in connection with the fact-finding inquiry; and

WHEREAS, Article VIII of the Authority's Bylaws provide that Authority employees acting within the scope of their employment are entitled to be defended by the Authority in actions concerning actions taken by them within the scope of their employment; and

WHEREAS, Mr. Sullivan's employment contract with the Authority incorporates the above described Bylaw provision also requiring indemnification of Mr. Sullivan's legal expenses incurred in defending his actions taken within the scope of employment; and

WHEREAS, based upon information provided to the Authority, Mr. Sullivan's actions in connection with this matter appear to have been taken within the scope of his employment, thus entitling him to have the Authority assume the cost of his defense in this matter; and

WHEREAS, the New Jersey Rules of Professional Conduct preclude Authority counsel from providing for Mr. Sullivan's defense in this matter as such representation would create an impermissible conflict of interest which may only be resolved by the appointment of independent counsel.

NOW, THEREFORE, BE IT RESOLVED by the Union County Utilities Authority as follows:

1. The Authority shall provide for the defense of Executive Director Daniel P. Sullivan, including the payment of reasonable counsel fees and expenses, regarding the pending fact-finding inquiry and requests that Mr. Sullivan's counsel submit all billing statements to the Authority's General Counsel for review and approval.
2. This Resolution shall take effect immediately.