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DECEMBER 3, 2014

The Regular Meeting of the Hanover Sewerage Authority, County of Morris and State of New Jersey, was held on Wednesday, December 3 , 2014 at 8:30 in the evening, prevailing time, at the Municipal Building, 1000 Route 10, Whippany, New Jersey.

PRESENT: Chairman Schleifer; Members Byrne, Corona, Dittrick, and O'Brien; John Ferramosca, Liaison, Michael C. Wynne, P.E., Executive Director; Christopher Falcon, Esq.; Silvio Esposito, Treasurer

ABSENT: None

STATEMENT OF PRESIDING OFFICER

Adequate notice of this meeting has been provided in accordance with the Open Public Meeting Act by posting written notice and agenda of the meeting on the Bulletin Board in the Municipal Building, 1000 Route 10, in the Township of Hanover, and by informing the following newspapers:

HANOVER EAGLE/REGIONAL WEEKLY NEWS
MORRIS COUNTY DAILY RECORD

(Signed) Chairman
Joseph Schleifer

Chairman Schleifer opened the meeting to the public at 8:30 pm. A public hearing was held on the adoption of Resolution No. 63-14, 2014-15 Budget Adoption, and Resolution No. 66-14 Variance Limits. There were no comments made by the public after the Resolutions were public noticed, except one phone call from one of the industrial users to see if we were moving forward with the variance increases. The Executive Director closed the public comment period. The Executive Director read the Budget Message onto the record. The Executive Director asked for a motion to approve Resolution No 63-14. Chairman Schleifer offered the following resolution and moved its adoption:

RESOLUTION NO. 63-14
A RESOLUTION ADOPTING THE BUDGET OF THE HANOVER SEWERAGE AUTHORITY FOR THE YEAR ENDED NOVEMER 30, 2015

WHEREAS, the Annual Budget and Capital Budget of the Hanover Sewerage Authority for the fiscal year period beginning December 1, 2014 and ending November 30, 2015 has been presented for adoption before the Members of the Hanover Sewerage Authority at its meeting of December 3, 2014; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in

the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget for adoption reflects Total Revenues of $6,732.215.00, Total Appropriations including any Accumulated Deficit, if any, of $6,732,215.00 and Total Unreserved Retained Earnings utilized of $-0-.00 and

WHEREAS, the Capital Budget as introduced as presented for adoption reflects Total Appropriations of $9,710,100.00 and Total Unreserved Retained Earnings utilized of $-0-; and

NOW, THEREFORE, BE IT RESOLVED that the Annual Budget is hereby approved as follows:

REVENUES	
Anticipated Revenues	$6,732,215.00
TOTAL REVENUES	$6,732,215.00
APPROPRIATIONS	
Operating	$ 840,515.00
Cost of Providing Services	4,267,700.00
Debt Service and Other Reserves	1,624,000.00
TOTAL APPROPRIATIONS	$6,732,215.00

BE IT FURTHER RESOLVED, that the Capital Budget is hereby adopted in the amount of $9,710,100.00; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

HANOVER SEWERAGE AUTHORITY
DATED: December 3, 2014

COUNTY OF MORRIS
STATE OF NEW JERSEY

A resolution was seconded by Member Corona and adopted by the following roll call vote:

AYES: Chairman Schleifer, Members Byrne, Corona, Dittrick, and O'Hare
ABSENT: None

The Executive Director asked for a motion to approve Resolution No 66-14. Member O'Hare offered the following resolution and moved its adoption:

RESOLUTION NO. 66-14

WHEREAS, the Hanover Sewerage Authority (hereinafter "the Authority") is authorized by the Sewerage Authorities Law (N.J.S.A. 40A:14-7 (11) to make and enforce rules and regulations for the management and regulation of its business and affairs and or the use, maintenance and operation of the sewerage system and any other of its properties, and to amend the same; and

WHEREAS, the Authority adopted the "Regulations and Specifications and Rate Schedule of the Hanover Sewerage Authority" (hereinafter "the Regulations") on November 30, 1960 and amended the same from time to time including a comprehensive revision dated January 1, 2004; and

WHEREAS, the Hanover Sewerage Authority (hereinafter "the Authority") is authorized to issue new industrial permits, renewed industrial permits or substantial modifications to existing industrial permits under the terms of N.J.A.C. 7:14A-1.1 et. seq. and the Regulations, Specifications and Rate Schedule of the Authority; and

WHEREAS, the Regulations provide for the issuance of variances to discharge high strength wastewater; and

WHEREAS, the Authority advised all industrial users and all commercial users with monitoring of the opportunity to provide for a variance in 2013. Follow up notices were provided on at least one additional occasion; and

WHEREAS, users were also notified of the opportunity to apply for a variance when monitoring results were transmitted to them; and

WHEREAS, the industries and users listed below have submitted applications for variances; and

WHEREAS, the Authority has considered the application and other available data and has complied with the public notice requirements of N.J.A.C. 7:14A-15.10; and

Whereas, the Authority's Engineer reviewed the applications and recommended the granting of variances listed below in a report dated October 21, 2014; and

Dischargers	BOD5	TSS	NH3	TKN
GE/Whippany Actuation	1500 (Max)	1500 (Max)	200 (Max)	400 (Max)
	1000 (Avg)	1000 (Avg)	180 (Avg)	300 (Avg)
Halo Pharma	1000 (Max)	350 (Max)	50 (Max)	70 (Max)
	500 (Avg)	350 (Avg)	50 (Avg)	70 (Avg)
100 South Jefferson	2400 (Max)	2400 (Max)	75 (Max)	250 (Max)
	600 (Avg)	900 (Avg)	50 (Avg)	200 (Avg)
1515 Route 10	1300 (Max)	1300 (Max)	120 (Max)	230 (Max)
	1100 (Avg)	1100 (Avg)	90 (Avg)	210 (Avg)
86 Ridgedale Avenue	6200 (Max)	2300 (Max)	29 (Max)	375 (Max)
	2600 (Avg)	750 (Avg)	29 (Avg)	90 (Avg)
Breeze Eastern	3500 (Max)	6500 (Max)	125 (Max)	400 (Max)
	1100 (Avg)	1800 (Avg)	100 (Avg)	275 (Avg)
H2Ocean (Il Giordino)	2200 (Max)	1800 (Max)	100 (Max)	310 (Max)
	1500 (Avg)	1000 (Avg)	100 (Avg)	100 (Avg)
Il Capriccio	3800 (Max)	2700 (Max)	29 (Max)	120 (Max)
	1400 (Avg)	800 (Avg)	29 (Avg)	80 (Avg)
JR Tobacco 1	300 (Max)	4300 (Max)	160 (Max)	750 (Max)
	1000 (Avg)	1500 (Avg)	100 (Avg)	300 (Avg)
Manor Care/Arden Court	2100 (Max)	1200 (Max)	29 (Max)	100 (Max)
	1500 (Avg)	300 (Avg)	29 (Avg)	100 (Avg)
Morris County Mall	1600 (Max)	1400 (Max)	60 (Max)	220 (Max)
	1200 (Avg)	700 (Avg)	40 (Avg)	150 (Avg)
Morristown Airport	1500 (Max)	500 (Max)	50 (Max)	100 (Max)
	450 (Avg)	500 (Avg)	40 (Avg)	60 (Avg)
Morristown Beard	3400 (Max)	3100 (Max)	75 (Max)	320 (Max)
	1000 (Avg)	900 (Avg)	50 (Avg)	175 (Avg)
Nikko	4200 (Max)	1000 (Max)	29 (Max)	220 (Max)
	1400 (Avg)	500 (Avg)	29 (Avg)	100 (Avg)
Suburban Propane	2500 (Max)	1500 (Max)	100 (Max)	340 (Max)
	700 (Avg)	700 (Avg)	50 (Avg)	200 (Avg)

WHEREAS, the maximum levels listed above are daily maximums and the average limits above are annual averages;

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority in the County of Morris and State of New Jersey as follows:

1) The Executive Director is authorized to issue permit modifications to GE/Whippany Actuation and Halo Pharma.

2) The Executive Director is authorized to issue Service Contracts containing the variance limitations for the other properties. Variance limitations will not take effect until

receipt of the signed Service Contract. If the property owner does not return the Service Contract within 30 days of receipt the variance is rescinded.

3) The Chairman is authorized to execute Service Contracts with the property owner upon their return.

4) This Resolution shall take effect as provided by law.

HANOVER SEWERAGE AUTHORITY
DATE: December 3, 2014 COUNTY OF MORRIS
STATE OF NEW JERSEY

A resolution was seconded by Chairman Schleifer and adopted by the following roll call vote:

AYES: Chairman Schleifer, Members Byrne, Corona, Dittrick, and O'Hare
ABSENT: None

The Public Hearing was closed at 8:41 pm.

APPROVAL of MINUTES

The Executive Director asked for a motion to approve minutes. Motion was made by Member O'Hare and seconded by Member Corona. There was unanimous roll call approval. Absent: None.

Regular Meeting: December 18, 2013, January 22; February 26; March 26; April 23; May 28; June 25; July 23; August 13; and September 24, 2014. Bid Meeting: April 16, 2014.

The Executive Director, Michael Wynne, noted that the following correspondence was received:

COMMUNICATIONS

1. **MARAZITI FALCON, LP**

   a. 10/30/2014 Letter re: NJPDES Permit

2. **HATCH MOTT MACDONALD**

   a. 10/31/2014 Letter re: General Air Permit Application

   b. 11/04/2014 Transmittal re: Receptor Evaluation Form

   c. 11/19/2014 Letter re: Contract 2014-2 Payment No. 1 and Change Order No. 1

d. 11/19/2014 Letter re: Contract 2014-1 Final Payment

e. 11/19/2014 Letter re: Contract 38 Payment No. 9

3. TOWNSHIP OF HANOVER

a. 11/12/2014 Memo re: Service Recognition

4. NJDEP

a. 10/28/2014 Letter re: Final Modification NJPDES Permit

b. 11/14/2014 UST Registration Certificate

c. 11/17/2014 Permit re: Air Pollution Control

d. 11/19/2014 Letter re: Contract 40 Authorization to Advertise

5. VERTITEXT

a. 11/11/2014 Transcript re: HSA Public Meeting October 22, 2014

6. PROOF OF PUBLICATION

a. 10/02/2014 Star Ledger re: Resolution No. 53-14 Rate Schedule Introduction

b. 10/22/2014 Star Ledger re: Resolution No. 60-14 IPP Point Charge Introduction

c. 10/22/2014 Star Ledger re: Variance Limitations

d. 10/22/2014 Daily Record re: Variance Limitations

e. 10/29/2014 Star Ledger re: Resolution No. 60-14 IPP Point Charge Introduction

f. 10/30/2014 Hanover Eagle re: Resolution No. 60-14 IPP Point Charge Introduction

7. RESOLUTIONS

Member O'Hare offered the following resolution and moved its adoption:

RESOLUTION NO. 64-14

WHEREAS, the Hanover Sewerage Authority (hereinafter "the Authority") is authorized by the Sewerage Authorities Law (N.J.S.A. 40A:14-7 (11) to make and

enforce rules and regulations for the management and regulation of its business and affairs and or the use, maintenance and operation of the sewerage system and any other of its properties, and to amend the same; and

WHEREAS, the Authority adopted the "Regulations and Specifications and Rate Schedule of the Hanover Sewerage Authority" (hereinafter "the Regulations") on November 30, 1960 and amended the same from time to time including a comprehensive revision dated January 1, 2004; and

WHEREAS, the Authority has reviewed the current Rate Schedule and desires to implement changes in the following areas for the 2015 fiscal year:

1) Modify the Industrial Pretreatment Program Fees to correct references to State Regulation, adjust the maximum point charge percentage and adjust the minimum fee

2) Adjust the IPP Point Charge

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority as follows effective December 1, 2014:

1) Appendix I, Charge Systems and Fees, is proposed to be amended as follows:

Paragraph 8, Industrial Pretreatment Program

a. 1) Point Charge: Change N.J.A.C. 7:14A-1.8 to 7:14A-3.1 and change the maximum point charge percentage from 55 % to 40%
a. 2) Minimum Permit Fee: Change from $1,000 to $7,500

Paragraph 9, Fee Schedule

j) Industrial Sewer Discharge Permit Point charge $116.64

3) The balance of Appendix I shall remain unchanged.

4) A copy of this Resolution shall be published in accordance with N.J.S.A. 40:14A-8 and a hearing held thereon on January 28, 2015 at 8:30 p.m. at the Municipal Building, 1000 Route 10, Whippany, New Jersey.

5) If any provision of this Resolution or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such validity shall not affect other provisions of the Resolution and to this end the provisions of this Resolution are declared to be severable.

6) This Resolution shall take effect as provided by law.

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS

DATED: December 3, 2014

STATE OF NEW JERSEY

The Resolution was seconded by Member Corona and adopted by the following roll call vote:

AYES: Chairman Schleifer, Members Byrne, Corona, Dittrick, and O'Hare

Absent: None

Member O'Hare offered the following resolution and moved its adoption:

RESOLUTION NO. 65-14

WHEREAS, the Hanover Sewerage Authority (hereinafter the "Authority") has entered into Contract 2014-2, Sanitary Sewer Repairs, with National Water Main Cleaning Company; and

WHEREAS, the initial contract amount was $100,953.00; and

WHEREAS, the Authority has reviewed the Request for Change Order filed with the Authority by the Executive Director in support of Change Order No. 1 on Contract 2014-2; and

WHEREAS, the Authority is satisfied that the proposed Change Order is justified and meets the requirements of N.J.A.C. 5:30-11.8 et seq; and

WHEREAS, the Treasurer has certified that funds are available,

NOW, THEREFORE, BE IT RESOLVED by the Hanover Sewerage Authority in the County of Morris and State of New Jersey on this 3rd day of December, 2014 as follows:

1. The Chairman is authorized to execute an amendment to the Contract in the amount of $1,325.00 (Change Order No. 1) for the work described in the aforesaid Request for Change Order in the form submitted to the Authority.

2. The time for completion of the contract shall remain unchanged.

3. The adjusted contract amount shall be $102,278.00.00.

4. This Resolution shall take effect as provided by law.

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS

DATED: December 3, 2014

The Resolution was seconded by Member Corona and adopted by the following roll call vote:

AYES: Chairman Schleifer, Members Byrne, Corona, Dittrick, and O'Hare

Absent: None

Member O'Hare offered the following resolution and moved its adoption:

RESOLUTION NO. 67-14

AUTHORIZING THE ISSUANCE OF NOT EXCEEDING $2,400,000 BONDS (SERIES 2015) OF THE HANOVER SEWERAGE AUTHORITY AND PROVIDING FOR THEIR SALE TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST AND THE STATE OF NEW JERSEY AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS IN CONNECTION THEREWITH.

WHEREAS, The Hanover 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 "Trust Loan Agreement") to be entered into by and between the Authority and the New Jersey Environmental Infrastructure Trust (the "Trust") and that certain Loan Agreement (the "Fund Loan Agreement" and, together with the Trust 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 State Fiscal Year 2015 New Jersey Environmental Infrastructure Trust Financing 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 Trust (the "Trust Loan") and the State (the "Fund Loan" and, together with the Trust Loan, the "Loans") pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively; and

WHEREAS, to evidence the Loans, each of the Trust and the State require the Authority to authorize, execute, attest and deliver the Authority's Bond (Series 2015A) to the State (the "State Loan Bond") and Bond (Series 2015B) to the Trust (the "Trust Loan Bond" and, together with the State Loan Bond, the "Authority 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 Trust 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 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 Trust, 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 Trust Loan Bond and the Fund Loan Bond to the Trust and the State, respectively, without any public offering, and N.J.S.A. §58:11B-9(a) allows for the sale of the Trust Loan Bond to the Trust without any public offering, all under the terms and conditions set forth in the following resolution; and

WHEREAS, the Authority has no bonds, notes or other evidences of indebtedness outstanding that are secured by a pledge of or lien on the revenues of the Authority; and

WHEREAS, bonds, notes and other evidences of indebtedness of the Authority, including the Authority Bonds, benefit from the provisions of the agreement by and between the Authority and the Township of Hanover, in the County of Morris, New Jersey, dated as of May 2, 1960, as amended and supplemented (the "Agreement") and entitled "Service Contract between The Hanover Sewerage Authority and The Township of Hanover, New Jersey"; and

WHEREAS, Section 202 of the Agreement provides that certain conditions be satisfied prior to the Authority constructing any extension of the Project (for this purpose only, as defined in the Agreement); and

WHEREAS, the Project (as defined herein and as described in Section 1 hereof) is not an enlargement or extension of the Project (for this purpose only, as defined in the Agreement); and

WHEREAS, the Authority is desirous of authorizing the issuance of the Authority Bonds as bonds to be secured by the Agreement but without a lien on or pledge of revenues of the Authority;

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

Determination to Undertake the Project. The Authority does hereby determine to undertake the Project which shall consist of the improvement, modification and upgrade of the wastewater treatment facilities of the Authority, including the installation of an on-site natural gas supply system, together with all necessary and incidental drainage

improvements, roadwork, piping, structural work, electrical work, equipment, apparatus, structures and appurtenances and including all real property or rights-of-way, easements and other interests therein and all personal property necessary or desirable for the efficient construction and operation of such facilities, 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.

Estimated Cost of the Project. The estimated maximum cost of the Project, as defined in the Sewerage Authorities Law, is $2,400,000.

Authorization of Authority 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 Bonds) are hereby authorized to be issued in the principal amount not to exceed $2,400,000 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.

Award of Authority 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) Trust Loan Bond to the Trust in accordance with the provisions of this resolution and (b) Fund Loan Bond to the State in accordance with the provisions of this resolution.

Basic Terms of Authority Bonds; Delegation of Power to Make Certain Determinations. The chairman or vice chairman of the Authority (the "Chairman") or the 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

Trust and the State under the Loan Agreements and the terms and conditions of this resolution, the following items with respect to the Trust Loan Bond and the Fund Loan Bond:

The aggregate principal amount of the Trust 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 $2,400,000;

The maturity or maturities and annual principal installments of the Authority Bonds, which maturity or maturities shall not exceed twenty (20) years;

The date or dates of the Authority Bonds;

The interest rates of the Authority Bonds, provided that the effective cost of the Trust Loan Bond does not exceed eight per centum (8%) and that the interest rate on the Fund Loan Bond is zero per centum (0%);

The purchase price for the Authority Bonds;

The terms and conditions under which the Authority Bonds shall be subject to redemption prior to their stated maturities; and

Such other matters with respect to the Authority Bonds as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof, including (1) adjusting the title of the Authority Bonds to reflect the issuance thereof in a calendar year other than 2015 and (2) issuing each Authority Bond in the form of multiple bonds from time to time if the Project is funded in more than one installment by the Program.

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

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

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 the Executive Director.

The Trust 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 the Executive Director;

The Authority 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;

The Authority 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 Bonds and shall affix, imprint, engrave or reproduce thereon the corporate seal of the Authority; and

In order to distinguish the Authority Bonds from other bonds of the Authority, the Authority Bonds shall have such letters and/or numbers incorporated in their titles as shall be determined by the Chairman or the Executive Director.

Forms of Authority Bonds. The Fund Loan Bond and the Trust 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, such approval to be evidenced by the signature of the Chairman on the Authority Bonds.

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 Bonds, which law firm may authorize McCarter & English, LLP, bond counsel to the Trust and the State for the Program, to arrange for same. The Authority auditor and financial advisor are hereby authorized to prepare the financial information, if any, necessary in connection with the issuance of the Authority 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.

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 Bonds as to the terms of the Authority Bonds authorized to be determined by the Authorized Authority Officers pursuant to and in accordance with the provisions of this resolution.

Delivery of Authority 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 Bonds and is hereby further authorized to deliver same to the Trust and the State upon delivery of the Authority Bonds and the receipt of payment therefor in accordance with the Loan Agreements.

Execution of Agreements. The Trust 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 Trust and the State (which forms are available from the Trust 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 Trust, 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 of the Authority to such Financing Documents.

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 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 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.

Covenant to Pay Authority Bonds. The Authority hereby particularly covenants and agrees with the holders of the Authority 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 Bond and the interest thereon at the date and place and in the manner mentioned in such Authority 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.

Resolution Constitutes Contract. In consideration of the purchase and acceptance of the Authority 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 Bonds.

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 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 Bonds. The Authority 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.

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.

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 Trust require that the Authority execute more than one set of documents, the provisions of this resolution shall be deemed to apply to the Authority 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 Bonds issued and delivered

pursuant to the provisions of this resolution be in excess of the amount authorized in Section 3 hereof.

Interim Financing. In anticipation of the issuance of the Authority Bonds, the Authority hereby authorizes, if necessary or desirable, the issuance, sale and award of an interim project note (the "Interim Authority Project Note") pursuant to the Trust's Interim Financing Program. The Interim Authority Project Note shall be substantially in the form provided by the Trust in the Interim Financing Program's loan agreement. The execution and delivery of the Interim Authority Project Note shall be in the same manner as herein prescribed with respect to the Authority Bonds. An Authorized Authority Officer is hereby authorized to determine, pursuant to the terms and conditions established by the Trust and the State under the Interim Financing Program's loan agreement and the terms and conditions of this resolution, the following items with respect to the Interim Authority Project Note: (a) the aggregate principal amount of the Interim Authority Project Note to be issued, which amount shall not exceed $2,400,000; (b) the maturity of the Interim Authority Project Note, which shall be no later than one year after the date of issuance thereof; (c) the date of the Interim Authority Project Note; (d) the interest rate of the Interim Authority Project Note, which shall not exceed 2% per annum; (e) the purchase price for the Interim Authority Project Note; and (f) such other matters with respect to the Interim Authority Project Note as may be necessary, desirable or convenient in connection with the sale, issuance and delivery thereof. 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 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 Interim Authority Project 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.

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 Township Clerk of the Township of Hanover, in the County of Morris, New Jersey, in the Municipal Building of said Township and in the office of the Authority, 1000 Route 10, Whippany, New Jersey.

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 "Hanover Eagle", 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.

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.

Effective Date. This resolution shall take effect immediately.

Adopted: December 3, 2014

EXHIBIT A
Form of Fund Loan Bond

THE HANOVER SEWERAGE AUTHORITY

BOND (SERIES 2015A)

No. RA-1

Principal Amount: $_____

Dated Date: May 21, 2015

THE HANOVER 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 May 1, 2015 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 Borrower 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, 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 Trust Loan (as defined in the Loan Agreement).

This bond is a direct and general obligation of the Authority and is one of the 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 December 3, 2014 and entitled: "Resolution Authorizing the Issuance of Not Exceeding $2,400,000 Bonds (Series 2015) of The Hanover Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith" (the "Resolution").

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 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.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, THE HANOVER 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 HANOVER SEWERAGE AUTHORITY
(SEAL)

ATTEST:

EXHIBIT B

Form of Trust Loan Bond

THE HANOVER SEWERAGE AUTHORITY

BOND (SERIES 2015B)

No. RB-1

Principal Amount: $_____

Dated Date: May 21, 2015

THE HANOVER 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 Environmental Infrastructure Trust (the "Trust") (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 May 1, 2015 by and between the Trust 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 Borrower 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 U.S. Bank National Association, as trustee (the "Trustee") under the "Environmental Infrastructure Bond Resolution, Series 2015A" adopted by the Trust on _____, 2015, as the same may be amended and supplemented in accordance with the terms thereof (the "Trust 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 Trust pursuant to such assignment. Such assignment has been made as security for the payment of the Trust 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 Trust 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 Trust, upon receipt by the Trust 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 Trust under the Loan Agreement or under any other agreement between the Authority and the Trust or out of any indebtedness or liability at any time owing to the Authority by the Trust or for any other reason.

This bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. To the extent allowed by applicable law, this bond may be subject to acceleration under the terms and conditions, and in the amounts, provided in Section 5.03 of the Loan Agreement.

This bond is a direct and general obligation of the Authority and is one of the 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 December 3, 2014 and entitled: "Resolution Authorizing the Issuance of Not Exceeding $2,400,000 Bonds (Series 2015) of The Hanover Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust and the State of New Jersey and Authorizing the Execution and Delivery of Certain Agreements in Connection Therewith" (the "Resolution").

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 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.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, THE HANOVER 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 HANOVER SEWERAGE AUTHORITY
(SEAL)

ATTEST:

New Jersey Environmental Infrastructure Trust hereby assigns the foregoing bond to U.S. Bank National Association as trustee under the "Environmental Infrastructure Bond Resolution, Series 2015A" adopted on _____, 2015, as amended and supplemented, all as of the date of this bond, as security for the Trust 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 ENVIRONMENTAL INFRASTRUCTURE TRUST
(SEAL)

ATTEST:

EXHIBIT C

THE HANOVER 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 $2,400,000 Bonds (Series 2015) of The Hanover Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust 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 Hanover Sewerage Authority (the "Authority") on December 3, 2014; that copies of the Bond Resolution have been filed and are available for public inspection in the office of the Township Clerk of the Township of Hanover, in the County of Morris, New Jersey, in the Municipal Building of said Township and in the office of the Authority, 1000 Route 10, Whippany, 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 _____, 2014.

THE HANOVER SEWERAGE AUTHORITY

CERTIFICATE

I, ROBERT E. O'HARE, Secretary of The Hanover 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 $2,400,000 Bonds (Series 2015) of The Hanover Sewerage Authority and Providing for Their Sale to the New Jersey Environmental Infrastructure Trust 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 December 3, 2014, 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 3rd day of December, 2014.

The Resolution was seconded by Member Corona and adopted by the following roll call vote:

AYES: Chairman Schleifer, Members Byrne, Corona, Dittrick, and O'Hare

Absent: None

Member O'Hare offered the following resolution and moved its adoption:

RESOLUTION 68-14

WHEREAS, the State of New Jersey as authorized local government to participate in Local Unit Electronic Technology Pilot Program, P.L.2001, c.30 and;

WHEREAS, Hanover Sewerage Authority desires to participate in the program, and;

WHEREAS, EMEX, LLC, a State of New Jersey approved vendor for purchase of energy generation services, has conducted a reverse auction for electricity for the Hanover Sewerage Authority, and;

WHEREAS, there is no fee charged to the Hanover Sewerage Authority by EMEX, LLC for the services associated with the reverse auction, and;

WHERAS, EMEX, LLC is paid by the successful bidder for electricity for the Hanover Sewerage Authority, and;

WHEREAS, terms of 12, 18, and 24 months are available.

BE IT RESOLVED by the Hanover Sewerage Authority, in the County of Morris and State of New Jersey, the Executive Director is authorized, upon review and approval of the contract by the Authority Attorney, to accept the bid of the successful bidder for a 24 month period beginning on or about March 15, 2015, and;

BE IT FURTHER RESOLVED that the Executive Director shall file a copy of this Resolution with the Division of Local Government Services.

1. This Resolution shall take effect as provided by law.

HANOVER SEWERAGE AUTHORITY
COUNTY OF MORRIS
STATE OF NEW JERSEY

DATED: December 3, 2014

ATTEST:

The Resolution was seconded by Member Corona and adopted by the following roll call vote:

AYES: Chairman Schleifer, Members Byrne, Corona, Dittrick, and O'Hare

Absent: None

Member Corona moved the following reports be accepted and filed as received; Chairman Schleifer seconded; there was unanimous approval. Absent: None

REPORTS

Plant Operations Report – dated October 16 – November 19, 2014

Hatch Mott MacDonald Report – dated November 21, 2014
Collection System Status Report – dated October 16 – November 19, 2014
Treasurers Report – dated October 31, 2014
Superintendents Report – No. 736, dated October 2014

Member Corona moved the following bills list be accepted and filed as received; Member O'Hare seconded; there was unanimous approval. Absent: None

OCTOBER 2014

REVENUE FUND 113	$ 0.00
REVENUE FUND 114	$365,949.37
REVENUE FUND 201	$ 0.00
PLANT EXPANSION FUND 301	$157,542.41
PLAN REVIEW FUND 401	$ 2,575.02
PAYROLL	$ 211,036.37

NOVEMBER 2014

REVENUE FUND 113	$ 0.00
REVENUE FUND 114	$685,719.29
REVENUE FUND 201	$ 183.03
PLANT EXPANSION FUND 301	$234,009.51
PLAN REVIEW FUND 401	$ 4,870.13
PAYROLL	$191,475.25

Bills list is kept separately.

OTHER BUSINESS – The Executive Director reminded the Board that the HSA holiday luncheon is on Dec 19 at the Treatment Plant.

OPEN TO PUBLIC – None present

ADJOURNMENT The Chairman accepted a motion to adjourn the meeting. Member Dittrick made the motion, Member Corona seconded; there was unanimous roll call approval. The meeting adjourned at 8:43 p.m.

Respectfully submitted,

Michael C. Wynne, P.E.
Executive Director