

**WATER AUTHORITY OF WESTERN NASSAU COUNTY
Minutes of the Meeting of March 9, 2015**

Location: 1580 Union Turnpike, New Hyde Park

Attendance: George Bakich	Town of Hempstead
Dominick Longobardi	Village of Floral Park
Susan Powderly	Village of Bellerose
Reid Sakowich	Village of New Hyde Park
Marianna Wohlgemuth	Town of North Hempstead
Chris Gorman	Village of Stewart Manor
Arlene McMullan	Village of South Floral Park

Absent: Bart Brown	Village of Garden City
Aly Kayne	Town of Hempstead

Legal Counsel: Dominick Minerva, Esq., Minerva & D’Agostino, P.C.

Water Authority: J. Ryan, Chairman; M. Tierney, Superintendent

Mr. Ryan called the meeting to order at 7:00 PM and asked D. Longobardi to lead the salute to the flag.

Resolution #090/14/15

A SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED TWENTY-SEVEN MILLION DOLLARS (\$27,000,000) PRINCIPAL AMOUNT OF SENIOR LIEN BONDS OF THE WATER AUTHORITY OF WESTERN NASSAU COUNTY; AUTHORIZING THE CHAIRPERSON OF THE AUTHORITY TO TAKE ANY AND ALL ACTION NECESSARY TO PROVIDE FOR THE SALE OF SAID BONDS; DELEGATING TO THE CHAIRPERSON OF THE AUTHORITY THE POWER TO FIX THE TERMS, CONDITIONS AND DETAILS THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT; AND AUTHORIZING RELATED ACTIONS.

WHEREAS, the Water Authority of Western Nassau County (the “Authority”) adopted on May 13, 1996 a resolution authorizing and providing for the issuance of revenue bonds of the Authority for the purposes of the Water System of the Authority (the “Resolution”); and

WHEREAS, the Authority has deemed it advisable and financially advantageous to provide for the refunding, in whole or in part, of the Authority’s outstanding Water System Revenue Bonds, Series 2005, issued on August 4, 2005 (the “Bonds to be Refunded”); and

WHEREAS, the Authority has determined it advisable and financially advantageous to issue its Senior Lien Bonds in an aggregate principal amount not to exceed \$27,000,000 (the "Series 2015B Bonds"); and

WHEREAS, the Authority has determined it advisable and financially advantageous to apply the proceeds of the Series 2015B Bonds (i) effect the refunding of the Bonds to be Refunded and (ii) to pay for certain costs of issuance relating to the Series 2015B Bonds;

NOW, THEREFORE, UPON MOTION OF S. POWDERLY, SECONDED BY C. GORMAN

BE IT RESOLVED BY THE WATER AUTHORITY OF WESTERN NASSAU COUNTY, AS FOLLOWS:

SECTION 1. Definitions. (A) Unless the context shall clearly indicate some other meaning, all words and terms used in this Supplemental Resolution which are defined in the Resolution shall for all purposes of this Supplemental Resolution have the respective meanings given to them in the Resolution.

(B) Unless or except as the context shall clearly indicate otherwise or may otherwise require in this Supplemental Resolution: (i) all references to a particular Article, section and/or subdivision of the Resolution or this Supplemental Resolution, as the case may be, are to the corresponding Article, section or subdivision of the Resolution only, or this Supplemental Resolution only, as the case may be; (ii) the terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms refer to this Supplemental Resolution as a whole and not to any particular section or subdivision hereof; (iii) the terms "therein," "thereunder," "thereby," "thereto," "thereof," and any similar terms, refer to the Resolution and to the Resolution as a whole and not to any particular Article, section or subdivision thereof; and (iv) the term "heretofore" means before the time of effectiveness of this Supplemental Resolution and the term "hereafter" means after the time of effectiveness of this Supplemental Resolution.

SECTION 2. Authorization of Series 2015B Bonds to be Issued. There is hereby authorized to be issued and shall be issued under and secured by the Resolution a Series of Senior Lien Bonds (the Series 2015B Bonds, as defined above) in the total principal amount of not to exceed Twenty-Seven Million Dollars (\$27,000,000), for the purpose of refunding, in whole or in part, the Bonds to be Refunded, exclusive of bonds issued to fund a reserve account relating to such bonds. The Series 2015B Bonds authorized to be issued hereunder shall be designated "Water System Revenue Bonds, Series 2015B", and shall have such other designations as determined by the Chairperson of the Authority, and shall have such terms, conditions and details as shall be provided in a Certificate of Determination to be executed by the Chairperson subsequent to the date hereof. In the event that the Chairman determines to issue, initially, less than the amount of Series 2015B Bonds authorized to be issued hereunder, any subsequent issue of such Series 2015B Bonds may be subject to the terms and conditions to be set forth or delegated to the Chairman in a separate supplemental resolution of the Authority to be adopted on a future date. The final maturity date of the Series 2015B Bonds shall in no event occur more than thirty (30) years after the original date of issuance of the Series 2015B Bonds. The Series 2015B Bonds may be issued in one (1) or more Series.

SECTION 3. Delegation to Chairperson. There is hereby delegated to the Chairperson, subject to the limitations contained herein and in the Resolution, the power with respect to the Series 2015B Bonds to carry out the following actions, and determine and carry out the following terms and conditions which shall be set forth in a Certificate of Determination:

(a) The selection of an underwriter(s) (the “Underwriter”) for the Series 2015B Bonds;

(b) The number of Series of Bonds to be issued;

(c) The solicitation of ratings for the Series 2015B Bonds;

(d) The preparation and distribution of a preliminary and final official statement relating to the Series 2015B Bonds; and to deem final the preliminary official statement relating to the Series 2015B Bonds for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

(e) The final identity of the Bonds to be Refunded;

(f) The private sale of the Series 2015B Bonds to the Underwriter; provided, however that: (i) the purchase price, including original issue and underwriter’s discount, shall not be less than ninety-six percent (96%) of the principal amount of the Series 2015B Bonds, (ii) the true interest cost of the Series 2015B Bonds shall not be greater than eight percent (8%) per annum, and (iii) the terms of said sale shall be subject to the written approval of the New York State Comptroller. In connection therewith the Chairperson is hereby authorized to execute a contract for the purchase and sale of the Series 2015B Bonds with the Underwriter;

(g) The final aggregate principal amount of the Series 2015B Bonds which shall not exceed the amount of Series 2015B Bonds authorized by this Supplemental Resolution and shall be subject to the other limitations set forth in Section 2 hereof, the principal amortization schedule of the Series 2015B Bonds, and the date, maturity date or dates and interest payment dates of the Series 2015B Bonds;

(h) The interest rate or rates of the Series 2015B Bonds;

(i) The denominations of and manner of numbering and lettering the Series 2015B Bonds;

(j) Whether the Series 2015B Bonds will be issued in fully registered form or in any other form permitted under the Resolution, the privileges, if any, of convertibility from one form to another, and the place or places of such registration and conversion;

(k) The redemption provisions, if any, relating to the Series 2015B Bonds;

(l) If any of the Series 2015B Bonds are to be issued as Term Bonds, the amount and due dates of each sinking fund installment for the Term Bonds of such Series, and the date or dates and redemption price or prices upon which the Term Bonds of the Series may be

redeemed from such installments, and the manner and procedure of applying such installments to the redemption of the Term Bonds of such Series;

(m) The determinations required to be made by paragraphs A and B of Section 3.3 of the Resolution;

(n) The place or places of payment of the Series 2015B Bonds and premium, if any, and interest thereon;

(o) The use, application and investment, if any, of the proceeds of such sale of the Series 2015B Bonds and moneys on deposit in the Bond Fund relating to the Bonds to be Refunded, which use, application and investment shall not be inconsistent or in conflict with the provisions of the Resolution;

(p) The identity of the provider of any Additional Security for the Series 2015B Bonds, and the execution of any agreements relating to said Additional Security with the providers thereof. In the event that the Chairperson determines to obtain any Additional Security for the Series 2015B Bonds, the terms and conditions relating thereto shall be set forth in the Certificate of Determination;

(q) Whether the Reserve Account, Series 2015B, referred to below shall be funded with proceeds of the Series 2015B Bonds, Net Revenues, a Reserve Account Facility, or any combination of the foregoing, and the negotiation and execution of any agreements relating to any such Reserve Account Facility; and

(r) Any other provisions which may be required to be inserted in such Certificate of Determination by the provisions of the Resolution or any other necessary or desirable provisions not inconsistent or in conflict with the provisions of the Resolution; or the taking of any and all action necessary to provide for the issuance of the Series 2015B Bonds, including the execution of any required documents, certificates and agreements, closing documents and tax and arbitrage certificates.

Any prior actions of the Chairperson regarding the foregoing are hereby ratified and approved.

SECTION 4. Appointment of Paying Agent and Registrar. The Bank of New York Mellon, New York, New York is hereby appointed Paying Agent and Registrar for the Series 2015B Bonds.

SECTION 5. Reserve Accounts. There is hereby created in the Bond Fund a reserve account for the Series 2015B Bonds to be known as the "Reserve Account, Series 2015B." In the event that the Series 2015B Bonds are issued in more than one (1) Series, there shall be established a reserve account for each Series, with appropriate Series designation for each account. Moneys in the Reserve Account, Series 2015B shall be applied as provided in the Resolution. The Reserve Account Requirement for the Series 2015B Bonds shall be that amount which is equal to the maximum principal and interest payments due on the Series 2015B Bonds in any Fiscal Year, or if funded from the proceeds of the Series 2015 Bonds, the lesser of (i) ten percent (10%) of the proceeds of the Series 2015B Bonds, (ii) the maximum principal and interest payments due on the

Series 2015B Bonds in any Fiscal Year, (iii) 125% of the average of the annual installments of Debt Service with respect to all Series 2015B Bonds for the current and all future Fiscal Years and (iv) the maximum amount permitted by federal tax law to be funded from Bond proceeds.

In satisfaction of the Reserve Account Requirement for the Series 2015B Bonds and in amount equal thereto the Authority may provide a Reserve Account Facility in the manner provided for in the Resolution. The Chairperson or the Treasurer are hereby authorized to execute and deliver any agreements required to be entered into on behalf of the Authority in connection with any such Reserve Account Facility.

SECTION 6. Series 2015B Rebate Account. There shall be created in the Rebate Fund a special account with respect to the Series 2015B Bonds to be known as the “Series 2015B Rebate Account.” In the event that the Series 2015B Bonds are issued in more than one (1) Series, there shall be established a Rebate Account for each Series, with appropriate Series designation for each account. Deposits or credits to and withdrawals from the Series 2015B Rebate Account, the calculation of amounts to be deposited or credited thereto and investment of amounts on deposit therein shall be as set forth in a Tax Certificate to be executed by the Chairperson or the Treasurer of the Authority in connection with the issuance of the Series 2015B Bonds.

SECTION 7. Application of Proceeds of Sale of the Series 2015B Bonds. Proceeds of the sale of the Series 2015B Bonds shall be applied as follows:

(a) Accrued interest received on the Series 2015B Bonds, if any, from their date to the date of delivery of and payment for the Series 2015B Bonds shall be paid to the Bond Fund Trustee for deposit into the Interest Account in the Bond Fund to be applied to the payment of interest on the Series 2015B Bonds on the first interest payment date thereof.

(b) The proceeds of the Refunding Bonds in an amount necessary to provide for the payment of the principal of, redemption premium, if any, and interest on the Bonds to be Refunded when due, shall be deposited in the Escrow Fund (the “Escrow Fund”), created by the Escrow Agreement (as defined in Section 8). Such moneys shall be invested as provided in the Escrow Agreement in non-callable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to pay the principal of, redemption premium, if any, and interest on the Bonds to be refunded, as the same becomes due.

(c) Proceeds, if any, to be used to fund the Reserve Account Requirement for the Series 2015B Bonds shall be deposited in the Reserve Account, Series 2015B.

(d) The balance of the proceeds of the Series 2015B Bonds shall be applied towards the payments of fees and expenses related to the issuance and sale of the Series 2015B Bonds, including, but not limited to, the payment of any premiums on any Additional Security, if any, and Reserve Account Facility, if any, obtained to satisfy the Reserve Account Requirement for the Series 2015B Bonds.

SECTION 8. Execution and Delivery of Escrow Agreement. The Chairperson or Treasurer of the Authority are hereby authorized and directed to enter into and execute on behalf

of the Authority an Escrow Agreement between the Authority and Bank of New York Mellon as Escrow Agent thereunder (the “Escrow Agreement”).

SECTION 9. Appointment of Bond Counsel. Nixon Peabody LLP is hereby appointed to serve as Bond Counsel in connection with the sale and issuance of the Series 2015B Bonds pursuant to the terms and conditions set forth in the engagement letter attached hereto as Exhibit A.

SECTION 10. CUSIP Identification Numbers. CUSIP identification numbers, at the sole option of the Authority, may be placed on the Series 2015B Bonds but neither the failure to place any such number on any Series 2015B Bond nor any inaccuracy, error or omission with respect thereto shall constitute cause for failure or refusal by the purchasers to accept delivery of and pay for the Series 2015B Bonds. No such CUSIP identification number shall constitute a part of the contract evidenced by the particular Series 2015B Bond upon which it is imprinted and no liability shall attach to the Authority or any officer or agent thereof, including any Registrar or Paying Agent for the Series 2015B Bonds, by reason of such number or any use made thereof, including any use thereof made by the Authority, any such officer or any such agent, or by reason of any inaccuracy, error or omission with respect thereto or in such use.

SECTION 11. Federal Tax Covenant. The Authority hereby covenants with the registered owners from time to time of any tax-exempt Series 2015B Bonds issued hereunder that (i) throughout the term of such tax-exempt Series 2015B Bonds and (ii) through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code it will comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on such tax-exempt Series 2015B Bonds shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103.

SECTION 12. Disclosure Covenant. The Authority hereby covenants with the holders from time to time of the Series 2015 Bonds that throughout the term of the Series 2015B Bonds it will comply with any contractual agreements with respect to the provisions of Rule 15c-12 under the Securities and Exchange Act of 1934, as amended, including covenants to provide continuing secondary market disclosure. In connection therewith, the Chairperson or the Treasurer of the Authority is authorized to enter into a continuing disclosure agreement with the Bond Fund Trustee for the benefit of the holders of the Series 2015B Bonds from time to time.

SECTION 13. Effect of Section Headings. The heading or titles of the several Sections hereof shall be solely for convenience or reference and shall not affect the meaning, construction, interpretation or effect of this Supplemental Resolution.

SECTION 14. Effective Date. This Supplemental Resolution shall take effect upon its adoption.

Open for discussion and roll call vote.

Town of Hempstead	26.2	Aye
Town of Hempstead	26.2	Absent
Village of Floral Park	17.7	Aye
Village of New Hyde Park	12.3	Aye
Town of North Hempstead	11.1	Aye
Village of Stewart Manor	2.3	Aye
Village of Bellerose	1.5	Aye
Village of South Floral Park	1.4	Absent
Village of Garden City	<u>1.3</u>	Absent
TOTAL	71.1	

Motion unanimously carried.

Resolution #091/14/15

A SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED SIXTY-TWO MILLION DOLLARS (\$62,000,000) PRINCIPAL AMOUNT OF SENIOR LIEN BONDS OF THE WATER AUTHORITY OF WESTERN NASSAU COUNTY; AUTHORIZING THE CHAIRPERSON OF THE AUTHORITY TO TAKE ANY AND ALL ACTION NECESSARY TO PROVIDE FOR THE SALE OF SAID BONDS; DELEGATING TO THE CHAIRPERSON OF THE AUTHORITY THE POWER TO FIX THE TERMS, CONDITIONS AND DETAILS THEREOF; AND AUTHORIZING RELATED ACTIONS.

WHEREAS, the Water Authority of Western Nassau County (the “Authority”) adopted on May 13, 1996 a resolution authorizing and providing for the issuance of revenue bonds of the Authority for the purposes of the Water System of the Authority (the “Resolution”); and

WHEREAS, the Authority has deemed it advisable to fund the Cost of Acquisition and Construction of improvements to the Water System, through the issuance of its revenue bonds; and

WHEREAS, the Authority has determined it advisable and financially advantageous to issue its Senior Lien Bonds in an aggregate principal amount not to exceed \$62,000,000 (the “Series 2015A Bonds”); and

WHEREAS, the Authority has determined it advisable and financially advantageous to apply the proceeds of the Series 2015A Bonds (i) to finance the Cost of Acquisition and Construction of improvements to the Water System, (ii) to fund a reserve account for the Series 2015A Bonds, if necessary, and (iii) to pay for certain costs of issuance relating to the Series 2015A Bonds;

NOW, THEREFORE, UPON MOTION OF R. SAKOWICH, SECONDED BY D. LONGOBARDI

BE IT RESOLVED BY THE WATER AUTHORITY OF WESTERN NASSAU COUNTY, AS FOLLOWS:

SECTION 15. Definitions. (A) Unless the context shall clearly indicate some other meaning, all words and terms used in this Supplemental Resolution which are defined in the Resolution shall for all purposes of this Supplemental Resolution have the respective meanings given to them in the Resolution.

(B) Unless or except as the context shall clearly indicate otherwise or may otherwise require in this Supplemental Resolution: (i) all references to a particular Article, section and/or subdivision of the Resolution or this Supplemental Resolution, as the case may be, are to the corresponding Article, section or subdivision of the Resolution only, or this Supplemental Resolution only, as the case may be; (ii) the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar terms refer to this Supplemental Resolution as a whole and not to any particular section or subdivision hereof; (iii) the terms “therein,” “thereunder,” “thereby,” “thereto,” “thereof,” and any similar terms, refer to the Resolution and to the Resolution as a whole and not to any particular Article, section or subdivision thereof; and (iv) the term “heretofore” means before the time of effectiveness of this Supplemental Resolution and the term “hereafter” means after the time of effectiveness of this Supplemental Resolution.

SECTION 16. Authorization of Series 2015A Bonds to be Issued. There is hereby authorized to be issued and shall be issued under and secured by the Resolution a Series of Senior Lien Bonds (the Series 2015A Bonds, as defined above) in the total principal amount of not to exceed Sixty-Two Million Dollars (\$62,000,000), for the purpose of financing the Cost of Acquisition and Construction of improvements to the Water System, exclusive of bonds issued to fund a reserve account relating to such bonds. The Series 2015A Bonds authorized to be issued hereunder shall be designated “Water System Revenue Bonds, Series 2015A”, and shall have such other designations as determined by the Chairperson of the Authority, and shall have such terms, conditions and details as shall be provided in a Certificate of Determination to be executed by the Chairperson subsequent to the date hereof. In the event that the Chairman determines to issue, initially, less than the amount of Series 2015A Bonds authorized to be issued hereunder, any subsequent issue of such Series 2015A Bonds may be subject to the terms and conditions to be set forth or delegated to the Chairman in a separate supplemental resolution of the Authority to be adopted on a future date. The final maturity date of the Series 2015A Bonds shall in no event occur more than thirty (30) years after the original date of issuance of the Series 2015A Bonds. The Series 2015A Bonds may be issued in one (1) or more Series.

SECTION 17. Delegation to Chairperson. There is hereby delegated to the Chairperson, subject to the limitations contained herein and in the Resolution, the power with respect to the Series 2015A Bonds to carry out the following actions, and determine and carry out the following terms and conditions which shall be set forth in a Certificate of Determination:

(a) The selection of an underwriter(s) (the “Underwriter”) for the Series 2015A Bonds;

- (b) The number of Series of Bonds to be issued;
- (c) The solicitation of ratings for the Series 2015A Bonds;
- (d) The preparation and distribution of a preliminary and final official statement relating to the Series 2015A Bonds; and to deem final the preliminary official statement relating to the Series 2015A Bonds for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.
- (e) The private sale of the Series 2015A Bonds to the Underwriter; provided, however that: (i) the purchase price, including original issue and underwriter's discount, shall not be less than ninety-six percent (96%) of the principal amount of the Series 2015A Bonds, (ii) the true interest cost of the Series 2015A Bonds shall not be greater than eight percent (8%) per annum, and (iii) the terms of said sale shall be subject to the written approval of the New York State Comptroller. In connection therewith the Chairperson is hereby authorized to execute a contract for the purchase and sale of the Series 2015A Bonds with the Underwriter;
- (f) The final aggregate principal amount of the Series 2015A Bonds which shall not exceed the amount of Series 2015A Bonds authorized by this Supplemental Resolution and shall be subject to the other limitations set forth in Section 2 hereof, the principal amortization schedule of the Series 2015A Bonds, and the date, maturity date or dates and interest payment dates of the Series 2015A Bonds;
- (g) The interest rate or rates of the Series 2015A Bonds;
- (h) The denominations of and manner of numbering and lettering the Series 2015A Bonds;
- (i) Whether the Series 2015A Bonds will be issued in fully registered form or in any other form permitted under the Resolution, the privileges, if any, of convertibility from one form to another, and the place or places of such registration and conversion;
- (j) The redemption provisions, if any, relating to the Series 2015A Bonds;
- (k) If any of the Series 2015A Bonds are to be issued as Term Bonds, the amount and due dates of each sinking fund installment for the Term Bonds of such Series, and the date or dates and redemption price or prices upon which the Term Bonds of the Series may be redeemed from such installments, and the manner and procedure of applying such installments to the redemption of the Term Bonds of such Series;
- (l) The determinations required to be made by paragraph A of Section 3.3 of the Resolution;
- (m) The place or places of payment of the Series 2015A Bonds and premium, if any, and interest thereon;

(n) The use, application and investment, if any, of the proceeds of such sale of the Series 2015A Bonds, which use, application and investment shall not be inconsistent or in conflict with the provisions of the Resolution;

(o) The identity of the provider of any Additional Security for the Series 2015A Bonds, and the execution of any agreements relating to said Additional Security with the providers thereof. In the event that the Chairperson determines to obtain any Additional Security for the Series 2015A Bonds, the terms and conditions relating thereto shall be set forth in the Certificate of Determination;

(p) Whether the Reserve Account, Series 2015A, referred to below shall be funded with proceeds of the Series 2015A Bonds, Net Revenues, a Reserve Account Facility, or any combination of the foregoing, and the negotiation and execution of any agreements relating to any such Reserve Account Facility; and

(q) Any other provisions which may be required to be inserted in such Certificate of Determination by the provisions of the Resolution or any other necessary or desirable provisions not inconsistent or in conflict with the provisions of the Resolution; or the taking of any and all action necessary to provide for the issuance of the Series 2015A Bonds, including the execution of any required documents, certificates and agreements, closing documents and tax and arbitrage certificates.

Any prior actions of the Chairperson regarding the foregoing are hereby ratified and approved.

SECTION 18. Appointment of Paying Agent and Registrar. The Bank of New York Mellon, New York, New York is hereby appointed Paying Agent and Registrar for the Series 2015A Bonds.

SECTION 19. Reserve Accounts. There is hereby created in the Bond Fund a reserve account for the Series 2015A Bonds to be known as the "Reserve Account, Series 2015A." In the event that the Series 2015A Bonds are issued in more than one (1) Series, there shall be established a reserve account for each Series, with appropriate Series designation for each account. Moneys in the Reserve Account, Series 2015A shall be applied as provided in the Resolution. The Reserve Account Requirement for the Series 2015A Bonds shall be that amount which is equal to the maximum principal and interest payments due on the Series 2015A Bonds in any Fiscal Year, or if funded from the proceeds of the Series 2015A Bonds, the lesser of (i) ten percent (10%) of the proceeds of the Series 2015A Bonds, (ii) the maximum principal and interest payments due on the Series 2015A Bonds in any Fiscal Year, (iii) 125% of the average of the annual installments of Debt Service with respect to all Series 2015A Bonds for the current and all future Fiscal Years and (iv) the maximum amount permitted by federal tax law to be funded from Bond proceeds.

In satisfaction of the Reserve Account Requirement for the Series 2015A Bonds and in amount equal thereto the Authority may provide a Reserve Account Facility in the manner provided for in the Resolution. The Chairperson or the Treasurer are hereby authorized to execute and deliver any agreements required to be entered into on behalf of the Authority in connection with any such Reserve Account Facility.

SECTION 20. Construction Fund. There is hereby created and established a separate trust fund of the Authority to be known as the “Construction Fund, Series 2015A,” to be held by the Authority. Moneys in the Construction Fund, Series 2015A shall be applied solely to the Costs of Acquisition and Construction of the Water System and to payment of fees and expenses in connection with the issuance and sale of the Series 2015A Bonds. Any non-exempt project for which moneys in the Construction Fund, Series 2015A may be applied shall be reviewed, subject to the New York State Environmental Quality Review Act (“SEQRA”), Environmental Conservation Law, prior to the adoption of any decision, order or resolution committing the Authority or applicable agency to undertake such project. Moneys shall be paid out of the Construction Fund, Series 2015A only upon approval of the Authority upon compliance with applicable law and regulations, including, but not limited to SEQRA, and upon a determination (i) that an obligation in the stated amount has been incurred by or on behalf of the Authority, or that an advance has been made by or on behalf of the Authority; and each use thereof is a proper and reasonable charge against the Construction Fund, Series 2015A and that such amount has not been theretofore paid or reimbursed; and (ii) that there has not been filed with or served upon the Authority any notice of any lien, or attachment upon or claim affecting the right to receive payment of any of the moneys payable to the person, firm or corporation to which such payment is to be made which has not been released or will not be released simultaneously with the payment of such obligations and, in the event any assignment of the right to receive payment has been made and notice thereof has been given to the Authority and the Authority has accepted such assignment, the payment shall be made to the assignee as shown by the records of the Authority.

The Authority is hereby authorized to reimburse itself with the proceeds of the Series 2015A Bonds for certain expenditures with respect to the Cost of Acquisition and Construction of improvements to the Water System (the “Expenditures”), a date which is no more than sixty (60) days prior to the date hereof. The Authority reasonably expects on the date hereof that it will reimburse the Expenditures with a portion of the proceeds of the Series 2015A Bonds. Each Expenditure was and will be either (i) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (ii) a cost of issuance with respect to the Series 2015A Bonds, or (iii) a grant to a party that is not related to or an agent of the Authority so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for benefit of the Authority. The Authority will prepare written reimbursement allocations that evidence the use of proceeds of the Series 2015A Bonds to reimburse an Expenditure, not later than eighteen (18) months after the later of the date on which the Expenditure is paid or the projects financed are placed in service or abandoned, but in no event more than three (3) years after the date on which such Expenditure is paid; provided, however that exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de minimis amounts and expenditures for construction projects of at least five (5) years.

SECTION 21. Series 2015A Rebate Account. There shall be created in the Rebate Fund a special account with respect to the Series 2015A Bonds to be known as the “Series 2015A Rebate Account.” In the event that the Series 2015A Bonds are issued in more than one (1) Series, there shall be established a Rebate Account for each Series, with appropriate Series designation for each account. Deposits or credits to and withdrawals from the Series 2015A Rebate Account, the calculation of amounts to be deposited or credited thereto and investment of amounts on deposit

therein shall be as set forth in a Tax Certificate to be executed by the Chairperson or the Treasurer of the Authority in connection with the issuance of the Series 2015A Bonds.

SECTION 22. Application of Proceeds of Sale of the Series 2015A Bonds. Proceeds of the sale of the Series 2015A Bonds shall be applied as follows:

(a) Accrued interest received on the Series 2015A Bonds, if any, from their date to the date of delivery of and payment for the Series 2015A Bonds shall be paid to the Bond Fund Trustee for deposit into the Interest Account in the Bond Fund to be applied to the payment of interest on the Series 2015A Bonds on the first interest payment date thereof.

(b) Proceeds, if any, to be used to fund the Reserve Account Requirement for the Series 2015A Bonds shall be deposited in the Reserve Account, Series 2015A.

(c) The balance of the proceeds of the Series 2015A Bonds shall be deposited in the Construction Fund, Series 2015A created in Section 6 hereof and shall be applied towards the Cost of Acquisition and Construction of improvements to the Water System or to the payments of fees and expenses related to the issuance and sale of the Series 2015A Bonds, including, but not limited to, the payment of any premiums on any Additional Security, if any, and Reserve Account Facility, if any, obtained to satisfy the Reserve Account Requirement for the Series 2015A Bonds.

SECTION 23. Appointment of Bond Counsel. Nixon Peabody LLP is hereby appointed to serve as Bond Counsel in connection with the sale and issuance of the Series 2015A Bonds pursuant to the terms and conditions set forth in the engagement letter attached hereto as Exhibit A.

SECTION 24. CUSIP Identification Numbers. CUSIP identification numbers, at the sole option of the Authority, may be placed on the Series 2015A Bonds but neither the failure to place any such number on any Series 2015A Bond nor any inaccuracy, error or omission with respect thereto shall constitute cause for failure or refusal by the purchasers to accept delivery of and pay for the Series 2015A Bonds. No such CUSIP identification number shall constitute a part of the contract evidenced by the particular Series 2015A Bond upon which it is imprinted and no liability shall attach to the Authority or any officer or agent thereof, including any Registrar or Paying Agent for the Series 2015A Bonds, by reason of such number or any use made thereof, including any use thereof made by the Authority, any such officer or any such agent, or by reason of any inaccuracy, error or omission with respect thereto or in such use.

SECTION 25. Federal Tax Covenant. The Authority hereby covenants with the registered owners from time to time of any tax-exempt Series 2015A Bonds issued hereunder that (i) throughout the term of such tax-exempt Series 2015A Bonds and (ii) through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code it will comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on such tax-exempt Series 2015A Bonds shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103.

SECTION 26. Disclosure Covenant. The Authority hereby covenants with the holders from time to time of the Series 2015A Bonds that throughout the term of the Series 2015A

Bonds it will comply with any contractual agreements with respect to the provisions of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, including covenants to provide continuing secondary market disclosure. In connection therewith, the Chairperson or the Treasurer of the Authority is authorized to enter into a continuing disclosure agreement with the Bond Fund Trustee for the benefit of the holders of the Series 2015A Bonds from time to time.

SECTION 27. Effect of Section Headings. The heading or titles of the several Sections hereof shall be solely for convenience or reference and shall not affect the meaning, construction, interpretation or effect of this Supplemental Resolution.

SECTION 28. Effective Date. This Supplemental Resolution shall take effect upon its adoption.

Open for discussion and roll call vote.

Town of Hempstead	26.2	Aye
Town of Hempstead	26.2	Absent
Village of Floral Park	17.7	Aye
Village of New Hyde Park	12.3	Aye
Town of North Hempstead	11.1	Aye
Village of Stewart Manor	2.3	Aye
Village of Bellerose	1.5	Aye
Village of South Floral Park	1.4	Absent
Village of Garden City	<u>1.3</u>	Absent
TOTAL	71.1	

Motion unanimously carried.

Date of Next Meeting March 30, 2015

Public Comment None

Resolution #092/14/15 – Executive Session

Motion by D. Longobardi, seconded by G. Bakich for the Board to go into Executive Session to discuss matters of personnel. Open for discussion.

Vote: For: 7 Against: 0 Abstentions: 0

Motion passed and the Board went into Executive Session at 7:35 PM.

Resolution #093/14/15 – Executive Session

Motion by R. Sakowich seconded by D. Longobardi for the Board to come out of Executive Session. Open for discussion. Vote: For: 7 Against: 0 Abstentions: 0 Motion passed and the Board came out of Executive Session at 7:35 PM.

No action was taken by the Board after coming out of Executive Session..

Resolution #094/14/15 - Adjournment

Motion by C. Gorman, seconded by G. Bakich to adjourn. Open for discussion.

Vote: For: 7 Against: 0 Abstentions: 0 Motion unanimously carried and the meeting was adjourned at 7:35 PM.

Respectfully submitted

Signed copy of minutes on file

Dominick Minerva
Secretary