

ASSEMBLY, No. 1499

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman KEVIN J. ROONEY

District 40 (Bergen, Essex, Morris and Passaic)

SYNOPSIS

Establishes measures to improve transparency and accountability of regional authorities of this State; enhances oversight of those authorities by Governor and State Comptroller.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT providing for additional State oversight of multi-
2 jurisdictional State and local entities, amending and
3 supplementing various parts of the statutory law.
4

5 BE IT ENACTED by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. (New section) Sections 1 through 5, 17, and 18 of P.L. ,
9 c. (C.) (pending before the Legislature as this bill) shall be
10 known and may be cited as the “Shadow Government Reform
11 Law.”
12

13 2. (New section) The Legislature finds and declares that:

14 a. Over the past two hundred years, dozens of water, sewer,
15 and environmental authorities, boards, and commissions have been
16 created to provide services that are vital to the health, safety, and
17 welfare of those whose daily life activities depend on such services,
18 yet the operations of these entities are hidden from and remain
19 unknown to many of the citizens of New Jersey.

20 b. In order to protect the health, safety, and welfare of the
21 residents of New Jersey, it is prudent to provide for additional and
22 more streamlined oversight over the multi-jurisdictional water,
23 sewer, and environmental authorities, boards, and commissions that
24 are currently operating without adequate supervision and oversight.

25 c. It has become evident that, without the proper oversight and
26 transparency, waste, mismanagement, and abuse are taking place at
27 certain authorities, boards, and commissions across the State, and
28 the public is placed at risk.

29 d. Legislation is necessary to make these governmental entities
30 transparent, responsive, and answerable to the citizens of this State
31 through enhanced oversight measures.
32

33 3. (New section) As used in this act:

34 “Environmental authority, board, or commission” means an
35 authority, board, commission, or other public body authorized by
36 law to provide water, sewer, or other utility services, or to engage in
37 zoning of facilities for or planning for provision of such services.

38 “Member” of an authority, board, or commission means a
39 member of the governing body of that authority or commission,
40 regardless of whether the person is appointed as a member by a
41 State, county, local, or other governmental official or who holds
42 membership ex officio.

43 “Regional authority” means:

- 44 (1) The Passaic Valley Sewerage Commissioners;
45 (2) The North Jersey District Water Supply Commission;

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (3) The New Jersey Meadowlands Commission;

2 (4) The Passaic Valley Water Commission; and

3 (5) Any environmental authority, board, or commission, not
4 included among the foregoing, owning real property assets or
5 providing services in more than one county, including, but not
6 limited to, those subject to oversight pursuant to the "Local
7 Authorities Fiscal Control Law," P.L.1983, c.313 (C.40A:5A-1 et
8 seq.) or appointed pursuant to R.S.40:62-109.

9
10 4. (New section) a. Each regional authority shall maintain the
11 minutes of all meetings held by the members thereof, including
12 minutes of closed sessions permitted under section 7 of P.L.1975,
13 c.231 (C.10:4-12). A regional authority shall not pass any
14 resolution or take any other official action except upon the
15 affirmative vote of members constituting a majority of the full
16 authorized membership of that regional authority. The secretary of
17 the regional authority shall record the authority's passing of any
18 resolution or taking of any other official action in the minutes of the
19 meeting of the regional authority at which that resolution was
20 passed or other action taken.

21 b. A true copy of the minutes of every meeting of each regional
22 authority shall be delivered forthwith by and under the certification
23 of the secretary thereof to the Governor. No resolution passed or
24 other official action taken at any such meeting shall have force or
25 effect until 15 days after the copy of the minutes shall have been so
26 delivered, unless during this 15-day period the Governor shall
27 approve in writing the minutes or any part thereof, in which case
28 the resolution or other action shall become effective upon approval.
29 If, within that 15-day period, the Governor returns a copy of the
30 minutes with the Governor's veto of any action taken by the
31 regional authority or any member thereof at the meeting, the action
32 shall be null and void and of no effect. Notwithstanding the
33 foregoing, if the last day of the 15-day period shall be a Saturday,
34 Sunday, or legal holiday, then the 15-day period shall be deemed
35 extended to the next following business day. Nothing in this act
36 shall in any way limit, restrict, or alter the obligation or powers of
37 any constituent or contracting municipality served by the regional
38 authority, or any representative or officer of such constituent or
39 contracting municipality, to carry out and perform in every detail
40 each and every covenant, agreement, or contract at any time made
41 or entered into by or on behalf of such constituent or contracting
42 municipality with respect to its bonds, notes, or other obligations
43 issued for the benefit, protection, or security of the holders thereof.

44 c. Each person who is a member of a regional authority shall,
45 before entering upon the duties of the office of member, take and
46 subscribe an oath to faithfully and impartially execute and perform
47 the duties imposed by law upon members, and shall cause the same
48 to be filed in the office of the Secretary of State. Notwithstanding

1 any other provision of law to the contrary, no person who is a
2 member of a regional authority shall receive any compensation for
3 services as a member.

4
5 5. (New section) a. Notwithstanding any law to the contrary,
6 the members of each regional authority shall be subject to the “New
7 Jersey Conflicts of Interest Law,” P.L.1971, c.182 (C.52:13D-12 et
8 seq.), and shall be subject to the jurisdiction of the State Ethics
9 Commission. Members of any regional authority shall be considered
10 State officers or special State officers, as appropriate, under
11 P.L.1971, c.182 and the provisions thereof applicable to State
12 officers and special State officers shall apply to such members in
13 addition to any other ethics requirements to which they are subject
14 under law.

15 b. Every regional authority shall be subject to the audit, review,
16 and oversight jurisdiction of the State Comptroller pursuant to
17 P.L.2007, c.52 (C.52:15C-1 et seq.) and any other applicable laws.

18 c. The members of a regional authority shall be subject to
19 removal by the Governor for cause after notice and an opportunity
20 to be heard.

21 d. The members of each regional authority shall file financial
22 disclosure statements and shall be subject to such other financial
23 disclosure requirements as the Governor may prescribe by executive
24 order.

25
26 6. R.S.58:5-4 is amended to read as follows:

27 58:5-4. **【**Each commissioner shall receive a salary at the rate of
28 fifteen hundred dollars per annum from the time of appointment
29 until the execution of a contract for a water supply with any
30 municipality, which salary shall be accumulative and payable upon
31 the execution of any such contract, and thereafter each
32 commissioner shall receive a salary at the rate of \$7,500.00 per
33 annum payable monthly, except the chairman of the commission,
34 chosen as hereinafter provided, who shall receive a salary at the rate
35 of \$8,500.00 per annum. Such salaries shall be charged as an
36 expense of the development and operation of any water supply
37 contracted for hereunder.**】** Commissioners shall serve without
38 compensation for services as a commissioner, either from the
39 revenues of the water supply district or otherwise, but shall be
40 entitled to reimbursement of actual and necessary expenses incurred
41 in the performance of their duties.

42 (cf: P.L.1984, c.190, s.1)

43
44 7. R.S.58:5-6 is amended to read as follows:

45 58:5-6. a. Each said commission shall, as soon as may be after
46 its appointment and qualification, and annually thereafter, organize
47 by the choice of one of its members as chairman**【**, and may from
48 time to time appoint and at its pleasure remove a secretary, counsel

1 and such engineers, assistants, agents, officers and servants as it
2 may deem necessary to carry out the purposes of this chapter, and
3 may determine their duties and compensation**】**.

4 b. In order to oversee the performance of its duties, the
5 commission shall appoint an executive director, who shall hold
6 office at the pleasure of the commission. The executive director
7 shall perform the duties of office on a full-time basis. The
8 executive director shall receive such compensation as the
9 commission may provide by resolution. The executive director
10 shall have the power to oversee all operational functions of the
11 commission, including, but not limited to, employee hiring and
12 firing, hiring of contractors, prescribing employee duties, and fixing
13 employee compensation.

14 (cf: R.S.58:5-6)

15
16 8. R.S.58:5-7 is amended to read as follows:

17 58:5-7. a. Each said commission, when duly organized, shall be
18 deemed to be and shall become a body corporate with power to sue
19 and be sued, and with the right to acquire, hold, use, lease, and
20 dispose of all such property as may be necessary for the uses and
21 purposes for which the commission was created, and with all other
22 necessary powers incident to corporate bodies.

23 b. Each commission shall maintain the minutes of all meetings
24 of the commission, both public meetings and closed sessions. No
25 resolution of either commission shall be passed, or any other
26 official action taken, except upon the affirmative vote of members
27 constituting a majority of the full authorized membership of that
28 commission. The secretary of the commission shall record the
29 commission's passing of any resolution or taking of any other
30 official action in the minutes of the meeting of the commission at
31 which that resolution was passed or other action taken.

32 c. A true copy of the minutes of every meeting of either
33 commission shall be delivered forthwith by and under the
34 certification of the secretary thereof to the Governor. No action
35 taken at any such meeting shall have force or effect until 15 days
36 after the copy of the minutes shall have been so delivered, unless
37 during this 15-day period the Governor shall approve in writing the
38 minutes or any part thereof, in which case the action shall become
39 effective upon approval. If, within that 15-day period, the
40 Governor returns a copy of the minutes with the Governor's veto of
41 any action taken by either commission or any member thereof at the
42 meeting, the action shall be null and void and of no effect.
43 Notwithstanding the foregoing, if the last day of the 15-day period
44 shall be a Saturday, Sunday, or legal holiday, then the 15-day
45 period shall be deemed extended to the next following business day.
46 The powers conferred in this subsection upon the Governor shall be
47 exercised with due regard for the rights of the holders of bonds,
48 notes, or other obligations of the contracting municipalities issued

1 pursuant to R.S.58:5-28 at any time outstanding, and nothing in, or
2 done pursuant to, this subsection shall in any way limit, restrict, or
3 alter the obligation or powers of any of the contracting
4 municipalities or any representative or officer of such contracting
5 municipality to carry out and perform in every detail each and every
6 covenant, agreement, or contract at any time made or entered into
7 by or on behalf of such contracting municipality with respect to its
8 bonds, notes, or other obligations issued pursuant to R.S.58:5-28 or
9 for the benefit, protection, or security of the holders thereof.

10 d. After the review period, prescribed under subsection c. of
11 this section for the minutes of a commission meeting, has elapsed,
12 if the Governor has not notified that commission of a veto of the
13 minutes, the minutes and any action taken at that meeting to which
14 the minutes correspond shall take effect.

15 (cf: R.S.58:5-7)

16
17 9. R.S.58:5-20 is amended to read as follows:

18 58:5-20. a. Whenever any work to be performed or material to
19 be furnished involves an expenditure exceeding **[\$7,500.00]** \$7,500
20 or the amount determined pursuant to subsection b. of this section,
21 the commission shall cause to be prepared, and shall approve in
22 public meeting, such form of contract or alternative contracts for
23 the execution of the work or the furnishing of the materials, and
24 payment therefor, as will in its judgment secure the execution of the
25 work and the furnishing of the materials most efficiently,
26 economically, and expeditiously.

27 This subsection shall not prevent the commission from having
28 any work done by its own employees, nor shall it apply to repairs,
29 or to the furnishing of materials, supplies, or labor, or the hiring of
30 equipment or vehicles, when the safety or protection of its or other
31 public property or the public convenience requires, or the exigency
32 of the commission's service will not admit of such advertisement.
33 In such case the commission shall, by resolution, passed by the
34 affirmative vote of a majority of its members, declare the exigency
35 or emergency to exist, and set forth in the resolution the nature
36 thereof and the approximate amount to be so expended.

37 Thereupon the commission shall designate the time when it will
38 meet at its usual place of meeting to receive proposals in writing for
39 doing the work or furnishing the materials in accordance with, and
40 upon the terms and conditions of, such form of contract or
41 alternative contracts, and shall order its clerk to give notice, by
42 advertisement inserted at least 10 days before the time of such
43 meeting in at least two newspapers printed and circulating in the
44 county or counties in which the municipalities in said water supply
45 project are situated, of the work to be done and the materials to be
46 furnished, particular plans and specifications of which shall, at the
47 time of such order, be filed in the office of the commission.

1 All proposals shall be publicly opened by the commission, which
2 shall award the contract to the lowest responsible and qualified
3 bidder under the form of the contract originally adopted or the form
4 of the alternative contract which shall then be adopted by it as most
5 advantageous.

6 Each contractor shall be required to give bond satisfactory in
7 amount and security to the commission for the faithful performance
8 of his contract.

9 b. The Governor, in consultation with the Department of the
10 Treasury, shall, no later than March 1 of each odd-numbered year,
11 adjust the threshold amount set forth in subsection a. of this section,
12 or subsequent to 1985 the threshold amount resulting from any
13 adjustment under this subsection or section 17 of P.L.1985, c.469,
14 in direct proportion to the rise or fall of the Consumer Price Index
15 for all urban consumers in the New York City and the Philadelphia
16 areas as reported by the United States Department of Labor. The
17 Governor shall, no later than June 1 of each odd-numbered year,
18 notify each commission of the adjustment. The adjustment shall
19 become effective on July 1 of each odd-numbered year.

20 c. Except as otherwise provided by this chapter, the awarding
21 and execution by the commission of any contract for the
22 performance of work or the furnishing of materials shall be
23 conducted in accordance with the "Local Public Contracts Law,"
24 P.L.1971, c.198 (C.40A:11-1 et seq.).
25 (cf: P.L.1985, c.469, s.15)
26

27 10. R.S.58:14-2 is amended to read as follows:

28 58:14-2. a. The board of commissioners known as the Passaic
29 valley sewerage commissioners, the first members of which were
30 appointed under the act entitled "An act authorizing the
31 appointment and defining the powers and duties of commissioners
32 in sewage and drainage districts created for the purpose of relieving
33 the streams and rivers therein from pollution, and to provide a plan
34 for the prevention thereof and providing for the raising, expenditure
35 and payment of moneys necessary for this purpose," approved
36 March twenty-seventh, one thousand nine hundred and two (L.1902,
37 c.49, p.195), is continued as a body politic and corporate, with
38 perpetual succession under said name of Passaic valley sewerage
39 commissioners, hereinafter in this chapter designated as the
40 "commissioners", with power to sue and be sued and to adopt and
41 use a corporate seal, and with the right, power, and authority to
42 acquire, hold, use, and dispose of all such property, real and
43 personal, as may be proper or necessary, and with all other power
44 and authority proper or necessary to carry out and effectuate the
45 purposes for which the board is created.

46 b. The commissioners shall maintain minutes of all meetings
47 held by the commissioners, both public meetings and closed
48 sessions. The board of commissioners shall not pass any resolution

1 or take any other official action except upon the affirmative vote of
2 members constituting a majority of the full authorized membership
3 of the board. The secretary of the commissioners shall record the
4 commissioners' passing of any resolution or taking of any other
5 official action in the minutes of the meeting of the commissioners at
6 which that resolution was passed or other action taken.

7 c. A true copy of the minutes of every meeting of the
8 commissioners shall be delivered forthwith by and under the
9 certification of the secretary thereof to the Governor. No action
10 taken at any such meeting shall have force or effect until 15 days
11 after the copy of the minutes shall have been so delivered, unless
12 during this 15-day period the Governor shall approve in writing the
13 minutes or any part thereof, in which case the action shall become
14 effective upon approval. If, within that 15-day period, the
15 Governor returns a copy of the minutes with the Governor's veto of
16 any action taken by the commissioners or any one thereof at the
17 meeting, the action shall be null and void and of no effect.
18 Notwithstanding the foregoing, if the last day of the 15-day period
19 shall be a Saturday, Sunday, or legal holiday, then the 15-day
20 period shall be deemed extended to the next following business day.
21 The powers conferred in this subsection upon the Governor shall be
22 exercised with due regard for the rights of the holders of bonds,
23 notes, or other obligations of the commissioners, or of any of the
24 contracting municipalities, at any time outstanding, and nothing in,
25 or done pursuant to, this subsection shall in any way limit, restrict,
26 or alter the obligation or powers of the commissioners or any of
27 those municipalities, or any representative or officer of the
28 commissioners or any such municipality, to carry out and perform
29 in every detail each and every covenant, agreement, or contract at
30 any time made or entered into by or on behalf of the commissioners
31 or such municipality with respect to those bonds, notes, or other
32 obligations or for the benefit, protection, or security of the holders
33 thereof.

34 d. After the review period prescribed for the minutes of a
35 meeting of the commissioners pursuant to subsection c. of this
36 section has elapsed, if the Governor has not notified the
37 commissioners of a veto of the minutes, the minutes and any action
38 taken at that meeting to which the minutes correspond shall take
39 effect.

40 (cf: R.S.58:14-2)

41
42 11. R.S.58:14-3 is amended to read as follows:

43 58:14-3. The board shall consist of **【nine】** seven members who
44 shall be appointed by the Governor in the following manner. Each
45 county in the district shall be represented on the board by **【two**
46 members】 one member, **【of different political parties, both of**
47 whom】 who shall reside in the district and in the county **【they**

1 represent] that such member represents. [At least one of the two
2 members from each county must reside in a contracting
3 municipality as defined in R.S.58:14-34.11 or in a leasing
4 municipality.] Not more than [five] four of the [nine] seven
5 members of the board shall be from the same political party. [The
6 ninth member] Two members shall be [an at-large member]
7 appointed by the Governor: one member from the Office of the
8 Governor and the other member from the New Jersey Department of
9 Environmental Protection, with the advice and consent of the
10 Senate, and each shall serve during the term of office of the
11 Governor. [As used in this section, "at-large member" means a
12 resident of the Passaic Valley Sewerage District as defined in
13 R.S.58:14-1.] Upon the expiration of the term of office of a
14 commissioner, [his] a successor shall be appointed by the
15 Governor, by and with the advice and consent of the Senate, for a
16 term of five years, except that the term of the [at-large member]
17 members not representing counties in the district shall be
18 concurrent with the term of office of the Governor. The Governor
19 may remove any commissioner from office for cause after notice
20 and an opportunity to be heard. Each commissioner shall hold
21 [his] office until [his] a successor has been appointed, and any
22 vacancy in the membership of the commission because of death,
23 resignation, or removal, shall be filled for the unexpired term in the
24 manner provided for on original appointment. In making any
25 appointment hereunder, either for a full term or to fill a vacancy,
26 regard shall be had to ability and fitness, and also locality, so that
27 each section of the district may be represented as far as practicable.
28 (cf: P.L.1991, c.145, s.1)

29

30 12. R.S.58:14-4 is amended to read as follows:

31 58:14-4. a. Each of the commissioners shall, before entering
32 upon the duties of [his] office, take and subscribe an oath [that he
33 will] to faithfully and impartially execute and perform the duties
34 imposed upon [him] a commissioner by law, and shall cause the
35 same to be filed in the office of the Secretary of State. [The
36 commissioners shall each receive for service under this chapter an
37 annual salary of \$10,000.00, payable in equal monthly installments,
38 and they shall receive no other compensation than that herein
39 provided.]

40 b. Commissioners shall serve without compensation for
41 services as a commissioner, but shall be entitled to reimbursement
42 of actual and necessary expenses incurred in the performance of
43 their duties.

44 (cf: P.L.1987, c.337, s.1)

45

46 13. R.S.58:14-6 is amended to read as follows:

1 58:14-6. a. The commissioners shall annually on the first
2 Tuesday in May organize by the choice of a chairman and a vice
3 chairman, who shall be members of the board, and a treasurer and a
4 clerk, who may or may not be members of the board. **【**The
5 commissioners may, from time to time, appoint such other officers,
6 attorneys, agents, engineers, employees and assistants as they may
7 deem necessary to carry out the purposes of this chapter, and may
8 prescribe their duties, fix their compensation and remove them at
9 pleasure.**】**

10 b. In order to oversee the performance of its duties, the board
11 shall appoint an executive director, who shall hold office at the
12 pleasure of the board. The executive director shall perform the
13 duties of office on a full-time basis. The executive director shall
14 receive such compensation as the board may provide by resolution.
15 The executive director shall have the power to oversee all
16 operational functions under the jurisdiction of the commissioners,
17 including, but not limited to, employee hiring and firing, hiring of
18 contractors, prescribing employee duties, and fixing employee
19 compensation.

20 (cf: R.S.58:14-6)

21
22 14. R.S.58:14-22 is amended to read as follows:

23 58:14-22. a. Whenever any work to be performed or any
24 material to be furnished shall involve an expenditure of money
25 exceeding the sum of **【\$7,500.00】** \$7,500 or, after June 30, 1985,
26 the amount determined pursuant to subsection b. of this section, the
27 commissioners shall designate the time when they will meet at their
28 usual place of meeting to receive proposals in writing for doing the
29 work and furnishing the material, and the commissioners shall order
30 their clerk to give notice by advertisement, inserted in at least two
31 newspapers printed and circulating, respectively, in two of the
32 counties of the district, at least 10 days before the time of such
33 meeting, of the work to be done and the material to be furnished,
34 particular specifications of which they shall cause to be filed in
35 their office at the time of such order. All proposals received shall
36 be publicly opened by the commissioners or the chief administrative
37 officer of the commission and the commissioners shall award the
38 contract to the lowest responsible bidder. All contractors shall be
39 required to give bond satisfactory in amount and security to the
40 commissioners.

41 b. Commencing January 1, 1985, the Governor, in consultation
42 with the Department of the Treasury, shall, no later than March 1 of
43 each odd-numbered year, adjust the threshold amount set forth in
44 subsection a. of this section, or subsequent to 1985, the threshold
45 amount resulting from any adjustment under this subsection, in
46 direct proportion to the rise or fall of the Consumer Price Index for
47 all urban consumers in the New York City and Philadelphia areas,
48 as reported by the United States Department of Labor. The

1 Governor shall, no later than June 1 of each odd-numbered year,
2 notify the commissioners about the adjustment. The adjustment
3 shall become effective on July 1 of each odd-numbered year.

4 c. Nothing in this act shall prohibit the commissioners from
5 entering into a joint agreement pursuant to section 10 of P.L.1971,
6 c.198 (C.40A:11-10) for the purchase of work related to sewage
7 sludge disposal. All such agreements shall be entered into by
8 resolution of the commissioners and shall be subject to the
9 requirements of P.L.1971, c.198 (C.40A:11-1 et seq.).

10 d. Except as otherwise provided by this chapter, the awarding
11 and execution of any contract for the performance of work or the
12 furnishing of materials shall be conducted in accordance with the
13 “Local Public Contracts Law,” P.L.1971, c.198 (C.40A:11-1 et
14 seq.).

15 (cf: P.L.1985, c.452, s.3)

16

17 15. Section 5 of P.L.1968, c.404 (C.13:17-5) is amended to read
18 as follows:

19 5. (a) There is hereby established in, but not of, the
20 Department of Community Affairs a public body corporate and
21 politic, with corporate succession, to be known as the "Hackensack
22 Meadowlands Development Commission." The commission shall
23 constitute a political subdivision of the State established as an
24 instrumentality exercising public and essential governmental
25 functions, and the exercise by the commission of the powers
26 conferred by this act shall be deemed and held to be an essential
27 governmental function of the State.

28 (b) The commission shall consist of **[7]** seven members
29 appointed and qualified as follows:

30 (1) The Commissioner of **[the Department of]** Community
31 Affairs, ex officio; provided that **[he]** the commissioner may
32 appoint an alternate to act in his place and stead, with the authority
33 to attend, vote, and perform any duty or function assigned to the
34 Commissioner of **[the Department of]** Community Affairs in **[his]**
35 the commissioner's absence. The alternate shall serve during the
36 term of the Commissioner of **[the Department of]** Community
37 Affairs, subject to removal at **[his]** the commissioner's pleasure. In
38 the event of a vacancy in the position of alternate, it shall be filled
39 in the same manner as an original appointment and only for the
40 unexpired term.

41 (2) Six citizens of the State, appointed by the Governor, with the
42 advice and consent of the Senate and no more than **[3]** three of
43 whom shall be of the same political party; **[2]** two of whom shall
44 be residents of the constituent municipalities of Bergen county and
45 **[2]** two of whom shall be residents of the constituent municipalities
46 of Hudson county; provided, however, no more than one citizen
47 shall be appointed from any one constituent municipality; one of

1 whom shall be a resident of Bergen county and one of whom shall
2 be a resident of Hudson county. The Commissioner of **the State**
3 **Department of** Transportation, the **Commissioner of the**
4 **Department of Conservation and Economic Development**
5 executive director of the New Jersey Economic Development
6 Authority, and a representative of the United States Army Corps of
7 Engineers, may, within the limits of their respective responsibilities
8 and at the request of the commission, serve as non-voting advisors
9 to the commission. The members of the liaison committee
10 established, as hereinafter provided, by the Hackensack
11 Meadowlands Municipal Committee, shall also serve as non-voting
12 advisors to the commission;

13 (c) The Commissioner of **the Department of** Community
14 Affairs shall serve on the commission **during his term of office and**
15 **shall be succeeded by his successor in office** ex officio. Each
16 member appointed by the Governor shall serve for terms of **5** five
17 years; provided that of the first members appointed by the
18 Governor, one shall serve for a term of **1** one year, one for a term
19 of **2** two years, one for a term of **3** three years, one for a term
20 of **4** four years, and **2** two for a term of **5** five years. Each
21 member shall serve for the term of **his** that member's
22 appointment and until **his** a successor shall have been appointed
23 and qualified. Any vacancy shall be filled in the same manner as
24 the original appointment for the unexpired term only.

25 (d) Any member of the commission may be removed by the
26 Governor for cause after notice and a public hearing.

27 (e) Each member of the commission, before entering upon **his**
28 the duties of commissioner, shall take and subscribe an oath to
29 perform the duties of **his** office faithfully, impartially, and justly
30 to the best of **his** the person's ability. A record of such oaths
31 shall be filed in the office of the Secretary of State.

32 (f) The members of the commission shall serve without
33 compensation, but the commission may reimburse its members for
34 necessary expenses incurred in the discharge of their duties.

35 (g) The Governor shall designate one of the members of the
36 commission as chairman. The commission shall select from its
37 members a vice-chairman and a treasurer, and shall employ an
38 executive director, who shall be secretary, and a chief fiscal officer.
39 The commission may also appoint, retain and employ, without
40 regard to the provisions of Title **11** 11A, Civil Service, of the
41 **Revised** New Jersey Statutes, such officers, agents, employees,
42 and experts as it may require, and it shall determine their
43 qualifications, terms of office, duties, services and compensation.

44 (h) (1) The powers of the commission shall be vested in the
45 members thereof in office from time to time and a majority of the
46 total authorized membership of the commission shall constitute a

1 quorum at any meeting thereof【. Action may be taken and motions
2 and resolutions adopted by the commission at any meeting thereof
3 by the affirmative vote of a majority of the members, unless in any
4 case the by-laws of the commission or any of the provisions of this
5 act shall require a larger number】; provided that the commission
6 may designate one or more of its agents or employees to exercise
7 such administrative functions, powers and duties as it may deem
8 proper, under its supervision and control. No vacancy in the
9 membership of the commission shall impair the right of a quorum to
10 exercise all the rights and perform all the duties of the commission,
11 except as provided by section 8 of P.L.1968, c.404 (C.13:17-8).

12 (2) The commission shall maintain minutes of all meetings of
13 the commission, both public meetings and closed sessions. The
14 commission shall not pass any resolution or take any other official
15 action except upon the affirmative votes of members constituting a
16 majority of the full authorized membership of the commission. The
17 secretary of the commission shall record the commission's passing
18 of any resolution or taking of any other official action in the
19 minutes of the commission meeting at which that resolution was
20 passed or other action taken.

21 (3) A true copy of the minutes of every meeting of the
22 commission shall be delivered forthwith by and under the
23 certification of the secretary thereof to the Governor. No resolution
24 passed or official action taken by the commission at the meeting
25 shall have force or effect until 15 days after the copy of the minutes
26 shall have been so delivered, unless during this 15-day period the
27 Governor shall approve in writing the minutes or any part thereof,
28 in which case the action shall become effective upon approval. If,
29 within that 15-day period, the Governor returns a copy of the
30 minutes with the Governor's veto of any action taken by the
31 commission or any member thereof at the meeting, the action shall
32 be null and void and of no effect. Notwithstanding the foregoing, if
33 the last day of the 15-day period shall be a Saturday, Sunday, or
34 legal holiday, then the 15-day period shall be deemed extended to
35 the next following business day. The powers conferred in this
36 paragraph upon the Governor shall be exercised with due regard for
37 the rights of the holders of bonds, notes, or other obligations of the
38 commission or of the constituent municipalities, at any time
39 outstanding, and nothing in, or done pursuant to, this subsection
40 shall in any way limit, restrict, or alter the obligation or powers of
41 the members of the commission or of any of those municipalities or
42 any representative or officer of the members of the governing body
43 or any such municipality to carry out and perform in every detail
44 each and every covenant, agreement, or contract at any time made
45 or entered into by or on behalf of the members of the commission or
46 such municipality with respect to those bonds, notes, or other
47 obligations or for the benefit, protection, or security of the holders
48 thereof.

1 (4) After the review period, prescribed under paragraph (3) of
2 this subsection for the minutes of a commission meeting, has
3 elapsed, if the Governor has not notified that commission of a veto
4 of the minutes, the minutes and any action taken at that meeting to
5 which the minutes correspond shall take effect.

6 (i) Before the issuance of any bonds under the provisions of
7 **【this act】** P.L.1968, c.404, the members and the officer of the
8 commission charged with the handling of the commission's moneys
9 shall be covered by a surety bond or bonds in such sum as provided
10 by the rules and regulations of the commission conditioned upon
11 the faithful performance of the duties of their respective offices, and
12 executed by a surety company authorized to transact business in the
13 State of New Jersey as a surety. Each such surety bond shall be
14 submitted to the Attorney General for **【his】** approval and upon
15 **【his】** approval shall be filed in the office of the Secretary of State
16 prior to the issuance of any bonds by the commission. At all times
17 after the issuance of any bonds by the commission, the officer of
18 the commission charged with the handling of the commission's
19 moneys and each member shall maintain such surety bonds in full
20 force and effect. All costs of such surety bonds shall be borne by
21 the commission.

22 (j) On or before March 31 in each year the commission shall
23 make an annual report of its activities for the preceding calendar
24 year to the Governor and to the Legislature. Each such report shall
25 set forth a complete operating and financial statement covering its
26 operations during the year.

27 (k) The commission shall cause an audit of its books and
28 accounts to be made at least once in each year and the cost thereof
29 shall be treated as one incurred by the commission in the
30 administration of this act, and a copy thereof shall be filed with the
31 State Treasurer, all as more fully provided in section 76 of **【this**
32 **act】** P.L.1968, c.404 (C.13:17-78).

33 (l) (1) No member, officer, employee, or agent of the
34 commission shall be financially interested, either directly or
35 indirectly, in any project or any part of a project area (other than a
36 residence) or in any contract, sale, purchase, lease, or transfer of
37 real or personal property to which the commission is a party;

38 (2) Any contract or agreement knowingly made in contravention
39 of this section is voidable;

40 (3) Any person who shall willfully violate any of the provisions
41 of this section shall forfeit **【his】** office or employment and shall be
42 guilty of a misdemeanor.

43 (cf: P.L.1968, c.404, s.5)

44
45 16. Section 1 of P.L.1989, c.145 (C.40:62-110.1) is amended to
46 read as follows:

1 1. In any county of the second class with a population of at
2 least 440,000, but not more than 450,000, according to the 1980
3 federal decennial census, in which at least three municipalities, two
4 of which each have populations of 50,000 or more, but less than
5 100,000, and one of which has a population of 100,000 or more
6 according to the 1980 federal decennial census, have joined
7 together to create, under R.S.40:62-109, or elect or appoint under
8 R.S.40:62-129, a waterworks or water commission, the provisions
9 of this section shall control the number and method of appointment
10 of the waterworks or water commission members, their terms of
11 office and their salaries, notwithstanding the provisions of
12 R.S.40:62-108 et seq. to the contrary. Any agreements entered into
13 pursuant to R.S.40:62-129 shall be amended to conform with the
14 provisions of this section.

15 a. The commission shall consist of seven members. A
16 municipality with a population of 100,000 or more shall have three
17 members on the commission and a municipality with a population
18 of 50,000 or more, but less than 100,000, shall have two members
19 on the commission. Members shall be appointed by the mayor in
20 any municipality organized under P.L.1950, c.210 (C.40:69A-1 et
21 seq.) and by the governing body, by a majority vote, in any
22 municipality organized under R.S.40:79-1 et seq. A member of the
23 commission shall be required to reside in the appointing
24 municipality at the time of appointment; however, if the
25 commission member moves outside the appointing municipality
26 during the member's term of office, the member may continue to
27 serve on the commission to the end of the member's term. A mayor,
28 a manager or a member of the governing body of the appointing
29 municipality may serve as a member of the commission unless this
30 service is prohibited by the conflict of interest laws of this State.

31 b. Each commission member shall be appointed for a four-year
32 term. All additional members who may be appointed to a
33 commission under this section shall be appointed before January 1,
34 1989, and their first term shall expire not later than December 31,
35 1992. All terms of office of commission members already
36 appointed and serving on the effective date of this amendatory and
37 supplementary act shall not be affected by the provisions of this act.

38 c. The **【salaries of the president and the】** members of the
39 commission shall **【be as follows:** The president shall receive a
40 salary at the rate of \$8,500.00 annually as compensation for service
41 on the commission; and any other member of the commission shall
42 receive a salary at the rate of \$7,500.00 annually as **】** serve without
43 compensation for **【service on the commission】** services as a
44 commissioner, but shall be entitled to reimbursement of actual and
45 necessary expenses incurred in the performance of their duties.

46 (cf: P.L.1989, c.145, s.1)

b. Nothing in this act shall in any way limit, restrict, or alter the obligation or powers of any of the regional authorities to carry out and perform in every detail each and every covenant, agreement, or contract at any time made or entered into by or on behalf of such regional authority with respect to its bonds, notes, or other obligations issued for the benefit, protection, or security of the holders thereof.

24 19. This act shall take effect immediately.

29 This bill provides for the improvement of the transparency and
30 accountability of regional authorities of this State, and for enhanced
31 oversight of those authorities by the Governor and State
32 Comptroller. “Regional authorities” under the bill include the
33 Passaic Valley Sewerage Commissioners, the North Jersey District
34 Water Supply Commission, the New Jersey Meadowlands
35 Commission, the Passaic Valley Water Commission, and “any
36 environmental authority, board, or commission . . . owning real
37 property assets or providing services in more than one county . . .”

(1) A regional authority may not pass a resolution or take other official action except upon the affirmative vote of a majority of its members.

(2) A regional authority must maintain minutes of its meetings and record in those minutes the authority's passing of a resolution or taking of any other official action. The minutes would be delivered to the Governor, who would have 15 days to review them; only upon the Governor's approval or the expiration of the review period would the resolution or other action take effect.

1 (3) Members of regional authorities would receive no
2 compensation, but would be reimbursed for expenses incurred in
3 connection with their service.

4 (4) Regional authority members would be subject to the “New
5 Jersey Conflicts of Interest Law” and to the jurisdiction of the State
6 Ethics Commission. They would have to file financial disclosure
7 statements, and be subject to other financial disclosure
8 requirements, as the Governor prescribes by executive order. They
9 would be subject to removal by the Governor for cause, after notice
10 and a hearing.

11 (5) Finally, every regional authority would be subject to the
12 audit, review, and oversight jurisdiction of the State Comptroller.

13 In addition, the bill provides that the Passaic Valley Sewerage
14 Commissioners and North Jersey District Water Supply
15 Commission shall (a) award and execute contracts to procure goods
16 or services in accordance with the “Local Public Contracts Law,”
17 except as otherwise provided by the statute governing the respective
18 entities, and (b) appoint an executive director to oversee the
19 performance of the duties of the respective entities. It also
20 decreases the membership of the Passaic Valley Sewerage
21 Commissioners from nine to seven, reducing the number of
22 commissioners representing each of the constituent counties from
23 two to one and increasing the number representing the State
24 Executive Branch from one to two.