

BYLAWS OF THE  
NEW JERSEY PUBLIC POWER AUTHORITY  
EFFECTIVE JANUARY 26, 2017

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ARTICLE I – OFFICES

Section 1 - Registered Office and Agent. The registered office of the New Jersey Public Power Authority (“NJPPA”) in the State of New Jersey is located at 420 Boardwalk, P.O. Box 206, Seaside Heights, New Jersey 08751 and the Registered Agent is James A. Jablonski.

Section 2 - Other Places of Business. Branches or subordinate offices or places of business may be established at any time by the Board of Commissioners at any place or places where NJPPA is authorized to do business.

ARTICLE II – MEMBERS

All municipal utilities and rural electric cooperatives that have signed the original Inter-Municipal Agreement (“IMA”) shall be Members of NJPPA unless any one or more should withdraw or be terminated. Additional municipal utilities and rural electric cooperatives may become Members upon compliance with the requirements of the IMA and the Municipal Shared Services Energy Authority Act, N.J. Stat. Ann. §40A:66-1 *et seq.* (2016) (hereafter referred to as “Act”).

ARTICLE III – BOARD OF COMMISSIONERS

Section 1 – General. The affairs of NJPPA shall be managed by its Board of Commissioners, and its Board shall be responsible for adopting an annual budget of expenditures and revenue sources for NJPPA.

Section 2 – Composition. The number of Commissioners of NJPPA at any time shall be equal to the number of Members at that time. Each Member shall have the power to appoint one (1) Commissioner to the Board of Commissioners and shall be entitled to remove that Commissioner at will. Each Member shall, from time to time, designate by a writing filed with NJPPA the name of its Commissioner. Each Member may, from time to time, designate an Alternate Commissioner who shall, in the absence of the first named Commissioner, vote and act with full authority. No Commissioner’s or Alternate Commissioner’s vote will be void until a writing by the Member is received by NJPPA revoking said Commissioner’s or Alternate Commissioner’s authority. Each Member shall have one vote, a set forth in the IMA.

Section 3 – Withdrawal of Membership. Any Member may withdraw from NJPPA as provided in the IMA upon a minimum of six months’ written notice. Notice of such withdrawal shall be provided to the Secretary, which notice shall be presented to the Board of Commissioners at its first regularly scheduled meeting thereafter.

Section 4 – Termination of Membership. Any Member may be terminated from NJPPA as provided in the IMA, provided that a statement of the reasons for termination are mailed, via registered mail, to the Member at its last recorded address at least fifteen (15) days prior to final action being taken on such termination motion. The statement of good cause for the termination shall be accompanied by a notice of a time and place at which the Board of Commissioners shall meet to consider the termination motion and shall provide an opportunity for the Member subject to the termination to present a defense.

#### ARTICLE IV - MEETINGS

Section 1 – Annual Meeting. The annual meeting of the Board of Commissioners shall be held on the third Thursday in January of each year, or if that day is a legal holiday in the place where the meeting is to be held, then on the next succeeding business day, at a time and place fixed by the Board of Commissioners, or the President. If such meeting is not held, or if a quorum is not present, the annual meeting of the Board of Commissioners shall be called in the manner hereinafter provided for special meetings.

At the Annual Meeting, the Board of Commissioners shall elect from the Commissioners a President, Vice President, Secretary and Treasurer, and conduct such other business as the Board may then determine.

Section 2 – Regular Meetings. The Commissioners shall meet not less than quarterly with the first meeting to be held during the month of January, which shall constitute the annual meeting of Members. The date, time and place within the State of New Jersey of each meeting for the following (12) month period shall be fixed at the annual meeting. The notice of meeting shall be delivered to each Commissioner at least ten business days before the time scheduled for said meeting. A report of the previous year's activities shall be presented by the President or Executive Director at the first quarterly meeting of Members of the New Year.

Section 3 – Special Meetings. Special meetings of the Board of Commissioners may be called by the President or upon the written request to the Secretary by any three (3) Commissioners. Notice of such special meetings shall be given in the same manner as for regular and annual meetings, except in emergencies when actual notice shall suffice. No other business than that specified in the notice of meeting shall be transacted at any special meeting of the Commissioners.

Section 4 – Quorum. A quorum shall be as established in the IMA. The presence in person or by proxy of a majority of the Board of Commissioners shall constitute a quorum for the transaction of business, but a lesser number may adjourn to some future date not less than six (6) days nor more than twenty (20) days thereafter. The Secretary shall thereupon mail notice of the adjourned meeting at least three (3) days before the adjourned meeting to each Commissioner entitled to vote who has not waived the notice in writing.

Section 5 – Majority Rules. Each Member shall be entitled to one (1) vote. Only the Commissioner designated in writing by a particular Member (or his/her alternate designated in writing) shall have the right to cast the vote for the Member whom he or she represents. All questions coming before the Board shall be decided by a majority vote of the Commissioners present except as explicitly stated herein. The act of a majority of the Commissioners present at a meeting at which a quorum is present shall be the act of the Board of Commissioners.

Section 6 – Action Without Meeting. The Board of Commissioners may act without a meeting if, prior to such action, each Commissioner shall consent in writing thereto. Such consent or consents shall be filed by the Secretary in the minutes.

Section 7 – Waiver of Notice. Any notice required by these bylaws, the IMA or the laws of the State of New Jersey, may be waived in writing by any person entitled to notice. The waiver or waivers may be executed before, at, or after the event with respect to which notice is waived. Each Commissioner attending a meeting without protesting the lack of proper notice prior to the conclusion of the meeting shall be deemed conclusively to have waived such notice.

#### ARTICLE V – OFFICERS

Section 1 – Election and Term. The Board of Commissioners shall elect from among the Commissioners a President, Vice-President, Secretary and Treasurer. Officers so elected shall serve for a term of one (1) year or until a qualified successor is elected.

Section 2 – President. The President shall preside at all meetings of the Commissioners. The President, together with the Secretary, Executive Director, or any other person authorized by the Board of Commissioners, may execute all bonds, notes, debentures, mortgages, and other contracts requiring a seal, under the seal of the Corporation, may cause the seal to be affixed thereto, and may execute all other contracts and instruments for and in the name of NJPPA that the Board of Commissioners has authorized to be executed. The President shall perform all duties incident to the office President and such other duties as may be prescribed by the Board from time to time.

Section 3 – Vice-President. The Vice-President, in the absence of the President, or in the event of his inability or refusal to act, shall perform the duties of the President, and when so acting, will have all of the powers of and be subject to all the restrictions on the President.

Section 4 – Treasurer. The Treasurer shall, if required by the Board of Commissioners, give a bond for the faithful discharge of the Treasurer's duties in form and amount suitable to the Commissioners. The Treasurer shall have charge and custody and be responsible for all funds and securities of the organization and shall receive and give receipts for all monies due and payable, and shall deposit all such monies in the name of the corporation in such banks or other depositories as shall be selected by the Board of Commissioners.

Section 5- Secretary. The Secretary shall keep the minutes of the meetings of the Board of Commissioners, except that the Secretary may delegate keeping of the minutes and issuance of notices to the Executive Director, shall ensure proper notice is given as required by law and these bylaws, shall be custodian of the corporate records and the seal of the corporation, and shall affix the seal to all documents, the execution of which is duly authorized; the Secretary shall keep a register of the addresses of Members and Commissioners and generally shall perform all of the duties incident to the office of Secretary and such other duties as may from time to time be assigned by the President for the Board of Commissioners. The Secretary shall be a resident of the State of New Jersey.

Section 6 – Other Officers. The Board of Commissioners may, if they deem it appropriate, elect assistant treasurers and assistant secretaries as the needs of the NJPPA may require. The office of the Secretary and Treasurer may not be held by the same person, unless there are fewer than four Members

Section 7 – Vacancies. A vacancy in any office may be filled by the Board of Commissioners by the election of a successor to hold office for the unexpired terms of the officer whose position is vacant and until a successor is chosen and qualified.

Section 8 – Removal. Any officer may be removed from his or her office with or without cause by a vote of the majority of the Board of Commissioners then in office at any regular or special meeting of the Board of Commissioners.

Section 9 – Resignation. Any officer may at any time resign his or her office by a resignation in writing delivered to NJPPA at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt, and acceptance thereof shall not be necessary to make it effective unless it so states.

## ARTICLE VI – EXECUTIVE DIRECTOR

Section 1 – Appointment Powers and Duties. The Board of Commissioners may appoint a person to exercise all of the powers and perform all of the duties set forth in this Article and shall designate such person so appointed as the Executive Director. Unless the Board of Commissioners otherwise provides, the Executive Director shall be the chief executive officer of the NJPPA and shall have such general executive powers and duties of supervision and management as are usually vested in the office of the chief operating officer of a corporation, including carrying into effect all directions and resolutions of the Board of Commissioners. The Executive Director may execute all bonds, notes, debentures, mortgages, and other contracts requiring a seal, under the seal of the Corporation, may cause the seal to be affixed thereto, and may execute all other contracts and instruments for and in the name of NJPPA that the Board of Commissioners has authorized to be executed. The Executive Director shall direct the day-to-day affairs of NJPPA including supervising all employees of NJPPA, reporting to the Board of Commissioners any violation of the rules and regulations (if any), collecting any charges or fees,

and keeping records in the form prescribed from time to time by the Board of Commissioners and reporting thereon whenever so requested by the Board of Commissioners. The Executive Director shall be directly responsible to the Board of Commissioners and shall report directly to the Board of Commissioners.

Section 2 - Budgets and Revenue. The Executive Director shall, in collaboration with the Treasurer, cause to be prepared and shall submit to the Board of Commissioners for its approval an annual budget and all supplements thereto for each fiscal year. The budget shall include revenue sources sufficient to fund the budget and may include tariff rates, fees, dues, assessments and/or capital contributions from Members; fee schedules associated with services provided under the Master Energy Services Contracts; as well as other sources of funding.

Section 3. Reports. The Executive Director shall submit to the Board of Commissioners at its annual meeting a report summarizing the operations and affairs of NJPPA and its activities during the preceding year and setting forth the plans, programs or projects for future development, with such suggestions and recommendations as the Executive Director shall deem appropriate. The Executive Director shall also make such reports to the Board of Commissioners as may be appropriate, or which may be required by these Bylaws, or by the Board of Commissioners.

Section 4 – Agents and Employees. The Executive Director shall have the power to employ, remove and suspend all agents and employees not elected or appointed by the Board of Commissioners, to determine the duties and responsibilities of such persons, to create such titles for such persons as the Executive Director may deem desirable to enable the person(s) to execute their duties and responsibilities, and to fix and change the compensation of such persons, within the limits of the annual budget approved by the Board of Commissioners.

Section 5 – Participation at Board and Committee Meetings. The Executive Director may be invited to participate in any meeting of the Board of Commissioners and any committee thereof, whether or not a member thereof; provided, however, that the Executive Director shall not be entitled to vote at, and shall not be counted for purposes of determining whether a quorum is present at, any meeting of (i) the Board of Commissioners, if the Executive Director is not a Commissioner, or (ii) a committee, if the Executive Director is not a member of such committee.

Section 6 – Further Duties and Authority. The Executive Director shall have such other duties and authority as may be prescribed elsewhere in these Bylaws or the rules and regulations (if any) or from time to time authorized by the Board of Commissioners.

Section 7 – Absence. In the event of the death or during the absence, incapacity, or inability or refusal to act of the Executive Director, the Board of Commissioners shall designate some other person to exercise, and in the absence of such designation the President may exercise all of the powers and perform all of the duties of the Executive Director.

## ARTICLE VII-COMMITTEES

Section 1 – Special Purpose Committees. The President shall have the power to appoint, committees to investigate matters of interest to NJPPA and for such other purposes. The President shall appoint a committee chair from among the Board of Commissioners, and in default of such designation, a chair shall be chosen by the committee.

Section 2 – Standing Committees. The Standing Committees shall be the Executive Committee, the Finance Committee, the Administration Committee, and the Power Procurement Committee. Each Standing Committee shall be chaired by a Commissioner.

Executive Committee. The purpose of the Executive Committee is to exercise powers of the Board which arise between regularly scheduled Board meetings or when it is not practical or feasible for the Board to meet. The Executive Committee shall consist of the President, Vice-President, Treasurer, and Secretary. A majority of the Committee shall constitute a quorum. The Executive Committee shall meet at such times and places and by such means as the President shall determine. The Executive Committee shall report regularly about its activities to the Board. The Executive Committee shall undertake such other tasks as the Committee members shall designate that support the purpose of the Committee. Decisions of the Executive Committee shall be reviewed at the next regularly scheduled Board meeting.

Finance Committee. The Treasurer is chair of the Finance Committee. The purpose of the Finance Committee is to oversee NJPPA’s financial performance and establish financial management practices as needed. The Finance Committee members shall make recommendations to the Board to ensure the following duties are fulfilled:

- establish the annual general budget of expenses and revenue sources at least one month prior to the end of each fiscal year;
- provide for the collection and dissemination of financial and other data to support the purposes of the NJPPA;
- recommend salary and compensation of Executive Director, if any;
- ensure that financial reports for the preceding month are created per the agreed schedule;
- on a monthly basis, review the financial reports, make recommendations, and prepare and present a financial summary report at each Board meeting;
- direct NJPPA staff and/or bookkeeping firm to make changes in data reporting as needed;
- establish boundaries for spending outside of the General Budget;
- ensure annual audit is conducted by certified public accountants, review audit recommendations and implement the audit recommendations;
- assure financial procedures are current; and

- such other tasks as the Committee members shall determine that support the purpose of the Committee.

Administration Committee. The purpose of the Administration Committee is to oversee NJPPA's human resources and to provide policy guidance and recommend revisions and changes in governing authority as needed, and to nominate new officers to the Board. The Administration Committee members shall make recommendations to the Board to ensure fulfillment of the following Board duties:

- review appointment of Executive Director;
- annual evaluation of Executive Director;
- ensure Executive Director or other supervisor conducts annual review of other paid staff;
- establish and ensure compliance with Staff Guidelines and Employee Handbook;
- nominate officers to the Board of Commissioners;
- review existing bylaws and IMA annually for legal sufficiency under current law and recommend changes as needed for Board approval;
- advise Board President on ways to enhance and implement Board member effectiveness;
- review with individual Board members their continuing interest, term of service, participation, training, skills, attendance, and adherence to legal norms;
- such other tasks as the Committee members shall determine that support the purpose of the Committee.

Power Procurement Committee. The purpose of the Power Procurement Committee is to oversee NJPPA's power procurement protocols, contracts, and practices. The Power Procurement Committee shall make recommendations to the Board to ensure fulfillment of the following Board duties:

- review existing contracts for power supply annually and recommend to Board of Commissioners changes or improvements;
- annually review competitive procurement principles and risk management policies to ensure use of best practices, and recommend any changes to Board of Commissioners;
- oversee, maintain and supervise all NJPPA contracts and property;
- oversee the purchase or acquisition of future properties of NJPPA;
- report annually to the Board on the state of the NJPPA property, equipment, investments and resources;
- ensure responsible use of all NJPPA property;
- and such other tasks as the Committee members shall designate that support the purpose of the Committee.



Section 3. Conducting Business of Committees. Members of standing committees and special purpose Committees shall serve for terms of one year. These by-laws place no limit on the number of one year terms that may be served on Committees or Functions. The Presiding Officer shall serve as the chair of the Committee. Vacancies in the membership of any committee may be filled by designation by the Presiding Officer. The majority of the members of a committee shall constitute a quorum. Each Committee may adopt rules for its own conduct that do not conflict with these bylaws or with the rules adopted by the Board.

#### ARTICLE VIII – AMENDMENTS

Section 1 – Force and Effect of Bylaws. These bylaws are subject to the laws of the State of New Jersey and to the IMA as the same may be amended from time to time. If any provision in these bylaws is inconsistent with a provision in the New Jersey Code or with the IMA, the New Jersey Code and the IMA shall govern.

Section 2 – Amendment. These bylaws may be altered, amended or repealed by a majority of all the votes of the Board of Commissioners which are entitled to be cast.

#### ARTICLE IX – ROBERTS’ RULES

Robert’s Rules of Order shall be the governing parliamentary law of NJPPA.