

Resolution No. 2025-013
Resolution To Authorize The Defense And Indemnification Of The Members
And Employees Of The Morris County Municipal Utilities Authority

WHEREAS, there exists a need to protect each past and present member and employee of the Morris County Municipal Utilities Authority ("MCMUA") from the monetary costs of fines, penalties, damages, settlements, costs and legal fees associated with the defense of any civil or criminal actions which may be brought from this day forward against the MCMUA, or any such member or employee, as the result of any action(s) or omission(s) relating to the duties or such member or employee to the MCMUA; and

WHEREAS, the MCMUA desires to provide such protection for each past and present member and employee from the financial consequences of any such civil or criminal action to the extent permitted by law and, therefore, provided that such alleged action or omission does not constitute actual fraud, actual malice, willful misconduct or an intentional wrong in the judgment of the MCMUA.

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

1. The MCMUA shall, to the extent permitted by law, provide a defense and indemnification to the past and present members and employees of the MCMUA and, therefore, shall pay or otherwise reimburse each past and present member and employee of the MCMUA for all fines, penalties, damages, costs and legal fees associated with any civil or criminal action which may be brought after the adoption of this Resolution against such member or employee based upon an act or omission of that member or employee arising out of and directly relating to the lawful exercise of his or her official duties or under color of his or her authority.

2. In any case where the MCMUA provides a defense to a member or employee, it is authorized and directed to make direct payments to counsel or reimburse the member or employee for the costs associated with his or her defense upon the approval by the MCMUA of proper vouchers submitted therefor, but in no case shall the MCMUA be authorized to pay or reimburse for legal fees and expenses exceeding those customarily charged for legal services in the defense of such actions.

3. For the purpose of this Resolution, the term "member" shall include any and all persons appointed pursuant to N.J.S.A. 40:14B-4.

4. Any person seeking the provision of a defense and indemnification under the policy enunciated in this Resolution shall give prompt notice to the MCMUA of the pendency of any such civil or criminal action for which payment or reimbursement is sought, at which time the MCMUA shall by Resolution implement the provisions set forth herein.

5. It is within the sole discretion of the MCMUA, in any action where the provision of such a defense and indemnification is sought by a member or employee, to:

- (a) Provide a defense by an attorney chosen by the MCMUA;
- (b) Provide a defense by an attorney of the member or employee's choosing; or
- (c) Assert the MCMUA's right under any appropriate insurance policy which requires the insurer to defend and indemnify.

6. Notwithstanding the foregoing, the MCMUA may refuse to provide for the defense or to indemnify any past and present member or employee of the MCMUA in any action referred to above or may recover any amounts paid on behalf of such member or employee for such defense if in its sole discretion it has reason to conclude that the act or omission was:

- (a) Not within the scope of such member or employee's duties or was carried out in an individual capacity;
- (b) The subject matter of any action brought by the MCMUA against the member or employee;
- (c) A violation of the Local Government Ethics Law (P.L. 1991, c. 29); or
- (d) Due to actual fraud, actual malice, willful misconduct or an intentional wrong.

7. In the event a contested matter, to which this Resolution is applicable, is resolved by way of settlement, the MCMUA may take into account the facts, circumstances and allegations which led to the settlement in its determination of whether it may, subject only to the provisions of paragraph 6, indemnify such past and/or present member(s) and/or employee(s) against whom such settled claims had been made.

8. It is the intention of this Resolution to set forth the policy of the MCMUA with respect to the defense and indemnification of persons associated with the MCMUA in the management of its affairs and businesses to the maximum extent permitted by law, and if any provision hereof or the application hereof to any person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions of this Resolution and to this end the provisions hereof are declared to be severable.

9. The policy set forth in this Resolution is prospective and shall take effect immediately, but shall automatically expire unless re-authorized at each annual reorganization meeting of this Authority.

CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Morris County
Municipal Utilities Authority at the Reorganization Meeting held on February 11, 2025.

MORRIS COUNTY MUNICIPAL
UTILITIES AUTHORITY

By: _____
Christopher Dour, Chairman

ATTEST:

Marilyn Regner, Secretary