

RESOLUTION NO. 70-14

RESOLUTION OF THE BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY AUTHORIZING A SHARED SERVICES AGREEMENT WITH THE TOWNSHIP OF BRICK FOR THE PURCHASE OF RENEWABLE AND ELECTRIC ENERGY

WHEREAS, the Brick Township Municipal Utilities Authority, a public entity of the State of New Jersey (the "Authority") has a need for energy to power its component systems and provide its services; and

WHEREAS, pursuant to and in accordance with the provisions of the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended and supplemented (the "Redevelopment Law"), the Township of Brick, New Jersey (the "Township") and Brick Standard, LLC (a subsidiary of Standard Alternative, LLC) (the "Redeveloper"), entered into a Redevelopment Agreement dated as of December 20, 2011, as amended and supplemented by a First Amendment to Redevelopment Agreement, and as the same may be further amended and supplemented (the "Redevelopment Agreement"), pursuant to which the Redeveloper agreed to, among other things, construct a Photovoltaic System (as defined in the Redevelopment Agreement) on certain property within the Township, specifically Block 1427, Lot 4 (the "Redevelopment Area"), and to provide Infrastructure Improvements (as defined in the Redevelopment Agreement), necessary to complete the Photovoltaic System; and

WHEREAS, pursuant to Section 6.03(a) of the Redevelopment Agreement, the Township has agreed to purchase the total amount of kilowatt hours ("kWh") generated by the Photovoltaic System, anticipated to be 7,475,000 kWh (2,600,000 kWh anticipated to be allocated to the Authority and 4,875,000 kWh anticipated to be allocated to the Township), less an anticipated 0.5% annual degradation, at a purchase price set forth in the Redevelopment Agreement, escalating annually at the percentage set forth in the Redevelopment Agreement (the "PPA Rate"), for a period of fifteen (15) years; and

WHEREAS, the Township anticipates entering into one or more third party supply contracts for the management, purchase and distribution of electricity not produced by the Photovoltaic System, as well as for the sale of electricity produced by the Photovoltaic System and not needed by the Township (the "Third Party Supply Contracts"); and

WHEREAS, at the end of such fifteen (15) year term, the Township anticipates taking ownership of the Photovoltaic System, upon which the PPA Rate will be reduced to \$0.00, and the Township will only be required to provide for net operation and maintenance of the Photovoltaic System, in return for approximately 6,914,375 kWh (approximately 2,411,679 kWh anticipated to be allocated to the Authority and approximately 4,502,696 kWh anticipated to be allocated to the Township) of solar energy, less the continued 0.5% annual degradation; and

WHEREAS, Matrix New World prepared a non-discounted baseline versus solar project cash flow for the Authority (attached to this Resolution as Exhibit A) estimating baseline costs of \$649,910.00 during the first fifteen (15) years, offset by solar project savings of \$3,602,122.00 by the 30th project year; and

WHEREAS, the Authority desires to share with the Township in the long-term energy cost benefits of the Photovoltaic System; and

WHEREAS, pursuant to Section 4 of the Uniform Shared Services and Consolidation Act, *N.J.S.A. 40A:65-1, et seq.* (the "Shared Services Act"), the Authority and the Township are permitted to enter into a contract for a term of thirty (30) years for the shared purchase of renewable energy produced by the Photovoltaic System and the shared purchase of electric energy through the Third Party Supply Contracts; and

WHEREAS, the Authority and the Township have negotiated the terms of a Shared Services Agreement (in the form to be finalized and approved by the Authority via its legal counsel, Chief Financial Officer, Executive Director and Ad Hoc Committee) for the shared purchase of renewable energy produced by the Photovoltaic System and the shared purchase of electric energy through the Third Party Supply Contracts.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY AS FOLLOWS:


Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Agreement is hereby approved, subject to such additions, deletions, modifications or amendments recommended by counsel to the Authority, which additions, deletions, modifications or amendments do not adversely impact the substantive rights and obligations of the Authority. The Chairman of the Authority are each hereby authorized and directed to execute the Agreement, and the Secretary of the Authority is hereby authorized and directed to attest to the signature of such Chairman and to apply the seal of the Authority to such Agreement.

Section 3. This Resolution shall take effect immediately.

CERTIFICATION

I certify that the foregoing resolution was duly adopted by the Brick Township Municipal Utilities Authority at a meeting held on the 23rd day of April, 2014, a quorum being present and voting in the majority.


James C. Bayard, Secretary