

**RESOLUTION NO. 102-17**

**THE BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

December 21, 2017

**A RESOLUTION OF THE BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY DECLARING ITS OFFICIAL INTENT TO REIMBURSE EXPENDITURES FOR PROJECT COSTS FOR THE METER REPLACEMENT PROJECT FROM THE PROCEEDS OF DEBT OBLIGATIONS IN CONNECTION WITH ITS PARTICIPATION IN THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM**

**WHEREAS**, The Brick Township Municipal Utilities Authority (the "Borrower") intends to purchase approximately 10,000 water meters pursuant to an application filed with the New Jersey Environmental Infrastructure Trust (the "NJEIT") for Project No. 1506001-012 (the "Project");

**WHEREAS**, the Borrower intends to finance the Project with debt obligations of the Borrower (the "Project Debt Obligations") but may pay for certain costs of the Project (the "Project Costs") prior to the issuance of the Project Debt Obligations with funds of the Borrower that are not borrowed funds;

**WHEREAS**, the Borrower reasonably anticipates that the Project Costs will be financed by obligations, the interest on which is excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), issued by either the Borrower (the "Borrower's Obligations") or by the NJEIT with the proceeds of the NJEIT's obligations (the "NJEIT Obligations"); and

**WHEREAS**, the Borrower desires to preserve its right to treat an allocation of proceeds of the Borrower's Obligations or the NJEIT Obligations to the reimbursement of Project Costs paid prior to the issuance of the Borrower's Obligations or the NJEIT Obligations as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code.

**NOW, THEREFORE, BE IT RESOLVED** by the Commissioners of the Brick Township Municipal Utilities Authority as follows:

**Section 1.** The Borrower reasonably expects to reimburse its expenditure of Project Costs paid prior to the issuance of the Borrower's Obligations or the NJEIT Obligations with proceeds of Borrower's Obligations or the NJEIT Obligations.

**Section 2.** This resolution is intended to be and hereby is a declaration of the Borrower's official intent to reimburse the expenditure of Project Costs paid prior to the issuance of the Borrower's Obligations or the NJEIT Obligations with the proceeds of a borrowing to be incurred by the Borrower or the NJEIT, in accordance with Treasury Regulations §150-2.

**Section 3.** The maximum principal amount of the Borrower's Obligations or the NJEIT Obligations expected to be issued to finance the Project is \$1,375,000.

**Section 4.** The Project Costs to be reimbursed with the proceeds of the Borrower's Obligations or the NJEIT Obligations will be "capital expenditures" in accordance with the meaning of Section 150 of the Code.

**Section 5.** No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds of the Borrower's Obligations or the NJEIT Obligations used to reimburse the Borrower for Project Costs, or funds corresponding to such amounts, will not be used in a

manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of the Borrower's Obligations or the NJEIT Obligations or another issue of debt obligations of the Borrower or the NJEIT, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1).

**Section 6.** All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than Borrower's Obligations or the NJEIT Obligations is paid, or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

**Section 7.** This resolution shall take effect immediately.

#### CERTIFICATION

I hereby certify that the foregoing Resolution was duly adopted by the Brick Township Municipal Utilities Authority at a Meeting held on the 21<sup>st</sup> day of December 2017, a quorum being present and voting in the majority.



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Thomas C. Curtis, Authority Secretary