

RESOLUTION NO. 29-21

THE BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

March 25, 2021

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

WHEREAS, The Brick Township Municipal Utilities Authority (the “Authority”) intends to acquire, construct, renovate and/or install the environmental infrastructure projects more fully described in **Exhibit A** attached hereto (the “Projects”); and

WHEREAS, the Authority intends to finance the Projects with debt obligations of the Authority (the “Project Debt Obligations”) but may pay for certain costs of the Projects (the “Project Costs”) prior to the issuance of the Project Debt Obligations with funds of the Authority that are not borrowed funds; and

WHEREAS, the Authority reasonably anticipates that obligations, the interest on which is excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), will be issued by (i) the Authority on a short-term or long-term basis and/or (ii) the New Jersey Infrastructure Bank (the “Conduit Issuer”) to finance the Projects on a long-term basis by making one or more loans to the Authority with the proceeds of the Conduit Issuer’s obligations (the “Project Bonds”); and

WHEREAS, the Authority desires to preserve its right to treat an allocation of proceeds of the Project Debt Obligations to the reimbursement of Project Costs paid prior to the issuance of the Project Debt 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 governing body of the Authority as follows:

Section 1. The Authority reasonably expects to reimburse its expenditure of Project Costs paid prior to the issuance of the Project Debt Obligations with proceeds of its Project Debt Obligations.

Section 2. This resolution is intended to be and hereby is a declaration of the Authority’s official intent to reimburse the expenditure of Project Costs paid prior to the issuance of the Project Debt Obligations with the proceeds of a borrowing to be incurred by the Authority, in accordance with Treasury Regulations §1.150-2.

Section 3. The maximum principal amount of the Project Debt Obligations expected to be issued to finance the Projects is \$12,600,000, allocated as set forth on **Exhibit A**.

Section 4. The Project Costs to be reimbursed with the proceeds of the Project Debt 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 Project Bonds used to reimburse the Authority 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 Project Debt Obligations or another issue of debt obligations of the Authority, 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 the Project Debt Obligations is paid, or (ii) the date the respective 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.

Recorded Vote

Governing Body Member:	Aye	Nay	Abstain	Absent
Thomas C. Curtis	✓			
William Neafsey	✓			
Michael Blandina	✓			
Susan Lydecker	✓			
Derrick Ambrosino	✓			

The foregoing is a true copy of a resolution adopted by The Brick Township Municipal Utilities Authority on March 25, 2021.

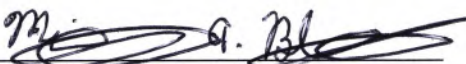

Michael Blandina, Secretary

Exhibit A

Water Main Replacement – Cedarwood Park East and West

The project includes the replacement of approximately 18,500 LF of water main containing 290 existing services in the Cedarwood Park West and Cedarwood Park East neighborhoods in Brick Township. The project will result in the removal and replacement of existing water mains, and installation of fittings and fire hydrants, as required. The existing water mains vary in diameter from 2-inches and 3-inches. The replacement water mains will be 6-inches and 8-inches. All of the proposed water mains will be installed within the roadway or right-of-way.

This project corresponds to New Jersey Infrastructure Bank Project No. 1506001-008
\$5,800,000 in Project Debt Obligations are expected to be issued for this project.

Water Main Replacement – Cartagena Drive Area

The project includes a water main replacement of approximately 6,900 linear feet (LF) along Cartagena Drive, Alhama Drive, Cadiz Drive, Valencia Drive, and Monterey Drive, located within the Baywood Section of the Township of Brick. This replacement includes the installation of 6 inch and 8 inch polyvinyl chloride (PVC) pipe due to the existing corrosive conditions of the surrounding soils. This project will be bid out as a single contract to also include replacement of 6,350 linear feet (LF) of aging sewer infrastructure that lies beneath the work area. As such, the building costs for this project are limited to the water main infrastructure, service connections, valves, fire hydrants and related appurtenances. Meter replacements, curb to curb paving will be covered by the financing for the separate sewer project.

This project corresponds to New Jersey Infrastructure Bank Project No. 1506001-014
\$2,300,000 in Project Debt Obligations are expected to be issued for this project.

Sewer Main Replacement – Cartagena Drive Area

The project includes a sanitary sewer main replacement of approximately 6,350 linear feet (LF) along Cartagena Drive, Alhama Drive, Cadiz Drive, Valencia Drive, and Monterey Drive, located within the Baywood Section of the Township of Brick, to reinforce the collection system. This replacement includes the installation of 8 and 10 inch polyvinyl chloride (PVC) pipe that consists of site clearing, service laterals, man hole replacement, site restoration, curb to curb paving and related appurtenances. This project will be bid out as a single contract to coincide with the water main replacement project in the Baywood Section.

This project corresponds to New Jersey Infrastructure Bank Project No. S340448-13
\$4,500,000 in Project Debt Obligations are expected to be issued for this project.