

THE MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

RESOLUTION NO. 2021-28

**RESOLUTION OF THE MANTUA TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY EXPRESSING ITS INTENTION TO REIMBURSE ITSELF FOR CERTAIN
EXPENDITURES RELATING TO THE AUTHORITY'S CAPITAL IMPROVEMENT
PROGRAM OUT OF THE PROCEEDS OF BONDS OR OTHER OBLIGATIONS TO BE
HEREAFTER ISSUED BY THE AUTHORITY IN CONNECTION WITH ITS
PARTICIPATION IN THE NEW JERSEY INFRASTRUCTURE BANK FINANCING
PROGRAM**

BACKGROUND

WHEREAS, The Mantua Township Municipal Utilities Authority ("Authority" or "Borrower") has determined to undertake a capital improvement program, consisting of the construction of a new gravity collection system, duplex pumping station, and force main to support existing properties along Barnsboro Road and Breakneck Road in the Township of Mantua, New Jersey ("Township") ("Project"), all as more particularly described in the information on file in the offices of the Authority and the Authority's Consulting Engineer and available for inspection during normal business hours; and

WHEREAS, the Authority intends to incur expenditures for the costs of engineering, obtaining various permits and approvals, and preparation, design, planning, acquisition and installation of the Project including, without limitation, expenditures to certain of its consultants, engineers, attorneys and others for services rendered in connection with the Project ("Project Costs"); and

WHEREAS, the Authority intends to pay such expenditures using temporarily available funds in anticipation of reimbursing such expenditures from the proceeds of bonds or other obligations hereafter issued by the Authority in the aggregate principal amount of up to \$2,300,000 ("Project Debt Obligations"); 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 ("Code"), will be issued by the New Jersey Infrastructure Bank ("Issuer") to finance the Project on both a short term and long-term basis by making a loan to the Borrower with the proceeds of the Issuer's obligations ("Project Bonds"); and

WHEREAS, the Borrower 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 MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY AND THE MEMBERS THEREOF, AS FOLLOWS:

Section 1. The Authority hereby declares its reasonable expectation to reimburse the expenditures paid by the Authority to pay the Project Costs prior to the date of issuance of the Project Debt Obligations including, without limitation, expenditures to certain of its consultants, engineers, attorneys and others for services rendered in connection with the Project, out of the proceeds of the Project Debt Obligations which are to be issued by the Authority after the date of this Resolution.

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 Project Debt Obligations with the proceeds of a borrowing to be incurred by the Borrower, in accordance with Treasury Regulations §150-2.

Section 3. The maximum principal amount of the Project Debt Obligations expected to be issued to finance the Project is \$2,300,000.

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 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 Project Debt Obligations or another issue of debt obligations of the Borrower, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1).

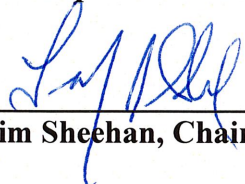
Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Project Debt Obligations is paid, or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned,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

Section 7. This Resolution is to be retained by the Authority and made publicly available for inspection at the offices of the Authority from the date hereof through the date of issuance of the Project Debt Obligations.

Section 8. This Resolution shall take effect immediately upon adoption this 16th day of March, 2021.

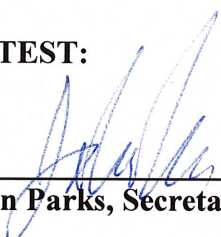
**Mantua Township
Municipal Utilities Authority**

By:



Tim Sheehan, Chairman

ATTEST:



John Parks, Secretary

<u>Governing Body</u>	<u>Recorded Vote</u>				<u>Resolution 2021-28</u>
	Aye	Nay	Abstain	Absent	
Tim Sheehan, Chairman	✓				
Mario Dilisciandro, Vice Chairman	✓				
Daniel Hauss, Treasurer	✓				
John Parks, Secretary	✓				
Victor Torino	✓				
Howard Bruner, Alternate No. 1					