

RESOLUTION OF THE TOMS RIVER 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 Toms River Municipal Utilities Authority (the “Authority”) intends to acquire, construct, renovate and/or install the environmental infrastructure project(s) more fully described in **Exhibit A** attached hereto (collectively, the “Project”); and

WHEREAS, the Authority intends to finance the Project with debt obligations of the Authority (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 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 Project on a long-term basis by making a loan 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 \$10,000,000.

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 Debt Obligations 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 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

AYE

NO

ABSTAIN

ABSENT

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The foregoing is a true copy of a resolution adopted by the Toms River Municipal Utilities Authority on Sept 22, 2020.


Secretary

Exhibit A

Dig/Replace Pipe: Rehabilitation via excavation, removal/replacement of approximately 65 separate locations of different Pipe sections, which are suffering from sags, offset joints, etc., and are not conducive to trenchless rehabilitation. Current defective pipe conditions are restricting flow, and/or are prone to grease buildup, etc.

Foster Road Pipe Replacement: Replace and properly abandon an existing sagged, 150 LF of sixteen-inch diameter (16" Ø) gravity pipe (ACP material, circa 1968), crossing beneath State Hwy #37, with a new alignment (via jack/bore) of 150 LF of fifteen-inch diameter (15" Ø) PVC.

Sewer/Manhole Rehabilitation: Rehabilitation of several pipes and manholes, via Cured-In-Place Lining, throughout various sections of the collection system.

Replacement/Supplemental Force Mains: Directionally drill installation of replacement/supplemental force mains to have backup/redundancy to existing force mains.

Equipment Purchases: Acquisition of (i) one replacement Dump Truck Vehicle, (ii) one replacement Utility Truck Vehicle with Crane, (iii) one replacement JetVac Truck Vehicle, (iv) one new Vacuum attachment for ATV/Utility Vehicle, (v) three replacement portable generators for use at Pump Stations 14, 15 and 20, and (vi) four new Wetwell-Mounted Grinders for use at Pump Stations 24, 25, 26 and 30.