

2012-07

RESOLUTION OF THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, AUTHORIZING THE MAKING OF AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:5A-6, 7 AND 24 AND N.J.S.A. 58:11B-9(a), AND CERTAIN OTHER MATTERS IN CONNECTION WITH ISSUANCE OF NOT EXCEEDING \$8,600,000 WATER REVENUE BONDS, CONSISTING OF WATER REVENUE BONDS, SERIES 2012G AND WATER REVENUE BONDS, SERIES 2012H OR WATER REVENUE PROJECT NOTES TO THE NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST FINANCING PROGRAM

WHEREAS, The Southeast Monmouth Municipal Utilities Authority (the "Authority") has been duly created by virtue of parallel ordinances of the governing bodies of the Borough of Brielle, the Borough of Sea Girt, the Borough of Spring Lake, the Borough of Spring Lake Heights and the Township of Wall (each individually, the "Municipality" or collectively, the "Municipalities"), each in the County of Monmouth, New Jersey, as a public body corporate and politic of the State of New Jersey pursuant to the terms of the Municipal and County Utilities Authorities Law, constituting Chapter 183 of the Laws of New Jersey of 1957, as amended and supplemented; and

WHEREAS, the Authority desires to undertake the construction of a new two (2) million gallon water storage tank and the replacement, acquisition and installation, as applicable, of two (2) caustic soda tanks, two (2) zinc orthophosphate tanks and delivery system, two (2) clarithickeners, one (1) equalization tank and a filter to waste piping and improvements to the recycle lagoon system (including the installation of a third recycle lagoon) and the electrical system (collectively, the "Project"); and

WHEREAS, the total cost of the Project shall be approximately \$8,387,373 and the Authority's source for the permanent payment for the cost of the Project, and additional financing costs, is the Authority's issuance of Water Revenue Bonds or Project Notes in an aggregate principal amount not to exceed \$8,600,000 (the "Bonds/Project Notes"), through the New Jersey Environmental Infrastructure Trust's (the "NJEIT") 2012 New Jersey Recovery and Reinvestment Plan or Traditional financing program (the "NJEIT Program") and the associated water purchase contracts for such Bonds/Project Notes; and

WHEREAS, the Project Notes shall be issued to temporarily finance the Project until the Authority permanently finances the Project through the issuance of Bonds that shall consist of two separate series including Water Revenue Bonds, Series 2012G and Water Revenue Bonds, Series 2012H; and

WHEREAS, the Authority now desires to authorize the issuance of the Bonds/Project Notes through the NJEIT Program; and

WHEREAS, the Authority's ability to issue such Bonds/Project Notes through the NJEIT Program requires the authorization of certain matters and certain actions to be undertaken by Authority officials, officers and professionals, including but not limited to, the preparation and submission of an application to the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board") and the completion and submission of the Financial Addendum Form to the NJEIT Program; and

WHEREAS, the Authority desires to conduct the private sale of its Bonds/Project Notes in an aggregate principal amount not to exceed \$8,600,000 to provide funds to finance the Project, and certain additional financing costs, and desires to make application to the Local Finance Board (i) to seek the consent and approvals of the Local Finance Board, pursuant to sections 6, 7 and 24 of the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq., as amended and supplemented, and (ii) for the approvals required pursuant to the provisions of N.J.S.A. 58:11B-9(a); and

WHEREAS, the Authority believes:

- (a) it is in the public interest to accomplish the Project;
- (b) the Project is for the health, welfare, convenience or betterment of the inhabitants of the Authority's service area and the future users of the Authority's water system;
- (c) the amounts to be expended for the Project are not unreasonable or exorbitant; and
- (d) the Project is an efficient and feasible means of providing services for the needs of the inhabitants of the Authority's service area and the future users of the Authority's water system, and the Project will not cause any undue financial burden to be placed upon the inhabitants of the Authority's service area and/or the future users of the Authority's water system;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE SOUTHEAST MONMOUTH MUNICIPAL UTILITIES AUTHORITY, IN THE COUNTY OF MONMOUTH, STATE OF NEW JERSEY, as follows:

SECTION 1. The Authority's Bond Counsel, Wilentz, Goldman & Spitzer, P.A. (the "Bond Counsel") and other officials, officers and professionals of the Authority, including but not limited to, the Chairman, the Executive Director, the Treasurer, the Secretary and the Authority's General Counsel, Mark G. Kitrick, Esq., of King, Kitrick & Jackson, L.L.C. (the "General Counsel") are each hereby authorized and directed to prepare and submit an application to the Local Finance Board (the "Application") in

connection with the financing of the Project and to represent the Authority in matters pertaining thereto.

SECTION 2. The Local Finance Board is hereby respectfully requested to consider such Application and to record its findings, consents, recommendations and/or approvals as provided by the applicable New Jersey Statutes.

SECTION 3. The Authority's Secretary is hereby directed to file a certified copy of this resolution with the Local Finance Board and to forward a certified copy of this resolution to Bond Counsel to supplement the Application therewith.

SECTION 4. Bond Counsel is hereby authorized to prepare, along with the New Jersey Water Supply Authority and other officials, officers and professionals of the Authority, the NJEIT Program's Financial Addendum Form in consultation with the Authority's Chairman and/or Executive Director and the General Counsel and to submit same to the NJEIT Program.

SECTION 5. The Authority's Chairman and/or Executive Director are each hereby authorized and directed to determine all matters in connection with the Project not determined by this or a subsequent resolution, all in consultation with Bond Counsel and General Counsel, and the manual or facsimile signature of the Authority's Chairman and/or Executive Director upon any documents shall be conclusive as to all such determinations. The Authority's Chairman, Executive Director, Treasurer, Secretary and any other Authority Representative, including but not limited to, Bond Counsel and General Counsel, are each hereby authorized and directed to take such actions or refrain from such actions as are necessary to consummate the transaction contemplated by the Authority's undertaking of the Project, and any and all such actions or inactions taken by the aforesaid Authority Representatives heretofore are hereby ratified and confirmed, *nunc pro tunc*.

SECTION 6. This resolution shall take effect immediately.

RECORDED VOTE

AYES

NAYS

ABSTENTIONS

ABSENTEES