

**RESOLUTION OF THE MERCHANTVILLE-PENNSAUKEN
WATER COMMISSION DECLARING ITS OFFICIAL
INTENT TO REIMBURSE EXPENDITURES FOR PROJECT
COSTS FROM THE PROCEEDS OF DEBT OBLIGATIONS IN CONNECTION
WITH ITS PARTICIPATION IN THE NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST FINANCING PROGRAM**

WHEREAS, the Merchantville-Pennsauken Water Commission (the "Borrower") intends to acquire, construct, renovate and/or install the environmental infrastructure project more fully described below under **Exhibit A** (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 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 the New Jersey Environmental Infrastructure Trust (the "Issuer") to finance the Project on a long-term basis by making a loan to the Borrower with the proceeds of the Issuer's obligations (the "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 governing body of the Borrower as follows:

Section 1. The Borrower 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 and declares 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 §1.150-2.

Section 3. The principal amount of the Project Debt Obligations issued to finance the Project is not expected to exceed \$8,800,000.

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 Treasury Regulations §1.150-2) or abandoned, but no more than 3 years after expenditure is paid.

Section 7. This resolution shall take effect immediately.

ALSO, BE IT FURTHER RESOLVED, that the original of this Resolution be kept in the Records of the Commission and upon Commencement of the construction the Clerk of the Townships of Pennsauken and the Borough of Merchantville shall be provided a copy of this resolution.

I hereby certify that this is a True and Accurate Recitation of the Resolution adopted by the Merchantville-Pennsauken Water Commission on the date aforementioned.

Recorded Vote:	S. Ali:	<input checked="" type="checkbox"/> AYE	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN	<input type="checkbox"/> ABSENT
	E. Brennan	<input checked="" type="checkbox"/> AYE	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN	<input type="checkbox"/> ABSENT
	P. Brennan:	<input checked="" type="checkbox"/> AYE	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN	<input type="checkbox"/> ABSENT
	J. Scavuzzo:	<input checked="" type="checkbox"/> AYE	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN	<input type="checkbox"/> ABSENT
	F. Warwick:	<input checked="" type="checkbox"/> AYE	<input type="checkbox"/> NO	<input type="checkbox"/> ABSTAIN	<input type="checkbox"/> ABSENT

I hereby certify that this is a true copy of a Resolution adopted by the Merchantville-Pennsauken Water Commission on February 10, 2024.

MERCHANTVILLE-PENNSAUKEN WATER COMMISSION

BY: 
Joseph C. Scavuzzo, Commissioner and President of
The Commission

ATTEST:



Edward F. BRENNAN, Esq., Commissioner and Secretary
To the Commission

[Seal]

Exhibit "A"

Project Description

For purposes of this Resolution, the "Project" to be financed with the Project Debt Obligations will be the design, construction, and equipping of an approximately 6,500 square foot new water treatment plant to be located near the Commission's existing National Highway Treatment Plant, which treatment plant shall be located in Pennsauken, New Jersey (the "Plant"). The Plant is being constructed in order to meet applicable federal and state regulations and standards associated with the removal of PFOS compounds from drinking water.