

MONROE TOWNSHIP, MIDDLESEX COUNTY

ORDINANCE NO.: O-8-2020-016

BOND ORDINANCE PROVIDING FOR VARIOUS 2020 WATER AND SEWER UTILITY IMPROVEMENTS BY AND IN THE TOWNSHIP OF MONROE, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY; APPROPRIATING \$7,625,000 THEREFOR FROM THE WATER AND SEWER UTILITY OF THE TOWNSHIP AND AUTHORIZING THE ISSUANCE OF \$7,625,000 BONDS OR NOTES TO FINANCE THE COST THEREOF

BE IT ORDAINED AND ENACTED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF MONROE, IN THE COUNTY OF MIDDLESEX, STATE OF NEW JERSEY (not less than two-thirds of all the members thereof affirmatively concurring), AS FOLLOWS:

SECTION 1. The improvements or purposes described in Section 3 of this bond ordinance are hereby authorized to be undertaken by the Water and Sewer Utility of the Township of Monroe, in the County of Middlesex, State of New Jersey (the “Township”) as general improvements. For the said improvements stated in Section 3, there is hereby appropriated the aggregate sum of \$7,625,000 from the Water and Sewer Utility of the Township (the “Water and Sewer Utility”). Pursuant to the provisions of N.J.S.A. 40A:2-7(h) and 40A:2-11(c) of the Local Bond Law, N.J.S.A. 40A:2-1 *et seq.* (the “Local Bond Law”), no down payment is required as the Water and Sewer Utility of the Township is self-liquidating.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof and to meet the \$7,625,000 appropriation provided for herein, negotiable bonds of the Water and Sewer Utility of the Township are hereby authorized to be issued in the principal amount of \$7,625,000 pursuant to, and within the limitations prescribed by, the Local Bond Law. In anticipation of the issuance of said bonds and to temporarily finance said improvements or purposes, negotiable notes of the Water and Sewer Utility of the Township in a principal amount not exceeding \$7,625,000 are hereby authorized to be issued pursuant to, and within the limitations prescribed by, the Local Bond Law.

SECTION 3. (a) The improvements hereby authorized and purposes for the financing of which said bonds or notes are to be issued include, but are not limited to, the following:

| <u>Description</u> | <u>Total Appropriation</u> | <u>Debt Authorization</u> | <u>Useful Life</u> |
|--|--------------------------------|-------------------------------|------------------------|
| (i) The acquisition and installation of residential water meters; and | \$450,000 | \$450,000 | 10 years |
| (ii) Purchase of equipment to comply with the New Jersey Water Quality Accountability Act’s Asset Management Program including, but not limited to, the rehabilitation of public water supply well pumps to ensure the well operates to original equipment design standards; and | \$250,000 | \$250,000 | 10 years |
| (iii) External and internal improvements to Tank 615 including, but not limited to, painting and sandblasting the outside and inside of the tank to comply with the New Jersey Water Quality | \$1,950,000 | \$1,950,000 | 10 years |

| <u>Description</u> | <u>Total Appropriation</u> | <u>Debt Authorization</u> | <u>Useful Life</u> |
|--|--------------------------------|-------------------------------|------------------------|
| Accountability Act Asset Management Program; and | | | |
| (iv) Rehabilitate and upgrade Tank 8, which includes, but is not limited to, adding 250,000 gallons of additional storage space and upgrading the Supervisory Control and Data Acquisition system; and | \$1,500,000 | \$1,500,000 | 25 years |
| (v) Perform engineering design and redirect upgrades to, as applicable, Pump Station 1 and Pump Station 6; and | \$600,000 | \$600,000 | 5 years |
| (vi) Purchase and acquire a jet vacuum truck and Kubota Tractor; and | \$495,000 | \$495,000 | 5 years |
| (vii) Implement various upgrades and improvements to Pump Station No. 2; and | \$2,000,000 | \$2,000,000 | 30 years |
| (viii) Purchase technology equipment including, but not limited to, computers, phones, and security equipment. | \$380,000 | \$380,000 | 7 years |
| TOTALS | <u>\$7,625,000.00</u> | <u>\$7,625,000.00</u> | |

(b) All such improvements or purposes set forth in Section 3(a) shall include, as applicable, but are not limited to, all engineering and design work, surveying, construction planning, preparation of plans and specifications, environmental testing and remediation, permits, bid documents, construction inspection and contract administration, and all work, materials, equipment, labor and appurtenances necessary therefor or incidental thereto.

(c) The estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$7,625,000.

(d) The estimated aggregate cost of said improvements or purposes is \$7,625,000.

SECTION 4. In the event the United States of America, the State of New Jersey, and/or the County of Middlesex make a contribution or grant in aid to the Township for the improvements and purposes authorized hereby and the same shall be received by the Township prior to the issuance of the bonds or notes authorized in Section 2 hereof, then the amount of such bonds or notes to be issued shall be reduced by the amount so received from the United States of America, the State of New Jersey, and/or the County of Middlesex. In the event, however, that any amount so contributed or granted by the United States of America, the State of New Jersey, and/or the County of Middlesex shall be received by the Township after the issuance of the bonds or notes authorized in Section 2 hereof, then such funds shall be applied to the payment of the bonds or notes so issued and shall be used for no other purpose. This Section 4 shall not apply, however, with respect to any contribution or grant in aid received by the Township as a result of using funds from this bond ordinance as “matching local funds” to receive such contribution or grant in aid.

SECTION 5. All bond anticipation notes issued hereunder shall mature at such time as may be determined by the Chief Financial Officer of the Township, provided that no note shall mature later than one (1) year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer of the Township. The Chief Financial Officer of the Township shall determine all matters in connection with the notes issued pursuant to this bond ordinance, and the signature of the Chief Financial Officer upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time in accordance with the provisions of the Local Bond Law. The Chief Financial Officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchaser thereof upon receipt of payment of the purchase price and accrued interest thereon from their dates to the date of delivery thereof. The Chief Financial Officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this bond ordinance is made. Such report must include the principal amount, the description, the interest rate, the maturity schedule of the notes so sold, the price obtained and the name of the purchaser.

SECTION 6. The Township hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable, for the Water and Sewer Utility of the Township. The capital or temporary capital budget, as applicable, of the Water and Sewer Utility is hereby amended to conform with the provisions of this bond ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, as applicable, of the Water and Sewer Utility, a revised capital or temporary capital budget of the Water and Sewer Utility has been filed with the Division of Local Government Services.

SECTION 7. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvements or purposes described in Section 3 of this bond ordinance are not current expenses and are improvements or purposes which the Water and Sewer Utility may lawfully undertake as general improvements or purposes, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The average period of usefulness of said improvements or purposes within the limitations of said Local Bond Law, according to the reasonable life thereof computed from the date of the said bonds authorized by this bond ordinance, is 17.32 years.

(c) The supplemental debt statement required by the Local Bond Law has been duly made and filed in the Office of the Clerk of the Township and a complete executed duplicate thereof has been filed in the Office of the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs, and such statement shows that the gross debt of the Water and Sewer Utility as defined in the Local Bond Law is increased by the authorization of the bonds or notes provided for in this

bond ordinance by \$7,625,000 and the said obligations authorized by this bond ordinance will be within all debt limitations prescribed by said Local Bond Law.

(d) An aggregate amount not exceeding \$1,198,000 for items of expense listed in and permitted under N.J.S.A. § 40A:2-20 is included in the estimated cost indicated herein for the purposes or improvements hereinbefore described.

(e) This bond ordinance authorizes obligations of the Township solely for purposes described in N.J.S.A. 40A:2-7(h). The obligations authorized herein are to be issued for purposes that are deemed to be self-liquidating pursuant to N.J.S.A. 40A:2-47(a) and are deductible from gross debt pursuant to N.J.S.A. 40A:2-44(c).

SECTION 8. The full faith and credit of the Township are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The bonds or notes shall be direct, unlimited obligations of the Township and, unless paid from other sources, including water and sewer fees and rates collected by customers of the Water and Sewer Utility, the Township shall be obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the obligations and the interest thereon without limitation as to rate or amount.

SECTION 9. The Township reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof and paid prior to the issuance of any bonds or notes authorized by this bond ordinance with the proceeds of such bonds or notes. This Section 9 is intended to be and hereby is a declaration of the Township's official intent to reimburse any expenditures toward the costs of the improvements or purposes described in Section 3 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations §1.150-2. All reimbursement allocations will occur not later than eighteen (18) months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized herein is paid, or (ii) the date the improvements or purposes described in Section 3 hereof is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than three (3) years after the expenditure is paid.

SECTION 10. The Township covenants to maintain the exclusion from gross income under Section 103(a) of the Code of the interest on all tax-exempt bonds and notes issued under this ordinance.

SECTION 11. The Chief Financial Officer of the Township is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the Township, which are authorized herein, and to execute such disclosure document on behalf of the Township. The Chief Financial Officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Township pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the Township, which are authorized herein, and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided

such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Township fails to comply with its undertaking required by the Rule, the Township shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

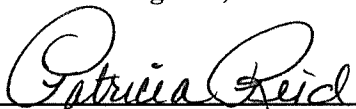
SECTION 12. This bond ordinance shall take effect twenty (20) days after the first publication hereof after final adoption and approval by the Mayor, as provided by the Local Bond Law.

NOTICE

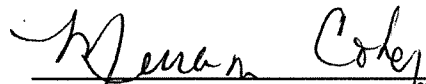
Notice is hereby given that the foregoing Ordinance was introduced and passed on first reading at a meeting of the Monroe Township Council held on August 3, 2020. Said Ordinance will again be read and considered for final passage at the next scheduled meeting of the Monroe Township Council to be held on September 2, 2020 at 6:30 p.m. at the Monroe Township Municipal Building, 1 Municipal Plaza, Monroe Township, New Jersey 08831 or virtually at via Zoom at <https://us04web.zoom.us/j/106827708>. At said time and place all persons having an interest in the foregoing Ordinance will be granted an opportunity to be heard concerning the same prior to consideration for final passage by the Council.

| RECORDED VOTE – INTRODUCTION – August 3, 2020 | | | | | | |
|---|--------|--------|-----|-----|---------|--------|
| COUNCIL | MOTION | SECOND | AYE | NAY | ABSTAIN | ABSENT |
| Council President Cohen | | | X | | | |
| Council Vice President Schneider | | X | X | | | |
| Councilman Baskin | | | X | | | |
| Councilman Dalina | X | | X | | | |
| Councilman Dipierro | | | X | | | |

ADOPTED ON FIRST READING
DATED: August 3, 2020



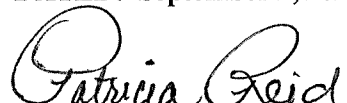
 PATRICIA REID, RMC, Clerk
 Township of Monroe



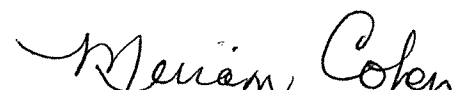
 MIRIAM COHEN, Council President
 Township of Monroe

| RECORDED VOTE – SECOND READING & FINAL ADOPTION – September 2, 2020 | | | | | | |
|---|--------|--------|-----|-----|---------|--------|
| COUNCIL | MOTION | SECOND | AYE | NAY | ABSTAIN | ABSENT |
| Council President Cohen | | | X | | | |
| Council Vice President Schneider | | | X | | | |
| Councilman Baskin | | | X | | | |
| Councilman Dalina | X | | X | | | |
| Councilman Dipierro | | X | X | | | |

ADOPTED ON SECOND READING
DATED: September 2, 2020



 PATRICIA REID, RMC, Clerk
 Township of Monroe



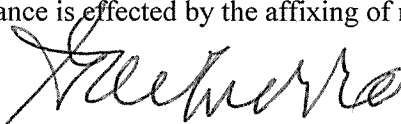
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MAYORAL APPROVAL

By virtue of the Optional Municipal Charter Law of 1950 and Chapter 3, Section 19 of the Code of the Township of Monroe, my approval of this Ordinance is effected by the affixing of my signature hereto.



GERÁLD W. TAMBURRO, Mayor

Date signed: 9/3/2020