

**TOWNSHIP OF PARSIPPANY-TROY HILLS
MORRIS COUNTY, NEW JERSEY**

ORDINANCE NUMBER 2023:04

**BOND ORDINANCE PROVIDING FOR VARIOUS WATER
UTILITY CAPITAL IMPROVEMENTS IN AND BY THE
TOWNSHIP OF PARSIPPANY-TROY HILLS, IN THE
COUNTY OF MORRIS, STATE OF NEW JERSEY;
APPROPRIATING \$7,220,000 THEREFOR AND
AUTHORIZING THE ISSUANCE OF \$7,220,000 BONDS OR
NOTES TO FINANCE THE COST THEREOF**

**BE IT ORDAINED AND ENACTED BY THE TOWNSHIP COUNCIL OF THE
TOWNSHIP OF PARSIPPANY-TROY HILLS, IN THE COUNTY OF MORRIS, 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 Utility (the “Water Utility”) of the Township of Parsippany-Troy Hills, in the County of Morris, State of New Jersey (the “Township”) as general improvements. For the said improvements stated in Section 3, there is hereby appropriated the principal amount of \$7,220,000. 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 Utility is self-liquidating.

SECTION 2. For the financing of said improvements or purposes described in Section 3 hereof and to meet the \$7,220,000 appropriation, negotiable bonds of the Township are hereby authorized to be issued in the principal amount of \$7,220,000 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 Township in a principal amount not exceeding \$7,220,000 are hereby authorized to be issued pursuant to, and within the limitations prescribed by, the Local Bond Law. The obligations authorized herein are deductible from gross debt of the Township, as more fully described in Section 7(e) of this bond ordinance.

SECTION 3. 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>
(a) Water infrastructure replacement pursuant to the Water Quality Accountability Act (WQAA) as mandated by the New Jersey Department of Environmental Protection;	\$3,500,000	\$3,500,000	40 years
(b) Drilling and replacement of wells for the Water Utility, including, but not limited to, Well 3, Well 14, and Well 17;	\$2,500,000	\$2,500,000	40 years
(c) Rehabilitation of a steel tank and radio communications for the water tank located on Route 287;	\$650,000	\$650,000	10 years
(d) Acquisition of a trailer-mounted hydro excavator; and	\$70,000	\$70,000	5 years
(e) Section 20 costs.	\$500,000	\$500,000	
TOTALS	<u>\$7,220,000</u>	<u>\$7,220,000</u>	

All such improvements or purposes set forth in Section 3 shall include, but are not limited to, all engineering and design work, surveying, construction planning,

preparation of plans and specifications, permits, bid documents, construction inspection, and contract administration, environmental testing and remediation, and all work, materials, equipment, labor and appurtenances necessary therefor or incidental thereto.

The estimated maximum amount of bonds or notes to be issued for said improvements or purposes is \$7,220,000.

The estimated cost of said improvements or purposes is \$7,220,000.

SECTION 4. In the event the United States of America, the State of New Jersey, and/or the County of Morris 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 Morris. 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 Morris 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 times 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, unless such bond anticipation notes are permitted to mature at such later date in accordance with the provisions of the

New Jersey Infrastructure Trust Act, N.J.S.A. 58:11B-1 (“NJIT Act”). The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. 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, and, as applicable, the provisions of the NJIT Act. 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 for the Water Utility, as applicable. The capital or temporary capital budget for the Water Utility of the Township 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 for the Water Utility, a revised capital or temporary capital budget for the Water 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 purposes described in Section 3 of this bond ordinance are not current expenses and are improvements or purposes which the Township may lawfully undertake as general improvements or purposes for the Water Utility of the Township, and no part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) The period or 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 39.46 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 Township, as defined in the Local Bond Law, is increased by the authorization of the bonds or notes provided for in this bond ordinance by \$7,220,000, but such amount shall constitute a deduction from gross debt to the extent permitted by law, and the obligations authorized herein will be within all debt limitations prescribed by said Local Bond Law.

(d) An aggregate amount not exceeding \$500,000 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 obligations shall be direct, unlimited obligations of the Township and, unless paid from other sources, 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.

SECTION 10. 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, the Township shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

SECTION 11. The Township covenants to maintain the exclusion from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended, the interest on all federally tax-exempt bonds and notes issued under this ordinance.

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