

Resolution 11-069

**RESOLUTION OF THE ROCKAWAY VALLEY REGIONAL
SEWERAGE AUTHORITY DECLARING ITS OFFICIAL INTENT
TO REIMBURSE EXPENDITURES FOR PROJECT COSTS
FROM THE PROCEEDS OF DEBT OBLIGATIONS.**

WHEREAS, the Rockaway Valley Regional Sewerage Authority (the "Authority") desires to finance the project more fully described in Exhibit A attached hereto (the "Project") with debt obligations of the Authority (the "Project Debt Obligations") to be secured by, among other things, revenues of the Authority;

WHEREAS, the Authority 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;

WHEREAS, the Authority reasonably anticipates (but has no obligation) that obligations, the interest on which is not included in gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), will be issued by the Authority to finance all or a portion of the costs of the Project on a long-term basis; 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 ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY, and the members or commissioners thereof, **AS FOLLOWS:**

Section 1. The Authority reasonably expects to reimburse the Authority's 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 the 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 estimated cost of the Project is approximately \$10,000,000 and the maximum principal amount of the Project Debt Obligations expected to be issued to finance the Project 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 eighteen (18) months after the later of (i) the date of 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 three (3) years after the expenditure is paid.

Section 7. This resolution shall take effect immediately.

I hereby certify that this Resolution was adopted at the Regular meeting of the Rockaway Valley Regional Sewerage Authority held on October 13, 2011

on the motion of Bruce MacNeal

second by Joseph Lowell

and a Roll Call Vote as follows:

YEAS: (7) Cegelka, Guadagno, Lowell, MacNeal, Schaefer, Schorno, Secco

NAYS: (0) None

ABSTAIN: (0) None

ABSENT: (3) Corbett, Kiingener, Schulman


Bruce W. Mac Neal
Secretary

EXHIBIT A

DESCRIPTION OF PROJECT

“Project” means the improvement of the Authority’s wastewater treatment system, including the reconstruction of the sewer pipe along the Rockaway River or the construction of alternative sanitary sewerage transmission facilities, together with all facilities and temporary facilities necessary and convenient or desirable prior to and during the period of such reconstruction or construction and all necessary and incidental equipment, apparatus, structures and appurtenances and including all real property or rights-of-way, easements and other interests therein and all personal property necessary or desirable for the efficient construction and operation of such facilities.