THE BOARD OF EDUCATION OF THE TOWNSHIP OF HOWELL, IN THE COUNTY OF MONMOUTH, NEW JERSEY

REFUNDING BOND ORDINANCE PROVIDING FOR THE FUNDING OF AN ENERGY SAVINGS IMPROVEMENT PROGRAM FOR THE BOARD OF EDUCATION OF THE TOWNSHIP OF HOWELL, IN THE COUNTY OF MONMOUTH, NEW JERSEY; AUTHORIZING THE ISSUANCE OF UP TO $18,000,000 OF SCHOOL REFUNDING BONDS OR BOND ANTICIPATION NOTES OF THE SCHOOL DISTRICT TO FINANCE THE COST THEREOF; MAKING CERTAIN DETERMINATIONS AND COVENANTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN RELATED ACTIONS IN CONNECTION WITH THE FOREGOING.

BACKGROUND

WHEREAS, The Board of Education of the Township of Howell ("Board" when referring to the governing body and "School District" when referring to the legal entity governed by the Board), in the County of Monmouth, New Jersey ("State"), has determined to institute an energy savings improvement program pursuant to N.J.S.A. 18A:18A-4.6 ("ESIP Law") to install certain energy conservation measures in certain of the School District's facilities described herein (collectively, the "Equipment"), the costs of which will be paid from the energy savings and other funds that result from the implementation of such energy conservation measures; and

WHEREAS, pursuant to ESIP Law, a request for competitive proposals for an energy services company was published in the Asbury Park Press on August 30, 2016 and distributed to certain qualified organizations providing energy services to public entities; and

WHEREAS, the School District, pursuant to a resolution adopted by the Board on January 18, 2017, engaged the services of DCO Energy ("DCO" or "ESCO") to: (i) serve as the energy services company for the School District; and (ii) develop an energy savings plan ("Energy Savings Plan") consisting of the installation of specific energy conservation measures to be installed at certain facilities of the School District; and

WHEREAS, pursuant to N.J.S.A. 52:15C-10(b), on February 2, 2018, the School District notified the State Comptroller of the award of a contract to DCO; and

WHEREAS, the School District's architect will submit an amendment to the School District's Long Range Facilities Plan to NJDOE in accordance with N.J.A.C. 6A:262.3(c) to include the ESIP Project; and

WHEREAS, on January 28, 2018, DCO, in accordance with the ESIP Law, submitted the Energy Savings Plan to the New Jersey Board of Public Utilities; and

WHEREAS, the School District is authorized by law, including, inter alia, the ESIP Law and Chapter 183 of the Laws of the State of 1986, N.J.S.A. 18A:24-61, et seq. ("Refunding Bond Law"), as each may be amended and supplemented subsequent to the date hereof and the regulations promulgated thereunder, to issue its school refunding bonds or bond anticipation notes to fund the costs of an energy savings improvement program; and

WHEREAS, the School District desires to issue its school refunding bonds or bond anticipation notes pursuant to ESIP Law and Refunding Bond Law to fund the acquisition and installation of the Equipment necessary to undertake the ESIP Project; and

WHEREAS, the debt service on the school refunding bonds or bond anticipation notes issued by the School District will be paid through: (i) the value of energy savings that result from the ESIP Project improvements installed at various School District facilities; and/or (ii) the levy of ad valorem taxes by the School District on all taxable real property in the School District without limitation as to rate or amount for the payment thereof.

BE IT ORDAINED BY THE BOARD OF EDUCATION OF THE TOWNSHIP OF HOWELL, IN THE COUNTY OF MONMOUTH, NEW JERSEY (NOT LESS THAN TWO-THIRDS OF ALL THE MEMBERS THEREOF AFFIRMATIVELY CONCURRING), AS FOLLOWS:

Section 1. In accordance with the ESIP Law, the School District is hereby authorized to institute the ESIP Project in order to effect savings in the ongoing energy costs of the School District.

Section 2. Negotiable general obligation school refunding bonds or bond anticipation notes of the School District are hereby authorized to be issued in one (1) or more series in an amount not to exceed $18,000,000 ("Refunding Obligations"), pursuant to the School Bond Law, N.J.S.A. 18A:24-1 et seq., as amended and supplemented ("School Bond Law") and, in particular, the Refunding Bond Law. The exact principal amount of Refunding Obligations to be issued and terms thereof shall be determined pursuant to a resolution adopted by the Board by not less than two-thirds of all the members thereof.

Section 3. The President of the Board, the Assistant Superintendent Business Administrator/Board Secretary and other appropriate representatives of the Board are hereby authorized to prepare such documents, to publish such notices and to take such other actions as are necessary or desirable to enable the Board to prepare for the sale and actions as are necessary or desirable to enable the Board to prepare for the sale and the issuance of the Refunding Obligations authorized herein and to provide for ESIP Project.

Section 3. An aggregate amount not exceeding $226,661 for the items of expense listed in and permitted by Section 61.4 of the School Bond Law, N.J.S.A. 18A:24-61.4, has been included in the aggregate principal amount of the Refunding Obligations authorized herein.
Section 4. The purpose of the Refunding Obligations is to finance the costs of the ESIP Project to effect energy cost savings for the School District.

Section 5. Each Refunding Bond authorized herein shall be designated, substantially, "The Board of Education of the Township of Howell, in the County of Monmouth, New Jersey, School Refunding Bond (ESIP Project), Series 2018" and shall be in the form prescribed and permitted by the School Bond Law, as Bond Counsel may advise, and as the School District shall approve.

Section 6. The Refunding Obligations may be sold at public or private sale pursuant to a resolution of the Board adopted by not less than two-thirds of all the members thereof.

Section 7. The supplemental debt statement provided for in Section 17 of the School Bond Law, N.J.S.A. 18A:24-17, was duly filed in the office of the Assistant Superintendent Business Administrator/Board Secretary/Board prior to the passage of this refunding bond ordinance on first reading and a complete executed duplicate original thereof has been filed in the Office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State.

Section 8. The School District may by resolution approve such other terms and provisions as listed in N.J.S.A. 18A:24-61.4 relating to the issuance of the Refunding Obligations as the School District may deem necessary.

Section 9. A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State prior to final adoption, together with a complete statement in the form prescribed by the Director and signed by the Assistant Superintendent Business Administrator/Board as to the outstanding indebtedness to be refunded by the issuance of the Refunding Obligations.

Section 10. This refunding bond ordinance shall take effect immediately upon adoption after advertised public hearing, notice of which shall be given publicly at least seven (7) days prior to the date of such hearing in a newspaper circulating within the School District; provided, however, that the consent of the Local Finance Board has been endorsed upon a certified copy of this refunding bond ordinance as finally adopted.

Date of Introduction: April 18 2018

Date of Adoption: May __, 2018