

RED LION MUNICIPAL AUTHORITY

RESOLUTION NO. 2024-1

RESOLUTION OF INTENT TO REIMBURSE INTERIM FUNDS USED TO PAY WATER PROJECT COSTS IN CONJUNCTION WITH PENNVEST REPAYMENT AND/OR NONREPAYMENT LOANS.

WHEREAS, Red Lion Municipal Authority (the “Authority”), has determined to replace the Edgewood Tank, improve the Greenbranch Pumping Station and undertake other improvements to the water system owned and operated by the Authority (the “Water Project”); and

WHEREAS, in order to finance the costs of the Water Project, the Authority intends to seek funding from the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) consisting of a repayment loan and/or a nonrepayment loan in the total amount of approximately \$4,938,893 (together, the “PENNVEST Funding”).

WHEREAS, The Authority has determined that it intends to pay costs of the Water Project on an interim basis from its water system revenues and reserves (the “Interim Funds”), and reasonably expects to reimburse some or all of such Interim Funds from proceeds of the PENNVEST Funding, as and when received; and

WHEREAS, Treasury Regulation Section 1.150-2 of the United States Internal Revenue Service, codified at 26 C.F.R. § 1.150-2 (the “Reimbursement Regulations”), requires a “declaration of official intent” to reimburse specified accounts or funds for capital expenditures advanced in connection with the capital project from a “reimbursement bond”, as defined in the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED:

1. The Authority hereafter may advance Interim Funds to pay costs and expenses of the Water Project. All or some of the Interim Funds are not intended to finance the Water Project on a permanent basis, but on an interim basis only.

2. The Authority declares its intention to reimburse all or some of the Interim Funds paid for the Water Project from proceeds of the PENNVEST Funding, up to approximately \$4,938,893.

3. The Authority hereby declares that this Resolution shall constitute a “declaration of official intent” as contemplated by the Reimbursement Regulations.

DULY ADOPTED by majority vote of the Board of the Authority at a public meeting duly convened and held on January 24, 2024.

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ATTEST:



(SEAL)



By: Dennis Z. Klemm, Chairman

By: Gayle L. Lee, Vice Chairman

By: Chris [Signature], Secretary

By: _____

By: _____