

WEST MIFFLIN SANITARY SEWER MUNICIPAL AUTHORITY
RESOLUTION NO. 158-00 ADOPTED NOVEMBER 5, 2020

WHEREAS, the Authority is a public body corporate and politic duly organized and validly existing under the Municipality Authorities Act, as amended and supplemented, 53 Pa.C.S. § 5601 et seq. (the “Act”); and

WHEREAS, the Authority is authorized by law, among other things, to acquire, hold, lease, construct, improve, maintain and operate facilities to be devoted in whole or part to sewage collection, transportation and treatment and to borrow money, to issue bonds and to secure the payment of such bonds or any part thereof by pledge or deed of trust of all or any of its receipts and revenues and to make such agreements with the purchasers or holders of such bonds or with others in connection with any such bonds, whether issued or to be issued, as the Authority shall deem advisable; and

WHEREAS, the Authority has heretofore entered into an indenture of trust dated as of September 15, 2009 (as previously supplemented, the “Existing Indenture”), between the Authority and Wells Fargo Bank, N.A., as trustee (the “Prior Trustee”); and

WHEREAS, pursuant to the Existing Indenture, the Authority issued its Sewer Revenue Bonds, Series of A of 2014 and Sewer Revenue Bonds, Series of 2016, both of which remain partially outstanding; and

WHEREAS, the Authority has determined to undertake a project consisting of (a) capital improvements including, but not limited to, those listed in Exhibit A (collectively, the “Capital Improvements”); (b) refunding the Authority’s outstanding Sewer Revenue Bonds, Series A of 2014 (the “2014A Bonds”); (c) refunding the Authority’s outstanding Sewer Revenue Bonds, Series of 2016 (the “2016 Bonds” and, together with the 2014 Bonds, the “Prior Bonds”); (d) funding the Debt Service Reserve Requirement (as defined in the 2020 Indenture (defined below)); (e) capitalizing interest, if desired; and (f) paying the costs of issuing the 2020 Bonds (defined hereinafter), and if applicable, the payment of the premium on a municipal bond insurance policy insuring all or a portion of the 2020 Bonds (collectively, the “Project”); and

WHEREAS, to finance the costs of the Project, the Authority has determined to issue its Sewer Revenue Bonds, Series of 2020 (the “2020 Bonds”) in one or more series of taxable and/or tax-exempt bonds, in an aggregate principal amount not to exceed \$40,000,000, pursuant to the terms of the Trust Indenture (replacing the Existing Indenture) dated as of the date of issuance of the 2020 Bonds (the “2020 Indenture”); and

WHEREAS, Piper Sandler & Co., as underwriter (the “Underwriter”) intends to submit to the Authority a Bond Purchase Agreement (the “Purchase Contract”) for the purchase of the 2020 Bonds; and

WHEREAS, the Authority may solicit commitments from a municipal bond insurance company (the “Bond Insurer”) for municipal bond insurance to insure the payment of principal of and interest on the 2020 Bonds; and

WHEREAS, certain actions are required to be taken by the Authority as a prerequisite to the issuance and sale of the 2020 Bonds.

NOW, THEREFORE, BE AND IT HEREBY IS RESOLVED by the Board of the Authority that:

1. To provide for the issuance of the 2020 Bonds and to establish the terms and conditions upon which the 2020 Bonds are to be issued and delivered, and the terms and conditions upon which the 2020 Bonds are secured, the Authority shall execute and deliver to the Trustee (hereinafter defined) the 2020 Indenture, substantially in the form and content as is acceptable to the Authority and its solicitor, and containing terms and conditions as the Chairman or Vice Chairman of the Authority executing the 2020 Indenture may approve, his/her approval to be conclusively evidenced by his execution thereof.

2. The Chairman or Vice Chairman or other authorized officer of the Authority be, and each of them hereby is, authorized and directed to execute the 2020 Indenture and the Purchase Contract in the name and on behalf of the Authority and to acknowledge the same to be the act and deed of the Authority, and the Secretary or Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to affix the seal of the Authority to the 2020 Indenture and the Purchase Contract when so executed, and to attest the same, and said officers or any of them be, and they hereby are, authorized and directed to deliver the 2020 Indenture to the Trustee (hereinafter defined) and the Purchase Contract to the Underwriter.

3. The Authority hereby authorizes the issuance under the 2020 Indenture of its 2020 Bonds, to be designated, generally, the "West Mifflin Sanitary Sewer Municipal Authority, Sewer Revenue Bonds, Series of 2020" (with one or more different series designations, including alpha designations of sub-series, and designations of tax-exempt or taxable status, as provided in the Purchase Contract and to be fully registered bonds in the denomination of Five Thousand Dollars (\$5,000) and whole multiples thereof. The Authority hereby authorizes the sale of the 2020 Bonds to the Underwriter in accordance with the terms of an "acceptable" Purchase Contract. For this purpose, an "acceptable" Purchase Contract shall mean a contract or agreement compliant with prevailing industry standards and approved, as to form, by Bond Counsel and by the Solicitor, executed and presented by the Underwriter, to purchase and underwrite the 2020 Bonds, which shall not have a final maturity later than the earlier of (a) the existence of the Authority or (b) the useful life of the Capital Improvements, at such interest rate or rates, at such a price, allowing for costs of issuance and upon such other conventional terms and conditions not detrimental to the interests of the Authority, as shall (x) achieve the redemption of the Prior Bonds at financial levels acceptable to the Authority and its solicitor, (y) produce proceeds for deposit to the Construction Fund established under the Indenture in such amount as estimated by the consulting engineer to be sufficient to complete the Capital Improvements, and (z) be not less than 95% of the principal amount of the 2020 Bonds. Furthermore, the 2020 Bonds shall be redeemable to the extent and at the prices specified in the Purchase Contract, and in the manner provided therein, to be limited to a maximum aggregate principal amount of \$40,000,000, to be entitled to the security provided in the 2020 Indenture, and to be paid out of the receipts and revenues and other moneys pledged under the 2020 Indenture to the extent therein provided, and to be substantially in the form and to have such other terms and provisions including provisions for redemption as will be more fully set forth in the 2020 Indenture.

4. The Chairman or Vice Chairman of the Authority are hereby authorized and directed to execute the 2020 Bonds by his/her manual or facsimile signature in the name and on behalf of the Authority and the Authority's seal, or a facsimile thereof, is hereby authorized and directed to be affixed or imprinted thereon, and the Secretary of the Authority is hereby authorized and directed to attest said seal or a facsimile thereof by his manual or facsimile signature.

5. The Chairman or Vice Chairman and Secretary of the Authority are hereby authorized and directed to select a national banking association organized under the laws of the United States of

America or a trust company or bank in good standing having an office in or incorporated under the laws of the Commonwealth of Pennsylvania duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000 to act as Trustee, Paying Agent and Registrar for the 2020 Bonds (the "Trustee") and direct the Trustee to authenticate all of the 2020 Bonds and to deliver the 2020 Bonds when so authenticated, to the Trustee who shall deliver the 2020 Bonds to the Underwriter upon receipt therefor of the purchase price shown in the Purchase Contract.

6. The Authority hereby authorizes the undertaking and completion of the Project.

7. The officers of the Authority be, and they hereby are, authorized and directed to execute all documents, certificates and agreements and to perform all other acts and do all other things necessary or proper to be done in connection with the execution and delivery of the 2020 Indenture, the consummation of the Project, the issuance and sale of the 2020 Bonds, and the release and termination of the Existing Indenture and any and all funds and investments held thereunder.

8. The Authority hereby appoints and confirms the following participants:

(a) Dodaro, Matta & Cambest, P.C. as Bond Counsel; and

(b) Piper Sandler & Co., as underwriter.

9. All expenses incurred by the Authority in connection with the issuance of the 2020 Bonds shall be paid out of the proceeds derived from the issuance of the 2020 Bonds. The officers of the Authority are authorized to submit requisitions to the Trustee under the 2020 Indenture for payment of such expenses.

10. The Authority hereby authorizes the distribution of the Preliminary Official Statement substantially in the form approved by the Authority and its solicitor, which this Authority "deems final" as of its date for purposes of SEC Rule 15c2-12(b)(1) by the Underwriter.

11. The Authority hereby authorizes the distribution of the Final Official Statement substantially in the form of the Preliminary Official Statement with such changes therein as the Chairman or Vice Chairman of the Authority executing said Final Official Statement may approve, his approval to be conclusively evidenced by his execution thereof

12. The Chairman or Vice Chairman is hereby authorized and directed to execute a Continuing Disclosure Undertaking and to implement disclosure policies and procedures to meet the requirements of SEC Rule 15c2-12, in such form as is acceptable to the Underwriter and Bond Counsel.

13. The Chairman or Vice Chairman and the Treasurer or Assistant Treasurer or Secretary are hereby appointed as officers authorized to sign requisitions directing the Trustee to disburse money from the Clearing Fund created under the 2020 Indenture.

14. Any authorization granted to, power conferred on, or direction given to the Chairman, Secretary or Treasurer of the Authority shall be deemed to run to the Vice Chairman, or Acting Secretary, or Assistant or Acting Treasurer, respectively, as if such latter titles had been expressly included in the text hereof which grants such authorization, confers such power or gives such direction.

15. The Authority may from time to time appoint such additional Assistant or Acting Officers as may be necessary and convenient to execute and implement the undertakings set forth in this Resolution or in the 2020 Indenture.

16. All resolutions or parts of resolutions inconsistent herewith be and the same are hereby rescinded, cancelled and annulled. Specifically, this resolution replaces, in its entirety, the resolution adopted by the Authority on October 1, 2020 related to the Bonds.

17. This Resolution shall be effective immediately.

18. The sale and issuance of the 2020 Bonds, as provided herein, shall be conditioned upon the provision by the Authority's consulting engineer of schedules and reports certifying to the expected time schedules of expenditures of 2020 Bond proceeds and a definitive list of capital projects to which 2020 Bond proceeds will be applied, all of which shall be satisfactory to Bond Counsel in connection with the delivery of its opinion regarding the tax-exempt status of the 2020 Bonds.

19. The provisions of this Paragraph 19 shall apply only to that portion of the 2020 Bonds (the "Tax-Exempt 2020 Bonds") for which, as determined by Bond Counsel, interest on and accruals of original issue discount with respect to said portion of the 2020 Bonds are excludable from gross income for Federal income tax purposes, pursuant to the Tax Code (hereinafter defined).

In connection with the Tax-Exempt 2020 Bonds, the Authority hereby states its intention to comply with all the provisions of Sections 103 and 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Tax Code"); the Authority represents and covenants that it has undertaken and performed, and will undertake and perform, or, as appropriate, discontinue, upon appropriate instructions of Bond Counsel or otherwise, all those acts necessary and proper to the maintenance of the exclusion from gross income of the interest on the Tax-Exempt 2020 Bonds to the Registered Owners thereof conferred by said Sections, as interpreted by applicable regulations, rulings or other pronouncements of the Secretary of the United States Department of the Treasury.

The Authority covenants that the Tax-Exempt 2020 Bonds are not an issue: (1)(a) more than 10 percent of the proceeds of which are to be used for any private business use, and (b) the payment of the principal of, or the interest on, more than 10 percent of the proceeds, directly or indirectly, is (x) secured by any interest in property used or to be used for a private business use, or payments in respect of such property, or (y) to be derived from payments in respect of property, or borrowed money, used or to be used for a private business use; nor (2) the proceeds of which, in an amount exceeding the lesser of five percent of such proceeds, or \$5,000,000, are to be used to make or finance loans to persons other than governmental units.

The Authority covenants that no portion of the proceeds of the Tax-Exempt 2020 Bonds is reasonably expected (at the time of issuance of the 2020 Bonds) to be used, nor will intentionally be so used, directly or indirectly, (1) to acquire higher yielding investments, or (2) to replace funds which were used directly or indirectly to acquire higher yielding investments. This prohibition shall not apply to proceeds invested in higher yielding investments (a) for a reasonable temporary period until such proceeds are needed for the purpose of the Tax-Exempt 2020 Bonds, or (b) as a part of a reasonably required reserve or replacement fund. For these purposes, "higher yielding investment" means any investment property (generally, a security or debt obligation) which produces a yield over the term of the Tax-Exempt 2020 Bonds which is materially higher than the yield on the Tax-Exempt 2020 Bonds, but shall not include any tax-exempt bond.

The Authority covenants to pay and rebate its arbitrage profits (being an amount equal to the sum of: (1) the excess of (a) the amount earned on all nonpurpose investments over (b) the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Tax-Exempt 2020 Bonds; plus (2) any income attributable to said excess [provided, further, that any gain or loss on the disposition of a nonpurpose investment shall be taken into account]) to the United States in accordance with the provisions of Section 148(f) of the Tax Code and regulations thereunder, but only as and to the extent that none of the following exceptions apply to the Authority.

Rebate to the United States as described above shall not be required of the Authority if, and in the event that any one of the following exceptions applies: (i) **SIX MONTH SAFE HARBOR** -- the gross proceeds of the Tax-Exempt 2020 Bonds are expended for the Project by no later than the day which is six months after the date of issuance of the Tax-Exempt 2020 Bonds, or, the gross proceeds, except the lesser of five percent of the gross proceeds of the Tax-Exempt 2020 Bonds, or \$100,000, are so expended by said date and such remaining portion is expended by no later than the day which is one year after the date of issuance of the Tax-Exempt 2020 Bonds; or (ii) **18-MONTH SPEND-DOWN** -- the following cumulative percentages of the gross and investment proceeds of the Tax-Exempt 2020 Bonds are expended for the Project by no later than the day which is the indicated respective period of time following the date of issuance of the Tax-Exempt 2020 Bonds; 15% -- six months; 60% -- one year; 100% -- eighteen months (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after eighteen months, but not in excess of thirty months); or (iii) **TWO YEAR SPEND-DOWN (CONSTRUCTION ISSUES ONLY)** -- the following cumulative percentages of the gross and investment proceeds of the Tax-Exempt 2020 Bonds are expended for the Project by no later than the day which is the indicated respective period of time following the date of issuance of the Tax-Exempt 2020 Bonds: 10% -- six months; 45% -- one year; 75% -- eighteen months; 100% -- two years (except that not more than 5%, representing only reasonable retainage on the costs of the Project, may remain unexpended after two years, but not in excess of three years); or (iv) **SMALL ISSUER** -- (1) 95 percent or more of the net sale proceeds (being gross proceeds minus amounts deposited into a reasonably required reserve fund, if any) of the Tax-Exempt 2020 Bonds is to be used for local governmental activities of the Authority (or a subordinate entity), and (b) the aggregate face amount of all tax-exempt bonds, other than private activity bonds, issued by the Authority, and all subordinate entities thereof (but not including any Bond not outstanding or to be redeemed, as may be excluded under prevailing interpretations of the Tax Code and regulations thereunder), during the calendar year in which the Tax-Exempt 2020 Bonds are issued, is not reasonably expected to exceed \$5,000,000 (\$15,000,000, in the case of certain bonds issued for school construction purposes).

For these purposes, "gross proceeds" means any proceeds and replacement proceeds of the Tax-Exempt 2020 Bonds, "available construction proceeds" has the meaning used in §148(f)(4)(C)(vi) of the Tax Code, "sale proceeds" means all amounts actually or constructively received from the sale of the Tax-Exempt 2020 Bonds, except accrued interest on the Tax-Exempt 2020 Bonds deposited to the Sinking Fund, and "nonpurpose investment" means any investment property acquired with the gross proceeds of the Tax-Exempt 2020 Bonds and not required to carry out the governmental purpose of the Tax-Exempt 2020 Bonds.

The Chairman or Vice Chairman of the Authority is hereby authorized and directed to contract with Bond Counsel, at its customary, usual and reasonable schedule of fees, for its services in calculating required rebate payments and making necessary reports to and filings with the United States on a periodic basis as required by the Tax Code and the rulings and regulations thereunder.

The Authority shall prepare, or cause to be prepared, execute and submit to the Secretary IRS Form 8038-G (or 8038-GC, as applicable) according to all the requirements for information reporting contained in Section 149(e) of the Tax Code.

20. Treasury Regulation §1.150-2 (the “Reimbursement Regulations”), issued pursuant to Section 150 of the Tax Code prescribes certain requirements by which the use of proceeds of bonds, notes, certificates or other obligations included in the meaning of “bonds” under Section 150 of the Code to reimburse advances made for capital expenditures paid before the issuance of such bonds may be deemed expended for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code. Such Reimbursement Regulations require that the Authority make a declaration of official intent (as hereinafter defined) to reimburse any capital expenditure paid prior to the issuance of the bonds intended to fund such capital expenditure and require that such declaration of official intent be made no later than sixty (60) days after payment of the capital expenditure and further require that any reimbursement allocation of the proceeds of such Obligations to reimburse such capital expenditures occur no later than eighteen (18) months after the later of the date such capital expenditure was paid or the date the property acquired with the capital expenditure was placed in service, except that any such reimbursement allocation must be made no later than three (3) years after such capital expenditure was paid.

The Authority has already expended, or may soon expend, certain general operating and/or capital reserve funds for costs of portion of the Capital Improvements; and the Authority hereby declares, pursuant to the Reimbursement Regulations, its official intent to reimburse itself with the proceeds of the Bonds in the reasonably anticipated amount of \$1,000,000 for the purpose of Capital Expenditures for the Project which may occur prior to the issuance of the Bonds.

Duly adopted by the Board of the Authority, in a duly advertised lawful session assembled on November 5, 2020.

WEST MIFFLIN SANITARY SEWER
MUNICIPAL AUTHORITY

By: 
Chairman

ATTEST:


Secretary

Exhibit A
Feasibility Study