

**TOWNSHIP OF WARREN  
ORDINANCE NO. 22-03**

**BOND ORDINANCE OF THE TOWNSHIP OF WARREN, IN THE  
COUNTY OF SOMERSET, NEW JERSEY, IN FURTHERANCE OF  
THE DISSOLUTION OF THE WARREN TOWNSHIP SEWERAGE  
AUTHORITY, FOR THE ASSUMPTION OF CERTAIN  
OUTSTANDING OBLIGATIONS OF SUCH AUTHORITY IN THE  
AMOUNT OF \$5,163,451.74 ISSUED TO FINANCE SUCH  
AUTHORITY'S SYSTEM IMPROVEMENTS**

**WHEREAS**, the governing body of the Township of Warren, in the County of Somerset, New Jersey (the "Township"), by ordinance duly adopted by the Township on September 7, 1972, created the Warren - Township Sewerage Authority (the "Authority"), in accordance with the "Sewerage Authorities Law", constituting Chapter 138 of the Pamphlet Laws of 1946 of the State (codified at N.J.S.A. 40:14A-1 et seq.), as the same may from time to time be amended and supplemented (the "Act"); and

**WHEREAS**, in order to fund various capital improvements to the Authority's sewerage system, the Authority has previously issued the following outstanding debt:

1. \$2,605,161.74 outstanding principal amount of Sewer Revenue Bonds, Series 2016 (originally issued in the principal amount of \$3,609,379), currently consisting of \$705,000 outstanding principal amount of Sewer Revenue Bonds, Series 2016A-1 (the "Series 2016A-1 Bonds"), issued to the New Jersey Infrastructure Bank (the "NJIB") and \$1,900,161.74 outstanding principal amount of Sewer Revenue Bonds, Series 2016A-2 (the "Series 2016A-2 Bonds" and, together with the Series 2016A-1 Bonds, the "Series 2016 Bonds"), issued to the State of New Jersey, Acting by and through the Department of Environmental Protection; and
2. \$2,558,290 outstanding principal amount of Sewer Revenue Bonds, Series 2021 (originally issued in the principal amount of \$2,558,290), currently consisting of \$835,000 outstanding principal amount of Sewer Revenue Bonds, Series 2021A-1 (the "Series 2021A-1 Bonds"), issued to the NJIB and \$1,723,290 outstanding principal amount of Sewer Revenue Bonds, Series 2021A-2 (the "Series 2021A-2 Bonds" and, together with the Series 2021A-1 Bonds, the "Series 2021 Bonds" and together with the Series 2016 Bonds, the "Authority Debt"), issued to the State of New Jersey, Acting by and through the Department of Environmental Protection; and

**WHEREAS**, the Authority Debt is secured by, among other things, Revenues (as defined in the Authority's resolution adopted November 19, 2014, as amended and supplemented on May 18, 2016 (collectively, the "2016 Bond Resolution") with respect to the Series 2016 Bonds and the Authority's resolution adopted November 14, 2018, as amended and supplemented on November 17, 2021 (collectively, the "2021 Bond Resolution" and together with the 2016 Bond Resolution, the "Bond Resolutions") with respect to the Series 2021 Bonds, and a Service Contract dated May 7, 1981, as amended and supplemented (the "Service Contract"), between the Township and the Authority, which Service Contract requires the Township to make certain

payments to the Authority from any available funds, including from the levy of *ad valorem* taxes upon all the taxable property within the Township; and

**WHEREAS**, the Township, after a careful examination and analysis, has determined, pursuant to the provisions of the Local Authorities Fiscal Control Law (the "Authorities Control Law"), specifically N.J.S.A. 40A:5A-20, that it is in the best interests of the residents of the Township to dissolve the Authority; and

**WHEREAS**, Section 20 of the Local Authorities Fiscal Control Law (the "Fiscal Control Law") grants to a municipality the power to dissolve an authority, by ordinance, provided that the ordinance makes adequate provision for the payment of all creditors or obligees of the authority and further makes adequate provision for the assumption of services provided by the authority which are necessary for the health, safety and welfare of the recipients of such services; and

**WHEREAS**, by ordinance of the Township, entitled, "AN ORDINANCE DISSOLVING THE WARREN TOWNSHIP SEWERAGE AUTHORITY PURSUANT TO N.J.S.A. N.J.S.A. 40A:5A-20" (the "Township Dissolution Ordinance"), the Township has dissolved the Authority, subject to the terms and conditions of the Township Dissolution Ordinance; and

**WHEREAS**, pursuant to the Fiscal Control Law and the applicable provisions of the Local Bond Law, N.J.S.A. 40A:2-1 at seq. (the "Local Bond Law"), the Township is authorized to assume all or a certain portion of the outstanding debt of the Authority and/or issue obligations in furtherance of the dissolution of the Authority; and

**WHEREAS**, the Township, as part of the dissolution of the Authority and in connection with the provision for the payment of all creditors or obligees of the Authority, has assumed the responsibility for and payment of Authority Debt payment obligations.

**NOW, THEREFORE, BE IT ORDAINED**, by the Township Committee of the Township of Warren, in the County of Somerset, New Jersey (not less than two-thirds of all members thereof affirmatively concurring), as follows:

**Section 1.** The Township is hereby authorized to and assumes the responsibility for and payment of the Authority Debt (in the aggregate principal amount of \$5,163,451.74), and hereby makes an appropriation in such amount. The Township hereby determines that the assumption by the Township of the Authority Debt is a cost effective means of meeting such obligations.

**Section 2.** In connection with such assumption, the Township shall assume and shall perform all obligations of the Authority under the Authority Bonds and under the Bond Resolutions as long as the Authority Bonds remain outstanding. As provided in N.J.S.A. 40A:5A-20, 40A:2-11(c) and 40A:2-7(d), no down payment is required in connection with this bond ordinance.

**Section 3.** The Township hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget 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, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

**Section 4.** The following additional matters are hereby determined, declared, recited and stated:

(a) The purpose described in Section 1 hereof is authorized to be undertaken by the Township as a result of the dissolution of the Authority and is an authorized purpose for which the Authority Debt may be assumed. No part of the cost thereof has been or shall be specially assessed on property specially benefited thereby.

(b) In accordance with the provision of the Authorities Control Law, the period of usefulness in furtherance of the dissolution of the Authority is not exceeding 40 years from the date of the assumption of the Authority Debt.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate 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 of New Jersey. Such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the assumption of the Authority Debt provided in this bond ordinance by \$5,163,451.74, but that the net debt of the Township is not increased by this bond ordinance as provided in Section 20 of the Fiscal Affairs Law and Section 5(e) hereof. The obligations authorized herein will be within all debt limitations prescribed by the Fiscal Affairs Law and the Local Bond Law.

(d) No amount 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 purpose described in Section 1 hereof.

(e) This bond ordinance authorizes obligations of the Township in the amount of \$5,163,451.74 solely for a purpose described in N.J.S.A. 40A:2-7(d). This purpose is in the public interest and is for the health, welfare, convenience or betterment of the inhabitants of the Township. The amounts to be expended for this purpose pursuant to this bond ordinance are not unreasonable or exorbitant, and the issuance of the obligations authorized by this bond ordinance will not materially impair the credit of the Township or substantially reduce its ability to pay punctually the principal of and the interest on its debts and to supply other essential public improvements and services. The Local Finance Board in the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Local Finance Board"), has heretofore made a determination to this effect and has caused its consent to be endorsed upon a certified copy of this bond ordinance as passed upon first reading.

**Section 5.** The full faith and credit of the Township are hereby pledged to the punctual payment of the principal of and the interest on the Authority Debt, upon assumption of same by the Township. The Authority Debt shall be direct, unlimited obligations of the Township, and the Township shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the Authority Debt without limitation as to rate or amount.

**Section 6.** If any section, subsection, sentence, clause or phrase of this bond ordinance is for any reason held to be unconstitutional or invalid by any court of competent jurisdiction, such decision shall not affect the remaining portions of this bond ordinance.

**Section 7.** This bond ordinance shall take effect immediately upon adoption and shall not be subject to referendum, provided, however, that the Local Finance Board has approved this bond ordinance in accordance with N.J.S.A. 40A:5A-20. The assumption of the Authority Debt as provided herein shall be effective upon the effective date of the dissolution of the Authority as set forth in Section 6 of the Township Dissolution Ordinance.

ATTEST:

TOWNSHIP OF WARREN

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Cathy Reese, RMC

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Victor J. Sordillo, Mayor

INTRODUCED: March 24, 2022

ADOPTED: June 16, 2022

EFFECTIVE: June 16, 2022