

**THE BOARD OF EDUCATION OF THE
TOWNSHIP OF WASHINGTON
IN THE COUNTY OF GLOUCESTER, NEW JERSEY**

NOTICE OF PENDING ORDINANCE

The Energy Savings Obligation Refunding Bond Ordinance published herewith was introduced and passed upon first reading at a meeting of The Board of Education of the Township of Washington in the County of Gloucester, New Jersey on July 28, 2026 and will be further considered for final passage, after public hearing thereon, at a meeting of said Board of Education to be held in the board room at the Eileen Abbott Central Administration Building, located at 206 East Holly Avenue, Sewell, New Jersey, on Tuesday, August 25, 2026, at 7:30 p.m.

**ENERGY SAVINGS OBLIGATION REFUNDING BOND
ORDINANCE OF THE BOARD OF EDUCATION OF THE
TOWNSHIP OF WASHINGTON IN THE COUNTY OF
GLOUCESTER, NEW JERSEY, PROVIDING FOR ENERGY
CONSERVATION IMPROVEMENTS AT SCHOOL DISTRICT
FACILITIES, APPROPRIATING NOT TO EXCEED \$8,000,000
THEREFOR AND AUTHORIZING THE ISSUANCE OF NOT TO
EXCEED \$8,000,000 ENERGY SAVINGS OBLIGATION
REFUNDING BONDS TO FINANCE SUCH IMPROVEMENTS**

WHEREAS, The Board of Education of the Township of Washington in the County of Gloucester, New Jersey (the “Board” when referring to the governing body and the “School District” when referring to the territorial boundaries governed thereby) has, pursuant to N.J.S.A. 18A:18A-4.6, (the “ESP Law”), determined to undertake an energy savings plan; and

WHEREAS, the Board has appointed DCO Energy, (“DCO”) to develop an Energy Savings Plan (the “ESP”) pursuant to the ESP Law; and

WHEREAS, DCO has developed a preliminary ESP based upon a scope of projects including individual energy conservation measures (“ECMs”) and including annual energy and operational savings and a proposed cash flow pro forma (the “Preliminary Plan”); and

WHEREAS, in accordance with the ESP Law, the Board appointed Colliers Engineering and Design to act as a “third party verifier” in order to verify the savings set forth in the ESP; and

WHEREAS, Colliers Engineering and Design has verified the savings set forth in the ESP; and

WHEREAS, the ESP, as verified, has been submitted to the New Jersey Board of Public Utilities for approval; and

WHEREAS, the Board has determined that the energy savings generated from ESP, together with any rebates and grants, if any, will be sufficient to cover the cost of the program’s ECMs set forth in the ESP, and, therefore, has determined to implement the ESP pursuant to N.J.S.A. 18A:18A-4.6 et seq. and to finance the ESP through the issuance of energy savings obligations authorized as refunding bonds pursuant to N.J.S.A. 18A:18A-4.6(c); and

WHEREAS, the Board now desires to adopt and enact an Energy Savings Obligation

Refunding Bond Ordinance (the "Refunding Bond Ordinance") authorizing the issuance of Energy Savings Obligation Refunding Bonds (the "Refunding Bonds") in an aggregate principal amount not to exceed \$8,000,000, to finance the ECMs; and

WHEREAS, in accordance with the requirements of N.J.S.A. 18A:24-61 through 62 and N.J.S.A. 18A:18A-4.6(1)(3), the Board has made the required application to the Local Finance Board within the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board") for approval to adopt this Energy Savings Obligation Refunding Bond Ordinance and to issue the Refunding Bonds authorized herein.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF EDUCATION OF THE TOWNSHIP OF WASHINGTON IN THE COUNTY OF GLOUCESTER, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) **AS FOLLOWS:**

Section 1. The Board is hereby authorized to undertake the ECMs, all as set forth in the ESP.

Section 2. In order to finance the cost of the ECMs described in Section 1 hereof, negotiable school energy savings obligation refunding bonds (the "Refunding Bonds") are hereby authorized to be issued in the aggregate principal amount not to exceed \$8,000,000 pursuant to N.J.S.A. 18A:18A-4.6(1)(c)(3) and N.J.S.A. 18A:24-61.1 et seq.

Section 3. An aggregate amount not exceeding \$90,000 for items of expense listed in and permitted under N.J.S.A. 18A:24-61.4 has been included in the aggregate principal amount of Refunding Bonds authorized herein.

Section 4. A supplemental debt statement of the Township of Washington (the "Township") has been prepared and filed in the office of the municipal clerk and the Business Administrator/Board Secretary, and in the office of the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs as required by law. Such statement shows that the gross debt (as defined in the Local Bond Law) of the Township and the school debt of the Board is increased by the amount of the Refunding Bond authorization set forth herein.

Section 5. A certified copy of this Energy Savings Obligation Refunding Bond Ordinance, as adopted on first reading, has been filed with the Director of the Division of Local Government Services in the New Jersey Department of Community Affairs prior to final adoption, together with a complete statement in the form prescribed by the Director and signed by the Business Administrator/Board Secretary or the Board President of the School District as to the indebtedness to be financed by the issuance of the obligations authorized herein.

Section 6. The Board President, the Superintendent, the Business Administrator/Board Secretary and other appropriate representatives of the School District 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 School District to prepare for the sale and the issuance of the Refunding Bonds authorized herein.

Section 7. The Board reasonably expects to reimburse any expenditures toward the costs of the improvements or purposes described in Section 1 hereof and paid prior to the issuance of any bonds or notes authorized by this Refunding Bond Ordinance with the proceeds of such bonds or notes. This Section 7 is intended to be and hereby is a declaration of the Board's official intent to reimburse any expenditures toward the costs of the improvements or purposes described

in Section 1 hereof to be incurred and paid prior to the issuance of bonds or notes authorized herein in accordance with Treasury Regulations §1.150-2. 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 Internal Revenue Code of 1986, as amended (the "Code"). The proceeds of any bonds or notes authorized herein used to reimburse the Board for costs of the improvements or purposes described in Section 1 hereof, 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 any bonds or notes authorized herein or another issue of debt obligations of the Board other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1). The bonds or notes authorized herein to reimburse the Board for any expenditures toward the costs of the improvements or purposes described in Section 1 hereof will be issued in an amount not to exceed \$8,000,000. The costs to be reimbursed with the proceeds of the bonds or notes authorized herein will be "capital expenditures" in accordance with the meaning of section 150 of the Code. All reimbursement allocations will occur not later than eighteen (18) months after the later of (i) the date the expenditure from a source other than any bonds or notes authorized herein is paid, or (ii) the date the improvements or purposes described in Section 1 hereof 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 8. The Board hereby covenants that it will comply with any conditions subsequently imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the Refunding Bonds, including, if necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the Refunding Bonds.

Section 9. This Energy Savings Obligation Refunding Bond Ordinance shall take effect immediately after final adoption and endorsement of the consent of the Local Finance Board.