

RESOLUTION NO. R 019 99

**A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BOND ANTICIPATION NOTES OF SUSSEX COUNTY FOR THE CONSTRUCTION AND EQUIPPING OF THE WASTEWATER COLLECTION AND TRANSMISSION SYSTEMS TO PROVIDE SEWER SERVICES FOR THE AREAS IN PHASE III OF THE WEST REHOBOTH EXTENSION OF THE DEWEY BEACH SANITARY SEWER DISTRICT; AND AUTHORIZING ALL NECESSARY ACTION IN CONNECTION THEREWITH**

WHEREAS, pursuant to Title 9, Delaware Code, Section 7001(a) the County has all powers which under the Constitution of the State, it would be competent for the General Assembly to grant by specific enumeration and which are not denied by statute (the "Home Rule Power");

WHEREAS, acting pursuant to its Home Rule Power, and pursuant to Title 9, Delaware Code, Chapters 65 and 67, the County has authorized the construction and equipping of the Wastewater Collection and Transmission Systems to provide sewer services for the areas of Phase III of the West Rehoboth Expansion of the Dewey Beach Sanitary Sewer District (the "Phase III Project");

WHEREAS, pursuant to Title 9, Delaware Code, Chapter 67 the County enacted Ordinance 1190 on December 16, 1997 (the "Phase III Bond Ordinance"), which authorizes the issuance of general obligations of the County in the aggregate principal amount of up to \$12,000,000 to finance the costs of the above-described Phase III Project and for the other purposes described therein;

WHEREAS, pursuant to the Phase III Bond Ordinance the County has entered into a Financing Agreement with the Delaware Department of Natural Resources and Environmental Control ("DNREC") providing for DNREC to lend to the County up to \$12,000,000 for the Phase III Project, such loan to be made in periodic advancements (the "SRF Loan");

WHEREAS, the County, acting pursuant to Title 9, Delaware Code, Section 6704(j), Ordinance No. 991 (the "West Rehoboth Bond Ordinance") enacted on November 22, 1994, Resolution No. R 023 98 (the "Resolution") adopted on December 1, 1998, Ordinance No. 1305 (the "Cedar Neck Ordinance") enacted on May 11, 1999 and Ordinance No. 1309 (the "Ocean View Ordinance"), enacted on May 25, 1999 issued its General Obligation Bond Anticipation Notes, Series 1999, in the aggregate principal amount of \$16,900,000 (the "Series 1999 BANs") for the purpose of providing funds for financing and refinancing a portion of the costs of certain sewer facility projects in anticipation of the issuance of bonds to repay said Series 1999 BANs;

WHEREAS, the County desires to use a portion of the proceeds from the Series 1999 BANs to provide funds for the construction of the Phase III Project in anticipation of draws that would be made from DNREC on the SRF Loan.

NOW THEREFORE BE IT RESOLVED BY THE COUNTY OF SUSSEX :

Section 1. Use of Proceeds of Series 1999 BANs. The County is hereby authorized to use a portion of the proceeds of the Series 1999 BANs temporarily to finance or refinance costs of the Phase III Project. Such proceeds will be replaced with draws from DNREC on the SRF Loan.

Authorized purposes include the costs of planning, constructing, acquiring and equipping the Phase III Project or any portion thereof; interest on the Series 1999 BANs and any interim financing during the construction period and for a period of up to six months following the estimated date of completion; the repayment of temporary loans incurred with respect to the Phase III Project; and the reimbursement of authorized costs previously expended by the County from other funds.

Section 2. Effective Date. This Resolution shall become effective immediately upon its passage.

I DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF RESOLUTION NO. R 019 99 ADOPTED BY THE SUSSEX COUNTY COUNCIL ON THE 13TH DAY OF JULY, 1999.

  
ROBIN A. GRIFFITH  
CLERK OF THE COUNTY COUNCIL

SYNOPSIS: This Resolution authorizes the use of a portion of the proceeds from the sale of Sussex County General Obligation Bond Anticipation Notes, Series 1999, in the aggregate principal amount of \$16,900,000 (the "Series 1999 BANs") to provide funds for the construction of the Phase III Project in anticipation of draws that would be made from DNREC on an SRF Loan, such SRF Loan was previously authorized by Ordinance No. 1190 enacted by Council on December 16, 1997.