

**TOWN OF RISING SUN
RESOLUTION 2016-12**

**A RESOLUTION TO ALLOCATE THE
USE OF FUNDS RECEIVED IN CONNECTION WITH THE
BULK WATER SUPPLY AND CONNECTION AGREEMENT
WITH CHESTER WATER AUTHORITY**

WHEREAS, the Town, located in Cecil County, Maryland is a municipality organized under the provisions of the Maryland Constitution and governed under the provisions of the Local Government Article of the Annotated Code of Maryland; and

WHEREAS, the Town is proclaimed as a perpetual entity with the right to pass laws; and

WHEREAS, on the date hereof, the Town approved entering into a Bulk Water Supply and Connection Agreement with Chester Water Authority ("CWA") under the terms and conditions contained therein (the "Agreement"), declaring the same to be in the best interests of the citizens of Rising Sun; and

WHEREAS, the Agreement provides that as inducement to the Town to enter into the Agreement and as consideration for the Town's agreement to purchase its requirements for water from CWA for the term set forth in the Agreement, CWA will rebate to the Town the cost of the water to be supplied to the Town for the initial years of the Agreement and payment for connections relating to projected CWA customers connecting to the water line (collectively, the "Rebate"), and reimburse the Town for a portion of the connection fee to be paid to the Town that relates to the cost of providing increased main capacity available for CWA's use in the Pennsylvania portion of the water line (the "Reimbursement"); and

WHEREAS, the Town desires to designate the use of the Rebate and the Reimbursement.

THEREFORE, BE IT ENACTED AND RESOLVED that the Mayor and Commissioners of the Town of Rising Sun that:

1. The Reimbursement, once received from CWA in accordance with the terms of the Agreement, shall be used by the Town to pay for or reimburse the Town for a portion of the connection fee and construction costs of the water line, to reduce the amount of the borrowing therefor by the Town; and

2. The Rebate, once received from CWA in accordance with the terms of the Agreement, shall be used by the Town to pay for operating costs and improvements to the water line system, with the purpose of funding any shortfalls in the operating income of the water system and offsetting future water rate increases for the users of the water system;

3. The Town Administrator and appropriate parties on behalf of the Town of Rising Sun are directed to allocate the Rebate to the operating funds of the water system and the

Rebate shall be restricted to such use, and not available for the general use of the Town; and

4. All necessary and related actions to consummate the foregoing be taken by the appropriate parties of the Town, including the ability of the Town Administrator to make such allocations among operating costs of the water system to further the purposes of this Resolution.

NOW THEREFORE, BE IT FURTHER RESOLVED that the Mayor and Commissioners, introduced, passed, approved and adopted this resolution on this 13 day of September, 2016

AYES:

NAYES:

ABSTAIN:

**THE MAYOR AND COMMISSIONERS OF
THE TOWN OF RISING SUN**

ATTEST:

BY: _____
Travis Marion, Mayor

**Calvin A Bonenberger Jr
Acting Town Clerk**

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY
THIS 22th DAY OF AUGUST, 2016**

BY: _____
Jack A. Gullo, Jr., - Town Attorney

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