



**COUNCIL RESOLUTION NO. 2011-01**

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
UP TO \$765,060 SEWER REVENUE BONDS  
OF THE CITY OF DOVER FOR THE  
CONSTRUCTION OF CERTAIN SEWER PROJECTS  
AND AUTHORIZING ALL NECESSARY ACTION IN CONNECTION THEREWITH

WHEREAS, the City of Dover (the "City") is authorized pursuant to Volume 52, Delaware Laws, Chapter 111, as amended by Volume 57, Delaware Laws Chapter 340, Volume 36 Delaware Laws, Chapter 158, as amended, and the City Charter (collectively the "Enabling Acts") to issue revenue bonds for the purpose of financing the extension, reconstruction or improvements to the City's water, sewer and electric systems;

WHEREAS, pursuant to the Enabling Acts, the City adopted a Bond Resolution on February 27, 1989 (the "Bond Resolution") providing for the issuance of water and sewer revenue bonds and pursuant to the Bond Resolution the City has issued and there remains outstanding its \$7,980,000 Water and Sewer Revenue Bonds, Series 2003 and its \$5,942,481 Water and Sewer Bonds, Series 2009 (the "Outstanding Bonds");

WHEREAS, the City desires to issue additional revenue bonds pursuant to the Bond Resolution on a parity with the Outstanding Bonds;

WHEREAS, the City has approved certain capital improvements to its Sewer System and desires to issue its additional parity revenue bonds pursuant to the Bond Resolution and to pay the costs of said improvements, including, but not limited to the following:

1. Fox Hall Pump Station
2. Lepore Road Pump Station
3. Heatherfield Force Main

(the "Projects").

NOW THEREFORE THE CITY OF DOVER HEREBY ORDAINS (AT LEAST THREE FOURTHS OF THE MEMBERS OF COUNCIL CONCURRING HEREIN):

Section 1. Amount and Purpose of the Bonds. Acting pursuant to the Enabling Acts, and the Bond Resolution the City shall issue its negotiable obligations in the maximum aggregate principal amount not to exceed \$765,060 to finance or refinance a portion of the cost of the construction and equipping of the Projects, an estimate of which is appended hereto as Exhibit A.

The monies raised from the sale of the Bonds (including the investment earnings thereon) after the payment of the costs of issuance, shall be expended only for the purposes authorized herein or as may otherwise be authorized by subsequent action by City Council. Authorized purposes include the costs of planning, constructing, acquiring and equipping the Projects or any portion thereof; interest on the Bonds and any interim financing during the construction period and for a period of up to one year following the estimated date of completion; the costs of issuance of the Bonds and any interim financing; the repayment of temporary loans incurred with respect to the Projects; and the reimbursement of authorized costs previously expended by the City from other funds.

Section 2. Terms of the Bonds. The Bonds shall be sold to the Delaware Water Pollution Control Revolving Fund (the "SRF Fund") administered by the State of Delaware Department of Natural Resources and Environmental Control, Division of Water Resources pursuant to the terms of its commitment letter dated January 17, 2011 (the "Commitment Letter"), a copy of which is appended hereto as Exhibit B, and the other terms and conditions to be contained in a Financing Agreement between the City and the SRF Fund (the "Financing Agreement").

Section 3. Security for the Bonds. The principal, interest and premium, if any, on the Bonds shall be payable solely from the City's Net Operating Revenue which is hereby pledged to secure the Bonds on a parity with the Outstanding Bonds. The full faith and credit of the City shall not be pledged to pay principal and interest on the Bonds.

Section 4. Rate Covenant. The City covenants that it will fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by the Sewer System, and will from time to time revise such rates, fees and other charges so that in each Fiscal year the Net Operating Revenue available to pay debt service on the Bonds will equal at least the principal and interest requirements for the Bonds. If, for any reason, the revenues are insufficient to satisfy the foregoing covenant, the City shall within ninety (90) days adjust and increase its rates, fees and other charges or reduce its Operating Expenses so as to provide sufficient Net Operating Revenue to satisfy such requirement.

Section 5. Details of the Bonds. The Mayor and City Controller/Treasurer are authorized to determine the details of the Bonds including the following: the date or dates of the Bonds; provisions for either serial or term bonds; sinking fund or other reserve fund requirements; due dates of the interest thereon; the form of the Bonds; the denominations and designations of the Bonds; registration, conversion and transfer provisions; provisions for the receipt, deposit and investment of the proceeds of the Bonds; provisions for the replacement of a lost, stolen, mutilated or destroyed Bonds; and provisions for issuing uncertificated obligations and all procedures appropriate for the establishment of a system of issuing uncertificated debt. The Bonds shall be executed by the manual or facsimile signature of the Mayor and City Controller/Treasurer, shall contain an impression of the City Seal of a facsimile thereof and shall be attested by the manual signature of the City Clerk.

Section 6. Further Action. The Mayor, the President of the City Council, the City Controller/Treasurer, the City Manager and the City Clerk are authorized and directed to take such other action on behalf of the City, as may be necessary or desirable to effect the adoption of this Resolution and the issuance and sale of the Bonds and to provide for their security and to carry out the intent of this Resolution, including the publication of notices and advertisements and the execution and delivery of customary closing certificates.

Section 7. Effective Date. This Resolution shall become effective immediately upon its passage. The City Clerk is hereby directed to publish once in a newspaper published in the City a notice in substantially the following form:

“NOTICE IS HEREBY GIVEN that the City Council of The City of Dover, Delaware on January 24, 2011 pursuant to Chapter 111, Volume 52, Delaware Laws, as amended, adopted a resolution entitled as follows:

“RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF UP TO \$765,060 SEWER REVENUE BONDS OF THE CITY OF DOVER FOR THE CONSTRUCTION OF CERTAIN SEWER PROJECTS AND AUTHORIZING ALL NECESSARY ACTION IN CONNECTION THEREWITH”

“The purpose of the issuance and sale of said bonds is to provide funds (approximately \$765,060) to pay a portion of the costs of certain projects including, but not limited to: (1) Fox Hall Pump Station; (2) Lepore Road Pump Station, and (3) Heatherfield Force Main.

“Any action or proceeding to contest the validity of said resolution or any of its provisions must be commenced within thirty (30) days after publication of this notice. After expiration of such period of limitation, no right of action or defense founded upon the invalidity of said resolution or any of its provisions shall be asserted, nor shall the validity of said resolution or any of its provisions be open to question in any court upon any ground whatsoever, except in an action or proceeding commenced within such period.”

By order of the City Council of the City of Dover.

Traci A. McDowell  
City Clerk

ADOPTED this 24<sup>th</sup> day of January, 2011.

CITY OF DOVER, DELAWARE

Attest:

Traci A. McDowell  
Clerk, Dover City Council

Kenneth R. Hogan  
President, Dover City Council

APPROVED by the Mayor of the City of Dover on the 24<sup>th</sup> day of January, 2011.

Carlton E. Carey Sr.  
Mayor