



# The Mayor and Commissioners of the Town of Elkton

## Resolution R11-2006

**A RESOLUTION** of the Mayor and Commissioners of the Town of Elkton authorizing a loan from the General Fund to the Sewer Fund to pay for the initial construction costs of the Elkton Wastewater Treatment Plant ENR Upgrade project.

**WHEREAS**, the Mayor and Commissioners have awarded a contract for the construction of the Elkton Wastewater Treatment Plant ENR Upgrade project to Galway Bay Corporation in the amount of \$33,900,000.00, hereinafter the "Project"; and

**WHEREAS**, the Mayor and Commissioners have received notice from the State of Maryland that approximately 42% of the construction costs of the Project shall be borne by the State under BNR and ENR grants awarded to the Town; and

**WHEREAS**, the Mayor and Commissioners have applied for a loan from the State of Maryland through the Water Quality Financing Administration for the balance of the construction costs for the Project, which is expected to be approved by the State's Board of Public Works in October, 2006; and

**WHEREAS**, the Mayor and Commissioners have determined that funds in the General Fund shall be loaned to the Sewer Fund to pay for the interim costs of Project until the State's loan is approved and subsequently disbursed to the Town; and

**WHEREAS**, the Mayor and Commissioners passed Resolution R7-2006 on August 2, 2006, authorizing a loan from the General Fund to the Sewer Fund in an amount not to exceed One Million Dollars (\$1,000,000.00) for the Project; and

**WHEREAS**, the Mayor and Commissioners have determined that additional loan funds from the General Fund to the Sewer Fund are necessary during the interim financing period to satisfy payments to the contractor for the Project until grant and loan funds from the State are available for this purpose.

**NOW, THEREFORE, BE IT RESOLVED** as follows:

- Section 1. That the General Fund shall loan to the Sewer Fund an amount not to exceed Five Million Dollars (\$5,000,000.00).
- Section 2. That the loan proceeds received by the Sewer Fund shall be allocated and utilized for the payment of expenses related to the construction of the Project.
- Section 3. That the indebtedness created by the loan from the General Fund to the Sewer Fund shall be repaid upon receipt of loan proceeds from the State of Maryland.

**\*\* END OF SECTION \*\***

READ AND PASSED THIS 20th DAY OF December, 2006

**The Mayor and Commissioners  
of the Town of Elkton**

Mayor Joseph L. Fisona  
Commissioner Charles H. Givens, Sr.  
Commissioner Mary Jo Jablonski  
Commissioner Earl M. Piner, Sr.  
Commissioner C. Gary Storke