

*****ADOPTED AUGUST 7, 2023*****

TOWNSHIP OF DELANCO

ORDINANCE 2023-13

AUTHORIZING AND APPROVING A FIRST MODIFICATION TO A SERVICE AGREEMENT BETWEEN THE TOWNSHIP OF DELANCO AND THE DELANCO TOWNSHIP SEWERAGE AUTHORITY FOR THE CONSTRUCTION OF A SEWER LINING PROJECT AND OTHER MATTERS RELATING TO THE SEWER SYSTEM; AUTHORIZING THE EXECUTION AND DELIVERY OF SAID SERVICE AMENDMENT; AND PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, by Ordinance 2022-04 adopted on March 7, 2022, the Township of Delanco (the “Township”) and the Delanco Township Sewerage Authority (the “Authority”) entered into a Sewer Service Agreement in connection with the Authority’s issuance of its Sewer Revenue Bond, Series 2022 A & B (collectively, the “Bonds”) in an amount not to exceed \$1,582,000; and

WHEREAS, the Authority’s consulting engineer, Environmental Resolutions, after having received sealed bids for the sewer project work to be financed by the Bonds has advised the Authority that the lowest qualified two (2) bidders bids exceed the engineer’s estimate for the work which consists of the lining of collection lines and improvements to pump stations (collectively, the “Project”);

WHEREAS, the Authority after a thorough discussion with its consulting engineer at its public meeting on July 11th has determined that the rate payers of the Authority will benefit if the Project is completed in the near future; and

WHEREAS, the Authority has been advised by its consulting engineer that an additional \$293,000 is needed in order to bridge the monetary gap between the original loan amount approved by State of New Jersey in the amount of \$1,582,000 and the new estimated cost of \$1,875,000 needed to complete the Project; and

WHEREAS, the Township recognizes that the completion of the Project will benefit the taxpayers of the Township and it is willing, through this First Modification, to amend the original Service Agreement concerning the Township’s pledge of its ad velorem tax revenues in order to pay the Authority’s debt service requirements if the Authority is unable to do so; and

WHEREAS, in accord with the above, the parties of drafted the attached “First Modification to a Service Agreement between the Township of Delanco and the Delanco Township Sewerage Authority”, a copy of which is attached hereto and incorporated herein by reference.

WHEREAS, the Township has the power and authority to enter into said First Modification under and in accordance with the laws of the State of New Jersey.

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Delanco, County of Burlington, New Jersey as follows:

Section 1. The Township hereby authorized and approves the First Modification to a Service Agreement between the Township of Delanco and the Delanco Township Sewerage Authority, in a form substantially similar to the form attached hereto and subject to the final review and approval of the Township Attorney.

Section 2. Prior Ordinance 2022-04 and the authorized Service Agreement thereunder remain in effect, and are only supplemented and modified as indicated by this Ordinance and First Modification authorized hereunder.

Section 3. The Mayor and Township Clerk, as may be required, are hereby authorized and directed to execute and deliver said First Modification.

Section 4. The Township hereby covenants and agrees to make all budgetary and other provisions or appropriations necessary to provide for and authorize payment to the Authority in accord with the Service Agreement should same become necessary by operation of the Agreement.

Section 5. The proper officers and representatives of the Township are hereby authorized and directed to execute and deliver all such other certificates and documents and take all such other action as may be necessary or proper to effect the execution and delivery of the First Modification or to carry out the covenants and agreements of the Township contained in said First Modification.

Section 6. This Ordinance shall take effect on the earliest date prescribed by law.