

Resolution No. 22- 001

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES AUTHORIZING THE BORROWING OF \$1,750,000 FROM THE DELAWARE WATER POLLUTION CONTROL REVOLVING FUND, ACTING BY AND THROUGH THE DELAWARE DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENTAL CONTROL, FOR THE PURPOSE OF FINANCING THE HOWARD SEYMOUR WATER RECLAMATION FACILITY EMERGENCY HEADWORKS AND PUMP PROJECT; AND AUTHORIZING OTHER NECESSARY ACTION

WHEREAS, the Board of Public Works of the City of Lewes (the "Board") desires to finance the replacement and rebuilding of several aging or failing components of the Howard Seymour Water Reclamation Facility and upgrading of upstream pump stations (the "Project"); and

WHEREAS, the Board received a Binding Commitment Letter dated December 30, 2021 (the "Commitment Letter") from the Delaware Water Pollution Control Revolving Fund, acting by and through the Delaware Department of Natural Resources and Environmental Control ("DNREC") offering a loan (the "DNREC Loan") in the amount of \$1,750,000, for a term of twenty (20) years, at an annualized interest rate of 2.0%, to fund the Project, said DNREC Loan to be secured by a revenue pledge of the Board pursuant to Section 4.14.1.1 of the Charter of the Lewes Board of Public Works, being Chapter 10, Volume 77, Laws of Delaware as amended (the "Board Charter"); and

WHEREAS, the Board desires to (i) accept the DNREC Loan under terms substantially similar to the terms provided in the Commitment Letter; (ii) enter into a financing agreement or similar loan agreement with DNREC (the "Financing Agreement"); and (iii) to issue its revenue bond to secure the same (the "Bond"); and

WHEREAS, the Board further desires to authorize any and all actions necessary or desired to execute the Financing Agreement, the Bond and any other documents which are deemed necessary or appropriate to carry out the intent of this Resolution; and

WHEREAS, pursuant to Section 4.14.1.1 of the Board Charter, the Board "shall have the authority to borrow money and issue bonds...and to secure the payment thereof by pledging the revenues derived from the operation of any project for which bonds are issued pursuant to Section 4.14 of the Board Charter" so long as the Board obtains the prior consent of the Mayor and City Council for the City of Lewes, Delaware; and

WHEREAS, it is anticipated that the Mayor and City Council, at their meeting on February 14, 2022, will consent to the Board's proposed borrowing under terms substantially similar to the terms provided in the Commitment Letter.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES, IN SESSION MET THIS 26TH DAY OF JANUARY, 2022, THAT:

Section 1. Authorization of Borrowing, the Financing Agreement, the Bond and the Pledge of Revenues. The Board hereby approves and authorizes: (i) the borrowing of \$1,750,000 from DNREC under terms substantially similar to the terms provided in the Commitment Letter; (ii) the execution and delivery of the Financing Agreement and the Bond; and (iii) the pledge of revenues to DNREC pursuant to Section 4.14.1.1 of the Board Charter to secure the Board's obligations under the Financing Agreement and the Bond.

Section 2. Officers Authorized to Act. The President or Vice President and Secretary or Treasurer are hereby authorized and directed to execute, on behalf of the Board, and take such action deemed necessary or appropriate to effectuate the intent of this Resolution. In the event that the President or Vice President or the Secretary or Treasurer of the Board shall be absent or otherwise unavailable for the purpose of executing documents, or for the purpose of taking any other action which they may be authorized to take pursuant to this Resolution, the General Manager of the Board is hereby authorized and directed to execute documents, or otherwise to act on behalf of the Board in their stead.

Section 3. Further Action. The proper officers of the Board are hereby authorized and directed to take all such action, execute, deliver, file and/or record all such documents, publish all notices, if required, in order to consummate the transactions described in this Resolution.

Section 4. Repealer. All resolutions and parts of resolutions heretofore adopted to the extent that the same are inconsistent herewith are hereby repealed.

Section 5. Effective Date. This Resolution shall take effect on the earliest date permitted by law.

**THE CITY OF LEWES
BOARD OF PUBLIC WORKS**

CERTIFICATION OF RESOLUTION

The undersigned do hereby certify that the foregoing Resolution is a true and correct copy of the Resolution duly adopted by a majority of the Board of Public Works of The City of Lewes at a duly called regular meeting on January 26, 2022.

VOTE ON RESOLUTION

D. Preston Lee, P.E., President
A. Thomas Owen, Vice President
Tom Panetta, Secretary
Earl Webb, III, Treasurer
Richard Nichols, Assistant Treasurer

Aye

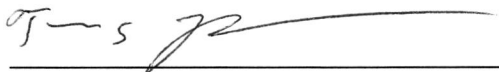
Nay

✓
✓
✓
✓
✓



President

Attest:



Secretary