

Resolution No. 23-[6/2]

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES, DELAWARE, AUTHORIZING THE BORROWING OF \$350,000 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 ADDITIONAL COSTS ASSOCIATED WITH THE HOWARD SEYMOUR WATER RECLAMATION FACILITY HEADWORKS AND PUMP PROJECT; AND AUTHORIZING OTHER NECESSARY ACTION

WHEREAS, on March 11, 2022, the Board of Public Works of the City of Lewes (the “Board”) closed on a loan (the “Original Loan”) from DNREC (as hereinafter defined) in the amount of \$1,750,000 to fund costs associated with the replacement and rebuilding of several aging or failing components of the Howard Seymour Water Reclamation Facility and upgrading of upstream pump stations (collectively, the “Project”) and issued its Revenue Bond (Emergency WRF Headworks and Pump Project), Series 2022-WPCRF to secure the Original Loan; and

WHEREAS, the Board desires to finance additional costs associated with the Project, due to an increase in the bid for construction, with a supplemental loan from DNREC; and

WHEREAS, the Board received a Binding Commitment Letter dated September 27, 2023 (the “Commitment Letter”) from the Delaware Water Pollution Control Revolving Fund (the “Fund”), acting by and through the Delaware Department of Natural Resources and Environmental Control (“DNREC”) offering a supplemental loan (the “Supplemental Loan”) in the amount of \$350,000, for a term equal to the remaining term of the Original Loan, March 1, 2043, such date being the final maturity date of the Original Loan, at an annualized interest rate of 2.0%, to fund the Project, said Supplemental 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 Supplemental 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) issue its revenue bond to secure the same (collectively, 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