RESOLUTION NO. 26-004

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES, DELAWARE, AUTHORIZING THE BORROWING OF (A) $4,413,565 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 SUPPLEMENTAL 4TH STREET AND PARK AVENUE SEWER IMPROVEMENTS PROJECT AND (B) $2,241,347 FROM THE DELAWARE DRINKING WATER STATE REVOLVING FUND, ACTING BY AND THROUGH THE DELAWARE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, FOR THE PURPOSE OF FINANCING THE SUPPLEMENTAL 4TH STREET AND PARK AVENUE WATER IMPROVEMENTS PROJECT; AND AUTHORIZING OTHER NECESSARY ACTION

WHEREAS, the Board of Public Works of the City of Lewes (the "Board") has previously issued its $5,233,435 Revenue Bond (4th Street and Park Avenue Sewer Improvements Project), Series 2025C-WPCRF on March 14, 2025 (the "2025C WPCRF Bond") to secure a loan (the "2025C WPCRF Loan") from the Delaware Department of Natural Resources and Environmental Control ("DNREC") to finance the costs associated with the replacement of approximately 2,850 linear feet of existing terracotta and cast-iron sanitary sewer main and house sewer service laterals for 44 properties, including 6-, 8-, 10- and 15-inch diameter PVC sewer pipe and fourteen precast concrete manholes (collectively, the "4th Street and Park Avenue Sewer Improvements Project"); and

WHEREAS, due to an expansion of the 4th Street and Park Avenue Sewer Improvements Project, the Board requested a supplemental loan from DNREC, in the amount of $4,413,565, to the 2025C WPCRF Loan to finance the expansion of the 4th Street and Park Avenue Sewer Improvements Project; and

WHEREAS, the Board has previously issued its $3,354,653 Revenue Bond (4th Street and Park Avenue Water Improvements Project), Series 2025A-DWSRF on March 14, 2025 (the "2025A DWSRF Bond") to secure a loan (the "2025A DWSRF Loan") from the Delaware Department of Health and Social Services ("DHSS") to finance the costs associated with the replacement of (i) approximately 2,000 feet of various sized cast iron and ductile iron water main on 4th Street from Savannah Road to Burton Avenue with new 10"/12" PVC water main and (ii) aging water distribution system infrastructure, including approximately 29 house service pipes with potential lead service piping components (collectively, the "4th Street and Park Avenue Water Improvements Project"); and

WHEREAS, due to an expansion of the 4th Street and Park Avenue Water Improvements Project, the Board requested a supplemental loan from DHSS, in the amount of

$2,241,347, to the 2025A DWSRF Loan to finance the expansion of the 4th Street and Park Avenue Water Improvements Project; and

WHEREAS, the Board received a Binding Commitment Letter dated April 6, 2026 (the "WPCRF Commitment Letter") from the Delaware Water Pollution Control Revolving Fund (the "WPCR Fund"), acting by and through DNREC, offering a supplemental loan in the amount of $4,413,565, for a term equal to the term of the 2025C WPCRF Bond being supplemented, such date being March 1, 2058, at an annualized interest rate of 2.0%, to fund the 4th Street and Park Avenue Sewer Improvements Project, said loan (the "Supplemental WPCRF 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 received a Binding Commitment Letter dated April 15, 2026 (the "DWSRF Commitment Letter") from the Delaware Drinking Water State Revolving Fund (the "DWSR Fund"), acting by and through DHSS, offering a supplemental loan in the amount of $2,241,347, for a term equal to the term of the 2025A DWSRF Bond being supplemented, such date being March 1, 2058, at an annualized interest rate of 2.0%, to fund the 4th Street and Park Avenue Water Improvements Project, said loan (the "Supplemental DWSRF Loan") to be secured by a revenue pledge of the Board pursuant to the Board Charter; and

WHEREAS, the Board desires to (i) accept the Supplemental WPCRF Loan and the Supplemental DWSRF Loan under the terms provided in the WPCRF Commitment Letter and the DWSRF Commitment Letter; (ii) enter into a financing agreement for the Supplemental WPCRF Loan with DNREC and a financing agreement for the Supplemental DWSRF Loan with DHSS (collectively, the "Financing Agreements"); and (iii) issue its revenue bonds, one for the Supplemental WPCRF Loan and one for the Supplemental DWSRF Loan, to secure the same (collectively, the "Bonds"); and

WHEREAS, the Board further desires to authorize any and all actions necessary or desired to execute the Financing Agreements, the Bonds 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, the Mayor and City Council of the City of Lewes, Delaware is scheduled to consider next month, or at another future meeting of the Mayor and City Council, the Board's request for Mayor and City Council consent to the Board's proposed borrowing under the terms provided in the WPCRF Commitment Letter and the DWSRF Commitment Letter.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES, IN SESSION MET THIS 27th DAY OF MAY, 2026, THAT:

Section 1. Authorization of Borrowing, the Financing Agreements, the Bonds and the Pledge of Revenues. The Board hereby approves and authorizes: (i) the borrowing of (A) $4,413,565 from DNREC to fund the supplemental 4th Street and Park Avenue Sewer Improvements Project, under the terms provided in the WPCRF Commitment Letter, and (B) $2,241,347 from DHSS to fund the supplemental 4th Street and Park Avenue Water Improvements Project, under the terms provided in the DWSRF Commitment Letter; (ii) the execution and delivery of the Financing Agreements and the Bonds; and (iii) the pledge of revenues to DNREC and DHSS, respectively, pursuant to Section 4.14.1.1 of the Board Charter to secure the Board's obligations under the Financing Agreements and the Bonds.

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.

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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 May 27, 2026.

VOTE ON RESOLUTION

	Aye	Nay
Thomas S. Panetta, President	Absent	
Barbara Curtis, Vice President	X	
D. Preston Lee, P.E., Secretary	X	
Richard Nichols, Treasurer	X	
Robert Heffernan, Assistant Treasurer	X	

Barbara Curtis
Vice President

Attest:

D Preston Lee
Secretary

DMS 52533041.3