

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

RESOLUTION 16-001

AUTHORIZING THE BORROWING OF \$1,423,401 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 HIGHLAND ACRES SEWER EXTENSION PROJECT; AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, The City of Lewes Board of Public Works (the “Board”) desires to undertake a project to extend its sewer utility into the Highland Acres subdivision (the “Sewer Project”), which was recently annexed into the corporate boundaries of the City; and

WHEREAS, the Board received a Revised Binding Commitment Letter dated January 19, 2016 (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 in the amount of \$1,423,401, for a term of thirty (30) years, at an annualized interest rate of 2% to fund the Sewer Project, such 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 loan agreement or similar financing agreement (the “Loan Agreement”) with DNREC; 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 Loan 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, on January 26, 2016, the Mayor and City Counsel consented 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 and IT IS HEREBY RESOLVED, as follows:

Section 1. Authorization of Borrowing, the Loan Agreement, the Bond and the Pledge of Revenues. The Board hereby approves and authorizes: (i) the borrowing of \$1,423,401 from DNREC under terms substantially similar to the terms provided in the Commitment Letter; (ii) the execution and delivery of the Loan 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 Loan 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/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.

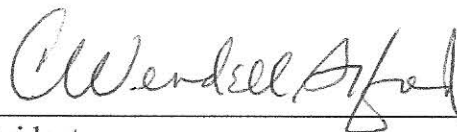
**THE CITY OF LEWES
BOARD OF PUBLIC WORKS**

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 27 January, 2016.

VOTE ON RESOLUTION

	<u>Aye</u>	<u>Nay</u>
Wendell Alfred, President	X	
D. Preston Lee, P.E., Vice President	X	
Jack Leshner, Treasurer	Not Present	
A. Thomas Owen, Secretary	X	
Nancy Levenson, Assistant Treasurer	X	



President

Attest:



Secretary