

**Resolution No. 18-007**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES AUTHORIZING THE BORROWING OF (1) \$164,000 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 ABBOTT PARK SEWER IMPROVEMENTS PROJECT AND (2) \$206,000 FROM THE DELAWARE DRINKING WATER STATE REVOLVING FUND, ACTING BY AND THROUGH THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, FOR THE PURPOSE OF FINANCING THE ABBOTT PARK WATER SYSTEM IMPROVEMENTS PROJECT; AND AUTHORIZING OTHER NECESSARY ACTION**

**WHEREAS**, the Board of Public Works of the City of Lewes (the “Board”) desires to undertake a project to install gravity sewer, lateral piping, manholes and terminal main cleanouts to serve 20 existing mobile homes and will allow for greater accessibility for future maintenance (the “Abbott Park Sewer Improvements Project”); and

**WHEREAS**, the Board desires to undertake a project to improve the Abbott Mobile Home Cooperative’s aging water system and improve system access and upgrade fire protection for the area (the “Abbott Park Water System Improvements Project”); and

**WHEREAS**, the Board received a Binding Commitment Letter dated August 14, 2018 (the “DNREC 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 \$164,000, for a term of twenty (20) years, at an annualized rate of 2.3% and principal forgiveness of the entire amount advanced to the City up to \$140,000 upon completion of the Abbott Park Sewer Improvements Project, to fund the Abbott Park Sewer Improvements 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 received a Binding Commitment Letter dated August 16, 2018 (the “DHSS Commitment Letter” and together with the DNREC Commitment Letters, the “Commitment Letters”) from the Delaware Drinking Water State Revolving Fund, acting by and through the Department of Health and Social Services (“DHSS”) offering a loan in the amount of \$206,000, for a term of twenty (20) years, at an annualized rate of 2.3% and principal forgiveness of the outstanding principal balance up to \$206,000 upon completion of the Abbott Park Water System Improvements Project, to fund the Abbott Park Water System Improvements Project, such loan to be secured by a revenue pledge of the Board pursuant to Section 4.14.1.1 of the Board Charter; and

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

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

**WHEREAS**, the Board further desires to authorize any and all actions necessary or desired to execute the Loan 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**, on September 10, 2018, the Mayor and City Council consented to the Board’s proposed borrowing under terms substantially similar to the terms provided in the Commitment Letters.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC WORKS OF THE CITY OF LEWES, IN SESSION MET THIS 26TH DAY OF SEPTEMBER, 2018, THAT:**

Section 1. Authorization of Borrowing, the Loan Agreements, the Bonds and the Pledge of Revenues. The Board hereby approves and authorizes: (i) the borrowing of \$164,000 from DNREC under terms substantially similar to the terms provided in the DNREC Commitment Letter and the borrowing of \$206,000 from DHSS under terms substantially similar to the terms provided in the DHSS Commitment Letter; (ii) the execution and delivery of the Loan Agreements and the Bonds; and (iii) the pledge of revenues to DNREC and DHSS pursuant to Section 4.14.1.1 of the Board Charter to secure the Board’s obligations under the Loan 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/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 September 26, 2018.

VOTE ON RESOLUTION

	<u>Aye</u>	<u>Nay</u>
D. Preston Lee, P.E., President	✓	
A. Thomas Owen, Vice President	✓	
Jack R. Leshner, Treasurer	✓	
Robert J. Kennedy, III, Secretary	✓	
Tom Panetta, Asst. Treasurer	✓	

  
\_\_\_\_\_  
President

Attest:

  
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Secretary