

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.