

**A RESOLUTION
OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LEWES, DELAWARE,
APPROVING THE CITY OF LEWES BOARD OF PUBLIC WORKS PLAN TO
BORROW (A) \$5,250,000 FROM THE DELAWARE DRINKING WATER STATE
REVOLVING FUND, ACTING BY AND THROUGH THE DELAWARE
DEPARTMENT OF HEALTH AND SOCIAL SERVICES AND (B) \$2,945,000 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 CERTAIN DRINKING WATER
PROJECTS OF THE CITY OF LEWES BOARD OF PUBLIC WORKS**

WHEREAS, the City of Lewes Board of Public Works (the “Board”) desires to finance (i) the installation of a new 750,000 to 1,000,000 gallon elevated water storage tank at the Jones Farm site off Kings Highway in the City of Lewes (the “City”) and to replace aging, cast iron wellfield header pipe in the vicinity of the new tank (the “Elevated Storage Tank Project”) and (ii) the replacement of an existing water main that crosses under the Lewes-Rehoboth Canal at the Savannah Road Bridge in the City (the “Savannah Road Bridge Canal Crossing Water Main Project” and together with the Elevated Storage Tank Project, the “Projects”); and

WHEREAS, the Board received a Binding Commitment Letter dated June 27, 2023 (the “Elevated Storage Tank Project Commitment Letter”) from the Delaware Drinking Water State Revolving Fund (the “Fund”), acting by and through the Delaware Department of Health and Social Services (“DHSS”) offering a loan (the “Elevated Storage Tank Project Loan”) in the amount of \$5,250,000, for a term of thirty (30) years, at an annualized interest rate of 2.0%, to fund the Elevated Storage Tank Project, said Elevated Storage Tank Project 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 June 27, 2023 (the “Savannah Road Bridge Canal Crossing Water Main Project Commitment Letter” and together with the Elevated Storage Tank Project Commitment Letter, the “Commitment Letters”) from the Fund, acting by and through DHSS offering a loan (the “Savannah Road Bridge Canal Crossing Water Main Project Loan” and together with the Elevated Storage Tank Project Loan, the “Loans”) in the amount of \$2,945,000, for a term of twenty (20) years, at an annualized interest rate of 2.0%, to fund the Savannah Road Bridge Canal Crossing Water Main Project, said Savannah Road Bridge Canal Crossing Water Main Project Loan to be secured by a revenue pledge of the Board pursuant to the Board Charter; and

WHEREAS, the Board desires to accept the Loans under terms substantially similar to the terms provided in the Commitment Letters; and

WHEREAS, pursuant to Section 4.14.1.1 of the Board Charter, the Board “shall obtain the prior consent of the Mayor and City Council” to accept the Loans; and

WHEREAS, consistent with the Commitment Letters and the Board Charter, the Mayor and City Council of the City of Lewes desire to consent to the Board’s plan to finance the Projects with the Loans, to enter into a financing agreement or similar loan agreement with DHSS, one for each of the Loans (collectively, the “Financing Agreements”), and to issue two revenue bonds, one for each of the loans, to secure the same; and

WHEREAS, the Mayor and City Council of the City of Lewes further desire to consent to the City of Lewes Board of Public Works taking any and all actions necessary or desired to execute the Financing Agreements and any related documents with respect to the Loans; and

WHEREAS, the Mayor and City Council of the City of Lewes consent to the Board’s financing plan in reliance upon the specimen bonds’ notation indicating that “NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF LEWES IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND, NOR IS THE CITY OF LEWES IN ANY MANNER OBLIGATED TO MAKE ANY APPROPRIATION FOR PAYMENT THEREOF.”

NOW, THEREFORE, BE IT RESOVED by the Mayor and City Council of the City of Lewes, Delaware in session met this 11th day of September, 2023, that:

Section 1. The Mayor and City Council of the City of Lewes hereby consents to the Board taking any and all actions necessary or desired to execute the Financing Agreements, issue its revenue bonds to secure the Loans, and to execute any related documents, with terms substantially similar to those provided in the Commitment Letters (attached hereto as Exhibit A).

Section 2. This Resolution shall be effective upon its adoption by the elected members of the City Council of the City of Lewes.

Adopted by the Mayor and City Council
of the City of Lewes
September 11, 2023

I, Timothy Ritzert, Secretary of the City Council of the City of Lewes, do hereby certify that the foregoing is a true and correct copy of the Resolution passed by the Mayor and City Council at its meeting on September 11, 2023 at which a quorum was present and voting throughout and the same is still in full force and effect.

A handwritten signature in black ink, appearing to read "M. H. ...", is written over a horizontal line.

Secretary of the City Council
of the City of Lewes

Exhibit A



STATE OF DELAWARE
DEPARTMENT OF NATURAL RESOURCES AND
ENVIRONMENTAL CONTROL

OFFICE OF THE SECRETARY
ENTERPRISE BUSINESS PARK
97 COMMERCE WAY, SUITE 106
DOVER, DELAWARE 19904

ENVIRONMENTAL
FINANCE

PHONE: (302) 739-9941
FAX: (302) 739-2137

June 27, 2023

Mr. Austin Calaman
General Manager
Lewes Board of Public Works
107 Franklin Avenue
Lewes, DE 19958

RE: Delaware Drinking Water State Revolving Fund Binding Commitment Letter Offer, Lewes Board of Public Works-- Elevated Storage Tank Project

Dear Mr. Calaman:

On behalf of the Delaware Drinking Water State Revolving Fund (Fund), the Department of Health and Social Services (Department) is pleased to advise you that a Loan (Loan) has been authorized from the Fund to the Lewes Board of Public Works (the BPW) in the amount of **\$5,250,000** for a term of **thirty (30) years** for the Elevated Storage Tank Project. The project will install a new 750,000-gallon to 1,000,000-gallon elevated water storage tank at the "Jones Farm" site off Kings Highway in Lewes, DE. In addition, the project will replace aging, cast iron wellfield header pipe in the vicinity of the new tank.

The loan interest rate shall be **2%**, the BPW will pay interest-only payments during the period commencing with the date of Closing (Closing) on the Loan through and including the payment date following the date on which the Project is actually completed based on cumulative loan draws. After the Project has been completed, up to \$5,250,000 of the principal balance will be amortized over a thirty-year term.

It is understood that a Revenue Bond from the BPW will secure the Loan. All legal costs, incurred by the Fund, associated with loan closing shall be borne by the BPW and will become a part of loan proceeds.

The Fund reserves the right to withdraw or alter the terms of this commitment if, between the date of the BPW's loan application and the date of the closing, the BPW incurs any debt or its financial condition changes in any way deemed material by the Fund at its sole discretion. Loan closing and the disbursement of funds shall remain subject to the satisfaction of any conditions established by the Fund.

The BPW shall comply in all respects with all applicable Fund requirements and reporting, federal laws, regulations, and other requirements related to or arising out of, or in connection with funding by the Fund, including but not limited to all requirements outlined in the financing agreement to be entered into by the Department and the BPW. The BPW shall also comply in all respects with the

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Lewes BPW- Elevated Storage Tank Project
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Federal Single Audit Act, 2 CFR 200 Subpart F, as a sub-recipient of Federal funds. The Catalog of Federal Domestic Assistance (CFDA) number for the Fund is 66.468. Where noncompliance of such requirements is determined by the Fund or the Department, the issue shall be referred to the proper federal authority and/or agency for consultation and/or enforcement action.

If you have any questions concerning the foregoing, please contact this office at 302-739-9941. If you concur with the terms and conditions stated above, please acknowledge your acceptance by signing below and returning the original to this office no later than July 27, 2023.


If Loan closing shall not have occurred within 120 days of receipt of this letter, the Fund reserves the right to discontinue processing the BPW's application.

Sincerely,
FOR THE DELAWARE DRINKING WATER STATE
REVOLVING FUND

Laura Robbins

Laura Robbins
Chief of Administration, Environmental Finance
DNREC - Office of the Secretary

The foregoing terms and conditions are hereby acknowledged and accepted this 28th day of June, 2023.

By: 
Mr. Austin Calaman
General Manager
Board of Public Works of the City of Lewes

(SEAL OF THE BPW)

cc: Steven Blessing, DHSS-DPH
Sandi Spiegel, DHSS-DPH
Marissa Jacobi, DHSS-DPH



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June 27, 2023

Mr. Austin Calaman
General Manager
Lewes Board of Public Works
107 Franklin Avenue
Lewes, DE 19958

RE: Delaware Drinking Water State Revolving Fund Binding Commitment Letter Offer, Lewes Board of Public Works- Savannah Rd Bridge Canal Crossing Water Main Project

Dear Mr. Calaman:

On behalf of the Delaware Drinking Water State Revolving Fund (Fund), the Department of Health and Social Services (Department) is pleased to advise you that a Loan (Loan) has been authorized from the Fund to the Lewes Board of Public Works (the BPW) in the amount of **\$2,945,000** for a term of **twenty (20) years** for the Savannah Rd Bridge Canal Crossing Water Main Project. The project will replace an existing water main that crosses under the Lewes-Rehoboth Canal at the Savannah Road Bridge in Lewes.

The loan interest rate shall be **2%**, the BPW will pay interest-only payments during the period commencing with the date of Closing (Closing) on the Loan through and including the payment date following the date on which the Project is actually completed based on cumulative loan draws. After the Project has been completed, up to \$2,945,000 of the principal balance will be amortized over a twenty-year term.

It is understood that a Revenue Bond from the BPW will secure the Loan. All legal costs, incurred by the Fund, associated with loan closing shall be borne by the BPW and will become a part of loan proceeds.

The Fund reserves the right to withdraw or alter the terms of this commitment if, between the date of the BPW's loan application and the date of the closing, the BPW incurs any debt or its financial condition changes in any way deemed material by the Fund at its sole discretion. Loan closing and the disbursement of funds shall remain subject to the satisfaction of any conditions established by the Fund.

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DWSRF Binding Commitment Letter
Lewes BPW- Savannah Rd Bridge Water Main Replacement Project
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FOR THE DELAWARE DRINKING WATER STATE
REVOLVING FUND

Laura Robbins

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Chief of Administration, Environmental Finance
DNREC - Office of the Secretary

The foregoing terms and conditions are hereby acknowledged and accepted this 28th day of June, 2023.

By: 

Mr. Austin Calaman
General Manager
Board of Public Works of the City of Lewes

(SEAL OF THE BPW)

cc: Steven Blessing, DHSS-DPH
Sandi Spiegel, DHSS-DPH
Marissa Jacobi, DHSS-DPH