

**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 \$350,000 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 ADDITIONAL COSTS  
ASSOCIATED WITH THE HOWARD SEYMOUR WATER RECLAMATION  
FACILITY HEADWORKS AND PUMP PROJECT OF THE CITY OF LEWES  
BOARD OF PUBLIC WORKS**

**WHEREAS**, the City of Lewes Board of Public Works (the “Board”) closed on a loan (the “Original Loan”) from DNREC (as hereinafter defined) in the amount of \$1,750,000 to fund costs associated with the replacement and rebuilding of several aging or failing components of the Howard Seymour Water Reclamation Facility and upgrading of upstream pump stations (collectively, the “Project”) and issued its Revenue Bond (Emergency WRF Headworks and Pump Project), Series 2022-WPCRF to secure the Original Loan; and

**WHEREAS**, the Board desires to finance additional costs associated with the Project, due to an increase in the bid for construction, with a supplemental loan from DNREC; and

**WHEREAS**, the Board received a Binding Commitment Letter dated September 27, 2023 (the “Commitment Letter”) from the Delaware Water Pollution Control Revolving Fund (the “Fund”), acting by and through the Delaware Department of Natural Resources and Environmental Control (“DNREC”) offering a supplemental loan (the “Supplemental Loan”) in the amount of \$350,000, for a term equal to the remaining term of the Original Loan, March 1, 2043, such date being the final maturity date of the Original Loan, at an annualized interest rate of 2.0%, to fund the Project, said Supplemental 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 accept the Supplemental Loan under terms substantially similar to the terms provided in the Commitment Letter; 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 Supplemental Loan; and

**WHEREAS**, consistent with the Commitment Letter 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 Project with the Supplemental Loan, to enter into a financing agreement or

similar loan agreement with DNREC (collectively, the “Financing Agreement”), and to issue its revenue bond 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 Agreement and any related documents with respect to the Supplemental Loan; and

**WHEREAS**, the Mayor and City Council of the City of Lewes consent to the Board’s financing plan in reliance upon the revenue bond’s 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 December, 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 Agreement, issue its revenue bond to secure the Supplemental Loan, and to execute any related documents, with terms substantially similar to those provided in the Commitment Letter (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  
December 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 December 11, 2023 at which a quorum was present and voting throughout and the same is still in full force and effect.

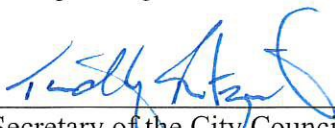
  
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Secretary of the City Council  
of the City of Lewes

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

September 27, 2023

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

RE: Delaware Water Pollution Control Revolving Fund Binding Commitment Offer for Lewes Board of Public Works – Supplemental WRF Headworks and Pump Project

Dear Mr. Calaman:

On behalf of the Delaware Water Pollution Control Revolving Fund (Fund), the Delaware Department of Natural Resources and Environmental Control (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 **\$350,000** for a term of **twenty (20) years** for the Supplemental Howard Seymour Water Reclamation Facility (WRF) Headworks and Pump Project. The Loan will be used to finance the replacement and rebuilding of several aging or failing components of the WRF and upgrade upstream pump stations. The WRF improvements include grit screens, a grit removal system, classifier, and compactor. The pump station improvements involve the installation of emergency retrofit pumps where accommodations exist, water level transducers in lieu of floats, control panel updates and various electrical upgrades.

The loan interest rate shall be **2.0%**, the BPW will pay semi-annual 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 \$350,000 of the principal balance will be amortized over the remaining term of the original loan until March 1, 2043, such date being the final maturity date of the original loan.

It is understood that a Revenue Bond of 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.

September 27, 2023  
WPCRF Binding Commitment Letter  
Lewes BPW – Supplemental WRF Headworks and Pump Project  
Page | 2

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. The BPW shall also comply in all respects with the Federal Single Audit Act, 2 CFR 200 Subpart F, (formerly OMB Circular A-133) as a sub-recipient of Federal funds. The Catalog of Federal Domestic Assistance (CFDA) number for the Fund is 66.458. 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 October 31, 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 WATER POLLUTION CONTROL  
REVOLVING FUND

*Laura Robbins*

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

The foregoing terms and conditions are hereby acknowledged and accepted this 6<sup>th</sup> day of October, 2023.

By:   
\_\_\_\_\_  
Austin Calaman  
General Manager  
Board of Public Works of the City of Lewes

(SEAL OF THE BPW)

cc: Keith Kooker, DNREC EF