

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2002-38

No. 613

AN ORDINANCE OF THE CITY OF PROVIDENCE APPROVING THE FINANCING OF SECURITY IMPROVEMENTS TO THE PROVIDENCE WATER SUPPLY SYSTEM AND ALL ATTENDANT EXPENSES AND APPROVING THE ISSUANCE OF WATER REVENUE BONDS AND NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$2,000,000

IN CILA COMPLIANCE
REFERRED TO COMMITTEE
FIRST READING

Approved November 8, 2002

Be it ordained by the City of Providence:

SECTION 1. The sum of \$2,000,000 is appropriated for the purpose of financing security improvements to the Providence water supply system and all attendant expenses (the "Project"). The period of usefulness of the Project is expected to be not less than five (5) years.

SECTION 2. In accordance with Chapter 46-12.8 of the Rhode Island General Laws, the City Treasurer and the Mayor be and hereby are authorized to borrow an amount not exceeding Two Million Dollars (\$2,000,000) from the Rhode Island Clean Water Finance Agency, and to evidence such loan, such officers are authorized to issue and refund on behalf of the City, an amount not exceeding Two Million Dollars (\$2,000,000) water revenue bonds (the "Bonds") of the City, at one time, or from time to time in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may issue and refund not exceeding \$2,000,000 interest bearing or discounted water revenue notes (the "Notes") in anticipation of the issue of said Bonds.

SECTION 4. The Bonds and Notes shall be payable solely from revenues of the Providence water supply system. The manner of sale, amount, denominations, maturities, conversion or registration privileges, interest rates, medium of payment, and other terms, conditions and details of the Bonds or Notes may be fixed by the officers authorized to sign the Bonds or Notes. The net debt of the City is not affected by the issuance of the Bonds or Notes and the Bonds and Notes authorized hereby will be within all debt and other limitations prescribed by the Constitution and the laws of Rhode Island.

SECTION 5. Pending the issuance of the Bonds under Section 2 hereof or pending or in lieu of the issue of Notes under Section 3 hereof, the General Manager and Chief Engineer of the Providence Water Supply Board, may expend funds from the Water Fund of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of the Bonds or Notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 6. The City Treasurer, the Mayor and the General Manager and Chief Engineer of the Providence Water Supply Board are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other loan agreements, documents, certificates or instruments necessary to effectuate such borrowing; (ii) amend, modify or supplement the Bonds or Notes any and all other loan agreements, documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as such officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this Ordinance in order to effectuate said borrowing and the intent hereof.

No.

CHAPTER
AN ORDINANCE

FILED
Aug 8 3 29 PM '02
DEPT. OF PLANNING
PROVIDENCE, R.I.

IN CITY COUNCIL
SEP 5 2002
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE
Richard K. Clement CLERK

THE COMMITTEE ON
FINANCE
Approves Passage of
This Within Ordinance
Ann M. Stebbins
10-9-02

Councilwoman Williams (By Request)

SECTION 7. The City Treasurer and the Mayor be, and hereby are, authorized to deliver the Bonds or Notes to the purchaser and said officers be, and hereby are, authorized and instructed to take all actions, on behalf of the City, necessary to ensure that interest on the Bonds or Notes will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds or Notes to become subject to federal income taxes.

SECTION 8. This Ordinance is an affirmative action of the City Council of the City toward the issuance of the Bonds and Notes in accordance with the purposes of the laws of the State. This Ordinance constitutes the City's declaration of official intent, pursuant to Treasury Regulation § 1.150-2, to reimburse the City's Water Fund for certain capital expenditures for the project paid on or after February 20, 2002. Such amounts to be reimbursed shall not exceed \$2,000,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.

SECTION 9. The City's Director of Finance, the Mayor and the General Manager and Chief Engineer of the Providence Water Supply Board are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and to execute and deliver a Continuing Disclosure Certificate in connection with the Bonds or Notes in the form as shall be deemed advisable by the City's Director of Finance and the Mayor in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this ordinance or the bonds or notes, failure of the City or the Providence Water Supply Board to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Providence Water Supply Board to comply with its obligations under this Section and under the Continuing Disclosure Certificate.

SECTION 10. This Ordinance shall take effect upon its passage.

IN CITY COUNCIL
OCT 17 2002
FIRST READING
READ AND PASSED
Richard L. Clement CLERK

IN CITY
COUNCIL
NOV 7 2002
FINAL READING
READ AND PASSED
Balbir A. Gonyea PRESIDENT
Richard L. Clement CLERK

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APPROVED
John J. Lombardi
MAYOR

John J. Lombardi
NOV 08 2002

FISCAL IMPACT NOTE

July 29, 2002

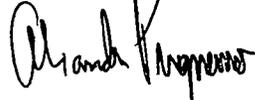
City Council Finance Committee
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

Re: \$2,000,000 Clean Water Revenue Bonds

Set forth below is a fiscal impact note related to the proposed \$2,000,000 Clean Water Revenue Bonds (the "Bonds") of the City of Providence (the "City").

Upon authorization by the Providence City Council it is anticipated that the Bonds will be issued on or about September 15, 2002, will bear interest at a rate of approximately 5.80% (subsidized by the Rhode Island Clean Water Finance Agency to bear interest at a rate of approximately 4.35%) and will mature in five (5) annual installments with estimated interest payable semi-annually as submitted herewith as Schedule A. The Bonds are payable solely from drinking water revenues and consequently, there will be no impact on the General Fund of the City for payment of debt service.

Respectfully yours,



Alexander Prignano
Finance Director

cc: Providence Water Supply Board

SCHEDULE A

City of Providence, Rhode Island Providence Water Project \$2,000,000 Five Year Term - Level Debt Service - Market Rates Dated: September 1, 2002 DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
9/01/2002	-	-	-	-	-
3/01/2003	-	-	50,000.00	50,000.00	-
6/30/2003	-	-	-	-	50,000.00
9/01/2003	320,000.00	5.000%	100,000.00	420,000.00	-
6/30/2004	-	-	-	-	420,000.00
9/01/2004	390,000.00	5.000%	84,000.00	474,000.00	-
6/30/2005	-	-	-	-	474,000.00
9/01/2005	410,000.00	5.000%	64,500.00	474,500.00	-
6/30/2006	-	-	-	-	474,500.00
9/01/2006	430,000.00	5.000%	44,000.00	474,000.00	-
6/30/2007	-	-	-	-	474,000.00
9/01/2007	450,000.00	5.000%	22,500.00	472,500.00	-
6/30/2008	-	-	-	-	472,500.00
Total	2,000,000.00	-	365,000.00	2,365,000.00	-

YIELD STATISTICS

Bond Year Dollars.....	\$6,300.00
Average Life.....	3.150 Years
Average Coupon.....	5.7936508%
Net Interest Cost (NIC).....	5.7936508%
True Interest Cost (TIC).....	5.7974487%
Bond Yield for Arbitrage Purposes.....	5.7974487%
All Inclusive Cost (AIC).....	5.7974487%

IRS FORM 8038

Net Interest Cost.....	5.7936508%
Weighted Average Maturity.....	3.150 Years

First Southwest Company
Public Finance

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4/23/2002 9:11 AM

City of Providence, Rhode Island
Providence Water Project
\$2,000,000 Five Year Term - Level Debt Service - 3.75% Rate
Dated: September 1, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
9/01/2002	-	-	-	-	-
3/01/2003	-	-	37,500.00	37,500.00	-
6/30/2003	-	-	-	-	37,500.00
9/01/2003	340,000.00	3.750%	75,000.00	415,000.00	-
6/30/2004	-	-	-	-	415,000.00
9/01/2004	395,000.00	3.750%	62,250.00	457,250.00	-
6/30/2005	-	-	-	-	457,250.00
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9/01/2006	420,000.00	3.750%	32,250.00	452,250.00	-
6/30/2007	-	-	-	-	452,250.00
9/01/2007	440,000.00	3.750%	16,500.00	456,500.00	-
6/30/2008	-	-	-	-	456,500.00
Total	2,000,000.00	-	270,937.50	2,270,937.50	-

YIELD STATISTICS

Bond Year Dollars.....	\$6,225.00
Average Life.....	3.113 Years
Average Coupon.....	4.3524096%
Net Interest Cost (NIC).....	4.3524096%
True Interest Cost (TIC).....	4.3546032%
Bond Yield for Arbitrage Purposes.....	4.3546032%
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IRS FORM 8038

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FISCAL IMPACT NOTE

July 29, 2002

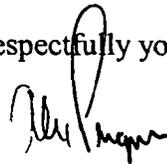
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Respectfully yours,



Alexander Prignano
Finance Director

cc: Providence Water Supply Board

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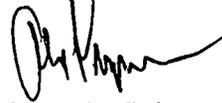
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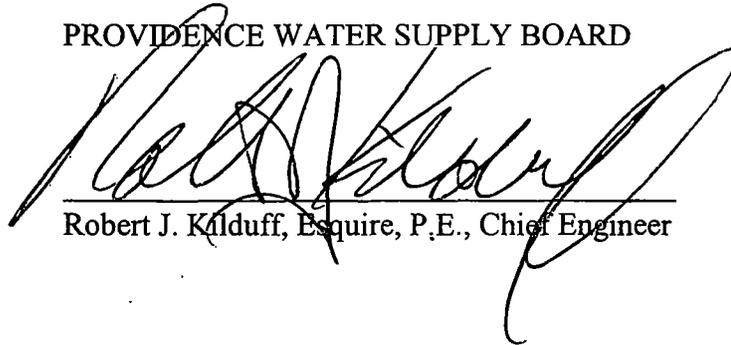
IRS FORM 8038

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Weighted Average Maturity.....	3.113 Years

ENGINEER'S CERTIFICATE AS TO PERIOD OF USEFULNESS

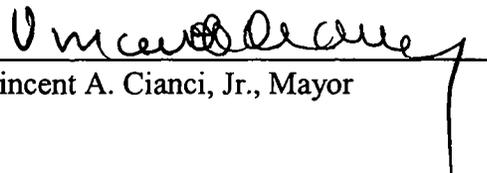
I, Robert J. Kilduff, Esquire, P.E., Chief Engineer of the Providence Water Supply Board, hereby certify that the period of usefulness of the project to finance security improvements to the Providence Water Supply System, which project is to be financed through the Rhode Island Clean Water Finance Agency by the issuance of \$2,000,000 Water Revenue Bonds of the City, is not less than five (5) years.

PROVIDENCE WATER SUPPLY BOARD



Robert J. Kilduff, Esquire, P.E., Chief Engineer

APPROVED BY:

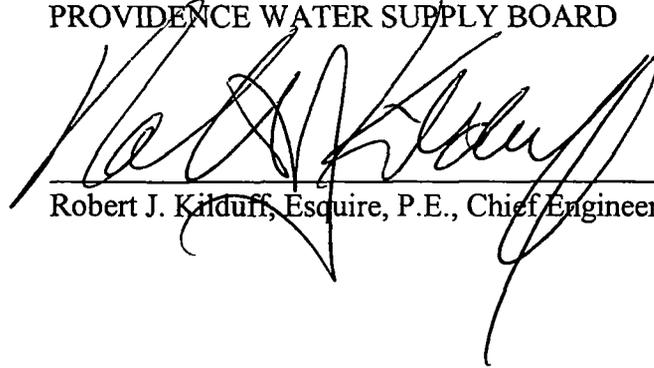


Vincent A. Cianci, Jr., Mayor

ENGINEER'S CERTIFICATE AS TO PERIOD OF USEFULNESS

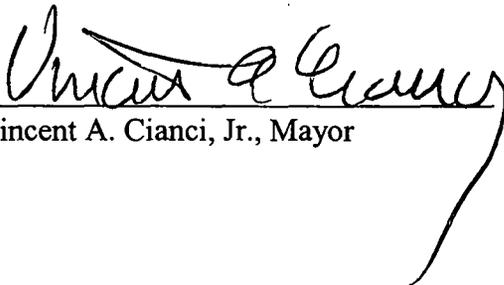
I, Robert J. Kilduff, Esquire, P.E., Chief Engineer of the Providence Water Supply Board, hereby certify that the period of usefulness of the project to finance security improvements to the Providence Water Supply System, which project is to be financed through the Rhode Island Clean Water Finance Agency by the issuance of \$2,000,000 Water Revenue Bonds of the City, is not less than five (5) years.

PROVIDENCE WATER SUPPLY BOARD



Robert J. Kilduff, Esquire, P.E., Chief Engineer

APPROVED BY:

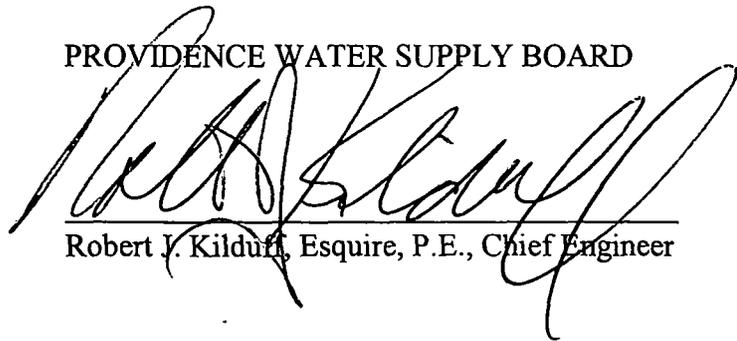


Vincent A. Cianci, Jr., Mayor

ENGINEER'S CERTIFICATE AS TO PERIOD OF USEFULNESS

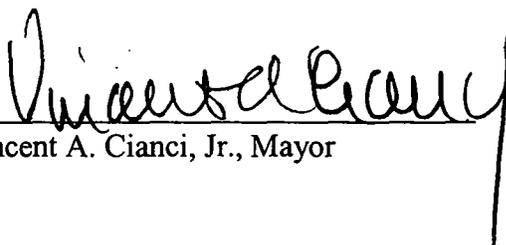
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PROVIDENCE WATER SUPPLY BOARD



Robert J. Kilduff, Esquire, P.E., Chief Engineer

APPROVED BY:



Vincent A. Cianci, Jr., Mayor

TILLINGHAST LICHT PERKINS SMITH & COHEN, LLP

Neal R. Pandozzi
Direct: (401) 456-1212
E-Mail: npandozzi@tllslaw.com

Attorneys At Law
TEN WEYBOSSET STREET
PROVIDENCE, RI 02903-2818
401.456.1200 FAX 401.456.1210
www.tllslaw.com

August 8, 2002

VIA HAND DELIVERY

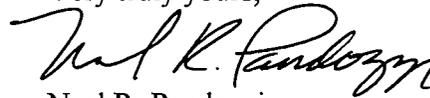
Mr. Michael Clement
City Clerk
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

Re: \$2,000,000 City of Providence Clean Water Revenue Bonds

Dear Mr. Clement:

In connection with the above-referenced transaction, enclosed please find 22 copies of the following, as required by the City Charter: (1) \$2,000,000 Revenue Bond Ordinance approving the financing of improvements to the Providence Water Supply System; (2) Fiscal Impact Note signed by the City Finance Director and (3) Engineer's Certificate signed by the Mayor and the General Manager of the Providence Water Supply Board. Please place the Ordinance on the agenda for consideration at the next City Council Meeting. If you should have any questions, please do not hesitate to call.

Very truly yours,



Neal R. Pandozzi

Enclosures

cc: Mr. Boyce Spinelli
Stephen Napolitano, Esq.
Mr. Alexander Prignano
Charles Mansolillo, Esq.
Councilwoman Rita Williams
Councilman Joseph DeLuca
Robert Kilduff, Esq., P.E.
Ms. Jean Bondarevskis
Ms. Maureen Gurghigian
Mr. Anthony Simone
Gerald Harrington, Esq.

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FILED

AUG 8 3 29 PM '02

DEPT. OF JUSTICE
PROVIDENCE, R. I.