

# RESOLUTION OF THE CITY COUNCIL

No. 144

Approved March 2, 1998

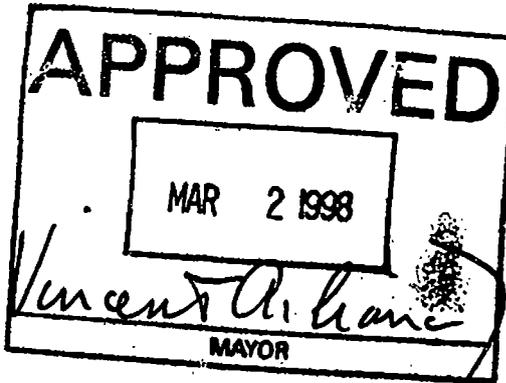
RESOLVED, That the City Council endorses and urges passage by the General Assembly of House Bill 98-H 7187 entitled: "An Act Authorizing the Issuance of Bonds and Notes of the State for the Purpose of Financing the Narragansett Bay Water Quality Management District Commission's Combined Sewer Overflow Abatement Program" in substantially the form attached.

IN CITY COUNCIL

FEB 19 1998  
READ AND PASSED

*Evelyn V. Fasgnoli*  
PRES.

*Michael R. Clement*  
CLERK



RECEIVED  
FEB 9 1998  
ROYAL

THE COMMITTEE ON

*State Legislation*

Approved Passage of  
The Within Resolutions

FEB 9 1998

*Barbara A. Carver*

Chairman

*H 9/98*

98H7187.HTM

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98 -- H 7187

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LC00583  
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STATE OF RHODE ISLAND  
IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 1998

AN ACT

**AUTHORIZING THE ISSUANCE OF BONDS AND NOTES OF THE STATE  
FOR THE PURPOSE OF FINANCING THE NARRAGANSETT BAY WATER  
QUALITY MANAGEMENT DISTRICT COMMISSION'S COMBINED SEWER  
OVERFLOW ABATEMENT PROGRAM**

**Introduced By:** Representatives Barr and Menard

**Date Introduced :** January 8, 1998

**Referred To:** Committee on Corporations

It is enacted by the General Assembly as follows:

**SECTION 1. Legislative Findings :** It is hereby found and declared that:

(a) Narragansett Bay is the greatest natural resource of the state of Rhode Island. It is a major source for boating, swimming, fishing, commerce, and tourism. Narragansett Bay is enjoyed by all the citizens of Rhode Island, all of whom have an interest in its preservation. Protecting the Bay from pollution is vital to the health, safety and general welfare of all Rhode Islanders.

(b) It is further found and declared that in 1980 the people of the state of Rhode Island overwhelmingly approved a statewide bond referendum to provide funds to the Narragansett Bay Water Quality Management District Commission to upgrade the Providence wastewater treatment plant and related facilities in order to improve the quality of waters throughout Narragansett Bay. It was this original statewide funding that has enabled the Field's Point Wastewater Treatment Facility to become a nationally recognized, award winning facility.

(c) It is further found and declared that there continues to be sources of pollution other than wastewater treatment facilities which are currently beyond the control of the Narragansett Bay Water Quality Management District Commission. One such source is combined sewer overflows (CSOs) which result after heavy rains overload the sewer system. When this occurs pollutants are discharge into Narragansett Bay and its tributaries, namely the Blackstone, Moshassuck, Providence, Seekonk, Woonasquatucket and West Rivers. The Narragansett Bay Water Quality Management District Commission has been federally mandated and charged with the responsibility of mitigating this problem.

(d) It is further found and declared that the Narragansett Bay Water Quality Management District Commission has prudently managed its operations and expenditures since its establishment in 1980 as is evident by the national recognition given to the Field's Point Wastewater Treatment Facility as the best operated and maintained large secondary wastewater treatment facility in the country by the US Environmental Protection Agency.

(e) It is further found and declared that the Narragansett Bay Water Quality Management District Commission's recommended Combined Sewer Overflow Abatement Program is to be completed in three phases over a period of twenty-two years and that Phase One of the program will cost approximately \$165 million and will be completed within seven years.

(f) It is further found and declared that the CSOs jeopardize the environmental integrity of the entire Narragansett Bay and pose public health and safety risks to the people of the state of Rhode Island.

(g) It is further found and declared that since protecting the quality of the Narragansett Bay benefits all Rhode Islanders, the fairest and most cost effective way to finance the Combined Sewer Overflow Abatement Program would be through a statewide bond referendum.

**SECTION 2. Referendum** . -- Referendum to be submitted to the people. At the general election to be held on the Tuesday next after the first Monday in November, 1998, there shall be submitted to the people for their approval or rejection the following proposition.

"Shall the action of the general assembly, by an act passed by the January session, 1998, authorizing the issuance of bonds, refunding bonds, and temporary notes of the State of Rhode Island in the amount of one hundred and sixty-five million dollars (\$165,000,000) to provide funds to the Narragansett Bay Water Quality Management District Commission for its combined sewer overflow abatement program, be approved and the issuance of such bonds, refunding bonds, and temporary notes in accordance with the act be authorized?"

**SECTION 3. Ballot and applicability of general election laws** . --The secretary of state shall prepare and turn over to the state board of election a ballot for the referendum listed in Section 2 so that each voter may indicate his approval or rejection of such referendum question. The general election laws, so far as consistent herewith, shall apply to voting on the proposition authorized in section 2 hereof.

**SECTION 4. Approval of proposition by people** . -- If a majority of the people voting on the referendum question provided for in section 2 hereof shall vote to approve said referendum question, said proposition shall be deemed to be approved.

**SECTION 5. Bonds for Narragansett Bay Water Quality Management District Commission Combined Sewer Overflow Abatement Program** . -- The general treasurer is hereby authorized and empowered with

the approval of the governor and in accordance with the provisions of this act, to issue from time to time bonds (hereinafter sometimes referred to as "such bonds") in serial or term bond form in the name and behalf of the state in such amounts as may be specified from time to time by the governor in an aggregate principal amount not to exceed the total amount as set forth in the referendum question provided for in Section 2 hereof to be designated as "Narragansett Bay Commission Combined Sewer Overflow Abatement Program Loan of 1998 bonds". All provisions in this act relating to "bonds" shall also be deemed to apply to "refunding bonds".

Such bonds shall be in denominations of one thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the United States which at the time of payment shall be legal tender for public and private debts. Such bonds shall bear such date or dates, mature at such time or times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in which they are respectively issued, bear interest payable at such rate or different or varying rates, be payable at such time or times at such place or places, be subject to such terms of redemption or recall, with or without premium, be in such form, with or without interest coupons attached, carry such registration, conversion, reconversion, transfer, debt retirement, acceleration and other provisions as may be fixed by the general treasurer, with the approval of the governor, upon each issue of such bonds at the time of each issue. Whenever the governor shall approve the issuance of such capital development bonds, he or she shall certify such approval to the secretary of state; such bonds shall be signed by the general treasurer and countersigned by the manual or facsimile signature of the secretary of state and shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be endorsed on each bond so approved with a facsimile with a facsimile of his or her signature.

**SECTION 6. Refunding Bonds for the Narragansett Bay Water Quality Management District Commission Combined Sewer Overflow Abatement Program** . -- The general treasurer is hereby authorized and empowered, with the approval of the governor and in accordance with the provisions of this act, to issue from time to time bonds to refund the bonds authorized under section 5 hereof in the name and on behalf of the state, in such amounts as may be specified from time to time by the governor in aggregate principal amount not to exceed the total amount as has been approved by the people, to be designated as "Narragansett Bay Commission Combined Sewer Overflow Abatement Program Loan of 1998 refunding bonds" (hereinafter "refunding bonds").

The general treasurer with the approval of the governor shall fix the terms and form of such refunding bonds in the same manner as the bonds, except that refunding bonds may not mature more than twenty (20) years from the date of original issue of bonds being refunded by such refunding bonds.

The proceeds of the refunding bonds exclusive of any premium and accrued interest, shall, upon their receipt, be paid by the general treasurer immediately to the paying agent for the bonds which are to be called and prepaid, and such paying agent shall hold such proceeds in trust until they are applied to prepay the bonds. While such proceeds are held in trust, they may be invested for the benefit of the state in obligations of the United State of America or the state of Rhode Island.

If the general treasurer shall deposit with the paying agent for such bonds from the proceeds of the refunding bonds or from other sources sufficient amounts that, when invested in obligations of the United States or the state of Rhode Island, are sufficient to pay all principal, interest, and premium, if any, on the bonds until such bonds are called for prepayment, then such bonds shall not be considered debts of the state of Rhode Island for any purpose from the date of deposit of such moneys with the paying agent. The refunding bonds shall continue to be a debt of the state until paid.

The term "bond" shall include "note", and the term "refunding bonds" shall include "refunding notes" when used in this act.

**SECTION 7. Proceeds of Narragansett Bay Water Quality Management District Commission Combined Sewer Overflow Abatement Program** . -- The general treasurer is directed to deposit the proceeds from the sale of such bonds, exclusive of premiums and accrued interest, into the Narragansett Bay Water Quality Management District Commission Combined Fund for use by the Narragansett Bay Commission for its combined sewer overflow abatement program.

**SECTION 8. Temporary Notes.** -- The general treasurer is hereby authorized and empowered, with the approval of the governor and in accordance with the provisions of this act, to borrow, upon temporary notes issued in anticipation of the issuance of such bonds, from time to time, in the name and on behalf of the state sums of money for the purposes hereinbefore set forth in the referendum question provided for in section 2 hereof, subject to the limitations as to the amount set forth in this act, and to be designated as "Narragansett Bay Commission Combined Sewer Overflow Abatement Program Loan of 1998 notes (hereinafter referred to as "such notes").

Such notes shall be signed by the general treasurer and countersigned by the manual or facsimile signature of the secretary of state, and shall be issued at such time or times in such amounts, at such rates of interest, with such provisions for prepayment, with or without premium, acceleration and other terms as may be fixed by the general treasurer, with the approval at the time of each issue of the governor.

Such notes may be issued from time to time for periods not to exceed two (2) years and may be refunded or renewed from time to time by the issue of other such notes for periods not to exceed two (2) years, but such notes, including all refunding or renewals thereof, shall mature not later than five (5) years from the date of each original issue. The proceeds of the sale of such notes, exclusive of any premiums or accrued interest, shall be deposited by the general treasurer as provided in section 7 hereof.

**SECTION 9. Bonds and notes to be tax exempt and general obligations of the state.** -- All bonds and notes issued under the authority of this act shall be exempt from taxation in the state and shall be general obligations of the state, and the full faith and credit of the state are hereby pledged for the due payment of the principal of and interest on each of such bonds and notes as the same shall become due.

**SECTION 10. Sale of bonds and notes.** -- Any bonds or notes issued under the authority of this act shall be sold from time to time at not less than the principal amount thereof, in such mode and on such terms and conditions as the general treasurer, with the approval of the governor, shall deem to be for the best interests of the state.

Any premiums and accrued interest which may be received on the sale of such bonds or notes shall become part of the general fund of the state and shall be applied to the payment of debt service or cost of issuance charges of the state.

In the event that the amount received from the sale of such bonds or notes exceeds the amount necessary for the purposes stated in section 7 hereof, the surplus may be used to the extent possible to retire said bonds as the same may become due, to redeem the same in accordance with the terms thereof or otherwise to purchase the same as the general treasurer, with the approval of the governor, shall deem to be for the best interest of the state.

Any bonds or notes issued under the provisions of this act and coupons on any bonds, if properly executed by the manual or facsimile signatures, as the case may be, of officers of the state in office on the date of execution shall be valid and binding according to their tenor notwithstanding that before the delivery thereof and payment therefor, any or all such officers shall for any reason have ceased to hold office.

**SECTION 11. Amortization.** -- To the extent the same is not otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise appropriated.

**SECTION 12. Advances from general fund.** -- The general treasurer is authorized from time to time with the approval of the director of administration and the governor, in anticipation of the issue of notes or bonds under the authority of this act, to advance to the Narragansett Bay Water Quality Management District Commission Fund to be used for the purposes specified in section 7 hereof, and funds of the state not specifically held for any particular purpose, provided, however, that all such advances made to such fund shall be returned to the general fund from such fund forthwith upon the receipt by such fund of proceeds resulting from the issue of notes or bonds to the extent of such advances.

**SECTION 13. Effective date.** -- Sections 1, 2, 3, and this section of this act shall take effect upon its passage; the remaining sections of this act shall take effect when and if the state board of elections shall certify to the secretary of state that a majority of the qualified electors voting on the referendum question contained in section 2 hereof indicated their approval of such proposition.

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**EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
AN ACT  
AUTHORIZING THE ISSUANCE OF BONDS AND NOTES OF THE STATE FOR THE  
PURPOSE OF FINANCING THE NARRAGANSETT BAY WATER QUALITY  
MANAGEMENT DISTRICT COMMISSION'S COMBINED SEWER OVERFLOW  
ABATEMENT PROGRAM**

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This act would authorize the State to issue its general obligation bonds in the amount of \$165,000,000 to finance the Narragansett Bay Water Quality Management District Commission's Combined Sewer Overflow Abatement Program. Sections 1, 2, 3 and 13 of this act would take effect on passage. The remainder of this act would take effect upon approval of this act by a majority of those voting at the general election on the referendum question.

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