

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2009-54

No. 445

AN ORDINANCE OF THE CITY OF PROVIDENCE APPROVING THE FINANCING OF IMPROVEMENTS TO THE PROVIDENCE WATER SUPPLY SYSTEM AND ALL ATTENDANT EXPENSES INCLUDING BUT NOT LIMITED TO ENGINEERING COSTS AND APPROVING THE ISSUANCE OF WATER REVENUE BONDS AND NOTES THEREFORE IN AN AMOUNT NOT TO EXCEED \$13,250,000

Approved October 6, 2009

Be it ordained by the City of Providence:

SECTION 1. The sum of Thirteen Million Two Hundred Fifty Thousand Dollars (\$13,250,000) is appropriated for the purpose of financing improvements to the Providence water supply system and all attendant expenses, including but not limited to, engineering costs (the "Project"). The period of usefulness of the water mains to be rehabilitated or replaced as part of the Project is expected to be not less than twenty (20) years. The period of usefulness of "efficiency" projects comprised primarily of MLOG leak detection systems, meter and encoder receiver transmitters and hydrant locks to be acquired and installed as part 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 are hereby authorized to borrow an amount not exceeding Thirteen Million Two Hundred Fifty Thousand Dollars (\$13,250,000) from the Rhode Island Clean Water Finance Agency, and to evidence such loan, such officers are hereby authorized to issue and refund on behalf of the City, in an amount not exceeding Thirteen Million Two Hundred Fifty Thousand Dollars (\$13,250,000), 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 \$13,250,000 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 City may issue bonds, notes, or other obligations on a parity with these Bonds. 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 Chief Engineer and General Manager 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 Chief Engineer and General Manager of the Providence Water Supply Board are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver a Supplemental Indenture (the "Supplemental Indenture") by and between the City and U. S. Bank, National Association, as trustee (the "Trustee") amending and supplementing the Trust Indenture dated June 5, 2008 by and between the City and the Trustee (as supplemented, the "Indenture") relating to the Bonds and any and all other loan agreements, documents, certificates or instruments necessary to effectuate such borrowing; (ii) amend, modify or supplement the Indenture, the Bonds or Notes and 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) direct the Trustee with regard to investments of trust funds pursuant to the Trust Indenture, and (iv) 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.

SECTION 7. The City Treasurer and the Mayor are hereby authorized to deliver the Bonds or Notes to the purchaser and said officers are hereby 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. In addition, the City Treasurer and the Mayor are hereby authorized to issue the bonds in accordance with the Federal Economic Stimulus Act, Public Law 111-5, known as the "American Recovery and Reinvestment Act of 2009," and may take all lawful action necessary or desirable to effectuate such issuance.

SECTION 8. The Director of Finance, the Mayor and the Chief Engineer and General Manager 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 Director of Finance, the Mayor and the Chief Engineer and General Manager of the Providence Water Supply Board 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 9. This Ordinance shall take effect upon passage.

In City Council
SEP 17 2009
Read and Passed the First Time
And Referred to the Committee
On [Signature]
Clerk

IN CITY
COUNCIL
OCT 1 2009
FINAL READING
READ AND PASSED
[Signature]
PRESIDENT
[Signature]
CLERK

APPROVED
[Signature]

MAYOR

10/6/09

SCHEDULE A

Rhode Island Clean Water Finance Agency

Approximated ARRA Principal Forgiveness Savings

<u>Loan</u>	<u>Term</u>	<u>Principal Savings</u>	<u>Debt Service Savings</u>
10,000,000	20 Years	1,500,000	2,066,198
2,000,000	5 Years	300,000	311,119
890,000	5 Years	133,500	138,433
360,000	5 Years	54,000	56,055

First Southwest Company

6/18/2009 1:29 PM

Estimated ARRA Savings @ 15%^{ARR} Preliminary - For Discussion Purposes Only ***

SCHEDULE B

Rhode Island Clean Water Finance Agency
RI Revenue MMD Rates as of 06/11/2009
\$10,000,000 - 20 Year: Drinking Water Loan

Sources & Uses
Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Sources:

Par Amount of Loan	8,500,000.00
Principal Forgiveness Contribution	1,500,000.00
Total Sources	<u>10,000,000.00</u>

Uses:

Deposit to Construction Fund	9,309,822.65
Capitalized Interest	-
Deposit to DSRF	590,177.35
Loan Origination Fee (1.0%)	100,000.00
Costs of Issuance - Local Level	-
Misc.	-
Total Uses	<u>10,000,000.00</u>

Loan Yields Exclusive of Costs & Fees

Subsidized Yield on the Loan:	2.1366%
Market Yield on the Loan:	3.2201%

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$10,000,000 - 20 Year: Drinking Water Loan

Construction Fund Cash Flow
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Beginning Balance	Deposit	Cost of Issuance	Construction Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance
10/01/09		10,000,000.00	100,000.00	775,818.55	590,177.35	1,465,995.90	8,534,004.10
11/01/09	8,534,004.10			775,818.55		775,818.55	7,758,185.55
12/01/09	7,758,185.55			775,818.55		775,818.55	6,982,367.00
01/01/10	6,982,367.00			775,818.55		775,818.55	6,206,548.45
02/01/10	6,206,548.45			775,818.55		775,818.55	5,430,729.90
03/01/10	5,430,729.90			775,818.55		775,818.55	4,654,911.35
04/01/10	4,654,911.35			775,818.55		775,818.55	3,879,092.80
05/01/10	3,879,092.80			775,818.55		775,818.55	3,103,274.25
06/01/10	3,103,274.25			775,818.55		775,818.55	2,327,455.70
07/01/10	2,327,455.70			775,818.55		775,818.55	1,551,637.15
08/01/10	1,551,637.15			775,818.55		775,818.55	775,818.60
09/01/10	775,818.60			775,818.60		775,818.60	
10/01/10							
11/01/10							
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11/01/12							
		10,000,000.00	100,000.00	9,309,822.70	590,177.35	10,000,000.00	

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$10,000,000 - 20 Year: Drinking Water Loan

Loan Balance

Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Loan Draws	Principal Paid	Loan Balance	(1) Interest @ 2.797%	Interest Requirements	Loan Fees @ 0.500%	Loan Fees
10/01/09	1,465,995.90		1,465,995.90				
11/01/09	775,818.55		2,241,814.45	3,417.10		610.83	
12/01/09	775,818.55		3,017,633.00	5,225.47		934.09	
01/01/10	775,818.55		3,793,451.55	7,033.83		1,257.35	
02/01/10	775,818.55		4,569,270.10	8,842.19		1,580.60	
03/01/10	775,818.55		5,345,088.65	10,650.55	35,169.14	1,903.86	6,286.74
04/01/10	775,818.55		6,120,907.20	12,458.91		2,227.12	
05/01/10	775,818.55		6,896,725.75	14,267.28		2,550.38	
06/01/10	775,818.55		7,672,544.30	16,075.64		2,873.64	
07/01/10	775,818.55		8,448,362.85	17,884.00		3,196.89	
08/01/10	775,818.55		9,224,181.40	19,692.36		3,520.15	
09/01/10	775,818.60	(326,000.00)	9,674,000.00	21,500.73	101,878.92	3,843.41	18,211.59
10/01/10			9,674,000.00	22,549.21		4,030.83	
11/01/10			9,674,000.00	22,549.21		4,030.83	
12/01/10			9,674,000.00	22,549.21		4,030.83	
01/01/11			9,674,000.00	22,549.21		4,030.83	
02/01/11			9,674,000.00	22,549.21		4,030.83	
03/01/11			9,674,000.00	22,549.21	135,295.26	4,030.83	24,185.00
04/01/11							
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	<u>10,000,000.00</u>	<u>(326,000.00)</u>		<u>272,343.32</u>		<u>48,693.32</u>	

(1) Interest rate represents the weighted average loan rate for the entire loan amortization. Detailed loan rates for each maturity are as shown on the following page.

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$10,000,000 - 20 Year: Drinking Water Loan

Loan Debt Service
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
10/01/09							
3/1/2010			35,169.14	6,286.74	41,455.88	41,455.88	
9/1/2010	326,000.00	0.473%	101,878.92	18,211.59	120,090.51	446,090.51	487,546.39
3/1/2011			135,295.26	24,185.00	159,480.26	159,480.26	
9/1/2011	329,000.00	1.013%	118,106.22	20,435.00	138,541.22	467,541.22	627,021.48
3/1/2012			116,440.66	19,612.50	136,053.16	136,053.16	
9/1/2012	334,000.00	1.373%	116,440.66	19,612.50	136,053.16	470,053.16	606,106.32
3/1/2013			114,148.58	18,777.50	132,926.08	132,926.08	
9/1/2013	340,000.00	1.763%	114,148.58	18,777.50	132,926.08	472,926.08	605,852.16
3/1/2014			111,152.33	17,927.50	129,079.83	129,079.83	
9/1/2014	348,000.00	2.055%	111,152.33	17,927.50	129,079.83	477,079.83	606,159.66
3/1/2015			107,576.63	17,057.50	124,634.13	124,634.13	
9/1/2015	357,000.00	2.235%	107,576.63	17,057.50	124,634.13	481,634.13	606,268.26
3/1/2016			103,587.15	16,165.00	119,752.15	119,752.15	
9/1/2016	367,000.00	2.445%	103,587.15	16,165.00	119,752.15	486,752.15	606,504.30
3/1/2017			99,100.57	15,247.50	114,348.07	114,348.07	
9/1/2017	378,000.00	2.633%	99,100.57	15,247.50	114,348.07	492,348.07	606,696.14
3/1/2018			94,125.14	14,302.50	108,427.64	108,427.64	
9/1/2018	389,000.00	2.768%	94,125.14	14,302.50	108,427.64	497,427.64	605,855.28
3/1/2019			88,742.35	13,330.00	102,072.35	102,072.35	
9/1/2019	402,000.00	2.895%	88,742.35	13,330.00	102,072.35	504,072.35	606,144.70
3/1/2020			82,923.40	12,325.00	95,248.40	95,248.40	
9/1/2020	416,000.00	3.000%	82,923.40	12,325.00	95,248.40	511,248.40	606,496.80
3/1/2021			76,683.40	11,285.00	87,968.40	87,968.40	
9/1/2021	430,000.00	3.098%	76,683.40	11,285.00	87,968.40	517,968.40	605,936.80
3/1/2022			70,023.77	10,210.00	80,233.77	80,233.77	
9/1/2022	446,000.00	3.180%	70,023.77	10,210.00	80,233.77	526,233.77	606,467.54
3/1/2023			62,932.37	9,095.00	72,027.37	72,027.37	
9/1/2023	462,000.00	3.248%	62,932.37	9,095.00	72,027.37	534,027.37	606,054.74
3/1/2024			55,430.64	7,940.00	63,370.64	63,370.64	
9/1/2024	480,000.00	3.323%	55,430.64	7,940.00	63,370.64	543,370.64	606,741.28
3/1/2025			47,456.64	6,740.00	54,196.64	54,196.64	
9/1/2025	498,000.00	3.398%	47,456.64	6,740.00	54,196.64	552,196.64	606,393.28
3/1/2026			38,996.86	5,495.00	44,491.86	44,491.86	
9/1/2026	517,000.00	3.465%	38,996.86	5,495.00	44,491.86	561,491.86	605,983.72
3/1/2027			30,039.83	4,202.50	34,242.33	34,242.33	
9/1/2027	538,000.00	3.518%	30,039.83	4,202.50	34,242.33	572,242.33	606,484.66
3/1/2028			20,577.75	2,857.50	23,435.25	23,435.25	
9/1/2028	559,000.00	3.570%	20,577.75	2,857.50	23,435.25	582,435.25	605,870.50
3/1/2029			10,599.60	1,460.00	12,059.60	12,059.60	
9/1/2029	584,000.00	3.630%	10,599.60	1,460.00	12,059.60	596,059.60	608,119.20
	<u>8,580,000.00</u>		<u>3,051,524.88</u>	<u>477,178.33</u>	<u>3,528,703.21</u>	<u>12,028,703.21</u>	<u>12,028,703.21</u>

(1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 2.797%.

SCHEDULE C

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$890,000 - 5 Year: Drinking Water Loan

Sources & Uses
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Sources:

Par Amount of Loan	756,500.00
Principal Forgiveness Contribution	133,500.00
Total Sources	<u>890,000.00</u>

Uses:

Deposit to Construction Fund	720,971.41
Capitalized Interest	-
Deposit to DSRF	160,128.59
Loan Origination Fee (1.0%)	8,900.00
Costs of Issuance - Local Level	-
Misc.	-
Total Uses	<u>890,000.00</u>

Loan Yields Exclusive of Costs & Fees

Subsidized Yield on the Loan:	3.2261%
Market Yield on the Loan:	3.9689%

Rhode Island Clean Water Finance Agency
 RI Revenue MMID Rates as of 06/11/2009
 \$890,000 - 5 Year: Drinking Water Loan

Construction Fund Cash Flow
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Beginning Balance	Deposit	Cost of Issuance	Construction Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance
10/01/09		890,000.00	8,900.00	60,080.95	160,128.59	229,109.54	660,890.46
11/01/09	660,890.46			60,080.95		60,080.95	600,809.51
12/01/09	600,809.51			60,080.95		60,080.95	540,728.56
01/01/10	540,728.56			60,080.95		60,080.95	480,647.61
02/01/10	480,647.61			60,080.95		60,080.95	420,566.66
03/01/10	420,566.66			60,080.95		60,080.95	360,485.71
04/01/10	360,485.71			60,080.95		60,080.95	300,404.76
05/01/10	300,404.76			60,080.95		60,080.95	240,323.81
06/01/10	240,323.81			60,080.95		60,080.95	180,242.86
07/01/10	180,242.86			60,080.95		60,080.95	120,161.91
08/01/10	120,161.91			60,080.95		60,080.95	60,080.96
09/01/10	60,080.96			60,080.96		60,080.96	
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		890,000.00	8,900.00	720,971.42	160,128.59	890,000.00	

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$890,000 - 5 Year: Drinking Water Loan

Loan Balance

Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Loan Draws	Principal Paid	Loan Balance	(1)	Interest Requirements	Loan Fees @ 0.500%	Loan Fees
				Interest @ 1.349%			
10/01/09	229,169.54		229,169.54				
11/01/09	60,080.95		289,190.49	257.57		95.46	
12/01/09	60,080.95		349,271.44	325.11		120.50	
01/01/10	60,080.95		409,352.39	392.66		145.53	
02/01/10	60,080.95		469,433.34	460.20		170.56	
03/01/10	60,080.95		529,514.29	527.74	1,963.28	195.60	727.65
04/01/10	60,080.95		589,595.24	595.29		220.63	
05/01/10	60,080.95		649,676.19	662.83		245.66	
06/01/10	60,080.95		709,757.14	730.38		270.70	
07/01/10	60,080.95		769,838.09	797.92		295.73	
08/01/10	60,080.95		829,919.04	865.46		320.77	
09/01/10	60,080.95	(147,000.00)	743,000.00	933.01	4,584.89	345.80	1,699.29
10/01/10			743,000.00	835.29		309.58	
11/01/10			743,000.00	835.29		309.58	
12/01/10			743,000.00	835.29		309.58	
01/01/11			743,000.00	835.29		309.58	
02/01/11			743,000.00	835.29		309.58	
03/01/11			743,000.00	835.29	5,011.74	309.58	1,857.50
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	<u>890,000.00</u>	<u>(147,000.00)</u>		<u>11,559.91</u>		<u>4,284.44</u>	

(1) Interest rate represents the weighted average loan rate for the entire loan amortization. Detailed loan rates for each maturity are as shown on the following page.

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$890,000 - 5 Year: Drinking Water Loan

Loan Debt Service
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
10/01/09							
3/1/2010			1,963.28	727.65	2,690.93	2,690.93	
9/1/2010	147,000.00	0.473%	4,584.89	1,699.29	6,284.18	153,284.18	155,975.11
3/1/2011			5,011.74	1,857.50	6,869.24	6,869.24	
9/1/2011	148,000.00	1.013%	4,755.53	1,523.75	6,279.28	154,279.28	161,148.52
3/1/2012			4,006.28	1,153.75	5,160.03	5,160.03	
9/1/2012	150,000.00	1.373%	4,006.28	1,153.75	5,160.03	155,160.03	160,320.06
3/1/2013			2,976.90	778.75	3,755.65	3,755.65	
9/1/2013	153,000.00	1.763%	2,976.90	778.75	3,755.65	156,755.65	160,511.30
3/1/2014			1,628.59	396.25	2,024.84	2,024.84	
9/1/2014	158,500.00	2.055%	1,628.59	396.25	2,024.84	160,524.84	162,549.68
3/1/2015			-	-	-	-	
9/1/2015			-	-	-	-	
3/1/2016			-	-	-	-	
9/1/2016			-	-	-	-	
3/1/2017			-	-	-	-	
9/1/2017			-	-	-	-	
3/1/2018			-	-	-	-	
9/1/2018			-	-	-	-	
3/1/2019			-	-	-	-	
9/1/2019			-	-	-	-	
3/1/2020			-	-	-	-	
9/1/2020			-	-	-	-	
3/1/2021			-	-	-	-	
9/1/2021			-	-	-	-	
3/1/2022			-	-	-	-	
9/1/2022			-	-	-	-	
3/1/2023			-	-	-	-	
9/1/2023			-	-	-	-	
3/1/2024			-	-	-	-	
9/1/2024			-	-	-	-	
3/1/2025			-	-	-	-	
9/1/2025			-	-	-	-	
3/1/2026			-	-	-	-	
9/1/2026			-	-	-	-	
3/1/2027			-	-	-	-	
9/1/2027			-	-	-	-	
3/1/2028			-	-	-	-	
9/1/2028			-	-	-	-	
3/1/2029			-	-	-	-	
9/1/2029			-	-	-	-	
	<u>756,500.00</u>		<u>33,538.98</u>	<u>10,465.69</u>	<u>44,004.67</u>	<u>800,504.67</u>	<u>800,504.67</u>

(1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 1.349%.

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$2,000,000 - 5 Year: Drinking Water Loan

Sources & Uses
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Sources:

Par Amount of Loan	1,700,000.00
Principal Forgiveness Contribution	300,000.00
Total Sources	<u>2,000,000.00</u>

Uses:

Deposit to Construction Fund	1,622,362.65
Capitalized Interest	-
Deposit to DSRF	357,637.35
Loan Origination Fee (1.0%)	20,000.00
Costs of Issuance - Local Level	-
Misc.	-
Total Uses	<u>2,000,000.00</u>

Loan Yields Exclusive of Costs & Fees

Subsidized Yield on the Loan:	3.1769%
Market Yield on the Loan:	3.9189%

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$2,000,000 - 5 Year: Drinking Water Loan

Construction Fund Cash Flow
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Beginning Balance	Deposit	Cost of Issuance	Construction Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance
10/01/09		2,000,000.00	20,000.00	135,196.89	357,637.35	512,834.24	1,487,165.76
11/01/09	1,487,165.76			135,196.89		135,196.89	1,351,968.87
12/01/09	1,351,968.87			135,196.89		135,196.89	1,216,771.98
01/01/10	1,216,771.98			135,196.89		135,196.89	1,081,575.09
02/01/10	1,081,575.09			135,196.89		135,196.89	946,378.20
03/01/10	946,378.20			135,196.89		135,196.89	811,181.31
04/01/10	811,181.31			135,196.89		135,196.89	675,984.42
05/01/10	675,984.42			135,196.89		135,196.89	540,787.53
06/01/10	540,787.53			135,196.89		135,196.89	405,590.64
07/01/10	405,590.64			135,196.89		135,196.89	270,393.75
08/01/10	270,393.75			135,196.89		135,196.89	135,196.86
09/01/10	135,196.86			135,196.86		135,196.86	
10/01/10							
11/01/10							
12/01/10							
01/01/11							
02/01/11							
03/01/11							
04/01/11							
05/01/11							
06/01/11							
07/01/11							
08/01/11							
09/01/11							
10/01/11							
11/01/11							
12/01/11							
01/01/12							
02/01/12							
03/01/12							
04/01/12							
05/01/12							
06/01/12							
07/01/12							
08/01/12							
09/01/12							
10/01/12							
11/01/12							
		2,000,000.00	20,000.00	1,622,362.62	357,637.35	2,000,000.00	

Rhode Island Clean Water Finance Agency
RI Revenue AMED Rates as of 06/11/2009
\$2,000,000 - 5 Year: Drinking Water Loan

Loan Balance

Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Loan Draws	Principal Paid	Loan Balance	(1)	Interest Requirements	Loan Fees @ 0.500%	Loan Fees
				Interest @ 1.349%			
10/01/09	512,834.24		512,834.24				
11/01/09	135,196.89		648,031.13	576.32		213.68	
12/01/09	135,196.89		783,228.02	728.25		270.01	
01/01/10	135,196.89		918,424.91	880.18		326.35	
02/01/10	135,196.89		1,053,621.80	1,032.11		382.68	
03/01/10	135,196.89		1,188,818.69	1,184.05	4,400.91	439.01	1,631.73
04/01/10	135,196.89		1,324,015.58	1,335.98		495.34	
05/01/10	135,196.89		1,459,212.47	1,487.91		551.67	
06/01/10	135,196.89		1,594,409.36	1,639.84		608.01	
07/01/10	135,196.89		1,729,606.25	1,791.78		664.34	
08/01/10	135,196.89		1,864,803.14	1,943.71		720.67	
09/01/10	135,196.86	(330,000.00)	1,670,000.00	2,095.64	10,294.86	777.00	3,817.03
10/01/10			1,670,000.00	1,876.72		695.83	
11/01/10			1,670,000.00	1,876.72		695.83	
12/01/10			1,670,000.00	1,876.72		695.83	
01/01/11			1,670,000.00	1,876.72		695.83	
02/01/11			1,670,000.00	1,876.72		695.83	
03/01/11			1,670,000.00	1,876.72	11,260.32	695.83	4,175.00
04/01/11							
05/01/11							
06/01/11							
07/01/11							
08/01/11							
09/01/11							
10/01/11							
11/01/11							
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09/01/12							
10/01/12							
11/01/12							
	<u>2,000,000.00</u>	<u>(330,000.00)</u>		<u>25,956.09</u>		<u>9,623.75</u>	

(1) Interest rate represents the weighted average loan rate for the entire loan amortization. Detailed loan rates for each maturity are as shown on the following page.

Rhode Island Clean Water Finance Agency
 RI Revenue MND Rates as of 06/11/2009
 \$2,000,000 - 5 Year: Drinking Water Loan

Loan Debt Service
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
10/01/09							
3/1/2010			4,400.91	1,631.73	6,032.64	6,032.64	
9/1/2010	330,000.00	0.473%	10,294.86	3,817.03	14,111.89	344,111.89	350,144.53
3/1/2011			11,260.32	4,175.00	15,435.32	15,435.32	
9/1/2011	333,000.00	1.013%	10,683.00	3,425.00	14,108.00	347,108.00	362,543.32
3/1/2012			8,997.19	2,592.50	11,589.69	11,589.69	
9/1/2012	338,000.00	1.373%	8,997.19	2,592.50	11,589.69	349,589.69	361,179.38
3/1/2013			6,677.66	1,747.50	8,425.16	8,425.16	
9/1/2013	345,000.00	1.763%	6,677.66	1,747.50	8,425.16	353,425.16	361,850.32
3/1/2014			3,637.35	885.00	4,522.35	4,522.35	
9/1/2014	354,000.00	2.053%	3,637.35	885.00	4,522.35	358,522.35	363,044.70
3/1/2015			-	-	-	-	
9/1/2015			-	-	-	-	
3/1/2016			-	-	-	-	
9/1/2016			-	-	-	-	
3/1/2017			-	-	-	-	
9/1/2017			-	-	-	-	
3/1/2018			-	-	-	-	
9/1/2018			-	-	-	-	
3/1/2019			-	-	-	-	
9/1/2019			-	-	-	-	
3/1/2020			-	-	-	-	
9/1/2020			-	-	-	-	
3/1/2021			-	-	-	-	
9/1/2021			-	-	-	-	
3/1/2022			-	-	-	-	
9/1/2022			-	-	-	-	
3/1/2023			-	-	-	-	
9/1/2023			-	-	-	-	
3/1/2024			-	-	-	-	
9/1/2024			-	-	-	-	
3/1/2025			-	-	-	-	
9/1/2025			-	-	-	-	
3/1/2026			-	-	-	-	
9/1/2026			-	-	-	-	
3/1/2027			-	-	-	-	
9/1/2027			-	-	-	-	
3/1/2028			-	-	-	-	
9/1/2028			-	-	-	-	
3/1/2029			-	-	-	-	
9/1/2029			-	-	-	-	
	<u>1,700,000.00</u>		<u>75,263.49</u>	<u>23,498.76</u>	<u>98,762.25</u>	<u>1,798,762.25</u>	<u>1,798,762.25</u>

(1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 1.349%.

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$360,000 - 5 Year: Drinking Water Loan

Sources & Uses
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Sources:

Par Amount of Loan	306,000.00
Principal Forgiveness Contribution	54,000.00
Total Sources	<u>360,000.00</u>

Uses:

Deposit to Construction Fund	291,742.40
Capitalized Interest	-
Deposit to DSRF	64,657.60
Loan Origination Fee (1.0%)	3,600.00
Costs of Issuance - Local Level	-
Misc.	-
Total Uses	<u>360,000.00</u>

Loan Yields Exclusive of Costs & Fees

Subsidized Yield on the Loan:	3.2108%
Market Yield on the Loan:	3.9532%

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$360,000 - 5 Year: Drinking Water Loan

Construction Fund Cash Flow
 Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Beginning Balance	Deposit	Cost of Issuance	Construction Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance
10/01/09		360,000.00	3,600.00	24,311.87	64,657.60	92,569.47	267,430.53
11/01/09	267,430.53			24,311.87		24,311.87	243,118.66
12/01/09	243,118.66			24,311.87		24,311.87	218,806.79
01/01/10	218,806.79			24,311.87		24,311.87	194,494.92
02/01/10	194,494.92			24,311.87		24,311.87	170,183.05
03/01/10	170,183.05			24,311.87		24,311.87	145,871.18
04/01/10	145,871.18			24,311.87		24,311.87	121,559.31
05/01/10	121,559.31			24,311.87		24,311.87	97,247.44
06/01/10	97,247.44			24,311.87		24,311.87	72,935.57
07/01/10	72,935.57			24,311.87		24,311.87	48,623.70
08/01/10	48,623.70			24,311.87		24,311.87	24,311.83
09/01/10	24,311.83			24,311.83		24,311.83	
10/01/10							
11/01/10							
12/01/10							
01/01/11							
02/01/11							
03/01/11							
04/01/11							
05/01/11							
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11/01/11							
12/01/11							
01/01/12							
02/01/12							
03/01/12							
04/01/12							
05/01/12							
06/01/12							
07/01/12							
08/01/12							
09/01/12							
10/01/12							
11/01/12							
		360,000.00	3,600.00	291,742.36	64,657.60	360,000.00	

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$360,000 - 5 Year: Drinking Water Loan

Loan Balance

Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Loan Draws	Principal Paid	Loan Balance	(1)	Interest Requirements	Loan Fees @ 0.500%	Loan Fees
				Interest @ 1.350%			
10/01/09	92,569.47		92,569.47				
11/01/09	24,311.87		116,881.34	104.15		38.57	
12/01/09	24,311.87		141,193.21	131.51		48.70	
01/01/10	24,311.87		165,505.08	158.86		58.83	
02/01/10	24,311.87		189,816.95	186.21		68.96	
03/01/10	24,311.87		214,128.82	213.57	794.30	79.09	294.15
04/01/10	24,311.87		238,440.69	240.92		89.22	
05/01/10	24,311.87		262,752.56	268.27		99.35	
06/01/10	24,311.87		287,064.43	295.63		109.48	
07/01/10	24,311.87		311,376.30	322.98		119.61	
08/01/10	24,311.87		335,688.17	350.34		129.74	
09/01/10	24,311.83	(59,000.00)	301,000.00	377.69	1,855.83	139.87	687.27
10/01/10			301,000.00	338.66		125.42	
11/01/10			301,000.00	338.66		125.42	
12/01/10			301,000.00	338.66		125.42	
01/01/11			301,000.00	338.66		125.42	
02/01/11			301,000.00	338.66		125.42	
03/01/11			301,000.00	338.66	2,031.96	125.42	752.50
04/01/11							
05/01/11							
06/01/11							
07/01/11							
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01/01/12							
02/01/12							
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06/01/12							
07/01/12							
08/01/12							
09/01/12							
10/01/12							
11/01/12							
	<u>360,000.00</u>	<u>(59,000.00)</u>		<u>4,682.09</u>		<u>1,733.92</u>	

(1) Interest rate represents the weighted average loan rate for the entire loan amortization. Detailed loan rates for each maturity are as shown on the following page.

Rhode Island Clean Water Finance Agency
 RI Revenue MMD Rates as of 06/11/2009
 \$360,000 - 5 Year; Drinking Water Loan

Loan Debt Service

Providence WSB - AA Rated Revenue Pledge (Assumes - 1/4 Subsidy)

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
10/01/09							
3/1/2010			794.30	294.15	1,088.45	1,088.45	
9/1/2010	59,000.00	0.473%	1,855.83	687.27	2,543.10	61,543.10	62,631.55
3/1/2011			2,031.96	752.50	2,784.46	2,784.46	
9/1/2011	60,000.00	1.013%	1,926.34	617.50	2,543.84	62,543.84	65,328.30
3/1/2012			1,622.59	467.50	2,090.09	2,090.09	
9/1/2012	61,000.00	1.373%	1,622.59	467.50	2,090.09	63,090.09	65,180.18
3/1/2013			1,203.98	315.00	1,518.98	1,518.98	
9/1/2013	62,000.00	1.763%	1,203.98	315.00	1,518.98	63,518.98	65,037.96
3/1/2014			657.60	160.00	817.60	817.60	
9/1/2014	64,000.00	2.055%	657.60	160.00	817.60	64,817.60	65,635.20
3/1/2015			-	-	-	-	
9/1/2015			-	-	-	-	
3/1/2016			-	-	-	-	
9/1/2016			-	-	-	-	
3/1/2017			-	-	-	-	
9/1/2017			-	-	-	-	
3/1/2018			-	-	-	-	
9/1/2018			-	-	-	-	
3/1/2019			-	-	-	-	
9/1/2019			-	-	-	-	
3/1/2020			-	-	-	-	
9/1/2020			-	-	-	-	
3/1/2021			-	-	-	-	
9/1/2021			-	-	-	-	
3/1/2022			-	-	-	-	
9/1/2022			-	-	-	-	
3/1/2023			-	-	-	-	
9/1/2023			-	-	-	-	
3/1/2024			-	-	-	-	
9/1/2024			-	-	-	-	
3/1/2025			-	-	-	-	
9/1/2025			-	-	-	-	
3/1/2026			-	-	-	-	
9/1/2026			-	-	-	-	
3/1/2027			-	-	-	-	
9/1/2027			-	-	-	-	
3/1/2028			-	-	-	-	
9/1/2028			-	-	-	-	
3/1/2029			-	-	-	-	
9/1/2029			-	-	-	-	
	<u>306,000.00</u>		<u>13,576.77</u>	<u>4,236.42</u>	<u>17,813.19</u>	<u>323,813.19</u>	<u>323,813.19</u>

(1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 1.350%.

FISCAL IMPACT NOTE

July __, 2009

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

Re: \$13,250,000 Clean Water Revenue Bonds

Set forth below is a fiscal impact note related to the proposed \$13,250,000 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 October 1, 2009. The Bonds are expected to be issued in accordance with provisions of the Federal Economic Stimulus Act, Public Law 111-5, known as the "American Recovery and Reinvestment Act of 2009", one of the benefits of which is forgiveness by the Rhode Island Clean water Finance Agency of an amount up to 15% of the principal amount of the Bonds. We are expecting aggregate principal forgiveness of approximately \$1,987,500 and total debt service savings of approximately \$2,571,805 because of this program as shown on Schedule A.

Approximately \$10,000,000 of the Bonds issued primarily for water main rehabilitation or replacement are expected to bear interest at a rate of approximately 3.22% (subsidized by the Rhode Island Clean Water Finance Agency to bear interest at a rate of approximately 2.14%) and will mature in twenty (20) annual installments with estimated interest payable semi-annually as submitted herewith as Schedule B.

Approximately \$3,250,000 of the Bonds issued primarily for MLOG leak detection systems, meter and encoder receiver transmitters, and hydrant locks are expected to bear interest at a rate of approximately 3.97% (subsidized by the Rhode Island Clean Water Finance Agency to bear interest at approximately 3.23%) and will mature in five (5) annual installments with estimated interest payable semiannually as submitted herewith as Schedule C.

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,



Bruce Miller, Finance Director

cc: Providence Water Supply Board