



**MINUTES**  
**SPECIAL MEETING**  
**WATER POLLUTION CONTROL AUTHORITY**  
**June 4, 2015**

**PRESENT:**

**Director, Guy Russo**  
**Assistant Chief Engineer, Christopher Holden**  
**Vice Chairman, Scott Bishel**  
**Councilmatic Representative, David Bauer**  
**Councilmatic Representative, Hope Kasper**  
**Commissioner Jack Pieper**  
**Commissioner Emanuel DiMauro**

**I. Open Meeting (started at 7:33pm)**

**Vice Chairman Bishel opened the meeting to the public.**

**II. Public Comment on Resolution Appropriating \$1,300,000 for Water & Sewer Infrastructure on Middle Street, Middletown, CT**

**There was no one from the public present so there were no public comments on the above referenced resolution.**

**III. Close Public Comment**

**Vice Chairman Bishel then closed the public comments section on the above referenced matter since no one was present.**

**IV. Vote on Proposed Resolution Appropriating \$1,300,000 for Water & Sewer Infrastructure on Middle Street, Middletown, CT**

**RESOLUTION**

**RESOLUTION APPROPRIATING \$1,300,000 FOR THE PLANNING, DESIGN, CONSTRUCTION, REPLACEMENT AND REHABILITATION OF SANITARY SEWERS AND POTABLE WATER INFRASTRUCTURE ON MIDDLE STREET AND AUTHORIZING THE ISSUE OF \$1,300,000 BONDS AND OBLIGATIONS OF THE CITY PURSUANT TO CONNECTICUT GENERAL STATUTES SECTION 7-263a TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.**

**WHEREAS, Connecticut General Statutes Section 7-263a (the "Statute") permits the issuance of bonds, notes or other obligations by the City of Middletown (the "City") in a principal amount not exceeding \$3,000,000 for the purpose of financing any portion of a sewage system revenues or the water pollution control authority agrees to levy, collect and pay to the municipality the amount of debt service on the bonds, notes or other obligations from sewer system revenues;**

**WHEREAS, subsection (d) and (e) of the Statute provides that notwithstanding any provisions of the general statutes or any charter or special act, bonds, notes or other obligations issued pursuant to the Statute may be authorized, after a public hearings conducted by the Middletown Water Pollution Control Authority and the Common Council of the, upon a 2/3 vote of the City's legislative body and 2/3 vote of the Middletown Water Pollution Control Authority.**

**WHEREAS, the Middletown Water Pollution Control Authority and the Common Council of the City desire to fund the \$1,300,000 of costs of the Middle Street Project (as defined below) by the issuance of bonds, notes and other obligations under the Statute.**

**WHEREAS, on June 4, 2015, the Middletown Water Pollution Control Authority conducted a public hearing with respect to the Middle Street Project and the issuance of bonds, notes and other obligations to finance a portion of such Middle Street Project; and**

**NOW THEREFORE, BE IT RESOLED BY THE MIDDLETOWN WATER POLLUTION CONTROL AUTHORITY:**

**Section 1. The sum of \$1,300,000 is appropriated for the planning, design, construction, replacement and rehabilitation of sanitary sewers and potable water infrastructure on Middle Street, immediately north of the Berlin town line, including, without limitation, gravity sewer lines, water lines, force mains, site work enhancements, meter/pump stations and vaults, manholes, electric and telemetry equipment improvements and software acquisition of repair and relocation, appurtenances related thereto, license and permits, equipment, testing, financing costs (the "Middle Street Project"). Any residual appropriated funds, after completion of this initial phase of the Middle Street Project, may be utilized for additional efforts for water and sewer interconnections with the Town of Berlin, Said appropriation shall be inclusive of state and federal grants in aide thereof.**

**Section 2.** The expected useful life of the Middle Street Project is twenty (20) years. The total estimated cost of the project is \$1,300,000 which is approved herein and to be paid from City bond or note obligations.

**Section 3.** To meet said appropriation \$1,300,000 bonds, notes and other obligations (hereinafter, the "bonds") of the City authorized by this resolution may be issued pursuant to the Statute, maturing not later than the twentieth (20th) year after their date, or such later date as may be allowed by law. The bonds may be issued in one or more series as shall be determined by the Mayor and the City Treasurer, and the amount of bonds of each series to be issued shall be fixed by the Mayor and the City Treasurer. The bonds shall be issued in an amount necessary to meet the City's share of Middle Street Project costs, including costs related to water and sewer interconnections with the Town of Berlin, determined after considering the estimated amounts of grants in aid of the Middle Street Project and will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the City and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor and the City Treasurer, bear the City seal or a facsimile thereof, be certified by a bank or trust company designated by the Mayor and the City Treasurer, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Mayor and the City Treasurer, and be approved as to their legality by Pullman & Comley, LLC, Bond Counsel. They shall bear such rate or rates of interest (whether fixed or floating) as shall be determined by the Mayor and the City Treasurer. The bonds shall be general obligations of the City and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon and paid from property taxation to the extent not paid from other funds available for the payment thereof. The aggregate principal amount of the bonds, annual installments of principal, maturity dates, prices, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, including the terms of any reserve that might be established as authorized herein, shall be determined by the Mayor and the City Treasurer in the best interests of the City and in accordance with the requirements of the General Statutes of Connecticut, as amended.

**Section 4.** Said bonds shall be sold by the Mayor and City Treasurer in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be at not less than par and accrued interest on the basis of the lowest net or true interest cost to the City, or comparable method. If the bonds are sold by negotiation the purchase contract shall be approved by the Mayor and City Treasurer.

**Section 5.** (i) Pursuant to the Statute, the City will pledge to the bond owners its full faith and credit and general obligation taxing power to pay principal and interest when due on the bonds; and the Middletown Water Pollution Control Authority (the "WPCA") pledges to the City to pay to the City an amount equal to such debt service when due, as more fully set forth in Section 5(ii).

(ii) Pursuant to the Statute, the WPCA hereby pledges to the City to assess, levy, implement and collect sewer system revenues and water revenues from whatever source, including benefit assessments, connection charges, use charges and any other charge authorized by law to be levied or assessed in connection with the operation of the sewer system or the water supply system (hereinafter "System Revenues"), in such amounts and when required to timely pay debt service on the bonds, issued by the City pursuant to this resolution.

The pledge of the WPCA to the City as herein set forth shall be valid, binding and enforceable in accordance with the terms and provisions of the Statute. The full faith and credit and general obligation pledge of the City shall be valid, binding and enforceable irrespective of compliance by the WPCA with its covenants and pledge herein. The WPCA hereby pledges, covenants and agrees to the City and to bondholders that neither this resolution, or other actions taken hereafter, shall revoke, repeal or otherwise adversely affect the full faith and credit pledge of the City herein to pay debt service redemption premium and any other amount due on the bonds issued pursuant to this resolution. Pursuant to the Statute, the WPCA hereby grants a lien upon its System Revenues in favor of the City to secure its pledge and covenants herein. The pledge and covenants of the WPCA shall be and are to, and in favor of, solely the City of Middletown.

(iii) Upon adoption of this resolution by the WPCA, the pledge of revenues and covenants herein shall be binding and enforceable by the City upon the WPCA in accordance with the provisions of the Statute all rights of which shall accrue to the City, including the right of the City to recover its costs, expenses and attorneys' fees in any court or other proceeding brought to enforce compliance by the WPCA with the pledge and covenants herein, which the WPCA agrees to pay. The failure or inability of the WPCA to pay System Revenues to the City shall not abrogate the general obligation pledge of the City to pay debt service on the bonds when due.

(iv) The Chairman and the Director of the WPCA, each in their individual capacity, is specifically authorized to make, execute and deliver any contract or contracts, including, but not limited to, any agreement with the City for the repayment of the bonds, and any other documents necessary or convenient to complete the improvements authorized herein and the financing thereof. The City and the WPCA may by resolutions or ordinances approved by both the WPCA and the Common Council of the City of Middletown amend, supplement or clarify the terms of the pledge of the WPCA to the City, provided that no such amendment shall alter the full faith and credit pledge of the City of Middletown to the holders of bonds issued hereunder.

Section 6. The issue of the bonds aforesaid and of all other bonds or notes of the City heretofore authorized but not yet issued, as of the effective date of this resolution, would not cause the indebtedness of the City to exceed any debt limit calculated in accordance with law as shown by the "Debt Statement" attached hereto.

Section 7. The Mayor is hereby authorized to spend a sum not to exceed the aforesaid appropriation, along with any prior authorized appropriations, for the purposes set forth herein, and the Mayor is specifically authorized to make, execute and deliver any contract or contracts, and any other documents necessary or convenient to complete the improvements authorized herein and the financing thereof.

**Section 8.** The Mayor and the City Treasurer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of any series of said bonds. Notes evidencing such borrowings shall be signed by the manual or facsimile signatures of the Mayor and the City Treasurer, have the seal of the City or a facsimile thereof affixed, be payable at a bank or trust company designated by the Mayor and the City Treasurer, be certified by a bank or trust company designated by the Mayor and the City Treasurer pursuant to the General Statutes of Connecticut, as amended, and be approved as to their legality by Pullman & Comley, LLC, Bond Counsel. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the City and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the Middle Street Project. Upon the sale of said bonds the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such temporary borrowings then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

**Section 9.** In connection with the issuance of any bonds or notes authorized herein, the City may exercise any power delegated to municipalities pursuant to Section 7-370b, as may be approved and executed by the Mayor and the City Treasurer, including the authority to enter into agreements moderating interest rate fluctuation, provided any such agreement or exercise of authority shall be approved by the Common Council.

**Section 10.** With respect to the receipt of original issuance premium or bid premium upon the sale of the bonds or notes herein authorized, the Mayor and City Treasurer are authorized, but not required, to apply original issuance premium and bid premium, if applicable, to fund future debt service payments on such bonds or notes or to fund any purpose for which bonds of the City are authorized to be issued, and such application shall reduce the amount of authorized and unissued bonds of the purpose to which the premium was applied, in the amount so applied.

**Section 11.** In order to meet the capital cash flow expenditure needs of the City, the Director of Finance, with notice to and advice from the Mayor and the City Treasurer, is authorized to allocate and reallocate expenditures incurred for the Middle Street Project to any bonds or notes of the City outstanding as of the date of such allocation, and the bonds or notes to which such expenditures have been allocated shall be deemed to have been issued for such purpose, including the bonds and notes and Middle Street Project herein authorized.

**Section 12.** The Mayor, the City Treasurer and the Director of Finance are each hereby authorized to apply for and accept any available State or Federal grant in aid of the financing of the Middle Street Project, and to take all action necessary or proper in connection therewith.

**Section 13. The WPCA hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty (60) days prior to and after the date of passage of this ordinance in the maximum amount and for the Middle Street Project with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the City. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Middle Street Project, or such later date as the Regulations may authorize. The WPCA hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance or his designee is authorized to pay Middle Street Project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.**

**Section 14. The Director of Finance is hereby authorized to exercise all powers conferred by Section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this ordinance.**

**Section 15. The WPCA hereby recommends that the Common Council of the City of Middletown, in accordance with the Statute, approve the Middle Street Project and the issuance of bonds to finance such Middle Street Project.**

**SEE ATTACHED DEBT LIMITATION SCHEDULE**

**DEBT STATEMENT**  
**April 30, 2015**  
**CITY OF MIDDLETOWN, CONNECTICUT**

ANNUAL RECEIPTS FROM TAXATION AND REIMBURSEMENTS ("BASE")		
Fiscal Year Ended June 30, 2014		112,444,634
BORROWING CAPACITY FOR EACH CLASS		
2-1/4 times base for General Purposes		253,000,427
4-1/2 times base for Schools		506,000,853
3-3/4 times base for Sewers		421,667,378
3-1/4 times base for Urban Renewal		365,445,061
3 times base for Unfunded Past Benefit Obligations		337,333,902
MAXIMUM AGGREGATE BORROWING CAPACITY		787,112,438
7 times Base		
INDEBTEDNESS BONDS AND NOTES:		
GENERAL PURPOSES	58,252,645	
SCHOOLS	13,186,380	
SEWERS	5,697,700	
URBAN RENEWAL	-	
UNFUNDED PAST BENEFIT	-	
OBLIGATIONS	-	
BONDS AND NOTES AUTHORIZED BUT UNISSUED:		
GENERAL PURPOSES	25,979,270	
SCHOOLS	834,000	
SEWERS	10,296,730	
URBAN RENEWAL	-	
UNFUNDED PAST BENEFIT	-	
OBLIGATIONS	-	
CLEAN WATER FUND LOANS:		
SEWERS	5,153,750	
SUB-TOTAL INDEBTEDNESS	119,400,475	
LESS		
FEDERAL AND STATE OF CONNECTICUT BUILDING GRANTS, COMMITMENTS AND RECEIVABLES		
GENERAL PURPOSE	-	
SCHOOLS	-	
SEWERS	-	
URBAN RENEWAL	-	
TOTAL DEDUCTIONS	-	
NET INDEBTEDNESS		119,400,475
TOTAL DEDUCTIONS		
BALANCE OF BORROWING CAPACITY FOR EACH CLASS:		
GENERAL PURPOSE	168,768,512	
SCHOOLS	491,980,473	
SEWERS	400,519,198	
URBAN RENEWAL	365,445,061	
UNFUNDED PAST BENEFIT	-	
OBLIGATIONS	337,333,902	
BALANCE OF MAXIMUM AGGREGATE BORROWING CAPACITY AVAILABLE		667,711,963

A motion was made by Councilmatic Representative Kasper and seconded by Commissioner Pieper to waive the remaining reading of the above referenced resolution. Motion was approved unanimously.

A motion was made by Councilmatic Representative Kasper and seconded by councilmatic Representative Bauer that the WPCA accepts the above referenced proposed resolution. Motion was approved unanimously.

## VI. Adjournment

There being no further business, a motion was made by Councilmatic Representative Bauer and seconded by Councilmatic Representative Kasper to adjourn the Special Meeting. Motion was approved. The meeting adjourned at 7:37 p.m.

Respectfully submitted:



Guy P. Russo  
Director of Water and Sewer Department/  
Acting Secretary for the W.P.C.A.