

**TOWN OF SMITHFIELD, RHODE ISLAND**

**ORDINANCE NO. 2020-\_\_\_\_\_**

**CHAPTER 345, ARTICLE I OF THE TOWN OF SMITHFIELD CODE OF ORDINANCES ENTITLED “WATER IMPROVEMENT BONDS” IS HEREBY AMENDED BY ADDING THERETO SECTION 345-2 ENTITLED “WATER INFRASTRUCTURE IMPROVEMENTS” AUTHORIZING THE BORROWING OF UP TO \$3,000,000 FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE TOWN DRINKING WATER SYSTEM AND AUTHORIZING THE ISSUANCE OF LIMITED OBLIGATION NOTES OR BONDS FOR SUCH PURPOSES**

THE TOWN COUNCIL OF THE TOWN OF SMITHFIELD HEREBY ORDAINS:

SECTION 1. Water Infrastructure Improvements. The sum of THREE MILLION DOLLARS (\$3,000,000) is hereby appropriated for the purpose of financing improvements to the Town drinking water system, including costs of issuance and capitalized interest, if any (the “Project”).

SECTION 2. In order to meet the foregoing appropriation, the Town Manager and the Town Council President, each acting singly, are authorized to issue the Town’s limited obligation bonds in an aggregate amount not to exceed THREE MILLION DOLLARS (\$3,000,000) in one or more series and at one time or from time to time pursuant to Chapter 46-12.8 of the Rhode Island General Laws of 1956, as amended, and Article II, C-2.12(4) and Article V, C-5.16 of the Smithfield Town Charter.

SECTION 3. The said officers, each acting singly, from time to time may issue limited obligation bond anticipation notes in an amount not to exceed THREE MILLION DOLLARS (\$3,000,000) pursuant to Chapter 46-12.8 of the Rhode Island General Laws of 1956, as amended, and Article V, C-5.16 of the Smithfield Town Charter in anticipation of the issuance of said bonds. Said notes may be sold at not less than par plus accrued interest.

SECTION 4. The bonds and notes shall be limited obligations of the Town payable solely from revenues of the Town’s drinking water system, including, but not limited to, usage fees, service connection fees, annual service and fire charges, water quality protection charges, connection and disconnection fees and hydrant fees (the “Water System Revenues”). The bonds and notes shall not be general obligations of the Town. The Town may issue bonds, notes or other obligations on a parity with the bonds or notes authorized by this Ordinance.

SECTION 5. 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 and notes authorized herein may be fixed by the officers authorized to sign the bonds and notes.

SECTION 6. Pending the issuance of bonds under Section 2 hereof or the notes under Section 3 hereof, the Finance Director may expend funds from the general treasury of the

Town for the purposes specified in Section 1 hereof. Any advances made under this Section 6 shall be repaid without interest from the proceeds of bonds or notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 7. This Ordinance constitutes the Town's declaration of official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Town funds and accounts for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this Ordinance, but prior to the issuance of the bonds or notes. Such amounts to be reimbursed shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid or (b) the date the particular portion of 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 8. The Town Manager and the Town Council President, each acting singly, are hereby authorized and instructed to take all actions, on behalf of the Town, necessary to ensure that interest on the bonds and notes will be excludable from gross income for federal income tax purposes and to refrain from taking any action which would cause interest on the bonds and notes to become subject to federal income taxes.

SECTION 9. The Town Manager and the Town Council President, each acting singly, are also authorized, empowered and directed, on behalf of the Town, to: (a) execute, acknowledge and deliver a trust indenture (the "Trust Indenture") by and between the Town and a corporate trustee (the "Trustee"), one or more supplemental indentures (the "Supplemental Indentures") relating to the bonds and any and all other loan agreements, documents, certificates or instruments necessary to effectuate such borrowing; (b) amend, modify or supplement the Trust Indenture, Supplemental Indentures, 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 purpose as such officers shall deem necessary, desirable or advisable; (c) pledge the Water System Revenues to secure payment of the bonds or notes; (d) direct the Trustee with regard to investments of trust funds pursuant to the Trust Indenture; and (e) do and perform all such other acts and things deemed by said 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 10. The Town Manager and the Town Council President, each acting singly, 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 "Rule") and, if required by the Rule, to execute and deliver a Continuing Disclosure Certificate in connection with the bonds in the form as shall be approved by the Town Manager and the Town Council President in order to comply with the Rule. The Town hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this Ordinance or the bonds, failure of the Town to comply with such Continuing Disclosure Certificate shall not be considered an event of default; however, any bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Town to comply with its obligations under this Section and under such Continuing Disclosure Certificate.

SECTION 11. The Town Manager and the Town Council President, each acting singly, are authorized, empowered and directed, on behalf of the Town, to: (a) execute,

acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, all in such form and with such provisions as such officers shall deem advisable; (b) amend, modify or supplement the bonds and notes and any and all other 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; (c) 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 12. THIS ORDINANCE SHALL TAKE EFFECT THIRTY DAYS AFTER ITS ADOPTION.

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COUNCIL PERSON

APPROVED AS TO FORM AND  
LEGALITY PRIOR TO ENACTMENT

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TOWN SOLICITOR

**ORDINANCE 2019-\_\_\_\_\_**

*Date of Passage* \_\_\_\_\_

\_\_\_\_\_  
Suzanne L. Alba, President

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J. Michael Lawton, Vice President

\_\_\_\_\_  
Maxine Cavanaugh

\_\_\_\_\_  
Dina T. Cerra

\_\_\_\_\_  
Sean M. Kilduff

Attest: \_\_\_\_\_

Carol A. Aquilante  
*Town Clerk*

Date: \_\_\_\_\_, 2020