

MINUTES of SPECIAL TOWN MEETING- July 29, 2009

MINUTES of SPECIAL TOWN MEETING held at the Old Saybrook High School Auditorium, 1111 Boston Post Road, Old Saybrook, Connecticut, on Wednesday, July 29, 2009 at 7:30 p.m. with approximately 240 persons attending.

Michael A. Pace, First Selectman, called the meeting to order and led the assembly in the Pledge of Allegiance. He noted the meeting tonight would include a presentation followed by discussion and questions from the public. A motion was made by Michael Cronin and seconded by Carl Fortuna Jr. and unanimously approved that David Royston serve as moderator for the meeting. The Moderator then reminded attendees that the Special Town Meeting would be adjourned to referendum on Tuesday, August 11, 2009. He stated the purpose of the meeting is to discuss only the items on the call and proceeded to read item 1 as stated in the call and summarized item 2 of the call. The Moderator asked that the resolution of item 2 be included in the Special Town Meeting minutes in its entirety. The Assistant Town Clerk, Christina Antolino, gave confirmation that the call was published in the July 23rd edition of the Harbor News. The Moderator stated that the meeting would begin with recognition of town government officials and contractors followed by recognition of official town organizations then recognition of citizens from the floor. All questions to be directed to the Moderator with answers given in a separate portion of the meeting immediately following the public comments/questions.

First Selectman Pace gave the floor to Pavel Wilson, Chairman of the WPCA, who introduced members of the commission: Elsa Payne, George Gwizd, Charles Wehrly, Nelson Engborg, Doris Zumbroski, John Claffey, Eugene Evangelisti, Robbie Marshall; DEP Representatives Dennis Greci and Betsy Wingfield; Fuss & O'Neill Associates Peter Gross and John Wertham; Town Counsel, Michael E. Cronin and Attorney Bruce Chudwick of Shipman & Goodwin and Mary Jane Engle, Director of the Connecticut River Area Health District.

ITEM 1. - To discuss the Decentralized Wastewater Management District ordinance (the “ordinance”).

Fuss & O’Neill Associates gave a presentation. Attorney Cronin then discussed the legal history regarding the matter.

ITEM 2. - To discuss a Resolution:

- a) To appropriate \$42,171,200 for the design and construction of decentralized wastewater management systems within the Decentralized Wastewater Management District;
- b) To finance said appropriation by (i) issuing the Town’s bonds, notes or other obligations in an amount not to exceed \$42,171,200, which bonds, notes or other obligations may be secured, in whole or in part, by revenues from property owners or by the full faith and credit of the Town, or both, (ii) using Town funds or in-kind services for the project, and (iii) using any federal, state or other grants-in-aid or other funds received for the project;
- c) To authorize the Board of Selectmen and Treasurer to determine the terms, conditions, and other details for the bonds, notes or other obligations, and to authorize the First Selectmen and Treasurer to make such determinations for temporary notes;
- d) To declare the Town’s official intent under applicable Internal Revenue Service Regulations that project costs may be paid from temporary advances of available funds that the Town reasonably expects will be reimbursed from proceeds of borrowings; and to authorize the First Selectmen and Treasurer to bind the Town as they deem necessary or advisable to issue the bonds, notes or temporary notes on a tax-exempt basis and to provide secondary market disclosure information related to such issuance, including bonds, notes or temporary notes issued by the State under the Clean Water Fund Program;
- e) To authorize the bonds, notes or temporary notes or other obligations to be issued on a taxable basis, as such issuance is determined to be in the public interest; and
- f) To authorize the First Selectmen and Chairman of the WPCA to enter into contracts for the project and to approve construction expenditures; to authorize the First Selectmen to apply for and accept or reject any Federal, State or other grants

and loans for the project, execute and deliver to the State project loan and project grant agreements for the project; and to authorize the Board of Selectmen, Treasurer and other Town officials and employees to take all other actions necessary to obtain such grants and loans, implement the project loan and project grant agreements, complete the project and issue the bonds, notes, temporary notes or other obligations to finance the appropriation.

- g) To provide ongoing funding of administrative costs for the decentralized wastewater management systems within the Decentralized Wastewater Management District at funding levels acceptable to the Town and the State.

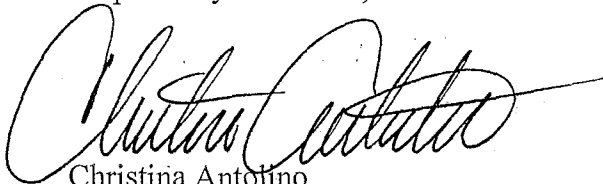
Bruce Chudwick explained the Resolution. A copy of which is attached hereto.

The Moderator asked for comments from Town government officials and Town legislative organizations. The public was then given the floor for comments/questions, which were responded to by the appropriate authority.

The Moderator concluded the meeting with a reminder that voting will be in the Old Saybrook High School Gymnasium on August 11, 2009 from 6:00 a.m. to 8:00 p.m.

A motion to adjourn at 10:55 p.m was made, seconded and unanimously approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Christina Antolino', with a long horizontal flourish extending to the right.

Christina Antolino
Assistant Town Clerk

TOWN OF OLD SAYBROOK
SPECIAL TOWN MEETING

RESOLUTION TO APPROPRIATE \$42,171,200 FOR THE DESIGN AND CONSTRUCTION OF DECENTRALIZED WASTEWATER MANAGEMENT SYSTEMS WITHIN THE DECENTRALIZED WASTEWATER MANAGEMENT DISTRICT AND TO AUTHORIZE THE ISSUE OF BONDS, NOTES OR OTHER OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$42,171,200 TO FINANCE SAID APPROPRIATION, AND TO PROVIDE ONGOING FUNDING OF ADMINISTRATIVE COSTS FOR THE SYSTEMS

BE IT RESOLVED:

SECTION 1. That the Town of Old Saybrook appropriate \$42,171,200 for the design and construction of decentralized wastewater management systems within the Decentralized Wastewater Management District to be established pursuant to a Town ordinance. The appropriation may be expended for construction related costs, including research, design and construction, design review and construction administration; program related costs, including program development and management, advanced treatment selection processes, and remote monitoring; and financing costs, including legal and administrative fees, interest expense on temporary borrowings, and other costs related to financing the project, in the amounts as follows:

Construction Related Costs	\$39,896,200
Program Related Costs	\$275,000
Financing and Bond Issuance Costs	<u>\$2,000,000</u>
TOTAL	\$42,171,200

The appropriation shall include any federal, state or other grants-in-aid received for the project. The Board of Selectmen may reduce or modify the scope of the project, and the entire appropriation may be expended on the project as so reduced or modified. The amount authorized to be expended for each purpose shall not exceed the amount set forth opposite each purpose, provided that the Board of Selectmen, upon the recommendation of the Water Pollution Control Authority and with Board of Finance approval, may, by resolution, transfer unexpended funds among purposes, so long as the total appropriation is not increased.

SECTION 2. That the Town of Old Saybrook finance the appropriation by (i) issuing its bonds, notes or other obligations in an amount not to exceed \$42,171,200, (ii) using Town funds or in-kind services for the project, and (iii) using any federal, state or other grants-in-aid or other funds received for the project. The bonds, notes or other obligations may, in whole or in part, be (i) payable solely from all rates, charges, rents, fees, assessments and other realized income derived or to be derived from the ownership, operation, use or services of the decentralized wastewater management systems, including but not limited to all decentralized wastewater management systems' connection and use charges and benefit assessments pertaining to the decentralized wastewater management systems (hereinafter the "Revenues"), or (ii) general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town, or both. The bonds, notes or other obligations shall be issued pursuant to the Connecticut General Statutes, as amended. The bonds, notes or other obligations may be sold as a single issue or consolidated with any other authorized issues of bonds or notes of the Town. The bonds, notes or other obligations may be in the form of project loan obligations issued to the State of Connecticut under the State's Clean Water Fund Program. The Treasurer shall keep a record of the bonds, notes or other obligations. The bonds, notes or other obligations shall be signed in the name and on behalf of the Town by the First Selectman and Treasurer, shall bear the Town seal or a facsimile thereof and shall each recite that every requirement of law relating to its issue has been fully complied with and that such bond, note or other obligation is within every debt and other limit prescribed by law. The terms, details and particulars of such bonds, notes or other obligations shall be determined by the Board of Selectmen and Treasurer. Said bonds, notes or other obligations shall be sold by the Board of Selectmen and Treasurer at public sale, by negotiation or to the State under the Clean Water Fund Program, in their discretion. If the bonds, notes or other obligations are sold by negotiation, the purchase agreement shall be approved by the Board of Finance.

SECTION 3. That the First Selectman and Treasurer are authorized to issue temporary notes in anticipation of the receipt of the proceeds of said bonds, notes or other obligations, including issuing and renewing temporary notes in the form of interim funding obligations issued to the State of Connecticut under the State's Clean Water Fund Program in anticipation of the receipt of the proceeds of said bonds, notes, other obligations or project loan obligations. The temporary notes shall be signed by the First Selectman and Treasurer and shall bear the Town seal or a facsimile thereof. The temporary notes shall be issued with maturity dates in accordance with the Connecticut General Statutes, as amended, or the State's Clean Water Fund Program, as applicable. The temporary notes shall each recite that every requirement of law relating to its issue has been fully complied with, that such note is within every debt and other limit prescribed by law, and that the notes, in whole or in part, are (i) payable solely from the Revenues or (ii) general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town, or both. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing, and marketing such notes, to the extent paid from the proceeds from the issuance of bonds, notes, other obligations or project loan obligations, shall be included as a cost of the appropriation.

SECTION 4. That the Town hereby declares its official intent under Treasury Regulation Section 1.150-2 of the Internal Revenue Code of 1986, as amended, that the project costs may be paid from temporary advances of available funds and that the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized for the project; that the First Selectman and Treasurer are authorized to bind the Town pursuant to such representations and agreements as they deem necessary or advisable in order to ensure and maintain the continued exemption from federal income taxation of interest on the bonds, notes or temporary notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years; and that the First Selectman

continued exemption from federal income taxation of interest on the bonds, notes or temporary notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years; and that the First Selectman and Treasurer are authorized to make representations and agreements for the benefit of the holders of the bonds, notes or temporary notes to provide secondary market disclosure information and to execute and deliver on behalf of the Town an agreement to provide such information with such terms and conditions as they, with the advice of bond counsel, deem necessary and appropriate, including bonds, notes or temporary notes issued by the State under the State's Clean Water Fund Program.

SECTION 5. That the bonds, notes, temporary notes or other obligations, or any portion thereof, may bear interest which is includable in the gross income of holders thereof for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, as the issuance of such taxable bonds, notes, temporary notes or other obligations is hereby determined to be in the public interest.

SECTION 6. That the First Selectman and Chairman of the Water Pollution Control Authority, or their designees, are authorized to contract with engineers, contractors and others on behalf of the Town and to approve construction expenditures for said project.

SECTION 7. That the First Selectman, or his or her designee, is authorized to apply for and accept or reject any Federal, State or other grants and loans for the project and to execute and deliver to the State a project loan and project grant agreement for and on behalf of the Town, and the Board of Selectmen, Treasurer and other Town officials and employees are authorized to take all actions necessary and proper to obtain such grants and loans, to implement such project loan and project grant agreement, to complete the project and to issue the bonds, notes, temporary notes or other obligations to finance the appropriation.

SECTION 8. That the Town of Old Saybrook provide ongoing funding of administrative costs for the decentralized wastewater management systems within the Decentralized Wastewater Management District at funding levels acceptable to the Town and the State.

REFERENDUM
AUGUST 11, 2009
OLD SAYBROOK SENIOR HIGH SCHOOL

- 1. "Shall the Town of Old Saybrook approve the Decentralized Wastewater Management District Ordinance?"
YES = 1830 NO = 982

- 2. "Shall the Town of Old Saybrook appropriate \$42,171,200 for the design and construction of Decentralized Wastewater Management Systems within Decentralized Wastewater Management District and issue the Town's Bonds, Notes or other obligations in an amount not to exceed \$42,171,200 to finance said appropriation, and provide ongoing funding of administrative costs for the systems?"
YES = 1691 NO = 1062

THE MODERATOR, Grace Bates, DECLARED THE QUESTIONS VOTED IN THE AFFIRMATIVE.

SARAH V. BECKER, CCMC
TOWN CLERK