

**(20-26) THE REPRESENTATIVE TOWN MEETING OF THE
TOWN OF DARIEN HEREBY AUTHORIZES AN APPROPRIATION OF
TWO MILLION THREE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS
(\$2,340,000.00) FOR A SANITARY SEWER SYSTEM PROJECT AND AUTHORIZES
THE ISSUANCE OF BONDS AND NOTES IN THE AMOUNT OF TWO MILLION
THREE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$2,340,000.00) TO
MEET SAID APPROPRIATION**

**Primary – F&B
Secondary - PW**

WHEREAS, the sum of Two Million Three Hundred Forty Thousand and 00/100 Dollars (\$2,340,000.00) is requested for a Sanitary Sewer System Project located in the Town of Darien (the “Town”), which project includes, but is not limited to: the planning, investigation, engineering and improvements to the sanitary sewer system to eliminate overflows during large rainfall events and reduce total annual sewage flow to the Stamford Wastewater Treatment Facility; and

WHEREAS, an appropriation is sought to complete the work in question and an authorization for the issuance of said bond and notes to meet such appropriation; and

WHEREAS, on September 15, 2020, the Board of Finance of the Town of Darien approved a resolution appropriating Two Million Three Hundred Forty Thousand and 00/100 Dollars (\$2,340,000.00) for a Sanitary Sewer System Project and authorizing the issuance of bonds and notes in the same amount; and

WHEREAS, the Board of Selectmen approved said Resolution on September 14, 2020.

NOW THEREFORE, BE IT RESOLVED, that the Representative Town Meeting of the Town of Darien hereby approves the sum of Two Million Three Hundred Forty Thousand and 00/100 Dollars (\$2,340,000.00) to be used for said Sanitary Sewer System Project, and authorizes the issuance of bonds and notes to meet said appropriation, as more particularly outlined in the document attached hereto and made a part hereof.

**NOW THEREFORE BE IT RESOLVED THAT THE PRIOR RESOLUTION IS
HEREBY AMENDED AND RESTATED AS FOLLOWS:**

Section 1. The sum of Two Million Three Hundred Forty Thousand Dollars (\$2,340,000.00) is appropriated for the Sanitary Sewer System Project located in the Town of Darien (the "Town"), which project includes, but is not limited to: the planning, investigation, engineering and improvements to the sanitary sewer system to eliminate overflows during large rainfall events and reduce total annual sewage flow to the Stamford Wastewater Treatment Facility including, all alterations, repairs and improvements in connection therewith as well as engineering, architectural and administrative, printing, legal and financing costs related thereto (the "Project"), said appropriation to be inclusive of any and all state and federal grants-in-aid thereof.

Section 2. To meet said appropriation, and in lieu of a tax therefor, \$2,340,000 bonds of the Town or so much thereof as shall be necessary for such purpose, may be issued, maturing not later than the twentieth year after their date, or as legally allowed. Said bonds may be issued in one or more series as determined by the Board of Finance, or any Town official designated by the Board of Finance, and the amount of bonds of each series to be issued shall be fixed by the Board of Finance, or any Town official designated by the Board of Finance, in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amount of the state and federal grants-in-aid on the Project, and the anticipated times of the receipt of the proceeds thereof. The bonds shall be in the denomination of \$5,000.00 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the Town by the facsimile or manual signatures of the First Selectman and the Town Treasurer, bear the Town seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Pullman & Comley, LLC of Hartford, Connecticut. The bonds shall be general obligations of the Town 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 Town is pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the bonds of each series to be issued, the annual installments of

principal, redemption provisions, if any, the certifying, registrar and transfer agent, and the paying agent, the date, time of issue and sale and other terms, details and particulars of such bonds, including the approval of the rate or rates of interest, shall be determined by the Board of Finance, or any Town official designated by the Board of Finance, in accordance with the General Statutes of the State of Connecticut, as amended (the "General Statutes").

Section 3. Said bonds shall be sold by the Board of Finance, or any Town official designated by the Board of Finance, and the Town Treasurer, in a competitive offering or by negotiation, in their discretion. If sold in a competitive offering, the bonds shall be sold at not less than par and accrued interest on the basis of the lowest true interest cost to the Town. If the bonds are sold by negotiation, provisions of the purchase agreement shall be subject to the approval of the Board of Finance, or any Town official designated by the Board of Finance.

Section 4. The Board of Finance, or any Town official designated by the Board of Finance, is authorized to issue and sell temporary notes in anticipation of the receipt of the proceeds of any series of said bonds and to determine the amount, date, date of maturity, interest rate, form and other details of such notes pursuant to the General Statutes. Notes evidencing such borrowings shall be signed by the First Selectman and the Town Treasurer, have the seal of the Town affixed, be payable at a bank or trust company designated by the Board of Finance, or any Town official designated by the Board of Finance, be approved as to their legality by Pullman & Comley, LLC of Hartford, Connecticut and be certified by a bank or trust company designated by the Board of Finance, or any Town official designated by the Board of Finance. The notes shall be general obligations of the Town 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 Town is 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 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 notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. The First Selectman is authorized in the name and on behalf of the Town to apply for and accept any and all federal and state loans and/or grants-in-aid for the Project and is further authorized to expend said funds in accordance with the terms hereof and in connection therewith to contract in the name of the Town with engineers, contractors and others. To meet any portion of the costs of the Project determined by the State of Connecticut Department of Environmental Protection to be eligible for funding under Section 22a-475, *et seq.* of the General Statutes, as the same may be amended from time to time (the "Clean Water Fund Program"), the Town may issue interim funding obligations in anticipation of project loan obligations and project loan obligations in such denominations as the Board of Finance, or any Town official designated by the Board of Finance, shall determine. The Board of Finance, or any Town official designated by the Board of Finance, is hereby authorized to determine the amount, date, maturity, interest rate, form and other details and particulars of such interim funding obligations and project loan obligations, subject to the provisions of the Clean Water Fund Program. Such interim funding obligations and project loan obligations shall be executed and delivered by the First Selectman and the Town Treasurer. Said obligations shall be general obligations of the Town for which the full faith and credit of the Town is pledged to the payment of the principal thereof and the interest thereon. The First Selectman is hereby authorized to execute and deliver to the State of Connecticut in the name of and on behalf of the Town, Project Loan and Project Grant Agreements under the Clean Water Fund Program.

Section 6. The Town 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 days prior to and anytime after the date of passage of this resolution in the maximum amount authorized hereby and for the Project defined herein with the proceeds of bonds, notes, or other obligations authorized to be issued by the Town. Such bonds, notes or other obligations 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 Project, or such later date the Regulations may authorize. The Town hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Board of Finance, or any Town

official designated by the Board of Finance, is authorized to pay Project expenses in accordance herewith pending the issuance of reimbursement bonds and to amend this declaration.

Section 7. The First Selectman, Town Treasurer and Finance Director or any one of them are hereby authorized, on behalf of the Town, to enter into any agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to nationally recognized municipal securities information repositories or state based information repositories (the "Repositories") and to provide notices to the Repositories 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 resolution and to perform all acts which are necessary or appropriate to issue and deliver the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the First Selectman, the Town Treasurer and the Finance Director, or any one of them, are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years. Should such bonds or notes issued in anticipation of such bonds be issued in such form and manner that the interest on such bonds or notes is includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended, then it is hereby determined that the issuance of such taxable bonds or notes is in the public interest.

Memo

Date: October 5, 2020
To: Seth Morton, Representative Town Meeting
From: Jennifer Charneski, Finance Director
Re: **Sewer Bond Authorization**

The attached resolution would appropriate and authorize the issuance of bonds in the amount of \$2,340,000 for engineering services and the upgrade of sewer infrastructure. The Town has been awarded a Clean Water Fund grant for approximately 55% of the design portion of the project. Design costs are estimated as \$689,913. The grant award will be up to \$379,452.15.

The engineering design consultant is performing an Inflow and Infiltration study that will provide improvements to eliminate the sanitary sewer overflows that have occurred over the past few years due to large rainfall events. These improvements will also reduce the total sewage flow each year sent to the City of Stamford Wastewater Treatment Facility for which we are charged. We anticipate that the consultant will recommend capital improvements that will cost in the range of \$1.25 to \$1.5 million. Therefore, the total bonded request will include the I&I study, recommended capital improvements and a 10% construction contingency.

Assuming receipt of the full grant award, debt service is estimated to be approximately \$122,000 per year. The principal and interest for this project will be paid by sewer customers, not through property taxes.

As of June 30, 2020 the Town's outstanding debt totaled \$68,906,745. Scheduled principal payments in FY 2021 total \$6,711,745. The Town has an additional \$44,637,854 authorized but unissued for active projects, of which \$42,942,090 is for Ox Ridge Elementary School.