



**TOWN OF FALMOUTH  
ORDER NO 99-2016**

**Order Authorizing Agreement with Portland Water District  
Regarding Mill Creek Pump Station**

**WHEREAS**, the Town is undertaking a project to replace the Mill Creek pump station and the force main connecting the pump station to the Town's sewer treatment plant (the "Pump Station Project"); and

**WHEREAS**, the Pump Station Project is eligible for financing at a favorable interest rate through the Maine Municipal Bond Bank's Clean Water State Revolving Fund ("CWSRF") program; and

**WHEREAS**, the Town previously financed improvements to its sewer system by issuing its sewer revenue bonds through the CWSRF program; and

**WHEREAS**, the Bond Bank Board of Commissioners has not approved the Town's application to finance the Pump Station Project through issuance of a new CWSRF sewer revenue bond, but has instead requested that the Town issue the CWSRF sewer bond as a general obligation of the Town; and

**WHEREAS**, issuing general obligation bonds for the Pump Station Project is problematic because (i) the Town's sewer ordinance (Section 18-160) limits the Town's ability to use tax revenues to pay for or secure sewer debt by requiring that the Town Council establish sewer service charges in an amount sufficient to pay not less than 90% of the costs of operating the Town's sewage works, including the costs of retiring sewer debt; and (ii) the Town Charter further requires that any such general obligation bond be approved by the voters of the Town at a referendum election; and

**WHEREAS**, in order that the Pump Station Project may proceed on the current construction timeline, the Town has requested that the project be financed with a CWSRF sewer revenue bond issued by the Portland Water District; and

**WHEREAS**, the Portland Water District staff has agreed to present this question to the District Board of Trustees at its March 28, 2016 meeting; and

**WHEREAS**, although the Pump Station Project will be owned by the Portland Water District during the term of the bond financing (following which, it will be conveyed to the Town), the Town will be responsible for its operation, maintenance and repair during that time; and

**WHEREAS**, the Town and the Portland Water District desire to enter into an Agreement for the Construction and Operation of Mill Creek Pump Station and Ancillary Force Mains in the Town of Falmouth (the "Agreement") with respect to the Pump Station Project;

**NOW THEREFORE BE IT HEREBY ORDERED THIS 14<sup>th</sup> DAY OF MARCH, 2016, BY THE FALMOUTH TOWN COUNCIL, FALMOUTH MAINE, IN TOWN COUNCIL ASSEMBLED:** the Agreement with the Portland Water District substantially in the form presented to the Town Council at this meeting be and hereby is approved and the Town Manager be and hereby is authorized and empowered, in the name of and on behalf of the Town, to executed and deliver said agreement, with such incidental changes and modifications as the Town Manager may approve, his approval to be conclusively evidenced by his execution thereof.

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

**Ellen Planer**  
**Town Clerk**