

**BOARD OF FINANCE**  
**The Metropolitan District**  
555 Main Street  
Hartford, Connecticut 06103  
Monday, May 6, 2019

**PRESENT:** Commissioners Allen Hoffman and Pasquale J. Salemi; Citizen Members Ram Aberasturia, Ron Angelo and Linda King-Corbin; and District Chairman William A. DiBella (6)

**ABSENT:** (0)

**ALSO**

**PRESENT:** Commissioner Andrew Adil  
Commissioner Whit Osgood  
Commissioner Dominic Pane  
Commissioner Bhupen Patel  
Scott W. Jellison, Chief Executive Officer  
R. Bartley Halloran, District Counsel  
Christopher Stone, Assistant District Counsel  
Brendan Fox, Assistant District Counsel  
John S. Mirtle, District Clerk  
Christopher Martin, Interim Chief Financial Officer  
Christopher Levesque, Chief Operating Officer  
Kelly Shane, Chief Administrative Officer  
Sue Negrelli, Director of Engineering  
Robert Schwarm, Director of Information Technology  
Tom Tyler, Director of Facilities  
Karyn Blaise, Controller  
Kerry E. Martin, Assistant to the Chief Executive Officer  
Julie Price, Professional Level Trainee  
David Silverstone, Independent Consumer Advocate

**CALL TO ORDER**

Chairman Salemi called the meeting to order at 4:33 PM

**PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS**

No one from the public appeared to be heard.

**APPROVAL OF MINUTES**

*On motion made by Commissioner Hoffman and duly seconded, the meeting minutes of the Board of Finance meeting of February 4, 2019 were approved.*

**AMENDED RESOLUTION FOR WATER MAIN REPLACEMENT  
AND ISSUANCE OF BONDS**

To: Board of Finance for consideration on May 6, 2019

The District recently received bids for the replacement of approximately 6,000 lf of water main in the Pilgrim Road, Brainard Road and Sequin Drive area in West Hartford. These mains have exceeded their useful life and have experienced numerous leaks/breaks. In order to award the construction contract an increase in the 2019 Capital Improvement Program / Water Main Replacement Program is needed.

Therefore, staff recommends the following:

That the 2019 CIP Water Main Replacement Program appropriation be increased by \$3,300,000 to provide funding for Pilgrim Road, Brainard Road and Sequin Drive Water Main Replacement, West Hartford which includes construction and related costs.

**Program** – Pilgrim Road, Brainard Road and Sequin Drive Area Water Main Replacement, West Hartford

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$ 3,300,000	WDS.DM0019.04	2113

**Description**

Replacement of existing water mains and service replacements in the Pilgrim Road, Brainard Road and Sequin Drive area of West Hartford. The water mains in the project area have a history of breakage and have been recommended by the Asset Management Program to be replaced to ensure the serviceability of the delivery system. District forces may be utilized for this program. The District costs may include salary, benefits and overhead.

**Purpose**

To replace aging water mains.

**Prior Appropriation**

This appropriation is an increase to the 2019 CIP Water Main Replacement Program. Total appropriation for this program will now be \$11,300,000.

**Asset Classification**

Transmission & Distribution Mains

Based on the foregoing, bond counsel prepared the following resolution for consideration by the Board of Finance:

At this time it is **RECOMMENDED** that it be:

**VOTED:** That the Board of Finance recommends to the District Board passage of the following resolution:

AMENDED AND RESTATED RESOLUTION APPROPRIATING \$11,300,000 FOR THE WATER MAIN REPLACEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF \$11,300,000 BONDS OF THE DISTRICT TO MEET SAID APPROPRIATION

RESOLVED:

**Section 1.** This resolution (the “Amended and Restated Resolution”) amends and restates, in its entirety, that resolution of the District Board entitled “RESOLUTION APPROPRIATING \$8,000,000 FOR THE WATER MAIN REPLACEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF \$8,000,000 BONDS OF THE DISTRICT TO MEET SAID APPROPRIATION” which was passed by a vote of the District Board at its meeting held on December 10, 2018 (the “Original Resolution”).

**Section 2.** The sum of \$11,300,000 is hereby appropriated for the design, construction, inspection and associated work to replace water mains and water services throughout the District that have exceeded their useful lives and/or have experienced numerous breaks, and legal, administrative and other financing costs related thereto. District forces may be utilized for this program. The District costs may include salary, benefits and overhead.

**Section 3.** To meet said appropriation \$11,300,000 bonds of the District are authorized to be issued in one or more series in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, “Connecticut laws”), and the District’s Charter. The form, date, maturities and other details of such authorized but unissued bonds shall be hereafter determined by the District Board acting in accordance with the District’s Charter. Said bonds shall be issued in fully registered form, be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The bonds may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board, in accordance with Connecticut laws and the District’s Charter. Each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with and that such bond is within every debt and other limit prescribed by law. The aggregate principal amount of the bonds to be issued, the form of issuance as serial, term or discount bonds, the dated date, final maturity, annual installments of principal, whether interest on the bonds will be fixed or variable, the rate or rates of interest, or method of determining interest rates thereon, whether such interest shall be excluded or included in gross income for federal income tax purposes, denominations, terms of redemption, if any, the date, time of issue and sale and all other terms, details and particulars of such bonds shall be determined by the District Board, in accordance with Connecticut laws and the District’s Charter, following recommendation of the

Board of Finance. It is hereby found and determined that the issuance of any such bonds the interest on which is included in gross income for federal income tax purposes is in the public interest. The bonds may be sold by competitive bid or negotiated sale, as determined by the District Board. If sold by competitive bid, a notice of sale, or summary thereof, shall be published at least five (5) days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If sold by negotiated sale, the form and details of the bond purchase agreement for the sale of the bonds shall be determined by the District Board.

**Section 4.** The Treasurer and the Deputy Treasurer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes or certificates of indebtedness evidencing such borrowings may be sold by competitive bid or negotiated sale, as determined by the Treasurer or Deputy Treasurer, in such manner as shall be determined by said Officers. Said notes or certificates of indebtedness shall be issued in fully registered form, be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer, and bear the District seal or a facsimile thereof. The notes or certificates of indebtedness may be secured by the full faith and credit of the District and/ or by special revenues of the District pledged therefore by the District Board in accordance with Connecticut laws and the District's Charter. Each of the notes shall recite that every requirement of law relating to its issue has been duly complied with and that such note is within every debt and other limit prescribed by law. The net interest cost on such notes or certificates of indebtedness, 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 the bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on such notes or certificates of indebtedness then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

**Section 5.** In connection with the issuance of the bonds, notes or certificates of indebtedness authorized hereunder and under the Resolutions ("Authorized Obligations"), the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to obtain, standby bond purchase agreements, letters of credit, lines of credit, financial guaranty insurance policies, guarantees of the District or third parties, surety agreements, or any similar agreements ("Credit Facilities") with one or more financial institutions providing Credit Facilities ("Credit Facility Providers") to provide for additional security for and the purchase upon tender of the Authorized Obligations, if any, under circumstances set forth in the Indentures (defined herein). Credit Facilities shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

**Section 6.** In connection with the issuance of Authorized Obligations and interim funding obligations in anticipation of project loan obligations and project loan obligations under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended, the so-called "Drinking Water Program" ("Drinking Water Obligations"), the District Board is hereby authorized to approve the terms and conditions of indentures of trust or other instruments of trust ("Indentures") with commercial banks or national banking associations with trust powers or trust companies to be appointed by the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer ("Trustees"), which provide for, among other things, the rate of rates of interest, or method of determining interest rates thereon, procedures for conducting auctions in an auction rate mode, the denominations, the tender rights of holders, if any, the rights of redemption and redemption prices, the payment of certain fees, the imposition of certain

covenants, limitations and restrictions on the District necessary to issue the variable rate bonds, and the execution of various other instruments. Indentures shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

**Section 7.** In connection with the issuance of Authorized Obligations bearing interest at variable interest rates, the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to enter into, remarketing agreements, broker-dealer agreements, auction agency agreements and other agreements (the "Reoffering Agreements") with remarketing agents, investment banking firms or other financial institutions to be appointed by the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer ("Reoffering Agents"), which provide for, among other things, the terms and conditions for reoffering Authorized Obligations bearing interest at variable interest rates, the Reoffering Agents' compensation and the disclosure of the District's financial condition. Reoffering Agreements shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

**Section 8.** In connection with the issuance of Authorized Obligations, if permitted by Connecticut laws and the District's Charter, the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to obtain, an interest rate swap agreement in the form of the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, together with applicable annexes, schedules and confirmations thereto, contracts to manage interest rate risk, including interest rate caps, options, puts, call or similar arrangements, or such other agreements permitted by Connecticut laws and the District's Charter ("Swap Agreements"), with one or more counterparties to be selected by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer, as Swap Provider (the "Swap Providers"), which provides for, among other things, the effective date or dates of the Swap Agreements, the rate of interest to be paid by the District to the Swap Providers on the principal amount of the bonds (which may be a fixed rate or a variable rate based on an index determined by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer), the rate of interest to be received by the District from the Swap Providers (which may be a fixed rate or a variable rate based on an index determined by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer), the payment of certain fees, the imposition of certain covenants, limitations and restrictions on the District and the execution of various other instruments. Swap Agreements shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer. To the extent provided by Connecticut laws, the full faith and credit of the District may be pledged to any and all payments to be made by the District with respect to the Swap Agreements, including, any termination or netting payments to be made by the District.

**Section 9.** The Chairman or Vice Chairman and Treasurer or Deputy Treasurer are hereby authorized, on behalf of the District, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of material events as enumerated in the Securities and Exchange Commission Securities Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds, notes and certificates of indebtedness authorized by this resolution. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

**Section 10.** The District hereby expresses its official intent pursuant to Treasury Regulations Section 1.150-2 to reimburse expenditures of (i) not more than \$8,000,000 paid up to sixty days prior December 10, 2018, the date of the passage of the Original Resolution, and (ii) not more than an additional \$3,300,000 paid up to 60 days prior to May 6, 2019, the date of passage of this Amended and Restated Resolution, in connection with the Resolutions with the proceeds of Authorized Obligations or Drinking Water Obligations. Said obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or such later date the Regulations may authorize. The District hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Chairman or Vice Chairman and the Treasurer or Deputy Treasurer is each individually authorized to pay project expenses in accordance herewith pending the issuance of the Authorized Obligations. This Section is included herein solely for purposes of compliance with Treasury Regulations Section 1.150-2 and may not be used or relied on for any other purpose.

**Section 11.** In connection with the issuance of Authorized Obligations and Drinking Water Obligations, the District Board is hereby authorized to, and if any such action shall heretofore have been taken, such action is hereby ratified and confirmed, (a) publish such notices, hold such hearings, make such representations and agreements, and take such other actions as shall be necessary to enable bond counsel to render its opinions as to the validity of the said obligations and the exclusion of the interest thereon, if applicable, from gross income for federal income tax purposes, (b) make, execute and deliver all such additional and supplemental documents, including, but not limited to any tax compliance agreements, tax certificates, tax forms, investment agreements or assignments, and (c) do and perform such acts and take such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by this Resolution.

**Section 12.** The District Board finds this project a single item of capital expense not regularly recurring.

Respectfully Submitted,

Scott W. Jellison  
Chief Executive Officer

***On a motion made by Chairman DiBella and duly seconded,  
the report was received and resolution adopted by unanimous vote  
of those present.***

### **OPPORTUNITY FOR GENERAL PUBLIC COMMENTS**

Independent Consumer Advocate David Silverstone requested the Board of Finance consider a resolution to increase his budget at the next Board of Finance meeting. He also discussed his attendance of the Sewer User Charge Study meeting with member towns and Raftelis.

**COMMISSIONER QUESTIONS AND COMMENTS**

Commissioner Salemi requested updates regarding the Glastonbury land sale, Contracts 3, 4, & 5, Sewer User Charge Study, DEEP landfill, and Colebrook at all future Board of Finance meetings until each issue is resolved.

**ADJOURNMENT**

The meeting was adjourned at 5:44 P.M.

ATTEST:

John S. Mirtle, Esq.  
District Clerk

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Date of Approval