

**SPECIAL MEETING  
BOARD OF FINANCE  
The Metropolitan District  
555 Main Street, Hartford  
Monday, February 3, 2014**

**PRESENT:** Commissioners Allen Hoffman, Pasquale J. Salemi; Citizen Members Ron Angelo, William Cibes, Richard Mulready, and District Chairman William A. DiBella (6)

**ABSENT:** Commissioners Luis Caban, William P. Horan; Citizen Members Martin B. Courneen, Linda King-Corbin (4)

**ALSO**

**PRESENT:** Commissioner Donald Currey  
Charles P. Sheehan, Chief Executive Officer  
Scott W. Jellison, Deputy Chief Executive Officer, Engineering & Operations  
John M. Zinzarella, Deputy Chief Executive Officer, Business Services  
R. Bartley Halloran, District Counsel  
Christopher R. Stone, Assistant District Counsel  
John S. Mirtle, Esq., District Clerk  
Stanley Pokora, Manager of Treasury  
Kerry E. Martin, Assistant to the Chief Executive Officer  
Cynthia A. Nadolny, Executive Assistant  
Joe Vitale, Bond Counsel

**CALL TO ORDER**

Chairman Salemi called the meeting to order at 4:10 p.m.

**PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS**

No one from the public appeared to be heard.

**APPROVAL OF MINUTES**

*On motion made by Citizen Member Angelo and duly seconded, the meeting minutes of December 9, 2013 were approved.*

*On motion made by Commissioner Hoffman and without objection, agenda item #4, "Appointment of Auditors for Financial Audit Services for the fiscal year ending December 31, 2013," was postponed to a later date.*

**APPROVAL FOR STATE OF CONNECTICUT FINANCING - DWSRF NO. 2014-7026  
– Report 5.**

To: Board of Finance for consideration on February 3, 2014

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and Project Loan Obligation to the State of Connecticut having a principal amount of \$1,691,378.66 and having an interest rate of 2.00%.

The low interest loan and grant will fund the replacement of the water main and appurtenances in the vicinity of Retreat Avenue in Hartford.

The State of Connecticut, through the Drinking Water State Revolving Fund Program, will provide \$1,824,572.45 in state funding with approximately \$133,193.79 in grants and \$1,691,378.66 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Bond Counsel prepared the following resolution for your approval.

It is therefore RECOMMENDED that it be

**VOTED:**

That the Board of Finance recommends to the District Board passage of the following resolution from Bond Counsel

**RESOLVED:**

Section 1. The Chairman and the District Treasurer or Deputy Treasurer are authorized to execute and deliver any and all Interim Funding Obligations and Project Loan Obligations in the aggregate amount not to exceed \$1,691,378.66. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Project Loan and Subsidy Agreement to be entered into with the State of Connecticut (the "Agreement") and, to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

Section 2. The Project Loan Obligations shall be dated as of their date of issue, shall mature no later than twenty years from the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum and shall be payable as to principal and interest as provided in the Agreement.

Respectfully Submitted,

Charles P. Sheehan  
Chief Executive Officer

***On motion made by Citizen Member Angelo and duly seconded, the report was received and resolution adopted by unanimous vote of those present.***

**APPROVAL FOR STATE OF CONNECTICUT FINANCING - DWSRF NO. 2014-7030  
– Report 6.**

To: Board of Finance for consideration on February 3, 2014

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and Project Loan Obligation to the State of Connecticut having a principal amount of \$1,927,719.67 and having an interest rate of 2.00%.

The low interest loan and grant will fund various process, safety and building improvements to the Reservoir #6 Water Treatment Facility.

The State of Connecticut, through the Drinking Water State Revolving Fund Program, will provide \$2,079,525.00 in state funding with approximately \$151,805.33 in grants and \$1,927,719.67 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Bond Counsel prepared the following resolution for your approval.

It is therefore RECOMMENDED that it be

**VOTED:**

That the Board of Finance recommends to the District Board passage of the following resolution from Bond Counsel

**RESOLVED:**

Section 1. The Chairman and the District Treasurer or Deputy Treasurer are authorized to execute and deliver any and all Interim Funding Obligations and Project Loan Obligations in the aggregate amount not to exceed \$1,927,719.67. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Project Loan and Subsidy Agreement DWSRF No. 2014-7030 to be entered into with the State of Connecticut (the "Agreement") and, to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding

Obligations or Project Loan Obligations, all as provided in the Agreement. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

Section 2. The Project Loan Obligations shall be dated as of their date of issue, shall mature no later than twenty years from the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum and shall be payable as to principal and interest as provided in the Agreement.

Respectfully Submitted,

Charles P. Sheehan  
Chief Executive Officer

***On motion made by Citizen Member Angelo and duly seconded, the report was received and resolution adopted by unanimous vote of those present.***

**APPROVAL FOR STATE OF CONNECTICUT FINANCING - DWSRF No. 2014-7031 – Report 7.**

To: Board of Finance for consideration on February 3, 2014

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and Project Loan Obligation to the State of Connecticut having a principal amount of \$3,664,078.74 and having an interest rate of 2.00%.

The low interest loan and grant will fund various improvements and upgrades to the Wickham Hill water storage facility.

The State of Connecticut, through the Drinking Water State Revolving Fund Program, will provide \$3,952,620.00 in state funding with approximately \$288,541.26 in grants and \$3,664,078.74 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Bond Counsel prepared the following resolution for your approval.

It is therefore RECOMMENDED that it be

**VOTED:**

That the Board of Finance recommends to the District Board passage of the following resolution from Bond Counsel

**RESOLVED:**

Section 1. The Chairman and the District Treasurer or Deputy Treasurer are authorized to execute and deliver any and all Interim Funding Obligations and Project

Loan Obligations in the aggregate amount not to exceed \$3,664,078.74. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Project Loan and Subsidy Agreement DWSRF No. 2014-7031 to be entered into with the State of Connecticut (the "Agreement") and, to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

Section 2. The Project Loan Obligations shall be dated as of their date of issue, shall mature no later than twenty years from the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum and shall be payable as to principal and interest as provided in the Agreement.

Respectfully Submitted,

Charles P. Sheehan  
Chief Executive Officer

***On motion made by Citizen Member Mulready and duly seconded, the report was received and resolution adopted by unanimous vote of those present.***

**2013 OPERATING BUDGET TRANSFER – Report 8.**

To: Board of Finance for consideration on February 3, 2014.

Staff is seeking authorization to perform a budget transfer from the 2013 Contingency budget line item to address 53<sup>rd</sup> payroll week, Material from Stock, Police Services, and Electricity in various departments.

Management recommends that the required additional funding for overtime be transferred from Contingency.

**CERTIFICATIONS:**

In accordance with Section 3-8 of the Charter of The Metropolitan District, I hereby certify that there exists free from encumbrances, in the following appropriation, the amounts listed:

	General	Water	Total
Department - 801 Contingency	<u>\$380,000.00</u>	<u>\$210,000.00</u>	<u>\$590,000.00</u>
<b>Total</b>	<b><u>\$380,000.00</u></b>	<b><u>\$210,000.00</u></b>	<b><u>\$590,000.00</u></b>

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John M. Zinzarella  
Chief Financial Officer

It is therefore RECOMMENDED that it be:

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

**Resolved:** That transfers within the 2013 Budget Appropriations be approved as follows:

	General	Water	Total
From:			
Department - 801			
Contingency	<u>\$380,000.00</u>	<u>\$210,000.00</u>	<u>\$590,000.00</u>
<b>Total</b>	<b><u>\$380,000.00</u></b>	<b><u>\$210,000.00</u></b>	<b><u>\$590,000.00</u></b>

	General	Water	Total
To:			
Department - 304			
Systems Repair	\$33,500.00	\$100,500.00	\$134,000.00
Department - 305			
Systems Maintenance & Operations	36,500.00	109,500.00	146,000.00
Department - 402			
Water Pollution Control	<u>310,000.00</u>	<u>-0-</u>	<u>310,000.00</u>
<b>Total</b>	<b><u>\$380,000.00</u></b>	<b><u>\$210,000.00</u></b>	<b><u>\$590,000.00</u></b>

Respectfully submitted,

Charles P. Sheehan  
Chief Executive Officer

*On motion made by Citizen Member Mulready and duly seconded, the report was received and resolution adopted by unanimous vote of those present.*

**DEBT ISSUANCE RESOLUTION FOR BANS - ISSUANCE OF UP TO \$278,221,000  
IN BOND ANTICIPATION NOTES – Report 9.**

To: Board of Finance for consideration on February 3, 2014.

Staff is seeking authority for the District to issue up to \$278,221,000 in bond anticipation notes that will provide up to \$135,000,000 for the District Clean Water Project and up to \$143,221,000 for CIP projects.

Series A bond anticipation notes in the approximate aggregate principal amount of amount of \$52,762,000 will be dated on or about March 25, 2014 and will mature on August 7, 2014. Series B bond anticipation notes in the approximate aggregate principal amount of amount of \$100,000,000 will be dated on or about March 25, 2014 and will mature on December 5, 2014. Series C bond anticipation notes in the approximate aggregate principal amount of amount of \$90,459,000 will be dated on or about March 25, 2014 and will mature on March 25, 2015. Series D bond anticipation notes in the approximate aggregate principal amount of amount of \$35,000,000 will be dated on or about March 25, 2014 and will mature on March 25, 2015.

Bond counsel prepared the following resolution for consideration by the Board of Finance:

It is therefore RECOMMENDED that it be:

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

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$278,221,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES OF THE METROPOLITAN DISTRICT**

Not exceeding \$278,221,000 Metropolitan District General Obligation Bond Anticipation Notes (the "Notes") are hereby authorized to be issued in anticipation of the issuance of bonds to fund such portion of the authorized and unissued balances of the capital appropriations contained in certain bond resolutions adopted to finance capital budget items enacted by the District Board in the years and in the amounts set forth on Exhibit A hereto attached and to refund previously issues bond anticipation notes as shown on Exhibit A. Proceeds of the Notes shall be used on a first-spent basis to temporarily finance the expenditures for any of the purposes or projects set forth on Exhibit A and for any supplemental purposes or projects the Board of Finance and the District Board may from the date hereof authorize to be financed by the issuance of bonds. The Series A Notes shall be dated on or about March 25, 2014, and shall mature on August 7, 2014, bear interest payable at maturity and be issued in fully registered form. The Series B Notes shall be dated on or about March 25, 2014, and shall mature on December 5, 2014, bear interest payable at maturity and be issued in fully registered form. The Series C Notes and the Series D Notes shall be dated on or about March 25, 2014, and shall mature on March 25, 2015, bear interest payable at maturity and be issued in fully registered form. The Notes shall be payable at and certified by U.S. Bank National Association, which bank shall also serve as registrar and transfer agent for the Notes. The Notes shall be sold by the District Treasurer, or in his absence, the Deputy Treasurer, in a competitive offering and shall be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost to the District, and in no case for a sum less than par and accrued interest to the date of delivery or shall be sold in a negotiated offering, in

the discretion of the Treasurer or, in his absence, the Deputy Treasurer. The District Treasurer, or in his absence the Deputy Treasurer, is hereby delegated the authority to determine the rate or rates of interest on the Notes, and to deliver the Notes to the purchaser or purchasers thereof in accordance with this resolution. The Chairman and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver a Tax Regulatory Agreement and, in the case of a negotiated sale, a Note Purchase Agreement for the Notes on behalf of the District in such forms as they shall deem necessary and appropriate, and to rebate to the Federal government such amounts as may be required pursuant to the Tax Regulatory Agreement for the purpose of complying with the requirements of the Internal Revenue Code of 1986, as amended. The Chairman and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver a Continuing Disclosure Agreement and any and all agreements and documents necessary to effect the issuance and sale of the Notes in accordance with the terms of this resolution.

Respectfully submitted,

Charles P. Sheehan  
Chief Executive Officer

***On motion made by Citizen Member Angelo and duly seconded, the report was received and resolution adopted by unanimous vote of those present.***

#### **ADJOURNMENT**

The meeting was adjourned at 4:38 P.M.

ATTEST:

John S. Mirtle, Esq.  
District Clerk

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Date of Approval