

**BOARD OF FINANCE
SPECIAL MEETING
The Metropolitan District
231 Brainard Road, Hartford
Monday, June 1, 2015**

PRESENT: Commissioners Luis Caban, Allen Hoffman and Pasquale J. Salemi; Citizen Members Ron Angelo, William Cibes, Martin B. Courneen, Linda King-Corbin, Richard Mulready and District Chairman William A. DiBella (9)

ABSENT: Commissioner William P. Horan (1)

ALSO

PRESENT: Scott Jellison, Chief Executive Officer
John M. Zinzarella, Deputy Chief Executive Officer, Business Services
R. Bartley Halloran, District Counsel
John S. Mirtle, District Clerk
Erin Ryan, Director of Human Resources
Gerald J. Lukowski, Director of Operations
Kelly Shane, Director of Procurement
Stanley Pokora, Manager of Treasury
Kerry E. Martin, Assistant to the Chief Executive Officer
Cynthia A. Nadolny, Executive Assistant
James Masse, Network Analyst

CALL TO ORDER

Chairman Salemi called the meeting to order at 5:25 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MINUTES

On motion made by Citizen Member Mulready and duly seconded, the meeting minutes of the Board of Finance meeting of May 4, 2015 were approved.

2015 OPERATING BUDGET TRANSFER – Report 4.

To: Board of Finance for consideration on June 1, 2015

The 2015 Metropolitan District operating budget is experiencing a deficit in the Water Pollution Control and Special Program budgets. The WPC deficit is the result of the use of additional

chemicals required for sludge settling activity. The Special Program budget deficit is due to the Districts portion of increased construction associated with Mattabassett District.

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 – Contingencies	<u>\$622,000.00</u>	<u>\$831,200.00</u>	<u>\$1,453,200.00</u>
Total	<u>\$622,000.00</u>	<u>\$831,200.00</u>	<u>\$1,453,200.00</u>

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 2015 Budget Appropriations be approved as follows:

From:	General	Water	Total
Department 801 – Contingencies	<u>\$212,500.00</u>	<u>\$-0-</u>	<u>\$212,500.00</u>
Total	<u>\$212,500.00</u>	<u>\$-0-</u>	<u>\$212,500.00</u>
To:	General	Water	Total
Department-402 Water Pollution Control	\$60,000.00	\$-0-	\$60,000.00
Department-741 Special Agreements & Programs	<u>152,500.00</u>	<u>-0-</u>	<u>152,500.00</u>
Total	<u>\$212,500.00</u>	<u>\$-0-</u>	<u>\$212,500.00</u>

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

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

DEBT ISSUANCE RESOLUTION FOR BANS - ISSUANCE OF UP TO \$25,000,000 IN BOND ANTICIPATION NOTES – Report 5.

To: Board of Finance for consideration on June 1, 2015.

Staff is seeking authority for the District to issue up to \$25,000,000 in Series C bond anticipation notes that will provide new money for CIP projects, will be dated on or about July 28, 2015 and will mature on March 18, 2016.

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 \$25,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES OF THE METROPOLITAN DISTRICT

Not exceeding \$25,000,000 Metropolitan District General Obligation Bond Anticipation Notes, Series C (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. 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 Notes shall be dated on or about July 28, 2015, and shall mature on March 18, 2016, 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, or in his absence, the Vice 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, or in his absence, the Vice 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,

Scott W. Jellison
Chief Executive Officer

July 2015 Notes Series C Exhibit A

July 2015 Series A Notes

CIP Appropriation

	Issue Amount
2006 CSO Abatement Program	35,000
2006 Sanitary Sewer Overflow - Engineering Design/Study	117,000
2006 Sanitary Sewer Overflow (SSO) - Rocky Hill	30,000
2006 Sanitary Sewer Overflow (SSO) - West Hartford	4,000
2006 Sanitary Sewer Overflow (SSO) - Wethersfield	6,000
2007 Wastewater Treatment Facility Improvements	56,000
2007 Wastewater Treatment Facility Security and Communication Improvements	4,000
2008 Capacity Management Operation & Maintenance Compliance	8,000
2008 Capacity Management Operation & Maintenance Compliance	50,000
2008 Facility and Building Improvements	7,000
2008 General Purpose Sewer	6,000
2008 General Purpose Sewer	14,000
2008 Improvements to SCADA	321,000
2008 Water Supply Facility Improvements	12,000
2008 WPC Infrastructure Replacements and Improvements	33,000
2009 Capacity Management Operation & Maintenance Compliance Capital Equipment and Staffing	32,000
2009 Farmington Water Main Installation, West Hartford	14,000
2009 General Purpose Sewer	3,000
2009 Hartford Odor Control Construction	21,000
2009 Water Main - Farmington Avenue, Hartford	13,000
2009 Water Pollution Control Infrastructure Replacements and Improvements	55,000
2010 CMMS-Phase II	46,000
2010 CWP Water Main Replacement - Wethersfield Ave # 3	4,000
2010 Dam Safety Improvements - Res #2	4,000
2010 Dam Safety Improvements - Res #3	42,000
2010 Facility & Equipment Improvements Program	144,000
2010 General Purpose Sewer	52,000
2010 Hydraulic Computer Modeling	178,000
2010 Information Systems Improvements #1	14,000
2010 Sewer Study - Dividend Brook, Rocky Hill	52,000
2010 Vehicle and Equipment Replacement Program	406,000
2010 Water Facilities Security & Improvement Program	58,000
2010 Water Main Replacement - Bloomfield	10,000
2010 Water Main Replacement - Hartford	83,000
2010 Water Main Replacement - Wethersfield	60,000
2010 WPC EHWPCF Screen & Grit Replacement Program	533,000
2010 WPC Electrical Systems Modernization Program	86,000
2010 WPC Renewal & Replacements Program	193,000
2011 Capacity Management Operation & Maintenance (CMOM) - Compliance	404,000
2011 CWP - Water Main Replacements	127,000
2011 Design of Water Main Replacements	25,000
2011 Facility & Equipment Improvements	14,000
2011 General Purpose Sewer	80,000
2011 General Purpose Sewer	50,000
2011 Sewer Pump Station Improvement Program Ph. II	44,000
2011 Sewer Pump Station Rehabilitation	62,000
2011 Water Main Replacement - Hamilton Street and Park Terrace, Hartford, Phase II	11,000
2011 Water Main Replacement - Hartford	22,000
2011 Water Main Replacement - Longview Drive, Talcottview and Pheasant Lane, Bloomfield	7,000
2011 Water Main Replacement - Simmons Road, East Hartford	22,000
2011 Water Pump Station Improvements	79,000

2011 WPC Electronic Development	247,000
2011 WPC Equipment & Facility Refurbishment	48,000
2011 WPC Renewal & Replacements	125,000
2012 Asset Management Construction Administration	11,000
2012 Backwater Valve Program	41,000
2012 CWP Water Main Replacement-South Maple Ave Area West, Hartford	551,000
2012 Facility Improvement Program	42,000
2012 Fleet Replacement	278,000
2012 General Purpose Sewer	247,000
2012 Headquarters Parking Garage Renovations	147,000
2012 Information Technology Security Improvements	148,000
2012 Paving Program	63,000
2012 Pump Station Upgrades - Fishfry Street, Hartford	42,000
2012 Sanitary Sewer Replacements District-Wide	152,000
2012 Sewer Gate Replacement Program District-wide	5,000
2012 Sewer Pump Station Upgrades - Mohawk Drive East Hartford	107,000
2012 Sewer Pump Station Upgrades - Ridge Street, Windsor	44,000
2012 Sewer Replacement - Woodland Avenue and Peters Road, Bloomfield	6,000
2012 Water Main Replacement - Retreat Avenue, Hartford	445,000
2012 Water Main Replacement-Farmington Avenue, Hartford	88,000
2012 Water Storage Basin Upgrades	16,000
2012 WPC Equipment & Facilities Refurbishment	93,000
2012 WPC Renewal and Replacements	639,000
2013 Asset Management Water Main Replacement	223,000
2013 Bloomfield Water Treatment Facility Filtered Water Basin Improvements	538,000
2013 Buckingham Water Pump Station, Glastonbury	119,000
2013 Communications Systems Upgrades	6,000
2013 CWP-Water Main Replacement Church Street, Hartford	31,000
2013 CWP-Water Main Replacement Portions of Church Street, Hartford	6,000
2013 Facilities Improvement Program	212,000
2013 Fleet Replacement	251,000
2013 General Purpose Sewer	31,000
2013 General Purpose Water	136,000
2013 HWPCF Cake Storage & Gravity Thickener System	24,000
2013 Information Technology - Applications	202,000
2013 Information Technology- Hardware	1,072,000
2013 Information Technology-SAP/Oracle	755,000
2013 Land Improvements	94,000
2013 Newington PRV Service Area Upgrades	18,000
2013 Paving Program	10,000
2013 Pump Station Upgrades – Brookside Street, Newington	3,000
2013 Pump Station Upgrades – Chateau Woods/High Path Road, Windsor	18,000
2013 Pump Station Upgrades – Harvest Lane, Windsor	18,000
2013 Pump Station Upgrades – Meadow Street, Newington	22,000
2013 Pump Station Upgrades – Mohawk Drive, East Hartford	25,000
2013 Pump Station Upgrades – Motts - Wethersfield	19,000
2013 Radio Frequency Automated Meter Reading	470,000
2013 Rocky Hill Interceptor – Relief Sewer/Capacity Improvements	130,000
2013 Sewer Pump Station Upgrades – Ridge Street, Windsor	27,000
2013 Sewer Replacement – Oakwood Ave, West Hartford	35,000
2013 Sewer Replacement – Pheasant Lane, Bloomfield	20,000
2013 Sewer Replacement/Repairs – 388-390 Farmington Ave. Hartford	26,000
2013 Water Main Replacement Center Street, Hartford	42,000
2013 Water Main Replacement Franklin 13	283,000
2013 Water Main Replacement Jerome Avenue, Bloomfield	324,000

2013 Water Main Replacement Oakwood Avenue, West Hartford	16,000
2013 Water Main Replacement Pitkin Street, East Hartford	14,000
2013 Water Supply Generators	30,000
2013 Wickham Hill Basins, East Hartford	85,000
2013 WPC Equipment & Facilities Refurbishment	18,000
2014 Collinsville WTP Emergency Generator Replacement (BREAKOUT)	4,000
2014 Facilities Improvement Program	69,000
2014 General Purpose Sewer	42,000
2014 General Purpose Water Program	65,000
2014 Hartford WPCF Sludge Mixing Tank, Sludge Screening, GT & RSRF Upgrades	19,000
2014 Hartford WPCF West Primary Settling Tanks	1,051,000
2014 Information Technology	593,000
2014 Kilkenny Water	366,000
2014 Land Improvements	152,000
2014 Levee Protection System Improvements, East Hartford and Hartford	4,000
2014 Paving Program	1,218,000
2014 Phelps Brook Dam and East Dike Rehabilitation Project	19,000
2014 Radio Frequency Automated Meter Reading	150,000
2014 Renewable Energy Projects – Sewer Facilities (BREAKOUT)	14,000
2014 Renewable Energy Projects – Water Facilities	52,000
2014 Sewer Extension – Marsh Street, Wethersfield (BREAKOUT)	14,000
2014 Sewer Rehabilitation Program	11,000
2014 Sewer Replacement - Madison Avenue, Hartford	62,000
2014 Various Sewer Pipe Replacement/Rehab – District Wide	187,000
2014 Various Transmission Main Design & Construction	17,000
2014 Wastewater Pump Station Improvements	6,000
2014 Water Main Replacements – West Hartford	4,000
2014 Water Treatment Facilities Upgrades	97,000
2014 WPC Equipment & Facilities Refurbishment	27,000
2014 WPC Renewal and Replacements	830,000
2015 Administrative Facilities Improvement Program	23,000
2015 Construction Services	1,270,000
2015 East Hartford WPCF Compressor, DO Control & SCADA Upgrades	40,000
2015 Engineering Services	878,000
2015 General Purpose Sewer	2,000
2015 General Purpose Water Program	23,000
2015 Hydrant Replacement Program	103,000
2015 Information Systems - Business Transformation SAP Upgrade	75,000
2015 Paving Program	20,000
2015 Sanitary Sewer Easements Acquisitions & Improvements	338,000
2015 Sewer Rehabilitation Program	777,000
2015 Survey & Construction	1,996,000
2015 Technical Services	1,508,000
2015 WPC Equipment & Facilities Improvements	183,000
July 2015 Series C Notes Total	25,000,000

On motion made by Commissioner Hoffman and duly seconded, the report was received and the resolution adopted by unanimous vote of those present.

APPROVAL FOR STATE OF CONNECTICUT FINANCING - CWF NO. 657-C – Report 6.

To: Board of Finance for consideration on June 1, 2015

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and/or Project Loan Obligation to the State of Connecticut for CWF No. 657-C having a principal amount of \$147,992,729.44 and having an interest rate of 2.00%.

The low interest loan and grant will fund the construction of new headworks, dual use primary clarifiers, wet weather treatment disinfectant and odor control at the Hartford

wastewater treatment plant and the construction of modifications and upgrades to the Rocky Hill wastewater treatment plant, including modifications to the biological nutrient removal system for effluent nitrogen reduction, modifications to various parts of the plant for increased hydraulic capacity and upgrades to various parts of the plant which are nearing the end of their respective useful lives.

The State of Connecticut, through the Clean Water Fund Program, will provide \$219,408,066.60 in state funding with approximately \$71,415,337.16 in grants and \$147,992,729.44 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 the Project Loan and Project Grant Agreement CWF No. 652-C to be entered into with the State of Connecticut (the "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations for CWF No. 657-C in the aggregate amount not to exceed \$147,992,729.44. 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 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,

Scott W. Jellison
Chief Executive Officer

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

DISCUSSION RE: 2014 AUDIT – Report 7.

John Zinzarella, Deputy Chief Executive Officer, Business Services, gave a presentation to the Board of Finance on the 2014 Audit.

ADJOURNMENT

The meeting was adjourned at 5:35 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval