

THE METROPOLITAN DISTRICT COMMISSION

555 Main Street
Hartford, Connecticut 06103
Monday, December 1, 2014

Present: Commissioners Andrew Adil, Daniel Camilliere, Mary Anne Charron, Donald M. Currey, Timothy Curtis, William A. DiBella, Matthew B. Galligan, Allen Hoffman, Georgiana E. Holloway, William P. Horan, Kathleen J. Kowalyshyn, Joseph H. Kronen, Maureen Magnan, Alphonse Marotta, James S. Needham, Mark A. Pappa, Kennard Ray, Hector Rivera, Pasquale J. Salemi, Helene Shay, Raymond Sweezy, Alvin E. Taylor, Michael A. Toppi and Richard W. Vicino (24)

Absent: Commissioners Luis Caban, Janice Flemming, Michael W. Gerhart, Gary M. Haynes, Joseph Klett, Thea Montanez, J. Lawrence Price, Albert F. Reichin, and Special Representative Michael Carrier (9)

Also

Present: 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
Brendan Fox, Assistant District Counsel
Kelly Shane, Director of Procurement
Sue Negrelli, Director of Engineering
Gerald J. Lukowski, Director of Operations
Erin Ryan, Director of Human Resources
Stanley Pokora, Manager of Treasury
John S. Mirtle, District Clerk
Kerry E. Martin, Assistant to the Chief Executive Officer
Cynthia A. Nadolny, Executive Assistant

CALL TO ORDER

The meeting was called to order by Chairman DiBella at 5:40 PM

ROLL CALL AND QUORUM

The District Clerk called the roll and informed Chairman DiBella that a quorum of the Commission was present, and the meeting was declared a legal meeting of the District Board of The Metropolitan District of Hartford County, Connecticut.

PLEDGE OF ALLEGIANCE

Those in attendance stood and recited the Pledge of Allegiance.

APPROVAL OF MINUTES

On motion made by Commissioner Camilliere and duly seconded, the meeting minutes of November 12, 2014 were approved.

Commissioners Galligan, Magnan and Vicino abstained.

On Motion made by Commissioner Salemi and duly seconded, it was voted to postpone agenda items: 7A "Capital Improvement Budget & Funding", 7B "Budget Expenditures", 7C "Budget Revenues", 7D "Hydroelectric Expenditures and Revenues", 7E "Fiscal Year 2015 Tax on Member Municipalities", 7F "Revision to District Sewer User Charge Rates", 8 "MDC Government- Revisions to District Water Supply Ordinances W1b and W1c", and 9 "Water Bureau- Revisions to Water Assessment Rates, Other Related Charges and Special Water Rules and Charges." The motion to postpone the aforementioned agenda items passed unanimously.

BOARD OF FINANCE

APPROVAL FOR STATE OF CONNECTICUT FINANCING - CWF 652-C

From: Board of Finance

To: District Board

December 1, 2014

At a meeting of the Board of Finance on December 1, 2014 it was:

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

RESOLUTION OF THE DISTRICT BOARD WITH RESPECT TO THE ISSUANCE OF INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS PURSUANT TO THE PROJECT LOAN AND PROJECT GRANT AGREEMENT CWF NO. 652-C BETWEEN THE STATE OF CONNECTICUT AND THE METROPOLITAN

DISTRICT UNDER THE CLEAN WATER FUND PROGRAM

RESOLVED:

Section 1. The Chairman and the District Treasurer or Deputy Treasurer are authorized to execute and deliver 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. 652-C in the aggregate amount not to exceed \$77,808,705.43. 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,

John S. Mirtle, Esq.
District Clerk

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

**BOARD OF FINANCE
DEBT ISSUANCE RESOLUTION TO REFUND BANS MATURING
DECEMBER 5, 2014 FOR THE CLEAN WATER PROJECT**

From: Board of Finance

To: District Board

December 1, 2014

Staff is seeking authority for the District to issue up to \$140,000,000 in revenue bonds that will refund \$140,000,000 in existing bond anticipation notes due on December 5, 2014 and provide additional funds for the Clean Water Project.

Revenue Bonds will be dated the date of their delivery and will mature in annual installments of principal through November 1, 2042.

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

At a meeting of the Board of Finance on December 1, 2014 it was:

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 \$140,000,000 CLEAN WATER PROJECT REVENUE BONDS OF THE METROPOLITAN DISTRICT, THE EXECUTION OF DELIVERY OF A SECOND SUPPLEMENTAL INDENTURE TO THE SPECIAL OBLIGATION INDENTURE OF TRUST, AND RELATED AGREEMENTS

WHEREAS, the Metropolitan District (the "District") has entered into a consent decree of the United States District Court of the District of Connecticut, by and between the District, the United States Department of Justice, the U.S. Attorney's Office, the United States Environmental Protection Agency and the State of Connecticut Attorney General (the "U.S. Consent Decree"), and a consent order and a general permit for nitrogen discharges, and existing municipal national pollutant discharge elimination system permits of the State of Connecticut Department of Energy and Environmental Protection, formerly the State of Connecticut Department of Environmental Protection ("CDEP") entered into by and between the District and the Commissioner of the CDEP (the "Connecticut Consent Order" and together with the U.S. Consent Decree, the "Governmental Orders"), including, but not limited to the obligation to provide for (i) the rehabilitation and reconstruction of portions of the District's sanitary sewer systems, (ii) the renovation of the combined sewer system, (iii) improvements to water pollution control facilities, (iv) development of a nitrogen removal program, (v) the separation of sewerage and storm water drainage collection systems, (vi) the construction of additional storage, conveyance and treatment facilities (herein referred to as the "Project");

WHEREAS, the District to date has appropriated \$1.6 billion in capital expenditures for the costs of the Project, and authorized the issuance of \$1.6 billion in its bonds for purposes of financing such capital expenditures;

WHEREAS, the District has issued bond anticipation notes in anticipation of the issuance of the bonds authorized for the Project;

WHEREAS, the District has by ordinance adopted October 1, 2007 adopted Section S12x of its Ordinances Relating to Sewers, which provides for a Special Sewer Service Surcharge for customers of the District who utilize the District's sewer system and are furnished water directly by the District (the "Special Sewer Service Surcharge"), which Special Sewer Service Surcharge shall be established annually through the District's budget approval process, shall be uniformly applied to, and be proportional to the quantity of water used by, such customers, and shall be used exclusively for the payment of

principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with any and all measures necessary to comply with the Governmental Orders, including the costs of the Project;

WHEREAS, Chapter 103 of the General Statutes the Municipal Sewerage Act (the “Municipal Act”) provides for the issuance of bonds, notes and other obligations by a municipality, including the District, which may be secured as to both principal and interest by a pledge of revenues to be derived from sewerage system use charges, including the Special Sewer Service Surcharge;

WHEREAS, the District’s Charter, as amended by Special Act 90-27 and Special Act 14-21, and as it may be amended from time to time (the “Charter,” and together with the Municipal Act, the “Authorizing Acts”), provides for the issuance of bonds, notes and other obligations by the District, and in connection therewith to enter into reimbursement agreements or similar agreements in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the purpose of moderating interest rate fluctuations;

WHEREAS, the District proposes to issue special obligation bonds to be secured by a pledge of the Special Sewer Service Surcharge pursuant to the Authorizing Acts;

WHEREAS, special obligation bonds issued pursuant to the Authorizing Acts and not secured by the general obligation of the District are not subject to the limit on indebtedness of the District provided for in the Charter;

WHEREAS, the District proposes to issue bonds pursuant to a Special Obligation Indenture (the “Special Obligation Indenture”) and a Second Supplemental Indenture thereto the “Second Supplemental Indenture’ and together with the Special Obligation Indenture, the “Indenture”) with U.S. Bank National Association, to finance the costs of the Project;

WHEREAS, the Indenture provides for the issuance of the Special Obligation Bonds (the “Bonds”) of the District, payable solely from the Special Sewer Service Surcharge, and other receipts, funds or moneys pledged under the Indenture, if any, and that such Bonds shall be special obligations of the District, payable solely from Pledged Revenues (as that term is used in the Special Obligation Indenture, and other receipts, funds or moneys pledged under the Indenture, and respective supplemental indentures thereto for each series of Bonds;

WHEREAS, Section 11 of S.A. 14-21 provides:

The state of Connecticut does hereby pledge to and agree with the holders of any bonds, notes and other obligations issued by the Metropolitan District in Hartford County created pursuant to number 511 of the special acts of 1929, as amended, under the authority of chapter 103 of the general

statutes or under section 4 of special act 90-27, as amended by section 6 of public act 93-380 and section 10 of this act, which are payable solely from the income and revenue of a particular facility, system or program or the revenues to be derived from sewerage system use charges, and with those parties who may enter into contracts with the district in respect of the same, that the state will not limit or alter the rights vested in the authority to charge and collect such income, revenues, or sewerage system use charges, or in the holders of any bonds, notes or other obligations of the district until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the district, provided nothing contained herein shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds, notes and other obligations of the district or those entering into contracts with the district. The district is authorized to include this pledge and undertaking for the state in such bonds, notes and other obligations or contracts.

WHEREAS, the Bonds constitute “bonds, notes and other obligations issued by the Metropolitan District in Hartford County created pursuant to number 511 of the special acts of 1929, as amended, under the authority of chapter 103 of the general statutes or under section 4 of special act 90-27, as amended by section 6 of public act 93-380 and section 10 of this act [Special Act 14-21], which are payable solely from the income and revenue of a particular facility, system or program or the revenues to be derived from sewerage system use charges” as described in the aforesaid Section 11, and the District desires to include the aforesaid pledge and undertaking of the State in the Bonds, notes and other obligations or contracts relating to the Bonds by amending the Indenture applicable to the Bonds..

WHEREAS, the District proposes to issue up to \$140,000,000 of its Bonds to be designated to the 2014 Series A Bonds (the “2014 Series A Bonds”) to refund bond anticipation notes issued to fund costs of the Project and to fund costs of the Project;

WHEREAS, the District has prepared a preliminary official statement for the purpose of presenting information in connection with the offering and sale of the Bonds.

WHEREAS, the District proposes to issue and sell the 2014 Series A Bonds to underwriters led by J.P. Morgan Securities LLC (or its affiliates), pursuant to a bond purchase agreement (the “Contract for Purchase”), to be negotiated between the District and the underwriters.

WHEREAS, the 2014 Series A Bonds are expected to be issued on terms such that the interest thereon shall be excludable from gross income for federal income tax purposes, and for the purpose of establishing such terms and giving assurance as to future compliance with the Internal Revenue Code of 1986, the District proposes to enter into a Tax Regulatory Agreement.

WHEREAS, pursuant to Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as

part of the offering of the 2014 Series A Bonds the District proposes to enter into a Continuing Disclosure Agreement.

NOW THEREFORE, BE IT RESOLVED by the District Board as follows:

Section 1. The District Board determines it is advisable and in the best interest of the District to authorize, and does hereby authorize, the District to enter into the Second Supplemental Indenture to the Special Obligation Indenture of Trust to provide for the terms of the Bonds proposed to be issued by the District, and to amend the Special Obligation Indenture of Trust to include the pledge and undertaking of the State as authorized by Section 11 of S. A. 14-21, as provided for therein, such agreement to be in the form, or substantially the form, as has been or shall be distributed to the District Board, and authorizes the proper officers of the District to execute and deliver such agreement in such form, with such further changes and additions as such officers shall approve, such approval to be conclusively evidenced by the execution and delivery of such agreements by such officers.

Section 2. The District Board, having reviewed the form of preliminary official statement, authorizes the use of such preliminary official statement in connection with the public offering of the 2014 Series A Bonds, with such further changes and additions as the proper officers shall deem advisable, and authorizes the Chair and the District Treasurer, or in his absence, the Deputy Treasurer, in the name of the District, to deem the preliminary official statement and such supplements thereto when appropriate and execute a final official statement and such supplements, and any further amendment or supplement thereto, in connection with and after the sale of the Bonds.

Section 3. The District Treasurer, or in his absence the Deputy Treasurer, is hereby delegated the authority to determine the principal amount, maturities, rate or rates of interest redemption terms, and the other particulars of the 2014 Series A Bonds, and to deliver the 2014 Series A Bonds to the purchaser 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 Second Supplemental Indenture setting forth all the terms of the 2014 Series A Bonds so determined, in such form as they shall deem necessary and appropriate. The Chairman and the District Treasurer or in his absence the Deputy Treasurer are authorized to negotiate, execute and deliver a Contract of Purchase setting forth all the terms of sale of the 2014 Series A Bonds, including the underwriters' discount for such sale, in such form as they shall deem necessary and appropriate. The Chairman and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver a Tax Regulatory Agreement for the 2014 Series A Bonds on behalf of the District in such form 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 2014 Series A Bonds in accordance with the terms of this resolution. The proper officers of

the District are hereby authorized to do and perform such acts, and execute and deliver, in the name of the District, such additional instruments, agreements and certificates as they deem necessary or appropriate to carry into effect the intent of the foregoing resolutions, and as shall not be inconsistent with the foregoing resolutions.

Section 5. The District hereby determines and declares, for purposes of Section 7-263 of the Connecticut General Statutes, that the 2014 Series A Bonds are part of a single plan of finance that also includes all prior borrowings from the State of Connecticut Clean Water State Revolving Fund for the purpose of financing the Project, and all prior general obligation and revenue bonds of the District (but not any bond anticipation notes issued in anticipation of the issuance of such general obligation bonds) issued for purposes of financing the Project.

Section 6. For purposes of this resolution, the “proper officers” of the District shall be the Chairman, the District Treasurer, and the Deputy Treasurer of the District, and each or any of them.

Section 7. This resolution will take effect immediately.

Respectfully submitted,

John S. Mirtle, Esq.
District Clerk

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

**PERSONNEL PENSION AND INSURANCE COMMITTEE
APPOINTMENT OF PPI COMMITTEE AS TRUSTEE FOR THE PENSION PLAN
AND APPROVAL OF TRUST AGREEMENT**

WHEREAS, The Metropolitan District (the “Employer”) is the sponsor of the Retirement Plan for Employees of The Metropolitan District (the “Retirement Plan”); and

WHEREAS, the Personnel, Pension and Insurance Committee (the “PPI Committee”) of the District Board of the Employer has recommended to the District Board that it appoint certain members of the PPI Committee to a subcommittee of the PPI Committee to serve as the trustee of the Retirement Plan (collectively referred to as the “Trustee”), and that the Employer enter into a trust agreement with the Trustee in substantially the form presented to this meeting; and

WHEREAS, it is desirable that the District Board accept the recommendations of the PPI Committee.

NOW, THEREFORE, BE IT

RESOLVED: That Alvin E. Taylor, Albert F. Reichin and Lawrence J. Price, current members of the PPI Committee, be, and hereby are, appointed to a subcommittee of the PPI Committee to serve as the Trustee of the Retirement Plan; and further

RESOLVED: That the Trust Agreement for the Retirement Plan, in substantially the form presented to this meeting, be and hereby is approved and adopted, together with any modifications that are determined by counsel for the Employer to be necessary or desirable to effectuate the intention of the Retirement Plan and to comply with the requirements of the Internal Revenue Code of 1986, as amended; and further

RESOLVED: That the chief executive officer of the Employer or any other officer designated by the chief executive officer be, and each of them hereby is, authorized and empowered, for and on behalf of the Employer, to execute the Trust Agreement for the Retirement Plan and to take any and all other actions which may be necessary or desirable to effectuate the intention of the foregoing resolutions.

Respectfully submitted,

John S. Mirtle, Esq.
District Clerk

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

Commissioner Ray abstained.

PERSONNEL, PENSION AND INSURANCE COMMITTEE

APPROVAL OF EMPLOYMENT CONTRACT TERMS FOR CHIEF EXECUTIVE OFFICER

EXECUTIVE SESSION

At 6:25 P.M., Chairman DiBella requested an executive session.

On motion made by Commissioner Camilliere and duly seconded, the District Board entered into executive session in order to discuss the Employment Contract Terms for CEO.

Those in attendance during the executive session:

Commissioners Andrew Adil, Daniel Camilliere, Mary Anne Charron, Donald M. Currey, Timothy Curtis, William A. DiBella, Matthew B. Galligan, Allen Hoffman, Georgiana E. Holloway, William P. Horan, Kathleen J. Kowalyshyn, Joseph H. Kronen, Maureen Magnan, Alphonse Marotta, James S. Needham, Mark A. Pappa, Kennard Ray, Hector Rivera, Pasquale J. Salemi, Helene Shay, Raymond Sweezy, Alvin E. Taylor, Michael A. Toppi and Richard W. Vicino; Attorneys R. Bartley Halloran, Christopher R. Stone; Charles P. Sheehan

RECONVENE

At 6:36 P.M., Chairman DiBella requested to come out of executive session and on motion made by Commissioner Magnan and duly seconded, the District Board came out of executive session and reconvened. No formal action was taken.

To: District Board

BE IT HEREBY RESOLVED that the Board of Commissioners of the Metropolitan District ("Board"), upon recommendation of the Personnel, Pension and Insurance Committee of the Metropolitan District, hereby approves the contract terms and conditions for the new Chief Executive Officer attached hereto and incorporated herein by reference;

And be it further resolved that the Chairman of the Board is hereby authorized to execute an employment agreement by and between the Metropolitan District and Scott W. Jellison, as the new Chief Executive Officer, containing the terms and conditions so approved, and as prepared by Assistant District Counsel or his designee.

Respectfully submitted,

John S. Mirtle, Esq.
District Clerk

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

**PERSONNEL, PENSION AND INSURANCE COMMITTEE
APPROVAL OF EMPLOYMENT CONTRACT TERMS FOR DISTRICT COUNSEL**

EXECUTIVE SESSION

At 6:37 P.M., Chairman DiBella requested an executive session.

On motion made by Commissioner Camilliere and duly seconded, the District Board entered into executive session in order to discuss the Employment Contract Terms for District Counsel.

Those in attendance during the executive session:

Commissioners Andrew Adil, Daniel Camilliere, Mary Anne Charron, Donald M. Currey, Timothy Curtis, William A. DiBella, Matthew B. Galligan, Allen Hoffman, Georgiana E. Holloway, William P. Horan, Kathleen J. Kowalyshyn, Joseph H. Kronen, Maureen Magnan, Alphonse Marotta, James S. Needham, Mark A. Pappa, Kennard Ray, Hector Rivera, Pasquale J. Salemi, Helene Shay, Raymond Sweezy, Alvin E. Taylor, Michael A. Toppi and Richard W. Vicino; Attorneys R. Bartley Halloran, Christopher R. Stone; Charles P. Sheehan

RECONVENE

At 6:45 P.M., Chairman DiBella requested to come out of executive session and on motion made by Commissioner Sweezy and duly seconded, the District Board came out of executive session and reconvened. No formal action was taken.

To: District Board

BE IT HEREBY RESOLVED that the Board of Commissioners of the Metropolitan District ("Board"), upon recommendation of the Personnel, Pension and Insurance Committee of the Metropolitan District, hereby approves the contract terms and conditions for the full-time District Counsel attached hereto and incorporated herein by reference;

And be it further resolved that the Chairman of the Board is hereby authorized to execute an employment agreement by and between the Metropolitan District and R. Bartley Halloran, Esq., as the full-time District Counsel, containing the terms and conditions so approved, and as prepared by Assistant District Counsel or his designee.

Respectfully submitted,

John S. Mirtle, Esq.
District Clerk

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

SETTLEMENT OF CLAIM RELATED TO SPINCYCLE LLC

EXECUTIVE SESSION

At 6:46 P.M., Chairman DiBella requested an executive session.

On motion made by Commissioner Magnan and duly seconded, the District Board entered into executive session in order to discuss the Settlement of Claim Related to Spincycle, LLC.

Those in attendance during the executive session:

Commissioners Andrew Adil, Daniel Camilliere, Mary Anne Charron, Donald M. Currey, Timothy Curtis, William A. DiBella, Matthew B. Galligan, Allen Hoffman, Georgiana E. Holloway, William P. Horan, Kathleen J. Kowalyshyn, Joseph H. Kronen, Maureen Magnan, Alphonse Marotta, James S. Needham, Mark A. Pappa, Kennard Ray, Hector Rivera, Pasquale J. Salemi, Helene Shay, Raymond Sweezy, Alvin E. Taylor, Michael A. Toppi and Richard W. Vicino; Attorneys R. Bartley Halloran, Christopher R. Stone and John S. Mirtle; Charles P. Sheehan

RECONVENE

At 6:49 P.M., Chairman DiBella requested to come out of executive session and on motion made by Commissioner Magnan and duly seconded, the District Board came out of executive session and reconvened. No formal action was taken.

To: District Board

BE IT HEREBY RESOLVED, that pursuant to Section B2f of the By-Laws of The Metropolitan District, the Board of Commissioners of The Metropolitan District hereby authorizes District Counsel, or his designee, to settle the subrogation claim from Liberty Mutual Insurance Corporation related to Spincycle, LLC, 190 Fenn Road, Newington, for the total sum of \$10,860.81, subject to the proper execution of any and all documents reasonably necessary to effect said settlement, including but not limited to a general release containing a confidentiality provision from the plaintiff, and formal withdrawal of said action.

Respectfully submitted,

John S. Mirtle
District Clerk

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

Commissioners Kowalyshyn abstained.

ADJOURNMENT

The meeting was adjourned at 6:51 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval