

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the accuracy of and continuing compliance by the District with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Notes may be includable in the calculation of certain taxes under the Code, as described under Appendix B "Form of Legal Opinion of Bond Counsel and Tax Exemption" herein. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.



**THE METROPOLITAN DISTRICT
HARTFORD COUNTY, CONNECTICUT
\$93,185,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES
BOOK-ENTRY-ONLY**

Dated: December 1, 2020

Due: September 1, 2021

<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP^{1,2}</u>
\$93,185,000	3.00%	0.22%	416489XP2

Underwriter

WELLS FARGO BANK, N.A.

The Notes are not subject to redemption prior to maturity.

The \$93,185,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of The Metropolitan District, Hartford County, Connecticut (the "District") and the District will pledge its full faith and credit to pay the principal and interest on the Notes when due. See "Security and Remedies" herein.

The Notes will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Principal of and interest on the Notes will be payable by the District or its agent to DTC or its nominee as registered owner of the Notes. Ownership of the Notes may be in principal amounts of \$5,000 or integral multiples thereof. See "Book-Entry-Only Transfer System" herein.

Unless paid from other sources, the Notes are payable from general tax revenues from the District's member municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (collectively, the "Member Municipalities"). See "Security and Remedies" herein.

U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut will act as Certifying Agent, Registrar, Transfer Agent, and Paying Agent for the Notes.

The Notes are offered for delivery when, as and if issued, subject to the approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in book-entry-only form will be made to DTC in New York, New York on or about December 1, 2020.

This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Notes. The District is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Notes or as indicated above.

² The deposit of the Notes with DTC under a book-entry system requires the assignment of a CUSIP number prior to delivery.

This Official Statement does not constitute an offer to sell the Notes or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any state or other jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such state or jurisdiction. No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the Notes, and, if given or made, such information or representation must not be relied upon.

The information concerning DTC and the book-entry system set forth herein under the caption “Part I – Information Concerning the Notes – Securities Information – Book-Entry-Only Transfer System” has been furnished by DTC. Such information is believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the District. All other information set forth herein has been obtained from the District and other sources (other than DTC) that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Notes made hereunder shall create under any circumstances any indication that there has been no change in the affairs of the District or DTC since the date hereof.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “anticipate,” “project,” “budget” or other similar words. Such forward-looking statements include, among others, certain statements in “Part II – Information Concerning The Metropolitan District” in this Official Statement. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the District nor any other party plans to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances upon which such statements are based occur.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

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Appendix A – Basic Financial Statements

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PART I
INFORMATION CONCERNING THE NOTES
THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT
November 17, 2020

This Official Statement including the cover, Part I, Part II and the Appendices thereto, of The Metropolitan District, Hartford County, Connecticut (the “District”) is provided for the purpose of presenting certain information relating to the District in connection with the original issuance and sale of \$93,185,000 General Obligation Bond Anticipation Notes (the “Notes”) of the District.

Part I of this Official Statement, including the cover, and Appendices thereto, contains information relating to the Notes. Part II of this Official Statement contains information about the District. The cover page, Part I, Part II and the Appendices thereto should be read collectively and in their entirety.

NOTE ISSUE SUMMARY

The information in this Note Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change

Date of Sale:	Tuesday, November 17, 2020, 11:30 A.M. (Eastern Time).
Issuer:	The Metropolitan District, Hartford County, Connecticut (the "District").
Issue:	\$93,185,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	December 1, 2020.
Interest Due:	At maturity, September 1, 2021.
Principal Due:	At maturity, September 1, 2021.
Authorization and Purpose:	The proceeds of the Notes will be used to provide funding for various sewer, water and public improvement projects of the District. See "Part I – Information Concerning the Notes - Securities Information - Authorization and Purpose" herein.
Redemption:	The Notes <u>are not</u> subject to redemption prior to maturity.
Security:	The Notes will be general obligations of the District payable, unless paid from other sources, from general tax revenues from the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, Connecticut (collectively, the "Member Municipalities"). The District is authorized to levy unlimited taxes upon the Member Municipalities comprising the District, proportionately as provided in the District's Charter (see "Part II – Information Concerning The Metropolitan District – The Issuer – Description of the District"), to pay the principal of and interest on the Notes when due. See "Part I – Information Concerning the Notes - Securities Information - Security and Remedies" herein.
Credit Ratings:	The District received a credit rating of "SP-1+" from S&P Global Ratings ("S&P") on the Notes. Currently the District has credit ratings of "Aa3" with a stable outlook from Moody's Investors Service, Inc. ("Moody's") and "AA", with a stable outlook from S&P Global Ratings ("S&P") on its outstanding general obligation bonds. See "Part I – Information Concerning the Notes - Securities Information - Ratings" herein.
Basis of Award:	Lowest Net Interest Cost (NIC), as of dated date.
Tax Exemption:	See "Part I – Information Concerning the Notes - Securities Information - Tax Matters" herein.
Bank Qualification:	The Notes <u>shall not</u> be designated by the District as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, timely notices of the occurrence of certain events, within 10 business days of the occurrence of such events, with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27 th Floor, Hartford, Connecticut.
Legal Opinion:	Shipman & Goodwin LLP, Hartford, Connecticut, will serve as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about December 1, 2020.
Issuer Official:	Questions concerning the District and the Notes should be addressed to: Christopher P. Martin, Chief Financial Officer/Treasurer, Telephone: 860-513-3345, The Metropolitan District, Hartford County, 555 Main Street, First Floor, Hartford, Connecticut 06103.
Municipal Advisor:	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Adam Krea, Director, Telephone: 401-334-4963; or Susan Caron, Vice President, Telephone: 860-290-3000.

I. SECURITIES INFORMATION

INTRODUCTION

This Official Statement, including the cover page and Appendices, is provided for the purpose of presenting certain information relating to The Metropolitan District, Hartford County, Connecticut (the “District”) in connection with the issuance of \$93,185,000 General Obligation Bond Anticipation Notes (the “Notes”) of the District.

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the Notes. Any statement made in this Official Statement involving matters of opinion or estimates is not intended to be a representation of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the District.

Hilltop Securities Inc. (“HilltopSecurities” or the “Municipal Advisor”) is engaged as Municipal Advisor to the District in connection with the issuance of the Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes. HilltopSecurities, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditor for the District with respect to the financial statements of the District included in that Appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditor has not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor has the auditor been requested to give its consent to the inclusion of its report in Appendix A. Except as stated in its report, the auditor has not been engaged to verify the financial information set out in Appendix A and is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented therein.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as its opinion in Appendix B “Form of Legal Opinion of Bond Counsel and Tax Exemption” herein), and it makes no representation that it has independently verified the same.

Bond Counsel expresses no opinion regarding any tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes other than as set forth in “Information Concerning the Notes – Securities Information - Tax Matters” herein.

The District considers this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

DESCRIPTION OF THE NOTES

The Notes will be dated December 1, 2020. The Notes will be due and payable as to both principal and interest at maturity, September 1, 2021. The Notes will be issued in denominations of \$5,000 or any integral multiples thereof. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Certifying Agent, Paying Agent, Registrar, and Transfer Agent will be U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut (email: bhcorporatetrust@usbank.com). The legal

opinion on the Notes will be rendered by Shipman & Goodwin LLP, in substantially the form set forth in Appendix B to this Official Statement.

The Notes **are not** subject to redemption prior to maturity.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

This section describes how ownership of the Notes is to be transferred and how the principal of, premium, if any, and interest on the Notes are to be paid to and accredited by DTC while the Notes are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Notes, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Notes), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each interest rate of the Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment on the Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Note certificates will be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The District will not have any responsibility or obligation to DTC Participants, Indirect Participants or Beneficial Owners with respect to the payments or providing notice to DTC Participants, Indirect Participants or Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriters take any responsibility for the accuracy thereof.

The District can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECURITY AND REMEDIES

The Notes will be general obligations of the District, and the District will pledge its full faith and credit to pay the principal of and interest on the Notes when due.

Unless paid from other sources, the Notes are payable from general tax revenues of the District from Member Municipalities. The District is authorized to levy unlimited taxes upon the Member Municipalities, comprising the District, proportionately as provided in the District's Charter, to pay the principal of and interest on the Notes, and each Member Municipality is authorized to levy *ad valorem* taxes on all taxable property within its respective limits to pay such District taxes without limitation as to rate or amount, except as to certain classified property, such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. Under existing statutes, the State of Connecticut (the "State")

is obligated to pay the Member Municipalities the amount of tax revenue which the Member Municipalities would have received except for the limitation on their power to tax such dwelling houses, subject to State appropriations of such amounts. See “Part II – Information Concerning The Metropolitan District – Tax Base Data – Tax Collection Procedure” herein.

Payment of the Notes is not limited to tax revenues of the District or any other revenue source, but certain revenues of the District are restricted as to use and therefore may not be available to pay debt service on the Notes.

There are no statutory provisions for priorities in the payment of general obligations of the District. There are no statutory provisions for a lien on any portion of the tax levy to secure the Notes, or judgments thereon, in priority to other claims. The District is authorized to issue revenue bonds for sewer or other projects, which may be secured by a pledge of certain revenues. The District has previously issued \$271,075,000 of Clean Water Project Revenue Bonds which are secured by a pledge of and payable solely from the District’s Clean Water Project Charge (previously known as the Special Sewer Service Surcharge), \$252,350,000 of which are currently outstanding.

The District is subject to suit on its general obligation debt, and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the District. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the District, and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal or interest on the debt would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and to the exercise of judicial discretion. Under the Federal Bankruptcy Code, the District may seek relief only, among other requirements, if it is specifically authorized to be a debtor under Chapter 9, Title 11 of the United States Code, or by State law or by a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy under Chapter 9, aforesaid, without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

TAXES – LEVY, APPORTIONMENT, COLLECTION

Under the District’s Charter established by special Connecticut legislation, the District is authorized to levy an annual tax on each of its Member Municipalities, currently payable quarterly, in the aggregate amount sufficient to meet its budgeted expenses. Historically, the District has used its taxing power to meet its sewer expenses. The tax is apportioned among the Member Municipalities on the basis of their respective receipts from direct taxation averaged over the prior three fiscal years. Because these taxes are *ad valorem* based, the District’s tax is often referred to as its “*ad valorem*” tax. If the District is not paid by a Member Municipality when due, the District is entitled to obtain the issuance of an execution against the goods and estate of the inhabitants of such Member Municipality, such execution to be directed to a marshal for the seizure and sale of such goods sufficient to produce funds for payment of the District tax.

The District has never had to execute against the goods and estates of the inhabitants of its Member Municipalities due to the fact that all tax warrants have been paid to the District when due.

The table below illustrates each Member Municipality’s budgeted 2020 and actual 2019 tax warrants from the District.

Member Municipality	Budget		Actual	
	2020	%	2019	%
Bloomfield	\$ 3,879,300	7.54	\$ 3,488,600	7.24
East Hartford	6,089,300	11.83	5,775,200	11.99
Hartford	13,035,400	25.32	12,372,000	25.69
Newington	4,623,100	8.98	4,318,900	8.97
Rocky Hill	3,144,100	6.11	2,909,600	6.04
West Hartford	11,852,100	23.02	11,034,500	22.93
Wethersfield	4,240,800	8.24	3,979,400	8.26
Windsor	4,611,600	8.96	4,274,900	8.88
Total	\$51,475,700	100.0%	\$48,153,100	100.0%

Source: District Officials

Legislation augments the position of the District with respect to collection of its taxes. Specifically, Public Act No. 17-1 (“Public Act 17-1”) establishes a State response to a default by a Member Municipality. Public Act 17-1 provides that if a Member Municipality has not met its tax obligations to the District through September 1 of a year, then State grants otherwise payable to such Member Municipality under Section 12-18b of the General Statutes will be withheld by the State. Such grants are payments in lieu of taxes for tax exempt property owned by the State and nonprofit institutions. If, by December 1 of a year, the Member Municipality has not met its tax obligation to the District in full, the State will make payment to the District of any defaulted amount by December 31 of that year. The State is authorized to retain an additional 5% of the withheld amount from what it turns over to the Member Municipality. The District has been advised by counsel that, while there is no controlling precedent, its receipt of such payments from the State should not be subject to the automatic stay provisions of the Federal Bankruptcy Code.

In addition to the District’s already existing powers outlined in its Charter, Public Act 17-1:

- Grants the District authority to levy additional taxes on the Member Municipalities during the fiscal year if a Member Municipality was late in paying, or did not pay, its tax obligations.
- Expands the District’s ability to borrow on a short-term basis to include working capital (operational) purposes, in addition to funding for capital projects, for a term up to three years.

The District believes Public Act 17-1 gives it more flexibility in dealing with issues regarding timely payment of its taxes by the Member Municipalities. For example, the following strategies would be available in the event of a delay or a default in payment:

- The District could finance its current operations with short term notes, in the expectation that the Member Municipality would cure its default or in anticipation of the receipt of defaulted amounts from the State.
- The District could establish a payment plan with a defaulting Member Municipality that could restructure the obligations, financing its current operations in the meantime with short term notes.
- The District need not address the possibility of a default by a Member Municipality in its annual budget in advance of the fact, and instead adopt a mid-year tax reflecting an actual default.
- The District could establish a payment plan for a Member Municipality in meeting a mid-year tax, such that it could be incorporated in the Member Municipality’s next annual budget, and finance its current operations in the meantime with short term notes.
- The District retains its right to collect on its tax warrants, including if necessary executing on the goods and estate of inhabitants of a defaulting Member Municipality.
- The District could rely on the receipt of a defaulting Member Municipality’s State grants payable under Section 12-18b of the General Statutes. For example, for the City of Hartford, this grant has averaged \$40 million per year over the last five fiscal years. Hartford’s District tax warrant has approximately \$13.1 million for 2020

CONSIDERATIONS FOR NOTEHOLDERS

In making an investment decision with respect to the Notes, investors should consider carefully the information in this Official Statement and, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following factors.

Global Health Emergency Risk. The spread of COVID-19, the illness caused by a new coronavirus known as SARS-CoV-2, has affected global, national, state and local economic activity. In response to the spread of the disease, national, state and local governments, businesses and other institutions, and individuals appear to be altering behaviors in a manner that may negatively impact economies. In addition, there has been significant volatility in the U.S. and global stock and bond markets that has been attributed to concerns about the spread of COVID-19. In light of concerns regarding the spread of COVID-19, on January 31, 2020, the Secretary of Health and Human Services (HHS) declared a public health emergency, under section 319 of the Public Health Service Act (42 U.S.C. 247d). On March 13, 2020, the President of the United States found and proclaimed that, beginning March 1, 2020, the COVID-19 outbreak in the United States constituted a national emergency. On March 10, 2020, the Governor of Connecticut issued declarations of public health and civil preparedness emergencies, and subsequently issued a series of executive orders implementing various actions intended to address the spread of COVID-19. Through November 2020, the District's COVID-19-related costs were less than \$200,000. The District does not currently expect to receive grants for its COVID-19 related expenses, although efforts to receive COVID-19 grant funding continue.

The District cannot predict whether consequences arising from the spread of the disease will have a material impact on its financial condition. While any material direct impact on the District is currently unknown, the District is reviewing its options for addressing certain anticipated effects of the spread of COVID-19 that may impact its operations and finances.

The City of Hartford's financial condition may impact the District. The City of Hartford is the most populous Member Municipality and has recently been responsible for approximately one quarter of the District's annual tax revenues. The City has paid, on time and in full, all of its tax obligations to the District to date. As noted above, the District has a number of tools available to it to manage a default by the City in meeting its future tax obligations, but it could be adversely affected by such a default. In December 2017, the City began operating under the supervision of the State's Municipal Accountability Review Board, and on May 3, 2018 adopted a five year recovery plan which includes full payment of estimated future *ad valorem* taxes to the District. The State has also agreed to pay to the City contract assistance payments each year equal to the general obligation debt service (which does not include the City's payment obligation to the District) of the City, other than with respect to certain stadium bonds. For further information, see page 62, "Part II – Information Concerning The Metropolitan District – Financial Information – The City of Hartford".

General obligation debt of a Member Municipality could be made structurally senior to its tax obligations to the District. Public Act No.17-147, effective July 7, 2017, authorizes a city or town in Connecticut to refund its outstanding indebtedness through July 1, 2022 by issuing 30 year refunding bonds, and allows the issuer by resolution to grant a statutory lien on its revenues from its tax levy and collection to secure the refunding bonds. Chapter 117 of the General Statutes also authorizes a Member Municipality to establish a property tax intercept procedure to secure its general obligation debt. Both provisions could have the effect of causing holders of such general obligation debt of the Member Municipality to have a prior claim on property tax revenues of the Member Municipality. No Member Municipality has yet granted such a lien or established such an intercept procedure. The ability of the District to collect on its tax warrants against the Member Municipality or to execute on the goods and estate of its inhabitants is not affected.

If the District fails to comply with the terms of certain Federal and State environmental orders, it could be subject to penalties or restrictions on its operations that would impair its financial performance. If the District were unable to comply with the terms of the Federal and State orders referred to under "Clean Water Project" on page 23 herein, regulators could take action to force the District to comply. This could include monetary penalties, injunctive proceedings, and amendments to these orders. These amendments could impose a requirement to proceed more swiftly in the District's efforts, and this may increase the cost of compliance. In addition, regulators could impose additional and more burdensome conditions in the District's permits, require redesign of certain aspects of the Clean Water Project or seek to prevent new connections until compliance was achieved. These steps could increase the costs of compliance and therefore increase the District's rates, adversely affect economic development, and otherwise materially adversely affect the District and its customers.

A significant portion of the District's Clean Water Project is expected to be funded through Federal and State loans and grants. The District currently expects grants and low interest loans from the State Clean Water Fund will fund 40-45% of the costs of the Clean Water Project. If the Clean Water Fund has insufficient resources to fund the Clean Water Project at this level, the District may revise or delay the Clean Water Project, or be required to issue more debt than it expects or seek other financing, which will put the District's finances under greater pressure. The Clean Water Fund receives significant funding from the State and Federal government, and a failure of the State or Federal government to continue necessary support could lead to these consequences.

The District faces declining water usage which will put upward pressure on water rates. In recent years, water consumption by the District's customers has declined, reflecting federal and state conservation efforts and declining residential usage. While the District's marginal cost of producing water is relatively low, and its supplies are ample, the actual charges to customers reflect its overall capital costs, the Clean Water Project Charge, costs of compliance and a new State water assessment. The new State water assessment, imposed on community water systems, is not to exceed \$4 per service connection annually. The District is currently studying whether to impose a sewer use charge as an alternative to some portion of its *ad valorem* charges, which might be added to water use charges based on water consumption. No determination has been made to date whether to impose a sewer use charge or how such charge would be imposed. Increased water rates may lead to further conservation efforts and declining water consumption.

The District has a significant receivable with the State representing disputed contaminated discharges. The State discharges groundwater from the Hartford landfill into the District's sewers. In 2016, the District determined this discharge to be contaminated, and began charging the State a sewer fee based on its fees for contaminated groundwater. The State has disputed these fees and has not paid them to date. The accumulated receivable to date is \$5.9 million. The District has reserved for this dispute, and such amount is reflected in its *ad valorem* levies on its Member Municipalities.

The District's ability to collect taxes from a Member Municipality would be impaired if the Member Municipality filed for bankruptcy under the Federal Bankruptcy Code. If a Member Municipality seeks protection from its creditors under the Federal Bankruptcy Code, the ability of the District to collect tax payments from the Member Municipality would be impaired. Under current State law, a municipality is prohibited from filing for bankruptcy without the express prior written consent of the Governor of the State. If such consent were granted, a bankruptcy filing likely would act as a stay of the ability of the District to enforce its right to payment, including its right to execute on the goods and estate of the inhabitants of the Member Municipality. Under such circumstances, the District might not be able to collect from the Member Municipality the full amount of taxes owed to it by the Member Municipality when due. In such event, and while a proceeding was pending, the District would have the tools discussed above under "Part I – Information Concerning the Notes – Securities Information – Taxes – Levy, Apportionment, Collection" including, for example, levying additional taxes on the other Member Municipalities to generate additional revenue. In the event that a Member Municipality is permitted to seek relief under the Federal Bankruptcy Code, it is difficult to predict whether the claim would prevail and what remedies, if any, a bankruptcy judge would permit the District to exercise. The bankruptcy case law is not fully developed in areas where a court has to consider and apply state law and to determine appropriate remedies in connection with the delivery of essential services. The same is true if the District were permitted to seek relief under the Federal Bankruptcy Code.

The District could seek protection from its creditors under the Federal Bankruptcy Code with the consent of the Governor. Under current state law, the District is prohibited from filing for bankruptcy without the consent of the Governor of the State. The operations of the District as a whole could force it to seek such protection, as have other municipal bodies in other states.

The District's infrastructure may be vulnerable to terrorism, natural disasters such as floods, and other threats that may require expensive repairs. The District's infrastructure of reservoirs, dams, pipes and treatment plants has a large footprint. Some aspects of its infrastructure are not redundant. As a result, the infrastructure could be vulnerable to failures caused by terrorism or natural disasters, such as floods. In particular, the District's Hartford wastewater treatment plant lies in a flood zone protected by levees. The Army Corps of Engineers has identified vulnerabilities in these levees, which are maintained by other governmental entities and not by the District. If the levees were to fail during a flood event, the Hartford wastewater treatment plant could be damaged and require extensive emergency repairs, the cost of which could substantially exceed available insurance proceeds. This could have an adverse financial impact on the District, its service area and its ratepayers.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Notes **shall not** be designated by the District as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the “Code”), for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE

The District prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The District provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested. The District has adopted written disclosure procedures that it follows in the preparation of its annual information filings, material event notices and official statements.

In accordance with the requirements of Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided timely notice of the occurrence of certain events within 10 days of the occurrence of such events, with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the District and substantially in the form attached as Appendix C to this Official Statement.

The intent of such undertaking is to provide on a continuing basis the information described in the Rule. Accordingly, there is reserved the right to modify the disclosure thereunder or format thereof so long as any such modification is made in a manner consistent with the Rule. Furthermore, to the extent that the Rule no longer requires the issuers of municipal securities to provide all or any portion of such information to be provided under such undertaking, the obligation pursuant to the Rule to provide such information also shall cease immediately.

The purpose of such undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights other than the remedy of specific performance in the event of any actual failure by the District to comply with its written undertaking.

The District has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide annual financial information and event notices pursuant to the Rule. In the last five years, to the best of its knowledge, the District has not failed to comply with its obligations under its continuing disclosure agreements in all material respects.

AUTHORIZATION AND PURPOSE

The District has the power to incur indebtedness as provided by the Connecticut General Statutes and the District Charter. As of the date of this Official Statement, the District has authorized debt for various water, sewer and combined funding capital projects in the aggregate amount of \$2,422,411,903, of which \$1,646,873,843 has previously been funded, leaving a total of \$775,538,059 of authorized and unissued debt. See “Part II - Information Concerning The Metropolitan District - Debt Summary - Authorized But Unissued Debt - The District” herein.

The Notes are issued pursuant to a resolution of the Board of Commissioners of the District adopted on November 4, 2020.

The Notes are being issued to provide funding for various capital improvement projects of the District as set forth herein. See “Use of Note Proceeds” herein.

USE OF NOTE PROCEEDS

Project	Amount Authorized	Previously Bonded/Grants/ Contributions	Notes This Issue*	Authorized But Unissued
<u>Water Projects</u>				
2009 Water Treatment Facility Improvements.....	\$2,785,000	\$2,459,000	\$198,000	\$128,000
2010 Dam Safety Improvements - Res # 1.....	1,315,000	808,000	258,000	249,000
2010 General Purpose Water.....	3,251,000	2,816,320	238,000	196,680
2010 Water Main Replacement - Hartford.....	1,000,000	439,000	109,000	452,000
2010 Water Treatment Facility Upgrade Program.....	4,953,350	4,871,563	5,000	76,787
2011 Water Pump Station Improvements.....	1,200,000	818,396	50,000	331,604
2011 Water Storage Upgrades - Phase I.....	2,500,000	116,000	29,000	2,355,000
2011 Water Supply Facility & Watershed Improvements.....	1,600,000	1,515,000	46,000	39,000
2011 Water Treatment Facility Upgrades.....	1,000,000	946,000	6,000	48,000
2012 General Purpose Water.....	4,530,000	3,565,995	705,000	259,005
2012 Radio Frequency Automated Meter Reading.....	5,000,000	3,495,000	584,000	921,000
2012 Standpipe & Above Grade Storage Tank Projects.....	4,224,000	561,000	14,000	3,649,000
2012 Water Treatment Facilities Upgrade.....	2,500,000	2,190,000	6,000	304,000
2013 Asset Management Water Main Replacement.....	4,460,000	555,000	1,262,000	2,643,000
2013 General Purpose Water.....	3,860,000	3,067,000	330,000	463,000
2013 Paving Program.....	4,200,000	3,842,000	354,000	4,000
2013 Water Treatment Facility Upgrades.....	2,160,000	1,317,000	31,000	812,000
2013 Wickham Hill Basins, East Hartford.....	4,980,000	4,079,467	13,000	887,533
2014 General Purpose Water.....	3,500,000	2,942,000	340,000	218,000
2014 Kilkenny Water.....	5,000,000	3,956,000	764,000	280,000
2014 Orchard Street Water Pump Station, Glastonbury.....	3,000,000	0	83,000	2,917,000
2014 Radio Frequency Automated Meter Reading.....	5,000,000	931,000	44,000	4,025,000
2014 Transmission Main Extension - Newington.....	3,500,000	1,332,000	129,000	2,039,000
2014 Various Transmission Main Design & Construction.....	2,100,000	769,000	191,000	1,140,000
2014 Water Treatment Facilities Upgrades.....	2,300,000	1,496,000	302,000	502,000
2015 General Purpose Water Program.....	4,000,000	2,347,199	1,235,000	417,801
2015 Puddletown Booster Water Pump Station, New Hartford.....	3,300,000	504,000	10,000	2,786,000
2015 Water Treatment Facilities Upgrades.....	1,000,000	682,000	213,000	105,000
2015 WMR Bond Street Area, Hartford.....	4,400,000	2,242,805	498,000	1,659,195
2015 WMR Buckingham Street Area, Hartford.....	600,000	442,000	102,000	56,000
2015 WMR Garden Street Area, Wethersfield.....	2,000,000	1,867,194	132,000	806
2016 Bloomfield Transmission Main Extension.....	8,000,000	3,890,000	1,690,000	2,420,000
2016 General Purpose Water Program.....	3,000,000	291,000	315,000	2,394,000
2016 Water Supply Improvements - Raw Water Treatment Mains.....	500,000	6,000	431,000	63,000
2016 WMR Garden Street Area, Wethersfield.....	1,000,000	0	136,000	864,000
2017 General Purpose Water Program.....	2,000,000	904,000	462,000	634,000
2017 Hydrant Replacement Program.....	1,600,000	173,000	62,000	1,365,000
2018 General Purpose Water Program.....	2,000,000	133,000	440,000	1,427,000
2018 Paving Program & Restoration.....	4,000,000	1,732,000	251,000	2,017,000
2018 Radio Frequency Automated Meter Reading Program.....	1,000,000	344,000	177,000	479,000
2018 Water Main Replacement Program.....	5,000,000	4,066,000	933,000	1,000
2019 Bloomfield Transmission Main Extension - Phase II.....	6,000,000	1,500,000	2,717,000	1,783,000
2019 General Purpose Water Program.....	1,000,000	0	642,000	358,000
2019 Paving Program & Restoration.....	5,000,000	2,629,000	2,271,000	100,000
2019 Water Main Replacement Program.....	11,300,000	7,616,000	3,628,000	56,000
2019 Water Supply Infrastructure Rehabilitation, Upgrades.....	2,200,000	0	150,000	2,050,000
2020 District-wide Water Main Replacement Program.....	14,300,000	0	8,945,000	5,355,000
2020 Long Hill Road Water Main, E. Hartford 7 S. Windsor.....	4,000,000	0	1,400,000	2,600,000
2020 Paving Program & Restoration.....	3,000,000	0	2,000,000	1,000,000
2020 Water Main Replacements, Hartford & Wethersfield.....	12,500,000	0	3,367,000	9,133,000
Total Water Projects.....	\$182,618,350	\$80,256,939	\$38,298,000	\$64,063,411

* Reflects application of premium.

Project	Amount Authorized	Previously Bonded/Grants/ Contributions	Notes This Issue*	Authorized But Unissued
<i>Sewer Projects</i>				
2007 Wastewater Treatment Facility Security & Communication.....	\$3,200,000	\$2,536,430	\$51,000	\$612,570
2011 Sewer Pump Station Rehabilitation.....	2,000,000	1,187,000	490,000	323,000
2011 WPC Electronic Development.....	1,750,000	963,000	366,000	421,000
2011 WPC Renewal & Replacements.....	2,250,000	1,591,800	335,000	323,200
2012 Sewer Replacement - Montclair Drive, West Hartford.....	2,642,000	1,685,000	79,000	878,000
2012 WPC Renewal & Replacement.....	3,000,000	2,911,498	27,000	61,502
2013 General Purpose Sewer.....	1,920,000	1,515,000	123,000	282,000
2013 WPC Plant Infrastructure Renewal & Replacements.....	1,090,000	431,007	12,000	646,993
2014 Backwater Valve Program.....	750,000	438,000	97,000	215,000
2014 General Purpose Sewer.....	5,000,000	2,474,000	2,216,000	310,000
2014 Pump Station Upgrades - Fishfry Street, Hartford.....	1,350,000	122,000	13,000	1,215,000
2014 Sewer Rehabilitation Program.....	5,000,000	3,491,000	21,000	1,488,000
2014 Sewer Replacement - Oakwood Ave, West Hartford.....	4,100,000	220,000	302,000	3,578,000
2014 Various Sewer Pipe Replacement/Rehab.....	5,000,000	2,824,000	457,000	1,719,000
2015 Bond Street Area Sewer Rehabilitation, Hartford.....	1,400,000	106,000	940,000	354,000
2015 CCTV Generated Sewer Contracts.....	1,200,000	248,000	277,000	675,000
2015 Sanitary Sewer Easements Acquisitions & Improvements.....	3,600,000	2,516,000	24,000	1,060,000
2015 Sewer Rehabilitation Program.....	5,000,000	2,536,000	647,000	1,817,000
2015 Various Sewer Pipe Replacement/Rehab - District Wide.....	5,000,000	4,746,000	167,000	87,000
2016 Hartford WPCF - Air Permit Compliance Upgrades.....	4,500,000	242,000	310,000	3,948,000
2016 Sewer Rehabilitation Program.....	3,600,000	1,927,000	1,671,000	2,000
2016 Various Sewer Pipe Replacement/Rehab - District Wide.....	1,000,000	696,000	59,000	245,000
2016 WPC Equipment & Facilities Improvements.....	2,100,000	693,978	189,000	1,217,022
2016 WPC Plant Infrastructure Renewal & Replacements.....	3,200,000	447,333	369,000	2,383,667
2017 General Purpose Sewer.....	3,000,000	30,000	7,000	2,963,000
2017 Sanitary Sewer Easements Acquisitions & Improvements.....	1,400,000	0	416,000	984,000
2017 Sanitary Sewer Rehabilitation Program.....	3,600,000	1,823,000	422,000	1,355,000
2017 Wastewater Pump Station Upgrades.....	400,000	43,000	95,000	262,000
2018 CCTV Generated Sewer Construction.....	7,000,000	2,542,000	3,237,000	1,221,000
2018 General Purpose Sewer.....	5,000,000	0	3,067,000	1,933,000
2018 Madison Ave. Area Sewer Rehabilitation.....	2,000,000	0	259,000	1,741,000
2018 Paving Program & Restoration.....	3,000,000	1,276,000	94,000	1,630,000
2018 Sewer Rehabilitation Program.....	4,600,000	1,922,000	549,000	2,129,000
2018 Various Sewer Pipe Replacement/Rehabilitation - District Wide..	4,000,000	2,656,000	1,244,000	100,000
2018 WPC Infrastructure Rehabilitation, Upgrades & Replacements...	5,200,000	686,000	1,072,000	3,442,000
2019 General Purpose Sewer.....	1,000,000	0	159,000	841,000
2019 Paving Program & Restoration.....	3,000,000	1,430,000	1,470,000	100,000
2019 Various Sewer Pipe Replacement/Rehabilitation Program.....	5,000,000	3,970,000	968,000	62,000
2020 Hartford Large Diameter Sewer Rehabilitation.....	14,600,000	0	6,371,000	8,229,000
2020 Levee Protection System, E Hartford & Hartford.....	2,200,000	0	105,000	2,095,000
2020 Paving Program & Restoration.....	3,000,000	0	1,000,000	2,000,000
2020 Sewer Rehabilitation Program.....	3,400,000	0	1,475,000	1,925,000
2020 Various Sewer pipe Replacement/Rehabilitation.....	6,000,000	0	1,796,000	4,204,000
2020 Water Pollution Control Facilities Infrastructure Rehabilitation....	15,900,000	0	300,000	15,600,000
Total Sewer Projects.....	\$162,952,000	\$52,926,047	\$33,348,000	\$76,677,953

* Reflects application of premium.

<u>Project</u>	<u>Amount Authorized</u>	<u>Previously Bonded/Grants/ Contributions</u>	<u>Notes This Issue*</u>	<u>Authorized But Unissued</u>
<u>Combined Funding Projects</u>				
2011 Facility & Equipment Improvements.....	\$1,400,000	\$1,181,000	\$66,000	\$153,000
2011 Security & SCADA Communication.....	1,000,000	452,000	410,000	138,000
2013 Communications System Upgrades.....	1,000,000	547,000	12,000	441,000
2013 Facilities Improvement Program.....	2,000,000	1,928,000	34,000	38,000
2013 Information Technology - Applications.....	5,000,000	4,146,000	755,000	99,000
2013 Information Technology - Hardware.....	5,000,000	4,749,000	111,000	140,000
2013 Land Improvements.....	1,000,000	427,000	172,000	401,000
2016 Administrative Facilities Improvement Program.....	1,000,000	514,000	448,000	38,000
2016 Fleet Replacement.....	1,300,000	1,195,000	85,000	20,000
2016 Information Systems IT Upgrades.....	5,000,000	3,700,000	1,136,000	164,000
2017 Administration Facilities & Equipment Improvements.....	1,000,000	122,000	571,000	307,000
2017 Business Transformation.....	5,000,000	4,683,000	257,000	60,000
2017 Computerized Management System.....	1,600,000	0	28,000	1,572,000
2018 Business Transformation Project Management.....	7,500,000	5,000,000	1,645,000	855,000
2018 Fleet & Equipment Replacement.....	800,000	744,000	44,000	12,000
2019 Construction Services.....	3,500,000	1,620,000	529,000	1,351,000
2019 Engineering Services.....	2,500,000	1,782,000	515,000	203,000
2019 Fleet & Equipment Replacement & Upgrades.....	1,700,000	0	1,446,000	254,000
2019 Information Systems Upgrade.....	3,200,000	0	575,000	2,625,000
2019 Survey & Construction.....	5,000,000	2,860,000	1,323,000	817,000
2019 Technical Services.....	3,400,000	2,698,000	655,000	47,000
2020 Construction Services.....	2,000,000	0	1,400,000	600,000
2020 Engineering Services.....	4,000,000	0	3,195,000	805,000
2020 Fleet & Equipment Replacement & Upgrades.....	2,000,000	0	1,772,000	228,000
2020 Survey & Construction.....	4,500,000	0	3,270,000	1,230,000
2020 Technical Services.....	4,000,000	0	2,900,000	1,100,000
Total Combined Funding Projects.....	\$75,400,000	\$38,348,000	\$23,354,000	\$13,698,000
Total	\$420,970,350	\$171,530,986	\$95,000,000	\$154,439,364

* Reflects application of premium.

RATINGS

The District received a credit rating of “SP-1+” from S&P Global Ratings on the Notes. Currently the District has ratings of “Aa3”, with a stable outlook from Moody’s Investors Service, Inc. (“Moody’s”) and “AA”, with a stable outlook from S&P Global Ratings (“S&P”) on its outstanding general obligation bonds.

The ratings reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained from Moody’s at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007 and S&P at 55 Water Street, 45th Floor, New York, New York 10041, respectively. There is no assurance that the ratings will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agencies if in its judgment circumstances so warrant. Any such downward change in or withdrawal of ratings may have an adverse effect on the marketability or market price of the District’s bonds and notes.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, irrespective of the date on which such noncompliance occurs. The Tax Certificate, which will be executed and delivered by the District concurrently with the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Notes in order to ensure compliance with such requirements of the Code. Pursuant to the Tax Compliance Agreement, the District also covenants and agrees that it shall perform all

things necessary or appropriate under any valid provision of law to ensure interest on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the District with its covenants and the procedures relating to requirements of the Code, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax.

Ownership of the Notes may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Notes. Prospective purchasers of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Notes.

In the opinion of Bond Counsel, based on existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Prospective purchasers of the Notes are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Notes. Bond Counsel has not opined on any tax consequence not specifically stated in the opinion set forth in Appendix B.

General

The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Notes, gain from the sale or other disposition of the Notes, the market value of the Notes, or the marketability of the Notes, or otherwise prevent the owners of the Notes from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as the Notes for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Notes or the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax and financial advisors regarding such matters.

II. LEGAL AND OTHER INFORMATION

LITIGATION

On February 12, 2014, the Town of Glastonbury filed a lawsuit against the MDC in State Court seeking a declaratory judgment that the MDC charged water customers in nonmember towns an unlawful surcharge prior to 2014. The surcharge allowed the MDC to capture the proportional cost of the infrastructure utilized to provide Glastonbury and other nonmember town customers with water. The MDC believed it possessed the authority to impose and collect said surcharge.

While the Glastonbury action was pending, the State Legislature amended the MDC's charter through Special Act 14-21, which authorized the MDC to impose the surcharge on customers residing in nonmember towns, but capped the amount of the surcharge to the amount of the MDC's customer service charge. The amendment was effective January 1, 2015.

On May 12, 2016, the Superior Court concluded that Special Act 14-21 was not retroactive and the nonmember town charges imposed prior to the effective date of the Charter amendment were unlawful. The MDC appealed that decision. On March 2, 2018, the Connecticut Supreme Court affirmed the trial court ruling.

On March 6, 2018, following the Supreme Court decision, an action was filed on behalf of a proposed class of MDC water customers in the nonmember towns of Glastonbury, East Granby, Farmington and South Windsor between January 1, 2006 and October 1, 2014 (Laurie Paetzold, William Paetzold and Andrew Pinkowski v. Metropolitan District Commission). The named Plaintiffs allegedly resided in the town of Glastonbury during the relevant period and, consistent with the Supreme Court ruling, alleged that the MDC wrongfully imposed the unlawful surcharge and seek to recover damages.

The lawsuit asserted claims for breach of contract, breach of good faith and fair dealing and in the alternative, unjust enrichment. In June 2018, the MDC filed a Motion to Strike on several grounds, including failure to sufficiently allege the existence of a contract, that the MDC is entitled to governmental immunity and that the claim is untimely based on the statute of limitations. The Court held that the plaintiff sufficiently plead the existence of a contract and that the claim was not untimely. However, the Court limited the time period for recoverable damages based on a six-year statute of limitations. This reduced the relevant period of exposure to possible damages to March 2012 through October 2014. Additionally, the Court granted the MDC's motion to strike for the plaintiff's unjust enrichment and breach of the covenant of good faith and fair dealing claims.

In January 2020, the MDC and plaintiffs engaged in mediation and reached a proposed settlement of the class action suit. The MDC District Board approved the Settlement Agreement on February 10, 2020, and the Settlement Agreement has been executed by both parties. On April 21, 2020, the trial court granted a motion for preliminary approval of a class action settlement. In September 2020, the Court (Moukawsher, J.) entered an order granting final approval to the settlement. The basic terms of the settlement are that customers that paid the non-member town surcharge from March 2012 through October 2014 will either receive a credit in the amount of 103% of the surcharges paid on their current MDC water account or, if they are no longer an MDC water customer, receive a payment for 100% of the amount of the surcharges paid by the former customer. The total settlement value of all claims, including attorney's fees, is capped at \$7,680,000.00. This amount is included in the settlement liability and expense in the Water Utility Fund. Unclaimed amounts by former MDC customers will be returned to the MDC.

There are other various suits and claims pending against the District, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the District's financial position.

LEGAL MATTERS

The validity of the Notes and certain other legal matters are subject to the approving opinion of Shipman & Goodwin LLP, Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel's opinion is set forth as Appendix B hereto.

MUNICIPAL ADVISOR

HilltopSecurities is acting as Municipal Advisor to the District in connection with the Notes described in this Official Statement. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. In addition, the Municipal Advisor has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies or rating agencies. The Municipal Advisor's fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes, and receipt by the District of payment therefor. The District may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of the Note proceeds. The participation of HilltopSecurities should not be seen as a recommendation to buy or sell the Notes and investors should seek the advice of their accountants, lawyers and registered representatives for advice as appropriate.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the District and the purchaser or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Certain information herein has been derived by the District from various officials, departments and other sources and is believed by the District to be reliable, but such information, other than that obtained from official records of the District, has not been independently confirmed or verified by the District and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the District, and executed for and on behalf of the District by the following official:

**THE METROPOLITAN DISTRICT,
HARTFORD COUNTY, CONNECTICUT**

By: /s/ Christopher P. Martin

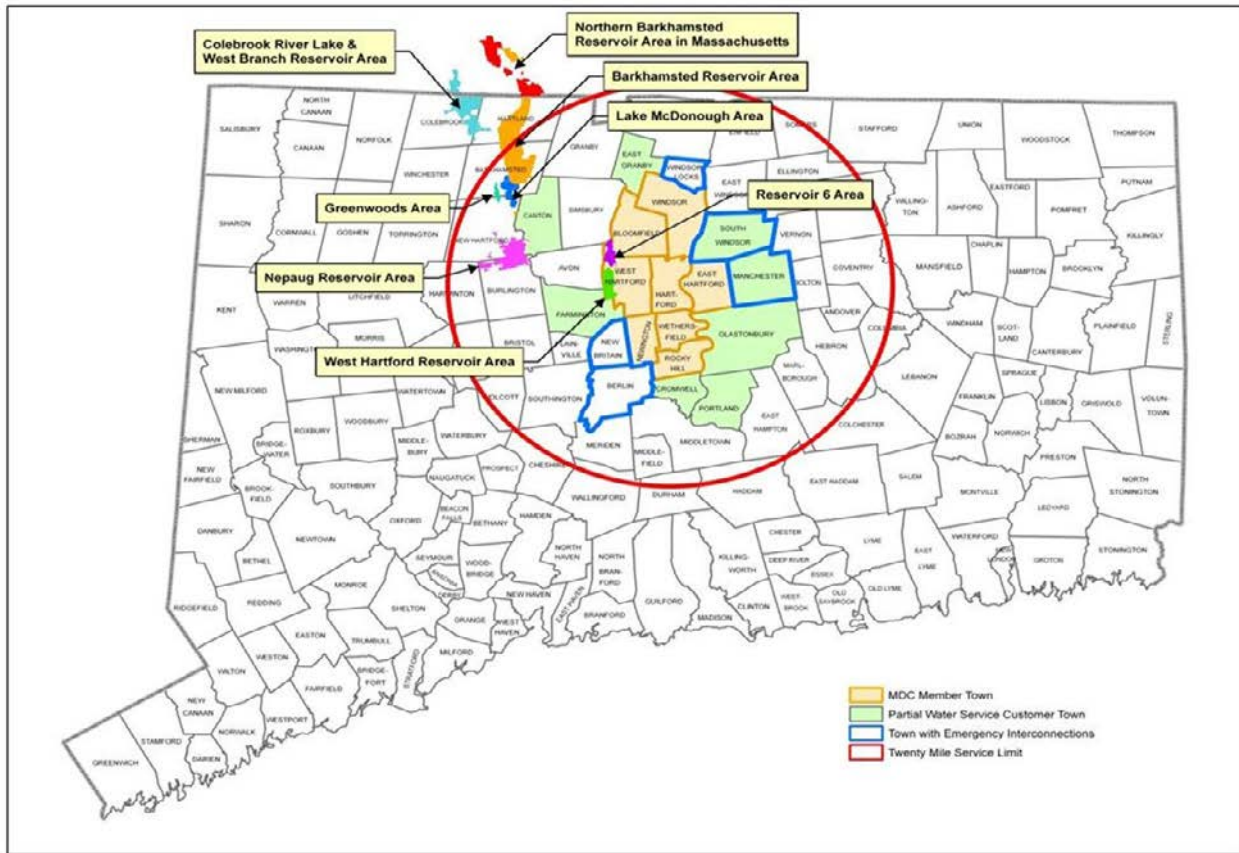
Christopher P. Martin, *Chief Financial Officer/Treasurer*

November 17, 2020

PART II
INFORMATION CONCERNING
THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT
November 17, 2020

This Part II contains information through November 17, 2020, concerning the District and includes the December 31, 2019 audited financial statements of the District prepared in accordance with generally accepted accounting principles (“GAAP”) as Appendix A. This Part II and any appendices attached thereto, should be read collectively and in their entirety.

I. THE ISSUER



DESCRIPTION OF THE DISTRICT

The District was created by the Connecticut General Assembly in 1929 and operates as a specially chartered municipal corporation of the State under Act No. 511 of the 1929 Special Acts of the State of Connecticut, as amended (the “MDC Charter” or the “District’s Charter”). The Member Municipalities incorporated in the District are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor (collectively, the “Member Municipalities”). The District’s purpose is to provide a complete, adequate and modern system of water supply and sewage collection, treatment and disposal for its Member Municipalities. Additionally, because of a Charter amendment approved by the Connecticut General Assembly in 1979, the District is also empowered to construct, maintain, and operate hydroelectric dams. The District also provides sewage disposal facilities and supplies water, under special agreements, to all or portions of several non-member municipalities as well as various State facilities. These non-member municipalities currently include Berlin, East Granby, Farmington, Glastonbury, Manchester, New Britain, Portland, South Windsor and Windsor Locks.

EFFECTS OF COVID-19 OUTBREAK

The outbreak of COVID-19, a respiratory virus caused by a new strain of coronavirus, has been declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency as a result of the COVID-19 outbreak. The U.S. Centers for Disease Control and Prevention (CDC) has warned that some areas in the United States are experiencing community spread of COVID-19 and that widespread transmission of COVID-19 in the United States is likely to continue. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide.

There can be no assurances that the ongoing impact of COVID-19 will not materially adversely affect local, State, national, and global activity; increase public health emergency response costs; and materially adversely impact the

financial condition of the District. As the situation evolves, states, municipalities, businesses and people appear to be altering behaviors in a manner that is having negative effects on global and local economies. The financial, stock and bond markets in the United States and globally have seen significant volatility attributed to COVID-19.

State and Local Efforts to Mitigate the Ongoing Impact of COVID-19

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut as a result of the COVID-19 outbreak. State agencies have been directed to use all resources necessary to prepare for and respond to the outbreak. Governor Lamont restricted social and recreational gatherings and cancelled all public school classes for all students for the 2019-2020 school year. The Governor has ordered a phased re-opening of the State, and various activities are in various stages of resumption.

On April 1, 2020, Governor Lamont issued an executive order (as subsequently amended, the “Executive Order”), which, among other things, calls for Connecticut municipalities, including Member Municipalities, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a three-month Deferment Program or a three-month Low Interest Rate Program. Both programs are applicable to amounts payable or delinquent during the period from April 1, 2020 to and including July 1, 2020 and apply to taxes on real property, personal property or motor vehicles, and water, sewer and electric rates, charges and assessments. The Deferment Program provides for a three-month deferment from the time the amount becomes due and payable. However, financial institutions and mortgage services that hold property tax payments in escrow are required to continue to remit property taxes to the municipality according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program. The Low Interest Rate Program provides for a three percent (3%) cap on the interest rate due on the principal amount of delinquent payments. The low interest period runs for three months from the date the payment is due and payable. With respect to payments delinquent on or prior to April 1, 2020, interest shall be capped at three percent (3%) for three months from April 1, 2020. Following the three-month period, the interest rate may return to that previously established. The Member Municipalities have determined their program options. The District cannot predict at this time the impact of the programs called for by the Executive Order on the Member Municipalities.

Federal Government Response to COVID-19’s Impact on the Economy

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the “CARES Act”) that provides in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion will be appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state to be based on population with a minimum payment of \$1.25 billion. In addition, the CARES Act provides \$454 billion to the Federal Reserve to purchase business, state or municipal securities in order to provide a level of liquidity to the municipal market. Other financial relief affecting states and local governments includes \$30.9 billion for education, \$10 billion for airports, \$25 billion for transit providers, and \$17 billion for housing, including \$5 billion for Community Development Block Grants for COVID-19 related services.

On March 28, 2020, President Trump approved Governor Lamont’s request for a disaster declaration for the State of Connecticut. Under the declaration, it is expected that federal funding will be made available to state, tribal and eligible local governments, including the District, and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19. The impacted agencies and towns will be reimbursed for 75 percent of the costs associated with their response and emergency protective measures.

District Efforts to Manage and Mitigate the Ongoing Impact of COVID-19

While the potential long-term impact on the District cannot be predicted at this time, the continued spread of the outbreak and any prolonged effects on the national, State and local economy could have a materially adverse affect on the District’s finances. As an essential service provider, the District has ensured that all of its business continuity planning is up to date, and being implemented appropriately, including planning related to the implementation of the CARES Act, as well as other State and Federal guidance.

The District began its response to the coronavirus pandemic in March 2020. As an essential service provider, the District began taking steps to conform to guidance from the Governor’s office, which included suspension of service shut-off and charges related to late fees on delinquent accounts. The District began coordinating with the Department of Public Health (DPH) and the CT Department of Energy and Environment Protection (DEEP) that oversee the District’s drinking and wastewater activities and began following CDC guidelines. The District closed District offices to the public except by appointment. Water and wastewater services continue to be uninterrupted. Alternating week

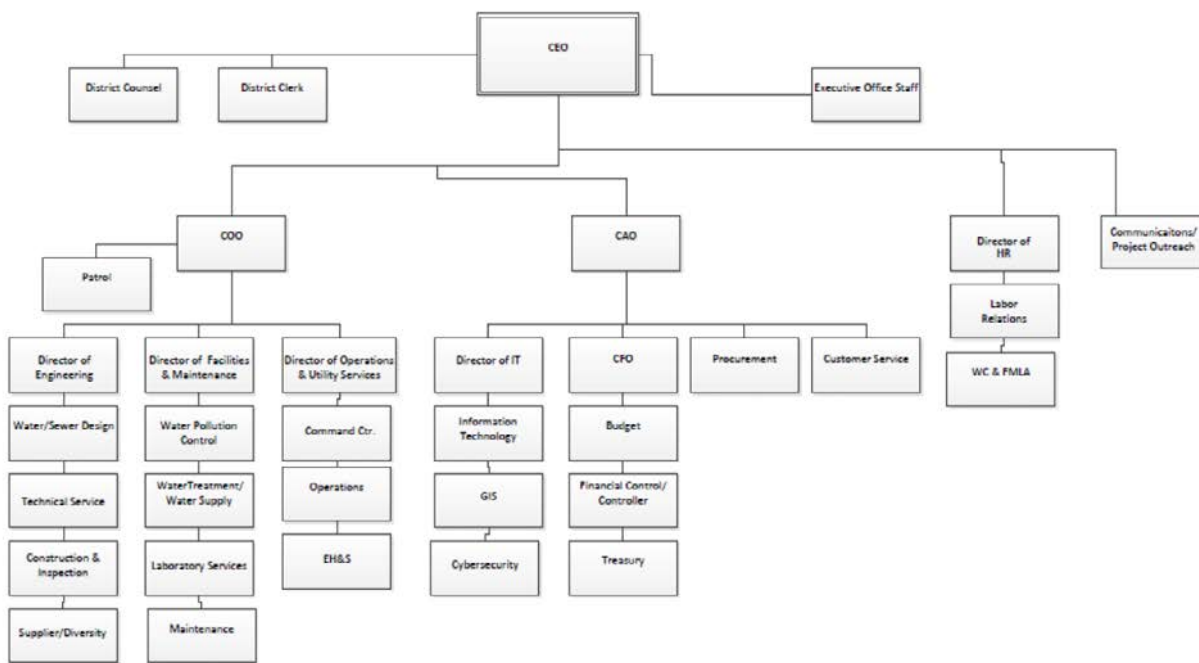
work schedules and work from home policies were implemented in mid-March, and continued until mid-June. Back to Work Plans were developed and implemented in June with the full staff reporting to work on June 15th. While working from home from mid-March to mid-June, business operations were not materially impacted. All business staff worked successfully from their remote locations with the support of the District’s secure IT environment.

The District has not experienced any significant change in collections because of issues with customer loss of employment, bankruptcies and similar financial problems. The District continues to collect over 90% of its receivables year to date. Fewer than five commercial accounts of the District have requested a payment arrangement for past due balances and none of those are considered among MDC’s larger customers. The District has seen an increase in delinquencies amounts, mostly attributable to its following the State requirement of suspending its shut-off program. The District cannot predict at this time the impact COVID-19 will ultimately have on revenue collections.

The District continues to track all costs associated with the COVID-19 pandemic including staffing costs related to the implementation of the CARES Act, as well as additional costs of personal protective equipment (“PPE”), and other related operational costs.

The potential impact of the national and State response to COVID-19 to date, and the continued spread of COVID-19 and the national and State response thereto, cannot be predicted at this time, but could have a materially adverse effect on the economies of the State and its municipalities, including the District, its finances and credit ratings.

ORGANIZATIONAL CHART



THE DISTRICT BOARD

A 33-member Board of Commissioners, referred to as the District Board, governs the District. The Member Municipalities appoint seventeen of the commissioners, eight are appointed by the Governor of the State, and four are appointed by the leadership of the Connecticut State Legislature. Four non-voting commissioners are appointed from non-member municipalities, one each from the towns of Glastonbury, South Windsor, East Granby and Farmington. Appointments made by municipalities having three or more members are subject to the minority representation provisions of Section 9-167a of the Connecticut General Statutes. All commissioners serve without remuneration for a term of six years.

DISTRIBUTION OF COMMISSION MEMBERSHIP

	Appointed By:				
	<u>Commissioners</u>	<u>Member Municipality</u>	<u>Non-Member Municipality</u>	<u>Governor</u>	<u>Connecticut State Legislature</u>
Bloomfield.....	1	1	0	0	0
East Hartford.....	3	2	0	1	0
Hartford.....	5	5	0	0	0
Newington.....	2	1	0	1	0
Rocky Hill.....	1	1	0	0	0
West Hartford.....	4	3	0	1	0
Wethersfield.....	2	1	0	1	0
Windsor.....	1	1	0	0	0
District at Large.....	4	0	0	0	4
Farmington.....	1	*	0	1	0
Glastonbury.....	1	*	0	1	0
South Windsor.....	1	*	0	1	0
East Granby.....	0	*	0	0	0
Total.....	26	15	3	4	4

*Non-voting.

POWERS AND RESPONSIBILITIES OF THE DISTRICT BOARD

The District Board is authorized to establish ordinances or bylaws; organize committees and bureaus; define the powers and duties of such bodies; fix salaries and define the duties of all officers and employees; appoint deputies to any officers or agents of the District; and issue negotiable bonds, notes or other certificates of debt to meet the cost of public improvements or to raise funds in anticipation of taxes or water revenue, which debt shall be an obligation of the District and its inhabitants. The District Board has the power to levy a tax upon the Member Municipalities to finance the operational and capital budget of the General Fund.

The District Board refers a proposed budget of revenues and expenditures to the Board of Finance annually. The Board of Finance reviews the proposed budget, makes adjustments, if desired, and refers it back to the District Board for final review, changes as necessary, and enactment.

Capital project appropriations to be financed by the issuance of bonds, notes and other obligations of the District are subject to approval of the District Board upon recommendation of the Board of Finance.

CONSUMER ADVOCATE

Public Act No. 17-1 established an Independent Consumer Advocate to act as an independent advocate for consumer interest in all matters which may affect District consumers, including, but not limited to, rates, water quality, water supply, and wastewater service quality. The Independent Consumer Advocate may appear and participate in District matters or any other federal or state regulatory or judicial proceeding in which consumers of the District are or may be involved. The Independent Consumer Advocate submits quarterly reports of his or her activities to the District, the Member Municipalities and the State Consumer Counsel. Such reports are available on the District’s website and the Consumer Counsel’s website.

ADMINISTRATION

Responsibility for the overall administration and management of District policy, operations and services rests with the Chief Executive Officer. The Chief Executive Officer has direct responsibility for the Human Resources, Communications functions and manages the remaining functions through the Chief Operating Officer (“COO”) and Chief Administrative Officer (“CAO”). The COO has responsibility for design and construction of the District’s Clean Water Project, Asset Management and capital planning programs, engineering, maintenance, operations, water pollution control, water treatment and supply, patrol and environment, and health and safety functions of the District. The CAO has responsibility for the District’s procurement, accounting, budgeting, treasury, risk management functions, information technology and customer service.

DISTRICT CHAIRS AND DISTRICT OFFICIALS

<u>Function</u>	<u>District Chairs</u>	<u>Date Term Ends</u>
District Board.....	William A. DiBella	December 2020
Water Bureau.....	Raymond Sweezy	December 2024
Bureau of Public Works.....	Richard V. Vicino	December 2021
Personnel, Pension & Insurance.....	Alvin E. Taylor	December 2021
Board of Finance.....	Pasquale J. Salemi	December 2022

<u>Position</u>	<u>District Officials</u>
Chief Executive Officer.....	Scott W. Jellison
Chief Operating Officer.....	Christopher J. Levesque
Chief Administrative Officer.....	Kelly J. Shane
District Clerk.....	John S. Mirtle
District Counsel.....	Christopher R. Stone
Chief Financial Officer/Treasurer.....	Christopher P. Martin
Director of Human Resources.....	Robert J. Zaik
Director of Engineering.....	Susan Negrelli
Controller.....	Thanh T. Phan
Director of Facilities.....	Thomas A. Tyler
Director of Information Technology.....	Robert B. Schwarm

Source: District Officials.

DISTRICT EMPLOYEES

The following table illustrates the full-time District employees for the last five fiscal years:

<u>Fiscal Year</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Employees.....	450	479	469	484	509

DISTRICT EMPLOYEES BARGAINING UNITS

<u>Bargaining Groups</u>	<u>Positions Covered</u>	<u>Contract Expiration Date</u>
Clerks, Technicians and Non-Supervisory Engineers - Local 3713...	100	December 31, 2022
Supervisors - Local 1026.....	49	December 31, 2022
Operational - Local 184.....	194	December 31, 2022
Total Union Employees.....	343	

Source: District Officials.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of an affected municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer.

DISTRICT FUNCTIONS

Principal functions of the District are the development and maintenance of sewer and water systems within the boundaries of its Member Municipalities. Additionally, as a result of Charter amendments approved by the Connecticut General Assembly, the District is also empowered to construct, maintain and operate hydroelectric dams.

The District's Bureau of Public Works is responsible for the sanitary sewer system, which includes collection, transmission and treatment of sewage from within boundaries of the Member Municipalities and treatment of sewage received from non-member municipalities per special agreement. The Bureau of Public Works is empowered to authorize the layout and construction of additions and improvements to the sewer system, assess the betterments to property abutting the sanitary sewer line, defer assessments as authorized by ordinance and act on such other matters that by District Charter, Ordinances or By-Laws, must first be voted upon by the Bureau and then referred to the District Board for final authorization. Public hearings are held as needed. The Bureau of Public Works acts as a court for the assessment of betterments and appraisal of damages. Any party claiming to be aggrieved may take an appeal to the Superior Court of the Judicial District of Hartford.

The District's Water Bureau is responsible for the water system that includes storage, transmission, treatment and distribution of water to customers. In addition, the Water Bureau is responsible for acquisition, construction and operation of hydroelectric plants. This bureau is empowered to make such bylaws or regulations for the preservation, protection and management of the water operations as may be deemed advisable. These include the power to establish rates for the use of water, and adopt rates for the assessment of benefits upon lands and buildings resulting from installation of water mains and service pipes.

Several other committees are created by the Charter or established by the District Board to carry out various other functions.

Additionally, the General Assembly of the State passed special legislation enabling the District to maintain a series of parks (developed by Riverfront Recapture) along the Connecticut River. Although the District no longer maintains Riverfront Recapture's parks some funding is provided to Riverfront Recapture through the District's water budget and recovered through water rates.

The District also engages in surveying and mapping as a service to its Member Municipalities and its own operations.

II. WATER POLLUTION CONTROL

FACILITIES FOR SEWER SERVICE As of December 31

Facilities for Sewer Service	2019	2018	2017	2016	2015
Total General Fixed Assets ¹	\$1,905,798,421	\$1,814,591,656	\$1,675,401,598	\$1,477,341,669	\$1,289,127,930
Miles of Sewers:					
Sanitary.....	1,090	1,089	1,088	1,089	1,087
Combined.....	159	159	159	159	159
Storm.....	79	79	78	79	79
Estimated Sewer Connections.....	91,208	91,037	91,011	90,728	90,566
Estimated Sewer					
Population Units:					
Estimated Population.....	364,173	364,869	364,393	365,289	366,470
Estimated Family Units Sewered.....	143,263	144,451	143,558	144,657	143,558
Present Sewage Plant Capacity:					
Design Population.....	513,900	513,900	513,900	513,900	513,900
Design Flow (million gallons daily)...	105	105	105	105	105
Average Daily Flow (million gallons)...	79	81	65	57	61

¹ Includes all physical facilities and capital projects except infrastructure, which is excluded under GAAP.
Source: District Officials.

Treatment: Water pollution control operations include the primary and secondary treatment of wastewater that flows into the facilities, septic tank loads received at the Hartford facility, and sludge delivered from regional towns. The District operates four water pollution control treatment facilities in East Hartford (12.5 million gallons per day), Rocky Hill (7.5 million gallons per day), Poquonock (5.0 million gallons per day) and Hartford (90 million gallons per day plus 110 million gallons per day through wet weather, for a total capacity of 200 million gallons per day). All treatment processes are in compliance with the District’s National Pollution Discharge Elimination permits issued by the State’s Department of Energy and Environmental Protection (“DEEP”).

Regulatory Compliance: The District entered into a consent order and a consent decree with the DEEP, the U.S. Department of Justice, and the U.S. Environmental Protection Agency to address sanitary sewer overflow, nitrogen reduction, and combined sewer overflow issues. The District has to date appropriated \$1.7588 billion for the cost of compliance. See “Part II – Information Concerning The Metropolitan District – Water Pollution Control – Clean Water Project”.

Maintenance/Replacement: The District’s maintenance of its sewer system is part of the annual sewer operational budget. The District’s replacement program is funded through appropriations under the District’s Capital Improvement Budget.

Revenue: Effective January 1, 1982, the District formally adopted the Adjusted Ad Valorem sewer user charge method of funding its sewer operations. This method of funding allocates the estimated cost of providing sewer services to customers based on actual use of the sewer system. More specifically, the Adjusted Ad Valorem sewer user charge method recovers sewer system costs from three separate user classifications: (1) low flow users (less than 25,000 gallons of discharge per day); (2) high flow users (more than 25,000 gallons per day); and (3) non-municipal tax-exempt users.

Revenue from low flow users is derived from the tax levied on the District’s Member Municipalities and is shown under the revenue item “Tax on Member Municipalities”.

Revenue from high flow users is based on actual sewer flow discharges from those users. A surcharge is levied on high flow users whose share of costs, based on flow, exceeds the portion of their annual property tax payments rendered in support of the District’s sewer system. Conversely, high flow users are eligible for year-end rebates if their user charge, based on flow, is less than the portion of the property tax they pay in support of sewer services.

Revenue from non-municipal tax-exempt properties is based on sewer flows from those properties. In addition, sewer user charge revenues from non-member municipalities, per written agreement, are based on actual sewer flows.

Cost Recovery: The District’s ability to recover costs associated with the operations of the sewer system is defined in the District Charter and Ordinances. Authority to levy a tax on the Member Municipalities and to bill a Sewer User Charge is defined in the District Charter. Specific ordinances relating to the District’s Adjusted Ad Valorem Sewer User Charge are found in the District’s General Sewer Ordinances.

**SEWER USER CHARGE
As of January 1
(Per Hundred Cubic Feet)**

2020	2019	2018	2017	2016
\$5.15	\$4.64	\$3.37	\$3.06	\$2.86

Source: District Officials.

Section 12 of the District’s Sewer Ordinances was amended on October 1, 2007 by the District Board to allow the implementation of a Clean Water Project Charge (previously the Special Sewer Service Surcharge) to fund the debt issued for the Clean Water Project. The Clean Water Project Charge was implemented in January 2008 and is used exclusively for the payment of debt service on bonds and loans issued to finance the Clean Water Project and for capital expenditures for the Clean Water Project. The District’s goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Clean Water Project Charge will not be included in the calculation of overlapping debt of the Member Municipalities. As of December 1, 2020, the District has issued \$647,995,145 as Interim Funding Obligations (the “IFO’s”) and Project Loan Obligations (the “PLO’s”) under the State’s Clean Water Fund Program associated with the Clean Water Project. See Section VIII “Debt Summary – Clean Water Fund Program”. The District has issued \$271,075,000 in Clean Water Project Revenue Bonds, of which \$252,350,000 remains outstanding. The outstanding bonds are being repaid from a portion of the Clean Water Project Charge and are not general obligations of the District. See “Clean Water Project” herein.

**CLEAN WATER PROJECT CHARGE
(PREVIOUSLY THE SPECIAL SEWER SERVICE SURCHARGE)
As of January 1
(Per Hundred Cubic Feet)**

2020	2019	2018	2017	2016
\$4.10	\$4.10	\$3.80	\$3.50	\$3.25

Source: District Officials.

CLEAN WATER PROJECT¹

The Clean Water Project addresses approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways prior to execution of the Clean Water Project. The project is in response to an Environmental Protection Agency (“EPA”) Sanitary Sewer Overflows (“SSO”) federal consent decree and a Connecticut DEEP Combined Sewer Overflows (“CSO”) consent order to achieve Federal Clean Water Act goals. The project is set forth in a Long-Term Control Plan (the “LTCP”), which is periodically revised and is subject to approval by DEEP. The District’s goal is to achieve compliance through efficient improvements to its system, maximizing funding of the project with State and Federal grants and the use of State and Federal low-cost loans, with the remainder funded with issuance of its own bonds. Project financing is expected to be repaid with the Clean Water Project Charge added to the water bills of customers in Member Municipalities who have sewage and water services from the District.

¹The Clean Water Project, so called, should not be confused with references herein to the “Clean Water Fund”, a program of the State of Connecticut to provide loans and grants to municipal entities for funding sewerage projects generally, and a source of funding for the Clean Water Project,. See “Part II – Information Concerning The Metropolitan District – Debt Summary – Clean Water Fund Program”, herein.

Evolution of the Clean Water Project

As originally conceived in 2005, and as set forth in the initial LTCP, the Clean Water Project was estimated to cost approximately \$2.1 billion, and assumed to be completed in 2021, based on assumptions about, among other things, the design as originally conceived and the pace of design and construction and regulatory review and approval. The original concept relied on sewer separation projects, control of inflow and infiltration, and capacity increases and other improvements to the District's treatment plants.

An updated LTCP was submitted to DEEP in 2012 and revised through December 2014. The revised plan de-emphasized sewer separation projects, which proved expensive in downtown areas, and added a large storage and conveyance tunnel in south Hartford (the "South Tunnel"). It also featured a large storage and conveyance tunnel to the northern part of Hartford (the "North Tunnel") and connecting to the South Tunnel which was intended to both capture overflows in the northern and central part of Hartford and also to eliminate overflows into the North Branch of the Park River. This resubmittal as approved in 2015 set out a completion of the project by 2029.

The LTCP was most recently revised and resubmitted to Connecticut DEEP in December 2018 and was resubmitted with revisions in May 2020. The resubmitted LTCP introduces the concept of an "Integrated Plan", which recognizes the District's ongoing capital improvement and maintenance program and also furthers compliance with the governmental orders, with remedies such as replacing aged and damaged pipe and other system components, coupled with cleaning and other maintenance and rehabilitation activities, thereby increasing pipe capacity to reduce overflows. The concept and guidelines for Integrated Planning were introduced and accepted by EPA in 2012 for communities dealing with CSO compliance issues while maintaining existing aging infrastructure in an affordable manner. Managing this program balances new capital expenditures with maintenance expenditures, with priorities addressed to reduce, insofar as practical, costly emergency repairs of sewer collapses and other problems. The resubmitted LTCP retains the South Tunnel which is in construction, and related improvements, which are well underway, but replaces the North Tunnel concept with a shortened downtown area tunnel and capacity improvements in the northern part of Hartford. The compliance efforts are integrated with the ongoing capital maintenance and rehabilitation program and span a 40-year term. It contemplates a compliance effort over a longer term, combines the Clean Water Project with other capital improvements that had not been considered part of the project, and continues to finance the combined effort with the Clean Water Project Charge, all with a view to achieving compliance with the governmental orders efficiently and within the context of the District's other capital improvements while implementing a more affordable economic model for the rate payers.

The resubmitted LTCP sets out several compliance options, which incorporate timing and sequencing alternatives. The option preferred by the District would achieve incremental improvements in the coming years and full compliance in 2058. Other options would achieve compliance earlier, but have overlapping elements. The District has deferred designing specific elements of the compliance options until the LTCP is approved, while work continues on the South Tunnel. The District remains committed to working with DEEP, but cannot predict when the resubmitted LTCP will be approved, or its final content.

Cost Estimates

Because the resubmitted LTCP incorporates an Integrated Plan, the nature of the Clean Water Project and its overall cost is not directly comparable to the LTCP as currently approved. Current estimates to complete the LTCP are that the Clean Water Project Charge would remain flat for the next several years and then increase to approximately \$7.40 per hundred cubic feet ("ccf") and remain at least at that level for a considerable period as the ongoing capital maintenance and rehabilitation program continues. The District Board sets the Clean Water Project Charge without the need for other approvals. The primary reasons for the increase in the Clean Water Project Charge are due to inflation of costs to complete the LTCP on a longer schedule and the inclusion of asset management projects, such as sewer lining, which previously were contemplated to be paid for through ad valorem taxes. As a result, the future increases to ad valorem taxes will be mitigated while the estimated total cost to the rate payers for both the Clean Water Project Charge and ad valorem taxes remain about the same on average. This assumes a continued level of Federal and State support in the form of grants and low-cost loans consistent with the support provided to date. Other options would increase the surcharge, particularly those options that accelerate work or change the sequencing, as would a change in the level of Federal and State funding support. The District remains mindful of maintaining an overall level of affordability for rate payers of the District, and in particular the residents of Hartford, which may lead to future adjustment in the nature of the Clean Water Project and its cost and financing. No assurance can be given as to the final cost of the Clean Water Project or the precise composition of its funding.

Referendum Requirements

Generally speaking, appropriations for the cost of large projects must be approved by referendum vote of the electors of the Member Municipalities. Effective October 1, 2015, Public Act No.15-114 excludes from the referendum requirement appropriations funded by Federal or State grants. An \$800 million appropriation for the Clean Water Project was approved at referendum on November 7, 2006. An appropriation for an additional \$800 million for the Clean Water Project was approved at referendum on November 6, 2012. An appropriation of \$140 million for a grant, not requiring a referendum, was approved by the District Board on October 5, 2016. Another appropriation of \$18.8 million for a grant not requiring a referendum was approved by the District Board on September 2, 2020. The District expects to appropriate further funds for the Clean Water Project without a referendum for portions paid for by State grants.

The District expects that the treatment plant work and the South Tunnel and related improvements will be completed within existing appropriations, assuming the ongoing South Tunnel work proceeds within contemplated cost estimates and that expected grants are received. Some portion of the Integrated Plan work in the resubmitted LTCP may be undertaken within existing appropriations if future grants are received for eligible projects. Full compliance with the resubmitted LTCP will likely require submission of one or more further appropriations for approval by electors at referendum. The District has made no determination as to when an additional referendum will be held.

The District cannot give any assurances as to when the Clean Water Project will be completed or its total cost as it is highly dependent on the availability of grants and loans from the State.

III. WATER OPERATIONS

Shortly after the District was created in 1929, approval was obtained from the Connecticut General Assembly and the Member Municipalities' electorates to construct the Barkhamsted Reservoir located on the east branch of the Farmington River in the towns of Barkhamsted and Hartland. The Barkhamsted Reservoir is the largest single water supply reservoir in Connecticut and has a capacity of 30.3 billion gallons of water. The District also operates a water treatment plant facility in Bloomfield (35 million gallons per day) and West Hartford (70 million gallons per day).

The District has sought and received legislative and voter approval for various water programs, all with the basic objective of providing a water supply and water distribution system sufficient in size to meet current and anticipated future needs. The District's average level of water production for 2019 was 45.8 million gallons per day.

FACILITIES FOR WATER SERVICE As of December 31

	2019	2018	2017	2016	2015
Total Utility Plant.....	\$608,196,939	\$599,920,958	\$575,779,741	\$555,389,868	\$529,985,144
Net Addition to Plant.....	8,275,981	24,141,217	20,389,873	25,404,724	75,559,276
Miles of Water Mains.....	1,562	1,557	1,554	1,553	1,551
Gross Miles Added During Year....	3	4	1	2	2
Number of Hydrants.....	10,763	10,720	10,329	10,197	11,238
Number of Services.....	102,184	102,051	101,836	101,599	101,446
Number of Meters.....	98,250	99,946	98,239	102,987	101,400
Estimated Population Served.....	443,451	443,451	443,451	443,451	443,451

Source: District Officials.

NUMBER OF WATER CUSTOMERS As of December 31

	2019	2018	2017	2016	2015
Domestic.....	93,461	95,505	95,471	95,420	95,280
Commercial.....	5,771	5,771	5,536	5,512	5,494
Industrial.....	545	545	592	592	591
Public & Other.....	1,848	1,848	1,750	1,657	1,603
Total.....	101,625	103,669	103,349	103,181	102,968

Source: District Officials.

AVERAGE DAILY CONSUMPTION As of December 31 (Million Gallons Per Day)

	2019	2018	2017	2016	2015
Domestic.....	23.06	21.38	25.08	24.70	25.92
Commercial.....	8.35	8.43	6.47	6.38	7.86
Industrial.....	1.71	1.61	0.84	0.74	0.84
Municipal & Other.....	2.94	5.89	6.92	7.76	5.45
Total Million Gallons Per Day^{1,2}.....	36.06	37.31	39.31	39.59	40.07
Maximum Day Production.....	63.65	68.80	61.68	71.94	70.09
Minimum Day Production.....	38.94	37.84	39.15	39.90	37.57

¹ Represents net consumption billed.

² Totals may not add due to rounding.

Source: District Officials.

WATER UTILITY UNIT CHARGE
As of January 1
(Per Hundred Cubic Feet)

2020	2019	2018	2017	2016
\$3.97	\$3.50	\$3.14	\$2.77	\$2.66

Source: District Officials.

Treatment: Standards for the quality of drinking water supplied to District customers are maintained in conformity with the public health code of the Connecticut Department of Public Health and as promulgated under Federal water quality standards, under the Safe Drinking Water Act.

The District is in compliance with the Safe Drinking Water Act, also known as Public Health Code Regulation 19-13-B102, “Standards for Quality of Public Drinking Water”, and all subsequent amendments. The District has consistently pursued a policy to provide its customers a safe, potable water supply.

Maintenance/Replacement: The District’s maintenance of its water system is part of the annual water operational budget. Its replacement program is funded through appropriations under the District’s Capital Improvement Budget.

Revenue: The Public Utilities Regulatory Authority does not have jurisdiction to establish rates for the use of water. Setting of rates for the use of water is vested in the District’s Water Bureau, and as required by Charter, rates must be uniform throughout the District.

Billing Cycles: The District bills its approximately 101,625 customers on a monthly basis.

Cost Recovery: The District’s ability to recover costs associated with the operation of the water system is defined in its Charter and Ordinances. Specific ordinances relating to the above are found in Section W-I of the District’s Water Supply Ordinances.

Economic Development Rate: In March 2020, the District Board approved an Economic Development Rate that is meant to incentivize large consumption customers to utilize more water by providing a discounted water rate for users above 600,000 gallons per day (gpd) over a monthly billing cycle and a reduction of the CWPC based on actual volume discharged once consumption reaches 600,000 gpd.

IV. HYDROELECTRIC DEVELOPMENT PROGRAM

The District's current hydroelectric program was approved by the District Board on July 20, 1982 and consists of generating facilities at the Goodwin Dam in Hartland, Connecticut and at the United States Army Corps of Engineers owned Colebrook River Dam in Colebrook, Connecticut. The Goodwin station began producing power on February 5, 1986, with commercial operations commencing on April 2, 1986. The Colebrook power station began producing power in May 1988, with full commercial operation commencing later that summer.

In January 2019, the District made the final payment to the United States Army Corps of Engineers for its share of the original construction costs under the fifty (50) year amortized payment schedule. During the life of the Colebrook project, the District learned that its storage capacity for use as an emergency drinking water supply is not available during the type of drought conditions when it would be needed by the District as an emergency supply. Additionally, the District completed a life cycle analysis of the Colebrook hydroelectric facility and determined that the Colebrook hydroelectric facility is reaching the end of its useful life because the timeline to recover the costs associated with necessary repairs or upgrades is far too long to make the facility cost effective. Due to the fact that there is no emergency drinking water supply available during droughts and the hydroelectric facility is at the end of its useful life, the District informed the Army Corps of Engineers that it is in the process of decommissioning the Colebrook hydroelectric facility and will surrender its ownership share in the Colebrook River Dam.

Deregulation: The Connecticut State Legislature mandated that Eversource Energy Co. ("Eversource"), formerly known as the Connecticut Light & Power Company, divest its generating facilities and renegotiate all of its private power producer contracts. The District and Eversource negotiated a buydown agreement, effective March 1, 2001, for the original electrical power production contracts for the Colebrook and Goodwin generating facilities. The District received \$13,000,000 from the original buydown agreement.

The negotiated buydown agreement requires Eversource to purchase electricity from the District's Goodwin and Colebrook power generating facilities over the remaining life of the original contract. These contracts have now expired and the District has entered into a contract with Connecticut Municipal Electric Energy Cooperative ("CMEEC") to act as the lead market participant to assist in marketing and selling the power generated at the Goodwin and Colebrook power generating facilities at the best price. The CMEEC contract expires on January 19, 2021.

Revenues from power sales and from the buydown agreement are estimated by the District to be adequate to finance budget commitments applicable to the hydroelectric program.

Operations and Maintenance: The maintenance of the District's hydroelectric facilities is part of the annual hydroelectric budget. Appropriations for operating and maintenance expenses are established annually as part of the overall budget process, and these expenses are funded primarily from power sales and proceeds from the power sales and District buydown agreement.

V. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Town of Bloomfield				Town of East Hartford			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2018	20,952	2.3	800	2018	50,453	(1.6)	2,684
2010	20,486	4.6	782	2010	51,252	3.4	2,726
2000	19,587	0.5	748	2000	49,575	(1.7)	2,637
1990	19,483	4.7	744	1990	50,452	(4.0)	2,684
1980	18,608	1.7	710	1980	52,563	(8.7)	2,796
1970	18,301	34.4	699	1970	57,583	30.9	3,063

City of Hartford				Town of Newington			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2018	122,591	(1.8)	6,811	2018	30,323	(0.8)	2,297
2010	124,775	0.2	6,932	2010	30,562	4.3	2,315
2000	124,578	(10.8)	6,921	2000	29,306	0.3	2,220
1990	139,739	2.5	7,763	1990	29,208	1.3	2,213
1980	136,392	(13.7)	7,577	1980	28,841	10.8	2,185
1970	158,017	(2.6)	8,779	1970	26,037	47.4	1,973

Town of Rocky Hill				Town of West Hartford			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2018	20,137	2.2	1,459	2018	63,127	(0.2)	2,818
2010	19,709	9.7	1,428	2010	63,268	(0.5)	2,824
2000	17,966	8.5	1,302	2000	63,589	5.8	2,839
1990	16,554	13.7	1,200	1990	60,110	(1.9)	2,683
1980	14,559	31.1	1,055	1980	61,301	(9.9)	2,737
1970	11,103	50.0	805	1970	68,031	9.1	3,037

Town of Wethersfield				Town of Windsor			
Year	Population ¹	% Increase	Density ²	Year	Population ¹	% Increase	Density ²
2018	26,267	(1.5)	2,005	2018	28,917	(0.4)	977
2010	26,668	1.5	2,036	2010	29,044	2.9	981
2000	26,271	2.4	2,005	2000	28,237	1.5	954
1990	25,651	(1.4)	1,958	1990	27,817	10.4	940
1980	26,013	(2.4)	1,986	1980	25,204	12.0	851
1970	26,662	29.7	2,035	1970	22,502	15.6	760

¹ 1970-2010 – U.S. Department of Commerce, Bureau of Census; U.S. Census Bureau, 2014-2018 American Community Survey.

² Per square mile: Bloomfield: 26.2 square miles; East Hartford: 18.8 square miles; Hartford: 18.0 square miles; Newington: 13.2 square miles; Rocky Hill: 13.8 square miles; West Hartford: 22.4 square miles; Wethersfield: 13.1 square miles; Windsor: 29.6 square miles.

AGE DISTRIBUTION OF THE POPULATION¹

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	762	3.7%	3,406	6.7%	8,202	6.6%
5 - 19.....	2,654	12.7%	9,063	17.8%	27,929	22.5%
20 - 44.....	5,751	27.6%	18,474	36.4%	48,230	38.8%
45 - 64.....	6,245	30.0%	12,605	24.8%	27,159	21.8%
65 - 84.....	4,298	20.6%	6,205	12.2%	11,263	9.1%
85 and over.....	1,138	5.5%	1,059	2.1%	1,607	1.3%
Totals.....	20,848	100.0%	50,812	100.0%	124,390	100.0%
Median Age (years)		50.2		37.9		30.9

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,229	4.1%	1,027	5.1%	3,099	4.9%
5 - 19.....	5,111	16.9%	2,781	13.8%	12,822	20.3%
20 - 44.....	8,732	28.8%	6,573	32.6%	18,695	29.6%
45 - 64.....	8,786	29.0%	5,563	27.6%	17,200	27.2%
65 - 84.....	5,223	17.2%	3,560	17.7%	8,849	14.0%
85 and over.....	1,242	4.1%	633	3.1%	2,462	3.9%
Totals.....	30,323	100.0%	20,137	100.0%	63,127	100.0%
Median Age (years)	45.1		43.6		41.1	

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,285	4.9%	1,340	4.6%	181,224	5.1%
5 - 19.....	4,638	17.7%	5,070	17.5%	658,199	18.4%
20 - 44.....	7,249	27.6%	8,452	29.2%	1,112,310	31.1%
45 - 64.....	7,798	29.7%	8,908	30.8%	1,007,785	28.2%
65 - 84.....	4,421	16.8%	4,324	15.0%	525,451	14.7%
85 and over.....	876	3.3%	823	2.8%	87,696	2.5%
Totals.....	26,267	100.0%	28,917	100.0%	3,572,665	100.0%
Median Age (years)	44.9		43.7		41.1	

¹Totals may not add due to rounding.

Source: U.S. Census Bureau, 2014-2018 American Community Survey.

INCOME DISTRIBUTION

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	125	2.3%	522	4.3%	2,901	11.1%
10,000 - 14,999.....	99	1.8%	287	2.4%	1,270	4.8%
15,000 - 24,999.....	112	2.1%	930	7.6%	3,776	14.4%
25,000 - 34,999.....	272	5.0%	1,006	8.3%	4,459	17.0%
35,000 - 49,999.....	324	6.0%	1,404	11.5%	3,973	15.1%
50,000 - 74,999.....	989	18.2%	2,465	20.2%	4,266	16.3%
75,000 - 99,999.....	910	16.8%	1,786	14.6%	2,157	8.2%
100,000 - 149,999....	1,350	24.9%	2,372	19.5%	2,276	8.7%
150,000 - 199,999....	670	12.3%	1,000	8.2%	422	1.6%
200,000 and over.....	577	10.6%	420	3.4%	733	2.8%
Totals.....	5,428	100.0%	12,192	100.0%	26,233	100.0%

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	108	1.4%	16	0.3%	328	2.1%
10,000 - 14,999.....	107	1.4%	49	1.0%	176	1.1%
15,000 - 24,999.....	180	2.3%	105	2.1%	440	2.8%
25,000 - 34,999.....	331	4.3%	215	4.2%	558	3.6%
35,000 - 49,999.....	701	9.1%	327	6.4%	818	5.2%
50,000 - 74,999.....	1,040	13.5%	738	14.4%	1,731	11.1%
75,000 - 99,999.....	1,402	18.2%	844	16.5%	1,719	11.0%
100,000 - 149,999....	2,041	26.6%	1,332	26.0%	2,882	18.4%
150,000 - 199,999....	1,197	15.6%	682	13.3%	2,560	16.4%
200,000 and over.....	577	7.5%	813	15.9%	4,427	28.3%
Totals.....	7,684	100.0%	5,121	100.0%	15,639	100.0%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	116	1.6%	61	0.8%	23,466	2.6%
10,000 - 14,999.....	89	1.3%	55	0.7%	19,069	2.1%
15,000 - 24,999.....	165	2.3%	166	2.2%	39,140	4.4%
25,000 - 34,999.....	273	3.8%	319	4.3%	51,781	5.8%
35,000 - 49,999.....	646	9.1%	584	7.9%	76,648	8.6%
50,000 - 74,999.....	1,013	14.2%	1,262	17.0%	130,399	14.6%
75,000 - 99,999.....	1,030	14.5%	1,080	14.6%	112,887	12.7%
100,000 - 149,999....	1,932	27.2%	2,117	28.6%	179,729	20.2%
150,000 - 199,999....	881	12.4%	1,001	13.5%	108,969	12.2%
200,000 and over.....	964	13.6%	763	10.3%	149,847	16.8%
Totals.....	7,109	100.0%	7,408	100.0%	891,935	100.0%

Source: U.S. Census Bureau, 2014-2018 American Community Survey.

INCOME LEVELS

	Town of Bloomfield	Town of East Hartford	City of Hartford	Town of Newington	Town of Rocky Hill
Per Capita Income, 2018.....	\$43,010	\$28,011	\$19,215	\$39,117	\$45,689
Per Capita Income, 2010.....	\$39,738	\$24,373	\$16,798	\$32,561	\$36,021
Per Capita Income, 1999.....	\$28,843	\$21,763	\$13,428	\$26,881	\$29,701
Per Capita Income, 1989	\$22,478	\$16,575	\$11,081	\$19,668	\$21,918
Median Family Income, 2018.....	\$94,459	\$68,854	\$36,850	\$99,460	\$105,651
Median Family Income, 2010.....	\$84,583	\$57,848	\$32,820	\$80,597	\$88,750
Median Family Income, 1999.....	\$64,892	\$50,540	\$27,051	\$67,085	\$72,726
Median Family Income, 1989.....	\$56,541	\$36,584	\$24,774	\$50,916	\$56,396
Percent Below Poverty Level 2018.....	4.7%	10.1%	24.5%	3.2%	1.3%

	Town of West Hartford	Town of Wethersfield	Town of Windsor	State of Connecticut
Per Capita Income, 2018.....	\$54,601	\$43,950	\$39,725	\$44,026
Per Capita Income, 2010.....	\$43,534	\$37,329	\$35,780	\$36,775
Per Capita Income, 1999.....	\$33,468	\$28,930	\$27,633	\$28,766
Per Capita Income, 1989	\$26,943	\$22,246	\$19,592	\$20,189
Median Family Income, 2018.....	\$131,536	\$106,020	\$102,898	\$98,100
Median Family Income, 2010.....	\$102,547	\$91,563	\$90,865	\$84,170
Median Family Income, 1999.....	\$77,865	\$68,154	\$73,064	\$65,521
Median Family Income, 1989.....	\$60,518	\$53,111	\$55,400	\$49,199
Percent Below Poverty Level 2018.....	5.2%	4.2%	3.2%	7.1%

Source: U.S. Department of Commerce, Bureau of Census, 2010, 2000, and 1990; Census Bureau, 2014-2018 American Community Survey.

EDUCATIONAL ATTAINMENT
Years of School Completed Age 25 and Over

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	506	3.1%	2,804	8.2%	7,457	9.6%
9th to 12th grade.....	1,110	6.8%	3,038	8.9%	9,546	12.3%
High School graduate.....	4,598	28.1%	11,798	34.6%	28,260	36.4%
Some college, no degree.....	2,913	17.8%	6,638	19.5%	14,313	18.4%
Associate's degree	1,411	8.6%	3,264	9.6%	5,812	7.5%
Bachelor's degree.....	3,038	18.5%	4,495	13.2%	7,397	9.5%
Graduate or professional degree..	2,807	17.1%	2,091	6.1%	4,879	6.3%
Totals.....	16,383	100.0%	34,128	100.0%	77,664	100.0%
Total high school graduate or higher (%).....	90.1%		83.0%		78.1%	
Total bachelor's degree or higher (%).....	35.7%		19.3%		15.8%	

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	824	3.7%	499	3.2%	1,141	2.6%
9th to 12th grade.....	1,026	4.6%	460	3.0%	1,264	2.9%
High School graduate.....	5,766	25.9%	3,285	21.4%	5,830	13.3%
Some college, no degree.....	3,727	16.8%	2,153	14.0%	5,206	11.9%
Associate's degree	2,003	9.0%	1,318	8.6%	2,509	5.7%
Bachelor's degree.....	5,482	24.7%	4,811	31.3%	13,047	29.8%
Graduate or professional degree..	3,408	15.3%	2,845	18.5%	14,763	33.7%
Totals.....	22,236	100.0%	15,371	100.0%	43,760	100.0%
Total high school graduate or higher (%).....	91.7%		93.8%		94.4%	
Total bachelor's degree or higher (%).....	40.0%		49.8%		63.5%	

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	646	3.4%	700	3.4%	101,068	4.1%
9th to 12th grade.....	631	3.3%	851	4.1%	134,758	5.4%
High School graduate.....	4,931	25.9%	4,973	24.2%	670,519	27.1%
Some college, no degree.....	3,303	17.3%	4,024	19.6%	416,267	16.8%
Associate's degree	1,381	7.2%	1,618	7.9%	190,869	7.7%
Bachelor's degree.....	4,692	24.6%	4,845	23.6%	538,924	21.7%
Graduate or professional degree..	3,481	18.3%	3,545	17.2%	426,303	17.2%
Totals.....	19,065	100.0%	20,556	100.0%	2,478,708	100.0%
Total high school graduate or higher (%).....	93.3%		92.5%		90.5%	
Total bachelor's degree or higher (%).....	42.9%		40.8%		38.9%	

Source: U.S. Census Bureau, 2014-2018 American Community Survey.

MAJOR EMPLOYERS WITHIN THE DISTRICT

Employer	Product	Location	Estimated Number of Employees
Hartford Financial Svc Group.....	Insurance	Hartford	(5,000-9,999)
Hartford Hospital.....	Hospital	Hartford	(5,000-9,999)
Pratt & Whitney.....	Manufacturer	East Hartford	(5,000-9,999)
The Hartford.....	Insurance	Hartford	(5,000-9,999)
Aetna Inc.....	Insurance	Hartford	(1,000-4,999)
Bank Boston.....	Banks	Hartford	(1,000-4,999)
CIGNA Corp.....	Insurance	Bloomfield	(1,000-4,999)
City of Hartford.....	Municipality	Hartford	(1,000-4,999)
Connecticut Childrens Medical Ctr.	Hospital	Hartford	(1,000-4,999)
CT Dept. of Transportation.....	State of CT	Newington	(1,000-4,999)
Environmental Protection Dpt.....	State of CT	Hartford	(1,000-4,999)
Institute of Living.....	Mental Health Service	Hartford	(1,000-4,999)
Kaman Corporation.....	Aerospace Manufacturer	Bloomfield	(1,000-4,999)
Lincoln Waste Solutions.....	Waste Reduction & Disposal	Rocky Hill	(1,000-4,999)
Orthopedic Associates Surg. Ctr.....	Hospital	Rocky Hill	(1,000-4,999)
Saint Francis Hospital.....	Hospital	Hartford	(1,000-4,999)
St. Paul Travelers Co.....	Insurance	Hartford	(1,000-4,999)
Stanadyne LLC.....	Fuel Injection Equipment	Windsor	(1,000-4,999)
Talcott Resolution Life Insurance...	Insurance	Windsor	(1,000-4,999)
University of Hartford.....	University	West Hartford	(1,000-4,999)
VOYA.....	Retirement & Annuity Company	Windsor	(1,000-4,999)
Amazon Distribution Center.....	Fulfillment Center	Windsor	(500-999)
B2B Data.....	Mailing Lists	Hartford	(500-999)
Capital Community	College	Hartford	(500-999)
Coca Cola Bottling Company.....	Beverage Mfg and Distribution	East Hartford	(500-999)
Compu-Data.....	Direct Mail	Newington	(500-999)
Community Renewal Team.....	State of CT	Hartford	(500-999)
CT Department Pubic Service.....	State of CT	Hartford	(500-999)
CT Department of Public Health....	Health Care	Hartford	(500-999)
CT Dept of Labor.....	State of CT	Wethersfield	(500-999)
CT Natural Gas.....	Gas Company	East Hartford	(500-999)
Data-Mail.....	Mail Services	Newington	(500-999)
Department of Admin Services.....	State of CT	Hartford	(500-999)
Dunn Paper.....	Paper Manufacturer	East Hartford	(500-999)
Express Direct.....	Bloomfield	Direct Mail	(500-999)
GE/Alstom Power Equipment.....	Power Generation Equipment	Windsor	(500-999)
Goodwin College.....	University	East Hartford	(500-999)
Hartford Police Departmet.....	Hartford	Police	(500-999)
Hartford Healthcare At Home.....	Health Care	Wethersfield	(500-999)
Lincoln National Life Ins. Co.....	Insurance	Hartford	(500-999)
PWC.....	Accounting Firm	Hartford	(500-999)
Regional Market.....	State Agricultural Facility	Hartford	(500-999)
Revenue Services Department.....	State of CT	Hartford	(500-999)
Seabury.....	Retirement Community	Bloomfield	(500-999)
Shipman & Goodwin.....	Attorneys	Hartford	(500-999)
Trinity College.....	Schools/Universities	Hartford	(500-999)
Unicco Service Co.....	Janitor Service	East Hartford	(500-999)
Hebrow Healthcare.....	Home Healthcare	West Hartford	(500-999)
WCCT.....	Television Station & Broadcasting	Hartford	(500-999)
Walgreens.....	Distribution Center	Windsor	(500-999)
Wiremold Products, Inc.....	Manufacturing	West Hartford	(500-999)
World Class Distribution (TJ's).....	Warehouse Distribution	East Hartford	(500-999)
XL Center.....	Ticket Service	Hartford	(500-999)
Town of West Hartford.....	Municipality	West Hartford	2,026
Town of East Hartford.....	Municipality	East Hartford	1,734

Source: 2019 Audited Financial Statements of Member Municipalities; State of Connecticut Department of Labor website as of August 10, 2020 <https://www1.ctdol.state.ct.us/lmi/EmpSearchTopList.asp?intAreaType=3&intArea=3&IntTopEmployer=100> ; Bloomfield Official Statement dated January 15, 2020, Newington dated May 21, 2020, Rocky Hill dated July 15, 2020, West Hartford dated April 2, 2020 and Windsor Official Statement dated June 21, 2020

Note: The information shown above was derived from information obtained from various sources believed to be reliable as of the date provided. It should be noted the data may not reflect all consolidation or workforce reduction plans.

EMPLOYMENT BY INDUSTRY

Sector	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	24	0.2%	5	0.0%	116	0.2%
Construction.....	278	2.7%	1,410	5.4%	2,234	4.5%
Manufacturing.....	635	6.1%	2,560	9.9%	4,435	9.0%
Wholesale Trade.....	253	2.4%	649	2.5%	799	1.6%
Retail Trade.....	1,046	10.1%	3,350	12.9%	5,132	10.4%
Transportation and warehousing, and utilities....	561	5.4%	1,961	7.6%	5,036	10.2%
Information	166	1.6%	424	1.6%	637	1.3%
Finance, insurance, real estate, and rental and leasing.....	1,432	13.8%	2,220	8.6%	1,747	3.5%
Professional, scientific, management, administrative, and waste management svcs...	844	8.1%	2,176	8.4%	5,197	10.6%
Educational, health and social services.....	3,409	32.8%	6,866	26.5%	14,480	29.4%
Arts, entertainment, recreation, accommodation and food services.....	740	7.1%	1,901	7.3%	5,068	10.3%
Other services (except public administration)...	282	2.7%	1,114	4.3%	2,614	5.3%
Public Administration	710	6.8%	1,271	4.9%	1,723	3.5%
Total Labor Force, Employed.....	10,380	100.0%	25,907	100.0%	49,218	100.0%

Sector	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	22	0.1%	0	0.0%	74	0.2%
Construction.....	773	4.6%	358	3.4%	1,336	4.1%
Manufacturing.....	1,891	11.4%	821	7.7%	2,913	8.9%
Wholesale Trade.....	430	2.6%	347	3.3%	583	1.8%
Retail Trade.....	1,614	9.7%	1,002	9.4%	2,438	7.4%
Transportation and warehousing, and utilities....	496	3.0%	498	4.7%	518	1.6%
Information	312	1.9%	168	1.6%	979	3.0%
Finance, insurance, real estate, and rental and leasing.....	1,859	11.2%	1,323	12.5%	4,815	14.6%
Professional, scientific, management, administrative, and waste management svcs...	1,708	10.3%	1,842	17.4%	4,049	12.3%
Educational, health and social services.....	4,447	26.7%	2,319	21.9%	10,676	32.5%
Arts, entertainment, recreation, accommodation and food services.....	1,346	8.1%	589	5.6%	1,975	6.0%
Other services (except public administration)...	841	5.1%	627	5.9%	1,335	4.1%
Public Administration	907	5.4%	712	6.7%	1,186	3.6%
Total Labor Force, Employed.....	16,646	100.0%	10,606	100.0%	32,877	100.0%

Sector	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	56	0.4%	21	0.1%	8,346	0.5%
Construction.....	761	5.5%	653	4.2%	111,277	6.1%
Manufacturing.....	885	6.4%	1,604	10.3%	193,491	10.6%
Wholesale Trade.....	152	1.1%	318	2.0%	42,558	2.3%
Retail Trade.....	1,428	10.3%	1,275	8.2%	197,200	10.8%
Transportation and warehousing, and utilities....	526	3.8%	894	5.8%	79,814	4.4%
Information	326	2.3%	205	1.3%	36,810	2.0%
Finance, insurance, real estate, and rental and leasing.....	1,921	13.8%	1,577	10.2%	161,050	8.8%
Professional, scientific, management, administrative, and waste management svcs...	1,441	10.4%	1,729	11.1%	211,138	11.6%
Educational, health and social services.....	3,731	26.8%	4,318	27.8%	473,504	26.0%
Arts, entertainment, recreation, accommodation and food services.....	1,010	7.3%	978	6.3%	153,140	8.4%
Other services (except public administration)...	772	5.6%	971	6.3%	91,005	5.0%
Public Administration	900	6.5%	985	6.3%	63,218	3.5%
Total Labor Force, Employed.....	13,909	100.0%	15,528	100.0%	1,822,551	100.0%

Source: U.S. Census Bureau, 2014-2018 American Community Survey.

EMPLOYMENT DATA

<u>Period</u> ¹	Percentage Unemployed				
	Town of Bloomfield	Town of East Hartford	City of Hartford	Town of Newington	Town of Rocky Hill
September 2020...	8.1%	10.2%	13.6%	7.0%	5.4%
August 2020.....	8.7	11.2	14.6	7.5	6.1
July 2020.....	10.8	13.5	17.7	9.6	7.9
June 2020.....	10.5	13.2	16.3	9.8	8.1
May 2020.....	8.8	11.9	13.9	9.0	7.6
April 2020.....	6.9	9.9	11.0	7.9	6.4
March 2020.....	3.5	4.4	6.1	3.0	2.6
February 2020.....	4.3	5.2	7.2	3.7	3.1
January 2020.....	4.4	5.3	7.1	3.9	3.3
<u>Annual Average</u>					
2019.....	3.9%	4.7%	6.6%	3.4%	2.8%
2018.....	4.3	5.3	7.1	3.7	3.1
2017.....	5.2	5.7	8.2	4.1	3.6
2016.....	5.4	6.5	9.2	4.5	4.0
2015.....	6.2	7.1	10.1	4.8	4.3
2014.....	6.8	8.2	11.4	5.5	5.0
2013.....	8.2	9.6	13.5	6.6	5.8
2012.....	8.9	10.2	14.2	7.1	6.2
2011.....	9.0	10.8	14.9	7.7	6.9
2010.....	9.5	11.1	14.9	8.1	7.2

<u>Period</u> ¹	Percentage Unemployed				
	Town of West Hartford	Town of Wethersfield	Town of Windsor	Hartford Labor	State of Connecticut
September 2020...	5.8%	6.7%	8.0%	7.3%	7.5%
August 2020.....	6.3	7.4	8.5	8.0	8.2
July 2020.....	8.2	9.6	10.6	10.1	10.3
June 2020.....	8.0	9.9	10.0	9.9	10.2
May 2020.....	7.0	9.1	8.8	8.9	9.4
April 2020.....	5.7	7.7	7.2	7.6	8.0
March 2020.....	2.4	3.1	3.3	3.5	3.6
February 2020.....	3.1	3.7	4.2	4.3	4.4
January 2020.....	3.3	3.7	4.4	4.4	4.4
<u>Annual Average</u>					
2019.....	2.8%	3.2%	3.8%	3.8%	3.7%
2018.....	3.1	3.6	4.1	4.2	4.1
2017.....	3.4	4.4	4.7	4.7	4.7
2016.....	3.8	4.6	5.0	5.2	5.1
2015.....	4.2	4.9	5.4	5.7	5.7
2014.....	4.8	5.8	6.4	6.6	6.6
2013.....	5.7	6.7	7.6	7.8	7.8
2012.....	6.1	7.0	8.2	8.3	8.3
2011.....	6.6	7.8	8.4	8.8	8.8
2010.....	6.9	8.4	8.6	9.1	9.1

¹ Not seasonally adjusted.
Source: Department of Labor, State of Connecticut.

AGE DISTRIBUTION OF HOUSING

Year Built	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	572	6.3%	3,387	15.9%	18,908	35.1%
1940 to 1969.....	4,284	47.0%	12,687	59.6%	23,443	43.5%
1970 to 1979.....	1,473	16.2%	2,407	11.3%	4,616	8.6%
1980 to 1989.....	1,362	14.9%	1,700	8.0%	3,642	6.8%
1990 to 2000.....	594	6.5%	517	2.4%	1,349	2.5%
Later than 2000.....	833	9.1%	602	2.8%	1,932	3.6%
Total housing units, 2018...	9,118	100.0%	21,300	100.0%	53,890	100.0%
Percent Owner Occupied, 2018		72.4%		59.4%		23.3%

Year Built	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	1,156	9.0%	556	6.0%	7,368	28.2%
1940 to 1969.....	5,599	43.8%	2,368	25.6%	13,516	51.7%
1970 to 1979.....	2,919	22.8%	2,264	24.5%	2,198	8.4%
1980 to 1989.....	1,432	11.2%	2,175	23.5%	1,127	4.3%
1990 to 2000.....	779	6.1%	831	9.0%	634	2.4%
Later than 2000.....	901	7.0%	1,059	11.4%	1,306	5.0%
Total housing units, 2018...	12,786	100.0%	9,253	100.0%	26,149	100.0%

Year Built	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	2,157	18.9%	1,743	15.2%	337,795	22.3%
1940 to 1969.....	5,627	49.4%	4,418	38.6%	533,321	35.3%
1970 to 1979.....	1,388	12.2%	1,820	15.9%	201,360	13.3%
1980 to 1989.....	1,231	10.8%	1,768	15.4%	191,306	12.6%
1990 to 2000.....	672	5.9%	835	7.3%	115,459	7.6%
Later than 2000.....	323	2.8%	866	7.6%	133,064	8.8%
Total housing units, 2018...	11,398	100.0%	11,450	100.0%	1,512,305	100.0%
Percent Owner Occupied, 2018		78.1%		84.4%		66.3%

Source: U.S. Census Bureau, 2014-2018 American Community Survey.

HOUSING INVENTORY

Type	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	6,127	67.2%	11,485	53.9%	8,471	15.7%
1 unit attached.....	543	6.0%	1,063	5.0%	1,182	2.2%
2 to 4 units.....	903	9.9%	3,414	16.0%	19,577	36.3%
5 to 9 units.....	448	4.9%	1,025	4.8%	7,961	14.8%
10 or more units.....	1,064	11.7%	3,695	17.3%	16,699	31.0%
Mobile home, trailer, other..	33	0.4%	618	2.9%	0	0.0%
Total Inventory.....	9,118	100.0%	21,300	100.0%	53,890	100.0%

Type	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,184	64.0%	4,252	46.0%	17,425	66.6%
1 unit attached.....	1,443	11.3%	983	10.6%	949	3.6%
2 to 4 units.....	980	7.7%	1,215	13.1%	2,740	10.5%
5 to 9 units.....	691	5.4%	519	5.6%	673	2.6%
10 or more units.....	1,478	11.6%	2,284	24.7%	4,196	16.0%
Mobile home, trailer, other..	10	0.1%	0	0.0%	166	0.6%
Total Inventory.....	12,786	100.0%	9,253	100.0%	26,149	100.0%

Type	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,815	77.3%	8,839	77.2%	892,608	59.0%
1 unit attached.....	505	4.4%	749	6.5%	80,684	5.3%
2 to 4 units.....	958	8.4%	1,030	9.0%	254,856	16.9%
5 to 9 units.....	242	2.1%	394	3.4%	84,021	5.6%
10 or more units.....	878	7.7%	438	3.8%	188,025	12.4%
Mobile home, trailer, other..	0	0.0%	0	0.0%	12,111	0.8%
Total Inventory.....	11,398	100.0%	11,450	100.0%	1,512,305	100.0%

Source: U.S. Census Bureau, 2014-2018 American Community Survey.

OWNER-OCCUPIED HOUSING VALUES

Specified Owner-Occupied Units	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	86	1.4%	628	5.5%	448	4.2%
\$50,000 to \$99,999.....	287	4.6%	722	6.4%	914	8.5%
\$100,000 to \$149,999.....	753	12.1%	3,122	27.6%	2,568	23.9%
\$150,000 to \$199,999.....	1,495	24.0%	4,187	37.0%	3,723	34.7%
\$200,000 to \$299,999.....	2,211	35.4%	2,289	20.2%	1,614	15.0%
\$300,000 to \$499,999.....	1,205	19.3%	288	2.5%	1,138	10.6%
\$500,000 to \$999,999.....	164	2.6%	35	0.3%	207	1.9%
\$1,000,000 or more.....	39	0.6%	50	0.4%	130	1.2%
Totals.....	6,240	100.0%	11,321	100.0%	10,742	100.0%

Median Sales Price ¹	\$134,000	\$112,800	\$93,900
Median Sales Price ²	\$216,800	\$162,000	\$166,200

Specified Owner-Occupied Units	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	175	1.8%	131	2.4%	264	1.5%
\$50,000 to \$99,999.....	251	2.6%	140	2.5%	105	0.6%
\$100,000 to \$149,999.....	800	8.3%	458	8.3%	305	1.7%
\$150,000 to \$199,999.....	2,027	21.1%	578	10.4%	1,445	8.2%
\$200,000 to \$299,999.....	4,479	46.7%	2,341	42.3%	5,374	30.6%
\$300,000 to \$499,999.....	1,717	17.9%	1,558	28.1%	7,407	42.2%
\$500,000 to \$999,999.....	92	1.0%	331	6.0%	2,482	14.1%
\$1,000,000 or more.....	45	0.5%	0	0.0%	162	0.9%
Totals.....	9,586	100.0%	5,537	100.0%	17,544	100.0%

Median Sales Price ¹	\$144,800	\$165,400	\$176,400
Median Sales Price ²	\$232,700	\$263,000	\$329,000

Specified Owner-Occupied Units	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	123	1.5%	260	2.8%	21,254	2.3%
\$50,000 to \$99,999.....	85	1.0%	421	4.6%	29,211	3.2%
\$100,000 to \$149,999.....	400	4.7%	956	10.4%	81,446	9.0%
\$150,000 to \$199,999.....	1,551	18.3%	2,050	22.4%	139,715	15.4%
\$200,000 to \$299,999.....	3,727	44.0%	3,979	43.5%	245,801	27.1%
\$300,000 to \$499,999.....	2,281	26.9%	1,392	15.2%	240,706	26.5%
\$500,000 to \$999,999.....	290	3.4%	81	0.9%	106,993	11.8%
\$1,000,000 or more.....	8	0.1%	17	0.2%	42,008	4.6%
Totals.....	8,465	100.0%	9,156	100.0%	907,134	100.0%
Median Sales Price ¹		\$159,300		\$142,200		\$166,900
Median Sales Price ²		\$249,300		\$220,300		\$272,700

¹ Median Sales Price, U.S. Department of Commerce, Bureau of Census, 2000.

² U. S. Census Bureau, 2014-2018 American Community Survey.

Source: U. S. Census Bureau, 2014-2018 American Community Survey.

VI. TAX BASE DATA

TAX COLLECTION PROCEDURE

The method for taxing Member Municipalities is set forth in Section 3-12 of the District Charter which grants the District Board, acting on the recommendation of the Board of Finance, the power to levy tax upon the Member Municipalities sufficient to finance the District's budgeted expenses. The tax is divided among the Member Municipalities in proportion to the total revenue received yearly from direct taxation in each Member Municipality, as averaged over the prior three years.

COMPARATIVE ASSESSED VALUATIONS

Town of Bloomfield			Town of East Hartford		
Grand List of 10/1	Net Taxable Grand List	% Growth	Grand List of 10/1	Net Taxable Grand List	% Growth
2019 ¹	\$2,377,731,476	10.3%	2019	\$2,799,450,231	0.6%
2018	2,155,023,283	1.8%	2018	2,783,862,372	-1.0%
2017	2,116,863,202	4.9%	2017	2,811,967,294	2.0%
2016	2,018,358,356	-1.0%	2016 ¹	2,757,568,984	0.8%
2015	2,038,195,880	0.2%	2015	2,736,032,759	1.7%
2014 ¹	2,033,984,990	-1.6%	2014	2,689,464,641	0.1%
2013	2,067,157,242	1.7%	2013	2,687,876,591	-0.1%
2012	2,032,528,017	2.6%	2012	2,691,709,967	-0.1%
2011	1,981,916,344	1.7%	2011 ¹	2,695,242,754	-12.9%
2010	1,948,057,019	-2.1%	2010	3,095,300,382	0.1%

¹ Revaluation Year.

¹ Revaluation Year.

City of Hartford			Town of Newington		
Grand List of 10/1	Net Taxable Grand List	% Growth	Grand List of 10/1	Net Taxable Grand List	% Growth
2019	\$4,054,976,448	0.7%	2019	\$2,656,844,617	0.6%
2018	4,025,919,645	-0.9%	2018	2,640,307,103	0.6%
2017	4,061,916,449	-0.1%	2017	2,623,718,787	0.5%
2016 ¹	4,068,017,222	9.9%	2016	2,609,986,139	-0.2%
2015	3,701,904,978	2.3%	2015 ¹	2,615,695,201	2.5%
2014	3,619,341,714	2.5%	2014	2,550,822,204	0.1%
2013	3,531,344,777	1.2%	2013	2,548,042,597	0.5%
2012	3,487,781,236	2.0%	2012	2,536,619,686	-1.1%
2011 ¹	3,417,940,335	-8.6%	2011 ¹	2,564,276,354	-4.3%
2010	3,738,377,678	3.7%	2010	2,679,238,211	0.4%

¹ Revaluation Year.

¹ Revaluation Year.

Town of Rocky Hill

Grand List of 10/1	Net Taxable Grand List	% Growth
2019	\$2,235,057,168	1.2%
2018 ¹	2,208,948,420	5.5%
2017	2,094,054,395	1.6%
2016	2,061,636,790	1.4%
2015	2,033,673,437	0.8%
2014	2,018,435,060	1.5%
2013 ¹	1,988,502,360	-8.1%
2012	2,164,593,839	0.4%
2011	2,156,334,575	0.0%
2010	2,155,935,688	-2.0%

¹ Revaluation Year

Town of West Hartford

Grand List of 10/1	Net Taxable Grand List	% Growth
2019	\$6,363,394,009	0.8%
2018	6,314,734,062	0.5%
2017	6,285,118,569	0.8%
2016 ¹	6,232,711,742	4.2%
2015	5,981,347,789	0.6%
2014	5,946,170,476	0.4%
2013	5,924,661,849	0.5%
2012	5,893,896,106	0.2%
2011 ¹	5,880,331,173	16.8%
2010	5,034,401,821	0.7%

¹ Revaluation Year.

Town of Wethersfield

Grand List of 10/1	Net Taxable Grand List	% Growth
2019	\$2,337,733,183	0.7%
2018 ¹	2,321,469,775	3.1%
2017	2,251,449,143	0.4%
2016	2,242,958,976	1.3%
2015	2,214,180,160	0.0%
2014	2,213,400,730	0.3%
2013 ¹	2,205,813,324	-5.7%
2012	2,338,758,240	0.4%
2011	2,329,648,250	0.6%
2010	2,314,769,170	0.0%

¹ Revaluation Year.

Town of Windsor

Grand List of 10/1	Net Taxable Grand List	% Growth
2019	\$3,153,873,769	1.5%
2018 ¹	3,105,965,090	4.9%
2017	2,959,778,035	2.5%
2016	2,886,742,186	-1.3%
2015	2,924,503,409	2.6%
2014	2,849,933,303	0.7%
2013 ¹	2,831,162,216	-6.1%
2012	3,014,279,336	3.7%
2011	2,907,891,898	3.4%
2010	2,811,979,697	3.2%

¹ Revaluation Year.

Source: Assessor's Office, Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF BLOOMFIELD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2019
					<i>Collections 7/1/20 & 1/1/21</i>		
2019	2021	\$2,377,731,476	35.01	\$78,847,940			
2018	2020	2,155,023,283	37.46	78,744,103			
2017	2019	2,116,863,202	37.52	80,638,872	98.4%	1.6%	1.6%
2016	2018	2,018,358,356	37.56	68,644,146	98.4%	1.6%	0.5%
2015	2017	2,038,195,880	36.65	74,666,544	98.6%	1.4%	0.1%
2014	2016	2,033,984,990	36.00	73,160,192	98.7%	1.3%	0.1%
2013	2015	2,067,157,242	34.84	72,246,279	98.6%	1.4%	0.1%
2012	2014	2,032,528,017	34.85	71,075,964	98.5%	1.5%	0.0%
2011	2013	1,981,916,344	34.55	68,561,240	98.4%	1.6%	0.0%
2010	2012	1,948,057,019	33.70	65,281,933	98.7%	1.3%	0.0%

Source: Tax Collector's Office, Town of Bloomfield.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF EAST HARTFORD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2019
					Fiscal Year	End of Fiscal Year	6/30/2019
2019	2021	\$2,799,450,231	49.92	\$137,242,413	<i>Collections 7/1/20 & 1/1/21</i>		
2018	2020	2,783,862,372	49.11	133,243,506	<i>Unaudited</i>		
2017	2019	2,811,967,294	47.66	131,447,000	98.1%	1.9%	1.9%
2016	2018	2,757,568,984	47.05	127,053,000	98.0%	2.0%	0.7%
2015	2017	2,736,032,759	45.86	122,966,000	97.9%	2.1%	0.1%
2014	2016	2,689,464,641	45.86	124,388,000	97.3%	2.7%	0.0%
2013	2015	2,687,876,591	45.40	121,245,000	97.6%	2.4%	0.0%
2012	2014	2,691,709,967	43.90	117,379,000	97.9%	2.1%	0.0%
2011	2013	2,695,242,754	42.79	115,155,000	97.1%	2.9%	0.0%
2010	2012	3,095,300,382	34.42	106,016,000	97.3%	2.7%	0.0%

Source: Tax Collector's Office, Town of East Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – CITY OF HARTFORD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2019
					Fiscal Year	End of Fiscal Year	6/30/2019
2019	2021	\$4,054,976,448	74.29	\$272,347,014	<i>Collections 7/1/20 & 1/1/21</i>		
2018	2020	4,025,919,645	74.29	272,220,266	<i>Unaudited</i>		
2017	2019	4,061,916,449	74.29	279,414,000	95.3%	4.7%	4.7%
2016	2018	4,068,017,222	74.29	282,448,000	95.3%	4.7%	2.6%
2015	2017	3,701,904,978	74.29	257,563,000	95.6%	4.4%	2.0%
2014	2016	3,619,341,714	74.29	262,887,000	95.7%	4.3%	1.9%
2013	2015	3,531,344,777	76.79	253,546,000	96.0%	4.0%	1.7%
2012	2014	3,487,781,236	74.29	248,851,000	95.0%	5.0%	1.5%
2011	2013	3,417,940,335	74.29	247,520,000	94.6%	5.4%	1.5%
2010	2012	3,738,377,678	71.79	278,481,000	93.8%	6.2%	1.2%

Source: Tax Collector's Office, City of Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF NEWINGTON

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2019
					Fiscal Year	End of Fiscal Year	6/30/2019
2019	2020	\$2,656,844,617	39.28	\$102,152,232	<i>Collections 7/1/20 & 1/1/21</i>		
2018	2020	2,640,307,103	39.45	102,335,706	<i>Unaudited</i>		
2017	2019	2,623,718,787	38.50	101,640,000	99.2%	0.8%	0.8%
2016	2018	2,609,986,139	36.59	95,685,000	99.0%	1.0%	0.2%
2015	2017	2,615,695,201	35.75	93,302,000	99.3%	0.7%	0.1%
2014	2016	2,550,822,204	35.80	91,453,000	99.3%	0.7%	0.0%
2013	2015	2,548,042,597	34.77	88,599,000	99.2%	0.8%	0.0%
2012	2014	2,536,619,686	33.63	85,346,000	99.1%	0.9%	0.0%
2011	2013	2,564,276,354	32.64	82,937,000	99.3%	0.7%	0.0%
2010	2012	2,679,238,211	30.02	80,441,000	98.9%	1.1%	0.0%

Source: Tax Collector's Office, Town of Newington.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF ROCKY HILL

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2019
2019	2021	\$2,235,057,168	33.60	\$74,241,218	<i>Collections 7/1/20 & 1/1/21</i>		
2018	2020	2,208,948,420	32.50	70,993,728	<i>Unaudited</i>		
2017	2019	2,094,054,395	32.40	67,152,444	99.5%	0.5%	0.5%
2016	2018	2,061,636,790	31.60	65,812,091	99.1%	0.9%	0.2%
2015	2017	2,033,673,437	31.00	63,539,767	99.3%	0.7%	0.0%
2014	2016	2,018,435,060	29.70	60,060,008	99.3%	0.7%	0.0%
2013	2015	1,988,502,360	31.00	59,329,833	99.4%	0.6%	0.0%
2012	2014	2,164,593,839	26.60	57,774,467	99.0%	1.0%	0.0%
2011	2013	2,156,334,575	25.90	56,093,759	99.1%	0.9%	0.0%
2010	2012	2,155,935,688	24.50	52,823,294	99.0%	1.0%	0.0%

Source: Tax Collector's Office, Town of Rocky Hill.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WEST HARTFORD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2019
2019	2021	\$6,363,394,009	41.80	\$261,486,135	<i>Collections 7/1/20 & 1/1/21</i>		
2018	2020	6,314,734,062	41.80	259,053,321	<i>Unaudited</i>		
2017	2019	6,285,118,569	41.00	258,647,000	99.3%	0.7%	0.7%
2016	2018	6,232,711,742	41.04	255,988,000	99.4%	0.6%	0.2%
2015	2017	5,981,347,789	39.51	236,740,000	99.2%	0.8%	0.1%
2014	2016	5,946,170,476	38.31	229,112,000	99.3%	0.7%	0.1%
2013	2015	5,924,661,849	37.37	222,213,000	99.2%	0.8%	0.0%
2012	2014	5,893,896,106	36.30	214,310,000	99.2%	0.8%	0.0%
2011	2013	5,880,331,173	35.75	210,066,000	99.1%	0.9%	0.0%
2010	2012	5,034,401,821	39.44	199,192,000	99.1%	0.9%	0.0%

Source: Tax Collector's Office, Town of West Hartford.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WETHERSFIELD

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2019
2019	2021	\$2,337,733,183	40.21	\$92,573,385	<i>Collections 7/1/20 & 1/1/21</i>		
2018	2020	2,321,469,775	40.74	92,193,981	<i>Unaudited</i>		
2017	2019	2,251,449,143	40.78	91,511,510	99.2%	0.8%	0.8%
2016	2018	2,242,958,976	39.77	88,497,998	99.1%	0.9%	0.3%
2015	2017	2,214,180,160	38.54	85,282,173	99.2%	0.8%	0.1%
2014	2016	2,213,400,730	38.19	84,329,250	99.1%	0.9%	0.1%
2013	2015	2,205,813,324	36.74	80,862,756	99.1%	0.9%	0.1%
2012	2014	2,338,758,240	33.46	78,123,896	99.0%	1.0%	0.1%
2011	2013	2,329,648,250	32.58	75,725,740	99.0%	1.0%	0.1%
2010	2012	2,314,769,170	31.42	72,558,938	98.9%	1.1%	0.1%

Source: Tax Collector's Office, Town of Wethersfield.

PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WINDSOR

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of	Percent Annual Levy Uncollected End of	Percent Annual Levy Uncollected
					Fiscal Year	Fiscal Year	6/30/2019
2019	2021	\$3,153,873,769	33.11	\$102,182,330	<i>Collections 7/1/20 & 1/1/21</i>		
2018	2020	3,105,965,090	32.38	98,483,350	<i>Unaudited</i>		
2017	2019	2,959,778,035	32.96	98,322,429	99.0%	1.0%	1.0%
2016	2018	2,886,742,186	32.45	93,966,005	99.0%	1.0%	0.3%
2015	2017	2,924,503,409	31.52	93,031,833	99.0%	1.0%	0.0%
2014	2016	2,849,933,303	30.92	88,799,152	98.8%	1.2%	0.0%
2013	2015	2,831,162,216	30.47	86,548,952	98.8%	1.2%	0.0%
2012	2014	3,014,279,336	27.33	82,919,994	98.6%	1.4%	0.0%
2011	2013	2,907,891,898	27.95	81,403,784	98.7%	1.3%	0.0%
2010	2012	2,811,979,697	28.03	79,201,381	98.8%	1.2%	0.0%

Source: Tax Collector's Office, Town of Windsor.

TEN LARGEST TAXPAYERS – TOWN OF BLOOMFIELD^{1,2}

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Eversource.....	Utility	\$108,407,080	4.56%
HG Conn Realty Corp.....	Commercial Real Estate	56,731,260	2.39%
Church Home of Hartford Inc.....	Retirement Facility	51,030,620	2.15%
Connecticut General Life Insurance Co.....	Insurance	45,927,320	1.93%
Trader Joes East Inc.....	Shopping Center	42,713,985	1.80%
AMCAP Copaco LLC.....	Shopping Center	39,130,700	1.65%
Duncaster Inc.....	Assisted Living	38,976,110	1.64%
Metropolitan Life Insurance Co.....	Insurance	37,642,220	1.58%
Bloomfield Owner LLC.....	Real Estate	33,776,960	1.42%
Par Arbors LLC.....	Real Estate	18,013,100	0.76%
Total.....		\$472,349,355	19.87%

¹Based on a 10/1/19 Net Taxable Grand List of \$2,377,731,476.

²Totals may not add due to rounding.

Source: Town of Bloomfield.

TEN LARGEST TAXPAYERS – TOWN OF EAST HARTFORD^{1,2}

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
United Technologies Corp.....	Manufacturing	\$534,900,410	19.11%
Goodwin College.....	College	134,898,700	4.82%
Eversource.....	Utility	50,401,010	1.80%
Fremont Riverview LLC.....	Offices	35,331,610	1.26%
Connecticut Natural Gas Corp.....	Utility	32,402,360	1.16%
Merchant Group.....	Offices	28,684,680	1.02%
Coca-Cola Bottling Co.....	Beverage Mfg./Distributor	28,562,110	1.02%
Ansonia Acquisitions LLC.....	Apartments	23,742,210	0.85%
Cabela's Inc.....	Retail	20,338,520	0.73%
Colonial Rivemead MHC LLC.....	Real Estate	17,305,490	0.62%
Total.....		\$906,567,100	32.38%

¹Based on a 10/1/19 Net Taxable Grand List of \$2,799,450,231.

²Totals may not add due to rounding.

Source: Town of East Hartford.

TEN LARGEST TAXPAYERS – CITY OF HARTFORD^{1,2}

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Eversource.....	Utility	\$184,982,560	4.56%
Travelers Indemnity Co. Affiliate.....	Insurance	151,898,140	3.75%
Hartford Fire Insurance & Twin City Ins.....	Insurance	118,781,334	2.93%
Aetna Life Insurance Co. & Annuity.....	Insurance	126,412,350	3.12%
RP Asylum LLC.....	Real Estate	72,425,499	1.79%
Hartford Hospital & HHMOB Corp.....	Hospital	55,794,790	1.38%
Mac-State Square LLC.....	Office Complex	49,000,000	1.21%
LS Gold, LLC.....	Office Complex	45,007,590	1.11%
Constitution Plaza Holding LLC.....	Office Complex	41,339,460	1.02%
Hartford Steam Boiler Inspection & Ins.....	Utility	38,290,780	0.94%
Total.....		\$883,932,503	21.80%

¹ Based on a 10/1/19 Net Taxable Grand List of \$4,054,976,448.

² Totals may not add due to rounding.

Source: City of Hartford.

TEN LARGEST TAXPAYERS – TOWN OF NEWINGTON^{1,2}

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Eversource.....	Utility	\$54,563,310	2.05%
Mandell Properties.....	Printing	25,786,750	0.97%
IREIT Newington Fair LLC.....	Shopping Center	21,509,790	0.81%
Newington VF LLC.....	Shopping Center	20,300,000	0.76%
Newington Gross LLC.....	Shopping Center	19,462,690	0.73%
GKN Aerospace.....	Manufacturing	19,259,810	0.72%
TLG Newington LLC.....	Shopping Center	18,315,500	0.69%
Brixmor GA Turnpike Plaza LLC.....	Shopping Center	17,850,000	0.67%
Hayes Kaufman Newington Assoc. LLC.....	Real Estate	13,724,370	0.52%
Scelza/Landmark Cambridge/Baldwin Apts..	Apartments	13,069,520	0.49%
Total.....		\$223,841,740	8.43%

¹ Based on a 10/1/19 Net Taxable Grand List of \$2,656,844,617.

² Totals may not add due to rounding.

Source: Town of Newington.

TEN LARGEST TAXPAYERS – TOWN OF ROCKY HILL^{1,2}

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Century Hills Property Owner LLC.....	Apartments	\$41,972,350	1.88%
Connecticut Natural Gas Corporation.....	Utility	41,535,310	1.86%
RP Glenbrook LLC.....	Warehouse	31,269,490	1.40%
MKS - 500 Enterprise LLC.....	Real Estate	26,359,650	1.18%
Burris Logistics Inc.....	Real Estate	25,274,450	1.13%
Eversource.....	Utility	23,583,700	1.06%
Rocky Hill Holdings LLC.....	Real Estate	19,171,180	0.86%
Henkel Corporation.....	Manufacturer of Adhesives	16,650,680	0.74%
VTR Northeast Holdings LLC.....	Real Estate	14,237,090	0.64%
Stepney Place LLC.....	Apartments	13,966,190	0.62%
Total.....		\$254,020,090	11.37%

¹ Based on a 10/1/19 Net Taxable Grand List of \$2,235,057,168.

² Totals may not add due to rounding.

Source: Town of Rocky Hill.

TEN LARGEST TAXPAYERS – TOWN OF WEST HARTFORD^{1,2}

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Sof-Ix Blueback Square Holdings LP.....	Real Estate	\$72,984,000	1.15%
West Farms Mall.....	Shopping Mall	52,531,000	0.83%
Eversource.....	Utility	46,100,000	0.72%
FW CT - Corbins Corner.....	Retail, Office	42,378,000	0.67%
SF West Hartford Property Owner LLC.....	Real Estate	29,271,000	0.46%
Town Center West Associates.....	Office	28,069,000	0.44%
McAuley Center Incorporated.....	Assisted Living	24,529,000	0.39%
Steele Road LLC.....	Real Estate	23,426,000	0.37%
BFN Westgate LLC.....	Apartments	20,511,000	0.32%
Bishop's Corner (E&A) LLC.....	Shopping Center	18,200,000	0.29%
Total.....		\$357,999,000	5.63%

¹ Based on a 10/1/19 Net Taxable Grand List of \$6,363,394,009.

² Totals may not add due to rounding.

Source: Town of West Hartford.

TEN LARGEST TAXPAYERS – TOWN OF WETHERSFIELD^{1,2}

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Wethersfield Apartments Assoc. LLC.....	Apartments	\$23,310,000	1.00%
Executive Square LTD Partnership.....	Apartments	17,500,000	0.75%
Cedar-Jordan Lane LLC.....	Shopping Center	15,848,780	0.68%
Eversource.....	Utility	15,729,960	0.67%
Wethersfield Shopping Center LLC.....	Shopping Center	14,700,000	0.63%
100 Great Meadow Road.....	Real Estate	12,950,000	0.55%
Connecticut Natural Gas.....	Utility	12,503,700	0.53%
Goodwin Gardens LLC.....	Apartments	8,431,170	0.36%
Extra Space Properties 131 LLC.....	Real Estate	6,300,000	0.27%
Goff Brook Shoppes of Wethersfield LLC..	Shopping Center	6,090,000	0.26%
Total.....		\$133,363,610	5.70%

¹ Based on a 10/1/19 Net Taxable Grand List of \$2,337,733,183.

² Totals may not add due to rounding.

Source: Town of Wethersfield.

TEN LARGEST TAXPAYERS – TOWN OF WINDSOR^{1,2}

<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>Percent of Net Taxable Grand List</u>
Griffin Land & Affiliates.....	Real Estate	\$91,038,640	2.89%
Deka Immobilioen Investment (Amazon)....	Real Estate	90,132,814	2.86%
Eversource.....	Utility	78,160,783	2.48%
Walgreens.....	Pharmacy	74,678,362	2.37%
CIGNA.....	Insurance	66,266,003	2.10%
Voya Retirement Insurance.....	Finance	56,413,960	1.79%
Dollar Tree Distribution Inc.....	Real Estate	54,771,636	1.74%
Hartford Financial Corporation.....	Finance	53,494,859	1.70%
Cellco/Verizon Wireless.....	Information Technology	43,508,035	1.38%
Addison Property Owner LLC.....	Real Estate	31,115,350	0.99%
Total.....		\$639,580,442	20.28%

¹ Based on a 10/1/19 Net Taxable Grand List of \$3,153,873,769.

² Totals may not add due to rounding.

Source: Town of Windsor.

EQUALIZED NET GRAND LIST¹

Town of Bloomfield			Town of East Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2018	\$3,617,060,628	17.93%	2018	\$4,354,385,580	4.20%
2017	3,067,207,322	2.35%	2017	4,178,783,910	6.03%
2016	2,996,916,298	-0.76%	2016	3,940,968,591	0.95%
2015	3,020,013,609	3.92%	2015	3,903,976,521	2.78%
2014	2,906,211,229	2.42%	2014	3,798,403,109	-0.82%
2013	2,837,611,566	1.24%	2013	3,829,879,530	-2.72%
2012	2,802,966,115	8.00%	2012	3,936,906,558	2.28%
2011	2,595,430,274	-6.87%	2011	3,849,203,343	-2.96%
2010	2,786,819,016	-5.97%	2010	3,966,619,309	-7.51%
2009	2,963,847,920	-5.66%	2009	4,288,594,846	-2.31%

City of Hartford			Town of Newington		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2018	\$7,617,691,245	-0.51%	2018	\$3,992,003,012	-5.57%
2017	7,657,042,945	31.71%	2017	4,227,649,658	8.04%
2016	5,813,578,706	-17.54%	2016	3,912,907,248	4.84%
2015	7,050,499,019	8.53%	2015	3,732,257,306	-3.39%
2014	6,496,073,222	-5.55%	2014	3,863,277,039	0.74%
2013	6,877,950,983	-0.15%	2013	3,834,827,702	5.01%
2012	6,888,293,807	5.55%	2012	3,651,832,566	0.08%
2011	6,526,348,965	-8.69%	2011	3,648,904,984	-5.97%
2010	7,147,577,757	-7.34%	2010	3,880,511,002	-4.74%
2009	7,713,607,784	5.52%	2009	4,073,474,409	2.99%

Town of Rocky Hill			Town of West Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2018	\$3,156,173,943	1.72%	2018	\$9,876,620,438	2.82%
2017	3,102,901,837	2.30%	2017	9,605,646,775	7.83%
2016	3,033,011,924	-0.87%	2016	8,907,859,189	-3.72%
2015	3,059,763,412	-4.18%	2015	9,251,991,620	-0.77%
2014	3,193,390,993	12.39%	2014	9,323,512,094	1.83%
2013	2,841,314,800	2.02%	2013	9,156,172,567	1.33%
2012	2,784,951,675	1.59%	2012	9,035,908,810	7.56%
2011	2,741,368,613	-0.81%	2011	8,400,921,331	15.96%
2010	2,763,696,337	-6.61%	2010	7,244,491,864	1.50%
2009	2,959,219,154	-6.24%	2009	7,137,413,505	-4.48%

Town of Wethersfield			Town of Windsor		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2018	\$3,317,732,536	-1.82%	2018	\$4,440,713,889	-1.72%
2017	3,379,119,934	-0.40%	2017	4,518,598,159	6.51%
2016	3,392,683,688	6.86%	2016	4,242,507,812	-4.45%
2015	3,174,823,747	2.27%	2015	4,440,057,842	4.25%
2014	3,104,460,582	-1.54%	2014	4,259,039,357	5.21%
2013	3,153,114,691	0.19%	2013	4,047,961,669	0.54%
2012	3,147,128,675	0.02%	2012	4,026,160,993	0.00%
2011	3,146,435,531	0.59%	2011	4,026,157,221	0.56%
2010	3,128,048,308	-4.47%	2010	4,003,835,033	-0.89%
2009	3,274,360,078	-0.76%	2009	4,039,645,772	-5.96%

¹Totals may not add due to rounding.

Source: State of Connecticut, Office of Policy and Management.

VII. FINANCIAL INFORMATION

FISCAL YEAR

Financial information for the District for fiscal years ended December 31, 2015 through December 31, 2019 and for the Member Municipalities for fiscal years ended June 30, 2015 through June 30, 2019, was taken from audited financial statements. Budget and audited financial data for the Member Municipalities of the District was provided by the Member Municipalities.

The District's fiscal year begins January 1 and ends December 31. The fiscal year for the Member Municipalities begins July 1 and ends June 30.

BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

The District's accounting system is organized and operated on a fund accounting basis, conforming to the Charter and Ordinances of the District, the Governmental Accounting Standards Board ("GASB"), Generally Accepted Accounting Principles ("GAAP") for municipalities, and the American Institute of Certified Public Accountants industry audit guide, "Audits of State and Local Governmental Units". The District's proprietary funds apply all GASB pronouncements as well as follow pronouncements issued before November 30, 1989, unless they contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures. Please refer to Appendix A "Notes to the Financial Statements" herein for compliance and implementation details.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Actual data for the General Fund for the District and Member Municipalities is presented in this Official Statement on a modified accrual basis of accounting and a current financial resources measurement focus. Revenues are recorded when they become measurable and available to finance operations of the fiscal year and expenditures are recorded when the related liability has been incurred. Actual data for the Water Utility Fund, the Hydroelectric Fund, and the Mid-Connecticut Fund utilize the accrual basis of accounting. Revenues are recognized when they are earned and their expenses are recognized when they are incurred. Budget data for the District and all Member Municipalities are presented on a budgetary non-GAAP basis, whereby encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued; and accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year. All unencumbered budget appropriations lapse at the end of each fiscal year. Actual expenditures include current encumbrances, which method of accounting for encumbrances is different from that utilized by the GAAP accounting method.

BUDGETARY PROCEDURES

During the last quarter of the year, the ensuing year's proposed operating budget, including proposed expenditures/expenses and the means of financing them, is compiled by the Finance Department based upon estimates submitted by the various departments.

The proposed operating budget is then published in line item format in one or more local newspapers servicing the District for a period of three consecutive days, excluding holidays and Sundays. Prior to January 1, of the new year, the published budget is submitted to the District Board for acceptance and adoption.

Annual operating budgets are legally adopted for the General Fund and the Water Utility Enterprise Fund. A fund budget was adopted for the Hydroelectric Development Project. Formal budgetary integration is employed as a management control device for these funds. The unencumbered balance of appropriations in the General Fund lapses at year end. Encumbered appropriations are carried forward. Except for encumbrance accounting, the General Fund budget is prepared on a modified accrual basis. Budgetary and actual data are presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, the reconciliation of resultant basis, timing and perspective differences appear at the bottom of the actual vs. budget schedule. The legal level of budgetary control is at the functional level. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board.

Budgetary integration is employed on a continuing (project length) basis for capital projects funds, in which appropriations do not lapse at year end, but rather at the completion of the construction relating to a specific improvement project. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternately achieved through the capital budgeting processes for both CIP (general obligation) and the Clean Water Project.

Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

DEBT ADMINISTRATION POLICY

Capital appropriations require approval by a two-thirds vote of the entire District Board and by a majority of the electors of the District at a referendum with the following exceptions:

1. Capital appropriations not exceeding (calculated as of November 19, 2019) \$21,583,833.70, indexed for inflation, excluding those portions of an appropriation payable from Federal or State grants for any single item within the capital section of the budget.
2. Appropriations for any reason involving not more than \$25,000,000 in any one year for the purpose of meeting a public emergency threatening the lives, health or property of citizens of the District.
3. Construction of or leasing headquarters facilities.
4. Any public improvement all or a portion of which is to be paid for by assessments of benefits or from funds established to pay for waste or water facilities.

With the exception of the two \$800,000,000 appropriations, and bond authorizations for the District's Clean Water Project approved at referenda in November 2006 and November 2012, and supplemental \$158,800,000 appropriation of grants, which are expected to be supported by general obligation bonds, revenue bonds, and clean water fund obligations payable from the Clean Water Project Charge (previously the Special Sewer Service Surcharge) (*see "Clean Water Project" and "Authorized but Unissued Debt – The District" herein*), the District has followed a policy of financing capital expenditures by issuing general obligation bonds secured by unlimited taxes levied proportionately upon the Member Municipalities comprising the District.

In addition to taxes, certain water charges, sewer user fees, and assessments are available to repay the general obligation bonds. Sewer bonds are payable from the municipal tax levy on each Member Municipality and from sewer user charges levied on tax-exempt and high-flow users. General obligation water bonds are paid from water sale revenues. Assessable sewer construction bonds are secured by liens against assessments on benefited properties. The receipts from assessments are deposited in a separate fund, and payments for debt service on assessable sewer construction bonds are made from such fund. Hydroelectric bonds are funded from power sales revenue deposited in a separate fund, and payments of the debt service on the Hydroelectric bonds are made from said fund.

ANNUAL AUDIT

Pursuant to its Charter and Connecticut law, the District is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State's Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended December 31, 2019, the examination was conducted by the firm of Blum, Shapiro & Company, P.C., independent certified public accountants and business consultants, of West Hartford, Connecticut. The firm was appointed by the Board of Finance. See Appendix A "Basic Financial Statements".

PENSION PLAN

The District has an employee retirement system with a pension plan which was adopted January 1, 1944 and amended on January 1, 1997. The Aetna Insurance Company is the administrator of the Metropolitan District Employees' Retirement System ("MDERS"), which is a defined benefit, single employer retirement system. The MDERS provides retirement, disability and death benefits to plan members and beneficiaries.

Management of the plans rests with the Personnel, Pension and Insurance Committee ("PPI Committee"), which consists of 11 members.

The pension plan is included in the District's financial reporting entity and accounted for in the pension trust fund. The MDERS does not issue a stand-alone financial report.

Participation in the plan is immediate upon employment for all full-time employees. Vesting in benefits occurs after ten years of service. Termination of employment before that time results in forfeiture of the District's portion of the accrued benefit.

The District's PPI Committee, as provided by the District's general ordinances, establishes the benefit provisions and the employer's and employees' obligations. Any bargaining or nonbargaining unit employee who becomes totally and permanently disabled and has completed 10 years of service will receive 100% of the pension that the employee would have been entitled to. Annual pension payments are determined at 2% times years of service times final average earnings, subject to a maximum of 32 years.

Six-Year Trend Information			
Year Ended	Actuarially Determined Employer Contribution (ADEC)	Actual Contribution	% of ADEC Funded
MDC			
2015	\$5,805,223	\$6,000,000	103%
2016	\$6,361,424	\$6,361,424	100%
2017	\$5,376,378	\$6,300,000	117%
2018	\$5,647,479	\$6,500,000	115%
2019	\$6,756,345	\$5,688,000	84%
2020 ¹	\$6,756,345	\$6,640,000	98%

¹Budgeted.

The District implemented GASB Statement No. 67 effective in Fiscal Year 2014. The following net pension liability of the District at December 31, 2019, determined by an actuarial valuation as of January 1, 2019 and based on actuarial assumptions as of that date, were as follows.

GASB 67 Schedules	
Total pension liability at December 31, 2019	\$284,902,241
Plan fiduciary net position	226,786,341
District's net pension liability	\$58,115,900
Plan fiduciary net position as % of total pension liability	79.60%

The following presents the net pension liability, calculated using the discount rate of 7.00% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease	Current	1% Increase
	(6.00%)	Discount	(8.00%)
	(6.00%)	(7.00%)	(8.00%)
District Plan's net pension liability as of December 31, 2019	\$88,960,019	\$58,115,900	\$31,871,822

457(f) Nonqualified Deferred Compensation Plan

The District has a 457(f) Nonqualified Deferred Compensation Plan for certain qualified key employees as deemed eligible by the Personnel, Pension and Insurance Committee. The District will make contributions to the plan as deemed necessary. The District made no contribution to the plan during 2019.

Please refer to Appendix A “Basic Financial Statements” under section “Notes to Financial Statements - Note 4” herein for information on the District’s Pension Plan.

OTHER POST EMPLOYMENT BENEFITS

The Retiree Health Plan (“RHP”) is a single-employer defined healthcare plan and provides medical, dental and life insurance benefits to eligible retirees and their spouses. Spouses and eligible dependents are covered on medical and dental insurance only if the retiree declares at least a 90% pension annuity. District employees eligible to participate in the plan are as follows: 65 years old or 55 years old with 10 years of service or the sum of age and service is 85. Benefit provisions are established through negotiations between the District and the various unions representing the employees.

Expenses for post-employment benefits were paid out of the OPEB trust fund during fiscal year ended December 31, 2019. The plan does not issue a stand-alone financial report.

The contribution requirements of the plan members and the District are also negotiated with the various unions representing the employees. Employees hired prior to June 5, 2018 are required to contribute 5% of regular compensation and new employees hired after June 5, 2018 are required to contribute 7.5% of regular compensation.

As of January 1, 2019, all employees also contribute 1.0% of regular compensation into the OPEB Trust Fund. This fund is typically depleted by the end of the calendar year and is used to support medical costs. Since the early 1990’s, the District has embraced “self-insurance”.

Prior to June 5, 2018, the District also offered post-retirement life insurance to new bargaining unit retirees. The coverage was partially funded by retiree monthly contributions and primarily by the District. Since 2015, the non-unionized group was not provided any post-employment life insurance.

For bargaining unit retirees after June 5, 2018, the District has agreements to “buy-out” the base amount (\$5,000) and the new retiree has the option of continuing any optional life insurance but at the full group rate annually adjusted. The buy-out of the base coverage is supported by operating funds.

Finally, the District has reimbursed the cost of Medicare Part B through the retiree’s monthly pension distribution. Effective for new employees hired after June 5, 2018, the District will not reimburse this cost when the new employee ultimately retires. The reimbursement cost is covered through operating funds.

The District implemented GASB Statement No. 74 effective in Fiscal Year 2017. The following net pension liability of the District at December 31, 2019, determined by an actuarial valuation as of December 31, 2019 and based on actuarial assumptions as of that date, were as follows.

GASB 74 Schedules	
Total OPEB liability at December 31, 2019	\$374,978,887
Plan fiduciary net position	3,533,603
District's net OPEB liability	\$371,445,284
Plan fiduciary net position as % of total OPEB liability	0.95%

	1% Decrease (1.74%)	Current Discount (2.74%)	1% Increase (3.74%)
District Plan's net OPEB liability as of December 31, 2019	\$442,265,326	\$371,445,284	\$315,997,515

Please refer to Appendix A “Basic Financial Statements” under section “Notes to Financial Statements - Note 5” herein for information on the District’s Post Employment Healthcare Plan.

INVESTMENT POLICIES AND PRACTICES

Connecticut General Statutes define the legal investments available to municipalities and establish criteria for financial institutions to receive municipal deposits.

Sections 7-400 and 7-402 allow municipalities to invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government and money market mutual funds.

Sections 3-27a through 3-27i allow for the purchases of participation certificates in the Short Term Investment Fund (“STIF”) managed by the State Treasurer. STIF’s primary investment vehicles are United States Government Obligations, United States agency obligations, United States Postal Service obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts and bank acceptances.

Section 36a-330 defines the collateralization requirements and risk-based capital ratios for financial institutions to accept municipal deposits. A financial institution must collateralize varying levels of public deposits depending on its risk-based capital ratio. A qualified public depository (financial institution) must collateralize 10% of its deposits, if its risk-based capital ratio is above 10%. However, if the public depository’s risk-based capital ratio is greater or equal to 8% but less than 10%, the public depository must collateralize 25% of its total public deposits. A financial institution must provide collateral equal to 100% of its public deposits, if its risk-based capital ratio is greater than or equal to 3% but less than 8%. If the financial institution’s risk-based capital is less than 3%, the firm’s public deposits must be collateralized at 120%.

DISTRICT CASH MANAGEMENT INVESTMENT POLICY

The District’s Cash Management Investment Policy further defines the investment and deposit of District funds. This policy is the direct responsibility of the Board of Finance with oversight of the District Board. The District’s funds are deposited and invested with qualified public depositories that have a risk-based capital ratio greater than or equal to 10%. In addition, the only investments allowed under this policy are obligations of the United States and certain of its agencies, fully collateralized repurchase agreements of such investment, certificates of deposit, the State of Connecticut Short Term Investment Fund, custodial pools, investment companies or investment trusts.

The District’s Cash Management Investment Policy defines the primary objectives of investment activities as safety, liquidity and return on investment.

RISK MANAGEMENT

The District purchases commercial insurance for all risks of loss except as described in this paragraph. The District is self-insured for health care, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1.0 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

COMPENSATED ABSENCES

The District's liability for accumulated unpaid vacation, sick pay and other employee time off is accrued when incurred in governmental and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The remaining unmatured amount is recorded in the general long-term obligations account group. Accrued compensated absences as of December 31, 2019 were \$6,807,449.

**REVENUES AND APPROPRIATIONS
ADOPTED BUDGET FOR 2020**

	Adopted Budget 2020
Water Revenues	
Sale of Water.....	\$93,383,500
Other Operating Revenue.....	6,472,600
Total Operating Revenue.....	\$99,856,100
Non-Operating Revenue.....	2,282,600
Contribution from (to) Working Funds.....	0
Total Water Revenues.....	\$102,138,700
Sewer Revenues	
Tax on Member Municipalities.....	\$51,475,700
Revenue From Other Governmental Agencies.....	5,566,400
Other Sewer Revenues.....	17,414,100
Sewer User Charge Revenue.....	20,402,900
Total Operating Revenue.....	\$94,859,100
Contributions/Transfers From Other Funds.....	0
Revenue Surplus Designated from Prior Year.....	0
Total Sewer Revenues.....	\$94,859,100
Total Water and Sewer Revenues.....	\$196,997,800
Hydroelectric Revenues.....	610,300
Total Revenues and Other Financing Sources.....	\$197,608,100

	Adopted 2020		
	Water	Sewer	Total
Appropriations Water And Sewer Budgets			
District Board.....	\$ 211,900	\$ 203,600	\$ 415,500
Executive Office.....	1,541,500	1,481,100	3,022,600
Administrative Services.....	-	-	-
Legal.....	810,800	779,000	1,589,800
Human Resources.....	-	-	-
Information Technology.....	5,543,700	2,730,500	8,274,200
Finance.....	3,663,400	3,519,900	7,183,300
Environment, Health, Safety.....	486,500	467,500	954,000
Engineering and Planning.....	690,000	662,900	1,352,900
Customer Service.....	2,864,800	1,475,800	4,340,600
Operating Office.....	355,500	341,500	697,000
Operations.....	8,250,500	2,750,100	11,000,600
Laboratory Services.....	940,900	868,400	1,809,300
Water Pollution Control.....	-	17,616,800	17,616,800
Maintenance.....	5,866,400	5,636,200	11,502,600
Water Treatment & Supply.....	8,310,200	-	8,310,200
Patrol.....	1,672,100	-	1,672,100
Debt Service.....	33,825,200	36,468,600	70,293,800
Employee Benefits.....	17,202,900	14,075,100	31,278,000
General Insurance.....	3,556,000	2,370,700	5,926,700
Taxes and Fees.....	3,810,500	-	3,810,500
Special Agreements, Programs.....	2,535,900	1,431,400	3,967,300
Contingency.....	-	1,980,000	1,980,000
Riverfront Park Systems.....	-	-	-
Total Water and Sewer Budgets....	\$102,138,700	\$94,859,100	\$ 196,997,800
Hydroelectric Budget.....	610,300		610,300
Total Appropriations.....	\$102,749,000	\$94,859,100	\$ 197,608,100

**SOURCES OF FUNDS
ADOPTED BUDGET FOR 2020**

Sale of Water by User	Adopted Budget 2020
Domestic.....	33.98%
Commercial.....	6.88
Industrial.....	1.01
Public Authority.....	4.75
Other Water Companies.....	0.77
Total	47.40%
Sewer Revenues Paid By Member Municipality Tax	
Hartford.....	6.88%
East Hartford.....	3.21
Newington.....	2.44
Wethersfield.....	2.24
Windsor.....	2.43
Bloomfield.....	2.05
Rocky Hill.....	1.66
West Hartford.....	6.26
Total	27.17%
Other Sources of Funds for Sewer & Water	
Other Sewer & Water Revenues.....	25.43%
Total Sources of Funds for Sewer & Water	100.00%
Sources of Funds for All Projects	
Water Revenues.....	51.69%
Sewer Revenues.....	48.00
Hydroelectric Revenues.....	0.31
Total	100.00%

GENERAL FUND REVENUES AND EXPENDITURES³
The District
Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2020¹	Actual 2019	Actual 2018	Actual 2017	Actual 2016	Actual 2015
REVENUES:						
Taxation - Member Towns.....	\$51,475,700	\$48,153,100	\$45,004,000	\$41,670,400	\$38,944,300	\$37,446,400
Sewer User Fees.....	20,402,900	15,670,998	9,804,814	7,639,768	7,536,807	6,513,558
Intergovernmental	5,566,400	5,514,708	5,819,727	4,693,503	5,599,705	4,028,474
Investment Income.....	600,000	734,871	655,763	532,877	72,125	36,202
Other Revenues.....	16,814,100	5,582,358	7,613,648	5,683,498	3,692,370	1,735,684
Transfers In.....	0	0	0	0		
Total Revenues and Transfers In.....	\$94,859,100	\$75,656,035	\$68,897,952	\$60,220,046	\$55,845,307	\$49,760,318
EXPENDITURES:						
General Government.....	\$9,181,600	\$4,548,043	\$4,762,419	\$3,436,145	\$3,918,725	\$5,471,054
Engineering & Planning.....	662,900					
Operations.....	5,435,800	3,745,528	3,918,542	2,313,810	6,343,886	1,447,931
Plants & Maintenance.....	26,664,400	18,150,755	15,144,347	20,148,645	17,673,827	17,002,752
Employee Benefits & Other...	16,445,800	15,335,071	11,162,192	10,881,861	11,034,670	7,196,385
Transfers Out.....	36,468,600	32,064,862	27,213,487 ²	21,390,625	16,817,348	17,847,927
Total Expenditures.....	\$94,859,100	\$73,844,259	\$62,200,987	\$58,171,086	\$55,788,456	\$48,966,049
Results from Operations.....		\$1,811,776	\$6,696,965	\$2,048,960	\$56,851	\$794,269
Fund Balance, January 1.....		\$26,291,943	\$19,594,978	\$17,546,018	\$17,489,167	\$16,694,898
Fund Balance, December 31.		\$28,103,719	\$26,291,943	\$19,594,978	\$17,546,018	\$17,489,167

¹ Budgetary Basis.

² Includes \$27,213,487 in debt service.

³Totals may not add due to rounding.

ANALYSIS OF GENERAL FUND EQUITY
The District
(GAAP BASIS)

	Actual 2019	Actual 2018	Actual 2017	Actual 2016	Actual 2015
Nonspendable.....	\$3,403,852	\$3,065,322	\$2,851,003	\$3,047,848	\$2,987,472
Unassigned.....	24,699,867	23,226,621	16,743,975	14,498,170	14,501,695
Total Fund Balance	\$28,103,719	\$26,291,943	\$19,594,978	\$17,546,018	\$17,489,167

Source: Audit Reports 2015-2019; Budget 2020.

HISTORY OF MEMBER MUNICIPALITY'S TAXATION ¹

Member Municipality	Budget		Actual		Actual	
	2020	%	2019	%	2018	%
Bloomfield	\$ 3,879,300	7.54	\$ 3,488,600	7.24	\$ 3,256,200	7.24
East Hartford	6,089,300	11.83	5,775,200	11.99	5,486,600	12.19
Hartford	13,035,400	25.32	12,372,000	25.69	11,550,400	25.67
Newington	4,623,100	8.98	4,318,900	8.97	4,120,900	9.16
Rocky Hill	3,144,100	6.11	2,909,600	6.04	2,712,500	6.03
West Hartford	11,852,100	23.02	11,034,500	22.93	10,168,100	22.58
Wethersfield	4,240,800	8.24	3,979,400	8.26	3,707,800	8.24
Windsor	4,611,600	8.96	4,274,900	8.88	4,001,500	8.89
Total	\$51,475,700	100.0%	\$48,153,100	100.0%	\$45,004,000	100.0%

Member Municipality	Actual		Actual		Actual	
	2017	%	2016	%	2015	%
Bloomfield	\$ 3,067,100	7.36	\$ 2,936,000	7.54	\$ 2,752,400	7.35
East Hartford	5,059,400	12.14	4,762,000	12.23	4,490,100	11.99
Hartford	10,963,200	26.31	10,174,900	26.13	10,298,600	27.50
Newington	3,752,900	9.01	3,508,400	9.00	3,287,300	8.78
Rocky Hill	2,475,800	5.94	2,239,700	5.75	2,153,700	5.75
West Hartford	9,286,900	22.28	8,710,900	22.37	8,219,700	21.95
Wethersfield	3,408,200	8.18	3,207,700	8.24	3,022,000	8.07
Windsor	3,656,900	8.78	3,404,700	8.74	3,222,600	8.61
Total	\$41,670,400	100.0%	\$38,944,300	100.0%	\$37,446,400	100.0%

¹ The District has the power to levy a tax upon the Member Municipalities sufficient to finance the District's budgeted expenses. The tax is divided among the Member Municipalities in proportion to the total revenue received yearly from direct taxation in each Member Municipality, as averaged over the prior three years.

Source: District Officials.

WATER UTILITY FUND REVENUES AND EXPENDITURES
The District
Summary of Audited Revenues and Expenditures
(GAAP BASIS)
See Section III, "Water Operations"

	Adopted Budget 2020 ¹	Actual 2019	Actual 2018	Actual 2017	Actual 2016	Actual 2015
Operating Revenues:						
Water Sales.....	\$93,383,500	\$86,566,574	\$74,795,863	\$78,137,873	\$71,187,491	\$73,285,849
Other Operating Revenues.....	6,472,600	5,491,192	3,631,305	3,991,268	4,021,248	0
Total Operating Revenue.....	\$99,856,100	\$92,057,766	\$78,427,168	\$82,129,141	\$75,208,739	\$73,285,849
Total Operating Expenses.....	102,138,700	93,666,059	113,268,096	81,134,700	75,584,741	76,171,269
Operating Income (Loss).....	(2,282,600)	(1,608,293)	(34,840,928)	994,441	(376,002)	(2,885,420)
Non-operating Revenues.....	2,282,600	(5,315,658)	(32,807)	2,108,636	2,171,467	1,989,866
Income (Loss) Before Interest & Fiscal Charges & Operating Transfers...	0	(6,923,951)	(34,873,735)	3,103,077	1,795,465	(895,554)
Interest & Fiscal Charges.....	(9,695,014)	(11,287,082)	(9,573,365)	(9,117,593)	(8,528,444)	(6,710,980)
Income Before Operating Transfers....	(\$9,695,014)	(\$18,211,033)	(\$44,447,100)	(\$6,014,516)	(\$6,732,979)	(\$7,606,534)
Transfers						
Grants & Contributions.....		\$15,921,555	\$22,060,020	\$20,596,616	\$12,285,315	\$4,827,274
Net Operating Transfers.....		(26,146,960)	(17,088,617)	0	(28,760,431)	0
Net Income (Loss).....		(\$28,436,438)	(\$39,475,697)	\$14,582,100	(\$23,208,095)	(\$2,779,260)
Net Assets, January 1.....		\$116,811,797	\$156,287,494 ³	\$255,525,700	\$278,733,795 ²	\$252,779,244
Net Assets, December 31.....		\$88,375,359	\$116,811,797	\$270,107,800	\$255,525,700	\$249,999,984

¹ Budgetary Basis.

² Restated.

³ Restated to reflect implementation of GASB 75.

Source: Audit Reports 2015-2019; Budget 2020.

HYDROELECTRIC FUND REVENUES AND EXPENDITURES

The District

Summary of Audited Revenues and Expenditures

(GAAP BASIS)

See Section IV, "Hydroelectric Development Program"

	Adopted Budget 2020 ¹	Actual 2019	Actual 2018	Actual 2017	Actual 2016	Actual 2015
Operating Revenues:						
Power Sales.....	\$610,300	\$816,141	\$1,288,293	\$707,463	\$397,832	\$912,162
Miscellaneous.....	0	0	0	0	0	0
Total Operating Revenue.....	\$610,300	\$816,141	\$1,288,293	\$707,463	\$397,832	\$912,162
Total Operating Expenses.....	\$610,300	\$688,775	\$247,281	\$702,704	\$827,100	\$479,326
Operating Income (Loss).....	\$0	\$127,366	\$1,041,012	\$4,759	(\$429,268)	\$432,836
Non-operating Revenues (Expenses)..	\$0	(\$1,428,032)	\$0	\$0	\$0	\$105
Income Before Operating Transfers..	\$0	(\$1,300,666)	\$1,041,012	\$4,759	(\$429,268)	\$432,941
Net Operating Transfers.....	0	1,066,000	0	0	0	0
Net Income (Loss).....	\$0	(\$234,666)	\$1,041,012	\$4,759	(\$429,268)	\$432,941
Net Assets, January 1.....		\$8,700,377	\$7,659,365 ²	\$8,299,796	\$8,729,064	\$8,296,123
Net Assets, December 31.....		\$8,465,711	\$8,700,377	\$8,304,555	\$8,299,796	\$8,729,064

¹ Budgetary Basis.

² Restated to reflect implementation of GASB 75.

Source: Audit Reports 2015- 2019; Budget 2020.

MEMBER MUNICIPALITY FINANCIAL INFORMATION

GENERAL FUND REVENUES AND EXPENDITURES

Town of Bloomfield

Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2020-21 ¹	Adopted Budget 2019-20 ¹	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
REVENUES:							
Taxes and Assessments.....	\$80,432,940	\$80,454,103	\$80,621,613	\$76,396,187	\$74,698,743	\$73,563,398	\$72,644,940
State and Federal Grants.....	6,519,510	6,505,154	9,237,517	14,695,223	14,366,350	11,091,620	10,539,585
Charges for Services.....	1,168,350	1,308,100	3,008,250	2,538,033	3,281,387	4,265,991	1,751,284
Investment Income.....	150,000	215,000	684,288	376,677	157,151	89,745	48,687
Licenses and Permits.....	828,350	877,350	0	0	0	0	0
Other.....	1,129,762	243,000	260,643	239,084	134,357	129,526	135,009
Transfers In.....	4,410,000 ⁹	2,245,114 ⁸	335,684 ⁶	15,377,019 ⁴	10,065,675 ²	100,000	293,587 ¹
Total Revenues and Transfers In.....	\$94,638,912	\$91,847,821	\$94,147,995	\$109,622,223	\$102,703,663	\$89,240,280	\$85,413,092
EXPENDITURES:							
General Government.....	\$6,146,913	\$5,004,395	\$4,610,382	\$4,425,358	\$4,287,191	\$4,198,861	\$3,922,150
Public Safety.....	10,505,194	8,172,646	7,760,470	7,304,494	7,505,124	7,471,347	7,318,777
Public Works.....	4,056,699	3,360,348	3,106,586	3,091,766	3,067,339	2,895,926	3,185,324
Leisure Services.....	875,119	816,188	798,191	728,656	724,178	730,653	688,923
Public Libraries.....	2,129,020	1,734,931	1,733,695	1,621,318	1,580,730	1,524,108	1,522,952
Human Services.....	2,156,057	1,711,921	1,620,017	1,558,112	1,465,096	1,427,964	1,391,259
Facilities.....	1,637,020	1,882,320	1,590,269	1,640,342	1,461,766	1,561,150	1,516,800
Fixed Charges.....	13,362,561	18,331,158	17,767,465	16,168,272	16,005,256	15,915,492	15,392,282
Miscellaneous.....	239,000	445,500	207,429	150,137	73,839	170,017	86,098
Education.....	45,164,111	43,427,030	46,334,201	49,016,467	47,763,637	43,740,001	42,712,016
Debt Service.....	7,806,892	6,502,326	5,687,779	5,808,960	6,205,214	6,198,138	6,087,159
Transfers Out.....	560,327	459,057	1,587,110	16,317,181 ⁵	11,161,499 ³	2,419,246	2,631,577
Total Expenditures and Transfers Out.....	\$94,638,913	\$91,847,821	\$92,803,594	\$107,831,063	\$101,300,869	\$88,252,903	\$86,455,317
Results from Operations.....			\$1,344,401	\$1,791,160	\$1,402,794	\$987,377	(\$1,042,225)
Fund Balance, July 1.....			\$21,345,066	\$19,553,906	\$18,151,112	\$17,163,735	\$18,205,960
Fund Balance, June 30.....			\$22,689,467	\$21,345,066	\$19,553,906	\$18,151,112	\$17,163,735

¹ Budgetary Basis.

² Includes \$51,299 premium on notes and \$117,288 premium on bond issuance.

³ Includes \$8,745,000 refunding bonds issued and \$1,195,675 premium on refunding bond issuance.

⁴ Includes \$9,815,139 payment to refunded bond escrow agent.

⁵ Includes \$13,050,000 refunding bonds issued and \$2,202,019 premium on refunding bond issuance.

⁶ Includes \$15,109,225 payment to refunded bond escrow agent.

⁷ Includes \$41,906 of bond proceeds and \$143,778 in premium on bond issuance

⁸ Represents \$1,400,000 appropriated from prior years' surplus, and residual fund balance of \$325,000 for FY 2020.

⁹ Includes \$2,500,000 applied from General Fund Balance.

ANALYSIS OF GENERAL FUND EQUITY

Town of Bloomfield

(GAAP BASIS)

	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Nonspendable.....	\$7,878	\$391,200	\$104,250		
Restricted.....					
Assigned.....	3,925,697	2,596,815	2,064,444	\$1,551,424	\$2,054,536
Unassigned.....	18,755,892	18,357,051	17,385,212	16,599,688	15,109,199
Total Fund Balance.....	\$22,689,467	\$21,345,066	\$19,553,906	\$18,151,112	\$17,163,735
Unassigned Fund Balance As % of Total Expenditures	<u>20.21%</u>	<u>17.02%</u>	<u>17.16%</u>	<u>18.81%</u>	<u>17.48%</u>

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

GENERAL FUND REVENUES AND EXPENDITURES
Town of East Hartford
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Adopted Budget 2020-21 ¹	Adopted Budget 2019-20 ¹	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
REVENUES:							
Property Taxes.....	\$139,692,413	\$135,793,506	\$135,079,000	\$128,413,000	\$124,038,000	\$124,808,000	\$122,150,000
Licenses and permits.....	\$1,460,650	\$1,637,850	\$2,515,000	2,948,000	3,111,000	0	0
Intergovernmental.....	51,382,543	49,322,313	61,193,000	77,839,000	77,850,000	66,149,000	64,424,000
Charges for services.....	3,068,500	2,933,500	10,362,000	9,977,000	9,043,000	0	0
Investment income (loss).....	425,000	0	670,000	364,000	163,000	0	0
Other local revenues.....	716,000	1,674,421	768,000	1,880,000	486,000	11,348,000	10,495,000
Transfers In.....	10,000	25,010	1,270,000	497,000	1,110,000	945,000	725,000
Total Revenues and Transfers In.....	\$196,755,106	\$191,386,600	\$211,857,000	\$221,918,000	\$215,801,000	\$203,250,000	\$197,794,000
EXPENDITURES:							
General Government.....	\$42,769,631	\$40,922,655	\$45,037,000	\$39,923,000	\$38,651,000	\$39,621,000	\$36,145,000
Public Safety.....	30,220,024	29,521,756	29,701,000	28,862,000	28,594,000	27,982,000	27,957,000
Inspection/Permits.....	859,290	726,421	718,000	691,000	674,000	636,000	654,000
Public Works.....	16,406,612	15,635,452	10,325,000	9,175,000	8,839,000	8,800,000	9,373,000
Parks and Recreation.....	3,367,557	3,243,505	3,427,000	3,254,000	3,323,000	3,103,000	3,168,000
Health and Social Services.....	1,463,458	1,462,326	4,357,000	4,550,000	4,690,000	4,765,000	3,985,000
Debt Service.....	8,989,289	8,211,866	10,516,000	10,133,000	9,101,000	9,182,000	9,437,000
Education.....	92,679,245	91,662,619	106,944,000	119,545,000	115,962,000	106,475,000	103,700,000
Transfers Out.....	0	0	1,021,000	1,969,000	2,457,000	1,709,000	1,672,000
Total Expenditures and Transfers Out.....	\$196,755,106	\$191,386,600	\$212,046,000	\$218,102,000	\$212,291,000	\$202,273,000	\$196,091,000
Results from Operations.....			(\$189,000)	\$3,816,000	\$3,510,000	\$977,000	\$1,703,000
Fund Balance, July 1.....			\$24,599,000	\$20,783,000	\$17,273,000	\$16,296,000	\$14,593,000
Fund Balance, June 30.....			\$24,410,000	\$24,599,000	\$20,783,000	\$17,273,000	\$16,296,000

¹ Budgetary Basis.

² Includes \$12,230,000 of Refunding Bond Issuance and \$1,076,000 of refunding bond premium.

³ Includes \$13,188,000 in refunding bond escrow.

ANALYSIS OF GENERAL FUND EQUITY
Town of East Hartford
 (GAAP BASIS)

	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Nonspendable.....	\$1,760,000	\$3,437,000	\$3,652,000		
Assigned.....	703,000	1,051,000	549,000	\$961,000	\$583,000
Unassigned.....	21,947,000	20,111,000	16,582,000	16,312,000	15,713,000
Total Fund Balance.....	\$24,410,000	\$24,599,000	\$20,783,000	\$17,273,000	\$16,296,000
Unassigned Fund Balance As % of Total Expenditures	10.35%	9.22%	7.81%	8.06%	8.01%

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

GENERAL FUND REVENUES AND EXPENDITURES
City of Hartford
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2020-21 ¹	Adopted Budget 2019-20 ¹	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
REVENUES:							
Property Taxes.....	\$281,967,014	\$283,570,266	\$278,967,000	\$283,758,000	\$260,363,000	\$266,870,000	\$260,640,000
Licenses and Permits.....	6,161,581	6,040,406	6,630,000	6,218,000	5,376,000	7,613,000	7,778,000
Investment Income.....	194,282	190,000	327,441,000	1,403,000	442,000	301,000	378,000
Intergovernmental.....	258,570,285	259,580,413	2,255,000	360,400,000	327,341,000	282,708,000	289,332,000
Charges for Services.....	3,087,015	2,967,964	1,153,000	2,344,000	2,454,000	2,235,000	3,813,000
Use of Property.....	2,478,879	4,003,465	3,121,000	979,000	1,925,000	0	0
Other Revenues.....	15,299,254	16,928,227	10,380,000	1,447,000	2,013,000	5,853,000	4,665,000
Transfers In.....	0	0	6,949,000	13,644,000	5,372,000	5,438,000	21,150,000
Total Revenues and Transfers In.....	\$567,758,310	\$573,280,741	\$636,896,000	\$670,193,000	\$605,286,000	\$571,018,000	\$587,756,000
EXPENDITURES:							
General Government.....	\$19,770,697	\$18,786,760	\$12,991,000	\$13,334,000	\$14,508,000	\$19,251,000	\$17,067,000
Public Safety.....	84,197,366	84,712,806	75,775,000	81,237,000	80,688,000	82,680,000	76,841,000
Public Works.....	16,237,382	15,595,312	13,176,000	12,212,000	12,652,000	13,162,000	14,355,000
Development and Community ...	4,281,035	4,020,079	3,290,000	3,380,000	2,918,000	3,629,000	4,733,000
Human Services.....	5,263,784	5,063,719	2,645,000	3,800,000	4,789,000	4,438,000	4,715,000
Library.....	8,335,687	8,201,317	0	0	0	0	0
Education.....	284,013,274	284,013,274	301,665,000	351,430,000	344,877,000	323,155,000	326,647,000
Recreation and Culture.....	0	0	9,360,000	9,199,000	7,854,000	8,215,000	8,570,000
Benefits and Insurance.....	93,872,044	94,148,565	87,260,000	93,366,000	78,172,000	81,255,000	85,690,000
Debt Service.....	11,697,446	16,310,036	401,000	398,000	0 ²	0 ²	0 ²
Other.....	40,089,595	42,428,873	33,525,000	31,286,000	33,121,000	29,969,000	32,403,000
Transfers Out.....	0	0	89,107,000	70,177,000	34,745,000	13,059,000	11,690,000
Total Expenditures and Transfers Out.....	\$567,758,310	\$573,280,741	\$629,195,000	\$669,819,000	\$614,324,000	\$578,813,000	\$582,711,000
Results from Operations.....			\$7,701,000	\$374,000	(\$9,038,000)	(\$7,795,000)	\$5,045,000
Fund Balance, July 1.....			\$4,884,000	\$4,510,000 ¹	\$14,131,000	\$21,926,000	\$16,881,000
Fund Balance, June 30.....			\$12,585,000	\$4,884,000	\$5,093,000	\$14,131,000	\$21,926,000

¹ Budgetary Basis.

² Includes \$39,634,380 in proposed State Partnership funding and \$10,000,000 from corporate commitment.

³ Includes \$10,000,000 from corporate commitment.

⁴ Includes \$121,000 in premium on tax anticipation notes.

⁵ The City of Hartford expended \$95,829,000 on debt service from governmental funds in fiscal year ended June 30, 2017, \$77,504,000 on debt service from governmental funds for fiscal year ended June 30, 2016, \$49,302,000 on debt service from governmental funds in fiscal year ended June 30, 2015, \$54,318,000 on debt service from governmental funds in fiscal year ended June 30, 2014, and \$45,245,000 on debt service from governmental funds in fiscal year ended June 30, 2013, as shown in the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds included in the City of Hartford's CAFR report for each such fiscal year, which are available on EMMA

ANALYSIS OF GENERAL FUND EQUITY
City of Hartford
(GAAP BASIS)

	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Assigned.....	\$0	\$0	\$583,000	\$8,663,000	\$1,712,000
Committed.....	2,933,000				
Unassigned.....	9,652,000	4,884,000	4,510,000	5,468,000	20,214,000
Total Fund Balance	\$12,585,000	\$4,884,000	\$5,093,000	\$14,131,000	\$21,926,000
Unassigned Fund Balance As % of Total Expenditures	1.53%	0.73%	0.73%	0.94%	3.47%

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

THE CITY OF HARTFORD

The State of Connecticut took steps to address Hartford's financial stress. In 2018, the legislature created the Municipal Accountability Review Board ("MARB") with specific powers over "Tier III" and "Tier IV" municipalities. These powers include approving five year recovery plans on an annual basis. The legislature also appropriated \$28 million in each of fiscal year 2018 and 2019 for municipal restructuring grants to such municipalities.

In December 2017, Hartford applied for and was certified as a Tier III municipality. On May 3, 2018, it presented a five year recovery plan, which was approved by MARB. That plan assumes that the City would apply for, and receive, a \$20 million restructuring grant for fiscal year 2018, and no grant for fiscal year 2019. The five year recovery plan contemplates balanced budgets, including provision for the estimated *ad valorem* taxes the City would owe the MDC. In June 2018, the City was awarded a \$20 million restructuring grant for fiscal year 2018.

Separately, the State Treasurer and the Secretary of Connecticut's Office of Policy and Management, on behalf of the State, entered into a contract with the City under which the State would annually pay to the City amounts equal to the general obligation debt service of the City, except as to certain stadium bonds, over the life of such obligations. The obligation of the State to make such payments is not subject to further appropriation. The contract provides that, without the consent of the State, the City cannot issue any further debt obligations. Failure to maintain certain financial covenants would cause the City to become a Tier IV municipality, which would bring it under more stringent oversight of MARB.

A significant portion of the revenues of the City come from annual discretionary grants of the State to the City, which are subject to appropriation. The legislature could change the level of such grants from that assumed in the City's five year recovery plan, which could create new financial stress for the City. There is no assurance that the State's grants will be maintained at any particular level.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Newington
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Adopted Budget 2020-21 ¹	Adopted Budget 2019-20 ¹	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
REVENUES:							
Property Taxes.....	\$104,002,869	\$104,371,343	\$102,616,000	\$95,968,000	\$93,725,000	\$92,240,000	\$89,177,000
Payment in Lieu of Taxes.....	1,984,600	1,986,257	2,002,000	968,000	2,409,000	2,811,000	2,731,000
Licenses, Fees and Permits.....	284,500	284,500	296,000	289,000	319,000	380,000	345,000
Intergovernmental.....	15,494,881	14,734,228	19,825,000	27,920,000	29,005,000	23,340,000	22,709,000
Rental.....	97,000	101,600	102,000	107,000	107,000	100,000	113,000
Income on Investments.....	475,000	250,000	791,000	378,000	78,000	76,000	74,000
Fines.....	22,000	22,000	27,000	29,000	23,000	35,000	155,000
Charges for Services.....	544,875	550,875	566,000	627,000	703,000	558,000	544,000
Refunds and Reimbursements....	30,000	40,000	0	0	0	0	0
Other.....	80,320	106,440	61,000	200,000	98,000	143,000	216,000
Transfers In ²	2,659,866	1,258,923	149,000	124,000	119,000	223,000	331,000
Total Revenues and Transfers In.....	\$125,675,911	\$123,706,166	\$126,435,000	\$126,610,000	\$126,586,000	\$119,906,000	\$116,395,000
EXPENDITURES:							
General Government.....	\$5,229,808	\$5,275,110	\$5,066,000	\$4,709,000	\$4,858,000	\$4,508,000	\$4,509,000
Public Safety.....	9,476,543	8,957,901	8,729,000	8,345,000	8,372,000	8,204,000	7,935,000
Public Works.....	5,509,009	5,397,735	4,965,000	4,732,000	4,702,000	4,608,000	4,908,000
Community Planning & Develop.	480,302	557,909	547,000	551,000	542,000	551,000	525,000
Health and Human Services.....	1,289,697	1,249,866	1,221,000	1,163,000	1,179,000	1,176,000	1,160,000
Library.....	1,849,577	1,809,841	1,770,000	1,726,000	1,704,000	1,758,000	1,706,000
Parks and Recreation.....	1,863,885	1,810,882	1,668,000	1,614,000	1,571,000	1,566,000	1,544,000
Education.....	76,768,011	74,768,011	77,976,000	84,487,000	82,546,000	76,094,000	74,223,000
Miscellaneous.....	12,675,277	12,521,912	15,829,000	14,791,000	14,201,000	13,668,000	12,063,000
Debt Service.....	2,482,598	1,525,231	786,000	1,151,000	1,192,000	1,228,000	1,677,000
Transfers Out.....	8,051,204	9,831,768	3,854,000	3,040,000	6,431,000	5,958,000	4,836,000
Total Expenditures and Transfers Out.....	\$125,675,911	\$123,706,166	\$122,411,000	\$126,309,000	\$127,298,000	\$119,319,000	\$115,086,000
Results from Operations.....			\$4,024,000	\$301,000	(\$712,000)	\$587,000	\$1,309,000
Fund Balance, July 1.....			\$21,545,000	\$21,244,000	\$21,956,000	\$21,369,000	\$20,060,000
Fund Balance, June 30.....			\$25,569,000	\$21,545,000	\$21,244,000	\$21,956,000	\$21,369,000

¹ Budgetary Basis.

² Includes \$1,100,000,000 and \$2,500,000 appropriated from prior years' surplus in FY 2020 and FY 2021, respectively.

ANALYSIS OF GENERAL FUND EQUITY
Town of Newington
 (GAAP BASIS)

	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Committed.....	\$1,025,000	\$297,000	\$1,217,000	\$515,000	
Assigned.....	5,286,000	5,970,000	5,406,000	6,460,000	\$5,370,000
Unassigned.....	19,258,000	15,278,000	14,621,000	14,981,000	15,999,000
Total Fund Balance	\$25,569,000	\$21,545,000	\$21,244,000	\$21,956,000	\$21,369,000
Unassigned Fund Balance As % of Total Expenditures	15.73%	12.10%	11.49%	12.56%	13.90%

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Rocky Hill
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Adopted Budget 2020-21 ¹	Adopted Budget 2019-20 ¹	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
REVENUES:							
Taxes and Assessments.....	75,631,218	72,453,728	68,994,399	65,847,448	\$63,824,640	\$60,302,037	\$59,840,044
Intergovernmental.....	6,969,247	6,192,444	8,868,613	13,901,560	14,250,686	10,581,229	9,434,186
Charges for Services.....	1,167,455	1,092,377	990,903	1,353,501	1,310,171	818,744	1,848,848
Income on Investments.....	280,000	210,000	433,539	163,106	102,915	113,184	80,802
Miscellaneous.....	325,000	319,000	1,205,323	921,984	1,132,793	850,968	815,311
Transfers In.....	1,422,318 ²	475,000 ²	0	0	0	0	0
Total Revenues and Transfers In.....	\$85,795,238	\$80,742,549	\$80,492,777	\$82,187,599	\$80,621,205	\$72,666,162	\$72,019,191
EXPENDITURES:							
General Government.....	\$3,854,778	\$3,797,448	\$2,664,972	\$2,492,107	\$2,618,786	\$2,418,314	\$2,369,390
Public Safety.....	7,071,251	6,990,448	6,969,341	6,574,134	6,198,790	6,192,277	6,453,248
Public Works.....	7,747,370	7,371,655	7,083,253	6,587,320	6,121,363	5,909,559	5,943,415
Health and Human Services.....	855,107	848,751	656,842	585,186	575,603	551,466	533,142
Parks, Recreation and Facilities..	3,053,684	3,046,067	3,880,725	3,686,552	3,582,333	3,694,591	4,055,005
Library Services.....	1,057,186	1,078,573	1,023,351	1,009,221	1,002,004	939,663	929,171
Education.....	46,464,971	44,746,501	44,999,956	48,763,436	46,278,174	41,398,116	38,973,084
Miscellaneous.....	6,543,758	7,076,363	7,547,315	6,812,816	6,437,077	7,022,382	7,392,445
Capital Outlay.....	1,495,635	1,500,009	1,332,786	1,819,749	1,830,361	1,622,895	1,852,330
Debt Service.....	7,651,498	4,286,734	4,182,491	3,232,311	3,260,660	2,636,065	1,962,439
Transfers Out.....			499,643	675,415	2,533,987	567,117	1,405,502
Total Expenditures and Transfers Out.....	\$85,795,238	\$80,742,549	\$80,840,675	\$82,238,247	\$80,439,138	\$72,952,445	\$71,869,171
Results from Operations.....			(\$347,898)	(\$50,648)	\$182,067	(\$286,283)	\$150,020
Fund Balance, July 1.....			\$6,134,007	\$6,184,655	\$6,002,588	\$6,288,871	\$6,138,851
Fund Balance, June 30.....			\$5,786,109	\$6,134,007	\$6,184,655	\$6,002,588	\$6,288,871

¹ Budgetary Basis

² Includes \$295,000 and \$941,477 appropriated from prior years' surplus designated for capital projects in FY 2020 and FY 2021, respectively.

ANALYSIS OF GENERAL FUND EQUITY
Town of Rocky Hill
 (GAAP BASIS)

	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Assigned.....	\$668,386	\$1,567,594	\$542,330	\$1,733,105	\$1,084,837
Unassigned.....	5,117,723	4,566,413	5,642,325	4,269,483	5,204,034
Total Fund Balance	\$5,786,109	\$6,134,007	\$6,184,655	\$6,002,588	\$6,288,871
Unassigned Fund Balance As % of Total Expenditures	<u>6.33%</u>	<u>5.55%</u>	<u>7.01%</u>	<u>5.85%</u>	<u>7.24%</u>

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

GENERAL FUND REVENUES AND EXPENDITURES
Town of West Hartford
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Adopted Budget 2021 ¹	Adopted Budget 2020 ¹	Actual 2019	Actual 2018	Actual 2017	Actual 2016	Actual 2015
REVENUES:							
Property Taxes.....	\$265,926,135	\$263,678,321	\$258,047,000	\$253,000,000	\$236,916,000	\$229,630,000	\$223,062,000
Intergovernmental.....	24,716,822	24,268,026	39,827,000	57,711,000	59,758,000	44,086,000	41,016,000
Charges for Services.....	5,942,333	6,082,727	5,768,000	5,579,000	5,374,000	5,625,000	5,711,000
Income on Investments.....	850,000	1,300,000	1,714,000	987,000	377,000	629,000	282,000
Miscellaneous.....	752,000	701,000	930,000	1,154,000	1,227,000	976,000	844,000
Transfers In.....	2,059,468 ⁴	463,492	396,000	3,577,000	593,000	14,481,000 ¹	922,000
Total Revenues.....	\$300,246,758	\$296,493,566	\$306,682,000	\$322,008,000	\$304,245,000	\$295,427,000	\$271,837,000
EXPENDITURES:							
Current:							
General Government.....	\$6,503,019	\$6,387,674	\$6,236,000	\$5,954,000	\$6,300,000	\$5,807,000	\$5,393,000
Public Safety.....	29,391,597	28,471,288	28,971,000	26,530,000	26,445,000	26,100,000	25,609,000
Community Maintenance.....	16,153,662	15,435,973	15,464,000	15,198,000	15,591,000	15,681,000	15,701,000
Human and Cultural.....	6,140,783	6,624,083	6,256,000	6,324,000	6,309,000	6,230,000	6,055,000
Education.....	170,073,528	168,800,689	178,489,000	194,291,000	185,537,000	167,362,000	162,477,000
Debt and Sundry.....	56,171,086	51,701,028	47,679,000	46,427,000	42,094,000	39,573,000	37,184,000
Capital Outlay.....				34,000	62,000	88,000	132,000
Transfers Out.....	15,813,083	19,072,831	22,787,000	23,568,000	21,154,000	33,849,000 ²	18,436,000
Total Expenditures and Transfers Out.....	\$300,246,758	\$296,493,566	\$305,882,000	\$318,326,000	\$303,492,000	\$294,690,000	\$270,987,000
Results from Operations.....			\$800,000	\$3,682,000	\$753,000	\$737,000	\$850,000
Fund Balance, July 1.....			\$26,227,000	\$22,545,000	\$21,792,000	\$21,055,000	\$20,205,000
Fund Balance, June 30.....			\$27,027,000	\$26,227,000	\$22,545,000	\$21,792,000	\$21,055,000

¹Budgetary Basis.

²Includes \$12,295,000 refunding bonds issued and \$1,258,000 premium on refunding bond issuance.

³Includes \$13,424,000 payment to refunded bond escrow agent.

⁴Includes \$1,500,000 appropriated from fund balance.

ANALYSIS OF GENERAL FUND EQUITY
Town of West Hartford
 (GAAP BASIS)

	Actual 2019	Actual 2018	Actual 2017	Actual 2016	Actual 2015
Nonspendable.....	\$263,000	\$289,000	\$193,000	\$257,000	\$172,000
Assigned.....	389,000	500,000	541,000	441,000	262,000
Unassigned.....	26,375,000	25,438,000	21,811,000	21,094,000	20,621,000
Total Fund Balance	\$27,027,000	\$26,227,000	\$22,545,000	\$21,792,000	\$21,055,000
Unassigned Fund Balance					
As % of Total Expenditures	<u>8.62%</u>	<u>7.99%</u>	<u>7.19%</u>	<u>7.16%</u>	<u>7.61%</u>

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Wethersfield
 Summary of Audited Revenues and Expenditures
 (GAAP BASIS)

	Adopted Budget 2020-21 ¹	Adopted Budget 2019-20 ¹	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
REVENUES:							
Property Taxes.....	\$93,315,495	\$92,735,143	\$90,686,860	\$88,070,347	\$84,449,288	\$83,457,895	\$80,702,609
Intergovernmental.....	11,419,606	10,786,702	16,431,692	22,351,655	23,205,961	17,549,567	16,368,042
Licenses, fees and permits.....	464,500	462,000	859,311	583,031	498,791	0	0
Charges for services.....	982,275	1,069,200	1,444,249	1,492,541	1,547,672	0	0
Investment gain.....	345,000	325,000	557,779	226,117	110,518	0	0
Other Local Revenues.....	198,100	280,500	173,255	161,656	219,758	2,822,983	2,048,350
Transfers In.....	2,005,000 ²	400,000 ²	200,000	200,000	140,000	90,000	90,000
Total Revenues and Transfers In.....	\$108,729,976	\$106,058,545	\$110,353,146	\$113,085,347	\$110,171,988	\$103,920,445	\$99,209,001
EXPENDITURES:							
Public Safety.....	\$11,844,329	\$11,777,746	\$10,883,230	\$10,295,709	\$10,064,024	\$9,839,606	\$9,514,907
Public Works.....	14,423,641	14,168,825	8,629,434	8,527,994	8,464,314	7,995,062	8,808,425
Recreation and Parks.....	1,807,740	1,882,838	1,772,779	1,643,792	1,732,231	1,727,709	1,657,898
Social Services.....	1,552,099	919,230	858,907	818,233	841,281	806,385	771,051
Library.....	2,061,421	2,023,934	1,916,795	1,818,065	1,833,535	1,921,462	1,833,101
General Government.....	12,221,229	11,606,781	11,104,409	10,536,538	10,060,875	9,341,661	8,747,908
Education.....	56,902,759	55,759,339	65,191,599	70,731,557	69,060,782	64,994,570	61,943,559
Debt Service.....	5,859,653	5,675,933	5,927,955	5,616,873	5,185,048	4,385,548	3,367,577
Contingency.....	340,000	340,000	0	0	0	0	0
Transfers Out.....	1,717,105	1,903,919	2,459,352	2,752,006	2,648,262	2,707,239	2,721,597
Total Expenditures and Transfers Out.....	\$108,729,976	\$106,058,545	\$108,744,460	\$112,740,767	\$109,890,352	\$103,719,242	\$99,366,023
Results from Operations.....			\$1,608,686	\$344,580	\$281,636	\$201,203	(\$157,022)
Fund Balance, July 1.....			\$12,459,097	\$12,114,517	\$11,832,881	\$11,631,678	\$11,788,700
Fund Balance, June 30.....			\$14,067,783	\$12,459,097	\$12,114,517	\$11,832,881	\$11,631,678

¹ Budgetary Basis.

² Includes \$400,000 and \$2,005,000 appropriated from prior years' surplus in FY 2020 and FY 2021, respectively.

ANALYSIS OF GENERAL FUND EQUITY
Town of Wethersfield
 (GAAP BASIS)

	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Committed.....	\$482,836	\$368,143	\$291,386	\$441,233	\$388,603
Assigned.....	512,123	624,718	524,665	481,480	517,910
Unassigned.....	13,072,824	11,466,236	11,298,466	10,910,168	10,725,165
Total Fund Balance	14,067,783	12,459,097	12,114,517	11,832,881	11,631,678
Unassigned Fund Balance As % of Total Expenditures	<u>12.02%</u>	<u>10.17%</u>	<u>10.28%</u>	<u>10.52%</u>	<u>10.79%</u>

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

GENERAL FUND REVENUES AND EXPENDITURES
Town of Windsor
Summary of Audited Revenues and Expenditures
(GAAP BASIS)

	Adopted Budget 2020-21	Adopted Budget 2019-20	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
REVENUES:							
Property Taxes	\$103,986,430	\$100,442,450	\$99,113,331	\$94,339,805	\$93,636,439	\$89,012,808	\$87,600,034
State & Federal Governments	15,122,270	15,176,810	19,229,990	27,626,039	27,038,627	21,906,514	22,366,478
Charges for Services	1,509,610	1,244,780	4,581,911	3,678,117	4,344,703	3,910,777	4,847,452
Investment Income	610,000	1,100,000	1,253,851	670,091	270,296	160,456	123,805
Miscellaneous	20,500						
Transfers In	900,000 ²	900,000 ²	71,680	586,902	70,090	78,508	99,540
Total Revenues and Transfers In	\$122,148,810	\$118,864,040	\$124,250,763	\$126,900,954	\$125,360,155	\$115,069,063	\$115,037,309
EXPENDITURES:							
Education	\$77,827,990	\$76,460,840	\$73,321,557	\$79,713,749	\$79,509,544	\$72,839,199	\$72,051,878
General Government	21,856,030	20,456,860	13,891,463	12,972,718	13,040,132	12,354,861	11,528,544
Culture & Recreation	3,846,360	3,318,170	4,456,257	4,135,125	3,998,067	4,058,702	3,782,540
Human Services	976,870	1,406,950	1,473,415	1,487,679	1,419,877	1,373,878	1,359,207
Public Safety	10,990,950	10,764,580	10,836,755	10,399,750	10,251,732	10,228,327	10,149,394
Public Works	6,650,610	6,456,640	6,663,418	6,398,515	5,977,374	5,732,843	5,911,934
Transfers Out	0	0	10,610,530	9,194,800	10,388,898	7,715,704	7,816,760
Total Expenditures and Transfers Out	\$122,148,810	\$118,864,040	\$121,253,395	\$124,302,336	\$124,585,624	\$114,303,514	\$112,600,257
Results from Operations			\$2,997,368	\$2,598,618	\$774,531	\$765,549	\$2,437,052
Fund Balance, July 1			\$27,765,580	\$25,166,962	\$24,392,431	\$23,626,882	\$21,189,830
Fund Balance, June 30			\$30,762,948	\$27,765,580	\$25,166,962	\$24,392,431	\$23,626,882

¹ Budgetary Basis.

² Represents appropriation from prior years' surplus.

ANALYSIS OF GENERAL FUND EQUITY
Town of Windsor
(GAAP BASIS)

	Actual 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15
Nonspendable	\$26,697	\$39,024	\$661,842	\$21,599	\$31,213
Committed					
Assigned	4,835,637	4,858,090	4,174,638	4,727,980	4,621,032
Unassigned	25,900,614	22,868,466	20,330,482	19,642,852	18,974,637
Total Fund Balance	\$30,762,948	\$27,765,580	\$25,166,962	\$24,392,431	\$23,626,882
Unassigned Fund Balance As % of Total Expenditures	<u>21.36%</u>	<u>18.40%</u>	<u>16.32%</u>	<u>17.18%</u>	<u>16.85%</u>

Source: Audit Reports 2015-2019; Adopted Budgets 2020 and 2021.

VIII. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS – THE DISTRICT¹
As of December 1, 2020
(Pro Forma)

Long-Term Debt		Rate %	Original Issue	Debt Outstanding As of 12/1/2020	Date of Fiscal Year Maturity
Date	Purpose				
12/31/01	Drinking Water (SRF 9704C).....	2.60	860,842	3,587	2020
06/30/02	Drinking Water (SRF 9710C).....	2.50	861,978	25,141	2021
06/30/02	CFW (405C).....	2.00	8,163,200	442,173	2021
03/30/03	CFW (267C).....	2.00	5,213,046	339,043	2022
06/30/03	CFW (494C).....	2.00	2,029,367	211,393	2022
12/31/03	Drinking Water (9704DCD1).....	2.10	2,225,346	10,909	2020
12/31/03	Drinking Water (200105C).....	2.10	2,343,735	312,498	2023
12/31/04	CFW (451C).....	2.00	3,987,009	700,800	2024
10/31/08	CFW (508C).....	2.00	1,232,078	426,094	2027
12/30/08	CFW (160C).....	2.00	1,888,557	621,650	2027
12/31/08	CFW (578C).....	2.00	2,042,741	690,575	2027
02/28/09	CSL (142).....	2.00	6,200,000	2,247,500	2028
09/30/09	CFW (521C).....	2.00	4,240,340	1,554,791	2028
09/30/09	CFW (520C).....	2.00	4,547,580	1,781,136	2028
09/30/09	CSL (149).....	2.00	12,710,000	4,978,083	2028
06/01/10	General Obligation Refunding Bonds.....	4.00-5.00	12,845,000	2,505,000	2022
01/31/11	CFW (578CD1).....	2.00	2,619,264	1,320,546	2030
08/31/11	Drinking Water (DWSRF 2010-8008).....	2.06	2,579,412	1,257,463	2030
02/28/12	Drinking Water (DWSRF 2010-8009).....	2.06	772,079	376,388	2030
03/31/12	CSL (166).....	2.00	21,907,709	11,644,639	2030
03/31/12	CFW (619D1).....	2.00	12,600,000	6,697,298	2030
01/31/13	CFW (626C).....	2.00	22,160,848	12,373,139	2032
01/31/13	Drinking Water (DWSRF 2010-8009-1).....	2.06	193,644	107,377	2030
02/01/13	General Obligation, Series A 2013.....	2.125-5.00	30,235,000	19,630,000	2033
02/01/13	General Obligation, Series B 2013.....	2.125-5.00	25,030,000	16,250,000	2033
07/15/14	Drinking Water (DWSRF 2013-7012).....	2.00	2,780,620	1,761,059	2033
08/06/14	General Obligation Series A 2014.....	3.00-5.00	47,735,000	33,400,000	2034
08/06/14	General Obligation Refunding Bonds, Series B 2014.....	2.00-5.00	14,845,000	2,970,000	2024
09/30/14	CFW (619-C1).....	2.00	24,821,197	15,926,936	2033
09/30/14	Drinking Water (DWSRF 2013-7018).....	2.00	398,083	255,436	2033
11/14/14	Clean Water Project Revenue Bonds.....	2.00-5.00	140,000,000	123,090,000	2042
02/28/15	CFW (646-C).....	2.00	24,579,826	16,284,134	2034
03/19/15	General Obligation, Issue of 2015.....	3.00-5.00	66,740,000	50,180,000	2035
03/31/15	Drinking Water (DWSRF 2014-7026).....	2.00	1,691,379	1,169,870	2035
06/01/15	Drinking Water (DWSRF 2013-7013).....	2.00	2,713,243	1,804,306	2034
06/30/15	Drinking Water (DWSRF 2013-7017).....	2.00	2,013,468	1,384,259	2034
06/30/15	Drinking Water (DWSRF 2013-7019).....	2.00	1,539,774	1,045,763	2034
06/30/15	CFW (626-CD1).....	2.00	6,815,898	4,589,599	2032
09/30/15	Drinking Water (DWSRF 2013-7014).....	2.00	4,691,464	3,362,216	2035
11/03/15	General Obligation, Series B 2015.....	2.00-5.00	36,215,000	27,150,000	2035
12/30/15	CSL (214).....	2.00	14,198,442	10,353,030	2035
01/31/16	CFW (652-C).....	2.00	25,528,771	19,359,318	2036
02/18/16	General Obligation, Series A 2016.....	2.00-5.00	33,025,000	26,405,000	2036
03/31/16	Drinking Water (DWSRF 2014-7029).....	2.00	3,173,899	2,222,213	2035
04/28/16	General Obligation Refunding Bonds, Series B 2016.....	2.00-5.00	48,035,000	30,250,000	2028
04/29/16	Drinking Water (DWSRF 2014-7021).....	2.00	3,809,525	2,650,794	2034
05/31/16	Drinking Water (DWSRF 2014-7031).....	2.00	3,626,881	2,560,292	2035
05/31/16	Drinking Water (DWSRF 2014-7015).....	2.00	5,635,824	3,978,447	2035
05/31/16	CFW (619-CD-1).....	2.00	20,360,028	15,074,252	2033
07/31/16	Drinking Water (DWSRF 2014-7030).....	2.00	1,892,813	1,388,063	2035
07/31/16	CFW (657-C).....	2.00	33,352,916	26,126,450	2036
09/01/16	Drinking Water (DWSRF 2014-7033).....	2.00	1,501,320	1,165,498	2035
09/01/16	Drinking Water (DWSRF 2016-7035).....	2.00	2,203,262	1,710,427	2035
09/01/16	Drinking Water (DWSRF 2016-7042).....	2.00	825,335	640,721	2035
12/01/16	General Obligation, Series C 2016.....	4.00-5.00	108,315,000	89,190,000	2034
12/31/16	Drinking Water (DWSRF 2014-7031).....	2.00	3,162,716	2,527,470	2036
01/31/17	CFW (652-C1).....	2.00	27,234,976	22,014,940	2037
02/28/17	Drinking Water (DWSRF 2016-7043).....	2.00	1,129,379	908,309	2036
02/28/17	Drinking Water (DWSRF 2016-7047).....	2.00	3,004,951	2,416,748	2036
04/30/17	Drinking Water (DWSRF 2016-7044).....	2.00	2,754,227	2,191,906	2036
07/31/17	CFW (657-C1).....	2.00	40,852,370	34,043,642	2037
07/31/17	CFW (686-C).....	2.00	3,424,070	2,682,188	2036
07/31/17	Drinking Water (DWSRF 2016-7045).....	2.00	2,445,859	1,977,069	2037
01/31/18	CFW (692-C).....	2.00	46,785,354	40,157,430	2038
06/29/18	Drinking Water (DWSRF 2016-7046).....	2.00	3,051,182	2,606,218	2037
07/31/18	General Obligation, Series 2018.....	3.25-5.00	110,770,000	99,695,000	2039
07/31/18	CFW (657-C2).....	2.00	52,655,657	46,512,497	2038
12/03/18	CFW (215-C).....	2.00	10,306,693	9,276,023	2039
01/31/19	CFW (692-C1).....	2.00	31,761,844	28,850,342	2039
03/29/19	Drinking Water (DWSRF 2018-7061).....	2.00	1,892,634	1,730,870	2039
04/30/19	CFW (652-C2).....	2.00	21,862,088	19,965,378	2037
04/30/19	Drinking Water (DWSRF 2017-7055).....	2.00	1,691,022	1,553,717	2039
06/30/19	CFW (657-C3).....	2.00	17,782,244	16,078,112	2038
07/31/19	Drinking Water (DWSRF 2018-7062).....	2.00	1,814,906	1,690,809	2039
08/08/19	General Obligation, Series A 2019.....	4.00-5.00	76,500,000	72,675,000	2039
08/08/19	General Obligation Refunding Bonds, Series B 2019.....	2.375-5.00	49,305,000	46,025,000	2035
08/08/19	General Obligation Refunding Bonds, Series C 2019.....	4.00-5.00	32,070,000	31,075,000	2040
02/28/20	CFW (697DC).....	2.00	15,019,750	13,642,939	2039
04/30/20	CFW (692-C2).....	2.00	33,394,334	32,212,234	2039
05/31/20	CFW (691-C).....	2.00	190,810	185,917	2039
07/31/20	CFW (221-CSL).....	2.00	2,091,106	2,055,361	2040
08/08/20	Clean Water Projects Revenue Bonds, 2020A.....	5.00	55,010,000	53,195,000	2045
08/08/20	Clean Water Projects Revenue Ref Bonds Taxable, 2020E.....	0.361-2.562	76,065,000	76,065,000	2039
09/04/20	Drinking Water (DWSRF 2019-7074).....	2.00	2,046,805	2,020,564	2040
	Total Long-Term Debt.....		\$1,598,627,719	\$1,269,985,991	

¹Totals may not add due to rounding.

Short-Term Debt:

The District will issue \$93,185,000 in General Obligation Bond Anticipation Notes (the “Notes”) on December 1, 2020 to temporarily finance various sewer, water and public improvement projects of the District. The Notes will mature on September 1, 2021.

As of December 1, 2020 the District anticipates having \$135,250,516 of outstanding Interim Funding Obligations (“IFOs”) issued under the State’s Clean Water Fund Program and Drinking Water State Revolving Fund Program. See “Clean Water Fund Program”. The amount drawn to date is \$46,704,954.

Other Long-Term Commitments:

The District has no other general obligation long term commitments.

CLEAN WATER FUND PROGRAM

The Metropolitan District is a participant in the State’s Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at the rate of 2% per annum. All participating municipalities receive funding for eligible expenses of 20% grant and 80% loan, except for combined sewer overflow projects (50% grant and 50% loan) and denitrification projects (30% grant and 70% loan). Loans are made pursuant to a Project Loan and Grant Agreement. During construction the municipality enters into a short-term borrowing agreement with the State called an Interim Funding Obligation (“IFO”) from which it pays project costs as needed. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Upon project completion, or, in the case of certain larger projects, annually, a 20-year debt obligation called a Project Loan Obligation (“PLO”) is issued to the State. The municipal obligations issued to the State are secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

The District’s Clean Water Fund Program obligations are secured by the District’s full faith and credit and constitute a general obligation.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement or the actual project completion date, or, in the case of certain larger projects, the earlier of such date or annually commencing one year after the date of the agreement. The final maturity of each loan is the earlier of twenty years from the scheduled completion date or twenty years from the date of the PLO. Principal and interest payments are made (1) in monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement repayable thereafter in monthly installments. Monthly installments may be in level debt service or amortized with level principal. Borrowers may prepay their loans at any time prior to maturity without penalty.

DRINKING WATER STATE REVOLVING FUND PROGRAM

The Metropolitan District is a participant in the State’s Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance through loans bearing interest at rates ranging from 2% to 3% per annum and grants.

Loans and grants are made pursuant to a Project Loan and Subsidy Agreement. Each municipality is obligated to repay only that amount that is drawn down for the payment of project costs. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

The District’s Drinking Water State Revolving Fund Program obligations are secured by the District’s full faith and credit and constitute a general obligation.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program.

ANNUAL BONDED DEBT MATURITY SCHEDULE - THE DISTRICT^{1, 2, 3}

As of December 1, 2020
(Pro Forma)

Schedule A – General Obligation Bonds

Fiscal Year Ending	Outstanding Principal	Interest	Total	Cumulative Percent Retired
2020	\$2,689,914	\$780,725	\$3,470,639	0.26
2021	69,689,131	32,435,958	102,125,089	7.11
2022	69,175,441	29,956,499	99,131,940	13.91
2023	67,738,474	27,542,296	95,280,770	20.57
2024	67,353,314	25,216,573	92,569,887	27.19
2025	68,149,886	23,024,443	91,174,329	33.88
2026	68,259,886	20,706,288	88,966,174	40.59
2027	68,074,955	18,504,206	86,579,161	47.28
2028	67,180,891	16,410,798	83,591,689	53.88
2029	62,819,061	14,341,904	77,160,965	60.05
2030	62,238,211	12,429,858	74,668,069	66.17
2031	58,224,228	10,430,738	68,654,966	71.89
2032	56,801,765	8,567,191	65,368,956	77.47
2033	56,098,351	6,798,195	62,896,546	82.99
2034	50,268,761	5,086,583	55,355,344	87.93
2035	39,931,661	3,474,916	43,406,577	91.85
2036	30,345,335	2,362,336	32,707,671	94.83
2037	24,544,107	1,518,270	26,062,377	97.24
2038	19,139,579	850,037	19,989,616	99.12
2039	6,596,611	336,101	6,932,712	99.77
2040	2,316,430	91,659	2,408,089	100.00
Totals	\$1,017,635,991	\$260,865,573	\$1,278,501,564	

¹ Excludes principal and interest payments made in current Fiscal Year 2020.

² Includes Clean Water Fund and State Revolving Fund Loans. See Section VIII “Debt Summary – Clean Water Fund Program” and “Drinking Water State Revolving Fund Program”. See also Section VIII “Debt Summary – Statement of Statutory Debt Limitation – The District”

³Totals may not add due to rounding.

Source: District Officials.

Schedule B – Clean Water Project Revenue Bonds^{1, 2, 3}

Fiscal Year Ending 12/31	Outstanding Principal	Interest	Total	Cumulative Percent Retired
2021	\$8,520,000	\$10,396,652	\$18,916,652	3.38
2022	8,685,000	10,099,889	18,784,889	6.82
2023	6,305,000	9,764,166	16,069,166	9.32
2024	6,495,000	9,448,916	15,943,916	11.89
2025	6,700,000	9,124,166	15,824,166	14.55
2026	9,510,000	8,778,346	18,288,346	18.31
2027	9,805,000	8,373,582	18,178,582	22.20
2028	10,110,000	7,949,896	18,059,896	26.21
2029	10,620,000	7,506,122	18,126,122	30.41
2030	11,085,000	7,041,306	18,126,306	34.81
2031	13,570,000	6,537,081	20,107,081	40.18
2032	15,170,000	5,972,092	21,142,092	46.20
2033	8,210,000	5,451,177	13,661,177	49.45
2034	16,920,000	4,977,281	21,897,281	56.15
2035	16,180,000	4,396,480	20,576,480	62.57
2036	16,295,000	3,828,358	20,123,358	69.02
2037	15,475,000	3,247,842	18,722,842	75.16
2038	15,725,000	2,665,985	18,390,985	81.39
2039	15,995,000	2,068,273	18,063,273	87.73
2040	8,885,000	1,548,750	10,433,750	91.25
2041	9,330,000	1,104,500	10,434,500	94.94
2042	9,800,000	638,000	10,438,000	98.83
2043	940,000	148,000	1,088,000	99.20
2044	985,000	101,000	1,086,000	99.59
2045	1,035,000	51,750	1,086,750	100.00
Totals	\$252,350,000	\$131,219,610	\$383,569,610	

¹ Excludes principal and interest payments made in current Fiscal Year 2020.

² Additional breakdown see Section VIII “Debt Summary – Statement of Statutory Debt Limitation – The District”

³ Totals may not add due to rounding.

Source: District Officials.

Combined Schedules A and B Outstanding Debt¹

Total Outstanding Principal	Total Interest	Total
\$1,269,985,991	\$392,085,183	\$1,662,071,174

¹ Excludes principal and interest payments made in current Fiscal Year 2020.

Source: District Officials.

**OVERLAPPING AND UNDERLYING NET DEBT
THE DISTRICT AND MEMBER MUNICIPALITIES⁶**

As of December 1, 2020
(Pro Forma)

The outstanding indebtedness of the District is considered overlapping debt of the Member Municipalities.

The outstanding indebtedness of the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford is considered underlying debt of the District:

Member Municipalities	Share of Net District Debt¹	Net Direct District Debt Applicable to Member Municipalities as of 12/1/2020²	Net Direct Debt of Member Municipalities⁵	Underlying Debt Issued Since 6/30/2020	Underlying Net Debt Applicable to District
Bloomfield.....	7.54	\$67,776,181	\$68,125,000	\$0	\$68,125,000
East Hartford.....	11.83	106,338,491	40,070,000	0	40,070,000
Hartford.....	25.32	227,598,529	501,668,064 ^{3,4}	0	501,668,064
Newington.....	8.98	80,720,173	26,360,000	0	26,360,000
Rocky Hill.....	6.11	54,922,078	84,410,000	11,350,000	95,760,000
West Hartford.....	23.02	206,924,097	135,210,000	0	135,210,000
Wethersfield.....	8.24	74,068,400	42,220,000	0	42,220,000
Windsor.....	8.96	80,540,396	64,640,000	0	64,640,000
Totals.....	100.0%	\$898,888,344	\$962,703,064	\$11,350,000	\$974,053,064

¹ The Member Municipalities' share of the District's Net Direct Debt is based on the annual tax levy of each Member Municipalities as of Fiscal Year 2019-20.

² Includes approximately \$684,141,789 of Interim Funding Obligations (IFO's), Permanent Loan Obligations (PLO's), General Obligation Bonds and Notes issued pursuant to authorizations totaling \$1.7588 billion for the District's Clean Water Project which represents debt expected to be paid from the Clean Water Project Charge (previously the Special Sewer Service Surcharge). The Clean Water Project Charge is levied annually and added to customers' water bills, beginning in 2008. See pages 23 "I. The Issuer – Clean Water Project" herein for further details.

³ Excludes the following long-term commitment of the City: The City of Hartford established the Hartford Stadium Authority ("the Authority"), which issued \$62.45 million in Lease Revenue Bonds in February, 2015 and \$6.195 million in Lease Revenue Bonds in March, 2016 for the acquisition and construction of a new AA minor league baseball stadium and related facilities. Under a Lease Agreement and a First Amendment to Lease Agreement, the City of Hartford as Lessee will make rent payments equal to the principal and interest on the bonds when due. The obligation to make such payments is an absolute and unconditional obligation of the City, subject to annual appropriation by the City.

⁴ The State of Connecticut has agreed to make payments to the City equal to the City's debt service payments annually. See "VII. Financial Information – The City of Hartford".

⁵ Estimated unaudited as of June 30, 2020.

⁶ Totals may not add due to rounding.

Source: Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford Audits.

DEBT STATEMENT - THE DISTRICT

As of December 1, 2020

(Pro Forma)

LONG-TERM DEBT

Water (Self-Supporting).....	\$218,072,251
Sewer.....	209,764,922
Combined Projects ¹	151,182,699
Clean Water Project ²	690,966,119

TOTAL LONG-TERM DEBT **\$1,269,985,991**

SHORT-TERM DEBT

Notes (<i>this Issue</i>).....	93,185,000
CWF/DWSRF - IFO's ³	135,250,516

TOTAL DIRECT DEBT..... **\$1,498,421,507**

Less:

Debt Not Subject to Debt Limitation ⁴	599,533,163
--	-------------

TOTAL NET DIRECT DEBT..... **\$898,888,344**

NET UNDERLYING DEBT - Member Municipalities ⁵..... **974,053,064**

TOTAL OVERALL NET DIRECT DEBT..... **\$1,872,941,408**

¹ Represents bonds funded by water and sewer sources.

² Represents debt expected to be paid from the Clean Water Project Charge (previously the Special Sewer Service Surcharge). The Clean Water Project Charge is levied annually and added to customers' water bills, beginning in 2008. See pages 23 "I. The Issuer – Clean Water Project" herein for further details.

³ Interim Funding Obligations ("IFO's") issued under the Clean Water Fund and Drinking Water State Revolving Fund programs total \$135,250,516; funds drawn to date total \$46,704,954.

⁴ Represents debt issued for water purpose and revenue bonds and other debt excluded from the debt limit.

⁵ Represents net direct debt of each Member Municipality.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – THE DISTRICT

As of December 1, 2020

(Pro Forma)

Population ¹	362,767
Net Taxable Grand List - 10/1/19 @ 70% of full value ²	\$25,979,060,901
Estimated Full Value ³	\$37,112,944,144
Equalized Net Taxable Grand List - 2018 ⁴	\$40,372,381,271

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$1,498,421,507	\$898,888,344	\$1,872,941,408
Per Capita.....	\$4,130.53	\$2,477.87	\$5,162.93
Ratio to Net Taxable Grand List.....	5.77%	3.46%	7.21%
Ratio to Equalized Net Taxable Grand List.....	4.04%	2.42%	5.05%
Ratio to Equalized Grand List.....	3.71%	2.23%	4.64%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

² Represents 2019 Net Taxable Grand Lists for the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

³ Represents estimated full values of 2019 Net Taxable Grand Lists of the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

⁴ Office of Policy and Management, State of Connecticut.

DEBT STATEMENT – TOWN OF BLOOMFIELD ²

As of June 30, 2020

LONG-TERM DEBT.....	\$58,395,000
SHORT-TERM DEBT	9,730,000
TOTAL DIRECT DEBT.....	\$68,125,000
TOTAL NET DIRECT DEBT.....	\$68,125,000
NET OVERLAPPING DEBT - MDC 12/1/20 ¹	67,776,181
NET UNDERLYING DEBT - Fire Districts 6/30/19	1,614,000
TOTAL OVERALL NET DIRECT DEBT.....	\$137,515,181

¹Please refer to page 73 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

²Estimated unaudited.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF BLOOMFIELD

As of June 30, 2020

Population ¹	20,952
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$2,377,731,476
Estimated Full Value	\$3,396,759,251
Equalized Net Taxable Grand List - 2018 ²	\$3,617,060,628
Money Income per Capita - 2018 ³	\$43,010

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$68,125,000	\$68,125,000	\$137,515,181
Per Capita.....	\$3,251.48	\$3,251.48	\$6,563.34
Ratio to Net Taxable Grand List.....	2.87%	2.87%	5.78%
Ratio to Estimated Full Value.....	2.01%	2.01%	4.05%
Ratio to Equalized Net Taxable Grand List.....	1.88%	1.88%	3.80%
Debt per Capita to Money Income per Capita..	7.56%	7.56%	15.26%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Bloomfield.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Bloomfield.

DEBT STATEMENT – TOWN OF EAST HARTFORD ^{2,3}

As of June 30, 2020

LONG-TERM DEBT.....	\$40,070,000
SHORT-TERM DEBT	0
TOTAL DIRECT DEBT.....	\$40,070,000
TOTAL NET DIRECT DEBT.....	\$40,070,000
NET OVERLAPPING DEBT - MDC 12/1/20 ¹	106,338,491
TOTAL OVERALL NET DIRECT DEBT.....	\$146,408,491

¹ Please refer to page 73 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

² **Other Long-Term Commitment:** The Town has entered into multi-year capital leases for building improvements, and the purchase of various equipment, vehicles and computer hardware and software. The schedule of the annual payments due for these obligations approximate \$3.0 million through Fiscal Year 2019, and \$2.5 million in subsequent years. The estimated unaudited outstanding balance at June 30, 2020 was \$10.929 million.

³ Estimated unaudited.

Note: Does not include capital lease obligations and authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF EAST HARTFORD

As of June 30, 2020

Population ¹	50,453
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$2,799,450,231
Estimated Full Value	\$3,999,214,616
Equalized Net Taxable Grand List - 2018 ²	\$4,354,385,580
Money Income per Capita - 2018 ³	\$28,011

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$40,070,000	\$40,070,000	\$146,408,491
Per Capita.....	\$794.20	\$794.20	\$2,901.88
Ratio to Net Taxable Grand List.....	1.43%	1.43%	5.23%
Ratio to Estimated Full Value.....	1.00%	1.00%	3.66%
Ratio to Equalized Net Taxable Grand List.....	0.92%	0.92%	3.36%
Debt per Capita to Money Income per Capita..	2.84%	2.84%	10.36%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of East Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of East Hartford.

DEBT STATEMENT – CITY OF HARTFORD^{3, 4, 5}

As of June 30, 2020

LONG-TERM DEBT	\$501,572,000
CWF - PLO	755,000
SHORT-TERM DEBT	0
TOTAL DIRECT DEBT	\$502,327,000
Less:	
School Construction Grants - State of Conn. ¹	658,936
TOTAL NET DIRECT DEBT	\$501,668,064
NET OVERLAPPING DEBT - MDC 12/1/20 ²	227,598,529
TOTAL OVERALL NET DIRECT DEBT	\$729,266,593

¹ Represents School Construction Grants payable to the City over the life of certain School Bond issues.

² Please refer to page 73 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

³ **Other Long-Term Commitment:** Excludes a Lease Agreement (the “Lease Agreement”) with the Hartford Stadium Authority (the “Authority”) dated as of February 1, 2015, by which the City is obligated to make certain lease payments to the Authority. The Authority issued \$62.45 of lease revenue bonds in February 2015 for the construction of a minor league baseball ballpark. Under the Lease Agreement, the City is required to make semiannual deposits to secure performance of its obligations to pay rent to the Authority which is due on each February 1 and August 1 during the lease term. Each payment of rent is to be an amount sufficient, together with other money on deposit with the trustee in the bond fund to be credited as rent, to pay the principal and interest due on the bonds issued by the Authority on each principal payment date and interest payment date. The obligation to make these payments pursuant to the Lease Agreement is an absolute and unconditional obligation of the City, subject to annual appropriation by the City. In March 2016 the Authority issued \$6.195 of lease revenue bonds. In connection with the issuance of the Series 2016 Bonds, the Authority and the City entered into a First Amendment to Lease Agreement, dated as of March 1, 2016 (the “First Amendment to Lease Agreement”), which increased the lease payments required pursuant to the Lease Agreement to pay the principal and interest due on the Series 2016 Bonds. The schedule of lease payments due under the Lease Agreement, as amended by the First Amendment to Lease Agreement are \$2.836 million in Fiscal Year 2016, and approximately \$4.64 million annually in Fiscal Years 2017 through 2042 inclusively. The Lease Revenue Bonds estimated unaudited outstanding at June 30, 2020 totaled \$62.835 million. (Source: 2019 City of Hartford Audit).

⁴ The State of Connecticut has agreed to make payments to the City equal to the City’s debt service payments annually. See “VII. Financial Information – The City of Hartford”.

⁵ Estimated unaudited.

Note: Does not include capital lease obligations and authorized but unissued debt.

CURRENT DEBT RATIOS – CITY OF HARTFORD

As of June 30, 2020

Population ¹	122,591
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$4,054,976,448
Estimated Full Value	\$5,792,823,497
Equalized Net Taxable Grand List - 2018 ²	\$7,617,691,245
Money Income per Capita - 2018 ³	\$19,215

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$502,327,000	\$501,668,064	\$729,266,593
Per Capita.....	\$4,097.58	\$4,092.21	\$5,948.78
Ratio to Net Taxable Grand List.....	12.39%	12.37%	17.98%
Ratio to Estimated Full Value.....	8.67%	8.66%	12.59%
Ratio to Equalized Net Taxable Grand List.....	6.59%	6.59%	9.57%
Debt per Capita to Money Income per Capita..	21.32%	21.30%	30.96%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for the City of Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for City of Hartford.

DEBT STATEMENT – TOWN OF NEWINGTON ²

As of June 30, 2020

LONG-TERM DEBT	\$26,360,000
SHORT-TERM DEBT	0
TOTAL DIRECT DEBT	\$26,360,000
TOTAL NET DIRECT DEBT	\$26,360,000
NET OVERLAPPING DEBT - MDC 12/1/20 ¹	80,720,173
TOTAL OVERALL NET DIRECT DEBT	\$107,080,173

¹ Please refer to page 73 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

² Estimated unaudited.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF NEWINGTON

As of June 30, 2020

Population ¹	30,323
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$2,656,844,617
Estimated Full Value	\$3,795,492,310
Equalized Net Taxable Grand List - 2018 ²	\$3,992,003,012
Money Income per Capita - 2018 ³	\$39,117

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$26,360,000	\$26,360,000	\$107,080,173
Per Capita.....	\$869.31	\$869.31	\$3,531.32
Ratio to Net Taxable Grand List.....	0.99%	0.99%	4.03%
Ratio to Estimated Full Value.....	0.69%	0.69%	2.82%
Ratio to Equalized Net Taxable Grand List.....	0.66%	0.66%	2.68%
Debt per Capita to Money Income per Capita..	2.22%	2.22%	9.03%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Newington.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Newington.

DEBT STATEMENT – TOWN OF ROCKY HILL ^{2,3}

As of June 30, 2020

LONG-TERM DEBT	\$82,160,000
SHORT-TERM DEBT	<u>2,250,000</u>
TOTAL DIRECT DEBT	\$84,410,000
TOTAL NET DIRECT DEBT	\$84,410,000
NET OVERLAPPING DEBT - MDC 12/1/20 ¹	<u>54,922,078</u>
TOTAL OVERALL NET DIRECT DEBT	\$139,332,078

¹ Please refer to page 73 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

² Estimated unaudited.

³ The Town of Rocky Hill issued \$11,350,000 Bond Anticipation Notes on July 29, 2020.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF ROCKY HILL

As of June 30, 2020

Population ¹	20,137
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$2,235,057,168
Estimated Full Value	\$3,192,938,811
Equalized Net Taxable Grand List - 2018 ²	\$3,156,173,943
Money Income per Capita - 2018 ³	\$45,689

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$84,410,000	\$84,410,000	\$139,332,078
Per Capita.....	\$4,191.79	\$4,191.79	\$6,919.21
Ratio to Net Taxable Grand List.....	3.78%	3.78%	6.23%
Ratio to Estimated Full Value.....	2.64%	2.64%	4.36%
Ratio to Equalized Net Taxable Grand List.....	2.67%	2.67%	4.41%
Debt per Capita to Money Income per Capita..	9.17%	9.17%	15.14%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Rocky Hill.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Rocky Hill.

DEBT STATEMENT – TOWN OF WEST HARTFORD ^{3,4}

As of June 30, 2020

LONG-TERM DEBT	\$135,210,000
SHORT-TERM DEBT	<u>0</u>
TOTAL DIRECT DEBT	\$135,210,000
Less:	
School Construction Grants - State of Conn. ¹	<u>15,072</u>
TOTAL NET DIRECT DEBT	\$135,210,000
NET OVERLAPPING DEBT - MDC 12/1/20 ²	<u>206,924,097</u>
TOTAL OVERALL NET DIRECT DEBT	\$342,134,097

¹ Represents School Construction Grants payable to the Town over the life of certain School Bond issues.

² Please refer to page 73 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

³ Estimated unaudited.

⁴ The Town of West Hartford issued \$8,915,999 Series 2020C Refunding Bonds and \$12,705,000 Series 2020D Refunding Bonds on November 5, 2020.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WEST HARTFORD

As of June 30, 2020

Population ¹	63,127
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$6,363,394,009
Estimated Full Value	\$9,090,562,870
Equalized Net Taxable Grand List - 2018 ²	\$9,876,620,438
Money Income per Capita - 2018 ³	\$54,601

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$135,210,000	\$135,210,000	\$342,134,097
Per Capita.....	\$2,141.87	\$2,141.87	\$5,419.77
Ratio to Net Taxable Grand List.....	2.12%	2.12%	5.38%
Ratio to Estimated Full Value.....	1.49%	1.49%	3.76%
Ratio to Equalized Net Taxable Grand List.....	1.37%	1.37%	3.46%
Debt per Capita to Money Income per Capita..	3.92%	3.92%	9.93%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of West Hartford.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of West Hartford.

DEBT STATEMENT – TOWN OF WETHERSFIELD ²

As of June 30, 2020

LONG-TERM DEBT	\$42,045,000
SERIAL NOTE	175,000
TOTAL DIRECT DEBT	\$42,220,000
TOTAL NET DIRECT DEBT	\$42,220,000
NET OVERLAPPING DEBT - MDC 12/1/20 ¹	74,068,400
TOTAL OVERALL NET DIRECT DEBT	\$116,288,400

¹ Please refer to page 73 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

² Estimated unaudited.

Note: Does not include capital lease obligations and authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WETHERSFIELD

As of June 30, 2020

Population ¹	26,267
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$2,337,733,183
Estimated Full Value	\$3,339,618,833
Equalized Net Taxable Grand List - 2018 ²	\$3,317,732,536
Money Income per Capita - 2018 ³	\$43,950

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$42,220,000	\$42,220,000	\$116,288,400
Per Capita.....	\$1,607.34	\$1,607.34	\$4,427.17
Ratio to Net Taxable Grand List.....	1.81%	1.81%	4.97%
Ratio to Estimated Full Value.....	1.26%	1.26%	3.48%
Ratio to Equalized Net Taxable Grand List.....	1.27%	1.27%	3.51%
Debt per Capita to Money Income per Capita..	3.66%	3.66%	10.07%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Wethersfield.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Wethersfield.

DEBT STATEMENT – TOWN OF WINDSOR ²

As of June 30, 2020

LONG-TERM DEBT	\$52,140,000
SHORT-TERM DEBT	12,500,000
TOTAL DIRECT DEBT	\$64,640,000
TOTAL NET DIRECT DEBT	\$64,640,000
NET OVERLAPPING DEBT - MDC 12/1/20 ¹	80,540,396
TOTAL OVERALL NET DIRECT DEBT	\$145,180,396

¹ Please refer to page 73 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

² Estimated unaudited.

Note: Does not include authorized but unissued debt.

CURRENT DEBT RATIOS – TOWN OF WINDSOR

As of June 30, 2020

Population ¹	28,917
Net Taxable Grand List - 10/1/19 @ 70% of full value	\$3,153,873,769
Estimated Full Value	\$4,505,533,956
Equalized Net Taxable Grand List - 2018 ²	\$4,440,713,889
Money Income per Capita - 2018 ³	\$39,725

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Direct Debt
	\$64,640,000	\$64,640,000	\$145,180,396
Per Capita.....	\$2,235.36	\$2,235.36	\$5,020.59
Ratio to Net Taxable Grand List.....	2.05%	2.05%	4.60%
Ratio to Estimated Full Value.....	1.43%	1.43%	3.22%
Ratio to Equalized Net Taxable Grand List.....	1.46%	1.46%	3.27%
Debt per Capita to Money Income per Capita..	5.63%	5.63%	12.64%

¹ U.S. Census Bureau, 2014-2018 American Community Survey, Town of Windsor.

² Office of Policy and Management, State of Connecticut.

³ U.S. Census Bureau, 2014-2018 American Community Survey, for Town of Windsor.

BOND AUTHORIZATION

The District has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State subject to applicable debt limitations and the procedural requirements of the District Charter.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued with maturity dates not exceeding two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue if the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewerage system (CGS Sec. 7-264a). In the first year following the

completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION ON INDEBTEDNESS

The District Charter provides that the total outstanding indebtedness of the District, for non-water purposes, shall not exceed:

5.00% of the combined Grand Lists of its Member Municipalities.

In accordance with the District's Charter Section 4-3, no bonds, notes or other certificates of debt, except such as are to mature in six months or less and to be paid from current taxes shall be issued if such issue shall bring the total outstanding indebtedness of the District to an amount in excess of five per centum of the combined grand lists of said District unless otherwise provided by special act. The grand lists for the purpose of this section shall be deemed to include the assessed value of all shares of capital stock the taxes on which are required by section 1205 of the Connecticut General Statutes, revision of 1918, as amended, to be remitted annually to the municipalities by the State. In computing the total outstanding indebtedness of the District there shall be deducted the amount of the District's sinking fund, the amount of bonds issued for the supply of water or for the construction of subways or underground conduits for cables, wires or pipes and of such other bonds of the District as may be issued under any act of the legislature, especially providing that the bonds issued thereunder shall be deducted in computing the total outstanding indebtedness of the District. Bonds and notes issued for a sewerage system, and secured solely by a pledge of sewerage system use charges, are not included in computing the aggregate indebtedness of the District for this purpose.

The Charter also provides for exclusion from the debt limitation of any debt to be paid from a funded sinking fund. The District's Clean Water Project Revenue Bonds are also excluded from the debt limitation. Special Act No.14-21 also excludes other revenue bonds issued under the District's Charter from the debt limitation.

STATEMENT OF STATUTORY DEBT LIMITATION ³
THE DISTRICT
As of December 1, 2020
(Pro Forma)

COMBINED 2019 NET TAXABLE GRAND LISTS OF MEMBER MUNICIPALITIES.....	\$25,979,060,901
DEBT LIMIT - 5% of combined Grand Lists ¹.....	<u>\$1,298,953,045</u>
INDEBTEDNESS:	
Water General Obligation Bonds.....	\$169,255,842
DWSRF Project Loan Obligations.....	48,816,409
Sewer General Obligation Bonds.....	179,636,459
CWF Project Loan Obligations.....	30,128,462
Clean Water Project General Obligation Bonds ²	47,325,000
Clean Water Project Revenue Bonds ²	252,350,000
Clean Water Project CWF Project Loan Obligations ²	391,291,119
Combined General Obligation Bonds.....	<u>151,182,699</u>
TOTAL DIRECT LONG-TERM INDEBTEDNESS.....	\$1,269,985,991
Notes of this Issue.....	\$93,185,000
CWF Interim Funding Obligations ²	133,451,321
DWSRF Interim Funding Obligation.....	<u>1,799,195</u>
TOTAL DIRECT SHORT-TERM INDEBTEDNESS.....	\$228,435,516
TOTAL DIRECT INDEBTEDNESS.....	\$1,498,421,507
Less Outstanding Debt Not Subject to Debt Limitation	
Water General Obligation Bonds.....	\$169,255,842
DWSRF Project Loan Obligations.....	48,816,409
DWSRF Interim Funding Obligations.....	1,799,195
Clean Water Project Revenue Bonds ²	252,350,000
Water's Share of Combined General Obligation Bonds.....	77,103,177
Notes of this Issue.....	<u>50,208,540</u>
TOTAL DEBT NOT SUBJECT TO DEBT LIMITATION.....	\$599,533,163
TOTAL NET DIRECT INDEBTEDNESS.....	\$898,888,344
DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS..	<u>\$400,064,701</u>

¹ The District's Charter does not limit its borrowing capacity for water purposes, but limits its capacity for non-water purposes to 5% of the combined Grand Lists of its Member Municipalities. The nature of this limitation requires the aggregation of obligations which normally appear in separate account groups.

² It is expected that these obligations issued pursuant to authorizations totaling \$1.7588 billion for the District's Clean Water Project will be supported by a Clean Water Project Charge (previously the Special Sewer Service Surcharge) levied annually and added to customers' water bills. See pages 23 "I. The Issuer – Clean Water Project" and 73 "VIII. Debt Summary – Overlapping and Underlying Net Debt The District and Member Municipalities" herein for further details.

³Totals may not add due to rounding.

Note: The District has issued \$271.075 million in Clean Water Project Revenue Bonds. The bonds are being repaid from a portion of the Clean Water Project Charge (previously the Special Sewer Service Surcharge) and are not general obligations of the District.

Source: Audited Financial Statements; District Officials.

AUTHORIZED BUT UNISSUED DEBT - THE DISTRICT ¹

As of December 1, 2020

(Pro Forma)

Project	Authorized	Previously Funded	Notes This Issue*	Debt Authorized but Unissued				
				General Purpose	Water	Sewers	Hydroelectric	Total
Water Capital Improvements.....	\$274,098,903	\$93,904,817	\$38,298,000		\$141,896,085			\$141,896,085 ²
Sewer Capital Improvements.....	2,055,413,000	1,404,500,026	33,348,000			\$617,564,974		617,564,974 ^{1,2}
Combined Funding Capital Improvements....	92,400,000	53,469,000	23,354,000	\$15,577,000				15,577,000
Hydroelectric Capital Improvements.....	500,000						\$500,000	500,000
Total.....	\$2,422,411,903	\$1,551,873,843	\$95,000,000 *	\$15,577,000	\$141,896,085	\$617,564,974	\$500,000	\$775,538,059

¹ Includes an authorization of \$800 million approved by the Member Municipalities in November 2006, a further \$800 million authorization for Phase II of the Clean Water Project, a supplemental of \$140 million approved by the District Board on October 5, 2016 and \$18.8 million approved by the District Board on September 2, 2020.

² Includes projects which qualify for the State of Connecticut Clean Water Fund and Drinking Water Revolving Fund Program (See "Clean Water Project" herein.).

*Reflects application of premium.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – THE DISTRICT¹

Long-Term Debt	2019	2018	2017	2016	2015
Bonds.....	\$1,283,094,137	\$1,224,500,400	\$1,063,323,965	\$1,033,509,750	\$836,831,502
Short-Term Debt					
Bond Anticipation Notes.....	0	0	120,000,000	0	106,500,000
Total.....	\$1,283,094,137 ²	\$1,224,500,400 ²	\$1,183,323,965 ²	\$1,033,509,750 ²	\$943,331,502 ²

¹ Does not include underlying debt and capital lease obligations.

² Excludes Clean Water Fund and Drinking Water State Revolving Fund, IFOs.

Source: Annual Audited Financial Statements 2015-2019.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF BLOOMFIELD¹

General Obligation Rating (Moody's/S&P)

Aa2/AA+ ²

Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds.....	\$58,395,000	\$50,900,000	\$42,830,000	\$48,230,000	\$52,515,000	\$56,695,000
Short-Term Debt						
BANs/State DECD Note	9,730,000	7,000,000	0	0	0	0
Total.....	\$68,125,000	\$57,900,000	\$42,830,000	\$48,230,000	\$52,515,000	\$56,695,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF EAST HARTFORD¹

General Obligation Rating (Moody's/S&P)

Aa3 ²/AA

Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds.....	\$40,070,000	\$48,740,000	\$41,125,000	\$47,395,000	\$38,755,000	\$44,910,000
Short-Term Debt						
Bond Anticipation Notes.....	0	0	0	0	0	0
Total.....	\$40,070,000	\$48,740,000	\$41,125,000	\$47,395,000	\$38,755,000	\$44,910,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – CITY OF HARTFORD^{1,4}

Issuer Rating (Moody's/S&P)						
Ba3/BB+ ^{2,3}						
Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds/CWF.....	\$502,327,000	\$536,889,000	\$570,537,000	\$602,463,000	\$684,316,000	\$514,120,970
Short-Term Debt						
Bond Anticipation Notes.....	0	0	0	20,165,000	0	50,000,000
Total	\$502,327,000	\$536,889,000	\$570,537,000	\$622,628,000	\$684,316,000	\$564,120,970

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

³ The B1 Moody's rating and the BB+ S&P rating above reflect the City of Hartford's issuer ratings. Hartford's general obligation debt is rated A2 by Moody's and A by S&P based on the financial assistance contract with the State of Connecticut. See "VII. Financial Information – The City of Hartford"

⁴ The State of Connecticut has agreed to make payments to the City equal to the City's debt service payments annually. See "VII. Financial Information – The City of Hartford".

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF NEWINGTON¹

General Obligation Rating (Moody's/S&P)						
Not Rated/AA+ ²						
Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds.....	\$26,360,000	\$12,500,000	\$4,195,000	\$5,220,000	\$6,255,000	\$7,295,000
Short-Term Debt						
Bond Anticipation Notes.....	0	6,000,000	0	0	0	0
Total	\$26,360,000	\$18,500,000	\$4,195,000	\$5,220,000	\$6,255,000	\$7,295,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF ROCKY HILL¹

General Obligation Rating (Moody's/S&P)						
Not Rated/AA+ ²						
Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds.....	\$82,160,000	\$47,345,000	\$50,515,000	\$52,625,000	\$25,925,000	\$28,190,000
Short-Term Debt						
Bond Anticipation Notes.....	2,250,000	33,000,000	8,000,000	0	29,000,000	14,500,000
Total	\$84,410,000	\$80,345,000	\$58,515,000	\$52,625,000	\$54,925,000	\$42,690,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WEST HARTFORD¹

General Obligation Rating (Moody's/S&P)						
Aaa/AAA ²						
Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds.....	\$135,210,000	\$139,675,000	\$147,085,000	\$150,455,000	\$148,675,000	\$149,280,000
Short-Term Debt						
Bond Anticipation Notes.....	0	0	0	0	0	0
Total	\$135,210,000	\$139,675,000	\$147,085,000	\$150,455,000	\$148,675,000	\$149,280,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WETHERSFIELD¹

General Obligation Rating (Moody's/S&P)

Aa2/AA+²

Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds.....	\$42,045,000	\$46,255,000	\$50,465,000	\$54,835,000	\$49,700,000	\$41,790,000
Short-Term Debt						
Bond Anticipation Notes.....	175,000	260,000	345,000	425,000	505,000	580,000
Total	\$42,220,000	\$46,515,000	\$50,810,000	\$55,260,000	\$50,205,000	\$42,370,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WINDSOR¹

General Obligation Rating (Moody's/S&P)

Not Rated/AAA²

Long-Term Debt	2020 Est.	2019	2018	2017	2016	2015
Bonds.....	\$52,140,000	\$43,090,000	\$39,105,000	\$38,340,000	\$38,520,000	\$39,765,000
Short-Term Debt						
Bond Anticipation Notes.....	12,500,000	11,970,000	0	0	450,000	420,000
Total	\$64,640,000	\$55,060,000	\$39,105,000	\$38,340,000	\$38,970,000	\$40,185,000

¹ Does not include overlapping debt, capital lease obligations and other long-term commitments.

² Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2015-2019, Estimate Fiscal Year 2020.

RATIO OF DIRECT DEBT TO VALUATION AND POPULATION - THE DISTRICT

Fiscal Year Ended 12/31	Net Assessed Value¹	Estimated Full Value²	Direct Debt³	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population⁴	Direct Debt per Capita
2019	\$25,204,865,874	\$36,006,951,249	\$1,283,094,137	5.09%	3.56%	362,767	\$3,536.96
2018	24,877,980,395	35,539,971,993	1,224,500,400	4.92%	3.45%	362,767	3,375.45
2017	24,245,533,613	34,636,476,590	1,183,323,965	4.88%	3.42%	362,767	3,261.94
2016	23,921,553,118	34,173,647,311	1,033,509,750	4.32%	3.02%	362,767	2,848.96
2015	23,784,560,956	33,977,944,223	943,331,502	3.97%	2.78%	362,767	2,600.38

¹ Represents the Net Taxable Grant Lists of the Member Municipalities.

² Represents the estimated full value of the Member Municipalities' Net Taxable Grand Lists.

³ Does not include underlying debt and capital lease obligations.

⁴ Represents the total population of the Member Municipalities.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF BLOOMFIELD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%)³
2020 Est.	\$2,155,023,283	\$3,078,604,690	\$68,125,000	3.16%	2.21%	20,952	\$3,251.48	7.56%
2019	2,116,863,202	3,024,090,289	57,900,000	2.74%	1.91%	20,952	2,763.46	6.43%
2018	2,018,358,356	2,883,369,080	42,830,000	2.12%	1.49%	20,952	2,044.20	4.75%
2017	2,038,195,880	2,911,708,400	48,230,000	2.37%	1.66%	20,848	2,313.41	5.38%
2016	2,033,984,990	2,905,692,843	52,515,000	2.58%	1.81%	20,687	2,538.55	5.90%
2015	2,067,157,242	2,953,081,774	56,695,000	2.74%	1.92%	20,679	2,741.67	6.37%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Surveys.

³ Income per Capita: \$43,010 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF EAST HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Direct Debt per Capita to Per Capita Income (%) ³
2020 Est.	\$2,783,862,372	\$3,976,946,246	\$40,070,000	1.44%	1.01%	50,453	\$794.20	2.84%
2019	2,811,967,294	4,017,096,134	48,740,000	1.73%	1.21%	50,453	966.05	3.45%
2018	2,757,568,984	3,939,384,263	41,125,000	1.49%	1.04%	50,453	815.12	2.91%
2017	2,736,032,759	3,908,618,227	47,395,000	1.73%	1.21%	50,812	932.75	3.33%
2016	2,689,464,641	3,842,092,344	38,755,000	1.44%	1.01%	50,834	762.38	2.72%
2015	2,687,876,591	3,839,823,701	44,910,000	1.67%	1.17%	51,137	878.23	3.14%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Surveys.

³ Income per Capita: \$28,011 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - CITY OF HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2020 Est.	\$4,025,919,645	\$5,751,313,779	\$502,327,000	12.48%	8.73%	122,591	\$4,097.58	21.32%
2019	4,061,916,449	5,802,737,784	536,889,000	13.22%	9.25%	122,591	4,379.51	22.79%
2018	4,068,017,222	5,811,453,174	570,537,000	14.02%	9.82%	122,591	4,653.99	24.22%
2017	3,701,904,978	5,288,435,683	622,628,000	16.82%	11.77%	124,390	5,005.45	26.05%
2016	3,619,341,714	5,170,488,163	684,316,000	18.91%	13.24%	124,320	5,504.47	28.65%
2015	3,531,344,777	5,044,778,253	564,120,970	15.97%	11.18%	124,795	4,520.38	23.53%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Surveys.

³ Income per Capita: \$19,215 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF NEWINGTON

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Direct Debt per Capita to Per Capita Income (%) ³
2020 Est.	\$2,640,307,103	\$3,771,867,290	\$26,360,000	1.00%	0.70%	30,323	\$869.31	2.22%
2019	2,623,718,787	3,748,169,696	12,500,000	0.48%	0.33%	30,323	412.23	1.05%
2018	2,609,986,139	3,728,551,627	4,195,000	0.16%	0.11%	30,323	138.34	0.35%
2017	2,615,695,201	3,736,707,430	5,220,000	0.20%	0.14%	30,603	170.57	0.44%
2016	2,550,822,204	3,644,031,720	6,255,000	0.25%	0.17%	30,590	204.48	0.52%
2015	2,548,042,597	3,640,060,853	7,295,000	0.29%	0.20%	30,638	238.10	0.61%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Surveys.

³ Income per Capita: \$39,117 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF ROCKY HILL

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Direct Debt per Capita to Per Capita Income (%) ³
2020 Est.	\$2,208,948,420	\$3,155,640,600	\$84,410,000	3.82%	2.67%	20,137	\$4,191.79	9.17%
2019	2,094,054,395	2,991,506,279	80,345,000	3.84%	2.69%	20,137	3,989.92	8.73%
2018	2,061,636,790	2,945,195,414	58,515,000	2.84%	1.99%	20,137	2,905.84	6.36%
2017	2,033,673,437	2,905,247,767	52,625,000	2.59%	1.81%	20,015	2,629.28	5.75%
2016	2,018,435,060	2,883,478,657	54,925,000	2.72%	1.90%	19,920	2,757.28	6.03%
2015	1,988,502,360	2,840,717,657	42,690,000	2.15%	1.50%	19,839	2,151.82	4.71%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Surveys.

³ Income per Capita: \$45,689 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WEST HARTFORD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2020 Est.	\$6,314,734,062	\$9,021,048,660	\$135,210,000	2.14%	1.50%	63,127	\$2,141.87	3.92%
2019	6,285,118,569	8,978,740,813	139,675,000	2.22%	1.56%	63,127	2,212.60	4.05%
2018	6,232,711,742	8,903,873,917	147,085,000	2.36%	1.65%	63,127	2,329.99	4.27%
2017	5,981,347,789	8,544,782,556	150,455,000	2.52%	1.76%	63,360	2,374.61	4.35%
2016	5,946,170,476	8,494,529,251	148,675,000	2.50%	1.75%	63,187	2,352.94	4.31%
2015	5,924,661,849	8,463,802,641	149,280,000	2.52%	1.76%	63,288	2,358.74	4.32%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Surveys.

³ Income per Capita: \$54,601 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WETHERSFIELD

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2020 Est.	\$2,321,469,775	\$3,316,385,393	\$42,220,000	1.82%	1.27%	26,267	\$1,607.34	3.66%
2019	2,251,449,143	3,216,355,919	46,515,000	2.07%	1.45%	26,267	1,770.85	4.03%
2018	2,242,958,976	3,204,227,109	50,810,000	2.27%	1.59%	26,267	1,934.37	4.40%
2017	2,214,180,160	3,163,114,514	55,260,000	2.50%	1.75%	26,395	2,093.58	4.76%
2016	2,213,400,730	3,162,001,043	50,205,000	2.27%	1.59%	26,396	1,901.99	4.33%
2015	2,205,813,324	3,151,161,891	42,370,000	1.92%	1.34%	26,510	1,598.26	3.64%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Survey.

³ Income per Capita: \$43,950 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF DIRECT DEBT TO VALUATION, POPULATION AND INCOME - TOWN OF WINDSOR

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt ¹	Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population ²	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) ³
2020 Est.	\$3,105,965,090	\$4,437,092,986	\$64,640,000	2.08%	1.46%	28,917	\$2,235.36	5.63%
2019	2,959,778,035	4,228,254,336	55,060,000	1.86%	1.30%	28,917	1,904.07	4.79%
2018	2,886,742,186	4,123,917,409	39,105,000	1.35%	0.95%	28,917	1,352.32	3.40%
2017	2,924,503,409	4,177,862,013	38,340,000	1.31%	0.92%	29,037	1,320.38	3.32%
2016	2,849,933,303	4,071,333,290	38,970,000	1.37%	0.96%	29,034	1,342.22	3.38%
2015	2,831,162,216	4,044,517,451	40,185,000	1.42%	0.99%	29,095	1,381.17	3.48%

¹ Does not include overlapping debt and capital lease obligations.

² U.S. Census Bureau, 2015-2018 American Community Survey.

³ Income per Capita: \$39,725 U.S. Census Bureau, 2014-2018 American Community Survey.

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF BLOOMFIELD

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2020 Est.	\$6,502,326	\$91,847,821	7.08%
2019	5,687,779	92,803,594	6.13%
2018	5,808,960	107,831,063	5.39%
2017	6,205,214	101,300,869	6.13%
2016	6,198,138	88,252,903	7.02%
2015	6,087,159	86,455,317	7.04%

Source: Annual Audited Financial Statements 2015-2019, Estimate 2020.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF EAST HARTFORD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2020 Est.	\$8,211,866	\$191,386,600	4.29%
2019	10,516,000	212,046,000	4.96%
2018	10,133,000	218,102,000	4.65%
2017	9,101,000	212,291,000	4.29%
2016	9,182,000	202,273,000	4.54%
2015	9,437,000	196,091,000	4.81%

Source: Annual Audited Financial Statements 2015-2019, Estimate 2020.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES – CITY OF HARTFORD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2020 Est.	\$16,310,036	\$573,280,741	2.85%
2019	61,637,000	629,195,000	9.80%
2018	64,385,000	669,819,000	9.61%
2017	91,236,000	614,324,000	14.85%
2016	72,734,000	578,813,000	12.57%
2015	46,114,000	582,711,000	7.91%

Source: Annual Audited Financial Statements 2015-2019, Estimate 2020.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF NEWINGTON**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2020 Est.	\$1,525,231	\$123,706,166	1.23%
2019	786,000	122,411,000	0.64%
2018	1,151,000	126,309,000	0.91%
2017	1,192,000	127,298,000	0.94%
2016	1,228,000	119,319,000	1.03%
2015	1,677,000	115,086,000	1.46%

Source: Annual Audited Financial Statements 2015-2019, Estimate 2020.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF ROCKY HILL**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2020 Est.	\$4,286,734	\$80,742,549	5.31%
2019	4,182,491	80,840,675	5.17%
2018	3,232,311	82,238,247	3.93%
2017	3,260,660	80,439,138	4.05%
2016	2,636,065	72,952,445	3.61%
2015	1,962,439	71,869,171	2.73%

Source: Annual Audited Financial Statements 2015-2019, Estimate 2020.

**RATIO OF ANNUAL BONDED DEBT SERVICE
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WEST HARTFORD¹**

Fiscal Year Ended 6/30	Annual Debt Service	Total Governmental Funds Expenditures	Ratio of Debt Service to Governmental Funds Expenditures %
2020 Est.	\$17,333,303	\$296,493,566	5.85%
2019	22,420,000	283,095,000	7.92%
2018	21,646,000	294,758,000	7.34%
2017	20,435,000	282,338,000	7.24%
2016	19,557,000	260,841,000	7.50%
2015	17,972,000	252,551,000	7.12%

¹ Includes All Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis.
Source: Annual Audited Financial Statement 2015-2019, Estimate 2020.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL FUND EXPENDITURES - TOWN OF WETHERSFIELD**

Fiscal Year Ended 6/30	Annual Debt Service	Total General Fund Expenditures	Ratio of General Fund Debt Service to Total General Fund Expenditures %
2020 Est.	\$5,675,933	\$106,058,545	5.35%
2019	5,927,955	108,744,460	5.45%
2018	5,616,873	112,740,767	4.98%
2017	5,185,048	109,890,352	4.72%
2016	4,385,548	103,719,242	4.23%
2015	3,367,577	99,366,023	3.39%

Source: Annual Audited Financial Statements 2015-2019, Estimate 2020.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WINDSOR¹**

Fiscal Year Ended 6/30	Annual Debt Service	Governmental Funds Expenditures	to Governmental Funds Expenditures %
2020 Est.	\$7,395,640	\$118,864,040	6.22%
2019	7,067,791	121,253,395	5.83%
2018	6,927,469	124,302,336	5.57%
2017	6,984,205	124,585,624	5.61%
2016	6,672,435	114,303,514	5.84%
2015	7,307,067	125,456,704	5.82%

¹ Includes all Governmental Funds, excluding Capital Expenditures.

Source: Annual Audited Financial Statements 2015-2019, Estimate 2020.

CAPITAL IMPROVEMENT PROGRAMS AND FUTURE BORROWINGS

Each year the District adopts a Capital Improvement Program (“CIP”) for its capital infrastructure and facility needs. The program requires a series of decisions about the amount, timing, purpose and structure of debt issuance. Annual capital project appropriations and the issuance of debt are approved in accordance with budgetary policies and procedures as presented under the Budget Procedure and Policy of Debt Administration. The Finance Department manages all District borrowings, paying particular attention to debt affordability and timing of borrowings to take advantage of favorable market conditions. The goal is to repay debt rapidly, maintain a conservative level of outstanding debt, and ensure the District’s continued positive financing standing in the bond market. For 2020, the CIP continues to focus on implementing a comprehensive asset management program for wastewater, water and combined programs.

FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

	2020	2021	2022	2023	2024	Total
Sewer	\$ 51,600,000	\$ 72,200,000	\$ 52,680,000	\$ 53,815,000	\$ 36,556,000	\$ 266,851,000
Water	40,700,000	42,000,000	34,100,000	37,300,000	35,600,000	189,700,000
Combined	18,500,000	14,500,000	23,500,000	14,500,000	17,500,000	88,500,000
	<u>\$ 110,800,000</u>	<u>\$ 128,700,000</u>	<u>\$ 110,280,000</u>	<u>\$ 105,615,000</u>	<u>\$ 89,656,000</u>	<u>\$ 545,051,000</u>

The adopted 2020 Capital Improvement Program (“CIP”) Budget is \$110.8M. The CIP Budget is expected to be funded with approximately \$110.8M of General Obligation Bonds and funding from the State under the Connecticut Department of Public Health’s Drinking Water State Revolving Fund (water projects), State of Connecticut Department of Energy and Environmental Protection’s Clean Water Fund (wastewater projects), and other State or Federal Funding Programs.

**THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT HAS NEVER
DEFAULTED IN THE PAYMENT OF PRINCIPAL OF OR INTEREST ON ITS BONDS OR NOTES.**

APPENDIX A - BASIC FINANCIAL STATEMENTS

THE METROPOLITAN DISTRICT

DECEMBER 31, 2019

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Independent Auditors' Report

To the Board of Finance
The Metropolitan District
Hartford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of The Metropolitan District as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise The Metropolitan District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of The Metropolitan District as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
June 25, 2020

**The Metropolitan District
Management's Discussion and Analysis
December 31, 2019**

The management of the Metropolitan District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- On a government-wide basis, the assets of the District exceeded its liabilities at the close of the current year by \$754,842,794 and \$90,303,443 for Governmental Activities and Business-Type Activities, respectively.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$131,335,645 an increase of \$610,018 in comparison with the prior year.
- On a government-wide basis, the District's total net position increased by \$54,198,116 and decreased by \$25,714,673 for the Governmental Activities and Business-Type Activities, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes, charges for services, operating grants and contributions, capital grants and contributions (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges and capital grants and contributions (Business-Type Activities). The Governmental Activities of the District include general government, operations, plants and maintenance, and Interest on long-term debt, and in particular include its wastewater operations. The business-type activities of the District include Water and Hydroelectricity facilities.

The government-wide financial statements can be found on pages A-13 - A-15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual government funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, the Clean Water Project Fund and the Capital Project Fund, of which are considered to be major funds.

The District adopts an annual appropriated budget for its General Fund. Budgetary comparison schedules have been provided for the General Fund to demonstrate compliance with this budget. These can be found on pages A-59 - A-61 of this report.

The basic governmental fund financial statements can be found on pages A-15 - A-18 of this report.

Proprietary Funds - The District maintains three proprietary, or enterprise type funds. Enterprise funds report the same functions as presented by the business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water and hydroelectricity operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water operations considered a major fund of the District, and hydroelectricity operations, which is nonmajor.

The District adopts an annual appropriated budget for its Water Utility Fund. Budgetary comparison schedules have been provided for the Water Utility Fund to demonstrate compliance with this budget. These can be found on pages A-70 - A-72 of this report.

The basic proprietary fund financial statements can be found on pages A-19 - A-21 of this report.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the District in a trustee capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District maintains fiduciary funds for its Pension and OPEB Trusts.

The basic fiduciary fund financial statements can be found on pages A-22 - A-23 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages A-24 - A-58 of this report.

Supplemental Combining Statements and Schedules

Following the notes to this report also contain certain supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the District, assets exceeded liabilities by \$754,842,794 and \$90,303,443 for the Governmental Activities and Business-Type Activities, respectively, at the close of the most recent fiscal year.

By far the largest portion of the District's assets is its investment in capital assets (e.g., infrastructure, plants, machinery and equipment). It is presented in the statement of net position less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets, net of accumulated depreciation, is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Set out below is a comparison of the District's net position at the end of fiscal 2019 compared to the prior year, and the changes in net position for fiscal 2018, compared to the prior year.

The Metropolitan District NET POSITION December 31, 2019 and 2018

	2019			2018		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and other assets	\$ 154,142,887	\$ 79,608,216	\$ 233,751,103	\$ 170,617,171	\$ 75,117,729	\$ 245,734,900
Capital assets, net of accumulated depreciation	1,905,798,421	608,196,939	2,513,995,360	1,814,591,656	599,920,958	2,414,512,614
Total assets	<u>2,059,941,308</u>	<u>687,805,155</u>	<u>2,747,746,463</u>	<u>1,985,208,827</u>	<u>675,038,687</u>	<u>2,660,247,514</u>
Deferred outflows of resources	34,709,913	46,713,175	81,423,088	15,928,969	21,130,296	37,059,265
Current liabilities	28,143,066	7,448,060	35,591,126	46,464,713	15,896,106	62,360,819
Long-term liabilities outstanding	1,293,425,040	612,291,938	1,905,716,978	1,235,900,679	539,155,681	1,775,056,360
Total liabilities	<u>1,321,568,106</u>	<u>619,739,998</u>	<u>1,941,308,104</u>	<u>1,282,365,392</u>	<u>555,051,787</u>	<u>1,837,417,179</u>
Deferred inflows of resources	18,240,321	24,474,889	42,715,210	18,127,726	25,099,080	43,226,806
Net Position:						
Net investment in capital assets	809,558,713	272,553,110	1,082,111,823	738,962,237	284,768,635	1,023,730,872
Restricted	2,744,874		2,744,874	521,274 *		521,274
Unrestricted	(57,460,793)	(182,249,667)	(239,710,460)	(38,838,833)	(168,750,519)	(207,589,352)
Total Net Position	<u>\$ 754,842,794</u>	<u>\$ 90,303,443</u>	<u>\$ 845,146,237</u>	<u>\$ 700,644,678</u>	<u>\$ 116,018,116</u>	<u>\$ 816,662,794</u>

* Restricted net position reclassified from prior year presentation.

The District's net position increased by \$28,483,443 overall during the fiscal year with ending net position of Governmental Activities and Business-Type Activities of \$754,842,794 and \$90,303,443 respectively.

Governmental Activities

The net position of governmental activities increased \$54,198,116 from the prior year, primarily due to an increase in capital assets of \$91,206,765 offset by an increase of \$39,202,714 in liabilities.

Deferred outflow of resources increased \$18,780,944 from the prior year due to Pension and OPEB activity; specifically as a result of changes in actuarial assumptions. Deferred inflow of resources remained relatively consistent compared to prior year.

Business-Type Activities

The total net position of business-type activities decreased \$25,714,673 from prior year, primarily due to an increase in settlement liability of \$7,900,000 in addition to a decrease in investment in capital assets of \$12,215,525.

Deferred outflow of resources increased \$25,582,879 from the prior year due to Pension and OPEB activity; specifically as a result of changes in actuarial assumptions. Deferred inflow of resources remained relatively consistent compared to prior year.

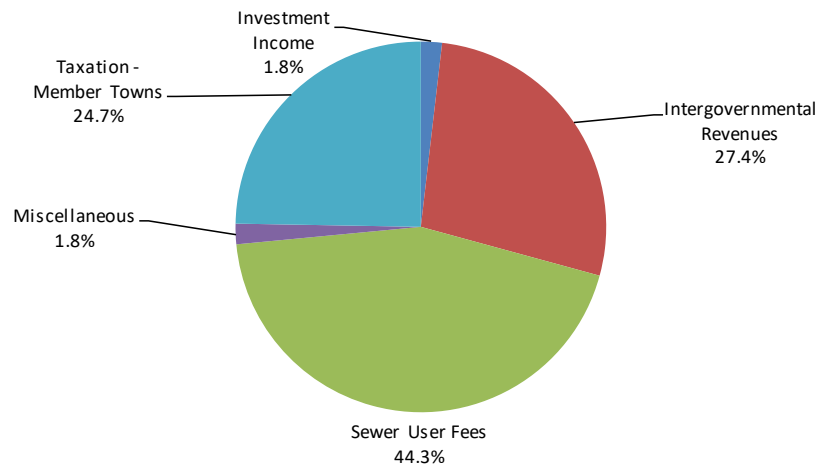
The Metropolitan District CHANGES IN NET POSITION For the Years Ended December 31, 2019 and 2018

	2019			2018		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 86,222,994	\$ 92,873,907	\$ 179,096,901	\$ 73,018,310	\$ 79,715,461	\$ 152,733,771
Capital grants and contributions	53,379,335	4,949,099	58,328,434	49,836,293	17,337,818	67,174,111
General revenues:						
Sewer taxation - member municipalities	48,153,100		48,153,100	45,004,000		45,004,000
Unrestricted investment earnings	3,573,305	270,730	3,844,035	3,060,821	236,085	3,296,906
Miscellaneous income	3,466,043		3,466,043	5,501,247		5,501,247
Total revenues	<u>194,794,777</u>	<u>98,093,736</u>	<u>292,888,513</u>	<u>176,420,671</u>	<u>97,289,364</u>	<u>273,710,035</u>
Expenses:						
General government	22,503,242		22,503,242	3,478,751		3,478,751
Operations	32,724,856		32,724,856	11,612,676		11,612,676
Plants and maintenance	71,412,175		71,412,175	32,932,419		32,932,419
Interest on long-term debt	28,064,892		28,064,892	30,746,675		30,746,675
Water		107,583,098	107,583,098		124,328,800	124,328,800
Hydroelectricity		2,116,807	2,116,807		247,281	247,281
Total expenses	<u>154,705,165</u>	<u>109,699,905</u>	<u>264,405,070</u>	<u>78,770,521</u>	<u>124,576,081</u>	<u>203,346,602</u>
Excess of Revenues over Expenditures before Transfers	40,089,612	(11,606,169)	28,483,443	97,650,150	(27,286,717)	70,363,433
Transfers	14,108,504	(14,108,504)	-	12,366,415	(12,366,415)	-
Net Change in Net Position	54,198,116	(25,714,673)	28,483,443	110,016,565	(39,653,132)	70,363,433
Net Position at Beginning of Year	<u>700,644,678</u>	<u>116,018,116</u>	<u>816,662,794</u>	<u>590,628,113</u>	<u>155,671,248</u>	<u>746,299,361</u>
Net Position at End of Year	<u>\$ 754,842,794</u>	<u>\$ 90,303,443</u>	<u>\$ 845,146,237</u>	<u>\$ 700,644,678</u>	<u>\$ 116,018,116</u>	<u>\$ 816,662,794</u>

Governmental Activities

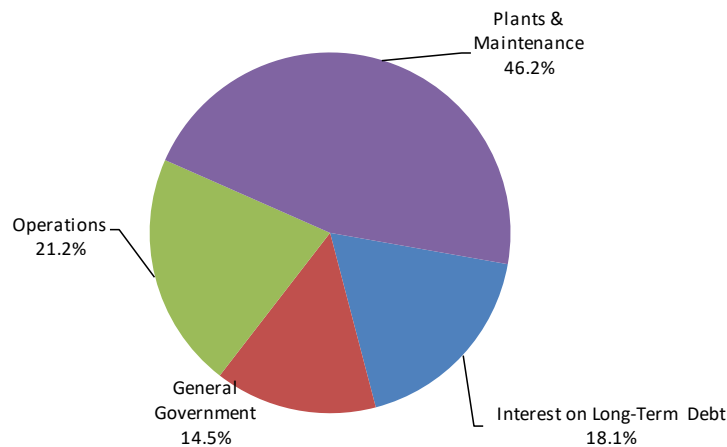
Net position of governmental activities increased by \$54,198,116 in 2019.

Major revenue factors include:



- Approximately 24.7% of the governmental activity revenues were derived from taxes levied on our member towns. These taxes increased 7% from the prior year.
- The primary component of charges for services consists of sewer user fees of \$77,482,872 which increased by \$13,594,850 due to rate increases and increased usage.
- The primary component of operating and capital grants and contributions consists of intergovernmental revenues of \$30,203,841 which decreased by \$23,686,884 from the prior year. The intergovernmental revenue decrease is due to completion of a majority of construction contracts coming to scheduled completion dates and various funding agreements being converted from IFO to PLO.

Major expenditure factors include:

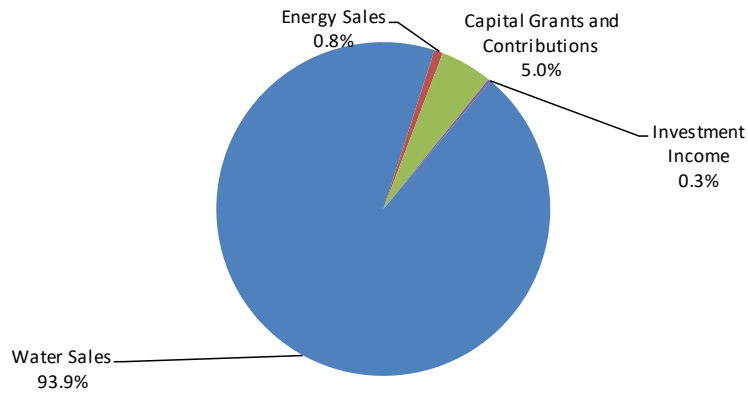


- During 2019, expenses increased from the prior year by \$75,934,644 of which \$38,479,756 is due to increased Plants and Maintenance expenses along with increased Operation Expenses of \$21,112,180 and increased General Government expenses of \$19,024,491.

Business-Type Activities

Net position of business-type activities decreased by \$25,714,673 in 2019.

Major Revenue Factors Include:

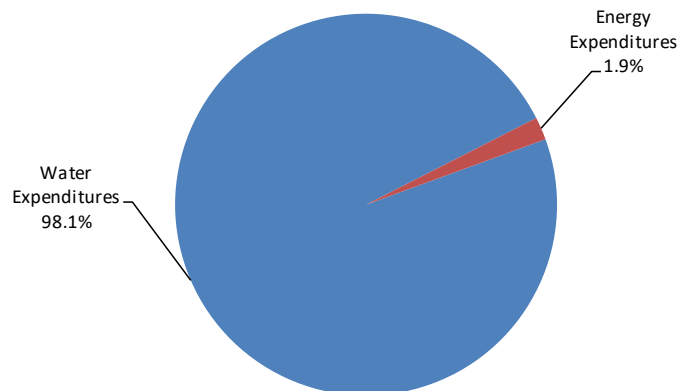


Water sales revenue increased by \$13,630,598 or 17.4% due to increases in water rates.

Capital grants and contributions decreased by \$12,388,719 due to scheduled completion of construction projects and conversion of IFO's to PLO's.

Energy sales decreased by \$472,152 due to Colebrook not producing power in 2019.

Major expense factors include:



➤ Water expenses decreased \$16,745,702 or 15.6% primarily due to a prior year OPEB adjustment.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the District's governmental funds reported a combined ending fund balance of \$131,335,645 an increase of \$610,018 in comparison with the prior year. Of the fund balances, \$93,362,137 is committed primarily for Clean Water Project future debt service or capital expenses, \$3,403,852 is nonspendable and reserved for inventory and prepaid assets, and \$7,124,915 is committed for other non-major sewer capital projects. The remaining general fund and capital projects show a combined unassigned balance of \$24,699,867.

The General Fund is the chief operating fund of the District. At the end of the current year, the General Fund total fund balance was \$28,103,719, of which \$24,699,867 is unassigned and spendable and \$3,403,852 is nonspendable and reserved for inventory and prepaid assets. This represents a fund balance increase in the General Fund of \$1,811,776 primarily due to an increase in sewer user fees and other revenues while the District had cost savings in plants and maintenance expenditures.

The Debt Service Fund balance increase of \$2,223,600 is due to the timing of paying debt service on general obligation debt versus the funding.

The Clean Water Project Fund had a decrease in fund balance \$6,995,877 which is due to delayed reimbursement of project spending.

The Capital Project Fund had an increase in fund balance of \$3,570,519 which is a result of the 2019 Bond Issuance.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall proprietary funds net position totaled \$90,303,443 at the end of the year.

Unrestricted net position of the Water Utility Fund at the end of the year was a deficit of \$177,872,534. Net investment in capital assets amounted to \$266,247,893. The Hydroelectricity Fund has unrestricted net position of \$2,160,494, or 25.5% of total net position. Net investment in capital assets amounted to \$6,305,217, or 74.5% of total net position of the fund.

General Fund Budgetary Highlights

During the 2019 budget year, total revenues and other financing sources were below budget by \$7,313,765 or 8.7%, and expenditures were less than budget by \$8,861,837 or 10.8%.

Some of the major highlights are as follows:

- The District's budget included a contingent item of \$4,000,000 to cover the groundwater remediation receivable. If this receivable had been paid it would have resulted in a reduction in the ad valorem billing during 2019. However, this bill was outstanding during the calendar year.
- Expenditures were favorable to budget due to the contingency expense \$4,000,000 noted above and favorable Water Pollution Control expenses of \$1,890,909.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2019 amounted to \$1,905,798,421 and \$608,196,939 respectively reflecting the District's ongoing investment in capital activities. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and sewer and water pipes.

Major capital asset additions in 2019 consisted of infrastructure improvements, building additions, and additional machinery and equipment.

The Metropolitan District CAPITAL ASSETS (net of depreciation) December 31, 2019 and 2018

	2019			2018		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 10,248,534	\$ 10,181,885	\$ 20,430,419	\$ 10,206,473	\$ 10,181,885	\$ 20,388,358
Buildings	322,292,326	102,952,747	425,245,073	293,217,275	74,874,804	368,092,079
Machinery and equipment	43,059,189	21,023,816	64,083,005	29,582,288	13,063,648	42,645,936
Infrastructure	687,428,485	321,798,970	1,009,227,455	529,912,551	253,445,615	783,358,166
Construction in progress	842,769,887	152,239,521	995,009,408	951,673,069	248,355,006	1,200,028,075
Total	\$ <u>1,905,798,421</u>	\$ <u>608,196,939</u>	\$ <u>2,513,995,360</u>	\$ <u>1,814,591,656</u>	\$ <u>599,920,958</u>	\$ <u>2,414,512,614</u>

Additional information on the District's capital assets can be found in Note 3D on pages A-35 - A-37 of this report.

Long-Term Debt

At the end of the current year, the District had total open market bonded debt outstanding of \$875,880,922 and \$579,208,884 of Clean Water and Drinking Water State Revolving fund loans outstanding. All of the Governmental Activities debt, \$1,293,425,040, with the exception of \$197,740,000 of outstanding revenue bonds is backed by the full faith and credit of the District's member towns. The revenue bond indenture has a pledge of the special sewer service surcharge revenues (a.k.a. Clean Water Project Charge), therefore these bonds do not carry the full faith and credit pledge of the District.

The Metropolitan District OUTSTANDING DEBT December 31, 2019 and 2018

	2019			2018		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
General obligation/ Revenue bonds	\$ 581,238,983	\$ 294,641,939	\$ 875,880,922	\$ 571,679,115	\$ 268,738,651	\$ 840,417,766
Clean/drinking water loans	527,219,298	51,989,586	579,208,884	510,928,231	53,100,633	564,028,864
Compensated absences	3,468,109	3,339,340	6,807,449	3,094,578	3,174,752	6,269,330
Claims and judgments		6,358,539	6,358,539		6,181,157	6,181,157
Settlement liability		7,900,000	7,900,000			-
Net pension liability	24,555,192	33,560,708	58,115,900	28,625,799	39,634,385	68,260,184
OPEB obligation	156,943,458	214,501,826	371,445,284	121,572,956	168,326,103	289,899,059
Total	\$ 1,293,425,040	\$ 612,291,938	\$ 1,905,716,978	\$ 1,235,900,679	\$ 539,155,681	\$ 1,775,056,360

In July 2019, in connection with its general obligation bond issue, the District affirmed both its rating and outlook with Moody's Investors Service and S&P Global Ratings. Those ratings are Aa3/AA respectively, each with a stable outlook.

The District's Charter limits the amount of general obligation debt it may issue up to 5% of the combined Grand List of its member towns. The current debt limitation for the District is \$1,284,605,245.

Additional information on the District's long-term debt can be found in Note 3F on pages A-38 - A-42 of this report.

Economic Factors

- The District strives to minimize the increases in taxes that it levies on its member municipalities by implementing structural efficiencies, and identifying and pursuing cost reduction activities to minimize expenditures.
- Inflationary trends in the region are consistent with budgeted General Fund expenditure increases.
- Water consumption continues to decline due to conservation activities by both residential and commercial customers combined with price sensitivity due to the increasing cost of compliance associated with the Clean Water Project.

All of these factors were considered in preparing the District's 2019 year budget.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, The Metropolitan District.

**THE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 127,337,053	\$ 60,803,174	\$ 188,140,227
Receivables, net of allowance for uncollectibles	23,401,982	14,467,447	37,869,429
Inventory	2,916,842	3,120,822	6,037,664
Prepaid items	487,010	1,216,773	1,703,783
Capital assets, nondepreciable	853,018,421	162,421,406	1,015,439,827
Capital assets, net of accumulated depreciation	<u>1,052,780,000</u>	<u>445,775,533</u>	<u>1,498,555,533</u>
Total assets	<u>2,059,941,308</u>	<u>687,805,155</u>	<u>2,747,746,463</u>
Deferred Outflows of Resources:			
Deferred outflows - pension	5,903,523	8,068,618	13,972,141
Deferred outflows - OPEB	27,548,094	37,651,241	65,199,335
Deferred charge on refunding	<u>1,258,296</u>	<u>993,316</u>	<u>2,251,612</u>
Total deferred outflows of resources	<u>34,709,913</u>	<u>46,713,175</u>	<u>81,423,088</u>
Liabilities:			
Accounts payable and accrued items	27,320,896	6,173,539	33,494,435
Customer advances for construction	822,170	1,274,521	2,096,691
Noncurrent liabilities:			
Due within one year	108,419,928	32,477,274	140,897,202
Due in more than one year	<u>1,185,005,112</u>	<u>579,814,664</u>	<u>1,764,819,776</u>
Total liabilities	<u>1,321,568,106</u>	<u>619,739,998</u>	<u>1,941,308,104</u>
Deferred Inflows of Resources:			
Deferred inflows - pension	3,220,592	4,401,729	7,622,321
Deferred inflows - OPEB	13,537,419	18,502,211	32,039,630
Deferred charge on refunding	<u>1,482,310</u>	<u>1,570,949</u>	<u>3,053,259</u>
Total deferred inflows of resources	<u>18,240,321</u>	<u>24,474,889</u>	<u>42,715,210</u>
Net Position:			
Net investment in capital assets	809,558,713	272,553,110	1,082,111,823
Restricted for:			
Debt service	2,744,874		2,744,874
Unrestricted	<u>(57,460,793)</u>	<u>(182,249,667)</u>	<u>(239,710,460)</u>
Total Net Position	<u>\$ 754,842,794</u>	<u>\$ 90,303,443</u>	<u>\$ 845,146,237</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental activities:						
General government	\$ 22,503,242	\$	\$	935,301	\$ (21,567,941)	\$ (21,567,941)
Operations	32,724,856	22,543,779		9,106,270	(1,074,807)	(1,074,807)
Plants and maintenance	71,412,175	63,679,215		43,337,764	35,604,804	35,604,804
Interest on long-term debt	28,064,892				(28,064,892)	(28,064,892)
Total governmental activities	<u>154,705,165</u>	<u>86,222,994</u>	<u>-</u>	<u>53,379,335</u>	<u>(15,102,836)</u>	<u>(15,102,836)</u>
Business-type activities:						
Water	107,583,098	92,057,766		4,949,099	(10,576,233)	(10,576,233)
Hydroelectricity	2,116,807	816,141			(1,300,666)	(1,300,666)
Total business-type activities	<u>109,699,905</u>	<u>92,873,907</u>	<u>-</u>	<u>4,949,099</u>	<u>(11,876,899)</u>	<u>(11,876,899)</u>
Total	<u>\$ 264,405,070</u>	<u>\$ 179,096,901</u>	<u>\$ -</u>	<u>\$ 58,328,434</u>	<u>(15,102,836)</u>	<u>(11,876,899)</u>
General revenues:						
Sewer taxation - member municipalities				48,153,100		48,153,100
Miscellaneous				3,466,043		3,466,043
Unrestricted investment earnings				3,573,305	270,730	3,844,035
Transfers				14,108,504	(14,108,504)	-
Total general revenues and transfers				<u>69,300,952</u>	<u>(13,837,774)</u>	<u>55,463,178</u>
Change in Net Position				54,198,116	(25,714,673)	28,483,443
Net Position at Beginning of Year				<u>700,644,678</u>	<u>116,018,116</u>	<u>816,662,794</u>
Net Position at End of Year				<u>\$ 754,842,794</u>	<u>\$ 90,303,443</u>	<u>\$ 845,146,237</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 21,964,836	\$ 2,744,874	\$ 90,086,201	\$ 12,541,142	\$ 127,337,053
Receivables, net of allowance for uncollectibles	5,153,260		16,357,300	1,891,422	23,401,982
Inventory	2,916,842				2,916,842
Prepaid items	487,010				487,010
Total Assets	<u>\$ 30,521,948</u>	<u>\$ 2,744,874</u>	<u>\$ 106,443,501</u>	<u>\$ 14,432,564</u>	<u>\$ 154,142,887</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued items	\$ 1,596,059		\$ 13,081,364	\$ 5,327,945	\$ 20,005,368
Customer advances for construction	822,170				822,170
Total liabilities	<u>2,418,229</u>	<u>-</u>	<u>13,081,364</u>	<u>5,327,945</u>	<u>20,827,538</u>
Deferred inflows of resources:					
Unavailable revenue - special assessments				1,979,704	1,979,704
Fund balances:					
Nonspendable	3,403,852				3,403,852
Restricted		2,744,874			2,744,874
Committed			93,362,137	7,124,915	100,487,052
Unassigned	24,699,867				24,699,867
Total fund balances	<u>28,103,719</u>	<u>2,744,874</u>	<u>93,362,137</u>	<u>7,124,915</u>	<u>131,335,645</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 30,521,948</u>	<u>\$ 2,744,874</u>	<u>\$ 106,443,501</u>	<u>\$ 14,432,564</u>	<u>\$ 154,142,887</u>

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2019

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (page 14) are
different because of the following:

Fund balances - total governmental funds (page 16)	\$ 131,335,645
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 2,299,309,315	
Less accumulated depreciation	<u>(393,510,894)</u>	
Net capital assets		1,905,798,421

Other long-term assets are not available to pay for current-period
expenditures and, therefore, are reported as unavailable revenue in the funds:

Sewer assessment receivables	1,979,704
Deferred outflows related to refunding	1,258,296
Deferred outflows related to pensions	5,903,523
Deferred outflows related to OPEB	27,548,094

Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds payable	(519,711,912)
Premiums	(61,527,071)
Notes payable	(527,219,298)
Interest payable on long-term debt	(7,315,528)
Compensated absences	(3,468,109)
Net pension liability	(24,555,192)
Deferred inflows related to pension	(3,220,592)
Deferred inflows related to OPEB	(13,537,419)
Deferred inflows related to refunding	(1,482,310)
OPEB obligation	<u>(156,943,458)</u>

Net Position of Governmental Activities (page 14)	<u>\$ 754,842,794</u>
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The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>General</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxation - member municipalities	\$ 48,153,100	\$	\$	\$	\$ 48,153,100
Assessments				696,265	696,265
Sewer user fees	15,670,998		61,811,874		77,482,872
Intergovernmental revenues	5,514,708		24,276,018	413,115	30,203,841
Investment income	734,871		2,838,434		3,573,305
Other local revenues	5,582,358			362,991	5,945,349
Total revenues	<u>75,656,035</u>	<u>-</u>	<u>88,926,326</u>	<u>1,472,371</u>	<u>166,054,732</u>
Expenditures:					
Current:					
General government	4,548,043				4,548,043
Operations	3,745,528				3,745,528
Plants and maintenance	18,150,755				18,150,755
Employee benefits and other	15,335,071				15,335,071
Debt service:					
Principal retirement		61,289,866			61,289,866
Interest		32,347,160			32,347,160
Capital outlay			79,203,192	68,915,220	148,118,412
Total expenditures	<u>41,779,397</u>	<u>93,637,026</u>	<u>79,203,192</u>	<u>68,915,220</u>	<u>283,534,835</u>
Excess (Deficiency) of Revenues over Expenditures	<u>33,876,638</u>	<u>(93,637,026)</u>	<u>9,723,134</u>	<u>(67,442,849)</u>	<u>(117,480,103)</u>
Other Financing Sources (Uses):					
Issuance of bonds				38,395,250	38,395,250
Premiums on issuance of bonds				7,049,505	7,049,505
Issuance of refunding bonds		58,603,410			58,603,410
Premiums on refunding bonds		10,539,988			10,539,988
Payment to refunded bond escrow agent		(68,712,098)			(68,712,098)
Clean Water Fund loans issued			44,414,646	1,652,460	46,067,106
Transfers in		95,429,326		23,916,153	119,345,479
Transfers out	(32,064,862)		(61,133,657)		(93,198,519)
Total other financing sources (uses)	<u>(32,064,862)</u>	<u>95,860,626</u>	<u>(16,719,011)</u>	<u>71,013,368</u>	<u>118,090,121</u>
Net Change in Fund Balances	1,811,776	2,223,600	(6,995,877)	3,570,519	610,018
Fund Balances at Beginning of Year	<u>26,291,943</u>	<u>521,274</u>	<u>100,358,014</u>	<u>3,554,396</u>	<u>130,725,627</u>
Fund Balances at End of Year	<u>\$ 28,103,719</u>	<u>\$ 2,744,874</u>	<u>\$ 93,362,137</u>	<u>\$ 7,124,915</u>	<u>\$ 131,335,645</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019**

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances - Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (page 15) are different
because of the following:

Net change in fund balances - total governmental funds (page 18)	\$ 610,018
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Governmental funds report capital outlays as expenditures. However, in the statement
of activities, the cost of those assets is allocated over their estimated useful lives
and reported as depreciation expense:

Capital outlays, net	133,794,027
Depreciation expense	(35,091,605)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins
and donations) is to increase net position. In the statement of activities, only the loss on the sale
of capital assets is reported. However, in the governmental funds, the proceeds from the sale
increase financial resources. Thus, the change in net position differs from the change in fund
balance by the cost of the capital assets sold.

	(7,495,657)
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Revenues in the statement of activities that do not provide current financial resources
are not reported as revenues in the funds:

Sewer assessment revenue	49,842
Change in deferred outflows related to pension	(3,795,699)
Change in deferred outflows related to OPEB	22,801,922

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to
governmental funds, while the repayment of the principal of long-term debt consumes
the current financial resources of governmental funds. Neither transaction, however,
has any effect on net position. Also, governmental funds report the effect of
premiums, discounts and similar items when debt is first issued, whereas these amounts
are deferred and amortized in the statement of activities:

Proceeds from Clean Water Fund loan obligations	(46,067,106)
Proceeds from issuance of bonds	(38,395,250)
Premiums on issuance of bonds	(7,049,505)
Proceeds from issuance of refunding bonds	(58,603,410)
Premiums on issuance of refunding bonds	(10,539,988)
Bond payments	99,896,381
Amortization of bond premium and deferred charge on refunding	3,424,314
Clean Water Fund loan payments	29,776,039
Change in accrued interest	1,187,504

Some expenses reported in the statement of activities do not require the use of current
financial resources and, therefore, are not reported as expenditures in governmental
funds:

Change in compensated absences	(373,531)
Change in net pension liability	4,070,607
Change in deferred inflows related to pension	(3,015,399)
Change in deferred inflows related to OPEB	4,385,114
Change in OPEB obligation	(35,370,502)

Change in Net Position of Governmental Activities (page 15)	<u>\$ 54,198,116</u>
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The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Internal Service Fund
	Major	Nonmajor	Total	
	Water Utility	Hydroelectric Development Project		
Assets:				
Current assets:				
Cash and cash equivalents	\$ 58,051,932	\$ 2,641,538	\$ 60,693,470	\$ 109,704
Accounts receivable, net of allowance for uncollectibles	14,399,253	24,929	14,424,182	43,265
Inventory	2,883,932	236,890	3,120,822	
Prepaid items	1,206,825	9,948	1,216,773	
Total current assets	<u>76,541,942</u>	<u>2,913,305</u>	<u>79,455,247</u>	<u>152,969</u>
Noncurrent assets:				
Capital assets, nondepreciable	162,421,406		162,421,406	
Capital assets, net of accumulated depreciation	439,470,316	6,305,217	445,775,533	
Total noncurrent assets	<u>601,891,722</u>	<u>6,305,217</u>	<u>608,196,939</u>	<u>-</u>
Total assets	<u>678,433,664</u>	<u>9,218,522</u>	<u>687,652,186</u>	<u>152,969</u>
Deferred Outflows of Resources:				
Deferred outflows - pension	8,042,628	25,990	8,068,618	
Deferred outflows - OPEB	37,529,968	121,273	37,651,241	
Deferred charge on refunding	993,316		993,316	
Total deferred outflows of resources	<u>46,565,912</u>	<u>147,263</u>	<u>46,713,175</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	5,814,187	27,295	5,841,482	332,057
Customer advances for construction	1,274,521		1,274,521	
Current portion of claims incurred but not reported			-	1,149,008
Current portion of compensated absences	2,396,125		2,396,125	
Current portion of settlement liability	5,913,959		5,913,959	
Current portion of bonds and loans payable	23,018,182		23,018,182	
Total current liabilities	<u>38,416,974</u>	<u>27,295</u>	<u>38,444,269</u>	<u>1,481,065</u>
Noncurrent liabilities:				
Compensated absences	943,215		943,215	
Bonds and loans payable after one year	323,613,343		323,613,343	
Claims incurred but not reported			-	5,209,531
Settlement liability	1,986,041		1,986,041	
Net pension liability	33,452,609	108,099	33,560,708	
OPEB liability	213,810,918	690,908	214,501,826	
Total noncurrent liabilities	<u>573,806,126</u>	<u>799,007</u>	<u>574,605,133</u>	<u>5,209,531</u>
Total liabilities	<u>612,223,100</u>	<u>826,302</u>	<u>613,049,402</u>	<u>6,690,596</u>
Deferred Inflows of Resources:				
Deferred inflows - pension	4,387,552	14,177	4,401,729	
Deferred inflows - OPEB	18,442,616	59,595	18,502,211	
Deferred charge on refunding	1,570,949		1,570,949	
Total deferred inflows of resources	<u>24,401,117</u>	<u>73,772</u>	<u>24,474,889</u>	<u>-</u>
Net Position:				
Net investment in capital assets	266,247,893	6,305,217	272,553,110	
Unrestricted	<u>(177,872,534)</u>	<u>2,160,494</u>	<u>(175,712,040)</u>	<u>(6,537,627)</u>
Total Net Position	<u>\$ 88,375,359</u>	<u>\$ 8,465,711</u>	<u>96,841,070</u>	<u>\$ (6,537,627)</u>
			Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds	<u>(6,537,627)</u>
			Net Position of Business-Type Activities	<u>\$ 90,303,443</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds			Business- Type Activities - Internal Service Fund
	Major	Nonmajor	Total	
	Water Utility	Hydroelectric Development Project		
Operating Revenues:				
Water sales	\$ 86,566,574	\$	\$ 86,566,574	\$
Energy sales		816,141	816,141	
Reimbursement			-	20,607,582
Miscellaneous	5,491,192		5,491,192	
Total operating revenues	<u>92,057,766</u>	<u>816,141</u>	<u>92,873,907</u>	<u>20,607,582</u>
Operating Expenses:				
General government	9,538,765		9,538,765	
Operations	16,595,689		16,595,689	17,651,151
Plants and maintenance	11,522,672		11,522,672	
Employee benefits and other	37,704,122	17,265	37,721,387	
Source of supply		496,977	496,977	
Depreciation expense	18,304,811	174,533	18,479,344	
Total operating expenses	<u>93,666,059</u>	<u>688,775</u>	<u>94,354,834</u>	<u>17,651,151</u>
Operating Income (Loss)	<u>(1,608,293)</u>	<u>127,366</u>	<u>(1,480,927)</u>	<u>2,956,431</u>
Nonoperating Revenues (Expenses):				
Investment income	270,730		270,730	
Miscellaneous revenue	2,313,612		2,313,612	
Loss on disposal of assets		(1,428,032)	(1,428,032)	
Settlement	(7,900,000)		(7,900,000)	
Interest and fiscal charges	(11,287,082)		(11,287,082)	
Net nonoperating revenues (expenses)	<u>(16,602,740)</u>	<u>(1,428,032)</u>	<u>(18,030,772)</u>	<u>-</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(18,211,033)</u>	<u>(1,300,666)</u>	<u>(19,511,699)</u>	<u>2,956,431</u>
Capital Contributions	15,921,555	1,066,000	16,987,555	
Transfers Out	<u>(26,146,960)</u>		<u>(26,146,960)</u>	
Change in Net Position	<u>(28,436,438)</u>	<u>(234,666)</u>	<u>(28,671,104)</u>	<u>2,956,431</u>
Net Position at Beginning of Year	<u>116,811,797</u>	<u>8,700,377</u>		<u>(9,494,058)</u>
Net Position at End of Year	<u>\$ 88,375,359</u>	<u>\$ 8,465,711</u>		<u>\$ (6,537,627)</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			<u>2,956,431</u>	
Change in Net Position of Business-Type Activities			<u>\$ (25,714,673)</u>	

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities - Enterprise Funds			
	Major	Nonmajor	Total	Business-Type Activities - Internal Service Fund
	Water Utility	Hydroelectric Development Project		
Cash Flows from Operating Activities:				
Receipts from customers, users and others	\$ 90,984,705	\$ 941,869	\$ 91,926,574	\$ 21,408,809
Payments to suppliers	(30,554,553)	(562,934)	(31,117,487)	(21,357,095)
Payments to employees	(46,471,534)	79,700	(46,391,834)	
Net cash provided by (used in) operating activities	<u>13,958,618</u>	<u>458,635</u>	<u>14,417,253</u>	<u>51,714</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets/utility plant	(2,128,928)		(2,128,928)	
Proceeds from bonds	38,104,750		38,104,750	
Proceeds from bond premiums	6,995,858		6,995,858	
Proceeds from drinking water loans	2,393,840		2,393,840	
Proceeds from refunding bonds	22,771,590		22,771,590	
Proceeds from refunding bond premiums	4,119,263		4,119,263	
Payment of old bonds refunded	(31,175,134)		(31,175,134)	
Principal payments on bonds	(11,698,478)		(11,698,478)	
Principal payments on drinking water loans	(3,504,887)		(3,504,887)	
Interest payments on bonds and notes	(9,579,791)		(9,579,791)	
Payment to Debt Service fund	(26,146,960)		(26,146,960)	
Net cash provided by (used in) capital and related financing activities	<u>(9,848,877)</u>	<u>-</u>	<u>(9,848,877)</u>	<u>-</u>
Cash Flows from Investing Activities:				
Interest on investments	270,730		270,730	
Net Increase (Decrease) in Cash and Cash Equivalents	4,380,471	458,635	4,839,106	51,714
Cash and Cash Equivalents at Beginning of Year	53,671,461	2,182,903	55,854,364	57,990
Cash and Cash Equivalents at End of Year	\$ 58,051,932	\$ 2,641,538	\$ 60,693,470	\$ 109,704
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (1,608,293)	\$ 127,366	\$ (1,480,927)	\$ 2,956,431
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	18,304,811	174,533	18,479,344	
Amortization of bond premiums	(3,214,561)		(3,214,561)	
Miscellaneous nonoperating revenue (expense)	2,313,612		2,313,612	
Net capital asset addition	(9,066,872)		(9,066,872)	
Change in assets, deferred outflows of resources and liabilities:				
(Increase) decrease in accounts receivable	(444,645)	125,728	(318,917)	801,227
(Increase) decrease in inventory	(79,727)		(79,727)	
(Increase) decrease in prepaid items	(2,012)	(238)	(2,250)	
(Increase) decrease in deferred outflows of resources related to pensions	5,341,968	18,651	5,360,619	
(Increase) decrease in deferred outflows of resources related to OPEB	(30,980,412)	(99,428)	(31,079,840)	
Increase (decrease) in accounts payable and accrued expenses	(3,950,287)	13,981	(3,936,306)	(3,883,326)
Increase (decrease) in customer advances for construction	(628,416)		(628,416)	
Increase (decrease) in compensated absences	164,588		164,588	
Increase (decrease) in net OPEB liability	46,044,365	131,358	46,175,723	
Increase (decrease) in net pension liability	(6,050,023)	(23,654)	(6,073,677)	
Increase (decrease) in deferred inflows of resources related to pensions	4,104,393	13,233	4,117,626	177,382
Increase (decrease) in deferred inflows of resources related to OPEB	(6,289,871)	(22,895)	(6,312,766)	
Total adjustments	<u>15,566,911</u>	<u>331,269</u>	<u>15,898,180</u>	<u>(2,904,717)</u>
Net Cash Provided by (Used in) Operating Activities	\$ 13,958,618	\$ 458,635	\$ 14,417,253	\$ 51,714
Noncash Investing, Capital and Financing Activities:				
Capital assets contributed by Capital Projects Fund	\$ 15,921,555	\$ 1,066,000	\$ 16,987,555	\$ -

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2019**

	Pension and Other Employee Benefit Trust Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 6,760,356
Accounts receivable	47,682
Investments, at fair value:	
Mutual funds	20,761,028
Guaranteed investment contracts	23,004,370
Land	8,073,546
Commingled collective trusts	150,971,902
Real estate	23,225,078
Total assets	<u>232,843,962</u>
LIABILITIES	
Retiree expense reimbursement payable	<u>2,524,018</u>
NET POSITION	
Restricted for Pension and OPEB Benefits	<u>\$ 230,319,944</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Employer	\$ 14,834,000
Plan members	3,586,386
Reimbursements	179,878
Total contributions	<u>18,600,264</u>
Investment income (loss):	
Net change in fair value of investments	32,738,951
Interest and dividends	3,599,903
	<u>36,338,854</u>
Less investment expenses:	
Investment management fees	1,045,322
Net investment income (loss)	<u>35,293,532</u>
Total additions	<u>53,893,796</u>
Deductions:	
Benefits	24,568,425
Administrative expense	109,515
Total deductions	<u>24,677,940</u>
Change in Net Position	29,215,856
Net Position at Beginning of Year	<u>201,104,088</u>
Net Position at End of Year	<u>\$ 230,319,944</u>

The accompanying notes are an integral part of the financial statements

THE METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The Metropolitan District (the District) was empowered in 1929 by the General Assembly of Connecticut. The District provides the following services as authorized by its Charter: design, construction and maintenance of sewage, hydroelectric and water systems and plants, stream and watercourse controls, the sale and delivery of water and hydroelectric power, and resources recovery.

The financial statements include all of the funds of the District that meet the criteria for inclusion as set forth in Statement of Governmental Accounting Standards No. 14 issued by the Governmental Accounting Standards Board (GASB).

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable and other organizations which by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

The accompanying financial statements have been prepared in conformity with the requirements of statements issued by the Governmental Accounting Standards Board. The more significant of the District's accounting policies are described below.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District's primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or benefit directly from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Sewer taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues, including sewer assessments, to be available if they are collected within 60 days after the end of the current fiscal period.

Taxes on member municipalities, sewer assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those resources required to be accounted for in another fund.

The *Debt Service Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Clean Water Project Fund* accounts for financial resources to be used for the Clean Water Project. The appropriations for the cost of the Clean Water Project were approved by referendum votes which were held on November 7, 2006 and November 6, 2012. The first phase of the Clean Water Project features projects to control inflow and infiltration, sewer separation projects, projects to increase interceptors, and upgrades to the two treatment plants. The second phase of the Clean Water Project features wet weather capacity improvements at the District's treatment plants and construction of a large storage and conveyance tunnel in the south of the District to hold waste water for ultimate release and treatment at the Hartford water pollution control facility.

The *Capital Project Fund* is used for projects of greater than one year's duration. Most of the capital outlays are financed by the issuance of general obligation bonds and current tax revenues.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

The District reports the following major proprietary fund:

The *Water Utility Fund* is the District's fund used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Additionally, the District reports the following fund types:

The *Internal Service Fund* is used to account for the District's self-insurance program for property casualty, workers' compensation and health insurance coverage of employees as well as natural disaster and liability claims for the District.

The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities of the District's defined benefit plan, which accumulates resources for pension benefit payments to qualified employees, and to account for the activities of the District's postemployment welfare benefits (including retiree medical, dental and life insurance benefits) to the current and former eligible employees of the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts (including the State Treasurer's sponsored pooled investment, STIF) and certificates of deposit with an original maturity of less than 90 days from the date of acquisition are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

E. Inventories and Prepaid Items

All inventories are valued at cost. Inventory in the governmental and enterprise funds is recorded as an expenditure when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

All receivables are presented net of an allowance for uncollectibles.

G. Compensated Absences

All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets such as water and sewer mains, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recognized at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their lives are expensed currently.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50-75
Machinery and equipment	6-20
Infrastructure	50-150

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

I. Deferred Outflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources expenditure until then. The District reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position and statement of net position - proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs, contributions made to the plan after the measurement date, and differences between projected and actual earnings on pension and OPEB plan investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). No deferred outflows of resources affect the governmental fund financial statements in the current year.

J. Deferred Inflows of Resources

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources until that time. The District reports a deferred charge on refunding and deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position and statement of net position - proprietary funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience and differences between projected and actual earnings on pension and OPEB plan investments. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). The District reports unavailable revenue for governmental funds which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums, discounts and losses on bond refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and unamortized losses on bond refundings. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

L. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

M. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

N. Fund Equity

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

Nonspendable Fund Balance

This balance represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This balance represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance

This balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (District Board). Amounts remain committed until action is taken by the District Board (resolution) to remove or revise the limitations.

Assigned Fund Balance

This balance includes amounts constrained for the intent to be used for a specific purpose by the District Board that has been delegated authority to assign amounts by the Charter.

Unassigned Fund Balance

This balance represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category represents all capital assets, net of accumulated depreciation and related debt.

Restricted Net Position

This category represents amounts restricted to use by outside parties.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

Unrestricted Net Position

This category represents the net position of the District not restricted for use.

O. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

During the last quarter of the year, the ensuing year's proposed operating budget, including proposed expenditures/expenses and the means of financing them, is compiled by the Finance Department based upon estimates submitted by the various departments.

The proposed operating budget is then published in line item format in one or more local newspapers servicing the District for a period of three consecutive days, excluding holidays and Sundays. Prior to January 1 of the new year, the published budget is submitted to the District Board for acceptance and adoption.

Annual operating budgets are legally adopted for the General Fund and the Water Utility Enterprise Fund. A fund budget was adopted for the Hydroelectric Development Project. Formal budgetary integration is employed as a management control device for these funds. The unencumbered balance of appropriations in the General Fund lapses at year end. Encumbered appropriations are carried forward. Except for encumbrance accounting, the General Fund budget is prepared on a modified accrual basis. Budgetary and actual data in this report have been presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, the reconciliation of resultant basis, timing and perspective differences appear at the bottom of the actual vs. budget schedule. The legal level of budgetary control is at the functional level. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board. The amendments were made in the legally permissible manner described above. During the fiscal year ended December 31, 2019, there were no supplemental budgetary appropriations.

Budgetary integration is employed on a continuing (project length) basis for Capital Projects Funds, in which appropriations do not lapse at year end, but rather at the completion of the construction relating to a specific improvement project. Formal budgetary integration is not employed for the Debt Service Fund because budgetary control is alternatively achieved through the capital budgeting processes for both CIP (general obligation) and the Clean Water Project.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either restricted, committed or assigned fund balance depending on the level of restriction.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

B. Deficit Fund Equity

The internal service fund had a fund balance deficit of \$6,537,627, which was a result of increased healthcare costs and outstanding healthcare and other insurance claims. This deficit will be funded by future charges for services and contributions to the internal service fund.

3. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). The investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and is regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposit will not be returned. The District does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its principal place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$19,166,302 of the District's bank balance of \$19,666,302 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 17,199,672
Uninsured and collateral held by the pledging bank's trust department, not in the District's name	<u>1,966,630</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 19,166,302</u></u>

Cash Equivalents

At December 31, 2019, the District's cash equivalents amounted to \$176,379,993. The following table provides a summary of the District's cash equivalents as rated by nationally recognized statistical rating organizations. The pool has maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The District has the following recurring fair value measurements as of December 31, 2019:

	<u>December 31, 2019</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 20,761,028	\$ 20,761,028	\$	\$
Guaranteed investment contracts	23,004,370		5,622,036	17,382,334
Land	<u>8,073,546</u>			<u>8,073,546</u>
Total investments by fair value level	<u>51,838,944</u>	<u>\$ 20,761,028</u>	<u>\$ 5,622,036</u>	<u>\$ 25,455,880</u>
Investments measured at net asset value (NAV):				
Commingled Collective Trusts	150,971,902			
Timberland Investments	9,390,673			
Cornerstone Real Estate	3,018,010			
Madison Realty Capital Debt Fund	4,308,754			
Intercontinental U.S. REIF	<u>6,507,641</u>			
Total investments measured at NAV	<u>174,196,980</u>			
Total Investments Measured at Fair Value	<u>\$ 226,035,924</u>			

The above investments have no rating or maturity.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Guaranteed investment contracts classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Land and guaranteed investment contracts classified in Level 3 are valued using discounted cash flow techniques.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Commingled Collective Trusts	\$ 150,971,902	\$	Up to Monthly	Up to 10 Days
Timberland Investments	9,390,673	549,776	Hold to Maturity	Hold to Maturity (15-18 Years Total)
Cornerstone Real Estate	3,018,010	1,445,420	Hold to Maturity	Hold to Maturity (7-9 Years Total)
Madison Realty Capital Debt Fund	4,308,754	374,137	Hold to Maturity	Hold to Maturity (6-9 Years Total)
Intercontinental U.S. REIF	<u>6,507,641</u>		Quarterly	30-60 days
Total Investments Measured at NAV	<u>\$ 174,196,980</u>			

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the District attempts to match its investments with anticipated cash flow requirements.

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of the District. The District has no investment policy that would limit its investment choices due to credit risk.

Concentration of Credit Risk

The District has no policy limiting an investment in any one issuer that is in excess of 5% of the District's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the District or that sells investments to or buys them for the District), the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2019, the District did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the District's name.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

B. Receivables

Receivables as of year end for the District's individual major funds, nonmajor business-type activities, internal service fund and trust funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	<u>General</u>	<u>Clean Water Project</u>	<u>Capital Projects Funds</u>	<u>Water Utility</u>	<u>Hydroelectric Development Project</u>	<u>Internal Service Fund</u>	<u>Trust Funds</u>	<u>Total</u>
Sewer use charges	\$ 12,537,727	\$ 11,266,239						\$ 23,803,966
Customers and employees	2,057,045			15,634,573	24,929			17,716,547
Assessments			1,610,252	666,235				2,276,487
Accrued interest			455,140	226,257				681,397
Intergovernmental		5,091,061		313,146				5,404,207
Other	<u>1,178,720</u>		<u>15,891</u>			<u>1,132,927</u>	<u>47,682</u>	<u>2,375,220</u>
Gross receivables	<u>15,773,492</u>	<u>16,357,300</u>	<u>2,081,283</u>	<u>16,840,211</u>	<u>24,929</u>	<u>1,132,927</u>	<u>47,682</u>	<u>52,257,824</u>
Less allowance for uncollectibles	<u>10,620,232</u>		<u>189,861</u>	<u>2,440,958</u>		<u>1,089,662</u>		<u>14,340,713</u>
Net Total Receivables	<u>\$ 5,153,260</u>	<u>\$ 16,357,300</u>	<u>\$ 1,891,422</u>	<u>\$ 14,399,253</u>	<u>\$ 24,929</u>	<u>\$ 43,265</u>	<u>\$ 47,682</u>	<u>\$ 37,917,111</u>

C. Interfund Transfers

Interfund transfers are generally used to supplement revenues of other funds. Interfund transfers for the year ended December 31, 2019 were as follows:

	<u>Transfers In</u>		<u>Total Transfers Out</u>
	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	
Transfers out:			
General Fund	\$ 32,064,862	\$	\$ 32,064,862
Clean Water Project Fund	61,133,657		61,133,657
Water Utility Fund	<u>2,230,807</u>	<u>23,916,153</u>	<u>26,146,960</u>
Total Transfers In	<u>\$ 95,429,326</u>	<u>\$ 23,916,153</u>	<u>\$ 119,345,479</u>

Capital asset contributions totaling \$12,038,456 were made from governmental funds to business-type funds during the year ended December 31, 2019. This activity is included in transfers in the government-wide activity in Exhibit II of the accompanying financial statements.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

D. Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,206,473	\$ 42,061	\$ -	\$ -	\$ 10,248,534
Construction in progress	951,673,069	143,049,463	239,914,189	(12,038,456)	842,769,887
Total capital assets not being depreciated	<u>961,879,542</u>	<u>143,091,524</u>	<u>239,914,189</u>	<u>(12,038,456)</u>	<u>853,018,421</u>
Capital assets being depreciated:					
Buildings	454,244,629	47,003,973	45,448	-	501,203,154
Machinery and equipment	51,724,314	27,921,915	11,335,259	-	68,310,970
Infrastructure	709,184,077	167,729,260	136,567	-	876,776,770
Total capital assets being depreciated	<u>1,215,153,020</u>	<u>242,655,148</u>	<u>11,517,274</u>	<u>-</u>	<u>1,446,290,894</u>
Less accumulated depreciation for:					
Buildings	161,027,354	17,884,352	878	-	178,910,828
Machinery and equipment	22,142,026	7,073,769	3,964,014	-	25,251,781
Infrastructure	179,271,526	10,133,484	56,725	-	189,348,285
Total accumulated depreciation	<u>362,440,906</u>	<u>35,091,605</u>	<u>4,021,617</u>	<u>-</u>	<u>393,510,894</u>
Total capital assets being depreciated, net	<u>852,712,114</u>	<u>207,563,543</u>	<u>7,495,657</u>	<u>-</u>	<u>1,052,780,000</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,814,591,656</u>	<u>\$ 350,655,067</u>	<u>\$ 247,409,846</u>	<u>\$ (12,038,456)</u>	<u>\$ 1,905,798,421</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 10,181,885	\$ -	\$ -	\$ -	\$ 10,181,885
Construction in progress	248,355,006	2,128,930	110,282,871	12,038,456	152,239,521
Total capital assets not being depreciated	<u>258,536,891</u>	<u>2,128,930</u>	<u>110,282,871</u>	<u>12,038,456</u>	<u>162,421,406</u>
Capital assets being depreciated:					
Buildings	133,848,700	33,772,358	2,377,421	-	165,243,637
Machinery and equipment	34,600,495	16,378,760	11,152,796	-	39,826,459
Infrastructure	378,712,534	77,145,016	314,637	-	455,542,913
Total capital assets being depreciated	<u>547,161,729</u>	<u>127,296,134</u>	<u>13,844,854</u>	<u>-</u>	<u>660,613,009</u>
Less accumulated depreciation for:					
Buildings	58,973,896	4,256,864	939,870	-	62,290,890
Machinery and equipment	21,536,847	5,584,180	8,318,384	-	18,802,643
Infrastructure	125,266,919	8,638,300	161,276	-	133,743,943
Total accumulated depreciation	<u>205,777,662</u>	<u>18,479,344</u>	<u>9,419,530</u>	<u>-</u>	<u>214,837,476</u>
Total capital assets being depreciated, net	<u>341,384,067</u>	<u>108,816,790</u>	<u>4,425,324</u>	<u>-</u>	<u>445,775,533</u>
Business-Type Activities Capital Assets, Net	<u>\$ 599,920,958</u>	<u>\$ 110,945,720</u>	<u>\$ 114,708,195</u>	<u>\$ 12,038,456</u>	<u>\$ 608,196,939</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General government	\$ 4,139,711
Operations	10,766,123
Plant and maintenance	<u>20,185,771</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>35,091,605</u></u>
 Business-type activities:	
Water	\$ 18,304,811
Hydroelectricity	<u>174,533</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u><u>18,479,344</u></u>

Construction Commitments

The District has active construction projects as of December 31, 2019. At year end, the District's commitments with contractors for governmental activities are as follows:

<u>Project Name</u>	<u>Remaining Commitment</u>
2012 Cedar Newington	\$ 750,712
2012 RH Interceptor	183,187
2013 Green Infrastructure	75,962
2014 WWEP #2012-21	2,088,199
2015 SHCST Construction	90,075,733
Large Diameter Clean	<u>55,612</u>
 Total	 \$ <u><u>93,229,405</u></u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

The District's commitments with contractors for construction in process for business-type activities are as follows:

<u>Project Name</u>	<u>Remaining Commitment</u>
2007 Waste Treatment Facility	\$ 112,191
2009 WPC Rep & Imps	60,896
2013 Oakwood Swr Imp	47,610
2014 HWPCF Sludge Mix	10,334
2014 Kilkenny Water	380,455
2014 TRM-Newington	286,044
2014 WMR Wethersfield	215,316
2015 EH WPCF Compres	3,860,666
2015 Hartford WPCF DAFT Tanks	3,025,101
2015 Various TM D & C	391,347
2015 WMR Bond St Hrt	506,431
2015 Wtr Trmt Fac Up	376,300
2016 Bloomfield Tran	559,427
2016 WMR East Hartford	473,811
2016 WPC Electrical	1,080,464
2017 Hartford WPCF D	8,742,304
2018 Madison Ave. Ar	1,914,681
2018 Paving Program	503,200
2018 Water Main Replacement	18,000
2018 WTF Rehab	582,724
2019 Bloomfield Tran	3,310,815
2019 Water Main Replacement	<u>5,156,743</u>
Total	<u>\$ 31,614,860</u>

The commitments are being financed with general obligation bonds and state and federal grants.

E. Operating Leases

Total operating lease payments for the year ended December 31, 2019 were \$263,801. Commitments under an operating lease agreement with the Army Corps of Engineers for water storage rights require minimum annual rental payments, including interest at 3.14% over 50 years. The total cost of this lease was \$204,222 for the year ended December 31, 2019, paid by the Water Utility Fund. Other operating lease payments for office equipment totaled \$59,579 for the year ended December 31, 2019. Future operating lease commitments are as follows:

	<u>Amount</u>
2020	\$ 23,498
2021	15,915
2022	13,087
2023	<u>9,591</u>
Total	<u>\$ 62,091</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

F. Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 313,429,633	\$ 96,998,660	\$ 88,456,381	\$ 321,971,912	\$ 20,930,930
Revenue bonds	209,180,000		11,440,000	197,740,000	4,075,000
Premiums	49,069,482	17,589,493	5,131,904	61,527,071	
Total bonds payable	<u>571,679,115</u>	<u>114,588,153</u>	<u>105,028,285</u>	<u>581,238,983</u>	<u>25,005,930</u>
Clean water fund loans	510,928,231	46,067,106	29,776,039	527,219,298	80,613,720
Compensated absences	3,094,578	3,307,026	2,933,495	3,468,109	2,800,278
Net pension liability	28,625,799		4,070,607	24,555,192	
Net OPEB Liability	<u>121,572,956</u>	<u>35,370,502</u>		<u>156,943,458</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,235,900,679</u>	<u>\$ 199,332,787</u>	<u>\$ 141,808,426</u>	<u>\$ 1,293,425,040</u>	<u>\$ 108,419,928</u>
Business-Type Activities:					
General obligation bonds	\$ 245,900,361	\$ 60,876,340	\$ 42,873,612	\$ 263,903,089	\$ 17,544,070
Premiums	22,838,290	11,115,121	3,214,561	30,738,850	
Total bonds payable	<u>268,738,651</u>	<u>71,991,461</u>	<u>46,088,173</u>	<u>294,641,939</u>	<u>17,544,070</u>
Drinking water fund loans	53,100,633	2,393,840	3,504,887	51,989,586	5,474,112
Compensated absences	3,174,752	2,792,908	2,628,320	3,339,340	2,396,125
Claims and judgments	6,181,157	17,651,151	17,473,769	6,358,539	1,149,008
Settlement liability		7,900,000		7,900,000	5,913,959
Net pension liability	39,634,385		6,073,677	33,560,708	
Net OPEB Liability	<u>168,326,103</u>	<u>46,175,723</u>		<u>214,501,826</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 539,155,681</u>	<u>\$ 148,905,083</u>	<u>\$ 75,768,826</u>	<u>\$ 612,291,938</u>	<u>\$ 32,477,274</u>

For the governmental activities, pension liability, OPEB liability and compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

General obligation bonds are direct obligations of the District for which full faith and credit are pledged and are payable from taxes levied on member towns and other operating revenues. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	Various	\$ 321,971,912
Business-type activities	Various	<u>263,903,089</u>
		<u>\$ 585,875,001</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 20,930,930	\$ 13,671,692	\$ 17,544,070	\$ 11,100,857
2021	20,176,780	12,954,174	17,293,220	10,425,900
2022	20,252,793	11,966,434	17,337,208	9,573,143
2023	19,273,166	11,020,423	17,086,834	8,734,626
2024	19,091,978	10,132,153	17,068,022	7,923,177
2025-2029	97,444,701	37,983,210	84,140,299	28,488,356
2030-2034	85,671,786	18,283,427	68,793,214	12,883,311
2035-2039	36,839,778	4,267,926	24,640,222	2,283,405
2040	2,290,000	91,600		
Total	\$ 321,971,912	\$ 120,371,039	\$ 263,903,089	\$ 91,412,775

Authorized but Unissued Bonds

The total of authorized but unissued bonds at December 31, 2019 is \$794,194,647. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Unspent Bond Proceeds

As of December 31, 2019, the District reported unspent bond proceeds of \$12,442,587 and \$11,565,329 in governmental and business-type activities, respectively. These amounts were included as a component of net investment in capital assets in the statement of net position.

Revenue Bonds

Revenue bonds are special obligations of the District and are issued pursuant to the District's Charter and Chapter 103 of the Connecticut General Statutes as amended, the Special Obligation Indenture of Trust by and between the District and U.S. Bank National Association (the Trustee) for the purpose of providing funds for the Clean Water Project. The revenue bonds are secured by a pledge of and payable from the Trust Estate which includes pledged revenues, which are special revenues to be received by the District from a Special Sewer Service Surcharge (a.k.a. Clean Water Project Charge), together with the revenues or other receipts, funds or moneys held in or set aside in the Trust Estate. The revenue bonds are not a general obligation of the District. Revenue bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental Activities	Various	\$ <u>197,740,000</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Annual debt service requirements to maturity for revenue bonds are as follows:

	Governmental Activities	
	Principal	Interest
2020	\$ 4,075,000	\$ 9,588,500
2021	4,225,000	9,384,750
2022	4,355,000	9,205,750
2023	4,525,000	8,988,000
2024	4,700,000	8,761,750
2025-2029	26,650,000	40,216,250
2030-2034	46,785,000	31,914,000
2035-2039	76,965,000	16,215,400
2040-2042	<u>25,460,000</u>	<u>2,587,500</u>
Total	<u>\$ 197,740,000</u>	<u>\$ 136,861,900</u>

Clean and Drinking Water Fund Loans

The District participates in the State of Connecticut's Clean and Drinking Water programs, which provide low-interest loans bearing 2% interest for eligible waste water and 2% interest for eligible drinking water projects. Projects are financed by interim loan obligations until project completion, at which time interim loan obligations are replaced by permanent loan obligations. In the case of certain large projects, permanent loan obligations may be issued annually.

Clean Water Fund loans finance the sewer infrastructure and facility improvements (governmental activities) and will be repaid from future taxation, special sewer service surcharge and user fees.

Drinking Water Fund loans finance the water infrastructure and facility improvements (business-type activities) and will be financed by user charges.

Permanent loan obligations mature as follows:

	Governmental Activities	
	Principal	Interest
2020	\$ 30,080,599	\$ 8,712,629
2021	30,080,599	8,111,017
2022	29,468,457	7,514,577
2023	29,310,318	6,927,096
2024	29,193,518	6,341,474
2025-2029	142,900,696	23,015,794
2030-2034	113,820,096	9,746,934
2035-2039	<u>44,564,129</u>	<u>1,421,909</u>
	<u>\$ 449,418,412</u>	<u>\$ 71,791,430</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

	Business-Type Activities	
	Principal	Interest
2020	\$ 3,545,291	\$ 969,863
2021	3,304,619	900,321
2022	3,283,070	834,477
2023	3,234,243	768,961
2024	3,165,883	705,257
2025-2029	15,829,415	2,577,898
2030-2034	14,601,050	1,034,346
2035-2039	3,097,194	79,983
	<u>\$ 50,060,765</u>	<u>\$ 7,871,106</u>

Interim loan obligations mature and convert to permanent loan obligations as follows:

	Governmental Activities	
	Principal	Interest
2020	\$ 50,533,121	\$ 1,130,732
2021	<u>27,267,765</u>	<u>596,044</u>
	<u>\$ 77,800,886</u>	<u>\$ 1,726,776</u>

	Business-Type Activities	
	Principal	Interest
2020	<u>\$ 1,928,821</u>	<u>\$ 15,627</u>

General Obligation Bonds - Current Refunding

On August 8, 2019, the District issued \$49,305,000 General Obligation Refunding Bonds Issue of 2019, Series B with interest rates ranging from 2.375%-5%, to refund outstanding bonds with interest rates ranging from 4%-5%. The bonds refunded were \$57,600,000 in principal amount of outstanding 2010 Series A General Obligation Bonds. The net proceeds of \$57,870,772 (after payment of delivery date expenses of \$353,250) were deposited with the Trustee in an escrow account which was used on August 26, 2019 to fully redeem the outstanding 2010 Series A General Obligation Bonds. The transaction generated a cash flow savings of \$7,631,652 and a net present value savings of \$7,189,452.

Also on August 8, 2019, the District issued \$32,070,000 General Obligation Refunding Bonds Issue of 2019, Series C with interest rates ranging from 4%-5%, to refund outstanding bonds with interest rates ranging from 4%-5%. The bonds refunded were \$37,385,000 in principal amount of outstanding 2010 Series B General Obligation Bonds. The net proceeds of \$37,569,030 (after payment of delivery date expenses of \$241,199) were deposited with the Trustee in an escrow account, which was used on August 26, 2019 to fully redeem the outstanding 2010 Series B General Obligation Bonds. The transaction generated a cash flow savings of \$8,184,079 and a net present value savings of \$6,640,268.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Debt Limitation

The District's debt indebtedness does not exceed the debt limitations required by its Charter as reflected in the following schedule:

<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
\$ 1,284,605,245	\$ 923,986,894	\$ 360,618,351

G. Fund Balance

The components of fund balance for the governmental funds at December 31, 2019 are as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Projects</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Prepays	\$ 487,010	\$	\$	\$	\$ 487,010
Inventory	2,916,842				2,916,842
Restricted for:					
Debt service		2,744,874			2,744,874
Committed to:					
Debt service			93,362,137		93,362,137
Facility and building improvements				7,124,915	7,124,915
Unassigned	<u>24,699,867</u>				<u>24,699,867</u>
Total Fund Balances	<u>\$ 28,103,719</u>	<u>\$ 2,744,874</u>	<u>\$ 93,362,137</u>	<u>\$ 7,124,915</u>	<u>\$ 131,335,645</u>

There were no outstanding encumbrances at December 31, 2019.

4. EMPLOYEE RETIREMENT PLAN

A. Plan Description and Benefits Provided

The District has an employee retirement system with a pension plan that was adopted January 1, 1944 and amended January 1, 1997. The Aetna Insurance Company is the administrator of the Metropolitan District Employees' Retirement System (MDERS), which is a defined benefit, single employer retirement system. The MDERS provides retirement, disability and death benefits to plan members and beneficiaries.

Management of the plan rests with the Personnel, Pension and Insurance Committee (PPI), which consists of 11 members.

The pension plan is included in the District's financial reporting entity and accounted for in the pension trust fund. The MDERS does not issue a stand-alone financial report.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

At January 1, 2019, membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	620
Terminated members entitled to but not yet receiving benefits	43
Current active members	<u>466</u>
Total Members	<u><u>1,129</u></u>

Participation in the plan is immediate upon employment for all full-time employees. Vesting in benefits occurs after ten years of service. Termination of employment before that time results in forfeiture of the District's portion of the accrued benefit.

The District's Personnel, Pension and Insurance Committee, as provided by the District's general ordinances, establishes the benefit provisions and the employer's and employees' obligations. Any bargaining or nonbargaining unit employee who becomes totally and permanently disabled and has completed 10 years of service will receive 100% of the pension that the employee would have been entitled to. Annual pension payments are determined at 2% times years of service times final average earnings subject to a maximum of 32 years.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The Pension Trust Fund's financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with plan provisions. Administrative costs of the plan are financed through investment earnings.

Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price.

C. Funding Policy

Employees hired prior to October 4, 2015 are required to contribute 5% of their annual covered salary, employees hired between October 4, 2015 and June 5, 2018 are required to contribute 7% of their annual covered salary, and employees hired after June 5, 2018 are required to contribute 7.5% of their annual covered salary.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Personnel, Pension and Insurance Committee by a majority vote of its members. It is the policy of the Personnel, Pension and Insurance Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short-time spans. The following was the Board's adopted asset allocation policy as of December 31, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	15.00%
Global Funds	12.50%
Large Cap U.S. Equities	30.00%
Mid Cap U.S. Equities	10.00%
Small Cap U.S. Equities	10.00%
Developed Foreign Equities	10.00%
Real Estate (REITS)	6.00%
Private Real Estate Property	1.50%
Commodities	5.00%

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Liability of the District

The components of the net pension liability of the District at December 31, 2019 were as follows:

Total pension liability	\$ 284,902,241
Plan fiduciary net position	<u>226,786,341</u>
Net Pension Liability	<u>\$ 58,115,900</u>
Plan fiduciary net position as a percentage of the total pension liability	79.60%

The net pension liability is recorded in the Water Utility Fund and the Hydroelectric Development Project Fund (Proprietary Funds), and the Governmental Activities of the District.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Healthy Mortality table blended 75% Blue Collar, 25% White Collar, with generational projection per Scale AA
Actuarial cost method	Entry Age Normal

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>
Core Fixed Income	2.37%
Global Funds	0.80%
Large Cap U.S. Equities	4.72%
Mid Cap U.S. Equities	5.19%
Small Cap U.S. Equities	5.92%
Developed Foreign Equities	6.12%
Real Estate (REITS)	5.43%
Private Real Estate Property	3.85%
Commodities	4.06%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate at December 31, 2019 decreased 0.25% to 7.00% from 7.25% at December 31, 2018.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Changes in the Net Pension Liability

Metropolitan District Employees' Retirement System			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of January 1, 2019	\$ 269,964,668	\$ 201,704,484	\$ 68,260,184
Changes for the year:			
Service cost	4,201,054		4,201,054
Interest on total pension liability	19,227,865		19,227,865
Changes of benefit terms	350		350
Differences between expected and actual experience	2,768,238		2,768,238
Changes in assumptions	6,966,524		6,966,524
Employer contributions		5,688,000	(5,688,000)
Member contributions		2,430,709	(2,430,709)
Net investment gain (loss)		35,293,532	(35,293,532)
Benefit payments, including refund of employee contributions	(18,226,458)	(18,226,458)	-
Administrative expenses		(103,926)	103,926
Net changes	<u>14,937,573</u>	<u>25,081,857</u>	<u>(10,144,284)</u>
Balances as of December 31, 2019	\$ <u>284,902,241</u>	\$ <u>226,786,341</u>	\$ <u>58,115,900</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the District, calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Net Pension Liability \$	88,960,019	\$ 58,115,900	\$ 31,871,822

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Pension Expense and Deferred Outflows of Resource and Deferred Inflows of Resource Related to Pensions

For the year ended December 31, 2019, the District recognized pension expense of \$11,833,059, which is recorded within the Water Utility Fund, Hydroelectric Development Project Fund and the Governmental Activities of the District in the amounts of \$6,811,332, \$22,010 and \$4,999,717, respectively. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Metropolitan District Employees' Retirement System	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 317,117	\$ 7,296,517
Changes of assumptions		6,675,624
Net difference between projected and actual earnings on pension plan investments	<u>7,305,204</u>	<u> </u>
Total	<u>\$ 7,622,321</u>	<u>\$ 13,972,141</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2020	\$ 2,511,594
2021	1,555,646
2022	4,228,682
2023	<u>(1,946,102)</u>
	<u>\$ 6,349,820</u>

F. 457(f) Nonqualified Deferred Compensation Plan

The District has a 457(f) Nonqualified Deferred Compensation Plan for two key employees as deemed eligible by the Personnel, Pension and Insurance Committee. The District will make contributions to the plan as deemed necessary. The District made no contributions to the plan during 2019.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

G. Combining Statement of Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 702,735	\$ 6,057,621	\$ 6,760,356
Accounts receivable	47,682		47,682
Investments, at fair value:			
Mutual funds	20,761,028		20,761,028
Guaranteed investment contracts	23,004,370		23,004,370
Land	8,073,546		8,073,546
Commingled collective trusts	150,971,902		150,971,902
Real estate	23,225,078		23,225,078
Total assets	<u>226,786,341</u>	<u>6,057,621</u>	<u>232,843,962</u>
LIABILITIES			
Retiree expense reimbursement payable		<u>2,524,018</u>	<u>2,524,018</u>
NET POSITION			
Restricted for Pension and OPEB Benefits	<u>\$ 226,786,341</u>	<u>\$ 3,533,603</u>	<u>\$ 230,319,944</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

H. Combining Statement of Revenue, Expenses and Changes in Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 5,688,000	\$ 9,146,000	\$ 14,834,000
Plan members	2,430,709	1,155,677	3,586,386
Reimbursements		179,878	179,878
Total contributions	<u>8,118,709</u>	<u>10,481,555</u>	<u>18,600,264</u>
Investment earnings:			
Net change in fair value of investments	32,738,951		32,738,951
Interest and dividends	3,599,903		3,599,903
Total investment earnings (loss)	<u>36,338,854</u>	-	<u>36,338,854</u>
Less investment expenses:			
Investment management fees	<u>1,045,322</u>		<u>1,045,322</u>
Net investment earnings (loss)	<u>35,293,532</u>	-	<u>35,293,532</u>
Total additions (reductions)	<u>43,412,241</u>	<u>10,481,555</u>	<u>53,893,796</u>
Deductions:			
Benefits	18,226,458	6,341,967	24,568,425
Administrative expense	103,926	5,589	109,515
Total deductions	<u>18,330,384</u>	<u>6,347,556</u>	<u>24,677,940</u>
Change in Net Position	25,081,857	4,133,999	29,215,856
Net Position at Beginning of Year	<u>201,704,484</u>	<u>(600,396)</u>	<u>201,104,088</u>
Net Position at End of Year	<u>\$ 226,786,341</u>	<u>\$ 3,533,603</u>	<u>\$ 230,319,944</u>

5. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN

Plan Description

The Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan and provides medical, dental and life insurance benefits to eligible retirees and their spouses. Spouses and eligible dependents are covered on medical and dental insurance only if the retiree declares at least a 90% pension annuity. District employees eligible to participate in the plan are as follows: 65 years old or 55 years old with 10 years of service or the sum of age and service is 85. Benefit provisions are established through negotiations between the District and the various unions representing the employees.

Management of the postemployment benefits plan rests with the Personnel, Pension and Insurance Committee (PPI), which consists of 11 members.

Expenses for postemployment benefits were paid out of the OPEB trust fund during the fiscal year ended December 31, 2019. The plan does not issue a stand-alone financial report.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

At January 1, 2018, plan membership consisted of the following:

	Retiree Health Plan
Retired members	480
Spouses of retired members	318
Active plan members	<u>596</u>
Total Participants	<u><u>1,394</u></u>

Funding Policy

The Retirement Plan is funded from various sources, including

- (a) employee mandatory contribution (employees hired before June 5, 2018 contribute 5% of regular compensation and new employees hired after June 5, 2018 contribute 7.5% of regular compensation);
- (b) Actuarially determined employer contribution as based upon different presumptions (ranged from \$5 million to \$6 million per annum);
- (c) Investment returns from discretionary funds including equity, lumber and real estate assets;
- (d) Interest paid by Aetna for use of monies in financial and insurance business

As of January 1, 2019, all employees also contribute 1.0% of regular compensation into an OPEB (Other Post-Retirement Benefits) fund. This fund is typically depleted by the end of the calendar year and is used to support medical costs. Since the early 1990's, the District has embraced "self-insurance."

Prior to June 5, 2018, the District also offered post-retirement life insurance to new bargaining unit retirees. The coverage was partially funded by retiree monthly contributions and primarily by the District. Since 2015, the non-Unionized group was not provided any post-retirement life insurance.

For bargaining unit retirees after June 5, 2018, the District has agreements to "buy-out" the base amount (\$5,000) and the new retiree has the option of continuing any optional life insurance but at the full group rate annually adjusted. The buy-out of the base coverage is supported by operating funds.

Finally, the District has reimbursed the cost of Medicare Part B through the retiree's monthly pension distribution. Effective for new employees hired after June 5, 2018, the District will not reimburse this cost when the new employee ultimately retires. The reimbursement cost is covered through operating funds.

Basis of Accounting

The OPEB Trust Fund's financial statements are prepared on the accrual basis of accounting. Employees and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with plan provisions. Administrative costs of the plan are expensed.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Investments

Investment Policy

The OPEB investment policy is the responsibility of the Personnel, Pension and Insurance Committee (PPI). It is expected that as the Trust becomes funded PP&I will adopt an investment policy. The investment strategy is based upon the liquidity needs of the plan and thereby determines the distinct asset classes to be invested therein. The investment strategy reduces risk through prudent selection of investments and diversification of the portfolio, which can be changed over time based upon forecasted liquidity needs.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on investments, net of investment expense, was zero percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability was measured as of December 31, 2019. The components of the net OPEB liability of the District at December 31, 2019 were as follows:

Total OPEB liability	\$	374,978,887
Plan fiduciary net position		<u>3,533,603</u>
Net OPEB Liability	\$	<u><u>371,445,284</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		0.94%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.50%, including inflation
Investment rate of return	4.00%, net of OPEB plan investment expense
Healthcare cost trend rates	5.50% - 4.40% over 75 years

The plan has not had a formal actuarial experience study performed.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of December 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100 %	0.27 %

Discount Rate

The discount rate used to measure the total OPEB liability was 2.74% and is based on the 20 Year Tax-Exempt Municipal Bond Yield. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The discount rate at December 31, 2019 decreased 1.36% to 2.74% from 4.10% at December 31, 2018.

Changes in Net OPEB Liability

<u>Metropolitan District Employees' Retirement System</u>			
	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances as of January 1, 2019	\$ 289,298,663	\$ (600,396)	\$ 289,899,059
Changes for the year:			
Service cost	6,698,208		6,698,208
Interest on total OPEB liability	12,024,959		12,024,959
Changes in assumptions	72,422,368		72,422,368
Employer contributions		9,146,000	(9,146,000)
Member contributions		1,155,677	(1,155,677)
Reimbursements		179,878	(179,878)
Benefit payments, including refund of employee contributions	(5,465,311)	(6,341,967)	876,656
Administrative expenses		(5,589)	5,589
Net changes	<u>85,680,224</u>	<u>4,133,999</u>	<u>81,546,225</u>
Balances as of December 31, 2019	\$ <u>374,978,887</u>	\$ <u>3,533,603</u>	\$ <u>371,445,284</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.74%)	Current Discount Rate (2.74%)	1% Increase (3.74%)
Net OPEB liability	\$ 442,265,326	\$ 371,445,284	\$ 315,997,515

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.50% Decreasing to 3.40%)	Healthcare Cost Trend Rates (5.50% Decreasing to 4.40%)	1% Increase (6.50% Decreasing to 5.40%)
Net OPEB liability	\$ 303,286,051	\$ 371,445,284	\$ 461,280,471

OPEB Expense and Deferred Outflows of Resource and Deferred Inflows of Resource Related to OPEB

For the year ended December 31, 2019, the District recognized OPEB expense of \$26,112,583. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Metropolitan District Employees' Retirement System	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$	\$ 8,488,180
Changes of assumptions	32,039,630	56,678,375
Net difference between projected and actual earning on OPEB plan investments		32,780
Total	<u>\$ 32,039,630</u>	<u>\$ 65,199,335</u>

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2020	\$ 7,900,579
2021	7,900,579
2022	7,900,582
2023	<u>9,457,965</u>
	<u>\$ 33,159,705</u>

6. OTHER INFORMATION

A. Clean Water Project

The Clean Water Project addresses approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The project is in response to an EPA SSO federal consent decree and a Connecticut DEEP CSO consent order to achieve Federal Clean Water Act goals. The project is set forth in a Long-Term Control Plan (the LTCP), which is periodically revised and is subject to approval by DEEP. The District's goal is to achieve compliance through efficient improvements to its system, maximizing funding of the project with state and federal grants and the use of state and federal low-cost loans, with the remainder funded with issuance of its own bonds. Project financing is expected to be repaid with the Clean Water Project Charge (previously, the Special Sewer Service Surcharge) added to customers' water bills.

Evolution of the Clean Water Project

As originally conceived in 2005, and as set forth in the initial LTCP, the Clean Water Project was comprised of three phases, estimated to cost approximately \$2.1 billion, and assumed to be completed in 2021, based on assumptions about, among other things, the design as originally conceived and the pace of design and construction and regulatory review and approval. The original concept relied on sewer separation projects, control of inflow and infiltration, and capacity increases and other improvements to the District's treatment plants.

An updated LTCP was submitted to DEEP in 2012 and revised through December 2014. The revised plan de-emphasized sewer separation projects, which proved expensive in downtown areas, and added a large storage and conveyance tunnel in south Hartford (the South Tunnel). It also featured a large storage and conveyance tunnel to the northern part of Hartford (the North Tunnel) and connecting to the South Tunnel which was intended to both capture overflows in the northern and central part of the city and also to eliminate overflows into the North Branch of the Park River. This resubmittal as approved in 2015 set out a completion of the project by 2029.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

The LTCP was most recently revised and resubmitted to Connecticut DEEP in May 2020. The resubmitted LTCP introduces the concept of an “Integrated Plan”, which recognizes the District’s ongoing capital improvement and maintenance program and also furthers compliance with the governmental orders, with remedies such as replacing aged and damaged pipe and other system components, coupled with cleaning and other maintenance and rehabilitation activities, thereby increasing pipe capacity to reduce overflows. The concept and guidelines for Integrated Planning were introduced and accepted by the EPA in 2012 for communities dealing with CSO compliance issues while also maintaining existing aging infrastructure in an affordable manner. Managing this program balances new capital expenditures with maintenance expenditures, with priorities addressed to reduce, insofar as practical, costly emergency repairs of sewer collapses and other problems. The resubmitted LTCP retains the South Tunnel, which is in construction, and other related improvements, which are well underway, but replaces the North Tunnel concept with a shortened downtown area tunnel and capacity improvements in the northern part of Hartford. The compliance efforts are integrated with the ongoing capital maintenance and rehabilitation program and span a 40-year term. It contemplates a compliance effort over a longer term, combines the Clean Water Project with other capital improvements that had not been considered part of the project, and continues to finance the combined effort with the Clean Water Project Charge, all with a view to achieving compliance with the governmental orders efficiently and within the context of the District’s other capital improvements while implementing a more affordable economic model for the rate payers.

The resubmitted LTCP sets out several compliance options, which incorporate timing and sequencing alternatives. The option preferred by the District would achieve incremental improvements in the coming years and full compliance in 2058. Other options would achieve compliance earlier, but have overlapping elements. The District has deferred designing specific elements of the compliance options until the LTCP is approved. The District cannot predict when the resubmitted LTCP will be approved, or its final content.

Cost Estimates

Because the resubmitted LTCP incorporates an Integrated Plan, the nature of the project and its overall cost is not directly comparable to the LTCP as currently approved. Current estimates to complete the proposed LTCP Update/Integrated Plan are that the Clean Water Project Charge would increase to approximately \$7.40 by 2026, and remain at least at that level for a considerable period as the ongoing capital maintenance and rehabilitation program continues. The primary reasons for the increase in the Clean Water Project Charge are inflation of costs to complete the LTCP Update over a longer schedule and the inclusion of asset management projects, such as sewer lining, which previously were contemplated to be paid for through Ad Valorem taxes. As a result, the future increases to Ad Valorem taxes will be mitigated while the estimated total cost to the rate payers for both the Clean Water Project Charge and Ad Valorem remains about the same on average. This assumes a continued level of federal and state support in the form of grants and low-cost loans consistent with the support provided to date. Other options would increase the surcharge, particularly those options that accelerate work or change the sequencing, as would a change in the level of federal and state funding support. The District remains mindful of maintaining an overall level of affordability for rate payers of the District, and in particular the residents of Hartford, which may lead to future adjustment in the nature of the project and its cost and financing. No assurance can be given as to the final cost of the project or the precise composition of its funding.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

Referendum Requirements

Generally speaking, appropriations for the cost of large projects must be approved by referendum vote of the electors of the Member Municipalities. Effective October 1, 2015, P.A. 15-114 excludes from the referendum requirement appropriations funded by federal or state grants. An \$800 million appropriation for the Clean Water Project was approved at referendum on November 7, 2006. An appropriation for an additional \$800 million for the Clean Water Project was approved at referendum on November 6, 2012. An appropriation of \$140 million for a grant, not requiring a referendum, was approved by the District Board on October 5, 2016. The District expects to appropriate further funds for the project without a referendum for portions paid for by state grants.

The District expects that the treatment plant work and the South Tunnel and related improvements will be completed within existing appropriations, assuming the ongoing South Tunnel work proceeds within contemplated cost estimates and that expected grants are received. Some portion of the Integrated Plan work in the resubmitted LTCP may be undertaken within existing appropriations if future grants are received for eligible projects. Full compliance with the resubmitted LTCP will likely require submission of one or more further appropriations for approval by electors at referendum. The District has made no determination as to when an additional referendum will be held.

The District cannot give any assurances as to when the Clean Water Project will be completed or its total cost as it is highly dependent on the availability of grants and loan from the state.

The District has issued, to date, \$225.0 million in Clean Water Project Revenue Bonds, \$197.74 million of which were outstanding as of December 31, 2019. The Clean Water Project Revenue Bonds are being repaid from a portion of the Clean Water Project Charge (previously the Special Sewer Service Surcharge) and are not general obligations of the District.

B. Risk Management

The District is exposed to various risks of loss including torts; officers' and employees' liabilities; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for all risks of loss except those risks described in the next paragraph. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

The District is self-insured for healthcare, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location, and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The self-insurance fund is primarily supported by contributions from the General Fund and the Water Utility Enterprise Fund. Workers' Compensation Trust administers the District's workers' compensation program for which the District pays a fee. General and auto liability claims are performed in-house and through third-party administrators whose administrative fees are paid by the self-insurance fund. Blue Cross and Blue Shield administer the District's medical insurance plan for which the District pays a fee. The medical insurance plan provides coverage for most District employees. The District has purchased a stop loss policy for total medical claims in any one year exceeding an aggregate of 110% of expected claims. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in any coverage during the year from that of the prior year.

The claims liability of \$6,358,539 for the self-insurance fund reported at December 31, 2019 is based on the requirements of GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. The District's policy is to have an actuarial study performed annually.

**THE METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

		Accrued Liability Beginning of Fiscal Year		Current Year Claims and Changes in Estimates		Claim Payments		Accrued Liability End of Fiscal Year
2018	\$	6,231,742	\$	14,556,902	\$	14,607,487	\$	6,181,157
2019		6,181,157		17,651,151		17,473,769		6,358,539

C. Contingent Liabilities

Arbitrage

The District may be subject to rebate penalties to the federal government relating to various bond and note issues. The District expects such amounts, if any, to be immaterial.

Other

On February 12, 2014, the Town of Glastonbury filed a lawsuit against the MDC in State Court seeking a declaratory judgment that the MDC charged water customers in nonmember towns an unlawful surcharge prior to 2014. The surcharge allowed the MDC to capture the proportional cost of the infrastructure utilized to provide Glastonbury and other nonmember town customers with water. The MDC believed it possessed the authority to impose and collect said surcharge.

While the Glastonbury action was pending, the State Legislature amended the MDC's charter through Special Act 14-21 which authorized the MDC to impose the surcharge on nonmember towns, but capped the amount of the surcharge to the amount of the MDC's customer service charge. The amendment was effective January 1, 2015.

On May 12, 2016, the Superior Court concluded that Special Act 14-21 was not retroactive and the nonmember town charges imposed prior to the effective date of the amendment were unlawful. The MDC appealed that decision. On March 2, 2018, the Connecticut Supreme Court affirmed the trial court ruling.

On March 6, 2018, following the Supreme Court decision, an action was filed on behalf of a proposed class of MDC water customers in the nonmember towns of Glastonbury, East Granby, Farmington and South Windsor between January 1, 2006 and October 1, 2014 (Laurie Paetzold, William Paetzold and Andrew Pinkowski v. Metropolitan District Commission). The named Plaintiffs allegedly resided in the town of Glastonbury during the relevant period and allege that the MDC wrongfully imposed the unlawful surcharge and seek to recover damages.

THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

The lawsuit asserted claims for breach of contract, breach of good faith and fair dealing and in the alternative, unjust enrichment. In June 2018, the MDC filed a Motion to Strike on several grounds, including failure to sufficiently allege the existence of a contract, the MDC is entitled to governmental immunity and the claim is untimely based on the statute of limitations. The Court held that the plaintiff did sufficiently plead the existence of a contract and that the claim was not untimely. However, the Court did limit the time period for recoverable damages based on a six year statute of limitations. This reduced the relevant period for possible damages to March 2012 to October 2014. Additionally, the Court granted the MDC's motion to strike for the plaintiff's unjust enrichment and breach of the covenant of good faith and fair dealing claims.

In January 2020, the MDC and plaintiffs engaged in mediation and reached a proposed settlement of the class action suit. The MDC District Board approved the Settlement Agreement on February 10, 2020, and the Settlement Agreement has been executed by both parties. On April 21, 2020, the trial court granted a motion for preliminary approval of a class action settlement. A hearing is scheduled for September 3, 2020 for final approval of the proposed settlement. The basic terms of the settlement are that customers that paid the non-member town surcharge from March 2012 to October 2014 will either receive a credit in the amount of 103% of the surcharges paid on their current MDC water account or, if they are no longer an MDC water customer, receive a payment for 100% of the amount of the surcharges paid by the former customer. The total settlement value of all claims and attorney's fees is capped at \$7,680,000. This amount is included in the settlement liability and expense in the Water Utility fund. Unclaimed amounts by former MDC customers will be returned to the MDC.

There are other various suits and claims pending against the District, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the District's financial position.

D. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. The District derives a significant portion of its revenues from customers in markets currently impacted by outbreak. While the Company has not experienced any negative business impacts, the situation creates uncertainty about the impact on future revenues that might be generated from these markets.

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxation:				
Hartford	\$ 12,372,000	\$ 12,372,000	\$ 12,372,000	\$ -
East Hartford	5,775,200	5,775,200	5,775,200	-
Newington	4,318,900	4,318,900	4,318,900	-
Wethersfield	3,979,400	3,979,400	3,979,400	-
Windsor	4,274,900	4,274,900	4,274,900	-
Bloomfield	3,488,600	3,488,600	3,488,600	-
Rocky Hill	2,909,600	2,909,600	2,909,600	-
West Hartford	11,034,500	11,034,500	11,034,500	-
Total taxation	<u>48,153,100</u>	<u>48,153,100</u>	<u>48,153,100</u>	<u>-</u>
Sewer user fees:				
Bradley Airport - Hamilton - East Granby	1,057,200	1,057,200	937,964	(119,236)
Customer service charge	6,641,600	6,641,600	6,268,836	(372,764)
Nonmunicipal - tax exempt	5,549,900	5,549,900	5,668,748	118,848
Hi-flow charges	2,559,900	2,559,900	2,518,597	(41,303)
Hi-strength	988,000	988,000	701,603	(286,397)
Penalties	400,000	400,000	1,297,963	897,963
Manchester	182,800	182,800	139,022	(43,778)
South Windsor	24,100	24,100	8,761	(15,339)
Farmington	129,500	129,500		(129,500)
Cromwell	7,900	7,900	9,090	1,190
Total	<u>17,540,900</u>	<u>17,540,900</u>	<u>17,550,584</u>	<u>9,684</u>
Sewer user rebates			(1,879,586)	(1,879,586)
Total sewer user fees	<u>17,540,900</u>	<u>17,540,900</u>	<u>15,670,998</u>	<u>(1,869,902)</u>
Intergovernmental:				
Sludge handling	4,928,400	4,928,400	5,483,314	554,914
Household hazardous waste	30,000	30,000	31,394	1,394
Total intergovernmental	<u>4,958,400</u>	<u>4,958,400</u>	<u>5,514,708</u>	<u>556,308</u>
Investment income	<u>600,000</u>	<u>600,000</u>	<u>734,871</u>	<u>134,871</u>

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Other revenues:				
Bill jobs	\$ 5,000	\$ 5,000	\$ 52,352	\$ 47,352
Developers	575,000	575,000	141,622	(433,378)
Payroll additives and indirect costs			4,737	4,737
Property rents	153,800	153,800	126,651	(27,149)
Septage/glycol discharge fees	1,200,000	1,200,000	911,933	(288,067)
Miscellaneous	14,574,600	14,574,600	12,636,063	(1,938,537)
Total other revenues	<u>16,508,400</u>	<u>16,508,400</u>	<u>13,873,358</u>	<u>(2,635,042)</u>
Total revenues	<u>87,760,800</u>	<u>87,760,800</u>	<u>83,947,035</u>	<u>(3,813,765)</u>
Other financing sources:				
Transfers in	<u>3,500,000</u>	<u>3,500,000</u>		<u>(3,500,000)</u>
Total Revenues and Other Financing Sources	<u>91,260,800</u>	<u>91,260,800</u>	<u>83,947,035</u>	<u>(7,313,765)</u>
Expenditures:				
General government:				
District Board	193,800	203,600	165,149	38,451
Executive office	465,600	465,600	442,933	22,667
Legal	846,700	846,700	799,805	46,895
Human resources	746,800	746,800	693,489	53,311
Information systems	2,286,300	2,286,400	2,276,308	10,092
Finance	2,332,900	2,376,400	2,412,594	(36,194)
Total general government	<u>6,872,100</u>	<u>6,925,500</u>	<u>6,790,278</u>	<u>135,222</u>
Engineering and planning	<u>944,100</u>	<u>944,100</u>	<u>764,599</u>	<u>179,501</u>
Operations:				
Environmental health and safety	472,800	472,900	452,733	20,167
Command Center	1,399,500	1,399,600	1,388,037	11,563
Chief Operating office	370,900	370,800	271,085	99,715
Customer service	1,041,300	998,000	923,452	74,548
Operations	2,680,500	2,755,600	2,705,809	49,791
Total operations	<u>5,965,000</u>	<u>5,996,900</u>	<u>5,741,116</u>	<u>255,784</u>

**THE METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Plants and maintenance:				
Water pollution control	\$ 17,462,200	\$ 17,462,200	\$ 15,571,291	\$ 1,890,909
Laboratory services	852,300	852,300	820,528	31,772
Maintenance	5,363,600	5,363,100	4,984,899	378,201
Total plants and maintenance	<u>23,678,100</u>	<u>23,677,600</u>	<u>21,376,718</u>	<u>2,300,882</u>
Employee benefits and other:				
Employee benefits	12,828,600	12,828,600	12,766,332	62,268
General insurance	1,424,100	1,424,100	1,368,673	55,427
Special agreements and programs	1,479,300	1,469,500	1,164,125	305,375
Total employee benefits and other	<u>15,732,000</u>	<u>15,722,200</u>	<u>15,299,130</u>	<u>423,070</u>
Contingency	<u>4,000,000</u>	<u>4,000,000</u>		<u>4,000,000</u>
Debt service:				
Principal	21,817,000	21,742,000	20,752,213	989,787
Interest	11,581,000	11,581,000	11,312,649	268,351
Legal services	671,500	671,500	362,260	309,240
Total debt service	<u>34,069,500</u>	<u>33,994,500</u>	<u>32,427,122</u>	<u>1,567,378</u>
Total expenditures	<u>91,260,800</u>	<u>91,260,800</u>	<u>82,398,963</u>	<u>8,861,837</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	1,548,072	\$ <u>1,548,072</u>
Budgetary expenditures are different than GAAP expenditures because:				
Expenditures not included in the budget, consisting primarily of:				
The District does not budget for allowance adjustments			565,774	
The District does not budget for year end payroll accruals			287,418	
The District does not budget for year end expense accruals			<u>(589,488)</u>	
Net Change in Fund Balance as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds			\$ <u>1,811,776</u>	

THE METROPOLITAN DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MDERS
LAST SIX FISCAL YEARS*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 4,201,054	4,088,615	\$ 3,989,674	\$ 4,121,036	\$ 3,977,923	\$ 3,534,272
Interest	19,227,865	18,306,742	18,000,653	17,634,276	17,230,210	16,861,364
Changes of benefit terms	350		258,130			
Differences between expected and actual experience	2,768,238	8,180,799	(605,374)	159,570	(348,426)	
Changes of assumptions	6,966,524				7,992,450	
Benefit payments, including refunds of member contributions	(18,226,458)	(17,748,776)	(17,299,291)	(15,950,213)	(15,844,541)	(15,437,612)
Net change in total pension liability	14,937,573	12,827,380	4,343,792	5,964,669	13,007,616	4,958,024
Total pension liability - beginning	269,964,668	257,137,288	252,793,496	246,828,827	233,821,211	228,863,187
Total pension liability - ending	<u>284,902,241</u>	<u>269,964,668</u>	<u>257,137,288</u>	<u>252,793,496</u>	<u>246,828,827</u>	<u>233,821,211</u>
Plan fiduciary net position:						
Contributions - employer	5,688,000	6,500,000	6,300,000	6,361,424	6,000,000	5,918,000
Contributions - member	2,430,709	2,280,859	2,343,416	2,247,072	2,255,825	2,160,885
Net investment income (loss)	35,293,532	(9,180,721)	36,679,882	13,824,703	3,637,492	13,864,280
Other income						102,351
Benefit payments, including refunds of member contributions	(18,226,458)	(17,748,776)	(17,299,291)	(15,950,213)	(15,844,541)	(15,448,154)
Administrative expense	(103,926)	(67,530)	(119,313)	(109,687)	(35,213)	(46,896)
Special Item			(9,271,439)			
Net change in plan fiduciary net position	25,081,857	(18,216,168)	18,633,255	6,373,299	(3,986,437)	6,550,466
Plan fiduciary net position - beginning	201,704,484	219,920,652	201,287,397	194,914,098	198,900,535	192,350,069
Plan fiduciary net position - ending	<u>226,786,341</u>	<u>201,704,484</u>	<u>219,920,652</u>	<u>201,287,397</u>	<u>194,914,098</u>	<u>198,900,535</u>
District's Net Pension Liability - Ending	<u>\$ 58,115,900</u>	<u>68,260,184</u>	<u>\$ 37,216,636</u>	<u>\$ 51,506,099</u>	<u>\$ 51,914,729</u>	<u>\$ 34,920,676</u>
Plan fiduciary net position as a percentage of the total pension liability	79.60%	74.72%	85.53%	79.63%	78.97%	85.07%
Covered payroll	\$ 44,912,213	42,779,907	\$ 42,096,151	\$ 43,972,101	\$ 42,655,811	\$ 41,460,234
Net pension liability as a percentage of covered payroll	129.40%	159.56%	88.41%	117.13%	121.71%	84.23%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**THE METROPOLITAN DISTRICT
SCHEDULE OF CONTRIBUTIONS
MDERS
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 6,756,345	\$ 5,647,479	\$ 5,376,378	\$ 6,361,424	\$ 5,805,223	\$ 5,857,601	\$ 5,804,428	\$ 5,347,556	\$ 15,050,472	\$ 8,809,272
Contributions in relation to the actuarially determined contribution	5,688,000	6,500,000	6,300,000	6,361,424	6,000,000	5,918,000	5,881,000	5,822,098	4,633,200	2,863,964
Contribution Deficiency (Excess)	<u>\$ 1,068,345</u>	<u>\$ (852,521)</u>	<u>\$ (923,622)</u>	<u>\$ -</u>	<u>\$ (194,777)</u>	<u>\$ (60,399)</u>	<u>\$ (76,572)</u>	<u>\$ (474,542)</u>	<u>\$ 10,417,272</u>	<u>\$ 5,945,308</u>
Covered payroll	\$ 44,912,213	\$ 42,779,907	\$ 42,096,151	\$ 43,972,101	\$ 42,655,811	\$ 41,460,234	\$ 38,773,923	\$ 41,341,171	\$ 43,872,205	\$ 45,271,276
Contributions as a percentage of covered payroll	12.66%	15.19%	14.97%	14.47%	14.07%	14.27%	15.17%	14.08%	10.56%	6.33%

Notes to Schedule

Valuation date: January 1, 2019
Measurement date: December 31, 2019
Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which the contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent, closed
Remaining amortization period	20 years
Asset valuation method	5-year asset average, spreading investment gains and losses
Inflation	2.75%
Salary increases	3.50%
Investment rate of return	7.00%
Retirement age	Aged based rates
Turnover	Aged based rates
Mortality	RP-2000 Combined Healthy Mortality table blended 75% Blue Collar, 25% White Collar, with generational projection per Scale AA

**THE METROPOLITAN DISTRICT
SCHEDULE OF INVESTMENT RETURNS
MDERS
LAST SIX FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	17.79%	(4.22%)	13.80%	7.48%	1.58%	7.42%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**THE METROPOLITAN DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH PLAN
LAST THREE FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 6,698,208	\$ 8,531,854	\$ 7,730,316
Interest	12,024,959	11,015,391	10,961,483
Differences between expected and actual experience		14,146,966	
Changes of assumptions	72,422,368	(53,399,384)	16,177,425
Benefit payments	<u>(5,465,311)</u>	<u>(5,313,360)</u>	<u>(5,564,433)</u>
Net change in total OPEB liability	85,680,224	(25,018,533)	29,304,791
Total OPEB liability - beginning	<u>289,298,663</u>	<u>314,317,196</u>	<u>285,012,405</u>
Total OPEB liability - ending	<u>374,978,887</u>	<u>289,298,663</u>	<u>314,317,196</u>
Plan fiduciary net position:			
Contributions - employer	9,146,000	5,000,000	5,000,000
Contributions - member	1,155,677	869,481	804,712
Reimbursements	179,878	241,355	451,135
Benefit payments	(6,341,967)	(6,185,680)	(6,595,450)
Administrative expense	(5,589)		
Special item			<u>(26,346,000)</u>
Net change in plan fiduciary net position	4,133,999	(74,844)	(26,685,603)
Plan fiduciary net position - beginning	<u>(600,396)</u>	<u>(525,552)</u>	<u>26,160,051</u>
Plan fiduciary net position - ending	<u>3,533,603</u>	<u>(600,396)</u>	<u>(525,552)</u>
Net OPEB Liability - Ending	<u>\$ 371,445,284</u>	<u>\$ 289,899,059</u>	<u>\$ 314,842,748</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.94%	-0.21%	-0.17%
Covered payroll	\$ 43,143,678	\$ 43,535,483	\$ 43,535,483
Net OPEB liability as a percentage of covered payroll	860.95%	665.89%	723.19%

Notes to Schedule:

Discount rate changes: The rate at December 31, 2019 decreased 1.36% to 2.74% from 4.10% at December 31, 2018.

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**THE METROPOLITAN DISTRICT
SCHEDULE OF CONTRIBUTIONS
RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution (1)	\$ -	\$ -	\$ 18,458,692	\$ 15,855,000	\$ 14,765,820	\$ 15,755,000	\$ 15,162,000	\$ 14,301,000	\$ 19,989,745	\$ 16,271,928
Contributions in relation to the actuarially determined contribution	<u>9,146,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,588,854</u>	<u>6,512,592</u>	<u>7,932,085</u>	<u>26,995,985</u>	<u>5,155,361</u>
Contribution deficiency (excess)	<u>\$ (9,146,000)</u>	<u>\$ (5,000,000)</u>	<u>\$ 13,458,692</u>	<u>\$ 10,855,000</u>	<u>\$ 9,765,820</u>	<u>\$ 10,166,146</u>	<u>\$ 8,649,408</u>	<u>\$ 6,368,915</u>	<u>\$ (7,006,240)</u>	<u>\$ 11,116,567</u>
Covered payroll	\$ 43,143,678	\$ 43,535,483	\$ 43,535,483	\$ 41,000,000	\$ 41,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	21.20%	11.48%	11.48%	12.20%	12.20%	13.97%	16.28%	19.83%	N/A	N/A

(1) Actuarially determined contributions prior to fiscal year ended December 31, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: January 1, 2018

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Asset valuation method	5-year smoothed market
Inflation	2.75%
Healthcare cost trend rates	5.50% - 4.40% over 75 years
Salary increases	3.5%, average, including inflation
Investment rate of return	4.00%
Retirement age	Expected retirement rates for employees begin at 2% for employees aged 50-55, up to 100% at age 70.
Mortality	RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA.

**THE METROPOLITAN DISTRICT
SCHEDULE OF INVESTMENT RETURNS****LAST THREE FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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APPENDIX B - FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Notes are delivered, and a copy of the legal opinion will be included in the record of proceedings of the District authorizing the Notes. The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

The Metropolitan District
555 Main Street
Hartford, Connecticut 06142

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Metropolitan District, Hartford County, Connecticut (the "District") of its \$93,185,000 General Obligation Bond Anticipation Notes, dated December 1, 2020, maturing September 1, 2021 (the "Notes").

In connection with our representation of the District as bond counsel with respect to the Notes, we have examined the executed Tax Certificate and Tax Compliance Agreement of the District, each dated as of December 1, 2020, the executed Notes, and certified records of proceedings of the District authorizing the Notes. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Notes under the authority of the constitution and statutes of the State of Connecticut, and that the Notes are valid and binding general obligations of the District. The full faith and credit of the District is pledged to the payment of the principal and interest on the Notes. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, comprising the District, proportionately as provided in the District's Charter, to pay said principal and interest, and that such city and towns are authorized to levy ad valorem taxes on all taxable property within their respective limits to pay such District taxes without limitation as to rate or amount, except as to property classified under the statutes of the State of Connecticut such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the District and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the District.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes if interest on the Notes

is to be excludable from gross income under Section 103 of the Code. The District has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

- (i) interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and
- (ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Notes. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the District with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the District to fully comply with the covenants set forth therein, may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

4. We are of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The rights of the holders of the Notes and the enforceability of the Notes and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Notes under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Changes in Federal and State Tax Law. The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Alternative Minimum Tax. The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt “private activity bonds” is treated as an item of tax preference. The District’s Tax Compliance Agreement will contain certain representations and covenants to ensure that the Notes are not “private activity bonds” so that interest on the Notes will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than “qualified tax-exempt obligations”. The Notes **shall not** be designated by the District as “qualified tax-exempt obligations” for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Other. Ownership of the Notes may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Notes, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Notes and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Notes held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of the Notes (the “OID Notes”) may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of the OID Notes to the public (excluding bond houses and brokers) at which a substantial amount of the OID Notes is sold will constitute original issue discount (“OID”). The offering price relating to the yield set forth on the cover page of this Official Statement for the OID Notes is expected to be the initial offering price to the public at which a substantial amount of the OID Notes are sold. Under existing law, OID on the Notes accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Notes is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Note, OID treated as having accrued while the owner holds the OID Note will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Note.

Prospective purchasers of OID Notes should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Notes purchasing such Notes after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Notes.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of the Notes (the “OIP Notes”) may be more than the stated principal amount. An owner who purchases a Note at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Note for federal income tax purposes. Prospective purchasers of OIP Notes should consult their tax advisors regarding the amortization of premium and the effect upon basis.

* * * * *

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Notes, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes, pursuant to a Continuing Disclosure Agreement for the Notes in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 1st day of December, 2020 by The Metropolitan District, Hartford County, Connecticut (the "District") acting by its undersigned officers, duly authorized, in connection with the issuance of \$93,185,000 General Obligation Bond Anticipation Notes of the District, dated December 1, 2020 (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Listed Events.

The District agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB)

or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Notes;

- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the District;
- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

Section 3. Use of Agents.

Any notices to be provided pursuant to this Agreement may be provided by the District or by any agents which may be employed by the District for such purposes from time to time.

Section 4. Termination.

The obligations of the District under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the District ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Identifying Information.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Enforcement.

The District acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the District shall fail to perform its duties hereunder, the District shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 hereof) from the time the Treasurer receives written notice from any beneficial owner of the Notes of such failure. The present address of the Treasurer is 555 Main Street, Hartford, Connecticut 06142.

In the event the District does not cure such failure within the time specified above, the beneficial owner of the Notes shall be entitled only to the remedy of specific performance. The District expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 7. Miscellaneous.

(a) The District shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the District from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Notes. If the District elects to provide any such additional information, data or notices, the District shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provision of this Agreement, the District may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the District, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as

well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Notes. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB.

THE METROPOLITAN DISTRICT
HARTFORD COUNTY, CONNECTICUT

By _____
William A. DiBella
Chairman

By _____
Christopher P. Martin
Treasurer

NOTICE OF SALE

\$95,000,000*

**THE METROPOLITAN DISTRICT
HARTFORD COUNTY, CONNECTICUT**

**GENERAL OBLIGATION BOND ANTICIPATION NOTES
(BOOK-ENTRY-ONLY)**

ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System ("PARITY") will be received by The Metropolitan District, Hartford County, Connecticut (the "District") at the office of Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut, 06443 until **11:30 A.M. (Eastern Time) on TUESDAY,**

NOVEMBER 17, 2020

for the purchase, when issued, of the District's \$95,000,000* General Obligation Bond Anticipation Notes dated December 1, 2020, maturing September 1, 2021 (the "Notes"). The Notes are not subject to redemption prior to maturity. The Notes will be payable with interest at maturity and delivered against payment in Federal funds in New York, New York on or about December 1, 2020. The Notes will be general obligations of the District payable, as to both principal and interest, unless paid from other sources, from general tax revenues from member municipalities. The District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, comprising the District, proportionately as provided in the District's Charter, to pay the principal of and interest on the Notes, and such city and towns are authorized to levy *ad valorem* taxes on all taxable property within their respective limits to pay such District taxes without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Certifying Bank, Registrar, Transfer and Paying Agent. The Notes will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

DTC Book-Entry. The Notes will be issued by means of a book-entry-only system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Notes will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificate with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the District or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The District will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial

Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Notes must be submitted through the facilities of PARITY by **11:30 A.M. (Eastern Time), on Tuesday, November 17, 2020**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, (telephone (212) 849-5021). The District will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY is communicated to the District, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the District. By submitting a proposal for the Notes via PARITY, the bidder represents and warrants to the District that such bidder's proposal for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the District will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

Disclaimer- Each PARITY prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the District nor PARITY shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the District nor PARITY shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Notes. The District is not bound by any advice and determination of PARITY to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Notes, the prospective bidder should telephone PARITY at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the net interest cost to the District, as described under "Basis of Award" below, represented by the rate of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale and the form of Proposal for District Notes.

Proposals. No proposal for less than the entire \$95,000,000* Notes will be considered. Each proposal must specify the amount bid for the Notes (which shall be the aggregate par value of the Notes, and, at the option of the bidder, a premium), and must specify one rate of interest in a multiple of one-hundredth (1/100) of one percent (1%) per annum. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Adjustment of Par Amount. The District reserves the right to decrease the par amount of the Notes in its sole discretion after the determination of the winning bidder in such amount as may be necessary to (i) produce \$95,000,000 in project funds; (ii) pay \$98,500 in cost of issuance; and (iii) pay the underwriter's discount bid. The District anticipates that the final par amount will be communicated to the winning bidder by 1:00 p.m. Eastern Time on the day of the bid provided the District has the reoffering price and yield for the Notes from the winning bidder by 12:00 p.m. noon. The dollar amount bid by the winning bidder will be adjusted to reflect any adjustments in the par amount of the Notes. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount, if any but will not change the per-bond underwriter's discount as calculated from the bid and reoffer. The winning bidder may not withdraw its bid or change the interest rate bid or initial reoffering price provided as a result of any changes made to the par amount within the limits described in this paragraph.

Basis of Award. As between proposals which comply with this Notice of Sale, the Notes will be sold to the responsible bidder offering to purchase the Notes at the lowest net interest cost to the District, which will be determined by computing the total interest to be payable and deducting therefrom any premium. If more than one responsible bidder makes an offer to purchase the Notes at the same lowest net interest cost the Notes will be sold to the responsible bidder who is chosen by lot. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The District reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

Qualified Tax-Exempt Obligations. The Notes **shall not** be designated by the District as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Notes. A copy of the opinion will be delivered to the purchaser of the Notes. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid and binding general obligations of the District when duly certified, (2) that, assuming the accuracy of and continuing compliance by the District with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, and (3) that interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the District must establish the "issue price" of the Notes. **In order to assist the District, the winning bidder is obligated to deliver to the District a certificate (an "Issue Price Certificate") and**

such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes. The District will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Adam Krea, Director, Hilltop Securities, Inc., Email: Adam.Krea@hilltopsecurities.com, Telephone: (401) 334-4963, municipal advisor to the District (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of the Notes as of November 17, 2020 (the “Sale Date”).

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below prior to the delivery date of the Notes. The rule selected with respect to the Notes shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Notes. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made, the winning bidder agrees that the Hold the Offering Price Rule shall apply to the Notes.**

10% Sale Rule. To satisfy the 10% Sale Rule for the Notes, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the District with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the District information regarding the actual prices at which at least 10 percent (10%) of the Notes have been sold to the public;

(iii) will provide the District with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial

sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for the Notes, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any of the Notes at a price that is higher than the initial offering price of the Notes until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Notes at a price that is no higher than the initial offering price of the Notes or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

If the winning bidder has purchased the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price at which the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

Preliminary Official Statement and Official Statement. The District has prepared a Preliminary Official Statement dated November 9, 2020 for this Note issue. The District deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The District will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the District’s expense by the delivery of the Notes or, if earlier, by the seventh business day after the day proposals on the Notes are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

CUSIP Numbers. The deposit of the Notes with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the District’s Municipal Advisor, Hilltop Securities, Inc., to apply for a CUSIP number for the Notes by no later than one business day after dissemination of this Notice of Sale. Hilltop Securities, Inc. will provide CUSIP Global Services with the final details of the sale of the Notes in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The District will not be responsible for any delay caused by the inability to deposit the Notes with DTC due to the failure of

Hilltop Securities, Inc. to obtain such number and provide it to the District in a timely manner. The District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such number, which charges shall be the responsibility of and shall be paid for by the purchaser.

Continuing Disclosure Agreement. The District will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5), to provide timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes. The winning purchaser's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Additional Information. For more information regarding this Note issue and the District, reference is made to the Preliminary Official Statement dated November 9, 2020. The Preliminary Official Statement may be accessed via the Internet at <https://munios.com>. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement and the Official Statement may be obtained from Adam Krea, Director, Hilltop Securities, Inc., Email: Adam.Krea@hilltopsecurities.com, Telephone: (401) 334-4963.

November 9, 2020

Christopher P. Martin
Treasurer

ISSUE PRICE RULE SELECTION CERTIFICATE

The Metropolitan District
 Hartford County, Connecticut
 \$95,000,000* General Obligation Bond Anticipation Notes

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated November 9, 2020 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for the Notes)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for the Notes)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
09/01/2021	\$95,000,000*	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Notes.)

**[NAME OF UNDERWRITER/
 REPRESENTATIVE]**

By: _____
 Name:
 Title:

Email this completed and executed certificate to the following by 5:00 P.M. (ET) on November 18, 2020:

Bond Counsel: bchudwick@goodwin.com **Municipal Advisor:** Adam.Krea@hilltopsecurities.com

* Preliminary, subject to change.

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