



The Metropolitan District

water supply · environmental services · geographic information

**DISTRICT BOARD
555 MAIN STREET, HARTFORD, CT
REGULAR MEETING
MONDAY, JUNE 6, 2022 5:30 PM**

The general public is welcome to call into the meeting. Everyone on the call will need to mute their phone to limit background noise disrupting the meeting.

Dial in #: (415)-655-0001; Access Code: 43808661#

[Meeting Video Link](#)

1. MEETING CALLED TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF MEETING MINUTES OF MAY 2, 2022
5. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
6. REPORT FROM DISTRICT CHAIRMAN
7. REPORT FROM CHIEF EXECUTIVE OFFICER
8. REPORT FROM DISTRICT COUNSEL
9. BOARD OF FINANCE - CONSIDERATION AND POTENTIAL ACTION RE: APPROVAL
FFOR STATE OF CONNECTICUT FINANCING CLEAN WATER FUND 728C (May 11, 2022)
10. PERSONNEL, PENSION & INSURANCE COMMITTEE - CONSIDERATION AND
POTENTIAL ACTION RE:
 - A. AMENDMENT TO CLASSIFCATION SYSTEM – TREASURY RECEIVABLES
ADMINISTRATOR (May 11, 2022)
 - B. SPAULDING DISABILITY RETIREMENT (POSSIBLE EXECUTIVE SESSION) (May 11,
2022)
11. DISCUSSION RE: OPEB PAY-AS-YOU-GO EXCESS
12. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
13. COMMISSIONER COMMENTS & QUESTIONS
14. OTHER BUSINESS
15. ADJOURNMENT

**BOARD OF FINANCE
APPROVAL FOR STATE OF CONNECTICUT FINANCING
CLEAN WATER FUND 728C**

To: District Board

June 6, 2022

From: Board of Finance

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and/or Project Loan Obligation to the State of Connecticut for CWF 728C, having a principal amount of \$72,135,684.53 and having an interest rate of 2.00%.

The low interest loan and grant will fund construction, construction administration and engineering services during construction for the South Hartford Conveyance and Storage Tunnel -Contract 3. Which includes construction of screening and pump station facilities for the South Hartford Conveyance and Storage Tunnel, including the tunnel pump station and control building, the grit and screening facility, odor control facilities, a head tank and force main, emergency electric generators, site restoration and wetlands mitigation, and other appurtenant equipment and facilities.

The State of Connecticut, through the Clean Water Fund Program, will provide \$138,722,470.25 in state funding with approximately \$66,586,785.72 in grants and \$72,135,684.53 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Respectfully submitted,

A handwritten signature in black ink that reads "John Mirtle". The signature is written in a cursive, flowing style.

John S. Mirtle, Esq.
District Clerk

**PERSONNEL, PENSION & INSURANCE COMMITTEE
AMENDMENT TO CLASSIFICATION SYSTEM –
TREASURY RECEIVABLES ADMINISTRATOR**

To: District Board

June 6, 2022

From: Personnel, Pension and Insurance Committee

Staff is recommending that the Job Specifications and Salary Grade be amended for the current *Treasury Receivables Administrator* classification from EE13 (range of \$97,876.59-\$127,239.57) to EE14 (\$102,767.46 to \$133,597.70) with no changes to the specification as attached.

This proposed salary grade amendment will align the *Treasury Receivables Administrator* with other Administrators at the MDC which are classified as EE14.

At a meeting of the Personnel, Pension and Insurance Committee held on May 11, 2022, it was:

VOTED: That the Personnel, Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That the Job Specification for *Treasury Receivables Administrator* position be adopted and allocated to EE14 (copy of job specification attached).

Respectfully submitted,

A handwritten signature in black ink that reads "John Mirtle". The signature is written in a cursive, flowing style.

John S. Mirtle, Esq.
District Clerk

METROPOLITAN DISTRICT COMMISSION
CLASSIFICATION DESCRIPTION CLASSIFICATION TITLE: TREASURY
RECEIVABLES ADMINISTRATOR

JOB SUMMARY

The purpose of this classification is to perform professional-level work in the Treasury function of the organization. The Treasury Receivables Administrator is responsible for establishing and administering policies and procedures to ensure proper recording of customer payments to the appropriate accounts, and to ensure that all receivables due to the District are being paid in a timely manner by customers. This position also handles insurance claims for and against MDC for bodily injuries, property damage, and workers compensation injuries.

ESSENTIAL FUNCTIONS

The following duties are normal for this position. The omission of specific statements of the duties does not exclude them from the classification if the work is similar, related, or a logical assignment for this classification. Other duties may be required and assigned.

- Administers and enforces collection policies and procedures
- Evaluates credit risk associated with accounts
- Develops strategies and goals to reduce exposure to account write-offs
- Manages relationship with third party collection resources and District counsel
- Reviews, prepares and analyzes accounts receivable aging reports for the areas of water rents, sewer & water Assessments, miscellaneous water billings, miscellaneous sewer billings and sewer user charges.
- Communicates with department heads to coordinate activities such as determining adequacy of allowances, resolving billing discrepancies, ensuring proper recording of liens, facilitating shut-off of severe delinquent accounts etc.
- Hires, trains and supervises cash application and collections staff.
- Handles insurance claims for and against MDC for bodily injuries, property damage, and workers' compensation injuries. May authorize associated surveillance, settlements, indemnities, and claims.
- Assists with other financial projects as assigned.
- Operates a personal computer proficiently, and general office equipment as necessary to complete essential functions, to include highly-skilled use of word processing, spreadsheet, database, or other system software.

- Performs other related duties as required.

SUPERVISION RECEIVED

Works under the general direction of the Manager of Treasury.

MINIMUM QUALIFICATIONS

Bachelor's Degree in business administration, economics, finance, accounting or closely related field with a minimum of five (5) years of progressively responsible experience in the area of credit and/or collections including two (2) years supervisory and/or managerial experience in credit and or collections; or any equivalent combination of education, training and experience which provides the requisite knowledge, skills and abilities for this job.

SPECIAL REQUIREMENTS

Must have a valid driver's license.

Master's Degree in Business Administration and/or professional certifications are desirable.

PERFORMANCE APTITUDES

Data Utilization: Requires the ability to coordinate, manage, strategize, and correlate data and information. Includes exercise of judgment in determining time, place and/or sequence of operations. Includes referencing data analyses to determine necessity for revision of organizational components.

Human Interaction: Requires the ability to function in a supervisory/managerial capacity for a group of workers. Includes the ability to make decisions on procedural and technical levels.

Equipment, Machinery, Tools, and Materials Utilization: Requires the ability to operate, maneuver and/or control the actions of equipment, machinery, tools, and/or materials used in performing essential functions.

Verbal Aptitude: Requires the ability to utilize a wide variety of reference, descriptive, advisory and/or design data and information.

Mathematical Aptitude: Requires the ability to perform addition, subtraction, multiplication and division; ability to calculate decimals and percentages; and may include ability to perform mathematical operations involving basic algebraic principles and formulas, and basic geometric principles and calculations.

Functional Reasoning: Requires the ability to apply principles of logical or synthesis functions. Ability to deal with several concrete and abstract variables, and to analyze major problems that require complex planning for interrelated activities that can span one or several work units.

Situational Reasoning: Requires the ability to exercise the judgment, decisiveness and creativity required in situations involving the direction, control and planning of an entire program or set of programs.

ADA COMPLIANCE

Physical Ability: Ability to perform tasks involving light physical effort. Frequently required to sit for a long period of time. Frequently required to use arms, hands and fingers to reach, handle, finger and feel objects and materials.

Sensory Requirements: Some tasks require the ability to perceive and discriminate visual and/or auditory cues or signals. Some tasks require the ability to communicate orally

Environmental Factors: Essential functions are regularly performed in an office setting without exposure to adverse environmental conditions.

The Metropolitan District Commission is an Equal Opportunity Employer. In compliance with the Americans with Disabilities Act, the Commission will provide reasonable accommodations to qualified individuals with disabilities and encourages both prospective and current employees to discuss potential accommodations with the employer.

**PERSONNEL, PENSION & INSURANCE COMMITTEE
PETITION FOR DISABILITY RETIREMENT**

To: District Board

June 6, 2022

From: Personnel, Pension and Insurance Committee

Pursuant to Section G 1 b. of the General Ordinances, we are recommending that the Personnel, Pension and Insurance Committee approve a Disability Retirement effective July 1, 2022, for Mr. Ronald Spaulding. We have received the employee's written petition for consideration under the Disability Retirement provision. The employee's doctors have provided adequate medical information to support the condition that the employee is permanently disabled and cannot engage in any gainful occupation or employment and an independent medical review has confirmed this position.

A thorough review of this petition was conducted prior to advancing this recommendation for action.

The "General Ordinances" provides that disability retirement requests be confirmed against the following definition:

".....has become permanently disabled from engaging in any gainful occupation or employment....."

To conform to this definition, Staff is hereby directed to take the appropriate actions with all individuals approved for disability retirements to periodically confirm the continuing adherence to the definition which may include requests for tax reports and/or medical status reports.

Therefore, staff is recommending that the employee's petition for disability retirement be approved by this Committee.

At a meeting of the Personnel, Pension & Insurance Committee held on May 11, 2022, it was:

VOTED: That the Personnel Pension and Insurance Committee recommend to the District Board passage of the following resolution:

RESOLVED: That effective July 1, 2022, Mr. Ronald Spaulding shall be approved for a Disability Retirement pursuant to the terms and conditions of the General Ordinances of the Metropolitan District Commission.

Respectfully submitted,


John S. Mirtle, Esq.
District Clerk



Other Post Employment Benefits (OPEB)





OPEB Agenda Items

- Board of Finance Discussion: 2023 OPEB Funding (05.11.22 item #5)
 - Webster unrestricted balance move to Wilmington
 - Funding options
 - Reduction in budget
 - Acceleration of full ADC funding

- Personnel, Pension & Insurance Consideration and potential action:
Amend OPEB Investment Policy & Guidelines' Asset Allocation (05.11.22 item #4)
 - December 2020 OPEB funding policy 70% Large Cap Equity/30% Fixed Income
 - Current (4/29/2022) DEHAB Target 65% Large Cap Equity/35% Fixed Income



Milliman GASB 74 and 75 Disclosure

Fiscal Year: January 1, 2021 to December 31, 2021

Milliman Financial Reporting Valuation

Net OPEB Liability

Net OPEB Liability	<u>December 31, 2020</u>	<u>December 31, 2021</u>
Total OPEB liability	\$182,380,057	\$193,721,507
Fiduciary net position	9,118,153	15,933,067
Net OPEB liability	173,261,904	177,788,440
Fiduciary net position as a % of total OPEB liability	5.00%	8.22%



Bank Balances as of 12/31/2021

- Webster Bank (unrestricted) \$15.1 million
 - Zenith (TPA) pays claims
 - Webster provides an earnings credit
- Wilmington Trust (restricted) \$ 0.8 million
- Total assets \$15.9 million

- Phase-in contributions to Wilmington Trust:

■ 2020	\$ 389,000
■ 2021	\$ 306,388
■ 2022	<u>\$ 558,040</u>
■ Total	<u>\$1,253,428</u>



2023 OPEB Contribution

Potential Budget Reduction

	Alternative #1		
	2021	2022	2023
Past Service Cost:	8,655,795	8,823,190	
Net Normal Cost	2,266,582	2,420,929	
Interest	750,913	758,978	
Actuarially Determined Contribution (ADC)	11,673,290	12,003,097	12,000,000
Expected Retiree Costs (Paid Directly from Operations)	10,141,348	10,142,965	8,000,000
Variance	1,531,942	1,860,132	4,000,000
Phase-In Percentage	20%	30%	40%
District Contribution to OPEB Trust:	306,388	558,040	1,600,000
Estimated Total District Cost:	10,447,736	10,701,005	9,600,000
Year over year Increase/(Decrease) dollars		253,269	(1,101,005)
Year over year Increase/(Decrease) percentage		2.4%	-10.3%

FULL FUNDING OF ADC		
	Current	Alternative #1
2023	40%	40%
2024	50%	50%
2025	60%	60%
2026	70%	70%
2027	80%	80%
2028	90%	90%
2029	100%	100%



2023 OPEB Contribution

Expected Retiree Costs (Paid Directly from Operations)

Milliman GASB 74/75

Disclosure:

Changes in Net OPEB Liability

	2019			2020			2021		
	Increase (Decrease)			Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances (Beginning of year)	\$289,298,662	(\$600,397)	\$289,899,059	\$374,978,886	\$3,533,602	\$371,445,284	\$182,380,057	\$9,118,153	\$173,261,904
Changes for the year:									
Service cost	6,698,208		6,698,208	8,810,535		8,810,535	2,842,666		2,842,666
Interest on total OPEB liability	12,024,959		12,024,959	10,444,712		10,444,712	12,595,575		12,595,575
Effect of plan changes	0		0	(41,393)		(41,393)	0		0
Effect of economic/demographic gains or losses	0		0	(72,440,991)		(72,440,991)	0		0
Effect of assumptions changes or inputs	72,422,368		72,422,368	(134,145,298)		(134,145,298)	0		0
Benefit payments	(5,465,311)	(5,465,311)	0	(5,226,394)	(5,226,394)	0	(4,096,791)	(4,096,791)	0
Employer contributions		9,146,000	(9,146,000)		10,349,000	(10,349,000)		10,448,800	(10,448,800)
Member contributions		458,899	(458,899)		459,413	(459,413)		443,518	(443,518)
Net investment income		0	0		2,532	(2,532)		102,507	(102,507)
Administrative expenses		(5,589)	5,589		0	0		(83,120)	83,120
Balances (End of year)	374,978,886	3,533,602	371,445,284	182,380,057	9,118,153	173,261,904	193,721,507	15,933,067	177,788,440





MDC OPEB FUNDING POLICY

Current (4/29/2022) Dehab OPEB Targets

➤ MDC December 2020 OPEB Funding Policy (provided in Open Text)

The Board has currently adopted the following asset allocation at market value:

	<u>Allocation</u>	<u>Range</u>
Large Cap Equity	<u>7080%</u>	+/- 10%
Fixed Income	<u>3020%</u>	+/- 10%

➤ Current (4/29/2022) Dehab OPEB Targets

Portfolio	Asset Class	Market Value 12/31/2021	Market Value 3/31/2022	Market Value 4/29/2022	%	Target
Total Portfolio	Total Portfolio	\$800,026	\$1,308,390	\$1,212,257	100.0	100.0
Vanguard Large Cap Index	Large Cap Equity	\$553,288	\$860,520	\$782,366	64.5	65.0
Vanguard Total Bond Market	Domestic Fixed Income	\$246,737	\$447,764	\$429,785	35.5	35.0
Cash*	Cash & Equivalent	\$1	\$106	\$106	0.0	0.0



MDC OPEB FUNDING POLICY

Dehab 05.23.22 PP&I Investment Subcommittee

- Recommended Mix 1 with highest probability of achieving target value in 20 years

	Target	Mix 1	Mix 2	Mix 3
ASSET CLASS %				
Large Cap	65	35	40	35
Mid Cap	0	10	10	10
Small Cap	0	10	5	5
International Equity	0	15	10	10
Real Estate	0	10	10	10
Fixed Income	35	20	25	30
Risk Assets	65.0	70.0	65.0	60.0
Safety Assets	35.0	30.0	35.0	40.0
Total	100	100	100	100