

**BOARD OF FINANCE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Wednesday, September 6, 2023**

PRESENT: Commissioners Andrew Adil, Allen Hoffman, Pasquale J. Salemi and District Chairman William DiBella; Citizen Members Linda Russo and Awet Tsegai (6)

REMOTE ATTENDANCE: Commissioner Donald Currey (1)

ABSENT: Citizen Members Drew Iacovazzi and Linda King-Corbin (2)

ALSO PRESENT: Commissioner Jean Holloway
Commissioner Jackie Mandycyk
Commissioner Bhupen Patel
Commissioner Alvin Taylor
Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel (Remote Attendance)
John S. Mirtle, District Clerk
Robert Barron, Chief Financial Officer
Chris Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Susan Negrelli, Director of Engineering
Robert Schwarm, Director of Information Services
Dave Ruty, Director of Operations
Diana Phay, Treasury Manager (Remote Attendance)
Jeff King, Construction Manager
Carrie Blardo, Assistant to the Chief Executive Officer
Julie Price, Executive Assistant
Dylan Pecego, IT Consultant
Alex Rodriguez, IT Consultant

CALL TO ORDER

Chairperson Salemi called the meeting to order at 4:36 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MINUTES

On motion made by Commissioner Adil and duly seconded, the meeting minutes of the Board of Finance meeting of July 10, 2023 were approved.

AUTHORIZATION FOR PROJECT GRANT AGREEMENT CWF 747-PG

To: Board of Finance for consideration on September 6, 2023

Staff seeks approval from your Board to execute and deliver the Project Grant Agreement between the District and the State of Connecticut for CWF No. 747-PG having a grant amount of \$519,949.65.

The Grant will be used to fund planning to complete the preliminary design for the sewer separation projects, in accordance with the Engineering Agreement approved by the Commissioner of the Department of Energy and Environmental Protection dated July 26, 2023.

Bond Counsel prepared the following resolution for your approval.

It is therefore **RECOMMENDED** that it be:

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

RESOLVED:

Section 1. The Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute that certain Project Grant Agreement CWF No. 747-PG (the "Agreement") by and between the District and the State of Connecticut (the "State") and deliver said Agreement to the State. Subject to the terms and conditions of the Agreement, the State will provide a Project Grant to the District in an amount of \$519,949.65, or such additional amounts as may be made available thereunder, to fund planning to complete the preliminary design for the sewer separation projects, in accordance with the Engineering Agreement approved by the Commissioner dated July 26, 2023, and all modifications or amendments which are approved by the Commissioner. The prior actions by the Chairman and the District Treasurer in furtherance of this resolution are hereby ratified and confirmed in all respects. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

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

AUTHORIZATION FOR INTERIM FUNDING OBLIGATION AND/OR PROJECT LOAN AGREEMENT CWF 746-C

To: Board of Finance for consideration on September 6, 2023

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 746-C having a principal amount not to exceed \$7,104,051.15 and having an interest rate of 2.00%.

The low interest loan and accompanying grant of \$7,104,051.15 will fund all labor, equipment, fees, permits, and other related costs necessary for the large diameter rehabilitation program phase II.

Bond Counsel prepared the following resolution for your approval.

It is therefore **RECOMMENDED** that it be:

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

RESOLVED:

Section 1. The Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver a Project Loan and Project Grant Agreement CWF No. 746-C (the "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations for CWF No. 746-C in an aggregate amount not to exceed \$7,104,051.15 to fund all labor, equipment, fees, permits, and other related costs necessary for the large diameter rehabilitation program phase II. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, as defined in the Agreement, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Agreement, and to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. The prior actions by the Chairman and the District Treasurer in furtherance of this resolution are hereby ratified and confirmed in all respects. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

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

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

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

**AUTHORIZATION FOR AMENDMENT TO INTERIM FUNDING OBLIGATION AND/OR
PROJECT LOAN AGREEMENT CWF 719-C**

To: Board of Finance for consideration on September 6, 2023

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 719-C having a principal amount not to exceed \$11,783,655.52 and having an interest rate of 2.00%.

The low interest loan and accompanying grant of \$2,945,913.88 will fund the upgrade and replacement of the equipment and controls associated with the dissolved air flotation thickening (“DAFT”) and the structural rehabilitation and repair of the DAFT tanks at the Hartford WPCF.

Bond Counsel prepared the following resolution for your approval.

It is therefore **RECOMMENDED** that it be:

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

RESOLVED:

Section 1. This resolution amends and restates a resolution of the Board of Finance, passed at a meeting of the Board of Finance held on September 28, 2021.

Section 2. The Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver a Project Loan and Project Grant Agreement CWF No. 719-C and the First Amendment Agreement CWF No. 719-C1 to be entered into with the State of Connecticut (collectively, the “Agreement”) and any and all Interim Funding Obligations and Project Loan Obligations for CWF No. 719-C and CWF No. 719-C1 in an aggregate amount not to exceed \$11,783,655.52 to fund the upgrade and replacement of the equipment and controls associated with dissolved air flotation thickening (“DAFT”) and the structural rehabilitation and repair of the DAFT tanks

at the Hartford Water Pollution Control Facility. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, as defined in the Agreement, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Agreement, and to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. The prior actions by the Chairman and the District Treasurer in furtherance of this resolution are hereby ratified and confirmed in all respects. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

Section 3. The Project Loan Obligations shall be dated as of their date of issue, shall mature no later than twenty years from the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum and shall be payable as to principal and interest as provided in the Agreement.

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

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

RECENT BOND SALE

Chief Financial Officer Robert Barron presented on the recent bond sale.



2023 Bond Sale Summary

Agenda Item #7

- \$84.7 million to fund capital improvement projects:
 - \$37.7 million Water
 - \$32.3 million Sewer
 - \$14.7 million Combined (i.e. fleet and facilities)

- Competitive sale of tax-exempt General Obligation bonds

- Process:
 - June 29, 2023 Ratings Presentations (Moody’s and Standard & Poor’s)
 - July 27, 2023 Bond Sale
 - August 10, 2023 Closing (receipt of funds)

The Metropolitan District, Board of Finance Meeting 09.06.23



2023 Bond Sale Summary

Agenda Item #7

- Ratings upgrades two years in a row:
 - 2023 Moody’s upgraded its Aa3 rating to Aa2 on MDC’s GO bonds
 - 2022 S&P upgraded its AA- rating to AA on MDC’s Revenue bonds

- Cost of borrowing only increased 1/10th of 1% from 2022’s issue while during the same period the short-term Fed Funds rate increased 3% from 2.5% to 5.5%

Price Date	GO Rating	Issuer	Type	Sale	Amount Raised	Avg. Life	TIC	AIC
08/16/22	AA/ Aa3	MDC	General Obligation	Competitive	\$86,200,000	11.974	3.292%	3.319%
07/27/23	AA/ Aa2	MDC	General Obligation	Competitive	\$84,755,000	12.043	3.389%	3.419%
							0.097%	0.100%

* Included Underwriter's take-down

** Includes Underwriter's take-down and all Costs of Issuance

- For the second year in a row the MDC, double-A rated, achieved a lower cost of borrowing utilizing a competitive sale than a triple-A rated community utilizing a negotiated sale. Both years had similar sized debt issues selling within 10 days of each other.

The Metropolitan District, Board of Finance Meeting 09.06.23



2023 Bond Sale Summary

Agenda Item #7

- Our debt remains popular in the market with 10 or more bidders in each of the last two years:

BIDDERS	Issue of 2023		Issue of 2022	
	\$84.8M GO	\$86.2M GO		
J.P. Morgan Securities LLC	1	8		
Raymond James & Associates, Inc.	2	11		
FHN Financial Capital Markets	3	9		
Citigroup Global Markets Inc.	4	2		
Janney Montgomery Scott LLC	5	5		
Mesirow Financial, Inc.	6	1		
BofA Securities	7	3		
UBS Financial Services Inc.	8			
Piper Sandler & Co	9	6		
KeyBanc Capital Markets	10			
Wells Fargo Bank, National Assn.	11	7		
Robert W. Baird & Co., Inc.	12	4		
Jefferies LLC		10		

- We’ve maintained significant Cost of Issuance reductions from 2021’s \$344 thousand for August’s general obligation and \$537 thousand from November’s revenue negotiated sales:

COST OF ISSUANCE	2023	2022	\$VAR	%VAR
Moody’s Rating Fee	\$ 44,500.00	\$ 46,000.00	\$ (1,500.00)	-3.3%
S&P Rating Fee	\$ 43,700.00	\$ 49,400.00	\$ (5,700.00)	-11.5%
Bond Counsel (Shipman & Goodwin)	\$ 53,000.00	\$ 53,493.45	\$ (493.45)	-0.9%
Municipal Advisor (Munistat)	\$ 53,000.00	\$ 52,066.00	\$ 934.00	1.8%
Registrar/Paying Agent (US Bank)	\$ 5,500.00	\$ 5,250.00	\$ 250.00	4.8%
Bond Buyer Ad for NOS (Arizent)	\$ 500.00	\$ 500.00	\$ -	0.0%
MuniOS (posting of POS/OS & printing)	\$ 2,500.00	\$ 2,890.32	\$ (390.32)	-13.5%
Paid COI Subtotal	\$202,700.00	\$ 209,599.77	\$ (6,899.77)	-3.3%

The Metropolitan District, Board of Finance Meeting 09.06.23

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

COMMISSIONER REQUESTS FOR FUTURE AGENDA ITEMS

Chief Executive Scott Jellison stated that at the Water Bureau meeting held on August 30th it was discussed that there should be a joint Water Bureau and Board of Finance meeting in the near future to discuss the Raw Water Master Plan.

ADJOURNMENT

The meeting was adjourned at 4:58 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval