



**BOARD OF FINANCE
REGULAR MEETING
MONDAY, MARCH 31, 2025
5:30 PM**

<u>Location</u>	<u>Commissioners</u>	<u>Citizen Members</u>
Board Room	Adil	Iacovazzi
District Headquarters 555 Main Street, Hartford	Currey DiBella (Ex-Officio) Hoffman (VC) Salemi (C)	King-Corbin Russo Tsegai Vargas
Dial in #: (415)-655-0001 Access Code: 2307 369 8743 # Meeting Video Link	Quorum: 5	

1. CALL TO ORDER
2. SWEARING IN OF CITIZEN MEMBER EDWIN VARGAS
3. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
4. INDEPENDENT CONSUMER ADVOCATE COMMENTS & QUESTIONS RELATIVE TO AGENDA ITEMS
5. APPROVAL OF MEETING MINUTES OF JANUARY 27, 2025
6. CONSIDERATION AND POTENTIAL ACTION RE: AUTHORIZATION TO EXECUTE PROJECT LOAN AND PROJECT GRANT AGREEMENTS, PROJECT LOAN AND PROJECT GRANT AND PRINCIPAL FORGIVENESS AGREEMENTS, AND INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED:
 - A. \$46,290,000 IN ORDER TO FUND VARIOUS 2023 CAPITAL IMPROVEMENT PROGRAM PROJECTS
 - B. \$54,150,000 IN ORDER TO FUND VARIOUS 2024 CAPITAL IMPROVEMENT PROGRAM PROJECTS
 - C. \$17,600,000 IN ORDER TO FUND VARIOUS 2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN PROJECTS
 - D. \$1,000,000 IN ORDER TO FUND A 2024 CAPITAL IMPROVEMENT PROGRAM – INTEGRATED PLAN PROJECT
 - E. \$75,600,000 IN ORDER TO FUND VARIOUS 2025 CAPITAL IMPROVEMENT PROGRAM PROJECTS
7. REVIEW OF FINALIZED ACCOUNTING OF “BOB BARRON PAYMENT PROJECTION” AS SUBMITTED BY DISTRICT COUNSEL AS “ATTORNEY/CLIENT PRIVILEGED COMMUNICATION/CONFIDENTIAL” ON DECEMBER 2, 2024 (POSSIBLE EXECUTIVE SESSION)
8. STAFF UPDATE ON RESOLUTION OF OUTSTANDING CHANGE ORDERS AND WORK CHANGE DIRECTIVES SUBMITTED BY KENNY/OBAYASHI IV JOINT VENTURE AND RELATED TO THE COMPLETION OF THE SOUTH HARTFORD STORAGE AND CONVEYANCE TUNNEL
9. DISCUSSION RE: OFFICIAL DUTIES AND RESPONSIBILITIES OF THE INDEPENDENT CONSUMER ADVOCATE
10. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
11. COMMISSIONER REQUESTS FOR CONSIDERATION OF FUTURE AGENDA ITEMS
12. ADJOURNMENT

CONSIDERATION AND POTENTIAL ACTION RE: AUTHORIZATION TO EXECUTE PROJECT LOAN AND PROJECT GRANT AGREEMENTS, PROJECT LOAN AND PROJECT GRANT AND PRINCIPAL FORGIVENESS AGREEMENTS, AND INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS

6A – 2023 CIP

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 26

\$8,925,000 FOR VARIOUS SEWER PIPE REPLACEMENTS AND REHABILITATIONS

Funding source: C-23X01

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 27

\$16,170,000 FOR THE LARGE DIAMETER SEWER REHABILITATION PROGRAM

Funding source: C-23X02 – Project is eligible for a loan under the State of CT Clean Water Fund

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 28

\$5,025,000 FOR IMPROVEMENTS TO SEWER COLLECTION SYSTEM GATES

Funding source: C-23X03 - Project is eligible for a loan under the State of CT Clean Water Fund

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 29

\$945,000 FOR THE ELIMINATION AND N-18 & N-19 SEWERSHED INFLOW AND INFILTRATION REDUCTION FROM THE SANITARY SEWER SYSTEM

Funding source: C-23X04

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 30

\$1,200,000 FOR THE ROCKY HILL 2A/B SEWERSHED INFLOW/INFILTRATION REDUCTION PROJECT

Funding source: C-23X05

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 31

\$200,000 FOR THE REHABILITATION AND REPLACEMENT OF SEWERS IN THE HARTFORD POLLUTION CONTROL FACILITY SEWERSHED

Funding source: C-23X06

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 32

\$1,000,000 FOR THE DESIGN OF THE SEWER SEPARATION PROJECT IN THE NORTH BRANCH PARK RIVER DRAINAGE AREA

Funding source: C-23X07 - Project is eligible for a loan under the State of CT Clean Water Fund

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 33

\$1,800,000 FOR THE FINAL DESIGN PHASE FOR THE GRANBY 7 SEWER SEPARATION PROJECT IN THE NORTH BRANCH PARK RIVER DRAINAGE AREA

Funding source: C-23X08 - Project is eligible for a loan under the State of CT Clean Water Fund

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 34

\$4,000,000 FOR PROJECT MANAGEMENT CONSULTANTS

Funding source: C-23X09

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 35

\$525,000 FOR THE FINAL DESIGN FOR THE WETHERSFIELD COVE, DROP SHAFT CONNECTIONS PROJECT

Funding source: C-23X010 - Project is eligible for a loan under the State of CT Clean Water Fund

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 36

\$5,000,000 FOR UPGRADES TO THE HARTFORD WATER POLLUTION CONTROL FACILITY SLUDGE EQUALIZATION FACILITIES

Funding source: C-23X011 - Project is eligible for a loan under the State of CT Clean Water Fund

2023 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 37

\$1,500,000 FOR THE PRIVATE PROPERTY INFLOW DISCONNECT/BACK WATER VALVE PROGRAM

Funding source: C-23X012

6B – 2024 CIP

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 28

\$6,800,000 FOR PROJECT MANAGEMENT CONSULTANTS

Funding source: C-24X01

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 29

\$1,500,000 FOR THE SEWER BACKUP PREVENTION PROGRAM DISTRICT-WIDE

Funding source: C-24X02

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 30

\$2,000,000 FOR THE SEWER HOUSE CONNECTION/SEPARATION PROGRAM DISTRICT-WIDE

Funding source: C-24X03

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 31

\$5,000,000 FOR THE SEWER HOUSE CONNECTION/SEPARATION PROGRAM IN NORTH HARTFORD

Funding source: C-24X04 - Project is eligible for a loan under the State of CT Clean Water Fund

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 32

\$3,600,000 FOR THE DESIGN PHASE FOR THE GRANBY 8 AND 9 SEWER SEPARATION PROJECTS

Funding source: C-24X05 - Project is eligible for a loan under the State of CT Clean Water Fund

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 33

\$15,750,000 FOR VARIOUS SEWER PIPE REPLACEMENTS AND REHABILITATIONS DISTRICT-WIDE

Funding source: C-24X06

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 34

\$14,000,000 FOR THE LARGE DIAMETER SEWER REHABILITATION PROGRAM

Funding source: C-24X07 - Project is eligible for a loan under the State of CT Clean Water Fund

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 35

\$500,000 FOR THE EASEMENT SEWER LINING PROGRAM – PHASE 2

Funding source: C-24X08

2024 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 36

\$5,000,000 FOR EXPEDITED SEWER SEPARATION CONTRACTS IN NORTH HARTFORD

Funding source: C-24X09 - Project is eligible for a loan under the State of CT Clean Water Fund

6C – 2024 CIP SUPPLEMENTAL – WATER & INTEGRATED PLAN

2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN SUPPLEMENTAL PROJECT RESOLUTION NO. 4

\$1,600,000 FOR SEWER AND LATERAL REHABILITATION IN THE NORTH MEADOWS DRAINAGE AREA (NM-2, NM-3 AND NM-4)

Funding source: C-23X16 - Project is eligible for a loan under the State of CT Clean Water Fund

2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN SUPPLEMENTAL PROJECT RESOLUTION NO. 5

\$16,000,000 FOR SEWER SEPARATION IN THE WINDSOR STREET AREA OF HARTFORD

Funding source: C-24X10 - Project is eligible for a loan under the State of CT Clean Water Fund

6D- 2024 CIP - INTEGRATED PLAN SUPPLEMENTAL

2024 CAPITAL IMPROVEMENT PROGRAM – INTEGRATED PLAN SUPPLEMENTAL PROJECT RESOLUTION NO. 1

AN ADDITIONAL \$1,000,000 FOR THE SEWER BACKUP PREVENTION PROGRAM

Funding source: C-24X02

6E – 2025 CIP

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 28

\$7,900,000 TO SATISFY THE PROGRAM MANAGEMENT CONSULTANT/GENERAL PURPOSE IP

Funding source: C-25X01

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 29

\$4,500,000 FOR THE LTCP/IP DISTRICT-WIDE SEWER SEPARATION RELATED DRAINAGE STUDY

Funding source: C-25X02

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 30

\$7,000,000 FOR THE SEWER BACKUP PREVENTION PROGRAM

Funding source: C-25X03

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 31

\$2,000,000 FOR THE SEWER HOUSE CONNECTION/SEPARATION PROGRAM

Funding source: C-25X04

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 32

\$19,900,000 FOR DISTRICT-WIDE VARIOUS SEWER PIPE REPLACEMENTS AND REHABILITATIONS

Funding source: C-25X05 - - Project is eligible for a loan under the State of CT Clean Water Fund

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 33
\$2,400,000 FOR THE SANITARY SEWER EASEMENT IMPROVEMENTS PROGRAM
Funding source: C-25X06

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 34
\$18,000,000 FOR PHASE 2 OF THE EASEMENT SEWER REHABILITATION PROGRAM
Funding source: C-25X07

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 35
\$3,000,000 FOR CSO/SSO SYSTEM INFRASTRUCTURE UPGRADES
Funding source: C-25X08

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 36
\$7,900,000 TO INCREASE EXISTING APPROPRIATION FOR THE WINDSOR STREET SEWER
SEPARATION
Funding source: C-24X10 - Project is eligible for a loan under the State of CT Clean Water Fund

2025 CAPITAL IMPROVEMENT PROGRAM PROJECT RESOLUTION NO. 37
\$3,000,000 TO INCREASE EXISTING APPROPRIATION (C-23X15) FOR THE NORTH MEADOWS
DRAINAGE AREA
Funding source: C-23X15 - Project is eligible for a loan under the State of CT Clean Water Fund

RESOLUTION TO AUTHORIZE THE DISTRICT TO EXECUTE AND DELIVER ONE OR MORE PROJECT LOAN AND PROJECT GRANT AGREEMENTS AND ONE OR MORE PROJECT LOAN AND PROJECT GRANT AND PRINCIPAL FORGIVENESS AGREEMENTS AND ANY AND ALL INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$46,290,000 IN ORDER TO FUND VARIOUS 2023 CAPITAL IMPROVEMENT PROGRAM PROJECTS

To: Board of Finance for consideration on March 31, 2025

WHEREAS, on December 5, 2022, the District Board approved that certain resolution entitled “RESOLUTION APPROPRIATING \$144,573,750 FOR THE DISTRICT’S 2023 CAPITAL IMPROVEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$144,573,750 TO FINANCE SAID APPROPRIATION” (the “Resolution”) after the recommendation of the Board of Finance; and

WHEREAS, the Resolution provides, among other things, an appropriation and bond authorization in the amount of \$46,290,000 for those capital improvement program projects set forth therein as Nos. 26 through 37, inclusive (collectively, the “Projects”), as more particularly attached hereto and incorporated herein; and

WHEREAS, the Resolution further provides that “the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations...as the District Board shall determine, in accordance with Connecticut laws and the District’s Charter, following recommendation of the Board of Finance”; and

WHEREAS, the Resolution further states that “[t]he aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Clean Water Fund Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the District Board, following a recommendation of the Board of Finance”; and

WHEREAS, Section 4-5 of the District’s Charter also requires that “the resolution for the issuance of such bonds, notes or other certificates of debt to be adopted by the district board shall designate such name or title for the issue as seems appropriate, set forth the amount of the issue and the purposes for which its avails are to be used and provide as to the form, interest payment periods, the amount of such bonds, notes or other certificates of debt, the date of issue and maturity, the method of registration, if any, and whether the same shall carry interest coupons or otherwise. Such resolution may also provide for the rate of interest or, upon recommendation of the board of finance of the district, the rate of interest may be fixed by the bidders for such bonds in multiples of one-twentieth of one per cent per annum, but in neither case shall the rate of interest exceed six per cent per annum”; and

WHEREAS, the District has submitted and/or plans to submit one or more applications to the State of Connecticut Department of Energy and Environmental Protection (“DEEP”) to determine whether one or more of the Projects will be eligible for funding under the Clean Water Fund Program (as defined in the Resolution); and

WHEREAS, in anticipation of DEEP determining that one or more of the Projects will be eligible under the Clean Water Fund Program, the District Board desires to (1) authorize the District to execute and deliver one or more Project Loan and Project Grant Agreements, one or more Project Loan and Project

Grant and Principal Forgiveness Agreements, and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$46,290,000 in order to fund any and all of the Projects described in the Resolution, and (2) make such other determinations of the particulars of any and all such Interim Funding Obligations and Project Loan Obligations as described herein.

BE IT RESOLVED:

Section 1. The Board 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 one or more Project Loan and Project Grant Agreements and one or more Project Loan and Project Grant and Principal Forgiveness Agreements, as applicable (each, an "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$46,290,000 to fund any or all of the Projects described in the Resolution and determined by the DEEP as eligible under the Clean Water Fund.

Section 2. The Interim Funding Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and shall mature within six months of the Scheduled Completion Date, as defined in each 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 each Agreement, and to the extent not paid prior to maturity from District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in each Agreement.

Section 3. The Project Loan Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and 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 in monthly installments, all as provided in each Agreement.

Section 4. The prior actions by the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy 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 each Agreement.

Respectfully Submitted,



John S. Mirtle, Esq.
District Clerk

RESOLUTION TO AUTHORIZE THE DISTRICT TO EXECUTE AND DELIVER ONE OR MORE PROJECT LOAN AND PROJECT GRANT AGREEMENTS AND ONE OR MORE PROJECT LOAN AND PROJECT GRANT AND PRINCIPAL FORGIVENESS AGREEMENTS AND ANY AND ALL INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$54,150,000 IN ORDER TO FUND VARIOUS 2024 CAPITAL IMPROVEMENT PROGRAM PROJECTS

To: Board of Finance for consideration on March 31, 2025

WHEREAS, on December 4, 2023, the District Board approved that certain resolution entitled “RESOLUTION APPROPRIATING \$153,517,000 FOR THE DISTRICT’S 2024 CAPITAL IMPROVEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$153,517,000 TO FINANCE SAID APPROPRIATION” (the “Resolution”) after the recommendation of the Board of Finance; and

WHEREAS, the Resolution provides, among other things, an appropriation and bond authorization in the amount of \$54,150,000 for those capital improvement program projects set forth therein as Nos. 28 through 36 (collectively, the “Projects”), as more particularly attached hereto and incorporated herein; and

WHEREAS, the Resolution further provides that “the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations...as the District Board shall determine, in accordance with Connecticut laws and the District’s Charter, following recommendation of the Board of Finance”; and

WHEREAS, the Resolution further states that “[t]he aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Clean Water Fund Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the District Board, following a recommendation of the Board of Finance”; and

WHEREAS, Section 4-5 of the District’s Charter also requires that “the resolution for the issuance of such bonds, notes or other certificates of debt to be adopted by the district board shall designate such name or title for the issue as seems appropriate, set forth the amount of the issue and the purposes for which its avails are to be used and provide as to the form, interest payment periods, the amount of such bonds, notes or other certificates of debt, the date of issue and maturity, the method of registration, if any, and whether the same shall carry interest coupons or otherwise. Such resolution may also provide for the rate of interest or, upon recommendation of the board of finance of the district, the rate of interest may be fixed by the bidders for such bonds in multiples of one-twentieth of one per cent per annum, but in neither case shall the rate of interest exceed six per cent per annum”; and

WHEREAS, the District has submitted and/or plans to submit one or more applications to the State of Connecticut Department of Energy and Environmental Protection (“DEEP”) to determine whether one or more of the Projects will be eligible for funding under the Clean Water Fund Program (as defined in the Resolution); and

WHEREAS, in anticipation of DEEP determining that one or more of the Projects will be eligible under the Clean Water Fund Program, the District Board desires to (1) authorize the District to execute and deliver one or more Project Loan and Project Grant Agreements, one or more Project Loan and Project

Grant and Principal Forgiveness Agreements, as applicable, and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$54,150,000 in order to fund any and all of the Projects described in the Resolution, and (2) make such other determinations of the particulars of any and all such Interim Funding Obligations and Project Loan Obligations as described herein.

BE IT RESOLVED:

Section 1. The Board 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 one or more Project Loan and Project Grant Agreements and one or more Project Loan and Project Grant and Principal Forgiveness Agreements, as applicable (each, an "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$54,150,000 to fund any or all of the Projects described in the Resolution and determined by the DEEP as eligible under the Clean Water Fund.

Section 2. The Interim Funding Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and shall mature within six months of the Scheduled Completion Date, as defined in each 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 each Agreement, and to the extent not paid prior to maturity from District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in each Agreement.

Section 3. The Project Loan Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and 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 in monthly installments, all as provided in each Agreement.

Section 4. The prior actions by the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy 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 each Agreement.

Respectfully Submitted,



John S. Mirtle, Esq.
District Clerk

RESOLUTION TO AUTHORIZE THE DISTRICT TO EXECUTE AND DELIVER ONE OR MORE PROJECT LOAN AND PROJECT GRANT AGREEMENTS AND ONE OR MORE PROJECT LOAN AND PROJECT GRANT AND PRINCIPAL FORGIVENESS AGREEMENTS AND ANY AND ALL INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$17,600,000 IN ORDER TO FUND VARIOUS 2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN PROJECTS

To: Board of Finance for consideration on March 31, 2025

WHEREAS, on April 1, 2024, the District Board approved that certain resolution entitled “RESOLUTION MAKING A SUPPLEMENTAL APPROPRIATION OF \$44,600,000 FOR THE DISTRICT’S 2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$44,600,000 TO FINANCE SAID APPROPRIATION” (the “Resolution”) after the recommendation of the Board of Finance; and

WHEREAS, the Resolution provides, among other things, an appropriation and bond authorization in the amount of \$17,600,000, for those capital improvement program - water and integrated plan projects set forth therein as Nos. 4 and 5 (together, the “Projects”), as more particularly attached hereto and incorporated herein; and

WHEREAS, the Resolution further provides that “the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations...as the District Board shall determine, in accordance with Connecticut laws and the District’s Charter, following recommendation of the Board of Finance”; and

WHEREAS, the Resolution further states that “[t]he aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Clean Water Fund Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the District Board, following a recommendation of the Board of Finance”; and

WHEREAS, Section 4-5 of the District’s Charter also requires that “the resolution for the issuance of such bonds, notes or other certificates of debt to be adopted by the district board shall designate such name or title for the issue as seems appropriate, set forth the amount of the issue and the purposes for which its avails are to be used and provide as to the form, interest payment periods, the amount of such bonds, notes or other certificates of debt, the date of issue and maturity, the method of registration, if any, and whether the same shall carry interest coupons or otherwise. Such resolution may also provide for the rate of interest or, upon recommendation of the board of finance of the district, the rate of interest may be fixed by the bidders for such bonds in multiples of one-twentieth of one per cent per annum, but in neither case shall the rate of interest exceed six per cent per annum”; and

WHEREAS, the District has submitted and/or plans to submit one or more applications to the State of Connecticut Department of Energy and Environmental Protection (“DEEP”) to determine whether one or more of the Projects will be eligible for funding under the Clean Water Fund Program (as defined in the Resolution); and

WHEREAS, in anticipation of DEEP determining that one or more of the Projects will be eligible under the Clean Water Fund Program, the District Board desires to (1) authorize the District to execute and

deliver one or more Project Loan and Project Grant Agreements, one or more Project Loan and Project Grant and Principal Forgiveness Agreements, as applicable, and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$17,600,000 in order to fund any and all of the Projects described in the Resolution, and (2) make such other determinations of the particulars of any and all such Interim Funding Obligations and Project Loan Obligations as described herein.

BE IT RESOLVED:

Section 1. The Board 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 one or more Project Loan and Project Grant Agreements and one or more Project Loan and Project Grant and Principal Forgiveness Agreements, as applicable (each, an "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$17,600,000 to fund any or all of the Projects described in the Resolution and determined by the DEEP as eligible under the Clean Water Fund.

Section 2. The Interim Funding Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and shall mature within six months of the Scheduled Completion Date, as defined in each 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 each Agreement, and to the extent not paid prior to maturity from District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in each Agreement.

Section 3. The Project Loan Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and 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 in monthly installments, all as provided in each Agreement.

Section 4. The prior actions by the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy 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 each Agreement.

Respectfully Submitted,



John S. Mirtle, Esq.
District Clerk

RESOLUTION TO AUTHORIZE THE DISTRICT TO EXECUTE AND DELIVER ONE OR MORE PROJECT LOAN AND PROJECT GRANT AGREEMENTS AND ONE OR MORE PROJECT LOAN AND PROJECT GRANT AND PRINCIPAL FORGIVENESS AGREEMENTS AND ANY AND ALL INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$1,000,000 IN ORDER TO FUND A 2024 CAPITAL IMPROVEMENT PROGRAM – INTEGRATED PLAN PROJECT

To: Board of Finance for consideration on March 31, 2025

WHEREAS, on September 9, 2024, the District Board approved that certain resolution entitled “RESOLUTION MAKING A SUPPLEMENTAL APPROPRIATION OF \$1,000,000 FOR THE DISTRICT’S 2024 CAPITAL IMPROVEMENT PROGRAM – INTEGRATED PLAN AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$1,000,000 TO FINANCE SAID APPROPRIATION” (the “Resolution”) after the recommendation of the Board of Finance; and

WHEREAS, the Resolution provides a supplemental appropriation and bond authorization in the amount of \$1,000,000 for the capital improvement program – integrated plan project set forth therein as No. 1 (the “Project”), as more particularly attached hereto and incorporated herein; and

WHEREAS, the Resolution further provides that “the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations...as the District Board shall determine, in accordance with Connecticut laws and the District’s Charter, following recommendation of the Board of Finance”; and

WHEREAS, the Resolution further states that “[t]he aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Clean Water Fund Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the District Board, following a recommendation of the Board of Finance”; and

WHEREAS, Section 4-5 of the District’s Charter also requires that “the resolution for the issuance of such bonds, notes or other certificates of debt to be adopted by the district board shall designate such name or title for the issue as seems appropriate, set forth the amount of the issue and the purposes for which its avails are to be used and provide as to the form, interest payment periods, the amount of such bonds, notes or other certificates of debt, the date of issue and maturity, the method of registration, if any, and whether the same shall carry interest coupons or otherwise. Such resolution may also provide for the rate of interest or, upon recommendation of the board of finance of the district, the rate of interest may be fixed by the bidders for such bonds in multiples of one-twentieth of one per cent per annum, but in neither case shall the rate of interest exceed six per cent per annum”; and

WHEREAS, the District has submitted and/or plans to submit one or more applications to the State of Connecticut Department of Energy and Environmental Protection (“DEEP”) to determine whether the Project will be eligible for funding under the Clean Water Fund Program (as defined in the Resolution); and

WHEREAS, in anticipation of DEEP determining that the Project will be eligible under the Clean Water Fund Program, the District Board desires to (1) authorize the District to execute and deliver one or more Project Loan and Project Grant Agreements, one or more Project Loan and Project Grant and Principal

Forgiveness Agreements, as applicable, and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$1,000,000 in order to fund the Project described in the Resolution, and (2) make such other determinations of the particulars of any and all such Interim Funding Obligations and Project Loan Obligations as described herein.

BE IT RESOLVED:

Section 1. The Board 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 one or more Project Loan and Project Grant Agreements and one or more Project Loan and Project Grant and Principal Forgiveness Agreements, as applicable (each, an "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$1,000,000 to fund the Project described in the Resolution and determined by the DEEP as eligible under the Clean Water Fund.

Section 2. The Interim Funding Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and shall mature within six months of the Scheduled Completion Date, as defined in each 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 each Agreement, and to the extent not paid prior to maturity from District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in each Agreement.

Section 3. The Project Loan Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and 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 in monthly installments, all as provided in each Agreement.

Section 4. The prior actions by the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy 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 each Agreement.

Respectfully Submitted,

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

John S. Mirtle, Esq.
District Clerk

RESOLUTION TO AUTHORIZE THE DISTRICT TO EXECUTE AND DELIVER ONE OR MORE PROJECT LOAN AND PROJECT GRANT AGREEMENTS AND ONE OR MORE PROJECT LOAN AND PROJECT GRANT AND PRINCIPAL FORGIVENESS AGREEMENTS AND ANY AND ALL INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$75,600,000 IN ORDER TO FUND VARIOUS 2025 CAPITAL IMPROVEMENT PROGRAM PROJECTS

To: Board of Finance for consideration on March 31, 2025

WHEREAS, on December 9, 2024, the District Board approved that certain resolution entitled “RESOLUTION APPROPRIATING \$192,990,000 FOR THE DISTRICT’S 2025 CAPITAL IMPROVEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$192,990,000 TO FINANCE SAID APPROPRIATION” (the “Resolution”) after the recommendation of the Board of Finance; and

WHEREAS, the Resolution provides, among other things, an appropriation and bond authorization in the amount of \$75,600,000 for those capital improvement program projects set forth therein as Nos. 28 through 37, inclusive (collectively, the “Projects”), as more particularly attached hereto and incorporated herein; and

WHEREAS, the Resolution further provides that “the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations...as the District Board shall determine, in accordance with Connecticut laws and the District’s Charter, following recommendation of the Board of Finance”; and

WHEREAS, the Resolution further states that “[t]he aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Clean Water Fund Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the District Board, following a recommendation of the Board of Finance”; and

WHEREAS, Section 4-5 of the District’s Charter also requires that “the resolution for the issuance of such bonds, notes or other certificates of debt to be adopted by the district board shall designate such name or title for the issue as seems appropriate, set forth the amount of the issue and the purposes for which its avails are to be used and provide as to the form, interest payment periods, the amount of such bonds, notes or other certificates of debt, the date of issue and maturity, the method of registration, if any, and whether the same shall carry interest coupons or otherwise. Such resolution may also provide for the rate of interest or, upon recommendation of the board of finance of the district, the rate of interest may be fixed by the bidders for such bonds in multiples of one-twentieth of one per cent per annum, but in neither case shall the rate of interest exceed six per cent per annum”; and

WHEREAS, the District has submitted and/or plans to submit one or more applications to the State of Connecticut Department of Energy and Environmental Protection (“DEEP”) to determine whether one or more of the Projects will be eligible for funding under the Clean Water Fund Program (as defined in the Resolution); and

WHEREAS, in anticipation of DEEP determining that one or more of the Projects will be eligible under the Clean Water Fund Program, the District Board desires to (1) authorize the District to execute and deliver one or more Project Loan and Project Grant Agreements, one or more Project Loan and Project

Grant and Principal Forgiveness Agreements, as applicable, and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$75,600,000 in order to fund any and all of the Projects described in the Resolution, and (2) make such other determinations of the particulars of any and all such Interim Funding Obligations and Project Loan Obligations as described herein.

BE IT RESOLVED:

Section 1. The Board 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 one or more Project Loan and Project Grant Agreements and one or more Project Loan and Project Grant and Principal Forgiveness Agreements, as applicable (each, an "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed \$75,600,000 to fund any or all of the Projects described in the Resolution and determined by the DEEP as eligible under the Clean Water Fund.

Section 2. The Interim Funding Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and shall mature within six months of the Scheduled Completion Date, as defined in each 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 each Agreement, and to the extent not paid prior to maturity from District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in each Agreement.

Section 3. The Project Loan Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DEEP, dated as of their date of issue, incorporate the amount of issue and the specific Project(s) to be funded, and 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 in monthly installments, all as provided in each Agreement.

Section 4. The prior actions by the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy 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 each Agreement.

Respectfully Submitted,



John S. Mirtle, Esq.
District Clerk

**BOARD OF FINANCE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Monday, January 27, 2025**

PRESENT: Commissioners Andrew Adil, Allen Hoffman, Pasquale Salemi, Citizen Members Linda Russo, Awet Tsegai and District Chairman Donald Currey (5)

REMOTE ATTENDANCE: Citizen Member Drew Iacovazzi (1)

ABSENT: Citizen Member Linda King-Corbin (1)

ALSO PRESENT: Commissioner William DiBella
Commissioner John Gale
Commissioner Jacqueline Mandyck (Remote Attendance)
Commissioner Dominic Pane
Commissioner Bhupen Patel
Commissioner Alvin Taylor
Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Susan Negrelli, Director of Engineering
Robert Schwarm, Director of Information Systems (Remote Attendance)
Michael Mohr, Controller
Diana Phay, Manager of Treasury
Carrie Blardo, Assistant to the Chief Executive Officer
Victoria Escoriza, Executive Assistant
Matt McAuliffe, IT Consultant (Remote Attendance)
Jacob Aviles, IT Consultant (Remote Attendance)
Jessica Aniskoff, CliftonLarsonAllen LLP
Elizabeth Tavelli, Independent Consumer Advocate

CALL TO ORDER

Chairman Salemi called the meeting to order at 5:00 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

Independent Consumer Advocate Elizabeth Tavelli asked about agenda item #5 "Report re: Auditor Governance Communication," and the auditor's communication letter reference to a significant risk of material misstatement of management override of controls.

Judy Allen, West Hartford resident, stated that the Independent Consumer Advocate is not a member of the public, but rather an equal partner in the process.

Commissioner Salemi made a point of personal privilege to state that former Commissioner Alphonse Marotta had passed away.

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Hoffman and duly seconded, the meeting minutes of the Board of Finance meeting of November 25, 2024 were approved.

BOARD OF FINANCE APPROVAL OF STATE OF CONNECTICUT FINANCING CWF 4001-C

To: Board of Finance

January 27, 2025

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and/or Project Loan Obligation to the State of Connecticut for CWF No. 4001-C having a principal amount of \$1,135,560.31 and having an interest rate of 2.00%.

The low interest loan and accompanying grant will fund sewer rehabilitation and private work to address flooding in the North Hartford Pilot project area in the areas of Durham Street (CFQ #11) and Woodstock/Branford (CFQ #12).

The State of Connecticut, through the Clean Water Fund Program, will provide \$3,194,664.83 in state funding with \$2,059,104.52 in grants and \$1,135,560.31 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Bond Counsel prepared the following resolution for your approval.

It is **RECOMMENDED** that it be

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

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 the Project Loan and Project Grant and Principal Forgiveness Agreement CWF No. 4001-C to be entered into with the State of Connecticut (the "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations for CWF No. 4001-C in the aggregate amount not to exceed \$1,135,560.31 to fund sewer rehabilitation and private work to address flooding in the North Hartford Pilot project area in the areas of Durham Street (CFQ #11) and Woodstock/Branford (CFQ #12). Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Agreement and, to the extent not paid prior to maturity from The Metropolitan District funds, may

be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. The prior actions of the Chairman and the District Treasurer in furtherance of this resolution are hereby confirmed and ratified 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,



John S. Mirtle
District Clerk

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

AUDITOR GOVERNANCE COMMUNICATION

The Board of Finance discussed the below memorandum from Melissa Ferrucci of Cohn Reznick:

Memo regarding the MDC Charter Section 3-8 Request

Below is my response to Commissioner Salemi's request below. Please reach out to me with any questions.

"I will want to hear directly from the auditors on Management Override of Financial Controls and how it could be related to the Charter provisions. I would appreciate hearing directly from the Auditors as well as Melissa and our staff".

Response

MDC Charter Section 3-8

The amounts in the "Variance" column above must be positive – showing budget in excess of actual spend. If not, there would likely be a reported finding in the audit report and/or a footnote disclosure.

Section 3-8 Limitations on expenditures; Supplemental Appropriations; Transfers relates specifically to the expenditures within the approved budget in any one year. This section of the charter states that the MDC is not allowed to spend more than the approved budget in any function or department as designated in the approved budget without approval of the Board of Finance ("BOF") or, in the absence of BOF approval, by a vote of the District Board. Therefore, if any function or department within the approved budget encounters the need to spend over the approved budget amount, a resolution must be prepared for budget transfers between budget functions and/or departments. This transfer resolution should include a certificate

(confirmation) from the Chief Financial Officer (“CFO”) that there is available/unencumbered funds within the corresponding budget function or department where the funds will be transferred from to ensure sufficient funding is available.

Transfers within the same department or function are allowable without Board of Finance or District Board approval. These types of transactions are not applicable to Section 3-8 of the Charter.

This section also refers to Additional or Supplemental Appropriations which as defined means the original approved budget shall increase in total during the year for the additional appropriation amount upon resolution and approval similar to transfers above. Therefore, if the MDC determines the total approved budget shall increase, the CFO must confirm, in accordance with the Charter, that there are funds available from the unassigned fund balance or unrestricted net position to appropriate. In addition, review of the fund balance policy should be performed to ensure compliance after the effect of the additional appropriation is recorded.

Management Override of Controls

An audit in accordance with Generally Accepted Auditing Standards is performed utilizing a risk-based approach whereby auditors identify certain risks and incorporate audit procedures to address those risks. In the communication referenced by the auditors, they have identified management override of controls as a significant risk. This is a common identified risk in audits. Auditors will determine procedures to address this risk. These procedures vary based on the auditor and audit firm and may or may not include steps specific to the Charter. In addition, the auditors may or may not test specifically Section 3-8 of the Charter as it relates to approval of transfers/additional appropriations between functions/departments of the budget. The annual General Fund Budget to Actual schedule in the audited financial statements is part of Required Supplementary Information, which means limited procedures are performed on the schedule and there is no opinion provided by the auditors over this schedule. In addition, the MDC does not include the Water Utility Budget to Actual Schedule within the annual financial statements.

Potential questions to ask auditors based on the inquiries above:

1. What procedures does the auditor incorporate into the audit to test for management override of controls?
2. As part of the audit, does the auditor test budget transfers/additional appropriations in the General Fund and/or Water Utility Fund as defined in Section 3-8 of the Charter?

For reference

Charter Section 3-8

SEC. 3-8 LIMITATIONS ON EXPENDITURES; SUPPLEMENTAL APPROPRIATIONS; TRANSFERS

No expenditure for any function or department designated in the budget shall exceed the appropriation therefor, provided the district board may, upon approval of the board of finance or, in the absence of such approval by a vote of the district board, make additional or supplemental appropriations in any part of the budget from the undesignated fund balance or retained earnings applying to any part or transfer any unexpended balance of any appropriation included in any part of the budget to any other appropriation in the same part thereof provided there shall be

attached to the resolution making such additional or supplemental appropriation or transfer a certificate from the chief financial officer that a balance actually exists free from encumbrance, or funds are available from the undesignated fund balance or retained earnings within section one of any part of the budget.

Part of General Fund Budget from 2023 audited financial statements:

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
General Government:				
District Board	257,500	257,500	247,381	10,119
Executive Office	1,578,900	1,578,900	1,282,890	296,010
Legal	737,300	737,300	630,403	106,897
Customer Service	991,500	991,500	950,839	40,661
Information Systems	3,080,600	3,080,600	2,954,671	125,929
Finance	2,362,700	2,362,700	2,161,440	201,260
Total General Government	9,008,500	9,008,500	8,227,624	780,876
Engineering and Planning	526,100	526,100	421,631	104,469
Operations:				
Environmental Health and Safety	496,400	496,400	455,609	40,791
Command Center	2,060,300	2,060,300	2,013,494	46,806
Chief Operating Office	427,000	427,000	423,652	3,348
Operations	3,548,700	3,548,700	3,340,643	208,057
Total Operations	6,532,400	6,532,400	6,233,398	299,002

Jessica Aniskoff of CliftonLarsonAllen LLP, delivered the Auditor Governance Communication:



CliftonLarsonAllen LLP
29 South Main Street, 4th Floor
West Hartford, CT 06107

phone 860-561-4000 fax 860-521-9241
claconnect.com

December 6, 2024

Board of Finance
The Metropolitan District
Hartford, Connecticut

We are engaged to audit the 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, 2024. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

Our responsibility under Auditing Standards Generally Accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

Financial statements, internal control, and compliance

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Those standards also require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under U.S. GAAS and *Government Auditing Standards*.

December 6, 2024
The Metropolitan District
Page 2

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.
 - Form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
 - Plan and perform the audit to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
 - Perform, as part of obtaining reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, tests of the entity's compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our tests is not to provide an opinion on compliance with such provisions and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.
 - Provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.
 - Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control over compliance that we identify during the audit that are required to be communicated.
 - Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material
-

December 6, 2024
The Metropolitan District
Page 3

noncompliance when it exists. Material noncompliance can arise from fraud or error and is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report.

- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.
- Consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.
- Perform tests of transactions and other applicable procedures described in the “OMB Compliance Supplement” for the types of compliance requirements that could have a direct and material effect on each of the entity’s major programs. The purpose of these procedures will be to express an opinion on the entity’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity’s compliance with those requirements.
- Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.
- Communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
- Communicate matters required by law, regulation, agreement, or other external requirements.
- Communicate circumstances that affect the form and content of the auditors’ report.

Our audit of the financial statements does not relieve you or management of your responsibilities.

Supplementary information in relation to the financial statements as a whole

Our responsibility for the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA in relation to the financial statements as a whole and to report on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA to determine whether the SEFA complies with the

December 6, 2024
The Metropolitan District
Page 4

requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Because we were engaged to report on the supplementary information accompanying the financial statements, our responsibility for other supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the information to determine whether the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we will make certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We will compare the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we will not express an opinion or provide any assurance on the RSI.

Other information included in annual reports

It is our understanding that our auditors' report will be included in your annual report which is comprised of the Annual Comprehensive Financial Report and that your annual report will be issued with the financial statements. Management is responsible for the preparation of other information included in your annual report and for providing such information to us in a timely manner, and if possible, prior to the date of our auditors' report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinions on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If management refuses to correct a material misstatement of the other information, professional standards require us to communicate the matter to you. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

December 6, 2024
The Metropolitan District
Page 5

Planned scope and timing of the audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- **Management Override of Controls**

As a result of unexpected events, changes in conditions, or the audit evidence obtained from the results of audit procedures performed, we may need to modify the overall audit strategy and audit plan and, thereby, the resulting planned nature, timing, and extent of further audit procedures, based on the revised consideration of assessed risks.

We expect to begin our audit on approximately December 2024 and issue our report on approximately May 30, 2025.

Other planning matters

Recognizing the importance of two-way communication, we encourage you to provide us with information you consider relevant to the audit. This may include, but is not limited to, the following items:

- Your views about the following matters:
 - The appropriate person(s) in the entity's governance structure with whom we should communicate.
 - The allocation of responsibilities between those charged with governance and management.
 - The entity's objectives and strategies and the related business risks that may result in material misstatements.
 - Matters you believe warrant particular attention during the audit and any areas for which you request additional procedures to be undertaken.
-

December 6, 2024
The Metropolitan District
Page 6

- Significant communications between the entity and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.
 - The attitudes, awareness, and actions of those charged with governance concerning (a) the entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control, and (b) the detection or the possibility of fraud.
 - The actions of those charged with governance in response to developments in law, accounting standards, corporate governance practices, and other related matters, and the effects of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
 - The relevance, reliability, comparability, and understandability of the information presented in the financial statements.
 - Whether all required information has been included in the financial statements, and whether such information has been appropriately classified, aggregated or disaggregated, and presented.
 - The actions of those charged with governance in response to previous communications with the auditor.
 - Your understanding of the risks of fraud and the controls in place to prevent and detect fraud, including your views on the following matters:
 - The "tone at the top" conveyed by management.
 - The risk that the entity's financial statements or schedule of expenditures of federal awards might be materially misstated due to fraud.
 - Programs and controls that the entity has established to mitigate identified fraud risks or that otherwise help to prevent, deter, and detect fraud.
 - How and how often you review the entity's policies on fraud prevention and detection.
 - If a fraud hotline is in place, how it is monitored and how you are notified of allegations or concerns.
 - How you exercise oversight of management's processes for identifying and responding to the risks of fraud and the programs and controls management has established to mitigate those risks.
 - The risks of fraud at the entity, including any specific fraud risks the entity has identified or account balances, classes of transactions, or disclosures for which a risk of fraud may be likely to exist.
 - Examples of fraud-related discussions management has had with you.
-

December 6, 2024
The Metropolitan District
Page 7

- Any actual or suspected fraud affecting the entity or its federal award programs that you are aware of, including measures taken to address the fraud.
- Any allegations of fraud or suspected fraud (e.g., received in communications from employees, former employees, grantors, regulators, or others) that you are aware of.
- Any knowledge of possible or actual policy violations or abuses of broad programs and controls occurring during the period being audited or the subsequent period.
- Any accounting policies or procedures applied to smooth earnings, meet debt covenants, minimize taxes, or achieve budget, bonus, or other financial targets that you are aware of; and whether you are aware of any accounting policies that you consider aggressive.
- How you oversee the entity's (1) compliance with laws, regulations, and provisions of contracts and grant agreements, (2) policies relative to the prevention of noncompliance and illegal acts, and (3) use of directives (for example, a code of ethics) and periodic representations obtained from management-level employees about compliance with laws, regulations, and provisions of contracts and grant agreements.
- Whether you are aware of any noncompliance with laws, regulations, contracts, and grant agreements, including measures taken to address the noncompliance.
- If the entity uses a service organization, your knowledge of any fraud, noncompliance, or uncorrected misstatements affecting the entity's financial statements or federal award programs reported by the service organization or otherwise known to you.

This communication is intended solely for the information and use of the Board of Finance and management of The Metropolitan District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CliftonLarsonAllen LLP



Jessica Aniskoff, CPA
Principal
860-570-6451
Jessica.Aniskoff@CLAconnect.com

ANNUAL REPORT SUBMITTED TO OFFICE OF FISCAL ANALYSIS

The Board of Finance discussed the annual report submitted to the Office of Fiscal Analysis.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

COMMISSIONER REQUESTS FOR FUTURE AGENDA ITEMS

Commissioner Hoffman asked what Cohn Reznick has been engaged for.

ADJOURNMENT

The meeting was adjourned at 6:08 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval

**Video of the full January 27, 2025 Board of Finance meeting is available at <https://www.youtube.com/@MetropolitanDistrictCommission> **