

THE METROPOLITAN DISTRICT COMMISSION

555 Main Street
Hartford, Connecticut 06103
Monday, May 6, 2019

Present: Commissioners Andrew Adil, John Avedisian, Daniel Camilliere, William A. DiBella, Peter Gardow, Denise Hall, James Healy, Allen Hoffman, Jean Holloway, Gary LeBeau, Maureen Magnan, Alphonse Marotta, Whit Osgood, Dominic M. Pane, Bhupen Patel, Pasquale J. Salemi, Raymond Sweezy, Alvin Taylor, Michael Torres and Richard W. Vicino (20)

Absent: Commissioners Clifford Avery Buell, Donald Currey, Timothy Fitzgerald, Matthew B. Galligan, David Ionno, Byron Lester, Michael Solomonides and New Britain Special Representative Michael Carrier (8)

Also

Present: Scott W. Jellison, Chief Executive Officer
Christopher Martin, Interim Chief Financial Officer
R. Bartley Halloran, District Counsel
Christopher Stone, Assistant District Counsel
Brendan Fox, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Sue Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Tom Tyler, Director of Facilities
Karyn Blaise, Controller
Nick Salemi, Special Services Administrator
Kerry E. Martin, Assistant to the Chief Executive Officer
Julie Price, Professional Level Trainee
David Silverstone, Independent Consumer Advocate

CALL TO ORDER

The meeting was called to order by Chairman DiBella at 5:45 PM

ROLL CALL AND QUORUM

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

PLEDGE OF ALLEGIANCE

Those in attendance stood and recited the Pledge of Allegiance.

SWEARING IN OF COMMISSIONER

The District Clerk swore in Commissioner Andrew Adil.

APPROVAL OF MINUTES

On motion made by Commissioner Lebeau and duly seconded, the meeting minutes of April 1, 2019 were approved. Commissioner Adil abstained.

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

REPORT FROM DISTRICT CHAIR

No Report

REPORT FROM CHIEF EXECUTIVE OFFICER

Scott Jellison delivered the Chief Executive Officer's Report.

REPORT FROM DISTRICT COUNSEL

Attorney R. Bartley Halloran delivered the District Counsel Report.

Commissioner Osgood left the meeting at 6:33 PM.

**COMMITTEE ON ORGANIZATION
APPOINTMENT OF COMMISSIONERS TO COMMITTEES**

To: District Board May 6, 2019
From: Committee on Organization

At a meeting of the Committee on Organization held on May 6, 2019, it was:

Voted: That the Committee on Organization recommend to the District Board the appointment of the following Commissioners to the following Committees

Bureau of Public Works

Andrew Adil
Donald Currey

Strategic Planning

Andrew Adil
Timothy Fitzgerald

General Policy & Planning

Donald Currey

Audit

Donald Currey
Domenic Pane

Board of Finance

Andrew Adil
Donald Currey

Personnel, Pension & Investment

Donald Currey
Timothy Fitzgerald

Water Bureau

Andrew Adil
Timothy Fitzgerald

Organization

Donald Currey
Timothy Fitzgerald

Respectfully submitted,

John S. Mirtle, Esq.
District Clerk

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

**BOARD OF FINANCE
CAPITAL IMPROVEMENT PROJECTS
ADDITIONAL APPROPRIATION**

To: District Board

May 6, 2019

From: Board of Finance

The District recently received bids for the replacement of approximately 6,000 lf of water main in the Pilgrim Road, Brainard Road and Sequin Drive area in West Hartford. These mains have exceeded their useful life and have experienced

numerous leaks/breaks. In order to award the construction contract an increase in the 2019 Capital Improvement Program / Water Main Replacement Program is needed.

Therefore, staff recommends the following:

That the 2019 CIP Water Main Replacement Program appropriation be increased by \$3,300,000 to provide funding for Pilgrim Road, Brainard Road and Sequin Drive Water Main Replacement, West Hartford which includes construction and related costs.

Program – Pilgrim Road, Brainard Road and Sequin Drive Area Water Main Replacement, West Hartford

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$ 3,300,000	WDS.DM0019.04	2113

Description

Replacement of existing water mains and service replacements in the Pilgrim Road, Brainard Road and Sequin Drive area of West Hartford. The water mains in the project area have a history of breakage and have been recommended by the Asset Management Program to be replaced to ensure the serviceability of the delivery system. District forces may be utilized for this program. The District costs may include salary, benefits and overhead.

Purpose

To replace aging water mains.

Prior Appropriation

This appropriation is an increase to the 2019 CIP Water Main Replacement Program. Total appropriation for this program will now be \$11,300,000.

Asset Classification

Transmission & Distribution Mains

Based on the foregoing, bond counsel prepared the following resolution for consideration by the Board of Finance:

At a meeting of the Board of Finance held on May 6, 2019, it was:

RECOMMENDED that it be:

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

AMENDED AND RESTATED RESOLUTION APPROPRIATING
\$11,300,000 FOR THE WATER MAIN REPLACEMENT PROGRAM
AND AUTHORIZING THE ISSUANCE OF \$11,300,000 BONDS OF THE
DISTRICT TO MEET SAID APPROPRIATION

RESOLVED:

Section 1. This resolution (the “Amended and Restated Resolution”) amends and restates, in its entirety, that resolution of the District Board entitled “RESOLUTION APPROPRIATING \$8,000,000 FOR THE WATER MAIN REPLACEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF \$8,000,000 BONDS OF THE DISTRICT TO MEET SAID APPROPRIATION” which was passed by a vote of the District Board at its meeting held on December 10, 2018 (the “Original Resolution”).

Section 2. The sum of \$11,300,000 is hereby appropriated for the design, construction, inspection and associated work to replace water mains and water services throughout the District that have exceeded their useful lives and/or have experienced numerous breaks, and legal, administrative and other financing costs related thereto. District forces may be utilized for this program. The District costs may include salary, benefits and overhead.

Section 3. To meet said appropriation \$11,300,000 bonds of the District are authorized to be issued in one or more series in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, “Connecticut laws”), and the District’s Charter. The form, date, maturities and other details of such authorized but unissued bonds shall be hereafter determined by the District Board acting in accordance with the District’s Charter. Said bonds shall be issued in fully registered form, be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The bonds may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board, in accordance with Connecticut laws and the District’s Charter. Each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with and that such bond is within every debt and other limit prescribed by law. The aggregate principal amount of the bonds to be issued, the form of issuance as serial, term or discount bonds, the dated date, final maturity, annual installments of principal, whether interest on the bonds will be fixed or variable, the rate or rates of interest, or method of determining interest rates thereon, whether such interest shall be excluded or included in gross income for federal income tax purposes,

denominations, terms of redemption, if any, the date, time of issue and sale and all other terms, details and particulars of such bonds shall be determined by the District Board, in accordance with Connecticut laws and the District's Charter, following recommendation of the Board of Finance. It is hereby found and determined that the issuance of any such bonds the interest on which is included in gross income for federal income tax purposes is in the public interest. The bonds may be sold by competitive bid or negotiated sale, as determined by the District Board. If sold by competitive bid, a notice of sale, or summary thereof, shall be published at least five (5) days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If sold by negotiated sale, the form and details of the bond purchase agreement for the sale of the bonds shall be determined by the District Board.

Section 4. The Treasurer and the Deputy Treasurer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes or certificates of indebtedness evidencing such borrowings may be sold by competitive bid or negotiated sale, as determined by the Treasurer or Deputy Treasurer, in such manner as shall be determined by said Officers. Said notes or certificates of indebtedness shall be issued in fully registered form, be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer, and bear the District seal or a facsimile thereof. The notes or certificates of indebtedness may be secured by the full faith and credit of the District and/ or by special revenues of the District pledged therefore by the District Board in accordance with Connecticut laws and the District's Charter. Each of the notes shall recite that every requirement of law relating to its issue has been duly complied with and that such note is within every debt and other limit prescribed by law. The net interest cost on such notes or certificates of indebtedness, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the project. Upon the sale of the bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on such notes or certificates of indebtedness then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. In connection with the issuance of the bonds, notes or certificates of indebtedness authorized hereunder and under the Resolutions ("Authorized Obligations"), the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to obtain, standby bond purchase agreements, letters of credit, lines of credit, financial guaranty insurance policies, guarantees of the District or third parties, surety agreements, or any similar agreements ("Credit Facilities") with one or more financial institutions providing Credit Facilities ("Credit Facility Providers") to provide for additional security for and the purchase upon tender of the Authorized Obligations, if any, under circumstances set forth in the Indentures (defined herein). Credit Facilities shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

Section 6. In connection with the issuance of Authorized Obligations and interim funding obligations in anticipation of project loan obligations and project loan obligations under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended, the so-called “Drinking Water Program” (“Drinking Water Obligations”), the District Board is hereby authorized to approve the terms and conditions of indentures of trust or other instruments of trust (“Indentures”) with commercial banks or national banking associations with trust powers or trust companies to be appointed by the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer (“Trustees”), which provide for, among other things, the rate of rates of interest, or method of determining interest rates thereon, procedures for conducting auctions in an auction rate mode, the denominations, the tender rights of holders, if any, the rights of redemption and redemption prices, the payment of certain fees, the imposition of certain covenants, limitations and restrictions on the District necessary to issue the variable rate bonds, and the execution of various other instruments. Indentures shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

Section 7. In connection with the issuance of Authorized Obligations bearing interest at variable interest rates, the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to enter into, remarketing agreements, broker-dealer agreements, auction agency agreements and other agreements (the “Reoffering Agreements”) with remarketing agents, investment banking firms or other financial institutions to be appointed by the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer (“Reoffering Agents”), which provide for, among other things, the terms and conditions for reoffering Authorized Obligations bearing interest at variable interest rates, the Reoffering Agents’ compensation and the disclosure of the District’s financial condition. Reoffering Agreements shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

Section 8. In connection with the issuance of Authorized Obligations, if permitted by Connecticut laws and the District’s Charter, the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to obtain, an interest rate swap agreement in the form of the International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, together with applicable annexes, schedules and confirmations thereto, contracts to manage interest rate risk, including interest rate caps, options, puts, call or similar arrangements, or such other agreements permitted by Connecticut laws and the District’s Charter (“Swap Agreements”), with one or more counterparties to be selected by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer, as Swap Provider (the “Swap Providers”), which provides for, among other things, the effective date or dates of the Swap Agreements, the rate of interest to be paid by the District to the Swap Providers on the principal amount of the bonds (which may be a fixed rate or a variable rate based on an index determined by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer), the rate of interest to be received by the District from the Swap Providers (which may be a fixed rate or a

variable rate based on an index determined by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer), the payment of certain fees, the imposition of certain covenants, limitations and restrictions on the District and the execution of various other instruments. Swap Agreements shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer. To the extent provided by Connecticut laws, the full faith and credit of the District may be pledged to any and all payments to be made by the District with respect to the Swap Agreements, including, any termination or netting payments to be made by the District.

Section 9. The Chairman or Vice Chairman and Treasurer or Deputy Treasurer are hereby authorized, on behalf of the District, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of material events as enumerated in the Securities and Exchange Commission Securities Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds, notes and certificates of indebtedness authorized by this resolution. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

Section 10. The District hereby expresses its official intent pursuant to Treasury Regulations Section 1.150-2 to reimburse expenditures of (i) not more than \$8,000,000 paid up to sixty days prior December 10, 2018, the date of the passage of the Original Resolution, and (ii) not more than an additional \$3,300,000 paid up to 60 days prior to May 6, 2019, the date of passage of this Amended and Restated Resolution, in connection with the Resolutions with the proceeds of Authorized Obligations or Drinking Water Obligations. Said obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or such later date the Regulations may authorize. The District hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Chairman or Vice Chairman and the Treasurer or Deputy Treasurer is each individually authorized to pay project expenses in accordance herewith pending the issuance of the Authorized Obligations. This Section is included herein solely for purposes of compliance with Treasury Regulations Section 1.150-2 and may not be used or relied on for any other purpose.

Section 11. In connection with the issuance of Authorized Obligations and Drinking Water Obligations, the District Board is hereby authorized to, and if any such action shall heretofore have been taken, such action is hereby ratified and confirmed, (a) publish such notices, hold such hearings, make such representations and agreements, and take such other actions as shall be necessary to enable bond counsel to render its opinions as to the validity of the said obligations and the exclusion of the interest thereon, if applicable, from gross income for federal income tax purposes, (b) make, execute and deliver all such additional and supplemental documents, including, but not limited to any tax compliance agreements, tax certificates, tax forms, investment agreements or assignments, and (c) do and perform such acts and take

such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by this Resolution.

Section 12. The District Board finds this project a single item of capital expense not regularly recurring.

Respectfully Submitted,

John S. Mirtle, Esq.
District Clerk

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

**COMMITTEE ON MDC GOVERNMENT
APPOINTMENT OF LEGISLATIVE CONSULTANTS**

To: District Board

May 6, 2019

From: Committee on MDC Government

The Metropolitan District (District) faces legislative and regulatory challenges on both the state and federal level. Currently, we have employed state lobbyist to assist us on these issues. At the federal level, the legal department has a lobbying firm for several years, namely, the firm of JMS Consulting prior to Spring, 2018, and the firm of Envision Strategies through March, 2019. Both firms were paid \$12,500.00 per month for their services.

The legal department has reached out to another lobbying firm – Squire Patton Boggs – for a proposal to provide these services going forward. A few weeks back, members of the Government Committee were provided detailed information about this firm. Legal staff has met with members of the firm, and it is clear that they provide the expertise necessary to fully represent the District on national issues and federal financial assistance. With the prospects for a national infrastructure bill at least a possibility at this point, securing a federal lobbyist of this stature is of utmost importance.

Squire Patton Boggs is willing to provide federal lobbying services to the District at the same rate - \$12,500.00 per month – as the District has paid historically. The proposed contract would run for seven months, from April 1, 2019 through

October 31, 2019. The parties would revisit the contract at the conclusion of the initial term.

At a meeting of the Committee on MDC Government on April 24, 2019, it was:

RECOMMENDED that it be:

Voted: That the Committee on MDC Government recommends to the District Board passage of the following resolution:

Resolved: That the firm of Squire Patton Boggs to perform federal lobbying services for a period commencing on April 1, 2019 through October 31, 2019, at a fee of \$12,500.00 per month, subject to the execution of a written agreement approved by District Counsel as to form and content, reflecting the scope of services, reporting requirements and such other terms and conditions as District Counsel may specify.

Respectfully submitted,

John S. Mirtle, Esq.
District Clerk

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

**COMMITTEE ON MDC GOVERNMENT
PROPOSED ADDITION TO THE GENERAL ORDINANCES § G-8h
OF THE METROPOLITAN DISTRICT**

To: District Board

May 6, 2019

From: Committee on MDC Government

District staff, through the Office of District Counsel, submits the addition of Section G-8h, "RATIFICATION OF UNAUTHORIZED COMMITMENTS", to The Metropolitan District General Ordinances for consideration by the Committee on MDC Government. Pursuant to the authority set forth in Section 1(g) of Special Act 08-9 (Regular Session 2008).

At a meeting of the Committee on MDC Government on April 24, 2019, it was:

RECOMMENDED that it be

VOTED: That the Committee on MDC Government recommends to the District Board passage of the following resolution:

RESOLVED: That the addition to The Metropolitan District's General Ordinances be adopted as follows:

**G-8h RATIFICATION OF UNAUTHORIZED COMMITMENTS
PART 8, GENERAL ORDINANCES**

<u>Section</u>	<u>Section Title</u>
G8h	Ratification of Unauthorized Commitments

SEC. G8h RATIFICATION OF UNAUTHORIZED COMMITMENTS

Pursuant to the authority granted to the District under Section 2-13 of the Compiled Charter of The Metropolitan District, and upon determination by the Chief Executive Officer or his or her designee that certain circumstances warrant, the District shall be allowed to ratify an Unauthorized Commitment ("UC") (as hereinafter defined).

A UC is an "agreement that is not binding solely because the District employee or representative who made it lacked the authority to enter into that agreement on behalf of the District." "Ratification" is defined as the "process by which a UC is formalized, approved and paid." The "ratifying official" as used herein shall mean the Director of Procurement, or another District employee at the same or higher level thereof as designated by the District CEO to be the ratifying official with the authority as delegated by such CEO to ratify a UC.

Ratification of a UC shall only occur when utilizing the following procedure and meeting all of the conditions thereunder:

1. Supplies or services have been provided to and accepted by the District, or the District otherwise obtained or will obtain a benefit resulting from performance of the UC;
2. The ratifying official has the authority to enter into a contractual commitment;
3. The resulting contract would otherwise have been proper if made by authorized District personnel consistent with District ordinances, by-laws, procedures and signing authorizations;
4. The ratifying official reviewing the UC determines the price to be fair and reasonable;
5. The ratifying official recommends ratification and legal counsel concurs with that recommendation;

6. Funds are available and were available at the time the UC was made; and
7. The ratification is in accordance with any other limitations prescribed under District ordinances, by-laws, procedures and signing authorizations.

Failure to meet any of the above requirements will result in a non-ratifiable UC. The appropriate disciplinary action, if any, will be taken against the District personnel who entered into such UC irrespective of whether a UC is ratified or not. A decision not to ratify an UC may not result in unjust enrichment to the District.

The Director of Procurement shall establish specific implementation protocols in order to implement the above Ratification of Unauthorized Commitments procedure, subject to any applicable federal or state law or regulation.

Respectfully submitted,

John S. Mirtle, Esq.
District Clerk

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

PENDING LITIGATION AGAINST STATE OF CONNECTICUT DEPARTMENT OF ENERGY & ENVIRONMENTAL PROTECTION

During the Report from District Counsel R. Bartley Halloran earlier in the meeting, the District Board was updated on the pending litigation against the State of Connecticut Department of Energy & Environmental Protection. District Counsel asked for the District Board to vote to move forward with the District Counsel's proposed injunctive action.

On a motion made by Commissioner Sweezy and duly seconded, the Board directed District Counsel Halloran to proceed with filing the litigation.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Adil requested a meeting of the Water Bureau subcommittee.

Commissioner Gardow requested an update on legislative items. Assistant District Counsel Christopher Stone presented the updates.

ADJOURNMENT

The meeting was adjourned at 7:03 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval