

## REFUNDING AND NEW ISSUE

S&P: AA  
MOODY's: Aa3

*In the opinion of Co-Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series A Bonds, the Series B Bonds and the Series C Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. In the opinion of Co-Bond Counsel, based on existing statutes, interest on the Series A Bonds, the Series B Bonds and the Series C Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.*



**THE METROPOLITAN DISTRICT  
HARTFORD COUNTY, CONNECTICUT**

**\$76,500,000 GENERAL OBLIGATION BONDS, ISSUE OF 2019, SERIES A  
BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: July 15, as shown on inside cover page

**\$49,305,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2019, SERIES B  
BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: July 15, as shown on inside cover page

**\$32,070,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2019, SERIES C  
BOOK-ENTRY-ONLY**

Dated: Date of Delivery

Due: July 15, as shown on inside cover page

The \$76,500,000 General Obligation Bonds, Issue of 2019, Series A (the "Series A Bonds"), the \$49,305,000 General Obligation Refunding Bonds, Issue of 2019, Series B (the "Series B Bonds") and the \$32,070,000 General Obligation Refunding Bonds, Issue of 2019, Series C (the "Series C Bonds") will be general obligations of The Metropolitan District, Hartford County, Connecticut (the "District") and the District will pledge its full faith and credit to pay the principal and interest on the Series A Bonds, the Series B Bonds and the Series C Bonds when due (see "Security and Remedies" herein). The principal amounts of the Series A Bonds, the Series B Bonds and the Series C Bonds will be due annually on July 15, as set forth on the inside cover page of this Official Statement. Interest on the Series A Bonds, the Series B Bonds and the Series C Bonds will be payable on January 15, 2020 and semiannually thereafter on July 15 and January 15 in each year until maturity or earlier redemption. **The Series A Bonds, the Series B Bonds and the Series C Bonds are subject to redemption prior to maturity as more fully described herein. See "Redemption" herein.**

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

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

U.S. Bank National Association, 225 Asylum Street, 23rd Floor, Hartford, Connecticut will act as Certifying Agent, Registrar, Transfer Agent, and Paying Agent for the Bonds, and Escrow Agent for the Series B Bonds and Series C Bonds.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Hinckley, Allen & Snyder LLP, Co-Bond Counsel, of Hartford, Connecticut, and Soeder & Associates, LLC, Co-Bond Counsel, of Hartford, Connecticut. Certain other legal matters will be passed upon for the Underwriters by their counsel Shipman & Goodwin, LLP, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about August 8, 2019.

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

**Raymond James**

**Goldman Sachs & Co. LLC**

**Janney Montgomery Scott**

**Morgan Stanley**

**Siebert Cisneros Shank & Co., L.L.C.**

**THE METROPOLITAN DISTRICT  
HARTFORD COUNTY, CONNECTICUT**

**\$76,500,000 GENERAL OBLIGATION BONDS, ISSUE OF 2019, SERIES A**

**Dated: Date of Delivery**

**Due: July 15, as shown below**

<b>Due July 15</b>	<b>Principal Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Due July 15</b>	<b>Principal Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2020	\$3,825,000	5.000%	1.180%	416489VE9	2030	\$3,825,000	5.000%	1.950%	416489VQ2
2021	3,825,000	5.000%	1.200%	416489VF6	2031	3,825,000	5.000%	2.040%	416489VR0
2022	3,825,000	5.000%	1.240%	416489VG4	2032	3,825,000	5.000%	2.120%	416489VS8
2023	3,825,000	5.000%	1.280%	416489VH2	2033	3,825,000	5.000%	2.170%	416489VT6
2024	3,825,000	5.000%	1.290%	416489VJ8	2034	3,825,000	5.000%	2.220%	416489VU3
2025	3,825,000	5.000%	1.430%	416489VK5	2035	3,825,000	4.000%	2.510%	416489VV1
2026	3,825,000	5.000%	1.540%	416489VL3	2036	3,825,000	4.000%	2.550%	416489VW9
2027	3,825,000	5.000%	1.680%	416489VM1	2037	3,825,000	4.000%	2.590%	416489VX7
2028	3,825,000	5.000%	1.760%	416489VN9	2038	3,825,000	4.000%	2.630%	416489VY5
2029	3,825,000	5.000%	1.850%	416489VP4	2039	3,825,000	4.000%	2.650%	416489VZ2

\* Priced assuming redemption on July 15, 2029; however redemption is at the election of the District. See "Redemption" herein.

**\$49,305,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2019, SERIES B**

**Dated: Date of Delivery**

**Due: July 15, as shown below**

<b>Due July 15</b>	<b>Principal Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Due July 15</b>	<b>Principal Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2020	\$3,280,000	5.000%	1.180%	416489WA6	2028	\$4,230,000	5.000%	1.760%	416489WJ7
2021	3,025,000	5.000%	1.200%	416489WB4	2029	4,265,000	2.375%	1.850%	416489WK4
2022	3,100,000	5.000%	1.240%	416489WC2	2030	4,145,000	5.000%	1.950%	416489WL2
2023	3,065,000	5.000%	1.280%	416489WD0	2031	1,705,000	5.000%	2.040%	416489WM0
2024	3,020,000	5.000%	1.290%	416489WE8	2032	1,595,000	5.000%	2.120%	416489WN8
2025	4,360,000	5.000%	1.430%	416489WF5	2033	1,605,000	5.000%	2.170%	416489WP3
2026	4,400,000	5.000%	1.540%	416489WG3	2034	1,615,000	5.000%	2.220%	416489WQ1
2027	4,315,000	5.000%	1.680%	416489WH1	2035	1,580,000	4.000%	2.510%	416489WR9

\* Priced assuming redemption on July 15, 2029; however redemption is at the election of the District. See "Redemption" herein.

**\$32,070,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2019, SERIES C**

**Dated: Date of Delivery**

**Due: July 15, as shown below**

<b>Due July 15</b>	<b>Principal Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Due July 15</b>	<b>Principal Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2020	\$995,000	5.000%	1.180%	416489WS7	2031	\$1,545,000*	5.000%	2.040%	416489XD9
2021	950,000	5.000%	1.200%	416489WT5	2032	1,625,000*	5.000%	2.120%	416489XE7
2022	995,000	5.000%	1.240%	416489WU2	2033	1,705,000*	5.000%	2.170%	416489XF4
2023	1,045,000	5.000%	1.280%	416489WV0	2034	1,790,000*	5.000%	2.220%	416489XG2
2024	1,100,000	5.000%	1.290%	416489WW8	2035	1,880,000*	4.000%	2.510%	416489XH0
2025	1,155,000	5.000%	1.430%	416489WX6	2036	1,955,000*	4.000%	2.550%	416489XJ6
2026	1,215,000	5.000%	1.540%	416489WY4	2037	2,030,000*	4.000%	2.590%	416489XK3
2027	1,270,000	5.000%	1.680%	416489WZ1	2038	2,115,000*	4.000%	2.630%	416489XL1
2028	1,335,000	5.000%	1.760%	416489XA5	2039	2,200,000*	4.000%	2.650%	416489XM9
2029	1,405,000	5.000%	1.850%	416489XB3	2040	2,290,000*	4.000%	2.710%	416489XN7
2030	1,470,000	5.000%	1.950%	416489XC1					

\* Priced assuming redemption on July 15, 2029; however redemption is at the election of the District. See "Redemption" herein.

<sup>1</sup> A registered trademark of the American Bankers Association. CUSIP is provided by Standard & Poor's CUSIP Service Bureau, a Standard & Poor's Financial Services LLC business. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Underwriters and are provided for convenience of reference only. Neither the District nor the Underwriters are responsible for the selection or use of these CUSIP numbers, undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

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

---

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

---

#### **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

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

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

*The Underwriters (as hereinafter defined) have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

[THIS PAGE INTENTIONALLY LEFT BLANK]

## TABLE OF CONTENTS

### Part I – Information Concerning the Bonds

Series A Bond Issue Summary

Series B Bond Issue Summary

Series C Bond Issue Summary

#### I. Bond Information

Introduction .....	1
Description of the Bonds .....	1
Redemption .....	2
Book-Entry-Only Transfer System.....	2
Security and Remedies .....	4
Taxes – Levy, Apportionment, Collection .....	5
Consideration for Bondholders.....	6
Qualification for Financial Institutions.....	8
Availability of Continuing Disclosure.....	8
Authorization and Purpose.....	9
Plan of Refunding .....	9
Sources and Uses of Bond Proceeds.....	10
Use of Series A Bond Proceeds .....	11
Ratings.....	13
Tax Matters .....	13

#### II. Legal and Other Information

Litigation .....	16
Underwriting .....	16
Legal Matters .....	17
Municipal Advisor .....	17
Concluding Statement .....	17

### Part II – Information Concerning The Metropolitan District

#### I. The Issuer

Description of the District.....	20
Organizational Chart .....	21
The District Board.....	21
Distribution of Commission Membership .....	22
Powers and Responsibilities of the District Board .....	22
Consumer Advocate.....	22
Administration.....	22
District Chairs and District Officials .....	23
District Employees.....	23
District Employees Bargaining Units .....	23
District Functions.....	24

#### II. Water Pollution Control

Facilities for Sewer Service .....	25
Sewer User Charge.....	26
Clean Water Project Charge.....	26
Clean Water Project .....	26

#### III. Water Operations

Facilities for Water Service .....	29
Number of Water Customers .....	29
Average Daily Consumption.....	29
Water Utility Unit Charge .....	30

#### IV. Hydroelectric Development Program .....

#### V. Economic and Demographic Information

Population Trends .....	32
Age Distribution of the Population.....	32
Income Distribution .....	33
Income Levels .....	34
Educational Attainment .....	35
Major Employers within the District .....	36
Employment by Industry .....	37
Employment Data .....	38
Age Distribution of Housing .....	39
Housing Inventory.....	39
Owner-Occupied Housing Values .....	40

#### VI. Tax Base Data

Tax Collection Procedure .....	42
Comparative Assessed Valuations.....	42
Property Tax Levies and Collections .....	43
Ten Largest Taxpayers .....	46
Equalized Net Grand List .....	49

#### VII. Financial Information

Fiscal Year .....	51
Basis of Accounting and Accounting Policies .....	51
Budgetary Procedures.....	51
Debt Administration Policy .....	52
Annual Audit.....	52
Pension Plan.....	53
Other Post Employment Benefits .....	54
Investment Policies and Practices.....	55
District Cash Management Investment Policy .....	55
Risk Management .....	55
Compensated Absences .....	56
Revenues and Appropriations.....	57
Sources of Funds.....	58
General Fund Revenues and Expenditures-District ....	59
Analysis of General Fund Equity - District.....	59
History of Member Municipality's Taxation .....	60
Water Utility Fund Revenues and Expenditures .....	61
Hydroelectric Fund Revenues and Expenditures .....	62
General Fund Revenues and Expenditures –	
Member Municipalities.....	63
Analysis of General Equity – Member	
Municipalities .....	63

#### VIII. Debt Summary

Principal Amount of Indebtedness .....	72
Clean Water Fund Program .....	73
Drinking Water State Revolving Fund Program .....	73
Annual Bonded Debt Maturity Schedule .....	74
Overlapping and Underlying Net Debt.....	76
Debt Statement.....	77
Current Debt Ratios .....	77
Bond Authorization.....	83
Temporary Financing.....	83
Limitation on Indebtedness.....	84
Statement of Statutory Debt Limitation .....	85
Authorized But Unissued Debt.....	86
Principal Amount of Outstanding Debt.....	86
Ratio of Direct Debt to Valuation and	
Population -The District .....	88
Ratio of Direct Debt to Valuation, Population,	
and Income – Member Municipalities.....	88
Ratio of Annual Debt Service Expenditures to	
Total General Fund Expenditures .....	90
Capital Improvement Programs and Future	
Borrowings.....	93
Five-Year Capital Improvement Program .....	93

Appendix A – Basic Financial Statements

Appendix B – Form of Opinion of Co-Bond Counsel to the District

Appendix C – Continuing Disclosure Agreement

[THIS PAGE INTENTIONALLY LEFT BLANK]

**PART I**  
**INFORMATION CONCERNING THE BONDS**  
**THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT**  
**July 25, 2019**

This Official Statement including the cover, Part I, Part II and the Appendices thereto, of The Metropolitan District, Hartford County, Connecticut (the “District”) is provided for the purpose of presenting certain information relating to the District in connection with the original issuance and sale of \$76,500,000 General Obligation Bonds, Issue of 2019, Series A (the “Series A Bonds”), \$49,305,000 General Obligation Refunding Bonds, Issue of 2019, Series B (the “Series B Bonds”) and \$32,070,000 General Obligation Refunding Bonds, Issue of 2019, Series C (the “Series C Bonds”, and together with the Series A Bonds and the Series B Bonds, the “Bonds”) of the District.

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

---

## SERIES A BOND ISSUE SUMMARY

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

<b>Issuer:</b>	The Metropolitan District, Hartford County, Connecticut (the “District”).
<b>Issue:</b>	\$76,500,000 General Obligation Bonds, Issue of 2019, Series A (the “Series A Bonds”).
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	January 15, 2020 and semiannually thereafter on July 15 and January 15 in each year until maturity or earlier redemption.
<b>Principal Due:</b>	Serially, July 15, 2020 through 2039, as detailed on the inside cover page of this Official Statement.
<b>Authorization and Purpose:</b>	The Series A Bond proceeds will be used to provide funding for various sewer, water and public improvement projects of the District. See “Part I – Information Concerning the Bonds - Bond Information - Authorization and Purpose” herein.
<b>Redemption:</b>	The Series A Bonds <u>are</u> subject to redemption prior to maturity as more fully described herein. See “Part I – Information Concerning the Bonds – Bond Information – Redemption” herein.
<b>Security:</b>	The Series A Bonds will be general obligations of the District payable, unless paid from other sources, from general property tax revenues from the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, Connecticut (collectively, the “Member Municipalities”). The District is authorized to levy unlimited taxes upon the Member Municipalities comprising the District, proportionately as provided in the District’s Charter (see “Part II – Information Concerning The Metropolitan District – The Issuer – Description of the District”), to pay the principal of and interest on the Series A Bonds when due. See “Part I – Information Concerning the Bonds - Bond Information - Security and Remedies” herein.
<b>Bond Insurance:</b>	The District does not expect to utilize credit enhancement, however reserves the right to do so at its discretion.
<b>Credit Ratings:</b>	The District received credit ratings of “Aa3”, with a stable outlook from Moody’s Investors Service, Inc. (“Moody’s”) and “AA”, with a stable outlook from S&P Global Ratings (“S&P”) on the Series A Bonds. See “Part I – Information Concerning the Bonds - Bond Information - Ratings” herein.
<b>Tax Exemption:</b>	See “Part I – Information Concerning the Bonds - Bond Information - Tax Matters” herein.
<b>Bank Qualification:</b>	The Series A Bonds <b>shall not</b> be designated by the District as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Series A Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Series A Bonds (ii) timely notices of the occurrence of certain events, within 10 business days of the occurrence of such events, with respect to the Series A Bonds (iii) timely notice of a failure by the District to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Series A Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, 225 Asylum Street, 23 <sup>rd</sup> Floor, Hartford, Connecticut.
<b>Legal Opinion:</b>	Hinckley, Allen & Snyder LLP Hartford, Connecticut, and Soeder & Associates, LLC, Hartford, Connecticut, will serve as Co-Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Series A Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 8, 2019.
<b>Issuer Official:</b>	Questions concerning the District and the Series A Bonds should be addressed to: Christopher P. Martin, Chief Financial Officer/Treasurer, Telephone: 860-513-3345, The Metropolitan District, Hartford County, 555 Main Street, First Floor, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Adam Krea, Director, Telephone: 401-334-4963; or Susan Caron, Vice President, Telephone: 860-290-3000.



## SERIES B BOND ISSUE SUMMARY

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

<b>Issuer:</b>	The Metropolitan District, Hartford County, Connecticut (the “District”).
<b>Issue:</b>	\$49,305,000 General Obligation Refunding Bonds, Issue of 2019, Series B (the “Series B Bonds”).
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	January 15, 2020 and semiannually thereafter on July 15 and January 15 in each year until maturity or earlier redemption.
<b>Principal Due:</b>	Serially, July 15, 2020 through 2035, as detailed on the inside cover page of this Official Statement.
<b>Authorization and Purpose:</b>	The Series B Bond proceeds will be used to refund at or prior to maturity any or all of the principal amounts outstanding for the District’s General Obligation Bonds, Issue of 2010, Series A, including applicable interest. See “Part I – Information Concerning the Bonds - Bond Information - Authorization and Purpose” and “Plan of Refunding” herein.
<b>Redemption:</b>	The Series B Bonds <u>are</u> subject to redemption prior to maturity as more fully described herein. See “Part I – Information Concerning the Bonds – Bond Information – Redemption” herein.
<b>Security:</b>	The Series B Bonds will be general obligations of the District payable, unless paid from other sources, from general tax revenues from the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, Connecticut (collectively, the “Member Municipalities”). The District is authorized to levy unlimited taxes upon the Member Municipalities comprising the District, proportionately as provided in the District’s Charter (see “Part II – Information Concerning The Metropolitan District – The Issuer – Description of the District”), to pay the principal of and interest on the Series B Bonds when due. See “Part I – Information Concerning the Bonds - Bond Information - Security and Remedies” herein.
<b>Bond Insurance:</b>	The District does not expect to utilize credit enhancement, however reserves the right to do so at its discretion.
<b>Credit Ratings:</b>	The District received credit ratings of “Aa3”, with a stable outlook from Moody’s Investors Service, Inc. (“Moody’s”) and “AA”, with a stable outlook from S&P Global Ratings (“S&P”) on the Series B Bonds. See “Part I – Information Concerning the Bonds - Bond Information - Ratings” herein.
<b>Tax Exemption:</b>	See “Part I – Information Concerning the Bonds - Bond Information - Tax Matters” herein.
<b>Bank Qualification:</b>	The Series B Bonds <b><u>shall not</u></b> be designated by the District as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Series B Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Series B Bonds (ii) timely notices of the occurrence of certain events, within 10 business days of the occurrence of such events, with respect to the Series B Bonds (iii) timely notice of a failure by the District to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Series B Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent:</b>	U.S. Bank National Association, 225 Asylum Street, 23 <sup>rd</sup> Floor, Hartford, Connecticut.
<b>Legal Opinion:</b>	Hinckley, Allen & Snyder LLP Hartford, Connecticut, and Soeder & Associates, LLC, Hartford, Connecticut, will serve as Co-Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Series B Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 8, 2019.
<b>Issuer Official:</b>	Questions concerning the District and the Series B Bonds should be addressed to: Christopher P. Martin, Chief Financial Officer/Treasurer, Telephone: 860-513-3345, The Metropolitan District, Hartford County, 555 Main Street, First Floor, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Adam Krea, Director, Telephone: 401-334-4963; or Susan Caron, Vice President, Telephone: 860-290-3000.

## SERIES C BOND ISSUE SUMMARY

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

<b>Issuer:</b>	The Metropolitan District, Hartford County, Connecticut (the “District”).
<b>Issue:</b>	\$32,070,000 General Obligation Refunding Bonds, Issue of 2019, Series C (the “Series C Bonds”).
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	January 15, 2020 and semiannually thereafter on July 15 and January 15 in each year until maturity or earlier redemption.
<b>Principal Due:</b>	Serially, July 15, 2020 through 2040, as detailed on the inside cover page of this Official Statement.
<b>Authorization and Purpose:</b>	The Series C Bond proceeds will be used to refund at or prior to maturity any or all of the principal amounts outstanding for the District’s General Obligation Bonds, Issue of 2010, Series B, including applicable interest. See “Part I – Information Concerning the Bonds - Bond Information - Authorization and Purpose” and “Plan of Refunding” herein.
<b>Redemption:</b>	The Series C Bonds <u>are</u> subject to redemption prior to maturity as more fully described herein. See “Part I – Information Concerning the Bonds – Bond Information – Redemption” herein.
<b>Security:</b>	The Series C Bonds will be general obligations of the District payable, unless paid from other sources, from general tax revenues from the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor, Connecticut (collectively, the “Member Municipalities”). The District is authorized to levy unlimited taxes upon the Member Municipalities comprising the District, proportionately as provided in the District’s Charter (see “Part II – Information Concerning The Metropolitan District – The Issuer – Description of the District”), to pay the principal of and interest on the Series C Bonds when due. See “Part I – Information Concerning the Bonds - Bond Information - Security and Remedies” herein.
<b>Bond Insurance:</b>	The District does not expect to utilize credit enhancement, however reserves the right to do so at its discretion.
<b>Credit Ratings:</b>	The District received credit ratings of “Aa3”, with a stable outlook from Moody’s Investors Service, Inc. (“Moody’s”) and “AA”, with a stable outlook from S&P Global Ratings (“S&P”) on the Series C Bonds. See “Part I – Information Concerning the Bonds - Bond Information - Ratings” herein.
<b>Tax Exemption:</b>	See “Part I – Information Concerning the Bonds - Bond Information - Tax Matters” herein.
<b>Bank Qualification:</b>	The Series C Bonds <u>shall not</u> be designated by the District as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Series C Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Series C Bonds (ii) timely notices of the occurrence of certain events, within 10 business days of the occurrence of such events, with respect to the Series C Bonds (iii) timely notice of a failure by the District to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Series C Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent:</b>	U.S. Bank National Association, 225 Asylum Street, 23 <sup>rd</sup> Floor, Hartford, Connecticut.
<b>Legal Opinion:</b>	Hinkley, Allen & Snyder LLP Hartford, Connecticut, and Soeder & Associates, LLC, Hartford, Connecticut, will serve as Co-Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Series C Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 8, 2019.
<b>Issuer Official:</b>	Questions concerning the District and the Series C Bonds should be addressed to: Christopher P. Martin, Chief Financial Officer/Treasurer, Telephone: 860-513-3345, The Metropolitan District, Hartford County, 555 Main Street, First Floor, Hartford, Connecticut 06103.
<b>Municipal Advisor:</b>	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Adam Krea, Director, Telephone: 401-334-4963; or Susan Caron, Vice President, Telephone: 860-290-3000.

## I. BOND INFORMATION

---

### INTRODUCTION

This Official Statement, including the cover page and Appendices, is provided for the purpose of presenting certain information relating to The Metropolitan District, Hartford County, Connecticut (the “District”) in connection with the issuance of \$76,500,000 General Obligation Bonds, Issue of 2019, Series A (the “Series A Bonds”), \$49,305,000 General Obligation Refunding Bonds, Issue of 2019, Series B (the “Series B Bonds”) and \$32,070,000 General Obligation Refunding Bonds, Issue of 2019, Series C (the “Series C Bonds” and together with the Series A Bonds and the Series B Bonds, the “Bonds”) of the District.

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

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

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

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

Co-Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion in Appendix B “Form of Opinion of Co-Bond Counsel to the District” herein), and they make no representation that they have independently verified the same.

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

**IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on July 15 in each of the years and in the principal amounts set forth on the inside cover page hereof. The Bonds will be issued in denominations of \$5,000 or any integral multiples thereof. Interest on the Bonds will be payable semiannually on January 15 and July

15 in each year until maturity, commencing on January 15, 2020, and will be payable to the registered owners of the Bonds as of the close of business on the first day of January and July in each year, or the preceding business day if the first is not a business day. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. A book-entry-only transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Certifying Agent, Paying Agent, Registrar, and Transfer Agent for the Bonds and Escrow Agent for the Series B Bonds and the Series C Bonds will be U.S. Bank National Association, 225 Asylum Street, 23<sup>rd</sup> Floor, Hartford, Connecticut (email: [bhcorporatetrust@usbank.com](mailto:bhcorporatetrust@usbank.com)). The legal opinion on the Bonds will be rendered by Hinckley, Allen & Snyder LLP and Soeder & Associates, LLC, in substantially the form set forth in Appendix B to this Official Statement.

The Bonds are subject to redemption prior to maturity as more fully described herein. See “Redemption” herein.

## **REDEMPTION**

The Bonds maturing on or before July 15, 2029 are **not** subject to redemption prior to maturity. The Bonds maturing on July 15, 2030 and thereafter are subject to redemption prior to maturity, at the option of the District, on and after July 15, 2029, at any time in whole or in part and by lot within a maturity in such amounts and in such order of maturity as the District may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus accrued interest and unpaid interest, to the redemption date:

<b><u>Period During Which Redeemed</u></b>	<b><u>Redemption Price</u></b>
July 15, 2029 and thereafter	100%

Notice of redemption shall be given by the District or its agent by mailing a copy of the redemption notice by first class mail not less than twenty (20) days and not more than sixty (60) days prior to the redemption date to the registered owner of such Bonds at the address of such registered owner as the name shall appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of the Depository Trust Company (“DTC”), is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a successor securities depository) or its successor nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the District in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or integral multiples thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The District or its agent, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the District will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the determination of the District authorizing the issuance of the Bonds and will not be conducted by the District, or be the responsibility of, the District, the Registrar or Paying Agent, for the Bonds.

## **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Only System has been provided by DTC for use

in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com); nothing contained in such website is incorporated into this official statement.

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

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

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

may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds in an issue are being redeemed, DTC's practice is to determine by lot, the amount of interest for each Direct Participant in such issue to be redeemed.

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

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

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

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

Neither the District nor the Underwriters will have any responsibility or obligation to DTC Participants, Indirect Participants or Beneficial Owners with respect to the payments or providing notice to DTC Participants, Indirect Participants or Beneficial Owners.

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

Neither the District nor the Underwriters can make assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

## **SECURITY AND REMEDIES**

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

Unless paid from other sources, the Bonds are payable from general tax revenues of the District from Member Municipalities. The District is authorized to levy unlimited taxes upon the Member Municipalities, comprising the District, proportionately as provided in the District's Charter, to pay the principal of and interest on the Bonds, and each Member Municipality is authorized to levy *ad valorem* taxes on all taxable property within its respective limits to pay such District taxes without limitation as to rate or amount, except as to certain classified property, such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. Under existing statutes, the State of Connecticut (the "State") is obligated to pay the Member Municipalities the amount of tax revenue which the Member Municipalities would have received except for the limitation on their power to tax such dwelling houses, subject to State appropriations of such amounts. See "Part II – Information Concerning The Metropolitan District – Tax Base Data – Tax Collection Procedure" herein.

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

There are no statutory provisions for priorities in the payment of general obligations of the District. There are no statutory provisions for a lien on any portion of the tax levy to secure the Bonds, or judgments thereon, in priority to other claims. The District is authorized to issue revenue bonds for sewer or other projects, which may be secured by a pledge of certain revenues. The District has previously issued \$225,000,000 of Clean Water Project Revenue Bonds which are secured by a pledge of and payable solely from the District's Clean Water Project Charge (also known as the Special Sewer Service Surcharge), \$200,755,000 of which are currently outstanding.

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

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

## **TAXES – LEVY, APPORTIONMENT, COLLECTION**

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

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

The table below illustrates each Member Municipality's budgeted 2019 and actual 2018 tax warrants from the District.

<b>Member Municipality</b>	<b>Budget</b>		<b>Actual</b>	
	<b>2019</b>	<b>%</b>	<b>2018</b>	<b>%</b>
Bloomfield	\$ 3,488,600	7.24	\$ 3,256,200	7.24
East Hartford	5,775,200	11.99	5,486,600	12.19
Hartford	12,372,000	25.69	11,550,400	25.67
Newington	4,318,900	8.97	4,120,900	9.16
Rocky Hill	2,909,600	6.04	2,712,500	6.03
West Hartford	11,034,500	22.93	10,168,100	22.58
Wethersfield	3,979,400	8.26	3,707,800	8.24
Windsor	4,274,900	8.88	4,001,500	8.89
<b>Total</b>	<b>\$48,153,100</b>	<b>100.0%</b>	<b>\$45,004,000</b>	<b>100.0%</b>

Source: District Officials

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

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

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

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

- The District could finance its current operations with short term notes, in the expectation that the Member Municipality would cure its default or in anticipation of the receipt of defaulted amounts from the State.
- The District could establish a payment plan with a defaulting Member Municipality that could restructure the obligations, financing its current operations in the meantime with short term notes.
- The District need not address the possibility of a default by a Member Municipality in its annual budget in advance of the fact, and instead adopt a mid-year tax reflecting an actual default.
- The District could establish a payment plan for a Member Municipality in meeting a mid-year tax, such that it could be incorporated in the Member Municipality’s next annual budget, and finance its current operations in the meantime with short term notes.
- The District retains its right to collect on its tax warrants, including if necessary executing on the goods and estate of inhabitants of a defaulting Member Municipality.
- The District could rely on the receipt of a defaulting Member Municipality’s state grants payable under Section 12-18b of the General Statutes. For example, for the City of Hartford, this grant has averaged \$40 million per year over the last five fiscal years. Hartford’s District tax warrant has totaled less than \$13 million per year over the same period.

## CONSIDERATIONS FOR BONDHOLDERS

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

***The City of Hartford’s financial condition may impact the District.*** The City of Hartford is the most populous Member Municipality and has recently been responsible for approximately one quarter of the District’s annual tax revenues. The City has paid, on time and in full, all of its tax obligations to the District to date. As noted above, the District has a number of tools available to it to manage a default by the City in meeting its future tax obligations, but it could be adversely affected by such a default. In December 2017, the City began operating under the supervision of the State’s Municipal Accountability Review Board, and on May 3, 2018 adopted a five year recovery plan which includes full payment of estimated future *ad valorem* taxes to the District. The State has also agreed to pay to the City contract assistance payments each year equal to the general obligation debt service (which does not include the City’s payment obligation to the District) of the City, other than with respect to certain stadium bonds. For further information, see page 65, “Part II – Information Concerning The Metropolitan District – Financial Information – The City of Hartford”.



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

***If the District fails to comply with the terms of certain Federal and State environmental orders, it could be subject to penalties or restrictions on its operations that would impair its financial performance.*** If the District were unable to comply with the terms of the Federal and State orders referred to under “Clean Water Project” on page 26, regulators could take action to force the District to comply. This could include monetary penalties, injunctive proceedings, and amendments to these orders. These amendments could impose a requirement to proceed more swiftly in the District’s efforts, and this may increase the cost of compliance. In addition, regulators could impose additional and more burdensome conditions in the District’s permits, require redesign of certain aspects of the Clean Water Project or seek to prevent new connections until compliance was achieved. These steps could increase the costs of compliance and therefore increase the District’s rates, adversely affect economic development, and otherwise materially adversely affect the District and its customers.

***A significant portion of the District’s Clean Water Project is expected to be funded through Federal and State loans and grants.*** The District currently expects grants and low interest loans from the State Clean Water Fund will fund 45-50% of the costs of the Clean Water Project. If the Clean Water Fund has insufficient resources to fund the Clean Water Project at this level, the District may revise or delay the Clean Water Project, or be required to issue more debt than it expects or seek other financing, which will put the District’s finances under greater pressure. The Clean Water Fund receives significant funding from the State and Federal government, and a failure of the State or Federal government to continue necessary support could lead to these consequences. The current federal administration could implement a change in approach from the prior administration.

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

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

***The District’s ability to collect taxes from a Member Municipality would be impaired if the Member Municipality filed for bankruptcy under the Federal Bankruptcy Code.*** If a Member Municipality seeks protection from its creditors under the Federal Bankruptcy Code, the ability of the District to collect tax payments from the Member Municipality would be impaired. Under current State law, a municipality is prohibited from filing for bankruptcy without the express prior written consent of the Governor. If such consent were granted, a bankruptcy filing likely would act as a stay of the ability of the District to enforce its right to payment, including its right to execute on the goods and estate of the inhabitants of the Member Municipality. Under such circumstances, the District might not be able to collect from the Member Municipality the full amount of taxes owed to it by the Member Municipality when due. In such event, and while a proceeding was pending, the District would have the tools discussed above under “Part I – Information Concerning the Bonds – Bond Information – Taxes – Levy, Apportionment, Collection” including, for example, levying additional taxes on the other Member Municipalities to generate additional revenue.

In the event that a Member Municipality is permitted to seek relief under the Federal Bankruptcy Code, it is difficult to predict whether the claim would prevail and what remedies, if any, a bankruptcy judge would permit the District to exercise. The bankruptcy case law is not fully developed in areas where a court has to consider and apply state law and to determine appropriate remedies in connection with the delivery of essential services. The same is true if the District were permitted to seek relief under the Federal Bankruptcy Act.

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

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

## **QUALIFICATION FOR FINANCIAL INSTITUTIONS**

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

## **AVAILABILITY OF CONTINUING DISCLOSURE**

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

In accordance with the requirements of Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events within 10 days of the occurrence of such events, with respect to the Bonds and (iii) timely notice of a failure by the District to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement, with respect to the Bonds, pursuant to a Continuing Disclosure Agreement to be executed by the District and substantially in the form attached as Appendix C to this Official Statement.

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

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

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

## AUTHORIZATION AND PURPOSE

The District has the power to incur indebtedness as provided by the Connecticut General Statutes and the District Charter. As of the date of this Official Statement, the District has authorized debt for various water, sewer and combined funding capital projects in the aggregate amount of \$2,594,267,290, of which \$1,638,249,343 has previously been funded, leaving a total of \$956,017,947 of authorized and unissued debt. See “Part II - Information Concerning The Metropolitan District - Debt Summary - Authorized But Unissued Debt - The District” herein.

The Bonds are issued pursuant to a resolution of the Board of Commissioners of the District adopted on June 10, 2019.

The Series A Bonds are being issued to provide funding for various capital improvement projects of the District as set forth herein. See “Sources and Uses of Bond Proceeds” herein.

The Series B Bonds are being issued to current refund at or prior to maturity any or all of the principal amounts outstanding for the District’s General Obligation Bonds, Issue of 2010, Series A (the “2010 Series A Refunded Bonds”) and the Series C Bonds are being issued to current refund at or prior to maturity any or all of the principal amounts outstanding for the District’s General Obligation Bonds, Issue of 2010, Series B (the “2010 Series B Refunded Bonds”) and together with the 2010 Series A Refunded Bonds, the “Refunded Bonds”), including applicable interest and redemption premium if any as set forth herein. See “Plan of Refunding” herein.

## PLAN OF REFUNDING

The Series B Bonds are being issued to current refund all or any portion of the aggregate principal amount outstanding of the 2010 Series A Refunded Bonds and the Series C Bonds are being issued to current refund all or any portion of the aggregate principal amount outstanding of the 2010 Series B Refunded Bonds as set forth below:

<b>Issue</b>	<b>Dated Date</b>	<b>Principal Amount Refunded</b>	<b>Maturities Refunded</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
General Obligation Bonds, 2010, Series A....	7/15/2010	\$57,600,000	7/15/2020-2035	8/26/2019	100.00%
General Obligation Bonds, 2010, Series B....	7/15/2010	\$37,385,000	7/15/2020-2040	8/26/2019	100.00%

The refunding is contingent upon delivery of the Series B Bonds and the Series C Bonds.

Upon delivery of the Series B Bonds and the Series C Bonds, a portion of proceeds of the Series B Bonds and the Series C Bonds, in an amount sufficient to pay the principal, interest and redemption premium, if any, due on the Refunded Bonds upon redemption, will be placed in an irrevocable escrow trust fund (the “Escrow Deposit Fund”) established with U.S. Bank National Association, as escrow agent (the “Escrow Agent”) under an Escrow Agreement (the “Escrow Agreement”) dated as of the date of delivery of the Series B Bonds and the Series C Bonds, between the Escrow Agent and the District. The Escrow Agent will deposit such proceeds in the Connecticut Treasurer’s Short-Term Investment Fund, or, alternatively, will use such proceeds to purchase a portfolio of non-callable direct obligations of obligations guaranteed by the government of the United States of America, including United States Treasury State and Local Government Series (“SLGS”) securities, Federal National Mortgage Association (“FNMA”) securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer of the securities (the “Escrow Securities”), the principal of and interest on which, when due, will provide amounts sufficient to pay the principal, interest and redemption premium on the Refunded Bonds to the redemption dates or maturity (the “Escrow Requirements”). All investment income and maturing principal of the Escrow Securities held in the Escrow Deposit Fund and needed to pay the principal, interest and redemption premium on the Refunded Bonds will be irrevocably deposited by the District for payment of the Refunded Bonds. The balance of the proceeds of the Series B Bonds and the Series C Bonds will be used to pay costs of issuance and Underwriter’s discount.

## SOURCES AND USES OF BOND PROCEEDS

### *Sources of Funds*

Bond Proceeds:	<u>Series A Bonds</u>	<u>Series B Bonds</u>	<u>Series C Bonds</u>
Par Amount of the Bonds.....	\$76,500,000.00	\$49,305,000.00	\$32,070,000.00
Original Issue Premium.....	<u>14,045,361.75</u>	<u>8,919,022.65</u>	<u>5,740,229.70</u>
<b>Total Sources .....</b>	<b>\$90,545,361.75</b>	<b>\$58,224,022.65</b>	<b>\$37,810,229.70</b>

### *Uses of Funds*

Fund Deposits:			
Project Fund Deposits.....	\$90,000,000.00		
Escrow Fund Deposits.....	<u></u>	<u>\$57,870,772.26</u>	<u>\$37,569,030.21</u>
	\$90,000,000.00	\$57,870,772.26	\$37,569,030.21
Delivery Date Expenses:			
Cost of Issuance <sup>1</sup> .....	\$249,298.70	\$170,407.86	\$110,949.09
Underwriters' Discount.....	<u>296,063.05</u>	<u>182,842.53</u>	<u>130,250.40</u>
	545,361.75	353,250.39	241,199.49
<b>Total Uses .....</b>	<b>\$90,545,361.75</b>	<b>\$58,224,022.65</b>	<b>\$37,810,229.70</b>

<sup>1</sup> Includes legal fees, printing costs, rating agency fees and other miscellaneous costs of issuance.

## USE OF SERIES A BOND PROCEEDS

Project	Amount Authorized	Previously Bonded/Grants/ Contributions	Bonds This Issue *	Authorized But Unissued
<b><u>Water Projects</u></b>				
2009 Water Treatment Facility Improvements.....	\$2,785,000	\$2,331,000	\$128,000	\$326,000
2010 Dam Safety - Nepaug, Phelps Brook, East Dike.....	4,944,000	313,000	35,000	4,596,000
2010 General Purpose Water.....	3,251,000	2,456,320	360,000	434,680
2010 Water Main Replacement - Hartford.....	1,000,000	327,000	112,000	561,000
2010 Water Treatment Facility Upgrade Program.....	4,953,350	4,810,563	61,000	81,787
2011 Water Pump Station Improvements.....	1,200,000	767,396	51,000	381,604
2011 Water Storage Upgrades - Phase I.....	2,500,000	24,000	92,000	2,384,000
2011 Water Supply Facility & Watershed Improvements.....	1,600,000	1,491,000	24,000	85,000
2011 Water Treatment Facility Upgrades.....	1,000,000	878,000	68,000	54,000
2012 Dam Safety Improvements - Goodwin & Saville.....	2,040,000	1,970,000	7,000	63,000
2012 Dike Penetration & Correction Installations.....	764,000	0	95,000	669,000
2012 General Purpose Water.....	4,000,000	3,319,995	246,000	434,005
2012 Radio Frequency Automated Meter Reading.....	5,000,000	3,008,000	487,000	1,505,000
2012 Water Main Replacement - Montclair Drive, West Hartford.....	457,000	338,000	5,000	114,000
2012 Water Treatment Facilities Upgrade.....	2,500,000	2,167,000	23,000	310,000
2013 General Purpose Water.....	3,860,000	2,869,000	198,000	793,000
2013 Paving Program.....	4,200,000	3,383,000	459,000	358,000
2013 Radio Frequency Automated Meter Reading.....	5,000,000	2,979,943	297,000	1,723,057
2013 Water Main Replacement - Oakwood Ave, West Hartford.....	300,000	143,000	157,000	0
2014 General Purpose Water.....	3,500,000	2,566,000	376,000	558,000
2014 Kilkenny Water.....	5,000,000	3,712,000	244,000	1,044,000
2014 Phelps Brook Dam & East Dike Rehabilitation Project.....	3,000,000	1,723,000	19,000	1,258,000
2014 Radio Frequency Automated Meter Reading.....	5,000,000	917,000	14,000	4,069,000
2014 Transmission Main Extension - Newington.....	3,500,000	500,000	832,000	2,168,000
2014 Various Transmission Main Design & Construction.....	2,100,000	637,000	132,000	1,331,000
2014 Vexation Tanks 1-4 Improvements, Rocky Hill.....	3,300,000	0	147,000	3,153,000
2014 Water Main Replacement - Oakwood Avenue, West Hartford.....	1,550,000	0	129,000	1,421,000
2014 Water Treatment Facilities Upgrades.....	2,300,000	1,421,000	75,000	804,000
2015 General Purpose Water Program.....	4,000,000	1,920,199	427,000	1,652,801
2015 Puddletown Booster Water Pump Station, New Hartford.....	3,300,000	485,000	19,000	2,796,000
2015 Radio Frequency Automated Meter Reading Program.....	3,000,000	1,966,000	6,000	1,028,000
2015 Renewable Energy Projects - Water Facilities.....	250,000	58,000	15,000	177,000
2015 Various Transmission Main Design & Construction.....	2,000,000	0	1,300,000	700,000
2015 Water Supply Improvements.....	3,000,000	872,000	450,000	1,678,000
2015 Water Treatment Facilities Upgrades.....	1,000,000	237,000	445,000	318,000
2015 WMR Bond Street Area, Hartford.....	4,400,000	594,236	75,000	3,730,764
2015 WMR Buckingham Street Area, Hartford.....	600,000	204,000	238,000	158,000
2015 WMR Garden Street Area, Wethersfield.....	2,000,000	1,665,628	69,000	265,372
2016 Bloomfield Transmission Main Extension.....	8,000,000	0	3,890,000	4,110,000
2016 General Purpose Water Program.....	3,000,000	79,000	212,000	2,709,000
2016 WMR Simmons Road Area, East Hartford.....	3,800,000	1,903,000	38,000	1,859,000
2017 General Purpose Water Program.....	2,000,000	115,000	789,000	1,096,000
2017 Hydrant Replacement Program.....	1,600,000	137,000	36,000	1,427,000
2017 Paving Program and Restoration.....	3,500,000	2,146,000	7,000	1,347,000
2018 Buckingham St. Area WMR, Hartford.....	7,000,000	0	45,000	6,955,000
2018 General Purpose Water Program.....	2,000,000	0	133,000	1,867,000
2018 Paving Program.....	4,000,000	0	1,732,000	2,268,000
2018 Radio Frequency Automated Meter Reading Program.....	1,000,000	236,000	108,000	656,000
2018 Water Main Replacement Program.....	5,000,000	2,226,000	1,840,000	934,000
2018 Water Treatment Facilities Infrastructure Rehab, Upgrade & Replace..	2,200,000	0	1,307,000	893,000
2019 Bloomfield Transmission Main Extension - Phase II.....	6,000,000	0	1,500,000	4,500,000
2019 Oakwood Avenue Area Water Main Replacement - Phases I & II.....	3,000,000	0	1,975,000	1,025,000
2019 Paving Program & Restoration.....	5,000,000	0	2,629,000	2,371,000
2019 Water Main Replacement Program.....	11,300,000	0	7,616,000	3,684,000
2019 Water Treatment Facilities Treatment Rehab, Upgrades & Replace.....	1,900,000	0	500,000	1,400,000
<b>Total Water Projects .....</b>	<b>\$174,454,350</b>	<b>\$59,896,280</b>	<b>\$32,274,000</b>	<b>\$82,284,070</b>

\* Reflects application of premium to project purposes.

<b>Project</b>	<b>Amount Authorized</b>	<b>Previously Bonded/Grants/ Contributions</b>	<b>Bonds This Issue *</b>	<b>Authorized But Unissued</b>
<b><u>Sewer Projects</u></b>				
2010 General Purpose Sewer.....	\$2,702,000	\$2,324,000	\$17,000	\$361,000
2011 Sewer Pump Station Improvement Program.....	300,000	228,000	5,000	67,000
2011 Sewer Pump Station Rehabilitation.....	2,000,000	1,026,000	161,000	813,000
2011 WPC Electronic Development.....	1,750,000	944,000	19,000	787,000
2011 WPC Renewal & Replacements.....	2,250,000	1,487,000	46,000	717,000
2012 General Purpose Sewer.....	5,000,000	4,139,000	87,000	774,000
2012 Sewer Pump Station Upgrades - Fishfry Street, Hartford.....	122,000	57,000	65,000	0
2012 Sanitary Sewer Replacements District - Wide.....	3,939,000	2,970,000	50,000	919,000
2012 Sewer Replacement - Montclair Drive, West Hartford.....	2,642,000	858,000	827,000	957,000
2012 Sewer Replacement - Woodland Ave & Peters Road.....	1,310,000	309,000	40,000	961,000
2013 Pump Station Upgrades - Brookside Street, Newington.....	2,340,000	42,000	6,000	2,292,000
2013 Pump Station Upgrades - Meadow Street, Newington.....	620,000	488,000	24,000	108,000
2013 Pump Station Upgrades - Mohawk Drive, East Hartford.....	2,640,000	416,000	15,000	2,209,000
2013 Sewer Replacement - Oakwood Ave, West Hartford.....	460,000	228,000	232,000	0
2014 Backwater Vavle Program.....	750,000	75,000	363,000	312,000
2014 General Purpose Sewer.....	5,000,000	2,461,000	13,000	2,526,000
2014 Levee Protection System Improvements, East Hartford & Hartford....	3,100,000	92,000	687,000	2,321,000
2014 Pump Station Replacement - Stonehedge - Ochiaolini, Newington.....	575,000	0	34,000	541,000
2014 Sewer Rehabilitation Program.....	5,000,000	3,211,000	280,000	1,509,000
2014 Sewer Replacement - Madison Avenue, Hartford.....	1,000,000	133,000	100,000	767,000
2014 Sewer Replacement - Oakwood Ave, West Hartford.....	4,100,000	0	220,000	3,880,000
2014 Sewer Replacement - Packard Street & Daniel Boulevard, Bloomfield.	3,000,000	1,000,000	1,275,000	725,000
2014 Various Sewer Pipe Replacement/Rehab - District Wide.....	5,000,000	1,415,000	1,409,000	2,176,000
2014 Wastewater Pump Station Improvements.....	350,000	326,000	19,000	5,000
2015 Bond Street Area Sewer Rehabilitation, Hartford.....	1,400,000	0	106,000	1,294,000
2015 CCTV Generated Sewer Contracts.....	1,200,000	228,000	20,000	952,000
2015 East Hartford WPCF Compressor, DO Control & SCADA.....	5,000,000	436,000	183,000	4,381,000
2015 General Purpose Sewer.....	2,000,000	1,644,000	356,000	0
2015 Paving Program.....	2,500,000	1,820,000	314,000	366,000
2015 Sanitary Sewer Easements Acquisitions & Improvements.....	3,600,000	2,488,000	28,000	1,084,000
2015 Sewer Rehabilitation Program.....	5,000,000	2,501,000	35,000	2,464,000
2015 Various Sewer Pipe Replacement/Rehab - District Wide.....	5,000,000	3,427,000	1,319,000	254,000
2016 General Purpose Sewer.....	500,000	0	497,000	3,000
2016 Hartford WPCF - Air Permit Compliance Upgrades.....	4,500,000	123,000	119,000	4,258,000
2016 Various Sewer Pipe Replacement/Rehab - District Wide.....	1,000,000	591,000	105,000	304,000
2017 General Purpose Sewer.....	3,000,000	0	30,000	2,970,000
2017 Paving Program and Restoration.....	1,500,000	744,000	6,000	750,000
2017 Various Sewer Segment Replacement/Rehabilitation Program.....	2,000,000	770,000	1,054,000	176,000
2017 Wastewater Pump Station Upgrades.....	400,000	36,000	7,000	357,000
2017 WPC Equipment & Facilities Improvements.....	2,700,000	1,140,000	1,113,000	447,000
2017 WPC Plant Infrastructure Renewal & Replacement.....	2,000,000	230,000	431,000	1,339,000
2017 WPC SCADA Upgrades.....	2,000,000	34,000	400,000	1,566,000
2018 CCTV Generated Sewer Construction.....	7,000,000	0	2,542,000	4,458,000
2018 Paving Program & Restoration.....	3,000,000	0	1,276,000	1,724,000
2018 Sewer Rehabilitation Program.....	4,600,000	791,000	1,131,000	2,678,000
2018 Various Sewer Pipe Replacement/Rehabilitation - District Wide.....	4,000,000	0	2,656,000	1,344,000
2018 WPC Infrastructure Rehabilitation, Upgrades & Replacements.....	5,200,000	0	686,000	4,514,000
2019 Oakwood Avenue Area Sewer Replacement - Phase I.....	7,000,000	0	3,500,000	3,500,000
2019 Paving Program & Restoration.....	3,000,000	0	1,430,000	1,570,000
2019 Sewer Rehabilitation Program.....	3,300,000	0	3,100,000	200,000
2019 Various Sewer Pipe Replacement/Rehabilitation Program.....	5,000,000	0	3,970,000	1,030,000
2019 Water Pollution Control Facilities Infrastructure.....	4,200,000	0	700,000	3,500,000
<b>Total Sewer Projects.....</b>	<b>\$147,550,000</b>	<b>\$41,232,000</b>	<b>\$33,108,000</b>	<b>\$73,210,000</b>

\* Reflects application of premium to project purposes.

Project	Amount Authorized	Previously Bonded/Grants/ Contributions	Bonds This Issue *	Authorized But Unissued
<b><u>Combined Funding Projects</u></b>				
2011 Facility & Equipment Improvements.....	\$1,400,000	\$1,164,000	\$17,000	\$219,000
2011 Security & SCADA Communication.....	1,000,000	431,000	21,000	548,000
2012 Facility Improvement Program.....	2,500,000	2,132,000	26,000	342,000
2013 Communications System Upgrades.....	1,000,000	384,000	163,000	453,000
2013 Facilities Improvement Program.....	2,000,000	1,766,000	162,000	72,000
2013 Information Technology - Applications.....	5,000,000	3,634,000	512,000	854,000
2013 Land Improvements.....	1,000,000	403,000	24,000	573,000
2014 Facility Roof Replacements.....	600,000	35,000	13,000	552,000
2015 Information Systems - Business Transformation SAP Upgrade.....	5,000,000	4,166,000	834,000	0
2015 Information Systems - Finance Modules.....	5,000,000	4,419,000	581,000	0
2015 Information Systems - Operational Modules.....	5,000,000	3,229,000	1,771,000	0
2016 Administrative Facilities Improvement Program.....	1,000,000	63,000	451,000	486,000
2016 Information Systems IT Upgrades.....	5,000,000	1,375,000	2,258,000	1,367,000
2016 Underground Storage Tanks - Removal & Replacement.....	800,000	0	639,000	161,000
2017 Administration Facilities and Equipment Improvements.....	1,000,000	22,000	100,000	878,000
2017 Business Transformation.....	5,000,000	3,210,000	1,540,000	250,000
2017 Fleet Equipment Replacement.....	800,000	623,000	168,000	9,000
2018 Business Transformation Project Management & Data Cleansing.....	7,500,000	0	5,000,000	2,500,000
2018 Construction Services.....	3,500,000	1,800,000	105,000	1,595,000
2018 Engineering Services.....	2,500,000	1,900,000	197,000	403,000
2018 Fleet and Equipment Replacement.....	800,000	187,000	557,000	56,000
2018 Survey & Construction.....	5,000,000	3,220,000	145,000	1,635,000
2018 Technical Services.....	3,400,000	2,800,000	374,000	226,000
2019 Construction Services.....	3,500,000	0	1,620,000	1,880,000
2019 Engineering Services.....	2,500,000	0	1,782,000	718,000
2019 Survey & Construction.....	5,000,000	0	2,860,000	2,140,000
2019 Technical Services.....	3,400,000	0	2,698,000	702,000
<b>Total Combined Funding Projects.....</b>	<b>\$80,200,000</b>	<b>\$36,963,000</b>	<b>\$24,618,000</b>	<b>\$18,619,000</b>
<b>Total .....</b>	<b>\$402,204,350</b>	<b>\$138,091,280</b>	<b>\$90,000,000</b>	<b>\$174,113,070</b>

\* Reflects application of premium to project purposes.

## RATINGS

The District received credit ratings of “Aa3”, with a stable outlook from Moody’s Investors Service, Inc. (“Moody’s”) and “AA”, with a stable outlook from S&P Global Ratings (“S&P”) on the Bonds.

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

## TAX MATTERS

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

In the opinion of Co-Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the District with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax.

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

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

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

### ***Original Issue Discount***

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Connecticut taxable income. For this purpose, the issue price of a particular maturity of the Bonds generally is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

### ***Original Issue Premium***

To the extent that the initial public offering price of any maturity of the Bonds is greater than the stated principal amount to be paid at maturity, the difference constitutes original issue premium. Such excess is treated as amortizable bond premium, which is not deductible from gross income, for federal income tax purposes. An owner who purchases a Bond with original issue premium must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in such Bond for federal income tax purposes. Prospective purchasers of Bonds should consult their tax advisors regarding the amortization of premium and its effect upon basis.

### ***General***

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

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds, or the marketability of the Bonds, or otherwise prevent the owners of the Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, federal legislative proposals have been made in recent years that would, among other things, limit the exclusion from gross income of interest on obligations such as



the Bonds for higher-income taxpayers. If enacted into law, such proposals could affect the tax exemption of interest on the Bonds or the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax and financial advisors regarding such matters.

## II. LEGAL AND OTHER INFORMATION

---

### LITIGATION

The District is the defendant in a number of lawsuits. It is the opinion of the District Counsel that none of the lawsuits will have a material adverse effect on the financial position of the District.

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

While the Glastonbury action was pending, the State Legislature amended the District's charter through Special Act 14-21 which authorized the District to impose the surcharge on nonmember towns, but capped the amount of the surcharge to the amount of the District's customer service charge. The amendment was effective January 1, 2015. Since January 1, 2015 the District has applied a surcharge consistent with Special Act No.14-21 and collected \$1.4 million in 2017, compared to \$2.0 million in fiscal year 2014.

On May 12, 2016, the Superior Court concluded that Special Act No.14-21 was not retroactive and the nonmember town charges imposed prior to the effective date of the amendment were unlawful. The District appealed that decision. On March 2, 2018, the Connecticut Supreme Court affirmed the trial court ruling.

On March 6, 2018, following the Supreme Court decision, an action was filed on behalf of a proposed class of District water customers in the nonmember towns of Glastonbury, East Granby, Farmington and South Windsor billed between January 1, 2006 and October 1, 2014. The named plaintiffs allegedly resided in the town of Glastonbury during the relevant period and allege that the District wrongly imposed the unlawful surcharge and seek to recover damages. The court granted a motion made by the District which limited the pool of potential class members to those who were billed between March 6, 2012 and October 1, 2014.

The lawsuit asserted claims for breach of contract, breach of good faith and fair dealing and, in the alternative, unjust enrichment. Upon motion by the District, the claims of breach of good faith and fair dealing and unjust enrichment were dismissed. The plaintiffs' motion for class certification is pending, with trial expected in the following year. On behalf of the proposed class, the plaintiffs are seeking compensatory damages, interest and other just and proper relief. The District believes it has valid defenses to the lawsuit.

### UNDERWRITING

Raymond James & Associates, Inc., is serving as representative for itself, Morgan Stanley & Co LLC, Goldman Sachs & Co. LLC, Janney Montgomery Scott LLC, and Seibert Cisneros Shank & Co., L.L.C (collectively, the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to purchase the Series A Bonds from the District at a net aggregate purchase price of \$90,249,298.70 (consisting of the principal amount of \$76,500,000.00 plus net original issue premium of \$14,045,361.75 less Underwriters' discount of \$296,063.05). The Underwriters will be obligated to purchase all such Series A Bonds if any such Series A Bonds are purchased. The Underwriters have agreed, subject to certain conditions, to purchase the Series B Bonds from the District at a net aggregate purchase price of \$58,041,180.12 (consisting of the principal amount of \$49,305,000.00 plus net original issue premium of \$8,919,022.65 less Underwriters' discount of \$182,842.53). The Underwriters will be obligated to purchase all such Series B Bonds if any such Series B Bonds are purchased. The Underwriters have agreed, subject to certain conditions, to purchase the Series C Bonds from the District at a net aggregate purchase price of \$37,679,979.30 (consisting of the principal amount of \$32,070,000.00 plus net original issue premium of \$5,740,229.70 less Underwriters' discount of \$130,250.40). The Underwriters will be obligated to purchase all such Series C Bonds if any such Series C Bonds are purchased. The Underwriters may offer and sell the Bonds to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the into investment trusts) at prices lower than the public offering price stated on the inside cover page of this Official Statement, and such public offering price may be changed, from time to time, by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their affiliates have, from time to time,

performed, and may in the future perform, various investment banking services for the District for which they received or will receive customary fees and expenses.

In the ordinary course of their various respective business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

## **LEGAL MATTERS**

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Hinckley, Allen & Snyder LLP and Soeder & Associates, LLC, Co-Bond Counsel to the District. A complete copy of the proposed form of Co-Bond Counsel's opinion is set forth as Appendix B hereto.

Certain legal matters will be passed upon for the Underwriters by their counsel, Shipman & Goodwin LLP, which undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

## **MUNICIPAL ADVISOR**

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

## **CONCLUDING STATEMENT**

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

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

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

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

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

By: /s/ Christopher P. Martin

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

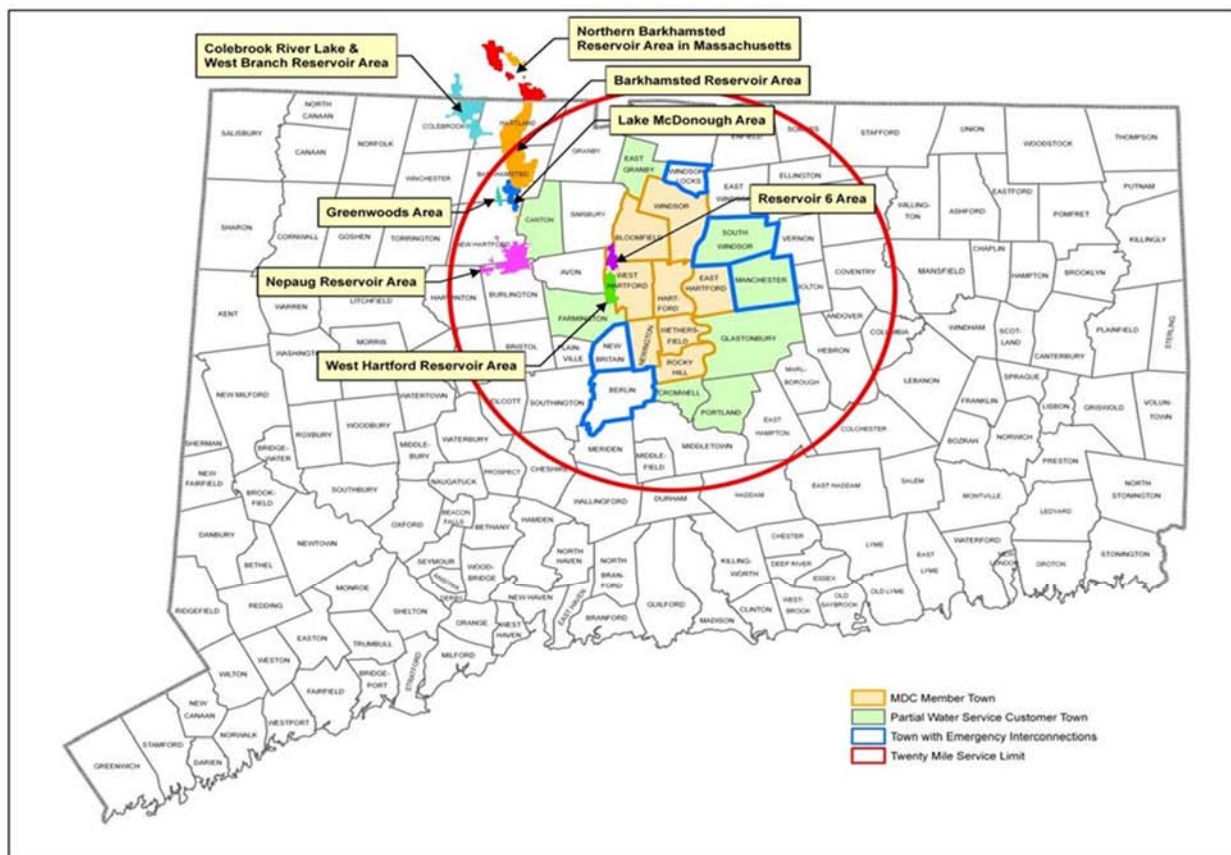
July 25, 2019

**PART II**  
**INFORMATION CONCERNING**  
**THE METROPOLITAN DISTRICT, HARTFORD COUNTY, CONNECTICUT**  
**July 25, 2019**

This Part II contains information through July 25, 2019, concerning the District and includes the December 31, 2018 audited financial statements of the District prepared in accordance with generally accepted accounting principles ("GAAP") as Appendix A. This Part II and any appendices attached thereto, should be read collectively and in their entirety.

---

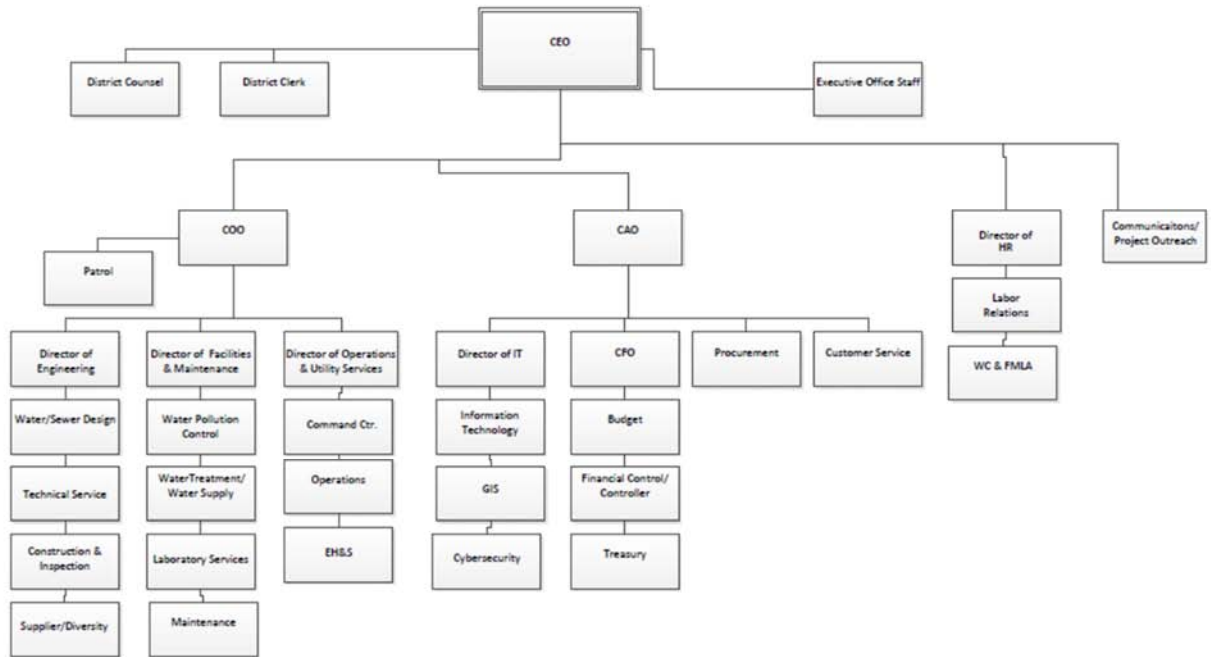
## I. THE ISSUER



### DESCRIPTION OF THE DISTRICT

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

## ORGANIZATIONAL CHART



## THE DISTRICT BOARD

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

## DISTRIBUTION OF COMMISSION MEMBERSHIP

		Appointed By:			
		Member	Non-Member	Governor	Connecticut
	Commissioners	Municipality	Municipality		State Legislature
Bloomfield.....	1	1	0	0	0
East Hartford.....	4	3	0	1	0
Hartford.....	9	6	0	3	0
Newington.....	2	1	0	1	0
Rocky Hill.....	1	1	0	0	0
West Hartford.....	4	3	0	1	0
Wethersfield.....	2	1	0	1	0
Windsor.....	2	1	0	1	0
District at Large.....	4	0	0	0	4
Farmington.....	1	*	0	0	0
Glastonbury.....	1	*	0	0	0
South Windsor.....	1	*	0	0	0
East Granby.....	1	*	0	0	0
<b>Total.....</b>	<b>33</b>	<b>17</b>	<b>4</b>	<b>8</b>	<b>4</b>

\*Non-voting.

## POWERS AND RESPONSIBILITIES OF THE DISTRICT BOARD

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

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

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

## CONSUMER ADVOCATE

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

## ADMINISTRATION

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



## DISTRICT CHAIRS AND DISTRICT OFFICIALS

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

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

Source: District Officials.

## DISTRICT EMPLOYEES

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

<b>Fiscal Year</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Total Employees.....	479	469	484	509	526

## DISTRICT EMPLOYEES BARGAINING UNITS

<b>Bargaining Groups</b>	<b>Positions Covered</b>	<b>Contract Expiration Date</b>
Clerks, Technicians and Non-Supervisory Engineers - Local 3713...	108	December 31, 2022
Supervisors - Local 1026.....	55	December 31, 2022
Operational - Local 184.....	214	December 31, 2022
<b>Total Union Employees.....</b>	<b>377</b>	

Source: District Officials.

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

## **DISTRICT FUNCTIONS**

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

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

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

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

Additionally, the General Assembly of the State passed special legislation enabling the District to maintain a series of parks (developed by Riverfront Recapture) along the Connecticut River. The cost of maintaining Riverfront Recapture's parks is incorporated into the District's water budget and recovered through water rates.

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

## II. WATER POLLUTION CONTROL

### FACILITIES FOR SEWER SERVICE As of December 31

<b>Facilities for Sewer Service</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total General Fixed Assets <sup>1</sup> .....	\$1,814,591,656	\$1,675,401,598	\$1,477,341,669	\$1,289,127,930	\$1,187,968,518
Miles of Sewers:					
Sanitary.....	1,089	1,088	1,089	1,087	1,084
Combined.....	159	159	159	159	160
Storm.....	79	78	79	79	76
Estimated Sewer Connections.....	91,037	91,011	90,728	90,566	90,666
<b>Estimated Sewer</b>					
Population Units:					
Estimated Population.....	364,969	364,793	365,289	366,470	366,406
Estimated Family Units Sewered.....	144,451	143,558	144,657	143,558	144,199
Present Sewage Plant Capacity:					
Design Population.....	513,900	513,900	513,900	513,900	513,900
Design Flow (million gallons daily)...	105	105	105	105	105
Average Daily Flow (million gallons)...	81	65	57	61	65

<sup>1</sup> Includes all physical facilities and capital projects except infrastructure, which is excluded under GAAP.

Source: District Officials.

**Treatment:** Water pollution control operations include the primary and secondary treatment of wastewater that flows into the facilities, septic tank loads received at the Hartford facility, and sludge delivered from regional towns. The District operates four water pollution control treatment facilities in East Hartford (12.5 million gallons per day), Rocky Hill (7.5 million gallons per day), Poquonock (5.0 million gallons per day) and Hartford (60 million gallons per day plus 30 million gallons per day wet weather capacity, being upgraded to 110 million gallons per day wet weather capacity). All treatment processes are in compliance with the District's National Pollution Discharge Elimination permits issued by the State's Department of Energy and Environmental Protection ("DEEP").

**Regulatory Compliance:** The District entered into a consent order and a consent decree with the DEEP, the U.S. Department of Justice, and the U.S. Environmental Protection Agency to address sanitary sewer overflow, nitrogen reduction, and combined sewer overflow issues. The District has to date appropriated \$1.74 billion for the cost of compliance. See "Part II – Information Concerning The Metropolitan District – Water Pollution Control – Clean Water Project".

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

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

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

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

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

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

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$4.64	\$3.37	\$3.06	\$2.86	\$2.75

Source: District Officials.

Section 12 of the District’s Sewer Ordinances was amended on October 1, 2007 by the District Board to allow the implementation of a Clean Water Project Charge (previously the Special Sewer Service Surcharge) to fund the debt issued for the Clean Water Project. The Clean Water Project Charge was implemented in January 2008 and is used exclusively for the payment of debt service on bonds and loans issued to finance the Clean Water Project and for capital expenditures for the Clean Water Project. The District’s goal is to fund project costs with State and Federal grants and State and Federal low-cost loans as they become available, and open market debt. Bonds and loans that are solely supported by the Clean Water Project Charge will not be included in the calculation of overlapping debt of the Member Municipalities. As of August 8, 2019, the District has issued \$672,035,911 as Interim Financing Obligations (the “IFO’s”) and Project Loan Obligations (the “PLO’s”) under the State’s Clean Water Fund Program associated with the Clean Water Project. See Section VIII “Debt Summary – Clean Water Fund Program”. The District has issued \$225.0 million in Clean Water Project Revenue Bonds, of which \$200,755,000 remains outstanding. The bonds are being repaid from a portion of the Clean Water Project Charge and are not general obligations of the District. See “Clean Water Project” herein.

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$4.10	\$3.80	\$3.50	\$3.25	\$2.90

Source: District Officials.

**CLEAN WATER PROJECT<sup>1</sup>**

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

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

### *Evolution of the Clean Water Project*

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

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

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

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

### *Cost Estimates*

Because the resubmitted LTCP incorporates an Integrated Plan, the nature of the Clean Water Project and its overall cost is not directly comparable to the LTCP as currently approved. Current estimates to complete the proposed December 2018 LTCP Update/Integrated Plan are that the Clean Water Project Charge would increase to approximately \$7.40 by 2026, and remain at least at that level for a considerable period as the ongoing capital maintenance and rehabilitation program continues. The primary reasons for the increase in the Clean Water Project Charge are due to inflation to complete the LTCP Update on a longer schedule and to include asset management projects, such as sewer lining, which previously were contemplated to be paid for through ad valorem taxes. As a result, the future increases to ad valorem taxes will be mitigated while the estimated total cost to the rate payers for both the Clean Water Project Charge and ad valorem taxes remain about the same on average. This assumes, at the very least, a continued level of federal and State support in the form of grants and low-cost loans consistent with the support provided to date. Other options would increase the surcharge, particularly those options that accelerate work or change the sequencing, as would a change in the level of federal and State funding support. The District remains mindful of maintaining an overall level of affordability for rate payers of the District, and in particular the residents of Hartford, which may lead to future adjustment in the nature of the Clean Water Project and its cost and financing. No assurance can be given as to the final cost of the Clean Water Project or the precise composition of its funding.

### *Referendum Requirements*

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

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

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

### III. WATER OPERATIONS

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

The District has sought and received legislative and voter approval for various water programs, all with the basic objective of providing a water supply and water distribution system sufficient in size to meet current and anticipated future needs. The District's average level of water production for 2018 was 47.7 million gallons per day.

#### FACILITIES FOR WATER SERVICE

As of December 31

	2018	2017	2016	2015	2014
Total Utility Plant.....	\$599,920,958	\$575,779,741	\$555,389,868	\$529,985,144	\$454,425,868
Net Addition to Plant.....	24,141,217	20,389,873	25,404,724	75,559,276	30,528,276
Miles of Water Mains.....	1,557	1,554	1,553	1,551	1,549
Gross Miles Added During Year....	4	1	2	2	6
Number of Hydrants.....	10,720	10,329	10,197	11,238	11,484
Number of Services.....	102,051	101,836	101,599	101,446	101,217
Number of Meters.....	99,949	98,239	102,987	101,400	102,828
Estimated Population Served.....	443,451	443,451	443,451	443,451	444,989

Source: District Officials.

#### NUMBER OF WATER CUSTOMERS

As of December 31

	2018	2017	2016	2015	2014
Domestic.....	95,505	95,471	95,420	95,280	95,107
Commercial.....	5,771	5,536	5,512	5,494	5,472
Industrial.....	545	592	592	591	583
Public & Other.....	1,848	1,750	1,657	1,603	1,523
<b>Total.....</b>	<b>103,669</b>	<b>103,349</b>	<b>103,181</b>	<b>102,968</b>	<b>102,685</b>

Source: District Officials.

#### AVERAGE DAILY CONSUMPTION

As of December 31

(Million Gallons Per Day)

	2018	2017	2016	2015	2014
Domestic.....	21.38	25.08	24.70	25.92	28.04
Commercial.....	8.43	6.47	6.38	7.86	9.01
Industrial.....	1.61	0.84	0.74	0.84	1.21
Municipal & Other.....	5.89	6.92	7.76	5.45	3.76
<b>Total Million Gallons Per Day<sup>1,2</sup>.....</b>	<b>37.31</b>	<b>39.31</b>	<b>39.59</b>	<b>40.07</b>	<b>42.02</b>
Maximum Day.....	68.80	61.68	71.94	70.09	69.59
Minimum Day.....	37.84	39.15	39.90	37.57	38.46

<sup>1</sup> Represents net consumption billed.

<sup>2</sup> Totals may not add due to rounding.

Source: District Officials.

## WATER UTILITY UNIT CHARGE

As of January 1  
(Per Hundred Cubic Feet)

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$3.50	\$3.14	\$2.77	\$2.66	\$2.53

Source: District Officials.

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

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

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

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

**Billing Cycles:** The District has approximately 103,669 customers; as of December 2018 all customer are now billed monthly.

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



#### IV. HYDROELECTRIC DEVELOPMENT PROGRAM

---

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

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

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

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

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

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

## V. ECONOMIC AND DEMOGRAPHIC INFORMATION

### POPULATION TRENDS

Town of Bloomfield				Town of East Hartford			
Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>	Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>
2017	20,848	1.8	796	2017	50,812	(0.9)	2,706
2010	20,486	4.6	783	2010	51,252	3.4	2,729
2000	19,587	0.5	748	2000	49,575	(1.7)	2,640
1990	19,483	4.7	744	1990	50,452	(4.0)	2,686
1980	18,608	1.7	711	1980	52,563	(8.7)	2,799
1970	18,301	34.4	699	1970	57,583	30.9	3,066

City of Hartford				Town of Newington			
Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>	Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>
2017	124,390	(0.3)	6,922	2017	30,603	0.1	2,322
2010	124,775	0.2	6,944	2010	30,562	4.3	2,319
2000	124,578	(10.8)	6,933	2000	29,306	0.3	2,224
1990	139,739	2.5	7,776	1990	29,208	1.3	2,216
1980	136,392	(13.7)	7,590	1980	28,841	10.8	2,188
1970	158,017	(2.6)	8,793	1970	26,037	47.4	1,975

Town of Rocky Hill				Town of West Hartford			
Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>	Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>
2017	20,015	1.6	1,450	2017	63,360	0.1	2,834
2010	19,709	9.7	1,428	2010	63,268	(0.5)	2,830
2000	17,966	8.5	1,302	2000	63,589	5.8	2,844
1990	16,554	13.7	1,200	1990	60,110	(1.9)	2,688
1980	14,559	31.1	1,055	1980	61,301	(9.9)	2,742
1970	11,103	50.0	805	1970	68,031	9.1	3,043

Town of Wethersfield				Town of Windsor			
Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>	Year	Population <sup>1</sup>	% Increase	Density <sup>2</sup>
2017	26,395	(1.0)	2,013	2017	29,037	(0.0)	981
2010	26,668	1.5	2,034	2010	29,044	2.9	981
2000	26,271	2.4	2,004	2000	28,237	1.5	954
1990	25,651	(1.4)	1,957	1990	27,817	10.4	940
1980	26,013	(2.4)	1,984	1980	25,204	12.0	851
1970	26,662	29.7	2,034	1970	22,502	15.6	760

<sup>1</sup> 1970-2010 – U.S. Department of Commerce, Bureau of Census; U.S. Census Bureau, 2013-2017 American Community Survey.

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

### AGE DISTRIBUTION OF THE POPULATION<sup>1</sup>

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

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,395	4.6%	881	4.4%	3,008	4.7%
5 - 19.....	4,981	16.3%	2,879	14.4%	13,306	21.0%
20 - 44.....	8,973	29.3%	6,317	31.6%	18,635	29.4%
45 - 64.....	8,853	28.9%	5,712	28.5%	17,183	27.1%
65 - 84.....	5,267	17.2%	3,515	17.6%	8,618	13.6%
85 and over.....	1,134	3.7%	711	3.6%	2,610	4.1%
Totals.....	30,603	100.0%	20,015	100.0%	63,360	100.0%
Median Age (years)	44.9		44.7		41.1	

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	1,448	5.5%	1,431	4.9%	186,188	5.2%
5 - 19.....	4,408	16.7%	4,665	16.1%	682,144	19.0%
20 - 44.....	7,399	28.0%	8,832	30.4%	1,118,489	31.1%
45 - 64.....	7,846	29.7%	9,063	31.2%	1,031,900	28.7%
65 - 84.....	4,269	16.2%	4,193	14.4%	485,648	13.5%
85 and over.....	1,025	3.9%	853	2.9%	90,109	2.5%
Totals.....	26,395	100.0%	29,037	100.0%	3,594,478	100.0%
Median Age (years)	44.8		43.6		40.8	

<sup>1</sup>Totals may not add due to rounding.

Source: U.S. Census Bureau, 2013-2017 American Community Survey.

## INCOME DISTRIBUTION

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	185	3.5%	632	5.1%	3,107	11.7%
10,000 - 14,999.....	71	1.3%	264	2.1%	2,081	7.8%
15,000 - 24,999.....	97	1.8%	931	7.5%	3,699	13.9%
25,000 - 34,999.....	203	3.8%	1,163	9.4%	3,464	13.0%
35,000 - 49,999.....	476	9.0%	1,650	13.3%	4,065	15.3%
50,000 - 74,999.....	1,168	22.0%	2,878	23.2%	4,332	16.3%
75,000 - 99,999.....	844	15.9%	1,789	14.4%	2,546	9.6%
100,000 - 149,999....	1,235	23.3%	2,046	16.5%	2,047	7.7%
150,000 - 199,999....	526	9.9%	756	6.1%	696	2.6%
200,000 and over.....	498	9.4%	312	2.5%	571	2.1%
Totals.....	5,303	100.0%	12,421	100.0%	26,608	100.0%

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	129	1.6%	75	1.5%	396	2.5%
10,000 - 14,999.....	77	1.0%	34	0.7%	117	0.7%
15,000 - 24,999.....	125	1.6%	184	3.6%	562	3.6%
25,000 - 34,999.....	341	4.3%	185	3.6%	538	3.4%
35,000 - 49,999.....	775	9.8%	338	6.6%	846	5.4%
50,000 - 74,999.....	1,080	13.7%	831	16.3%	1,960	12.4%
75,000 - 99,999.....	1,426	18.1%	771	15.1%	1,766	11.2%
100,000 - 149,999....	2,331	29.6%	1,169	22.9%	2,968	18.8%
150,000 - 199,999....	1,091	13.8%	735	14.4%	2,422	15.3%
200,000 and over.....	512	6.5%	785	15.4%	4,217	26.7%
Totals.....	7,887	100.0%	5,107	100.0%	15,792	100.0%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	135	1.9%	66	0.9%	27,787	3.1%
10,000 - 14,999.....	106	1.5%	47	0.6%	16,143	1.8%
15,000 - 24,999.....	116	1.6%	194	2.5%	41,072	4.6%
25,000 - 34,999.....	302	4.2%	344	4.4%	52,218	5.8%
35,000 - 49,999.....	712	9.9%	597	7.7%	82,371	9.2%
50,000 - 74,999.....	1,058	14.7%	1,222	15.7%	134,356	15.0%
75,000 - 99,999.....	985	13.7%	1,280	16.5%	122,244	13.6%
100,000 - 149,999....	2,011	28.0%	2,185	28.2%	186,352	20.8%
150,000 - 199,999....	931	13.0%	1,118	14.4%	100,359	11.2%
200,000 and over.....	818	11.4%	706	9.1%	132,765	14.8%
Totals.....	7,174	100.0%	7,759	100.0%	895,667	100.0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey.

### INCOME LEVELS

	Town of Bloomfield	Town of East Hartford	City of Hartford	Town of Newington	Town of Rocky Hill
Per Capita Income, 2017.....	\$41,515	\$26,374	\$19,220	\$38,179	\$44,956
Per Capita Income, 2010.....	\$39,738	\$24,373	\$16,798	\$32,561	\$36,021
Per Capita Income, 1999.....	\$28,843	\$21,763	\$13,428	\$26,881	\$29,701
Per Capita Income, 1989 .....	\$22,478	\$16,575	\$11,081	\$19,668	\$21,918
Median Family Income, 2017.....	\$87,589	\$62,261	\$37,830	\$99,812	\$102,491
Median Family Income, 2010.....	\$84,583	\$57,848	\$32,820	\$80,597	\$88,750
Median Family Income, 1999.....	\$64,892	\$50,540	\$27,051	\$67,085	\$72,726
Median Family Income, 1989.....	\$56,541	\$36,584	\$24,774	\$50,916	\$56,396
Percent Below Poverty Level 2017.....	5.1%	10.0%	26.8%	3.0%	3.5%

	Town of West Hartford	Town of Wethersfield	Town of Windsor	State of Connecticut
Per Capita Income, 2017.....	\$52,846	\$41,404	\$39,542	\$41,365
Per Capita Income, 2010.....	\$43,534	\$37,329	\$35,780	\$36,775
Per Capita Income, 1999.....	\$33,468	\$28,930	\$27,633	\$28,766
Per Capita Income, 1989 .....	\$26,943	\$22,246	\$19,592	\$20,189
Median Family Income, 2017.....	\$124,679	\$103,020	\$101,199	\$93,800
Median Family Income, 2010.....	\$102,547	\$91,563	\$90,865	\$84,170
Median Family Income, 1999.....	\$77,865	\$68,154	\$73,064	\$65,521
Median Family Income, 1989.....	\$60,518	\$53,111	\$55,400	\$49,199
Percent Below Poverty Level 2017.....	5.2%	3.8%	2.9%	7.0%

Source: U.S. Department of Commerce, Bureau of Census, 2010, 2000, and 1990; Census Bureau, 2013-2017 American Community Survey.

**EDUCATIONAL ATTAINMENT**  
Years of School Completed Age 25 and Over

	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	407	2.5%	2,689	7.8%	9,785	13.1%
9th to 12th grade.....	949	5.9%	3,207	9.3%	10,585	14.2%
High School graduate.....	4,556	28.3%	11,732	34.0%	24,103	32.3%
Some college, no degree.....	2,815	17.5%	7,329	21.2%	13,276	17.8%
Associate's degree .....	1,586	9.8%	3,117	9.0%	4,438	5.9%
Bachelor's degree.....	2,982	18.5%	4,273	12.4%	7,351	9.9%
Graduate or professional degree..	2,818	17.5%	2,202	6.4%	5,062	6.8%
Totals.....	16,113	100.0%	34,549	100.0%	74,600	100.0%

Total high school graduate or higher (%).....	91.6%	82.9%	72.7%
Total bachelor's degree or higher (%).....	36.0%	18.7%	16.6%

	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	971	4.3%	484	3.2%	1,209	2.8%
9th to 12th grade.....	1,032	4.6%	431	2.8%	1,274	2.9%
High School graduate.....	5,832	25.9%	3,293	21.5%	6,266	14.3%
Some college, no degree.....	3,775	16.8%	2,375	15.5%	5,219	11.9%
Associate's degree .....	2,065	9.2%	1,127	7.3%	2,444	5.6%
Bachelor's degree.....	5,464	24.3%	5,046	32.9%	12,805	29.2%
Graduate or professional degree..	3,382	15.0%	2,583	16.8%	14,568	33.3%
Totals.....	22,521	100.0%	15,339	100.0%	43,785	100.0%

Total high school graduate or higher (%).....	91.1%	94.0%	94.3%
Total bachelor's degree or higher (%).....	39.3%	49.7%	62.5%

	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	708	3.7%	671	3.2%	104,623	4.2%
9th to 12th grade.....	730	3.8%	916	4.4%	137,877	5.6%
High School graduate.....	4,959	26.0%	5,007	24.0%	673,582	27.2%
Some college, no degree.....	3,393	17.8%	3,961	19.0%	422,535	17.0%
Associate's degree .....	1,327	7.0%	1,748	8.4%	188,481	7.6%
Bachelor's degree.....	4,527	23.8%	4,787	23.0%	532,055	21.5%
Graduate or professional degree..	3,411	17.9%	3,741	18.0%	421,144	17.0%
Totals.....	19,055	100.0%	20,831	100.0%	2,480,297	100.0%

Total high school graduate or higher (%).....	92.5%	92.4%	90.2%
Total bachelor's degree or higher (%).....	41.7%	40.9%	38.4%

Source: U.S. Census Bureau, 2013-2017 American Community Survey.

## MAJOR EMPLOYERS WITHIN THE DISTRICT

Employer	Product	Location	Estimated Number of Employees
Hartford Financial Svc Group.....	Insurance	Hartford	(5,000-9,999)
Hartford Hospital.....	Hospital	Hartford	(5,000-9,999)
United Technologies.....	Manufacturer	East Hartford	(5,000-9,999)
The Hartford.....	Insurance	Hartford	(5,000-9,999)
Aetna Inc.....	Insurance	Hartford	(1,000-4,999)
Bank Boston.....	Banks	Hartford	(1,000-4,999)
CIGNA Corp.....	Insurance	Bloomfield	(1,000-4,999)
City of Hartford.....	Municipality	Hartford	(1,000-4,999)
Connecticut Childrens Medical Ctr.	Hospital	Hartford	(1,000-4,999)
CT Dept. of Transportation.....	State of CT	Newington	(1,000-4,999)
Environmental Protection Dpt.....	State of CT	Hartford	(1,000-4,999)
GE/Alstom Power Equipment.....	Power Generation Equipment	Windsor	(1,000-4,999)
Talcott Resolution Life Insurance...	Insurance	Windsor	(1,000-4,999)
Institute of Living.....	Mental Health Service	Hartford	(1,000-4,999)
Kaman Corporation.....	Aerospace Manufacturer	Bloomfield	(1,000-4,999)
Lincoln Waste Solutions.....	Waste Reduction & Disposal	Rocky Hill	(1,000-4,999)
Patient's Choice Homecare.....	Home Healthcare	Wethersfield	(1,000-4,999)
Saint Francis Hospital.....	Hospital	Hartford	(1,000-4,999)
St. Paul Travelers Co.....	Insurance	Hartford	(1,000-4,999)
Stanadyne LLC.....	Fuel Injection Equipment	Windsor	(1,000-4,999)
University of Hartford.....	University	West Hartford	(1,000-4,999)
Veterans Admin. Medical Center...	Clinic	Newington	(1,000-4,999)
VOYA.....	Retirement & Annuity Company	Windsor	(1,000-4,999)
Amazon Distribution Center.....	Fulfillment Center	Windsor	(500-999)
B2B Data.....	Mailing Lists	Hartford	(500-999)
Bureau-Materials Management.....	State of CT	Hartford	(500-999)
Capital Community .....	College	Hartford	(500-999)
Coca Cola Bottling Company.....	Beverage Mfg and Distribution	East Hartford	(500-999)
Compu-Data.....	Direct Mail	Newington	(500-999)
Community Renewal Team Inc.....	Social Services	Hartford	(500-999)
CT Dept of Labor.....	State of CT	Wethersfield	(500-999)
CT Natural Gas.....	Gas Company	East Hartford	(500-999)
Data Graphics.....	Graphic Designers	Newington	(500-999)
Data-Mail.....	Mail Services	Newington	(500-999)
Department of Admin Services.....	State of CT	Hartford	(500-999)
Department of Public Health.....	State of CT	Hartford	(500-999)
Dunn Paper.....	Paper Manufacturer	East Hartford	(500-999)
Express Direct.....	Bloomfield	Direct Mail	(500-999)
Goodwin College.....	University	East Hartford	(500-999)
Harford Police Departmet.....	Hartford	Police	(500-999)
Hebrew Home.....	Health Care	West Hartford	(500-999)
Henkel Corporation.....	Adhesives & Sealants	Rocky Hill	(500-999)
Kamatics Corporation.....	Aircraft Components - Manufacturers	Bloomfield	(500-999)
Lincoln National Life Ins. Co.....	Insurance	Hartford	(500-999)
PWC.....	Accounting Firm	Hartford	(500-999)
Regional Market.....	State Agricultural Facility	Hartford	(500-999)
Revenue Services Department.....	State of CT	Hartford	(500-999)
Shipman & Goodwin.....	Attorneys	Hartford	(500-999)
Sysco.....	Food Products	Rocky Hill	(500-999)
Tribune Direct.....	Direct Mail	Hartford	(500-999)
Trinity College.....	Schools/Universities	Hartford	(500-999)
Unicco Service Co.....	Janitor Service	East Hartford	(500-999)
VNA Healthcare.....	Home Healthcare	West Hartford	(500-999)
WCCT.....	Television Station & Broadcasting	Hartford	(500-999)
Wiremold Products, Inc.....	Manufacturing	West Hartford	(500-999)
World Class Distribution (TJ's).....	Warehouse Distribution	East Hartford	(500-999)
XL Center.....	Ticket Service	Hartford	(500-999)
Town of West Hartford.....	Municipality	West Hartford	2,003
Town of East Hartford.....	Municipality	East Hartford	1,685

Source: 2018 Audited Financial Statements of Member Municipalities; State of Connecticut Department of Labor website as of May 3, 2019 <https://www1.ctdol.state.ct.us/lmi/EmpSearchTopList.asp?intAreaType=3&intArea=3&intTopEmployer=100> ; Bloomfield Official Statement dated January 17, 2019, East Hartford dated October 17, 2018, Rocky Hill dated January 16, 2019 and West Hartford Official Statement dated January 22, 2019.

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

## EMPLOYMENT BY INDUSTRY

Sector	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	37	0.4%	60	0.2%	97	0.2%
Construction.....	383	3.8%	1,306	5.2%	2,597	5.1%
Manufacturing.....	637	6.2%	2,736	10.8%	3,532	7.0%
Wholesale Trade.....	286	2.8%	759	3.0%	801	1.6%
Retail Trade.....	1,063	10.4%	3,302	13.1%	6,680	13.2%
Transportation and warehousing, and utilities....	521	5.1%	1,788	7.1%	3,476	6.9%
Information .....	129	1.3%	391	1.5%	717	1.4%
Finance, insurance, real estate, and rental and leasing.....	1,287	12.6%	2,070	8.2%	2,897	5.7%
Professional, scientific, management, administrative, and waste management svcs...	898	8.8%	2,190	8.7%	5,099	10.1%
Educational, health and social services.....	3,457	33.9%	6,648	26.3%	14,569	28.9%
Arts, entertainment, recreation, accommodation and food services.....	645	6.3%	1,762	7.0%	5,006	9.9%
Other services (except public administration)...	249	2.4%	1,211	4.8%	2,920	5.8%
Public Administration .....	607	6.0%	1,054	4.2%	2,042	4.0%
Total Labor Force, Employed.....	10,199	100.0%	25,277	100.0%	50,433	100.0%

Sector	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	32	0.2%	0	0.0%	38	0.1%
Construction.....	819	5.0%	361	3.4%	1,160	3.5%
Manufacturing.....	1,936	11.9%	776	7.4%	2,880	8.8%
Wholesale Trade.....	444	2.7%	389	3.7%	578	1.8%
Retail Trade.....	1,564	9.6%	932	8.9%	2,383	7.3%
Transportation and warehousing, and utilities....	623	3.8%	401	3.8%	497	1.5%
Information .....	346	2.1%	219	2.1%	997	3.1%
Finance, insurance, real estate, and rental and leasing.....	1,835	11.3%	1,383	13.2%	5,048	15.4%
Professional, scientific, management, administrative, and waste management svcs...	1,750	10.7%	1,696	16.2%	4,237	13.0%
Educational, health and social services.....	4,145	25.4%	2,354	22.5%	10,419	31.9%
Arts, entertainment, recreation, accommodation and food services.....	1,123	6.9%	617	5.9%	1,833	5.6%
Other services (except public administration)...	784	4.8%	612	5.8%	1,332	4.1%
Public Administration .....	897	5.5%	736	7.0%	1,277	3.9%
Total Labor Force, Employed.....	16,298	100.0%	10,476	100.0%	32,679	100.0%

Sector	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	49	0.4%	12	0.1%	7,166	0.4%
Construction.....	771	5.6%	653	4.1%	104,122	5.8%
Manufacturing.....	912	6.6%	1,600	10.0%	191,519	10.6%
Wholesale Trade.....	206	1.5%	377	2.4%	44,741	2.5%
Retail Trade.....	1,306	9.5%	1,193	7.5%	193,016	10.7%
Transportation and warehousing, and utilities....	362	2.6%	798	5.0%	68,926	3.8%
Information .....	258	1.9%	173	1.1%	42,200	2.3%
Finance, insurance, real estate, and rental and leasing.....	1,769	12.8%	1,944	12.2%	163,810	9.1%
Professional, scientific, management, administrative, and waste management svcs...	1,296	9.4%	1,667	10.5%	208,130	11.5%
Educational, health and social services.....	3,865	28.1%	4,487	28.2%	478,083	26.5%
Arts, entertainment, recreation, accommodation and food services.....	1,306	9.5%	1,019	6.4%	153,679	8.5%
Other services (except public administration)...	744	5.4%	977	6.1%	82,538	4.6%
Public Administration .....	930	6.8%	1,024	6.4%	67,156	3.7%
Total Labor Force, Employed.....	13,774	100.0%	15,924	100.0%	1,805,086	100.0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey.

## EMPLOYMENT DATA

<b>Period</b> <sup>1</sup>	<b>Percentage Unemployed</b>				
	<b>Town of Bloomfield</b>	<b>Town of East Hartford</b>	<b>City of Hartford</b>	<b>Town of Newington</b>	<b>Town of Rocky Hill</b>
May 2019.....	3.8%	20.0%	6.3%	3.4%	2.8%
April 2019.....	3.7	4.7	6.4	3.2	2.4
March 2019.....	3.9	4.7	7.0	3.7	3.0
February 2019.....	4.2	4.9	7.3	3.9	3.4
January 2019.....	4.7	5.2	7.5	4.2	3.7
<b><u>Annual Average</u></b>					
2018.....	4.3%	5.2%	7.0%	3.6%	3.1%
2017.....	5.2	5.7	8.2	4.1	3.6
2016.....	5.4	6.5	9.2	4.5	4.0
2015.....	6.1	7.1	10.1	4.8	4.3
2014.....	6.8	8.2	11.4	5.5	5.0
2013.....	8.2	9.6	13.5	6.6	5.8
2012.....	8.9	10.2	14.2	7.1	6.2
2011.....	9.0	10.8	14.9	7.7	6.9
2010.....	9.5	11.1	14.9	8.1	7.2
2009.....	9.0	10.6	14.3	7.3	6.7

<b>Period</b> <sup>1</sup>	<b>Percentage Unemployed</b>				
	<b>Town of West Hartford</b>	<b>Town of Wethersfield</b>	<b>Town of Windsor</b>	<b>Hartford Labor</b>	<b>State of Connecticut</b>
May 2019.....	2.9%	3.2%	3.6%	3.6%	3.6%
April 2019.....	2.4	2.9	3.4	4.2	4.2
March 2019.....	2.9	3.5	4.0	4.2	4.2
February 2019.....	3.1	3.6	4.2	4.4	4.4
January 2019.....	3.6	3.9	4.6	4.7	4.7
<b><u>Annual Average</u></b>					
2018.....	3.1%	3.6%	4.1%	4.1%	4.1%
2017.....	3.4	4.4	4.7	4.7	4.7
2016.....	3.8	4.6	5.0	5.2	5.1
2015.....	4.2	4.8	5.4	5.7	5.7
2014.....	4.8	5.8	6.4	6.6	6.6
2013.....	5.7	6.7	7.6	7.8	7.8
2012.....	6.1	7.0	8.2	8.3	8.3
2011.....	6.6	7.8	8.4	8.8	8.8
2010.....	6.9	8.4	8.6	9.1	9.1
2009.....	7.3	7.8	8.0	8.3	8.3

<sup>1</sup> Not seasonally adjusted.

Source: Department of Labor, State of Connecticut.



## AGE DISTRIBUTION OF HOUSING

Year Built	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	677	7.5%	3,435	15.9%	22,290	41.5%
1940 to 1969.....	4,130	45.7%	13,071	60.4%	18,603	34.6%
1970 to 1979.....	1,306	14.5%	2,590	12.0%	4,089	7.6%
1980 to 1989.....	1,347	14.9%	1,531	7.1%	3,622	6.7%
1990 to 2000.....	696	7.7%	498	2.3%	2,569	4.8%
Later than 2000.....	880	9.7%	518	2.4%	2,523	4.7%
Total housing units, 2017...	9,036	100.0%	21,643	100.0%	53,696	100.0%
Percent Owner Occupied, 2017		70.9%		56.7%		23.8%

Year Built	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	1,214	9.4%	468	5.2%	7,034	27.2%
1940 to 1969.....	5,796	45.0%	2,282	25.3%	13,612	52.6%
1970 to 1979.....	2,720	21.1%	2,286	25.3%	2,318	9.0%
1980 to 1989.....	1,553	12.1%	2,190	24.3%	1,065	4.1%
1990 to 2000.....	848	6.6%	821	9.1%	649	2.5%
Later than 2000.....	740	5.7%	978	10.8%	1,198	4.6%
Total housing units, 2017...	12,871	100.0%	9,025	100.0%	25,876	100.0%
Percent Owner Occupied, 2017		78.8%		66.3%		71.9%

Year Built	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier.....	2,143	19.0%	1,816	15.8%	338,011	22.4%
1940 to 1969.....	5,520	49.0%	4,362	37.8%	535,477	35.5%
1970 to 1979.....	1,389	12.3%	1,990	17.3%	200,217	13.3%
1980 to 1989.....	1,337	11.9%	1,734	15.0%	191,939	12.7%
1990 to 2000.....	671	6.0%	796	6.9%	114,261	7.6%
Later than 2000.....	213	1.9%	827	7.2%	127,806	8.5%
Total housing units, 2017...	11,273	100.0%	11,525	100.0%	1,507,711	100.0%
Percent Owner Occupied, 2017		79.0%		84.9%		66.6%

Source: U.S. Census Bureau, 2013-2017 American Community Survey.

## HOUSING INVENTORY

Type	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	6,030	66.7%	11,364	52.5%	7,935	14.8%
1 unit attached.....	507	5.6%	1,080	5.0%	2,556	4.8%
2 to 4 units.....	907	10.0%	3,617	16.7%	19,658	36.6%
5 to 9 units.....	504	5.6%	1,223	5.7%	7,183	13.4%
10 or more units.....	1,088	12.0%	3,778	17.5%	16,339	30.4%
Mobile home, trailer, other..	0	0.0%	581	2.7%	25	0.0%
Total Inventory.....	9,036	100.0%	21,643	100.0%	53,696	100.0%

Type	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,390	65.2%	4,213	46.7%	17,070	66.0%
1 unit attached.....	1,354	10.5%	965	10.7%	916	3.5%
2 to 4 units.....	1,009	7.8%	1,182	13.1%	2,786	10.8%
5 to 9 units.....	764	5.9%	518	5.7%	814	3.1%
10 or more units.....	1,354	10.5%	839	9.3%	4,156	16.1%
Mobile home, trailer, other..	0	0.0%	1,308	14.5%	134	0.5%
Total Inventory.....	12,871	100.0%	9,025	100.0%	25,876	100.0%

Type	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	8,578	76.1%	8,894	77.2%	892,621	59.2%
1 unit attached.....	540	4.8%	739	6.4%	81,393	5.4%
2 to 4 units.....	1,066	9.5%	1,122	9.7%	253,954	16.8%
5 to 9 units.....	182	1.6%	383	3.3%	82,787	5.5%
10 or more units.....	907	8.0%	387	3.4%	185,017	12.3%
Mobile home, trailer, other..	0	0.0%	0	0.0%	11,939	0.8%
Total Inventory.....	11,273	100.0%	11,525	100.0%	1,507,711	100.0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey.

### OWNER-OCCUPIED HOUSING VALUES

Specified Owner-Occupied Units	Town of Bloomfield		Town of East Hartford		City of Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	134	2.2%	658	5.9%	432	4.0%
\$50,000 to \$99,999.....	303	4.9%	768	6.9%	1,233	11.3%
\$100,000 to \$149,999.....	855	13.9%	3,201	28.8%	2,718	24.9%
\$150,000 to \$199,999.....	1,494	24.3%	4,035	36.3%	3,161	29.0%
\$200,000 to \$299,999.....	2,009	32.7%	2,136	19.2%	2,086	19.1%
\$300,000 to \$499,999.....	1,072	17.5%	225	2.0%	773	7.1%
\$500,000 to \$999,999.....	219	3.6%	26	0.2%	449	4.1%
\$1,000,000 or more.....	53	0.9%	56	0.5%	52	0.5%
Totals.....	6,139	100.0%	11,105	100.0%	10,904	100.0%

Median Sales Price <sup>1</sup>	\$134,000	\$112,800	\$93,900
Median Sales Price <sup>2</sup>	\$211,300	\$159,800	\$162,300

Specified Owner-Occupied Units	Town of Newington		Town of Rocky Hill		Town of West Hartford	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	215	2.2%	147	2.6%	349	2.0%
\$50,000 to \$99,999.....	210	2.1%	158	2.8%	131	0.7%
\$100,000 to \$149,999.....	831	8.4%	421	7.4%	358	2.0%
\$150,000 to \$199,999.....	2,149	21.8%	596	10.5%	1,366	7.8%
\$200,000 to \$299,999.....	4,692	47.6%	2,326	41.0%	5,467	31.1%
\$300,000 to \$499,999.....	1,614	16.4%	1,729	30.5%	7,297	41.5%
\$500,000 to \$999,999.....	97	1.0%	292	5.2%	2,421	13.8%
\$1,000,000 or more.....	57	0.6%	0	0.0%	202	1.1%
Totals.....	9,865	100.0%	5,669	100.0%	17,591	100.0%

Median Sales Price <sup>1</sup>	\$144,800	\$165,400	\$176,400
Median Sales Price <sup>2</sup>	\$229,900	\$264,100	\$326,000

Specified Owner-Occupied Units	Town of Wethersfield		Town of Windsor		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	179	2.1%	246	2.7%	24,038	2.7%
\$50,000 to \$99,999.....	102	1.2%	345	3.7%	29,789	3.3%
\$100,000 to \$149,999.....	443	5.2%	1,028	11.2%	83,320	9.2%
\$150,000 to \$199,999.....	1,389	16.3%	2,240	24.3%	141,024	15.6%
\$200,000 to \$299,999.....	3,774	44.3%	4,019	43.6%	244,356	26.9%
\$300,000 to \$499,999.....	2,334	27.4%	1,251	13.6%	236,671	26.1%
\$500,000 to \$999,999.....	289	3.4%	82	0.9%	106,192	11.7%
\$1,000,000 or more.....	7	0.1%	5	0.1%	41,408	4.6%
Totals.....	8,517	100.0%	9,216	100.0%	906,798	100.0%
Median Sales Price <sup>1</sup>		\$159,300		\$142,200		\$166,900
Median Sales Price <sup>2</sup>		\$250,700		\$216,500		\$270,100

<sup>1</sup> Median Sales Price, U.S. Department of Commerce, Bureau of Census, 2000.

<sup>2</sup> U. S. Census Bureau, 2013-2017 American Community Survey.

Source: U. S. Census Bureau, 2013-2017 American Community Survey.

## VI. TAX BASE DATA

### TAX COLLECTION PROCEDURE

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

### COMPARATIVE ASSESSED VALUATIONS

#### Town of Bloomfield

Grand List of 10/1	Net Taxable Grand List	% Growth
2018	\$2,155,023,283	1.8%
2017	2,116,863,202	4.9%
2016	2,018,358,356	-1.0%
2015	2,038,195,880	0.2%
2014 <sup>1</sup>	2,033,984,990	-1.6%
2013	2,067,157,242	1.7%
2012	2,032,528,017	2.6%
2011	1,981,916,344	1.7%
2010	1,948,057,019	-2.1%
2009 <sup>1</sup>	1,990,439,045	13.4%

<sup>1</sup> Revaluation Year.

#### Town of East Hartford

Grand List of 10/1	Net Taxable Grand List	% Growth
2018	\$2,783,862,372	-1.0%
2017	2,811,967,294	2.0%
2016 <sup>1</sup>	2,757,568,984	0.8%
2015	2,736,032,759	1.7%
2014	2,689,464,641	0.1%
2013	2,687,876,591	-0.1%
2012	2,691,709,967	-0.1%
2011 <sup>1</sup>	2,695,242,754	-12.9%
2010	3,095,300,382	0.1%
2009	3,092,179,605	-0.5%

<sup>1</sup> Revaluation Year.

#### City of Hartford

Grand List of 10/1	Net Taxable Grand List	% Growth
2018	\$4,025,919,645	-0.9%
2017	4,061,916,449	-0.1%
2016 <sup>1</sup>	4,068,017,222	9.9%
2015	3,701,904,978	2.3%
2014	3,619,341,714	2.5%
2013	3,531,344,777	1.2%
2012	3,487,781,236	2.0%
2011 <sup>1</sup>	3,417,940,335	-8.6%
2010	3,738,377,678	3.7%
2009	3,604,167,480	4.0%

<sup>1</sup> Revaluation Year.

#### Town of Newington

Grand List of 10/1	Net Taxable Grand List	% Growth
2018	\$2,640,307,103	0.6%
2017	2,623,718,787	0.5%
2016	2,609,986,139	-0.2%
2015 <sup>1</sup>	2,615,695,201	2.5%
2014	2,550,822,204	0.1%
2013	2,548,042,597	0.5%
2012	2,536,619,686	-1.1%
2011 <sup>1</sup>	2,564,276,354	-4.3%
2010	2,679,238,211	0.4%
2009	2,667,951,078	0.9%

<sup>1</sup> Revaluation Year.

**Town of Rocky Hill**

<b>Grand List of 10/1</b>	<b>Net Taxable Grand List</b>	<b>% Growth</b>
2018 <sup>1</sup>	\$2,208,948,420	5.5%
2017	2,094,054,395	1.6%
2016	2,061,636,790	1.4%
2015	2,033,673,437	0.8%
2014	2,018,435,060	1.5%
2013 <sup>1</sup>	1,988,502,360	-8.1%
2012	2,164,593,839	0.4%
2011	2,156,334,575	0.0%
2010	2,155,935,688	-2.0%
2009	2,200,202,480	-0.1%

<sup>1</sup> Revaluation Year

**Town of West Hartford**

<b>Grand List of 10/1</b>	<b>Net Taxable Grand List</b>	<b>% Growth</b>
2018	\$6,314,734,062	0.5%
2017	6,285,118,569	0.8%
2016 <sup>1</sup>	6,232,711,742	4.2%
2015	5,981,347,789	0.6%
2014	5,946,170,476	0.4%
2013	5,924,661,849	0.5%
2012	5,893,896,106	0.2%
2011 <sup>1</sup>	5,880,331,173	16.8%
2010	5,034,401,821	0.7%
2009	4,999,850,000	0.9%

<sup>1</sup> Revaluation Year.

**Town of Wethersfield**

<b>Grand List of 10/1</b>	<b>Net Taxable Grand List</b>	<b>% Growth</b>
2018 <sup>1</sup>	\$2,321,469,775	3.1%
2017	2,251,449,143	0.4%
2016	2,242,958,976	1.3%
2015	2,214,180,160	0.0%
2014	2,213,400,730	0.3%
2013 <sup>1</sup>	2,205,813,324	-5.7%
2012	2,338,758,240	0.4%
2011	2,329,648,250	0.6%
2010	2,314,769,170	0.0%
2009	2,315,493,100	0.4%

<sup>1</sup> Revaluation Year.

**Town of Windsor**

<b>Grand List of 10/1</b>	<b>Net Taxable Grand List</b>	<b>% Growth</b>
2018 <sup>1</sup>	\$3,105,965,090	4.9%
2017	2,959,778,035	2.5%
2016	2,886,742,186	-1.3%
2015	2,924,503,409	2.6%
2014	2,849,933,303	0.7%
2013 <sup>1</sup>	2,831,162,216	-6.1%
2012	3,014,279,336	3.7%
2011	2,907,891,898	3.4%
2010	2,811,979,697	3.2%
2009	2,724,614,072	-7.2%

<sup>1</sup> Revaluation Year.

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

**PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF BLOOMFIELD**

<b>Grand List of 10/1</b>	<b>Fiscal Year Year Ending 6/30</b>	<b>Net Taxable Grand List</b>	<b>Mill Rate</b>	<b>Tax Levy</b>	<b>Percent Annual Levy Collected End of Fiscal Year</b>	<b>Percent Annual Levy Uncollected End of Fiscal Year</b>	<b>Percent Annual Levy Uncollected 6/30/2018</b>
2018	2020	\$2,155,023,283	37.46	\$78,744,103	Collections 7/1/19 & 1/1/20		
2017	2019	2,116,863,202	37.52	77,183,384	Collections 7/1/18 & 1/1/19		
2016	2018	2,018,358,356	37.56	68,644,146	98.4%	1.6%	1.6%
2015	2017	2,038,195,880	36.65	74,666,544	98.6%	1.4%	0.5%
2014	2016	2,033,984,990	36.00	73,160,192	98.7%	1.3%	0.1%
2013	2015	2,067,157,242	34.84	72,246,279	98.6%	1.4%	0.1%
2012	2014	2,032,528,017	34.85	71,075,964	98.5%	1.5%	0.1%
2011	2013	1,981,916,344	34.55	68,561,240	98.4%	1.6%	0.0%
2010	2012	1,948,057,019	33.70	65,281,933	98.7%	1.3%	0.0%
2009	2011	1,990,439,045	32.72	63,290,257	98.4%	1.6%	0.0%

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

### PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF EAST HARTFORD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2018
2018	2020	\$2,783,862,372	49.11	\$133,243,506	<i>Collections 7/1/19 &amp; 1/1/20</i>		
2017	2019	2,811,967,294	47.66	129,575,571	<i>Collections 7/1/18 &amp; 1/1/19</i>		
2016	2018	2,757,568,984	47.05	127,053,000	98.0%	2.0%	2.0%
2015	2017	2,736,032,759	45.86	122,966,000	97.9%	2.1%	0.7%
2014	2016	2,689,464,641	45.86	124,388,000	97.3%	2.7%	0.1%
2013	2015	2,687,876,591	45.40	121,245,000	97.6%	2.4%	0.0%
2012	2014	2,691,709,967	43.90	117,379,000	97.9%	2.1%	0.0%
2011	2013	2,695,242,754	42.79	115,155,000	97.1%	2.9%	0.0%
2010	2012	3,095,300,382	34.42	106,016,000	97.3%	2.7%	0.0%
2009	2011	3,092,179,605	33.82	104,001,000	97.2%	2.8%	0.0%

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

### PROPERTY TAX LEVIES AND COLLECTIONS – CITY OF HARTFORD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2018
2018	2020	\$4,025,919,645	74.29	\$272,220,266	<i>Collections 7/1/19 &amp; 1/1/20</i>		
2017	2019	4,061,916,449	74.29	273,861,323	<i>Collections 7/1/18 &amp; 1/1/19</i>		
2016	2018	4,068,017,222	74.29	282,448,000	95.3%	4.7%	4.7%
2015	2017	3,701,904,978	74.29	257,563,000	95.6%	4.4%	2.8%
2014	2016	3,619,341,714	74.29	262,887,000	95.7%	4.3%	2.1%
2013	2015	3,531,344,777	76.79	253,546,000	96.0%	4.0%	1.9%
2012	2014	3,487,781,236	74.29	248,851,000	95.0%	5.0%	1.6%
2011	2013	3,417,940,335	74.29	247,520,000	94.6%	5.4%	1.5%
2010	2012	3,738,377,678	71.79	278,481,000	93.8%	6.2%	1.4%
2009	2011	3,604,167,480	72.79	268,745,000	95.4%	4.6%	1.2%

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

### PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF NEWINGTON

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2018
2018	2020	\$2,640,307,103	39.45	\$102,335,706	<i>Collections 7/1/19 &amp; 1/1/20</i>		
2017	2019	2,623,718,787	38.50	99,245,388	<i>Collections 7/1/18 &amp; 1/1/19</i>		
2016	2018	2,609,986,139	36.59	95,685,000	99.0%	1.0%	1.0%
2015	2017	2,615,695,201	35.75	93,302,000	99.3%	0.7%	0.2%
2014	2016	2,550,822,204	35.80	91,453,000	99.3%	0.7%	0.1%
2013	2015	2,548,042,597	34.77	88,599,000	99.2%	0.8%	0.0%
2012	2014	2,536,619,686	33.63	85,346,000	99.1%	0.9%	0.0%
2011	2013	2,564,276,354	32.64	82,937,000	99.3%	0.7%	0.0%
2010	2012	2,679,238,211	30.02	80,441,000	98.9%	1.1%	0.0%
2009	2011	2,667,951,078	29.18	77,679,000	98.8%	1.2%	0.0%

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

### PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF ROCKY HILL

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2018
2018	2020	\$2,208,948,420	32.50	\$70,993,728	<i>Collections 7/1/19 &amp; 1/1/20</i>		
2017	2019	2,094,054,395	32.40	67,152,444	<i>Collections 7/1/18 &amp; 1/1/19</i>		
2016	2018	2,061,636,790	31.60	65,812,091	99.1%	0.9%	0.9%
2015	2017	2,033,673,437	31.00	63,539,767	99.3%	0.7%	0.4%
2014	2016	2,018,435,060	29.70	60,060,008	99.3%	0.7%	0.1%
2013	2015	1,988,502,360	31.00	59,329,833	99.4%	0.6%	0.1%
2012	2014	2,164,593,839	26.60	57,774,467	99.0%	1.0%	0.0%
2011	2013	2,156,334,575	25.90	56,093,759	99.1%	0.9%	0.0%
2010	2012	2,155,935,688	24.50	52,823,294	99.0%	1.0%	0.0%
2009	2011	2,200,202,480	23.80	52,249,228	99.0%	1.0%	0.0%

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

### PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WEST HARTFORD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2018
2018	2020	\$6,314,734,062	41.80	\$261,453,321	<i>Collections 7/1/19 &amp; 1/1/20</i>		
2017	2019	6,285,118,569	41.00	255,262,866	<i>Collections 7/1/18 &amp; 1/1/19</i>		
2016	2018	6,232,711,742	41.04	255,988,000	99.4%	0.6%	0.6%
2015	2017	5,981,347,789	39.51	236,740,000	99.2%	0.8%	0.3%
2014	2016	5,946,170,476	38.31	229,112,000	99.3%	0.7%	0.1%
2013	2015	5,924,661,849	37.37	222,213,000	99.2%	0.8%	0.1%
2012	2014	5,893,896,106	36.30	214,310,000	99.2%	0.8%	0.0%
2011	2013	5,880,331,173	35.75	210,066,000	99.1%	0.9%	0.0%
2010	2012	5,034,401,821	39.44	199,192,000	99.1%	0.9%	0.0%
2009	2011	4,999,850,000	38.38	192,761,000	98.9%	1.1%	0.0%

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

### PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WETHERSFIELD

Grand List of 10/1	Fiscal Year Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2018
2018	2020	\$2,321,469,775	40.74	\$92,193,981	<i>Collections 7/1/19 &amp; 1/1/20</i>		
2017	2019	2,251,449,143	40.78	89,796,393	<i>Collections 7/1/18 &amp; 1/1/19</i>		
2016	2018	2,242,958,976	39.77	88,497,998	99.1%	0.9%	0.9%
2015	2017	2,214,180,160	38.54	85,282,173	99.2%	0.8%	0.3%
2014	2016	2,213,400,730	38.19	84,329,250	99.1%	0.9%	0.2%
2013	2015	2,205,813,324	36.74	80,862,756	99.1%	0.9%	0.1%
2012	2014	2,338,758,240	33.46	78,123,896	99.0%	1.0%	0.1%
2011	2013	2,329,648,250	32.58	75,725,740	99.0%	1.0%	0.1%
2010	2012	2,314,769,170	31.42	72,558,938	98.9%	1.1%	0.1%
2009	2011	2,315,493,100	30.66	70,662,766	98.8%	1.2%	0.1%

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

## PROPERTY TAX LEVIES AND COLLECTIONS – TOWN OF WINDSOR

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Annual Levy Collected End of Fiscal Year	Percent Annual Levy Uncollected End of Fiscal Year	Percent Annual Levy Uncollected 6/30/2018
2018	2020	\$3,105,965,090	32.38	\$98,483,350	<i>Collections 7/1/19 &amp; 1/1/20</i>		
2017	2019	2,959,778,035	32.96	95,645,930	<i>Collections 7/1/18 &amp; 1/1/19</i>		
2016	2018	2,886,742,186	32.45	93,966,005	99.0%	1.0%	1.0%
2015	2017	2,924,503,409	31.52	93,031,833	99.0%	1.0%	0.4%
2014	2016	2,849,933,303	30.92	88,799,152	98.8%	1.2%	0.1%
2013	2015	2,831,162,216	30.47	86,548,952	98.8%	1.2%	0.0%
2012	2014	3,014,279,336	27.33	82,919,994	98.6%	1.4%	0.0%
2011	2013	2,907,891,898	27.95	81,403,784	98.7%	1.3%	0.0%
2010	2012	2,811,979,697	28.03	79,201,381	98.8%	1.2%	0.0%
2009	2011	2,724,614,072	28.38	77,747,083	98.6%	1.4%	0.0%

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

## TEN LARGEST TAXPAYERS – TOWN OF BLOOMFIELD<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Eversource.....	Utility	\$94,615,790	4.39%
HG Conn Realty Corp.....	Commercial Real Estate	41,585,260	1.93%
AMCAP Copaco LLC.....	Shopping Center	40,748,911	1.89%
Trader Joes East Inc.....	Shopping Center	39,223,400	1.82%
Connecticut General Life Insurance Co.....	Insurance	38,103,590	1.77%
Church Home of Hartford Inc.....	Retirement Facility	35,438,520	1.64%
Duncaster Inc.....	Assisted Living	33,422,980	1.55%
Metropolitan Life Insurance Co.....	Insurance	31,867,500	1.48%
WE Hawthorne LLC.....	Residential Real Estate	26,707,660	1.24%
CIGNA Health & Life Insurance Co.....	Insurance	18,269,600	0.85%
<b>Total.....</b>		<b>\$399,983,211</b>	<b>18.56%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$2,155,023,283.

Source: Town of Bloomfield.

## TEN LARGEST TAXPAYERS – TOWN OF EAST HARTFORD<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
United Technologies Corp.....	Manufacturing	\$502,111,500	18.04%
Goodwin College.....	College	126,708,080	4.55%
Eversource.....	Utility	49,364,430	1.77%
Connecticut Natural Gas Corp.....	Utility	31,378,940	1.13%
Merchant Group.....	Offices	29,680,340	1.07%
Fremont Riverview LLC.....	Offices	27,246,860	0.98%
Coca-Cola Bottling Co.....	Beverage Mfg./Distributor	25,502,210	0.92%
Ansonia Acquisitions LLC.....	Apartments	23,738,590	0.85%
Cabela's Inc.....	Retail	20,209,950	0.73%
Colonial Rivemead MHC LLC.....	Real Estate	18,413,610	0.66%
<b>Total.....</b>		<b>\$854,354,510</b>	<b>30.69%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$2,783,862,372.

Source: Town of East Hartford.



### TEN LARGEST TAXPAYERS – CITY OF HARTFORD<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Eversource.....	Utility	\$187,100,220	4.65%
Travelers Indemnity Co. Affiliate.....	Insurance	143,242,540	3.56%
Hartford Fire Insurance & Twin City Ins.....	Insurance	124,275,240	3.09%
Aetna Life Insurance Co. & Annuity.....	Insurance	108,548,570	2.70%
RP Asylum LLC.....	Real Estate	72,425,499	1.80%
Hartford Hospital & HHMOB Corp.....	Hospital	51,186,660	1.27%
Mac-State Square LLC.....	Office Complex	49,000,000	1.22%
Talcott II Gold, LLC.....	Office Complex	44,936,600	1.12%
Constitution Plaza Holding LLC.....	Office Complex	41,354,970	1.03%
Hartford Steam Boiler Inspection & Ins.....	Utility	37,619,970	0.93%
<b>Total.....</b>		<b>\$859,690,269</b>	<b>21.35%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$4,025,919,645.

Source: City of Hartford.

### TEN LARGEST TAXPAYERS – TOWN OF NEWINGTON<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Eversource.....	Utility	\$47,472,340	1.80%
Mandell Properties.....	Printing	22,312,330	0.85%
IREIT Newington Fair LLC.....	Shopping Center	21,509,790	0.81%
Newington VF LLC.....	Shopping Center	20,300,000	0.77%
Newington Gross LLC.....	Shopping Center	19,462,690	0.74%
GKN Aerospace.....	Manufacturing	19,288,260	0.73%
TLG Newington LLC.....	Shopping Center	18,315,500	0.69%
Brixmor GA Turnpike Plaza LLC.....	Shopping Center	17,850,000	0.68%
Hayes Kaufman Newington Assoc. LLC.....	Real Estate	13,724,370	0.52%
Scelza/Landmark Cambridge/Baldwin Apts..	Apartments	13,005,440	0.49%
<b>Total.....</b>		<b>\$213,240,720</b>	<b>8.08%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$2,640,307,103.

Source: Town of Newington.

### TEN LARGEST TAXPAYERS – TOWN OF ROCKY HILL<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Connecticut Natural Gas Corporation.....	Utility	\$47,768,190	2.16%
Century Hills Property Owner LLC.....	Apartments	41,972,350	1.90%
RP Glenbrook LLC.....	Warehouse	31,269,490	1.42%
MKS - 500 Enterprise LLC.....	Real Estate	26,385,080	1.19%
Burris Logistics Inc.....	Real Estate	24,683,220	1.12%
Henkel Corporation.....	Manufacturer of Adhesives	21,338,660	0.97%
Rocky Hill Holdings LLC.....	Real Estate	19,171,180	0.87%
Eversource.....	Utility	19,115,101	0.87%
Rocky Hill Hotel Partners LLC.....	Real Estate	14,650,010	0.66%
VTR Northeast Holdings LLC.....	Real Estate	14,237,090	0.64%
<b>Total.....</b>		<b>\$260,590,371</b>	<b>11.80%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$2,208,948,420.

Source: Town of Rocky Hill.

### TEN LARGEST TAXPAYERS – TOWN OF WEST HARTFORD<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Sof-Ix Blueback Square Holdings LP.....	Real Estate	\$80,035,440	1.27%
West Farms Mall.....	Shopping Mall	52,579,570	0.83%
Eversource.....	Utility	44,538,820	0.71%
FW CT - Corbins Corner.....	Retail, Office	42,378,420	0.67%
SF West Hartford Property Owner LLC.....	Real Estate	29,271,060	0.46%
Town Center West Associates.....	Office	28,068,950	0.44%
McAuley Center Incorporated.....	Assisted Living	25,529,610	0.40%
BFN Westgate LLC.....	Apartments	20,515,980	0.32%
Steele Road LLC.....	Real Estate	20,047,790	0.32%
E&A Northeast Limited Partnership.....	Shopping Center	18,884,600	0.30%
<b>Total.....</b>		<b>\$361,850,240</b>	<b>5.73%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$6,314,734,062.

Source: Town of West Hartford.

### TEN LARGEST TAXPAYERS – TOWN OF WETHERSFIELD<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Wethersfield Apartments Assoc. LLC.....	Apartments	\$21,700,000	0.93%
Executive Square LTD Partnership.....	Apartments	19,552,960	0.84%
Cedar-Jordan Lane LLC.....	Shopping Center	15,848,780	0.68%
Eversource.....	Utility	15,305,160	0.66%
Wethersfield Shopping Center LLC.....	Shopping Center	14,700,000	0.63%
100 Great Meadow Road.....	Real Estate	14,080,150	0.61%
Connecticut Natural Gas.....	Utility	9,926,100	0.43%
Goodwin Gardens LLC.....	Apartments	9,300,690	0.40%
Goff Brook Shoppes of Wethersfield LLC..	Shopping Center	7,578,350	0.33%
Extra Space Properties 131 LLC.....	Real Estate	7,069,240	0.30%
<b>Total.....</b>		<b>\$135,061,430</b>	<b>5.82%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$2,321,469,775.

Source: Town of Wethersfield.

### TEN LARGEST TAXPAYERS – TOWN OF WINDSOR<sup>1</sup>

Name of Taxpayer	Nature of Business	Assessed Valuation	Percent of Net Taxable Grand List
Deka Immobilien Investment (Amazon)....	Real Estate	\$98,917,654	3.18%
Griffin Land & Affiliates.....	Real Estate	89,562,346	2.88%
Walgreens.....	Pharmacy	76,947,455	2.48%
Eversource.....	Utility	70,489,608	2.27%
CIGNA.....	Insurance	58,521,410	1.88%
Voya Retirement Insurance.....	Finance	56,373,315	1.82%
Dollar Tree Distribution Inc.....	Real Estate	55,979,689	1.80%
Hartford Financial Corporation.....	Finance	51,404,269	1.66%
Cellco/Verizon Wireless.....	Information Technology	34,840,873	1.12%
Addison Property Owner LLC.....	Real Estate	31,115,350	1.00%
<b>Total.....</b>		<b>\$624,151,969</b>	<b>20.10%</b>

<sup>1</sup> Based on a 10/1/18 Net Taxable Grand List of \$3,105,965,090.

Source: Town of Windsor.

# EQUALIZED NET GRAND LIST

Town of Bloomfield			Town of East Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2017	\$3,067,207,322	2.35%	2017	\$4,178,783,910	6.03%
2016	2,996,916,298	-0.76%	2016	3,940,968,591	0.95%
2015	3,020,013,609	3.92%	2015	3,903,976,521	2.78%
2014	2,906,211,229	2.42%	2014	3,798,403,109	-0.82%
2013	2,837,611,566	1.24%	2013	3,829,879,530	-2.72%
2012	2,802,966,115	8.00%	2012	3,936,906,558	2.28%
2011	2,595,430,274	-6.87%	2011	3,849,203,343	-2.96%
2010	2,786,819,016	-5.97%	2010	3,966,619,309	-7.51%
2009	2,963,847,920	-5.66%	2009	4,288,594,846	-2.31%
2008	3,141,560,761	-1.55%	2008	4,390,028,134	-10.49%

City of Hartford			Town of Newington		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2017	\$7,657,042,945	31.71%	2017	\$4,227,649,658	8.04%
2016	5,813,578,706	-17.54%	2016	3,912,907,248	4.84%
2015	7,050,499,019	8.53%	2015	3,732,257,306	-3.39%
2014	6,496,073,222	-5.55%	2014	3,863,277,039	0.74%
2013	6,877,950,983	-0.15%	2013	3,834,827,702	5.01%
2012	6,888,293,807	5.55%	2012	3,651,832,566	0.08%
2011	6,526,348,965	-8.69%	2011	3,648,904,984	-5.97%
2010	7,147,577,757	-7.34%	2010	3,880,511,002	-4.74%
2009	7,713,607,784	5.52%	2009	4,073,474,409	2.99%
2008	7,309,947,142	-8.96%	2008	3,955,308,064	-2.98%

Town of Rocky Hill			Town of West Hartford		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2017	\$3,102,901,837	2.30%	2017	\$9,605,646,775	7.83%
2016	3,033,011,924	-0.87%	2016	8,907,859,189	-3.72%
2015	3,059,763,412	-4.18%	2015	9,251,991,620	-0.77%
2014	3,193,390,993	12.39%	2014	9,323,512,094	1.83%
2013	2,841,314,800	2.02%	2013	9,156,172,567	1.33%
2012	2,784,951,675	1.59%	2012	9,035,908,810	7.56%
2011	2,741,368,613	-0.81%	2011	8,400,921,331	15.96%
2010	2,763,696,337	-6.61%	2010	7,244,491,864	1.50%
2009	2,959,219,154	-6.24%	2009	7,137,413,505	-4.48%
2008	3,156,073,966	3.76%	2008	7,472,184,092	1.90%

Town of Wethersfield			Town of Windsor		
Grand List of 10/1	Equalized Net Grand List	% Growth	Grand List of 10/1	Equalized Net Grand List	% Growth
2017	\$3,379,119,934	-0.40%	2017	\$4,518,598,159	6.51%
2016	3,392,683,688	6.86%	2016	4,242,507,812	-4.45%
2015	3,174,823,747	2.27%	2015	4,440,057,842	4.25%
2014	3,104,460,582	-1.54%	2014	4,259,039,357	5.21%
2013	3,153,114,691	0.19%	2013	4,047,961,669	0.54%
2012	3,147,128,675	0.02%	2012	4,026,160,993	0.00%
2011	3,146,435,531	0.59%	2011	4,026,157,221	0.56%
2010	3,128,048,308	-4.47%	2010	4,003,835,033	-0.89%
2009	3,274,360,078	-0.76%	2009	4,039,645,772	-5.96%
2008	3,299,287,214	-9.29%	2008 <sup>1</sup>	4,295,760,010	-5.23%

<sup>1</sup> Revaluation phased- in.

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

## **VII. FINANCIAL INFORMATION**

---

### **FISCAL YEAR**

Financial information for the District for fiscal years ended December 31, 2014 through December 31, 2018 and for the Member Municipalities for fiscal years ended June 30, 2014 through June 30, 2018, was taken from audited financial statements. Budget and audited financial data for the Member Municipalities of the District was provided by the Member Municipalities.

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

### **BASIS OF ACCOUNTING AND ACCOUNTING POLICIES**

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

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

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

### **BUDGETARY PROCEDURES**

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

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

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

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

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

## **DEBT ADMINISTRATION POLICY**

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

1. Capital appropriations not exceeding \$21,223,042, indexed for inflation, excluding those portions of an appropriation payable from Federal or State grants for any single item within the capital section of the budget.
2. Appropriations for any reason involving not more than \$25,000,000 in any one year for the purpose of meeting a public emergency threatening the lives, health or property of citizens of the District.
3. Construction of or leasing headquarters facilities.
4. Any public improvement all or a portion of which is to be paid for by assessments of benefits or from funds established to pay for waste or water facilities.

With the exception of the two \$800,000,000 appropriations, and bond authorizations for the District's Clean Water Project approved at referenda in November 2006 and November 2012, and a supplemental \$140,000,000 appropriation of grants, which are expected to be supported by general obligation bonds, revenue bonds, and clean water fund obligations payable from the Clean Water Project Charge (previously the Special Sewer Service Surcharge) (*see "Clean Water Project" and "Authorized but Unissued Debt – The District" herein*), the District has followed a policy of financing capital expenditures by issuing general obligation bonds secured by unlimited taxes levied proportionately upon the Member Municipalities comprising the District.

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

## **ANNUAL AUDIT**

Pursuant to its Charter and Connecticut law, the District is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State's, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended December 31, 2018, the examination was conducted by the firm of Blum, Shapiro & Company, P.C., independent certified public accountants and business consultants, of West Hartford, Connecticut. The firm was appointed by the Board of Finance. See Appendix A "Basic Financial Statements".

## PENSION PLAN

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

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

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

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

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

Six-Year Trend Information			
<u>Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Actual Contribution</u>	<u>% of ARC Funded</u>
MDC			
2013	\$5,804,428	\$5,881,000	101%
2014	\$5,857,601	\$5,918,000	101%
2015	\$5,805,223	\$6,000,000	103%
2016	\$6,361,424	\$6,361,424	100%
2017	\$5,376,378	\$6,300,000	117%
2018	\$5,647,479	\$6,500,000	115%

The District implemented GASB Statement No. 67 effective in Fiscal Year 2014. The following net pension liability of the District at December 31, 2018, determined by an actuarial valuation as of January 1, 2018 and based on actuarial assumptions as of that date, were as follows.

GASB 67 Schedules	
Total pension liability at December 31, 2018	\$269,964,668
Plan fiduciary net position	201,704,484
District's net pension liability	\$68,260,184
Plan fiduciary net position as % of total pension liability	74.72%

The following presents the net pension liability, calculated using the discount rate of 7.25% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

	<b>1% Decrease (6.25%)</b>	<b>Current Discount (7.25%)</b>	<b>1% Increase (8.25%)</b>
District Plan's net pension liability as of December 31, 2018	\$97,585,000	\$68,260,184	\$43,990,705

#### *457(f) Nonqualified Deferred Compensation Plan*

The District has a 457(f) Nonqualified Deferred Compensation Plan for certain qualified key employees as deemed eligible by the PPI Committee. The District will make contributions to the plan as deemed necessary.

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

#### **OTHER POST EMPLOYMENT BENEFITS**

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

Expenses for post-employment benefits were paid out of the OPEB trust fund during fiscal year ended December 31, 2018. The plan does not issue a stand-alone financial report.

The contribution requirements of the plan members and the District are also negotiated with the various unions representing the employees. Employees hired prior to June 5, 2018 are required to contribute 5% of regular compensation and new employees hired after June 5, 2018 are required to contribute 7.5% of regular compensation. As of January 1, 2019, all employees also contribute 1.0% of regular compensation into the OPEB Trust Fund. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of the health insurance premiums.

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

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

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

The District implemented GASB Statement No. 74 effective in Fiscal Year 2017. The following net pension liability of the District at December 31, 2018, determined by an actuarial valuation as of December 31, 2018 and based on actuarial assumptions as of that date, were as follows.

<b>GASB 74 Schedules</b>	
Total OPEB liability at December 31, 2018	\$289,298,662
Plan fiduciary net position	(600,397)
District's net OPEB liability	\$289,899,059
Plan fiduciary net position as % of total OPEB liability	-0.21%



	<b>1% Decrease (3.10%)</b>	<b>Current Discount (4.10%)</b>	<b>1% Increase (5.10%)</b>
District Plan's net OPEB liability as of December 31, 2018	\$339,942,954	\$289,899,059	\$250,183,571

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

## **INVESTMENT POLICIES AND PRACTICES**

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

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

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

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

## **DISTRICT CASH MANAGEMENT INVESTMENT POLICY**

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

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

## **RISK MANAGEMENT**

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

## **COMPENSATED ABSENCES**

The District's liability for accumulated unpaid vacation, sick pay and other employee time off is accrued when incurred in governmental and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The remaining is recorded in the general long-term obligations account group. Accrued compensated absences as of December 31, 2018 were \$6,269,330.

**REVENUES AND APPROPRIATIONS  
ADOPTED BUDGET FOR 2019**

	Adopted Budget 2019
<b>Water Revenues</b>	
Sale of Water.....	\$89,124,600
Other Operating Revenue.....	6,820,200
<b>Total Operating Revenue.....</b>	<b>\$95,944,800</b>
Non-Operating Revenue.....	2,262,600
Contribution from (to) Working Funds.....	0
<b>Total Water Revenues.....</b>	<b>\$98,207,400</b>
<b>Sewer Revenues</b>	
Tax on Member Municipalities.....	\$48,153,100
Revenue From Other Governmental Agencies.....	4,958,400
Other Sewer Revenues.....	17,108,400
Sewer User Charge Revenue.....	17,540,900
<b>Total Operating Revenue.....</b>	<b>\$87,760,800</b>
Contributions/Transfers From Other Funds.....	0
Revenue Surplus Designated from Prior Year.....	3,500,000
<b>Total Sewer Revenues.....</b>	<b>\$91,260,800</b>
<b>Total Water and Sewer Revenues.....</b>	<b>\$189,468,200</b>
<b>Hydroelectric Revenues.....</b>	<b>895,400</b>
<b>Total Revenues and Other Financing Sources.....</b>	<b>\$190,363,600</b>

	Adopted 2019		
	Water	Sewer	Total
<b>Appropriations Water And Sewer Budgets</b>			
District Board.....	\$ 201,700	\$ 193,800	\$ 395,500
Executive Office.....	484,700	465,600	950,300
Administrative Services.....	-	-	-
Legal.....	881,200	846,700	1,727,900
Human Resources.....	777,300	746,800	1,524,100
Information Technology.....	4,641,800	2,286,300	6,928,100
Finance.....	3,512,100	3,374,200	6,886,300
Environment, Health, Safety.....	492,000	472,800	964,800
Engineering and Planning.....	982,500	944,100	1,926,600
Customer Service.....	2,716,800	1,399,500	4,116,300
Operating Office.....	386,100	370,900	757,000
Operations.....	8,041,100	2,680,500	10,721,600
Laboratory Services.....	923,300	852,300	1,775,600
Water Pollution Control.....	-	17,462,200	17,462,200
Maintenance.....	5,582,600	5,363,600	10,946,200
Water Treatment & Supply.....	8,944,700	-	8,944,700
Patrol.....	1,719,500	-	1,719,500
Debt Service.....	31,753,300	34,069,500	65,822,800
Employee Benefits.....	15,679,300	12,828,600	28,507,900
General Insurance.....	3,323,000	1,424,100	4,747,100
Taxes and Fees.....	3,610,500	-	3,610,500
Special Agreements, Programs.....	3,553,900	1,479,300	5,033,200
Contingency.....	-	4,000,000	4,000,000
Riverfront Park Systems.....	-	-	-
<b>Total Water and Sewer Budgets...</b>	<b>\$ 98,207,400</b>	<b>\$ 91,260,800</b>	<b>\$ 189,468,200</b>
<b>Hydroelectric Budget.....</b>	<b>895,400</b>		<b>895,400</b>
<b>Total Appropriations.....</b>	<b>\$ 99,102,800</b>	<b>\$ 91,260,800</b>	<b>\$ 190,363,600</b>

**SOURCES OF FUNDS  
ADOPTED BUDGET FOR 2019**

<b><u>Sale of Water by User</u></b>	<b><u>Adopted Budget 2019</u></b>
Domestic.....	34.04%
Commercial.....	6.69
Industrial.....	0.95
Public Authority.....	4.40
Other Water Companies.....	0.96
<b>Total.....</b>	<b>47.04%</b>
<b><u>Sewer Revenues Paid By Member Municipality Tax</u></b>	
Hartford.....	6.53
East Hartford.....	3.05
Newington.....	2.28
Wethersfield.....	2.10
Windsor.....	2.26
Bloomfield.....	1.84
Rocky Hill.....	1.54
West Hartford.....	5.82
<b>Total.....</b>	<b>25.42%</b>
<b><u>Other Sources of Funds for Sewer &amp; Water</u></b>	
Other Sewer & Water Revenues.....	27.54%
<b>Total Sources of Funds for Sewer &amp; Water.....</b>	<b>100.00%</b>
<b><u>Sources of Funds for All Projects</u></b>	
Water Revenues.....	51.59
Sewer Revenues.....	47.94
Hydroelectric Revenues.....	0.47
<b>Total.....</b>	<b>100.00%</b>

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

	Adopted Budget 2019 <sup>3</sup>	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
<b>REVENUES:</b>						
Taxation - Member Towns .....	\$48,153,100	\$45,004,000	\$41,670,400	\$38,944,300	\$37,446,400	\$36,156,600
Sewer User Fees .....	17,540,900	9,804,814	7,639,768	7,536,807	6,513,558	5,733,380
Intergovernmental .....	4,958,400	5,819,727	4,693,503	5,599,705	4,028,474	3,547,471
Investment Income .....	600,000	655,763	532,877	72,125	36,202	52,350
Other Revenues .....	16,508,400	7,613,648	5,683,498	3,692,370	1,735,684	3,359,742
Transfers In .....	3,500,000 <sup>1</sup>	0	0			
<b>Total Revenues</b>						
<b>and Transfers In .....</b>	<b>\$91,260,800</b>	<b>\$68,897,952</b>	<b>\$60,220,046</b>	<b>\$55,845,307</b>	<b>\$49,760,318</b>	<b>\$48,849,543</b>
<b>EXPENDITURES:</b>						
General Government .....	\$7,772,300	\$4,762,419	\$3,436,145	\$3,918,725	\$5,471,054	\$4,824,078
Engineering & Planning .....	944,100					247,304
Operations .....	5,964,900	3,918,542	2,313,810	6,343,886	1,447,931	1,432,213
Plants & Maintenance .....	25,157,400	15,144,347	20,148,648	17,673,827	17,002,752	16,780,068
Employee Benefits & Other .....	17,352,600	11,162,192	10,881,861	11,034,670	7,196,385	8,900,673
Transfers Out .....	34,069,500	27,213,487 <sup>2</sup>	21,390,625	16,817,348	17,847,927	15,427,552
<b>Total Expenditures .....</b>	<b>\$91,260,800</b>	<b>\$62,200,987</b>	<b>\$58,171,089</b>	<b>\$55,788,456</b>	<b>\$48,966,049</b>	<b>\$47,611,888</b>
<b>Results from Operations .....</b>		<b>\$6,696,965</b>	<b>\$2,048,957</b>	<b>\$56,851</b>	<b>\$794,269</b>	<b>\$1,237,655</b>
<b>Fund Balance, January 1 .....</b>		<b>\$19,594,975</b>	<b>\$17,546,018</b>	<b>\$17,489,167</b>	<b>\$16,694,898</b>	<b>\$15,457,243</b>
<b>Fund Balance, December 31 .....</b>		<b>\$26,291,943</b>	<b>\$19,594,975</b>	<b>\$17,546,018</b>	<b>\$17,489,167</b>	<b>\$16,694,898</b>

<sup>1</sup> Designated from prior years' surplus.

<sup>2</sup> Includes \$27,213,487 in debt service.

<sup>3</sup> Budgetary Basis.

**ANALYSIS OF GENERAL FUND EQUITY**  
**The District**  
(GAAP BASIS)

	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Nonspendable .....	\$3,065,322	\$2,851,003	\$3,047,848	\$2,987,472	\$2,654,631
Unassigned .....	23,226,621	16,743,975	14,498,170	14,501,695	14,040,267
<b>Total Fund Balance</b>	<b>\$26,291,943</b>	<b>\$19,594,978</b>	<b>\$17,546,018</b>	<b>\$17,489,167</b>	<b>\$16,694,898</b>

Source: Audit Reports 2014-2018; Budget 2019.

## HISTORY OF MEMBER MUNICIPALITY'S TAXATION <sup>1</sup>

<b>Member Municipality</b>	<b>Budget 2019</b>	<b>%</b>	<b>Actual 2018</b>	<b>%</b>	<b>Actual 2017</b>	<b>%</b>
Bloomfield	\$ 3,488,600	7.24	\$ 3,256,200	7.24	\$ 3,067,100	7.36
East Hartford	5,775,200	11.99	5,486,600	12.19	5,059,400	12.14
Hartford	12,372,000	25.69	11,550,400	25.67	10,963,200	26.31
Newington	4,318,900	8.97	4,120,900	9.16	3,752,900	9.01
Rocky Hill	2,909,600	6.04	2,712,500	6.03	2,475,800	5.94
West Hartford	11,034,500	22.93	10,168,100	22.58	9,286,900	22.28
Wethersfield	3,979,400	8.26	3,707,800	8.24	3,408,200	8.18
Windsor	4,274,900	8.88	4,001,500	8.89	3,656,900	8.78
<b>Total</b>	<b>\$48,153,100</b>	<b>100.0%</b>	<b>\$45,004,000</b>	<b>100.0%</b>	<b>\$41,670,400</b>	<b>100.0%</b>

<b>Member Municipality</b>	<b>Actual 2016</b>	<b>%</b>	<b>Actual 2015</b>	<b>%</b>	<b>Actual 2014</b>	<b>%</b>
Bloomfield	\$ 2,936,000	7.54	\$ 2,752,400	7.35	\$ 2,612,500	7.23
East Hartford	4,762,000	12.23	4,490,100	11.99	4,213,200	11.65
Hartford	10,174,900	26.13	10,298,600	27.50	10,374,400	28.69
Newington	3,508,400	9.00	3,287,300	8.78	3,132,300	8.66
Rocky Hill	2,239,700	5.75	2,153,700	5.75	2,089,100	5.78
West Hartford	8,710,900	22.37	8,219,700	21.95	7,798,800	21.57
Wethersfield	3,207,700	8.24	3,022,000	8.07	2,824,400	7.81
Windsor	3,404,700	8.74	3,222,600	8.61	3,111,900	8.61
<b>Total</b>	<b>\$38,944,300</b>	<b>100.0%</b>	<b>\$37,446,400</b>	<b>100.0%</b>	<b>\$36,156,600</b>	<b>100.0%</b>

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

Source: District Officials.

# WATER UTILITY FUND REVENUES AND EXPENDITURES

## The District

### Summary of Audited Revenues and Expenditures

#### (GAAP BASIS)

See Section III, "Water Operations"

	Adopted Budget 2019 <sup>1</sup>	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
<b>Operating Revenues:</b>						
Water Sales.....	\$89,124,600	\$74,795,863	\$78,137,873	\$71,187,491	\$73,285,849	\$73,334,034
Other Operating Revenues.....	6,820,200	3,631,305	3,991,268	4,021,248	0	
<b>Total Operating Revenue.....</b>	<b>\$95,944,800</b>	<b>\$78,427,168</b>	<b>\$82,129,141</b>	<b>\$75,208,739</b>	<b>\$73,285,849</b>	<b>\$73,334,034</b>
<b>Total Operating Expenses.....</b>	<b>77,150,286</b>	<b>113,268,096</b>	<b>81,134,700</b>	<b>75,584,741</b>	<b>76,171,269</b>	<b>73,708,227</b>
Operating Income (Loss).....	18,794,514	(34,840,928)	994,441	(376,002)	(2,885,420)	(374,193)
<b>Non-operating Revenues.....</b>	<b>2,262,600</b>	<b>(32,807)</b>	<b>2,108,636</b>	<b>2,171,467</b>	<b>1,989,866</b>	<b>1,255,128</b>
Income (Loss) Before Interest & Fiscal Charges & Operating Transfers.....	21,057,114	(34,873,735)	3,103,077	1,795,465	(895,554)	880,935
Interest & Fiscal Charges.....	(9,695,014)	(9,573,365)	(9,117,593)	(8,528,444)	(6,710,980)	(3,562,568)
<b>Income Before Operating Transfers.....</b>	<b>\$11,362,100</b>	<b>(\$44,447,100)</b>	<b>(\$6,014,516)</b>	<b>(\$6,732,979)</b>	<b>(\$7,606,534)</b>	<b>(\$2,681,633)</b>
<b>Transfers</b>						
Grants & Contributions.....		\$22,060,020	\$20,596,616	\$12,285,315	\$4,827,274	\$5,227,745
<b>Net Operating Transfers.....</b>		<b>(17,088,617)</b>	<b>0</b>	<b>(28,760,431)</b>	<b>0</b>	<b>(1,556,735)</b>
<b>Net Income (Loss).....</b>		<b>(\$39,475,697)</b>	<b>\$14,582,100</b>	<b>(\$23,208,095)</b>	<b>(\$2,779,260)</b>	<b>\$989,377</b>
<b>Net Assets, January 1.....</b>		<b>\$156,287,494<sup>3</sup></b>	<b>\$255,525,700</b>	<b>\$278,733,795<sup>2</sup></b>	<b>\$252,779,244<sup>2</sup></b>	<b>\$275,397,686</b>
<b>Net Assets, December 31.....</b>		<b>\$116,811,797</b>	<b>\$270,107,800</b>	<b>\$255,525,700</b>	<b>\$249,999,984</b>	<b>\$276,387,063</b>

<sup>1</sup> Budgetary Basis.

<sup>2</sup> Restated.

<sup>3</sup> Restated to reflect implementation of GASB 75.

Source: Audit Reports 2014-2018; Budget 2019.

# HYDROELECTRIC FUND REVENUES AND EXPENDITURES

## The District

Summary of Audited Revenues and Expenditures

(GAAP BASIS)

See Section IV, "Hydroelectric Development Program"

	Adopted Budget 2019 <sup>1</sup>	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
<b>Operating Revenues:</b>						
Power Sales .....	\$895,400	\$1,288,293	\$707,463	\$397,832	\$912,162	\$1,063,425
Miscellaneous .....	0	0	0			
<b>Total Operating Revenue.....</b>	<b>\$895,400</b>	<b>\$1,288,293</b>	<b>\$707,463</b>	<b>\$397,832</b>	<b>\$912,162</b>	<b>\$1,063,425</b>
<b>Total Operating Expenses .....</b>	<b>\$895,400</b>	<b>\$247,281</b>	<b>\$702,704</b>	<b>\$827,100</b>	<b>\$479,326</b>	<b>\$394,359</b>
<b>Operating Income (Loss).....</b>	<b>\$0</b>	<b>\$1,041,012</b>	<b>\$4,759</b>	<b>(\$429,268)</b>	<b>\$432,836</b>	<b>\$669,066</b>
<b>Non-operating Revenues (Expenses).....</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$105</b>	<b>\$4</b>
<b>Income Before Operating Transfers .....</b>	<b>\$0</b>	<b>\$1,041,012</b>	<b>\$4,759</b>	<b>(\$429,268)</b>	<b>\$432,941</b>	<b>\$669,070</b>
Net Operating Transfers .....	0	0	0	0	0	0
<b>Net Income (Loss).....</b>	<b>\$0</b>	<b>\$1,041,012</b>	<b>\$4,759</b>	<b>(\$429,268)</b>	<b>\$432,941</b>	<b>\$669,070</b>
<b>Net Assets, January 1 .....</b>		<b>\$7,659,365<sup>2</sup></b>	<b>\$8,299,796</b>	<b>\$8,729,064</b>	<b>\$8,296,123</b>	<b>\$7,627,053</b>
<b>Net Assets, December 31 .....</b>		<b>\$8,700,377</b>	<b>\$8,304,555</b>	<b>\$8,299,796</b>	<b>\$8,729,064</b>	<b>\$8,296,123</b>

<sup>1</sup> Budgetary Basis.

<sup>2</sup> Restated to reflect implementation of GASB 75.

Source: Audit Reports 2014- 2018; Budget 2019.



## MEMBER MUNICIPALITY FINANCIAL INFORMATION

### GENERAL FUND REVENUES AND EXPENDITURES

#### Town of Bloomfield

#### Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2019-20 <sup>1</sup>	Adopted Budget 2018-19 <sup>1</sup>	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
<b>REVENUES:</b>							
Taxes and Assessments.....	\$80,454,103	\$78,943,384	\$76,396,187	\$74,698,743	\$73,563,398	\$72,644,940	\$71,679,525
State and Federal Grants.....	6,505,154	6,561,523	14,695,223	14,366,350	11,091,620	10,539,585	11,640,999
Charges for Services.....	1,308,100	1,281,450	2,538,033	3,281,387	4,265,991	1,751,284	1,866,078
Investment Income.....	215,000	130,000	376,677	157,151	89,745	48,687	56,004
Licenses and Permits.....	877,350	976,200	0	0	0	0	0
Other.....	243,000	228,000	239,084	134,357	129,526	135,009	160,234
Transfers In.....	2,245,114 <sup>8</sup>	1,400,000 <sup>7</sup>	15,377,019 <sup>5</sup>	10,065,675 <sup>3</sup>	100,000	293,587 <sup>2</sup>	50,000
<b>Total Revenues and Transfers In.....</b>	<b>\$91,847,821</b>	<b>\$89,520,557</b>	<b>\$109,622,223</b>	<b>\$102,703,663</b>	<b>\$89,240,280</b>	<b>\$85,413,092</b>	<b>\$85,452,840</b>
<b>EXPENDITURES:</b>							
General Government.....	\$5,004,395	\$4,870,496	\$4,425,358	\$4,287,191	\$4,198,861	\$3,922,150	\$3,631,187
Public Safety.....	8,172,646	8,187,760	7,304,494	7,505,124	7,471,347	7,318,777	7,092,673
Public Works.....	3,360,348	3,336,462	3,091,766	3,067,339	2,895,926	3,185,324	3,100,569
Leisure Services.....	816,188	815,679	728,656	724,178	730,653	688,923	690,299
Public Libraries.....	1,734,931	1,750,555	1,621,318	1,580,730	1,524,108	1,522,952	1,459,802
Human Services.....	1,711,921	1,645,642	1,558,112	1,465,096	1,427,964	1,391,259	1,340,671
Facilities.....	1,882,320	1,853,363	1,640,342	1,461,766	1,561,150	1,516,800	1,582,410
Fixed Charges.....	18,331,158	17,247,042	16,168,272	16,005,256	15,915,492	15,392,282	14,114,184
Miscellaneous.....	445,500	445,500	150,137	73,839	170,017	86,098	159,666
Education.....	43,427,030	42,162,165	49,016,467	47,763,637	43,740,001	42,712,016	42,708,097
Debt Service.....	6,502,326	5,887,820	5,808,960	6,205,214	6,198,138	6,087,159	5,955,928
Transfers Out.....	459,057	1,318,074	16,317,181 <sup>6</sup>	11,161,499 <sup>4</sup>	2,419,246	2,631,577	2,850,000
<b>Total Expenditures and Transfers Out.....</b>	<b>\$91,847,821</b>	<b>\$89,520,558</b>	<b>\$107,831,063</b>	<b>\$101,300,869</b>	<b>\$88,252,903</b>	<b>\$86,455,317</b>	<b>\$84,685,486</b>
<b>Results from Operations.....</b>			<b>\$1,791,160</b>	<b>\$1,402,794</b>	<b>\$987,377</b>	<b>(\$1,042,225)</b>	<b>\$767,354</b>
<b>Fund Balance, July 1.....</b>			<b>\$19,553,906</b>	<b>\$18,151,112</b>	<b>\$17,163,735</b>	<b>\$18,205,960</b>	<b>\$17,438,606</b>
<b>Fund Balance, June 30.....</b>			<b>\$21,345,066</b>	<b>\$19,553,906</b>	<b>\$18,151,112</b>	<b>\$17,163,735</b>	<b>\$18,205,960</b>

<sup>1</sup> Budgetary Basis.

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

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

<sup>4</sup> Includes \$9,815,139 payment to refunded bond escrow agent.

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

<sup>6</sup> Includes \$15,109,225 payment to refunded bond escrow agent.

<sup>7</sup> Represents \$1,400,000 appropriated from prior years' surplus for FY 2019.

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

### ANALYSIS OF GENERAL FUND EQUITY

#### Town of Bloomfield

#### (GAAP BASIS)

	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Nonspendable.....	\$391,200	\$104,250			
Restricted.....					
Assigned.....	2,596,815	2,064,444	\$1,551,424	\$2,054,536	\$2,315,312
Unassigned.....	18,357,051	17,385,212	16,599,688	15,109,199	15,890,648
<b>Total Fund Balance.....</b>	<b>\$21,345,066</b>	<b>\$19,553,906</b>	<b>\$18,151,112</b>	<b>\$17,163,735</b>	<b>\$18,205,960</b>
<b>Unassigned Fund Balance</b>					
<b>As % of Total Expenditures</b>	<b>17.02%</b>	<b>17.16%</b>	<b>18.81%</b>	<b>17.48%</b>	<b>18.76%</b>

Source: Audit Reports 2014-2018; Adopted Budgets 2019 and 2020.

## GENERAL FUND REVENUES AND EXPENDITURES

### Town of East Hartford Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2019-20 <sup>1</sup>	Adopted Budget 2018-19 <sup>1</sup>	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
<b>REVENUES:</b>							
Property Taxes.....	\$135,793,506	\$133,664,819	\$128,413,000	\$124,038,000	\$124,808,000	\$122,150,000	\$118,022,000
Licenses and permits.....	\$1,637,850	\$1,639,450	2,948,000	3,111,000	0	0	0
Intergovernmental.....	49,322,313	49,809,342	77,839,000	77,850,000	66,149,000	64,424,000	63,834,000
Charges for services.....	2,933,500	2,799,815	9,977,000	9,043,000	0	0	0
Investment income (loss).....	0	0	364,000	163,000	0	0	0
Other local revenues.....	1,674,421	517,000	1,880,000	486,000	11,348,000	10,495,000	9,886,000
Transfers In.....	25,010	5,010	497,000	1,110,000	945,000	725,000	661,000
<b>Total Revenues and Transfers In.....</b>	<b>\$191,386,600</b>	<b>\$188,435,436</b>	<b>\$221,918,000</b>	<b>\$215,801,000</b>	<b>\$203,250,000</b>	<b>\$197,794,000</b>	<b>\$192,403,000</b>
<b>EXPENDITURES:</b>							
General Government.....	\$40,922,655	\$39,505,866	\$39,923,000	\$38,651,000	\$39,621,000	\$36,145,000	\$33,669,000
Public Safety.....	29,521,756	29,371,090	28,862,000	28,594,000	27,982,000	27,957,000	27,139,000
Inspection/Permits.....	726,421	731,926	691,000	674,000	636,000	654,000	644,000
Public Works.....	15,635,452	15,162,244	9,175,000	8,839,000	8,800,000	9,373,000	9,128,000
Parks and Recreation.....	3,243,505	3,305,041	3,254,000	3,323,000	3,103,000	3,168,000	2,797,000
Health and Social Services.....	1,462,326	1,454,086	4,550,000	4,690,000	4,765,000	3,985,000	1,457,000
Debt Service.....	8,211,866	8,213,764	10,133,000	9,101,000	9,182,000	9,437,000	9,215,000
Education.....	91,662,619	90,691,419	119,545,000	115,962,000	106,475,000	103,700,000	107,307,000
Transfers Out.....	0	0	1,969,000	2,457,000	1,709,000	1,672,000	1,080,000
<b>Total Expenditures and Transfers Out.....</b>	<b>\$191,386,600</b>	<b>\$188,435,436</b>	<b>\$218,102,000</b>	<b>\$212,291,000</b>	<b>\$202,273,000</b>	<b>\$196,091,000</b>	<b>\$192,436,000</b>
<b>Results from Operations.....</b>			<b>\$3,816,000</b>	<b>\$3,510,000</b>	<b>\$977,000</b>	<b>\$1,703,000</b>	<b>(\$33,000)</b>
<b>Fund Balance, July 1.....</b>			<b>\$20,783,000</b>	<b>\$17,273,000</b>	<b>\$16,296,000</b>	<b>\$14,593,000</b>	<b>\$14,626,000</b>
<b>Fund Balance, June 30.....</b>			<b>\$24,599,000</b>	<b>\$20,783,000</b>	<b>\$17,273,000</b>	<b>\$16,296,000</b>	<b>\$14,593,000</b>

<sup>1</sup> Budgetary Basis.

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

<sup>3</sup> Includes \$13,188,000 in refunding bond escrow.

## ANALYSIS OF GENERAL FUND EQUITY

### Town of East Hartford (GAAP BASIS)

	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Nonspendable.....	\$3,437,000	\$3,652,000			
Assigned.....	1,051,000	549,000	\$961,000	\$583,000	\$626,000
Unassigned.....	20,111,000	16,582,000	16,312,000	15,713,000	13,967,000
<b>Total Fund Balance.....</b>	<b>\$24,599,000</b>	<b>\$20,783,000</b>	<b>\$17,273,000</b>	<b>\$16,296,000</b>	<b>\$14,593,000</b>
<b>Unassigned Fund Balance As % of Total Expenditures</b>	<b>9.22%</b>	<b>7.81%</b>	<b>8.06%</b>	<b>8.01%</b>	<b>7.26%</b>

Source: Audit Reports 2014-2018; Budgets 2019 and 2020.

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

	Adopted Budget 2019-20 <sup>1</sup>	Adopted Budget 2018-19 <sup>1</sup>	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
<b>REVENUES:</b>							
Property Taxes.....	\$283,570,266	\$284,111,323	\$283,758,000	\$260,363,000	\$266,870,000	\$260,640,000	\$256,765,000
Licenses and Permits.....	6,040,406	5,671,406	6,218,000	5,376,000	7,613,000	7,778,000	6,555,000
Investment Income.....	190,000	190,000	1,403,000	442,000	301,000	378,000	489,000
Intergovernmental.....	259,580,413	258,950,890	360,400,000	327,341,000	282,708,000	289,332,000	286,236,000
Charges for Services.....	2,967,964	2,929,483	2,344,000	2,454,000	2,235,000	3,813,000	3,589,000
Use of Property.....	4,003,465	1,313,149	979,000	1,925,000	0	0	0
Other Revenues.....	16,928,227	16,874,855 <sup>3</sup>	1,447,000	2,013,000	5,853,000	4,665,000	3,725,000
Transfers In.....	0	0	13,644,000	5,372,000	5,438,000	21,150,000	10,430,000
<b>Total Revenues and Transfers In.....</b>	<b>\$573,280,741</b>	<b>\$570,041,106</b>	<b>\$670,193,000</b>	<b>\$605,286,000</b>	<b>\$571,018,000</b>	<b>\$587,756,000</b>	<b>\$567,789,000</b>
<b>EXPENDITURES:</b>							
General Government.....	\$18,786,760	\$18,591,377	\$13,334,000	\$14,508,000	\$19,251,000	\$17,067,000	\$19,384,000
Public Safety.....	84,712,806	83,565,977	81,237,000	80,688,000	82,680,000	76,841,000	74,778,000
Public Works.....	15,595,312	13,922,330	12,212,000	12,652,000	13,162,000	14,355,000	13,761,000
Development and Community.....	4,020,079	4,157,700	3,380,000	2,918,000	3,629,000	4,733,000	4,739,000
Human Services.....	5,063,719	5,028,529	3,800,000	4,789,000	4,438,000	4,715,000	4,441,000
Library.....	8,201,317	8,150,000	0	0	0	0	0
Education.....	284,013,274	284,008,188	351,430,000	344,877,000	323,155,000	326,647,000	321,535,000
Recreation and Culture.....	0	0	9,199,000	7,854,000	8,215,000	8,570,000	7,863,000
Benefits and Insurance.....	94,148,565	93,793,869	93,366,000	78,172,000	81,255,000	85,690,000	86,898,000
Debt Service.....	16,310,036	17,423,430	398,000	0 <sup>4</sup>	0 <sup>4</sup>	0 <sup>4</sup>	0 <sup>4</sup>
Other.....	42,428,873	41,399,706	31,286,000	33,121,000	29,969,000	32,403,000	21,019,000
Transfers Out.....	0	0	70,177,000	34,745,000	13,059,000	11,690,000	26,868,000
<b>Total Expenditures and Transfers Out.....</b>	<b>\$573,280,741</b>	<b>\$570,041,106</b>	<b>\$669,819,000</b>	<b>\$614,324,000</b>	<b>\$578,813,000</b>	<b>\$582,711,000</b>	<b>\$581,286,000</b>
<b>Results from Operations.....</b>			<b>\$374,000</b>	<b>(\$9,038,000)</b>	<b>(\$7,795,000)</b>	<b>\$5,045,000</b>	<b>(\$13,497,000)</b>
<b>Fund Balance, July 1.....</b>			<b>\$4,510,000<sup>2</sup></b>	<b>\$14,131,000</b>	<b>\$21,926,000</b>	<b>\$16,881,000</b>	<b>\$30,378,000</b>
<b>Fund Balance, June 30.....</b>			<b>\$4,884,000</b>	<b>\$5,093,000</b>	<b>\$14,131,000</b>	<b>\$21,926,000</b>	<b>\$16,881,000</b>

<sup>1</sup> Budgetary Basis.

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

<sup>3</sup> Includes \$10,000,000 from corporate commitment.

<sup>4</sup> Includes \$121,000 in premium on tax anticipation notes.

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

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

	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Assigned.....	\$0	\$583,000	\$8,663,000	\$1,712,000	\$3,859,000
Unassigned.....	4,884,000	4,510,000	5,468,000	20,214,000	13,022,000
<b>Total Fund Balance.....</b>	<b>\$4,884,000</b>	<b>\$5,093,000</b>	<b>\$14,131,000</b>	<b>\$21,926,000</b>	<b>\$16,881,000</b>
<b>Unassigned Fund Balance</b>					
<b>As % of Total Expenditures</b>	<b>0.73%</b>	<b>0.73%</b>	<b>0.94%</b>	<b>3.47%</b>	<b>2.24%</b>

Source: Audit Reports 2014-2018; Budgets 2019 and 2020.

**THE CITY OF HARTFORD**

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

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

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

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

## GENERAL FUND REVENUES AND EXPENDITURES

### Town of Newington Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2019-20 <sup>1</sup>	Adopted Budget 2018-19 <sup>1</sup>	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
<b>REVENUES:</b>							
Property Taxes.....	\$104,371,343	\$101,371,025	\$95,968,000	\$93,725,000	\$92,240,000	\$89,177,000	\$85,646,000
Payment in Lieu of Taxes.....	1,986,257	943,291	968,000	2,409,000	2,811,000	2,731,000	2,764,000
Licenses, Fees and Permits.....	284,500	285,500	289,000	319,000	380,000	345,000	344,000
Intergovernmental.....	14,734,228	13,279,182	27,920,000	29,005,000	23,340,000	22,709,000	23,590,000
Rental.....	101,600	99,934	107,000	107,000	100,000	113,000	77,000
Income on Investments.....	250,000	130,000	378,000	78,000	76,000	74,000	62,000
Fines.....	22,000	32,500	29,000	23,000	35,000	155,000	89,000
Charges for Services.....	550,875	543,375	627,000	703,000	558,000	544,000	551,000
Refunds and Reimbursements.....	40,000	79,000	0	0	0	0	0
Other.....	106,440	84,486	200,000	98,000	143,000	216,000	128,000
Transfers In <sup>2</sup> .....	1,258,923	1,848,292	124,000	119,000	223,000	331,000	433,000
<b>Total Revenues</b>							
<b>and Transfers In.....</b>	<b>\$123,706,166</b>	<b>\$118,696,585</b>	<b>\$126,610,000</b>	<b>\$126,586,000</b>	<b>\$119,906,000</b>	<b>\$116,395,000</b>	<b>\$113,684,000</b>
<b>EXPENDITURES:</b>							
General Government.....	\$5,275,110	\$5,406,439	\$4,709,000	\$4,858,000	\$4,508,000	\$4,509,000	\$4,483,000
Public Safety.....	8,957,901	8,500,201	8,345,000	8,372,000	8,204,000	7,935,000	7,608,000
Public Works.....	5,397,735	5,114,679	4,732,000	4,702,000	4,608,000	4,908,000	4,728,000
Community Planning & Develop.....	557,909	543,704	551,000	542,000	551,000	525,000	465,000
Health and Human Services.....	1,249,866	1,213,083	1,163,000	1,179,000	1,176,000	1,160,000	1,123,000
Library.....	1,809,841	1,772,571	1,726,000	1,704,000	1,758,000	1,706,000	1,655,000
Parks and Recreation.....	1,810,882	1,757,676	1,614,000	1,571,000	1,566,000	1,544,000	1,513,000
Education.....	74,768,011	72,803,285	84,487,000	82,546,000	76,094,000	74,223,000	74,223,000
Miscellaneous.....	12,521,912	16,597,138	14,791,000	14,201,000	13,668,000	12,063,000	11,031,000
Debt Service.....	1,525,231	786,081	1,151,000	1,192,000	1,228,000	1,677,000	1,476,000
Transfers Out.....	9,831,768	4,201,728	3,040,000	6,431,000	5,958,000	4,836,000	4,955,000
<b>Total Expenditures and</b>							
<b>Transfers Out.....</b>	<b>\$123,706,166</b>	<b>\$118,696,585</b>	<b>\$126,309,000</b>	<b>\$127,298,000</b>	<b>\$119,319,000</b>	<b>\$115,086,000</b>	<b>\$113,260,000</b>
<b>Results from Operations.....</b>			<b>\$301,000</b>	<b>(\$712,000)</b>	<b>\$587,000</b>	<b>\$1,309,000</b>	<b>\$424,000</b>
<b>Fund Balance, July 1.....</b>			<b>\$21,244,000</b>	<b>\$21,956,000</b>	<b>\$21,369,000</b>	<b>\$20,060,000</b>	<b>\$19,636,000</b>
<b>Fund Balance, June 30.....</b>			<b>\$21,545,000</b>	<b>\$21,244,000</b>	<b>\$21,956,000</b>	<b>\$21,369,000</b>	<b>\$20,060,000</b>

<sup>1</sup> Budgetary Basis.

<sup>2</sup> Includes \$1,100,00,000 appropriated from prior years' surplus in FY 2019 and FY 2020, respectively.

## ANALYSIS OF GENERAL FUND EQUITY

### Town of Newington (GAAP BASIS)

	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Committed.....	\$297,000	\$1,217,000	\$515,000		
Assigned.....	5,970,000	5,406,000	6,460,000	\$5,370,000	\$4,877,000
Unassigned.....	15,278,000	14,621,000	14,981,000	15,999,000	15,183,000
<b>Total Fund Balance</b>	<b>\$21,545,000</b>	<b>\$21,244,000</b>	<b>\$21,956,000</b>	<b>\$21,369,000</b>	<b>\$20,060,000</b>
<b>Unassigned Fund Balance</b>					
<b>As % of Total Expenditures</b>	<b><u>12.10%</u></b>	<b><u>11.49%</u></b>	<b><u>12.56%</u></b>	<b><u>13.90%</u></b>	<b><u>13.41%</u></b>

Source: Audit Reports 2014-20178 Budgets 2019 and 2020.

## GENERAL FUND REVENUES AND EXPENDITURES

### Town of Rocky Hill Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2019-20 <sup>1</sup>	Adopted Budget 2018-19 <sup>1</sup>	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
<b>REVENUES:</b>							
Taxes and Assessments.....	72,453,728	68,592,444	65,847,448	\$63,824,640	\$60,302,037	\$59,840,044	\$57,822,637
Intergovernmental.....	6,192,444	5,986,185	13,901,560	14,250,686	10,581,229	9,434,186	10,206,932
Charges for Services.....	1,092,377	1,118,200	1,353,501	1,310,171	818,744	1,848,848	1,378,617
Income on Investments.....	210,000	110,000	163,106	102,915	113,184	80,802	23,823
Miscellaneous.....	319,000	319,000	921,984	1,132,793	850,968	815,311	995,991
Transfers In.....	475,000 <sup>2</sup>	1,315,504 <sup>2</sup>	0	0	0	0	0
<b>Total Revenues and Transfers In.....</b>	<b>\$80,742,549</b>	<b>\$77,441,333</b>	<b>\$82,187,599</b>	<b>\$80,621,205</b>	<b>\$72,666,162</b>	<b>\$72,019,191</b>	<b>\$70,428,000</b>
<b>EXPENDITURES:</b>							
General Government.....	\$3,797,448	\$3,709,180	\$2,492,107	\$2,618,786	\$2,418,314	\$2,369,390	\$2,388,003
Public Safety.....	6,990,448	6,642,740	6,574,134	6,198,790	6,192,277	6,453,248	6,153,764
Public Works.....	7,371,655	6,937,201	6,587,320	6,121,363	5,909,559	5,943,415	5,952,262
Health and Human Services.....	848,751	928,513	585,186	575,603	551,466	533,142	676,010
Parks, Recreation and Facilities.....	3,046,067	2,913,038	3,686,552	3,582,333	3,694,591	4,055,005	5,955,413
Library Services.....	1,078,573	1,062,386	1,009,221	1,002,004	939,663	929,171	953,855
Education.....	44,746,501	42,321,729	48,763,436	46,278,174	41,398,116	38,973,084	35,566,626
Miscellaneous.....	7,076,363	7,135,851	6,812,816	6,437,077	7,022,382	7,392,445	7,596,307
Capital Outlay.....	1,500,009	1,814,750	1,819,749	1,830,361	1,622,895	1,852,330	1,068,650
Debt Service.....	4,286,734	3,975,945	3,232,311	3,260,660	2,636,065	1,962,439	1,671,560
Transfers Out.....			675,415	2,533,987	567,117	1,405,502	2,177,382
<b>Total Expenditures and Transfers Out.....</b>	<b>\$80,742,549</b>	<b>\$77,441,333</b>	<b>\$82,238,247</b>	<b>\$80,439,138</b>	<b>\$72,952,445</b>	<b>\$71,869,171</b>	<b>\$70,159,832</b>
<b>Results from Operations.....</b>			<b>(\$50,648)</b>	<b>\$182,067</b>	<b>(\$286,283)</b>	<b>\$150,020</b>	<b>\$268,168</b>
<b>Fund Balance, July 1.....</b>			<b>\$6,184,655</b>	<b>\$6,002,588</b>	<b>\$6,288,871</b>	<b>\$6,138,851</b>	<b>\$5,870,683</b>
<b>Fund Balance, June 30.....</b>			<b>\$6,134,007</b>	<b>\$6,184,655</b>	<b>\$6,002,588</b>	<b>\$6,288,871</b>	<b>\$6,138,851</b>

<sup>1</sup> Budgetary Basis

<sup>2</sup> Includes \$1,315,504 and \$295,000 appropriated from prior years' surplus designated for capital projects in FY 2019 and FY 2020, respectively.

## ANALYSIS OF GENERAL FUND EQUITY

### Town of Rocky Hill (GAAP BASIS)

	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Assigned.....	\$1,567,594	\$542,330	\$1,733,105	\$1,084,837	\$1,552,335
Unassigned.....	4,566,413	5,642,325	4,269,483	5,204,034	4,586,516
<b>Total Fund Balance</b>	<b>\$6,134,007</b>	<b>\$6,184,655</b>	<b>\$6,002,588</b>	<b>\$6,288,871</b>	<b>\$6,138,851</b>
<b>Unassigned Fund Balance As % of Total Expenditures</b>	<b><u>5.55%</u></b>	<b><u>7.01%</u></b>	<b><u>5.85%</u></b>	<b><u>7.24%</u></b>	<b><u>6.54%</u></b>

Source: Audit Reports 2014-2018; Budgets 2019 and 2020.

## GENERAL FUND REVENUES AND EXPENDITURES

### Town of West Hartford Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2020 <sup>1</sup>	Adopted Budget 2019 <sup>1</sup>	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
<b>REVENUES:</b>							
Property Taxes.....	\$263,678,321	\$257,144,293	\$253,000,000	\$236,916,000	\$229,630,000	\$223,062,000	\$214,923,000
Intergovernmental.....	24,268,026	22,921,582	57,711,000	59,758,000	44,086,000	41,016,000	43,115,000
Charges for Services.....	6,082,727	5,646,521	5,579,000	5,374,000	5,625,000	5,711,000	4,741,000
Income on Investments.....	1,300,000	630,000	987,000	377,000	629,000	282,000	256,000
Miscellaneous.....	701,000	956,425	1,154,000	1,227,000	976,000	844,000	775,000
Transfers In.....	463,492	483,790	3,577,000	593,000	14,481,000 <sup>2</sup>	922,000	849,000
<b>Total Revenues.....</b>	<b>\$296,493,566</b>	<b>\$287,782,611</b>	<b>\$322,008,000</b>	<b>\$304,245,000</b>	<b>\$295,427,000</b>	<b>\$271,837,000</b>	<b>\$264,659,000</b>
<b>EXPENDITURES:</b>							
Current:							
General Government.....	\$6,387,674	\$6,146,687	\$5,954,000	\$6,300,000	\$5,807,000	\$5,393,000	\$5,328,000
Public Safety.....	28,471,288	26,541,013	26,530,000	26,445,000	26,100,000	25,609,000	25,368,000
Community Maintenance.....	15,435,973	15,395,083	15,198,000	15,591,000	15,681,000	15,701,000	15,669,000
Human and Cultural.....	6,624,083	6,561,808	6,324,000	6,309,000	6,230,000	6,055,000	6,079,000
Education.....	168,800,689	164,351,527	194,291,000	185,537,000	167,362,000	162,477,000	160,266,000
Debt and Sundry.....	51,701,028	66,902,504	46,427,000	42,094,000	39,573,000	37,184,000	34,431,000
Capital Outlay.....			34,000	62,000	88,000	132,000	102,000
Transfers Out.....	19,072,831	1,883,989	23,568,000	21,154,000	33,849,000 <sup>3</sup>	18,436,000	16,654,000
<b>Total Expenditures and Transfers Out.....</b>	<b>\$296,493,566</b>	<b>\$287,782,611</b>	<b>\$318,326,000</b>	<b>\$303,492,000</b>	<b>\$294,690,000</b>	<b>\$270,987,000</b>	<b>\$263,897,000</b>
<b>Results from Operations.....</b>			<b>\$3,682,000</b>	<b>\$753,000</b>	<b>\$737,000</b>	<b>\$850,000</b>	<b>\$762,000</b>
<b>Fund Balance, July 1.....</b>			<b>\$22,545,000</b>	<b>\$21,792,000</b>	<b>\$21,055,000</b>	<b>\$20,205,000</b>	<b>\$19,443,000</b>
<b>Fund Balance, June 30.....</b>			<b>\$26,227,000</b>	<b>\$22,545,000</b>	<b>\$21,792,000</b>	<b>\$21,055,000</b>	<b>\$20,205,000</b>

<sup>1</sup> Budgetary Basis.

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

<sup>3</sup> Includes \$13,424,000 payment to refunded bond escrow agent.

## ANALYSIS OF GENERAL FUND EQUITY

### Town of West Hartford (GAAP BASIS)

	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Nonspendable.....	\$289,000	\$193,000	\$257,000	\$172,000	\$178,000
Assigned.....	500,000	541,000	441,000	262,000	374,000
Unassigned.....	25,438,000	21,811,000	21,094,000	20,621,000	19,653,000
<b>Total Fund Balance</b>	<b>\$26,227,000</b>	<b>\$22,545,000</b>	<b>\$21,792,000</b>	<b>\$21,055,000</b>	<b>\$20,205,000</b>

Source: Audit Reports 2014-2018; Budgets 2019 and 2020.

## GENERAL FUND REVENUES AND EXPENDITURES

### Town of Wethersfield Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2019-20 <sup>1</sup>	Adopted Budget 2018-19 <sup>1</sup>	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
<b>REVENUES:</b>							
Property Taxes.....	\$92,735,143	\$89,920,639	\$88,070,347	\$84,449,288	\$83,457,895	\$80,702,609	\$78,321,007
Intergovernmental.....	10,786,702	10,150,264	22,351,655	23,205,961	17,549,567	16,368,042	17,339,290
Licenses, fees and permits.....	462,000	432,000	583,031	498,791	0	0	0
Charges for services.....	1,069,200	1,097,700	1,492,541	1,547,672	0	0	0
Investment gain.....	325,000	115,000	226,117	110,518	0	0	0
Other Local Revenues.....	280,500	256,900	161,656	219,758	2,822,983	2,048,350	2,157,286
Transfers In.....	400,000 <sup>2</sup>	400,000 <sup>2</sup>	200,000	140,000	90,000	90,000	123,429
<b>Total Revenues and Transfers In.....</b>	<b>\$106,058,545</b>	<b>\$102,372,503</b>	<b>\$113,085,347</b>	<b>\$110,171,988</b>	<b>\$103,920,445</b>	<b>\$99,209,001</b>	<b>\$97,941,012</b>
<b>EXPENDITURES:</b>							
Public Safety.....	\$11,777,746	\$11,529,417	\$10,295,709	\$10,064,024	\$9,839,606	\$9,514,907	\$9,242,982
Public Works.....	14,168,825	8,811,820	8,527,994	8,464,314	7,995,062	8,808,425	8,298,582
Recreation and Parks.....	1,882,838	1,827,941	1,643,792	1,732,231	1,727,709	1,657,898	1,591,171
Social Services.....	919,230	859,278	818,233	841,281	806,385	771,051	791,675
Library.....	2,023,934	2,009,135	1,818,065	1,833,535	1,921,462	1,833,101	1,799,942
General Government.....	11,606,781	10,892,387	10,536,538	10,060,875	9,341,661	8,747,908	8,437,977
Education.....	55,759,339	58,728,469	70,731,557	69,060,782	64,994,570	61,943,559	60,950,236
Debt Service.....	5,675,933	5,610,933	5,616,873	5,185,048	4,385,548	3,367,577	3,236,244
Contingency.....	340,000	340,000	0	0	0	0	0
Transfers Out.....	1,903,919	1,763,123	2,752,006	2,648,262	2,707,239	2,721,597	2,285,085
<b>Total Expenditures and Transfers Out.....</b>	<b>\$106,058,545</b>	<b>\$102,372,503</b>	<b>\$112,740,767</b>	<b>\$109,890,352</b>	<b>\$103,719,242</b>	<b>\$99,366,023</b>	<b>\$96,633,894</b>
<b>Results from Operations.....</b>			<b>\$344,580</b>	<b>\$281,636</b>	<b>\$201,203</b>	<b>(\$157,022)</b>	<b>\$1,307,118</b>
<b>Fund Balance, July 1.....</b>			<b>\$12,114,517</b>	<b>\$11,832,881</b>	<b>\$11,631,678</b>	<b>\$11,788,700</b>	<b>\$10,481,582</b>
<b>Fund Balance, June 30.....</b>			<b>\$12,459,097</b>	<b>\$12,114,517</b>	<b>\$11,832,881</b>	<b>\$11,631,678</b>	<b>\$11,788,700</b>

<sup>1</sup> Budgetary Basis.

<sup>2</sup> Includes \$400,000 appropriated from prior years' surplus in FY 2019 and FY 2020, respectively.

## ANALYSIS OF GENERAL FUND EQUITY

### Town of Wethersfield (GAAP BASIS)

	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Committed.....	\$368,143	\$291,386	\$441,233	\$388,603	\$414,179
Assigned.....	624,718	524,665	481,480	517,910	1,126,833
Unassigned.....	11,466,236	11,298,466	10,910,168	10,725,165	10,247,688
<b>Total Fund Balance</b>	<b>12,459,097</b>	<b>12,114,517</b>	<b>11,832,881</b>	<b>11,631,678</b>	<b>11,788,700</b>
<b>Unassigned Fund Balance As % of Total Expenditures</b>	<b><u>10.17%</u></b>	<b><u>10.28%</u></b>	<b><u>10.52%</u></b>	<b><u>10.79%</u></b>	<b><u>10.60%</u></b>

Source: Audit Reports 2014-2018; Budgets 2019 and 2020.



## GENERAL FUND REVENUES AND EXPENDITURES

### Town of Windsor Summary of Audited Revenues and Expenditures (GAAP BASIS)

	Adopted Budget 2019-20	Adopted Budget 2018-19	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
<b>REVENUES:</b>							
Property Taxes.....	\$100,442,450	\$97,360,030	\$94,339,805	\$93,636,439	\$89,012,808	\$87,600,034	\$82,937,213
State & Federal Governments.....	15,176,810	15,074,440	27,626,039	27,038,627	21,906,514	22,366,478	22,298,413
Charges for Services.....	1,244,780	1,245,460	3,678,117	4,344,703	3,910,777	4,847,452	4,865,078
Investment Income.....	1,100,000	640,000	670,091	270,296	160,456	123,805	120,506
Transfers In.....	900,000 <sup>2</sup>	900,000 <sup>2</sup>	586,902	70,090	78,508	99,540	95,510
<b>Total Revenues</b>							
<b>and Transfers In.....</b>	<b>\$118,864,040</b>	<b>\$115,219,930</b>	<b>\$126,900,954</b>	<b>\$125,360,155</b>	<b>\$115,069,063</b>	<b>\$115,037,309</b>	<b>\$110,316,720</b>
<b>EXPENDITURES:</b>							
Education.....	\$76,460,840	\$74,298,300	\$79,713,749	\$79,509,544	\$72,839,199	\$72,051,878	\$70,387,913
General Government.....	20,456,860	19,737,050	12,972,718	13,040,132	12,354,861	11,528,544	11,681,899
Culture & Recreation.....	3,318,170	3,217,230	4,135,125	3,998,067	4,058,702	3,782,540	3,765,963
Human Services.....	1,406,950	1,360,740	1,487,679	1,419,877	1,373,878	1,359,207	1,333,534
Public Safety.....	10,764,580	10,346,090	10,399,750	10,251,732	10,228,327	10,149,394	10,347,278
Public Works.....	6,456,640	6,260,520	6,398,515	5,977,374	5,732,843	5,911,934	5,697,653
Transfers Out.....	0	0	9,194,800	10,388,898	7,715,704	7,816,760	6,824,000
<b>Total Expenditures and</b>							
<b>Transfers Out.....</b>	<b>\$118,864,040</b>	<b>\$115,219,930</b>	<b>\$124,302,336</b>	<b>\$124,585,624</b>	<b>\$114,303,514</b>	<b>\$112,600,257</b>	<b>\$110,038,240</b>
<b>Results from Operations.....</b>			<b>\$2,598,618</b>	<b>\$774,531</b>	<b>\$765,549</b>	<b>\$2,437,052</b>	<b>\$278,480</b>
<b>Fund Balance, July 1.....</b>			<b>\$25,166,962</b>	<b>\$24,392,431</b>	<b>\$23,626,882</b>	<b>\$21,189,830</b>	<b>\$20,911,350</b>
<b>Fund Balance, June 30.....</b>			<b>\$27,765,580</b>	<b>\$25,166,962</b>	<b>\$24,392,431</b>	<b>\$23,626,882</b>	<b>\$21,189,830</b>

<sup>1</sup> Budgetary Basis.

<sup>2</sup> Represents appropriation from prior years' surplus.

## ANALYSIS OF GENERAL FUND EQUITY

### Town of Windsor (GAAP BASIS)

	Actual 2017-18	Actual 2016-17	Actual 2015-16	Actual 2014-15	Actual 2013-14
Reserved for Encumbrances.....					
Nonspendable.....	\$39,024	\$661,842	\$21,599	\$31,213	\$46,154
Reserved for Prepaids.....					
Committed.....					
Assigned.....	4,858,090	4,174,638	4,727,980	4,621,032	3,795,689
Unassigned.....	22,868,466	20,330,482	19,642,852	18,974,637	17,347,987
<b>Total Fund Balance</b>	<b>\$27,765,580</b>	<b>\$25,166,962</b>	<b>\$24,392,431</b>	<b>\$23,626,882</b>	<b>\$21,189,830</b>
<b>Unassigned Fund Balance</b>					
<b>As % of Total Expenditures</b>	<b><u>18.40%</u></b>	<b><u>16.32%</u></b>	<b><u>17.18%</u></b>	<b><u>16.85%</u></b>	<b><u>15.77%</u></b>

Source: Audit Reports 2014-2018; Budgets 2019 and 2020.

## VIII. DEBT SUMMARY

### PRINCIPAL AMOUNT OF INDEBTEDNESS – THE DISTRICT<sup>1, 3</sup>

As of August 8, 2019

(Pro Forma)

Long-Term Debt			Debt		Date of
Date	Purpose	Rate %	Original Issue	Outstanding As of 8/8/2019	Fiscal Year Maturity
06/30/00	CWF (361C).....	2.00	2,635,079	54,897	2019
08/31/01	Drinking Water (SRF 9709C).....	2.60	206,898	11,207	2020
12/31/01	Drinking Water (SRF 9704C).....	2.60	860,842	60,977	2020
06/30/02	Drinking Water (SRF 9710C).....	2.50	861,978	82,606	2021
06/30/02	CWF (405C).....	2.00	8,163,200	986,387	2021
03/30/03	CWF (267C).....	2.00	5,213,046	686,580	2022
06/30/03	CWF (494C).....	2.00	2,029,367	346,684	2022
12/31/03	Drinking Water (DWSRF 9709CD1).....	2.10	956,990	62,205	2020
12/31/03	Drinking Water (9704DCD1).....	2.10	2,225,346	185,446	2020
12/31/03	Drinking Water (200105C).....	2.10	2,343,735	468,747	2023
12/31/04	CWF (451C).....	2.00	3,987,009	967,772	2024
10/31/08	CWF (508C).....	2.00	1,232,078	508,232	2027
12/30/08	CWF (160C).....	2.00	1,888,557	747,554	2027
12/31/08	CWF (578C).....	2.00	2,042,741	830,439	2027
02/28/09	CSL (142).....	2.00	6,200,000	2,660,833	2028
09/30/09	CWF (521C).....	2.00	4,240,340	1,837,480	2028
09/30/09	CWF (520C).....	2.00	4,547,580	2,084,308	2028
09/30/09	CSL (149).....	2.00	12,710,000	5,825,416	2028
06/01/10	General Obligation Refunding Bonds.....	4.00-5.00	12,845,000	3,775,001	2022
01/31/11	CWF (578CD1).....	2.00	2,619,264	1,495,163	2030
08/31/11	Drinking Water (DWSRF 2010-8008).....	2.06	2,579,412	1,429,424	2030
02/28/12	Drinking Water (DWSRF 2010-8009).....	2.06	772,079	427,860	2030
03/31/12	CSL (166).....	2.00	21,907,709	13,223,573	2030
03/31/12	CWF (619D1).....	2.00	12,600,000	7,605,406	2030
01/31/13	CWF (626C).....	2.00	22,160,848	13,850,529	2032
01/31/13	Drinking Water (DWSRF 2010-8009-1).....	2.06	193,644	122,060	2030
02/01/13	General Obligation, Series A 2013.....	2.125-5.00	30,235,000	21,145,000	2033
02/01/13	General Obligation, Series B 2013.....	2.125-5.00	25,030,000	17,500,000	2033
03/13/13	CWF (639C).....	2.00	41,301,329	27,710,721	2032
06/19/13	Clean Water Project Revenue Bonds.....	2.25-5.00	85,000,000	71,575,000	2039
06/28/13	CWF (633C).....	2.00	15,485,718	10,388,337	2032
07/15/14	Drinking Water (DWSRF 2013-7012).....	2.00	2,780,620	1,946,434	2033
08/06/14	General Obligation Series A 2014.....	3.00-5.00	47,735,000	35,790,000	2034
08/06/14	General Obligation Refunding Bonds, Series B 2014..	2.00-5.00	14,845,000	4,515,000	2024
09/30/14	CWF (619-C1).....	2.00	24,821,197	17,581,682	2033
09/30/14	Drinking Water (DWSRF 2013-7018).....	2.00	398,083	281,975	2033
11/14/14	Clean Water Project Revenue Bonds.....	2.00-5.00	140,000,000	129,180,000	2042
02/28/15	CWF (646-C).....	2.00	24,579,826	17,922,790	2034
03/19/15	General Obligation, Issue of 2015.....	3.00-5.00	66,740,000	53,525,001	2035
03/31/15	Drinking Water (DWSRF 2014-7026).....	2.00	1,691,379	1,282,629	2035
05/31/15	CWF (652-D).....	2.00	20,398,152	15,638,581	2034
06/01/15	Drinking Water (DWSRF 2013-7013).....	2.00	2,713,243	1,985,189	2034
06/30/15	Drinking Water (DWSRF 2013-7017).....	2.00	2,013,468	1,518,491	2034
06/30/15	Drinking Water (DWSRF 2013-7019).....	2.00	1,539,774	1,148,415	2034
06/30/15	CWF (626-CD1).....	2.00	6,815,898	5,137,611	2032
09/30/15	Drinking Water (DWSRF 2013-7014).....	2.00	4,691,464	3,674,980	2035
11/03/15	General Obligation, Series B 2015.....	2.00-5.00	36,215,000	30,770,000	2035
12/30/15	CSL (214).....	2.00	14,198,442	11,299,592	2035
01/31/16	CWF (652-C).....	2.00	25,528,771	21,061,236	2036
02/18/16	General Obligation, Series A 2016.....	2.00-5.00	33,025,000	28,060,000	2036
03/31/16	Drinking Water (DWSRF 2014-7029).....	2.00	3,173,899	2,433,806	2035
04/28/16	General Obligation Refunding Bonds, Series B 2016..	2.00-5.00	48,035,000	33,930,000	2028
04/29/16	Drinking Water (DWSRF 2014-7021).....	2.00	3,809,525	2,904,763	2034
05/31/16	Drinking Water (DWSRF 2014-7031).....	2.00	3,626,881	2,795,721	2035
05/31/16	Drinking Water (DWSRF 2014-7015).....	2.00	5,635,824	4,344,281	2035
05/31/16	CWF (619-CD-1).....	2.00	20,360,028	16,640,408	2033
07/31/16	Drinking Water (DWSRF 2014-7030).....	2.00	1,892,813	1,514,251	2035
07/31/16	CWF (657-C).....	2.00	33,352,916	28,349,978	2036
09/01/16	Drinking Water (DWSRF 2014-7033).....	2.00	1,501,320	1,270,854	2035
09/01/16	Drinking Water (DWSRF 2016-7035).....	2.00	2,203,262	1,865,042	2035
09/01/16	Drinking Water (DWSRF 2016-7042).....	2.00	825,335	698,639	2035
12/01/16	General Obligation, Series C 2016.....	4.00-5.00	108,315,000	101,940,000	2034
12/31/16	Drinking Water (DWSRF 2014-7032).....	2.00	3,162,716	2,743,724	2036
01/31/17	CWF (652-C1).....	2.00	27,234,976	23,830,605	2037
02/28/17	Drinking Water (DWSRF 2016-7043).....	2.00	1,129,379	985,203	2036
02/28/17	Drinking Water (DWSRF 2016-7047).....	2.00	3,004,951	2,621,340	2036
04/30/17	Drinking Water (DWSRF 2016-7044).....	2.00	2,754,227	2,375,521	2036
07/31/17	CWF (657-C1).....	2.00	40,852,370	36,767,133	2037
07/31/17	CWF (686-C).....	2.00	3,424,070	2,910,460	2036
07/31/17	Drinking Water (DWSRF 2016-7045).....	2.00	2,445,859	2,140,126	2037
01/31/18	CWF (692-C) 7.....	2.00	46,785,354	43,276,454	2038
06/29/18	Drinking Water (DWSRF 2016-7046).....	2.00	3,051,182	2,809,630	2037
07/31/18	General Obligation, Series 2018.....	3.25-5.00	110,770,000	105,234,999	2039
07/31/18	CWF (657-C2).....	2.00	52,655,657	50,022,874	2038
12/03/18	CWF (215-C).....	2.00	10,306,693	9,963,136	2039
01/31/19	CWF (692-C).....	2.00	31,761,844	30,967,799	2039
03/29/19	Drinking Water (DWSRF 2018-7061).....	2.00	1,892,634	1,860,281	2039
04/30/19	CWF (652-C).....	2.00	21,862,088	21,562,608	2037
04/30/19	Drinking Water (DWSRF 2017-7055).....	2.00	1,691,022	1,669,342	2039
06/30/19	CWF (657-C1).....	2.00	17,782,244	17,782,244	2038
07/31/19	Drinking Water (DWSRF 2018-7062).....	2.00	2,483,747	1,814,906	2039
08/08/19	General Obligation, Series A 2019.....	4.00-5.00	76,500,000	76,500,000	2039
08/08/19	General Obligation Refunding Bonds, Series B 2019..	2.375-5.00	49,305,000	49,305,000	2035
08/08/19	General Obligation Refunding Bonds, Series C 2019..	4.00-5.00	32,070,000	32,070,000	2040
<b>Total Long-Term Debt.....</b>			<b>\$1,581,462,921</b>	<b>\$1,308,876,576</b>	

<sup>1</sup>Excludes Refunded Bonds.

<sup>2</sup>Expected to close on July 31, 2019.

<sup>3</sup>Totals may not add due to rounding.

**Short-Term Debt:**

As of August 8, 2019 the District anticipates having \$154,479,216 of outstanding Interim Funding Obligations (“IFOs”) issued under the State’s Clean Water Fund Program and Drinking Water State Revolving Fund Program. See “Clean Water Fund Program”. The amount drawn to date is \$59,037,766.

**Other Long-Term Commitments:**

The District has no other general obligation long term commitments.

**CLEAN WATER FUND PROGRAM**

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

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

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

**DRINKING WATER STATE REVOLVING FUND PROGRAM**

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

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

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

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

# ANNUAL BONDED DEBT MATURITY SCHEDULE - THE DISTRICT<sup>1, 2, 3</sup>

As of August 8, 2019

(Pro Forma)

## Schedule A – General Obligation Bonds

<b>Fiscal Year Ending</b>	<b>Outstanding Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Issue of 2019 Series A Bonds</b>	<b>Issue of 2019 Series B Bonds</b>	<b>Issue of 2019 Series C Bonds</b>	<b>Cumulative Percent Retired</b>
2019	\$22,767,440	\$9,248,121	\$32,015,561				2.05
2020	64,000,889	27,480,973	91,481,862	\$3,825,000	\$3,280,000	\$995,000	8.56
2021	63,055,218	25,346,368	88,401,586	3,825,000	3,025,000	950,000	14.96
2022	62,421,528	23,233,588	85,655,116	3,825,000	3,100,000	995,000	21.30
2023	60,969,561	21,192,064	82,161,625	3,825,000	3,065,000	1,045,000	27.52
2024	60,574,401	19,239,768	79,814,169	3,825,000	3,020,000	1,100,000	33.70
2025	59,975,972	17,421,568	77,397,540	3,825,000	4,360,000	1,155,000	39.96
2026	59,985,972	15,547,090	75,533,062	3,825,000	4,400,000	1,215,000	46.23
2027	59,831,042	13,793,686	73,624,728	3,825,000	4,315,000	1,270,000	52.47
2028	58,956,977	12,147,457	71,104,434	3,825,000	4,230,000	1,335,000	58.64
2029	54,490,147	10,524,741	65,014,888	3,825,000	4,265,000	1,405,000	64.42
2030	53,964,298	8,952,167	62,916,465	3,825,000	4,145,000	1,470,000	70.14
2031	52,315,315	7,401,726	59,717,041	3,825,000	1,705,000	1,545,000	75.50
2032	50,216,846	5,870,372	56,087,218	3,825,000	1,595,000	1,625,000	80.66
2033	47,237,135	4,469,172	51,706,307	3,825,000	1,605,000	1,705,000	85.57
2034	41,227,553	3,148,834	44,376,387	3,825,000	1,615,000	1,790,000	89.94
2035	29,900,537	1,944,240	31,844,777	3,825,000	1,580,000	1,880,000	93.30
2036	21,819,211	1,177,983	22,997,194	3,825,000		1,955,000	95.79
2037	15,942,983	620,039	16,563,022	3,825,000		2,030,000	97.76
2038	10,453,455	240,928	10,694,383	3,825,000		2,115,000	99.24
2039	140,096	233	140,329	3,825,000		2,200,000	99.79
2040						2,290,000	100.00
<b>Totals</b>	<b>\$950,246,576</b>	<b>\$229,001,119</b>	<b>\$1,179,247,693</b>	<b>\$76,500,000</b>	<b>\$49,305,000</b>	<b>\$32,070,000</b>	

<sup>1</sup> Excludes principal and interest payments made in current Fiscal Year 2019.

<sup>2</sup> Includes Clean Water Fund and State Revolving Fund Loans. See Section VIII "Debt Summary – Clean Water Fund Program" and "Drinking Water State Revolving Fund Program". See also Section VIII "Debt Summary – Statement of Statutory Debt Limitation – The District"

<sup>3</sup> Excludes Refunded Bonds.

Source: District Officials.

### **Schedule B – Clean Water Project Revenue Bonds<sup>1,2</sup>**

<b>Fiscal Year Ending 12/31</b>	<b>Outstanding Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Cumulative Percent Retired</b>
2019	3,015,000	4,836,900	7,851,900	1.50
2020	4,075,000	9,588,500	13,663,500	3.53
2021	4,225,000	9,384,750	13,609,750	5.64
2022	4,355,000	9,205,750	13,560,750	7.81
2023	4,525,000	8,988,000	13,513,000	10.06
2024	4,700,000	8,761,750	13,461,750	12.40
2025	4,885,000	8,526,750	13,411,750	14.83
2026	5,080,000	8,291,250	13,371,250	17.36
2027	5,285,000	8,054,750	13,339,750	20.00
2028	5,495,000	7,807,375	13,302,375	22.73
2029	5,905,000	7,536,125	13,441,125	25.68
2030	6,290,000	7,237,250	13,527,250	28.81
2031	8,715,000	6,868,250	15,583,250	33.15
2032	11,015,000	6,381,500	17,396,500	38.64
2033	5,740,000	5,969,500	11,709,500	41.50
2034	15,025,000	5,457,500	20,482,500	48.98
2035	15,330,000	4,706,250	20,036,250	56.62
2036	15,645,000	3,939,750	19,584,750	64.41
2037	14,970,000	3,214,275	18,184,275	71.87
2038	15,320,000	2,529,075	17,849,075	79.50
2039	15,700,000	1,826,050	17,526,050	87.32
2040	8,075,000	1,273,000	9,348,000	91.34
2041	8,480,000	869,250	9,349,250	95.56
2042	8,905,000	445,250	9,350,250	100.00
<b>Totals</b>	<b>\$200,755,000</b>	<b>\$141,698,800</b>	<b>\$342,453,800</b>	

<sup>1</sup> Excludes principal and interest payments made in current Fiscal Year 2018.

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

Source: District Officials.

### **Combined Schedules A and B Outstanding Debt<sup>1,2,3</sup>**

<b>Total Outstanding Principal</b>	<b>Total Interest</b>	<b>Total</b>
<b>\$1,308,876,576</b>	<b>\$370,699,919</b>	<b>\$1,679,576,495</b>

<sup>1</sup> Excludes principal and interest payments made in current Fiscal Year 2019.

<sup>2</sup> Excludes interest payments for the Bonds to be issued August 8, 2019.

<sup>3</sup> Excludes Refunded Bonds.

Source: District Officials.

**OVERLAPPING AND UNDERLYING NET DEBT  
THE DISTRICT AND MEMBER MUNICIPALITIES<sup>5</sup>**

As of August 8, 2019  
(Pro Forma)

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

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

<b>Member Municipalities</b>	<b>Share of Net District Debt<sup>1</sup></b>	<b>Net Direct District Debt Applicable to Member Municipalities as of 8/7/2019<sup>2</sup></b>	<b>Net Direct Debt of Member Municipalities</b>	<b>Underlying Debt Issued Since 6/30/2018</b>	<b>Underlying Net Debt Applicable to District</b>
Bloomfield.....	7.24	\$68,106,886	\$42,830,000	\$19,000,000	\$61,830,000
East Hartford.....	11.99	112,790,271	41,125,000	14,600,000	55,725,000
Hartford.....	25.69	241,666,561	569,308,300 <sup>3,4</sup>	0	569,308,300
Newington.....	8.97	84,381,045	4,195,000	15,000,000	19,195,000
Rocky Hill.....	6.04	56,818,452	58,515,000	33,000,000	91,515,000
West Hartford.....	22.93	215,703,163	146,951,516	10,000,000	156,951,516
Wethersfield.....	8.26	77,702,055	50,810,000	0	50,810,000
Windsor.....	8.88	83,534,413	39,105,000	21,970,000	61,075,000
<b>Totals.....</b>	<b>100.0%</b>	<b>\$940,702,847</b>	<b>\$952,839,816</b>	<b>\$113,570,000</b>	<b>\$1,066,409,816</b>

<sup>1</sup> The Member Municipalities' share of the District's Net Direct Debt is based on the annual tax levy of each Member Municipalities as of Fiscal Year 2018-19.

<sup>2</sup> Includes approximately \$743,265,911 of Interim Funding Obligations (IFO's), Permanent Loan Obligations (PLO's), General Obligation Bonds and Notes issued pursuant to authorizations totaling \$1.740 billion for the District's Clean Water Project which represents debt expected to be paid from the Clean Water Project Charge (previously the Special Sewer Service Surcharge). The Clean Water Project Charge is levied annually and added to customers' water bills, beginning in 2008. See pages 26 "I. The Issuer – Clean Water Project" herein for further details.

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

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

<sup>5</sup> Totals may not add due to rounding.

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

## DEBT STATEMENT - THE DISTRICT

As of August 8, 2019

(Pro Forma)

### LONG TERM DEBT *(Includes Series A Bonds)*

Water (Self-Supporting).....	\$216,701,432
Sewer.....	193,644,634
Combined Projects <sup>1</sup> .....	156,670,493
Clean Water Project <sup>2</sup> .....	660,485,017
2019 Refunding Bonds Series B & Series C.....	81,375,000

**TOTAL LONG TERM DEBT** ..... **\$1,308,876,576**

### SHORT TERM DEBT

Notes.....	0
CWF/DWSRF - IFO's <sup>3</sup> .....	154,479,216

**TOTAL DIRECT DEBT** ..... **\$1,463,355,792**

Less:

Debt Not Subject to Debt Limitation <sup>4</sup> .....	522,652,945
--	-------------

**TOTAL DIRECT NET DEBT**..... **\$940,702,847**

**NET UNDERLYING DEBT - Member Municipalities<sup>5</sup>** ..... **1,066,409,816**

**DIRECT NET DEBT PLUS NET UNDERLYING**..... **\$2,007,112,663**

<sup>1</sup> Represents bonds funded by water and sewer sources.

<sup>2</sup> Represents debt expected to be paid from the Clean Water Project Charge (previously the Special Sewer Service Surcharge). The Clean Water Project Charge is levied annually and added to customers' water bills, beginning in 2008. See pages 26 "I. The Issuer - Clean Water Project" herein for further details.

<sup>3</sup> Interim Funding Obligations ("IFO's") issued under the Clean Water Fund and Drinking Water State Revolving Fund programs total \$154,479,216; funds drawn to date total \$59,037,766.

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

<sup>5</sup> Represents net direct debt of each Member Municipality.

Note: Does not include authorized but unissued debt.

## CURRENT DEBT RATIOS - THE DISTRICT

As of August 8, 2019

(Pro Forma)

Population <sup>1</sup>	365,460
Net Taxable Grand List - 10/1/18 @ 70% of full value <sup>2</sup>	\$25,556,229,750
Estimated Full Value <sup>3</sup>	\$36,508,899,643
Equalized Net Taxable Grand List - 2016 <sup>4</sup>	\$36,240,433,456

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$1,463,355,792</b>	<b>\$940,702,847</b>	<b>\$2,007,112,663</b>
Per Capita.....	\$4,004.15	\$2,574.02	\$5,492.02
Ratio to Net Taxable Grand List.....	5.73%	3.68%	7.85%
Ratio to Estimated Full Value.....	4.01%	2.58%	5.50%
Ratio to Equalized Grand List.....	4.04%	2.60%	5.54%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

<sup>2</sup> Represents 2018 Net Taxable Grand Lists for the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

<sup>3</sup> Represents estimated full values of 2018 Net Taxable Grand Lists of the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, Windsor and the City of Hartford.

<sup>4</sup> Office of Policy and Management, State of Connecticut.

## DEBT STATEMENT – TOWN OF BLOOMFIELD

As of June 30, 2018

LONG TERM DEBT.....	\$42,830,000
SHORT TERM DEBT .....	0
<b>TOTAL DIRECT DEBT.....</b>	<b>\$42,830,000</b>
 TOTAL NET DIRECT INDEBTEDNESS.....	 \$42,830,000
NET OVERLAPPING DEBT - MDC 8/7/2019 <sup>1</sup> .....	68,106,886
NET UNDERLYING DEBT - Fire Districts 6/30/18 .....	2,778,000
<b>TOTAL OVERALL DIRECT NET DEBT.....</b>	<b>\$113,714,886</b>

<sup>1</sup>Please refer to page 76 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

Note: Does not include authorized but unissued debt.

## CURRENT DEBT RATIOS – TOWN OF BLOOMFIELD

As of June 30, 2018

Population <sup>1</sup>	20,848
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$2,155,023,283
Estimated Full Value	\$3,078,604,690
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$2,996,916,298
Money Income per Capita - 2017 <sup>3</sup>	\$41,515

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	<b>\$42,830,000</b>	<b>\$42,830,000</b>	<b>\$113,714,886</b>
Per Capita.....	\$2,054.39	\$2,054.39	\$5,454.47
Ratio to Net Taxable Grand List.....	1.99%	1.99%	5.28%
Ratio to Estimated Full Value.....	1.39%	1.39%	3.69%
Ratio to Equalized Grand List.....	1.43%	1.43%	3.79%
Debt per Capita to Money Income per Capita..	4.95%	4.95%	13.14%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Bloomfield.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Bloomfield.

## DEBT STATEMENT – TOWN OF EAST HARTFORD <sup>2</sup>

As of June 30, 2018

LONG TERM DEBT.....	\$41,125,000
SHORT TERM DEBT .....	0
<b>TOTAL DIRECT DEBT.....</b>	<b>\$41,125,000</b>
 TOTAL NET DIRECT INDEBTEDNESS.....	 \$41,125,000
NET OVERLAPPING DEBT - MDC 8/7/2019 <sup>1</sup> .....	112,790,271
<b>TOTAL OVERALL DIRECT NET DEBT.....</b>	<b>\$153,915,271</b>

<sup>1</sup> Please refer to page 76 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

<sup>2</sup> **Other Long-Term Commitment:** The Town has entered into multi-year capital leases for building improvements, and the purchase of various equipment, vehicles and computer hardware and software. The schedule of the annual payments due for these obligations approximate \$3.0 million through Fiscal Year 2019, and \$2.5 million in subsequent years. The outstanding balance at June 30, 2018 was \$14.916 million.

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



## CURRENT DEBT RATIOS – TOWN OF EAST HARTFORD

As of June 30, 2018

Population <sup>1</sup>	50,812
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$2,783,862,372
Estimated Full Value	\$3,976,946,246
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$3,940,968,591
Money Income per Capita - 2017 <sup>3</sup>	\$26,374

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$41,125,000</b>	<b>\$41,125,000</b>	<b>\$153,915,271</b>
Per Capita.....	\$809.36	\$809.36	\$3,029.11
Ratio to Net Taxable Grand List.....	1.48%	1.48%	5.53%
Ratio to Estimated Full Value.....	1.03%	1.03%	3.87%
Ratio to Equalized Grand List.....	1.04%	1.04%	3.91%
Debt per Capita to Money Income per Capita..	3.07%	3.07%	11.49%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of East Hartford.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of East Hartford.

## DEBT STATEMENT – CITY OF HARTFORD <sup>3, 4</sup>

As of June 30, 2018

<b>LONG TERM DEBT</b> .....	\$569,586,000
<b>CWF - PLO</b> .....	951,000
<b>SHORT TERM DEBT</b> .....	0
<b>TOTAL DIRECT DEBT</b> .....	<b>\$570,537,000</b>
Less:	
School Construction Grants - State of Conn. <sup>1</sup> .....	1,228,700
<b>TOTAL NET DIRECT INDEBTEDNESS</b> .....	<b>\$569,308,300</b>
<b>NET OVERLAPPING DEBT - MDC 8/7/2019</b> <sup>2</sup> .....	241,666,561
<b>TOTAL OVERALL DIRECT NET DEBT</b> .....	<b>\$810,974,861</b>

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

<sup>2</sup> Please refer to page 76 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

<sup>3</sup> **Other Long-Term Commitment:** Excludes a Lease Agreement (the "Lease Agreement") with the Hartford Stadium Authority (the "Authority") dated as of February 1, 2015, by which the City is obligated to make certain lease payments to the Authority. The Authority issued \$62.45 of lease revenue bonds in February 2015 for the construction of a minor league baseball ballpark. Under the Lease Agreement, the City is required to make semiannual deposits to secure performance of its obligations to pay rent to the Authority which is due on each February 1 and August 1 during the lease term. Each payment of rent is to be an amount sufficient, together with other money on deposit with the trustee in the bond fund to be credited as rent, to pay the principal and interest due on the bonds issued by the Authority on each principal payment date and interest payment date. The obligation to make these payments pursuant to the Lease Agreement is an absolute and unconditional obligation of the City, subject to annual appropriation by the City. In March 2016 the Authority issued \$6.195 of lease revenue bonds. In connection with the issuance of the Series 2016 Bonds, the Authority and the City entered into a First Amendment to Lease Agreement, dated as of March 1, 2016 (the "First Amendment to Lease Agreement"), which increased the lease payments required pursuant to the Lease Agreement to pay the principal and interest due on the Series 2016 Bonds. The schedule of lease payments due under the Lease Agreement, as amended by the First Amendment to Lease Agreement are \$2.836 million in Fiscal Year 2016, and approximately \$4.64 million annually in Fiscal Years 2017 through 2042 inclusively. The Lease Revenue Bonds outstanding at June 30, 2018 totaled \$65.960 million. (Source: 2018 City of Hartford Audit).

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

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

## CURRENT DEBT RATIOS – CITY OF HARTFORD

As of June 30, 2018

Population <sup>1</sup>	124,390
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$4,025,919,645
Estimated Full Value	\$5,751,313,779
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$5,813,578,706
Money Income per Capita - 2017 <sup>3</sup>	\$19,220

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$570,537,000</b>	<b>\$569,308,300</b>	<b>\$810,974,861</b>
Per Capita.....	\$4,586.68	\$4,576.80	\$6,519.61
Ratio to Net Taxable Grand List.....	14.17%	14.14%	20.14%
Ratio to Estimated Full Value.....	9.92%	9.90%	14.10%
Ratio to Equalized Grand List.....	9.81%	9.79%	13.95%
Debt per Capita to Money Income per Capita..	23.86%	23.81%	33.92%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for the City of Hartford.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for City of Hartford.

## DEBT STATEMENT – TOWN OF NEWINGTON

As of June 30, 2018

<b>LONG TERM DEBT</b> .....	\$4,195,000
<b>SHORT TERM DEBT</b> .....	0
<b>TOTAL DIRECT DEBT</b> .....	<b>\$4,195,000</b>
<b>TOTAL NET DIRECT INDEBTEDNESS</b> .....	<b>\$4,195,000</b>
<b>NET OVERLAPPING DEBT - MDC 8/7/2019</b> <sup>2</sup> .....	84,381,045
<b>TOTAL OVERALL DIRECT NET DEBT</b> .....	<b>\$88,576,045</b>

<sup>1</sup> Please refer to page 76 footnote 2 under "Overlapping and Underlying Net Debt" herein for more details.

Note: Does not include authorized but unissued debt.

## CURRENT DEBT RATIOS – TOWN OF NEWINGTON

As of June 30, 2018

Population <sup>1</sup>	30,603
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$2,640,307,103
Estimated Full Value	\$3,771,867,290
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$3,912,907,248
Money Income per Capita - 2017 <sup>3</sup>	\$38,179

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$4,195,000</b>	<b>\$4,195,000</b>	<b>\$88,576,045</b>
Per Capita.....	\$137.08	\$137.08	\$2,894.36
Ratio to Net Taxable Grand List.....	0.16%	0.16%	3.35%
Ratio to Estimated Full Value.....	0.11%	0.11%	2.35%
Ratio to Equalized Grand List.....	0.11%	0.11%	2.26%
Debt per Capita to Money Income per Capita..	0.36%	0.36%	7.58%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Newington.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Newington.

## DEBT STATEMENT – TOWN OF ROCKY HILL

As of June 30, 2018

<b>LONG TERM DEBT</b> .....	\$50,515,000
<b>SHORT TERM DEBT</b> .....	8,000,000
<b>TOTAL DIRECT DEBT</b> .....	<b>\$58,515,000</b>
<b>TOTAL NET DIRECT INDEBTEDNESS</b> .....	<b>\$58,515,000</b>
<b>NET OVERLAPPING DEBT - MDC 8/7/2019</b> <sup>1</sup> .....	56,818,452
<b>TOTAL OVERALL DIRECT NET DEBT</b> .....	<b>\$115,333,452</b>

<sup>1</sup> Please refer to page 76 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

Note: Does not include authorized but unissued debt.

## CURRENT DEBT RATIOS – TOWN OF ROCKY HILL

As of June 30, 2018

Population <sup>1</sup>	20,015
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$2,208,948,420
Estimated Full Value	\$3,155,640,600
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$3,033,011,924
Money Income per Capita - 2017 <sup>3</sup>	\$44,956

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$58,515,000</b>	<b>\$58,515,000</b>	<b>\$115,333,452</b>
Per Capita.....	\$2,923.56	\$2,923.56	\$5,762.35
Ratio to Net Taxable Grand List.....	2.65%	2.65%	5.22%
Ratio to Estimated Full Value.....	1.85%	1.85%	3.65%
Ratio to Equalized Grand List.....	1.93%	1.93%	3.80%
Debt per Capita to Money Income per Capita..	6.50%	6.50%	12.82%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Rocky Hill.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Rocky Hill.

## DEBT STATEMENT – TOWN OF WEST HARTFORD

As of June 30, 2018

<b>LONG TERM DEBT</b> .....	\$147,085,000
<b>SHORT TERM DEBT</b> .....	0
<b>TOTAL DIRECT DEBT</b> .....	<b>\$147,085,000</b>
Less:	
School Construction Grants - State of Conn. <sup>1</sup> .....	133,484
<b>TOTAL NET DIRECT INDEBTEDNESS</b> .....	<b>\$146,951,516</b>
<b>NET OVERLAPPING DEBT - MDC 8/7/2019</b> <sup>2</sup> .....	215,703,163
<b>TOTAL OVERALL DIRECT NET DEBT</b> .....	<b>\$362,654,679</b>

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

<sup>2</sup> Please refer to page 76 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

Note: Does not include authorized but unissued debt.

## CURRENT DEBT RATIOS – TOWN OF WEST HARTFORD

As of June 30, 2018

Population <sup>1</sup>	63,360
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$6,314,734,062
Estimated Full Value	\$9,021,048,660
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$8,907,859,189
Money Income per Capita - 2017 <sup>3</sup>	\$52,846

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$147,085,000</b>	<b>\$146,951,516</b>	<b>\$362,654,679</b>
Per Capita.....	\$2,321.42	\$2,319.31	\$5,723.72
Ratio to Net Taxable Grand List.....	2.33%	2.33%	5.74%
Ratio to Estimated Full Value.....	1.63%	1.63%	4.02%
Ratio to Equalized Grand List.....	1.65%	1.65%	4.07%
Debt per Capita to Money Income per Capita..	4.39%	4.39%	10.83%

<sup>1</sup> U.S. Census Bureau, 2012-2016 American Community Survey, for Town of West Hartford.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2012-2016 American Community Survey, for Town of West Hartford.

## DEBT STATEMENT – TOWN OF WETHERSFIELD

As of June 30, 2018

<b>LONG TERM DEBT</b> .....	\$50,465,000
<b>SERIAL NOTE</b> .....	345,000
<b>TOTAL DIRECT DEBT</b> .....	<b>\$50,810,000</b>
<b>TOTAL NET DIRECT INDEBTEDNESS</b> .....	<b>\$50,810,000</b>
<b>NET OVERLAPPING DEBT - MDC 8/7/2019</b> <sup>1</sup> .....	77,702,055
<b>TOTAL OVERALL DIRECT NET DEBT</b> .....	<b>\$128,512,055</b>

<sup>1</sup> Please refer to page 76 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.

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

## CURRENT DEBT RATIOS – TOWN OF WETHERSFIELD

As of June 30, 2018

Population <sup>1</sup>	26,395
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$2,321,469,775
Estimated Full Value	\$3,316,385,393
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$3,392,683,688
Money Income per Capita - 2016 <sup>3</sup>	\$41,404

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$50,810,000</b>	<b>\$50,810,000</b>	<b>\$128,512,055</b>
Per Capita.....	\$1,924.99	\$1,924.99	\$4,868.80
Ratio to Net Taxable Grand List.....	2.19%	2.19%	5.54%
Ratio to Estimated Full Value.....	1.53%	1.53%	3.88%
Ratio to Equalized Grand List.....	1.50%	1.50%	3.79%
Debt per Capita to Money Income per Capita..	4.65%	4.65%	11.76%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Wethersfield.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Wethersfield.

## DEBT STATEMENT – TOWN OF WINDSOR

As of June 30, 2018

<b>LONG TERM DEBT</b> .....	\$39,105,000
<b>SHORT TERM DEBT</b> .....	0
<b>TOTAL DIRECT DEBT</b> .....	<b>\$39,105,000</b>
 <b>TOTAL NET DIRECT INDEBTEDNESS</b> .....	 <b>\$39,105,000</b>
<b>NET OVERLAPPING DEBT - MDC 8/7/2019</b> <sup>1</sup> .....	<b>83,534,413</b>
<b>TOTAL OVERALL DIRECT NET DEBT</b> .....	<b>\$122,639,413</b>

<sup>1</sup> Please refer to page 76 footnote 2 under “Overlapping and Underlying Net Debt” herein for more details.  
Note: Does not include authorized but unissued debt.

## CURRENT DEBT RATIOS – TOWN OF WINDSOR

As of June 30, 2018

Population <sup>1</sup>	29,037
Net Taxable Grand List - 10/1/18 @ 70% of full value	\$3,105,965,090
Estimated Full Value	\$4,437,092,986
Equalized Net Taxable Grand List - 2016 <sup>2</sup>	\$4,242,507,812
Money Income per Capita - 2016 <sup>3</sup>	\$39,542

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$39,105,000</b>	<b>\$39,105,000</b>	<b>\$122,639,413</b>
Per Capita.....	\$1,346.73	\$1,346.73	\$4,223.56
Ratio to Net Taxable Grand List.....	1.26%	1.26%	3.95%
Ratio to Estimated Full Value.....	0.88%	0.88%	2.76%
Ratio to Equalized Grand List.....	0.92%	0.92%	2.89%
Debt per Capita to Money Income per Capita..	3.41%	3.41%	10.68%

<sup>1</sup> U.S. Census Bureau, 2013-2017 American Community Survey, Town of Windsor.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2013-2017 American Community Survey, for Town of Windsor.

## BOND AUTHORIZATION

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

## TEMPORARY FINANCING

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

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

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

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

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

### **LIMITATION ON INDEBTEDNESS**

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

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

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

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

**STATEMENT OF STATUTORY DEBT LIMITATION<sup>3</sup>**  
**THE DISTRICT**  
As of August 8, 2019  
(Pro Forma)

**COMBINED 2018 NET TAXABLE GRAND LISTS**

**OF MEMBER MUNICIPALITIES..... \$25,556,229,750**

**DEBT LIMIT - 5% of combined Grand Lists <sup>1</sup> ..... \$1,277,811,488**

**INDEBTEDNESS:**

Water General Obligation Bonds.....	\$137,732,357
DWSRF Project Loan Obligations.....	51,536,075
Sewer General Obligation Bonds.....	145,207,151
CWF Project Loan Obligations.....	20,295,483
Clean Water Project General Obligation Bonds <sup>2</sup> .....	17,500,000
Clean Water Project Revenue Bonds <sup>2</sup> .....	200,755,000
Clean Water Project CWF Project Loan Obligations <sup>2</sup> .....	442,230,017
Combined General Obligation Bonds.....	135,745,493
Bonds this issue.....	76,500,000
Refunding Bonds this issue.....	81,375,000
<b>TOTAL DIRECT LONG-TERM INDEBTEDNESS.....</b>	<b><u>\$1,308,876,576</u></b>

CWF Interim Funding Obligations.....	151,956,244
DWSRF Interim Funding Obligations.....	2,522,972

**TOTAL DIRECT SHORT-TERM INDEBTEDNESS..... \$154,479,216**

**TOTAL DIRECT INDEBTEDNESS..... \$1,463,355,792**

**Less Outstanding Debt Not Subject to Debt Limitation**

Water General Obligation Bonds.....	\$137,732,357
DWSRF Project Loan Obligations.....	51,536,075
DWSRF Interim Funding Obligations.....	2,522,972
Clean Water Project Revenue Bonds <sup>2</sup> .....	200,755,000
Water's Share of Combined General Obligation Bonds.....	69,230,201
Water Bonds of this Issue.....	38,104,750
Water Refunding Bonds of this Issue.....	22,771,590

**TOTAL DEBT NOT SUBJECT TO DEBT LIMITATION..... \$522,652,945**

**TOTAL NET DIRECT INDEBTEDNESS..... \$940,702,847**

**DEBT LIMITATION IN EXCESS OF OUTSTANDING INDEBTEDNESS.. \$337,108,641**

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

<sup>2</sup> It is expected that these obligations issued pursuant to authorizations totaling \$1.740 billion for the District's Clean Water Project will be supported by a Clean Water Project Charge (previously the Special Sewer Service Surcharge) levied annually and added to customers' water bills. See pages 26 "I. The Issuer – Clean Water Project" and 76 "VIII. Debt Summary – Overlapping and Underlying Net Debt The District and Member Municipalities" herein for further details.

<sup>3</sup>Totals may not add due to rounding.

Note: The District has issued \$225.0 million in Clean Water Project Revenue Bonds. The bonds are being repaid from a portion of the Clean Water Project Charge (previously the Special Sewer Service Surcharge) and are not general obligations of the District.

Source: Audited Financial Statements; District Officials.

## AUTHORIZED BUT UNISSUED DEBT - THE DISTRICT <sup>1</sup>

As of August 8, 2019

(Pro Forma)

Project	Authorized	Previously Funded	Applied Premium/ Bonds This Issue	Debt Authorized but Unissued				Total
				General Purpose	Water	Sewers	Hydroelectric	
Water Capital Improvements.....	\$392,359,290	\$151,920,403	\$32,274,000		\$208,164,887			\$208,164,887 <sup>2</sup>
Sewer Capital Improvements.....	2,078,873,000	1,327,593,940	33,108,000			718,171,060		718,171,060 <sup>1,2</sup>
Combined Funding Capital Improvements..	122,535,000	68,735,000	24,618,000	29,182,000				29,182,000
Hydroelectric Capital Improvements.....	500,000						500,000	500,000
<b>Total.....</b>	<b>\$2,594,267,290</b>	<b>\$1,548,249,343</b>	<b>\$90,000,000</b>	<b>\$29,182,000</b>	<b>\$208,164,887</b>	<b>\$718,171,060</b>	<b>\$500,000</b>	<b>\$956,017,947</b>

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

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

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – THE DISTRICT<sup>1</sup>

Long-Term Debt	2018	2017	2016	2015	2014
Bonds.....	\$1,224,500,400	\$1,063,323,965	\$1,033,509,750	\$836,831,502	\$693,018,551
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	0	120,000,000	0	106,500,000	163,459,000
<b>Total.....</b>	<b>\$1,224,500,400 <sup>2</sup></b>	<b>\$1,183,323,965 <sup>2</sup></b>	<b>\$1,033,509,750 <sup>2</sup></b>	<b>\$943,331,502 <sup>2</sup></b>	<b>\$856,477,551</b>

<sup>1</sup> Does not include underlying debt and capital lease obligations.

<sup>2</sup> Excludes Clean Water Fund and Drinking Water State Revolving Fund, IFOs.

Source: Annual Audited Financial Statements 2014-2018.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF BLOOMFIELD<sup>1</sup>

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

Aa2/AA+ <sup>2</sup>

Long-Term Debt	2018	2017	2016	2015	2014
Bonds.....	\$42,830,000	\$48,230,000	\$52,515,000	\$56,695,000	\$55,625,000
<b>Short-Term Debt</b>					
BANs/State DECD Note	0	0	0	0	5,000,000
<b>Total.....</b>	<b>\$42,830,000</b>	<b>\$48,230,000</b>	<b>\$52,515,000</b>	<b>\$56,695,000</b>	<b>\$60,625,000</b>

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2014-2018.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF EAST HARTFORD<sup>1</sup>

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

Aa3 <sup>2</sup>/AA

Long-Term Debt	2018	2017	2016	2015	2014
Bonds.....	\$41,125,000	\$47,395,000	\$38,755,000	\$44,910,000	\$51,580,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	0	0	0	0	0
<b>Total.....</b>	<b>\$41,125,000</b>	<b>\$47,395,000</b>	<b>\$38,755,000</b>	<b>\$44,910,000</b>	<b>\$51,580,000</b>

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2014-2018.



## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – CITY OF HARTFORD<sup>1,4</sup>

### Issuer Rating (Moody's/S&P)

B1 (positive outlook)/BB+<sup>2,3</sup>

<b>Long-Term Debt</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Bonds/CWF.....	\$570,537,000	\$602,463,000	\$684,316,000	\$514,120,970	\$461,187,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	0	20,165,000	0	50,000,000	56,000,000
<b>Total</b> .....	\$570,537,000	\$622,628,000	\$684,316,000	\$564,120,970	\$517,187,000

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

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

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

Source: Annual Audited Financial Statements 2014-2018.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF NEWINGTON<sup>1</sup>

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

Not Rated/AA+<sup>2</sup>

<b>Long-Term Debt</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Bonds.....	\$4,195,000	\$5,220,000	\$6,255,000	\$7,295,000	\$8,740,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	0	0	0	0	0
<b>Total</b> .....	\$4,195,000	\$5,220,000	\$6,255,000	\$7,295,000	\$8,740,000

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2014-2018.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF ROCKY HILL<sup>1</sup>

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

Not Rated/AA+<sup>2</sup>

<b>Long-Term Debt</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Bonds.....	\$50,515,000	\$52,625,000	\$25,925,000	\$28,190,000	\$11,660,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	8,000,000	0	29,000,000	14,500,000	8,100,000
<b>Total</b> .....	\$58,515,000	\$52,625,000	\$54,925,000	\$42,690,000	\$19,760,000

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2014-2018.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WEST HARTFORD<sup>1</sup>

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

Aaa/AAA<sup>2</sup>

<b>Long-Term Debt</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Bonds.....	\$147,085,000	\$150,455,000	\$148,675,000	\$149,280,000	\$140,830,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	0	0	0	0	0
<b>Total</b> .....	\$147,085,000	\$150,455,000	\$148,675,000	\$149,280,000	\$140,830,000

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2014-2018.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WETHERSFIELD<sup>1</sup>

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

Aa2/AA+ <sup>2</sup>

<b>Long-Term Debt</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Bonds.....	\$50,465,000	\$54,835,000	\$49,700,000	\$41,790,000	\$22,035,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	345,000	425,000	505,000	580,000	655,000
<b>Total.....</b>	<b>\$50,810,000</b>	<b>\$55,260,000</b>	<b>\$50,205,000</b>	<b>\$42,370,000</b>	<b>\$22,690,000</b>

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2014-2018.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT – TOWN OF WINDSOR<sup>1</sup>

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

Not Rated/AAA <sup>2</sup>

<b>Long-Term Debt</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Bonds.....	\$39,105,000	\$38,340,000	\$38,520,000	\$39,765,000	\$39,390,000
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	0	0	450,000	420,000	0
<b>Total.....</b>	<b>\$39,105,000</b>	<b>\$38,340,000</b>	<b>\$38,970,000</b>	<b>\$40,185,000</b>	<b>\$39,390,000</b>

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

<sup>2</sup> Please see "Ratings" herein for general description for ratings.

Source: Annual Audited Financial Statements 2014-2018.

## RATIO OF DIRECT DEBT TO VALUATION AND POPULATION - THE DISTRICT

<b>Fiscal Year</b>	<b>Net Assessed Value<sup>1</sup></b>	<b>Estimated Full Value<sup>2</sup></b>	<b>Direct Debt<sup>3</sup></b>	<b>Ratio of Direct Debt to Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population<sup>4</sup></b>	<b>Direct Debt per Capita</b>
<b>Ended 12/31</b>							
2018	\$24,877,980,395	\$35,539,971,993	\$1,224,500,400	4.92%	3.45%	364,968	\$3,355.09
2017	24,245,533,613	34,636,476,590	1,183,323,965	4.88%	3.42%	364,968	3,242.27
2016	23,921,553,118	34,173,647,311	1,033,509,750	4.32%	3.02%	365,981	2,823.94
2015	23,784,560,956	33,977,944,223	943,331,502	3.97%	2.78%	365,981	2,577.54
2014	24,160,166,427	34,514,523,467	856,477,551	3.54%	2.48%	366,266	2,338.40

<sup>1</sup> Represents the Net Taxable Grant Lists of the Member Municipalities.

<sup>2</sup> Represents the estimated full value of the Member Municipalities' Net Taxable Grand Lists.

<sup>3</sup> Does not include underlying debt and capital lease obligations.

<sup>4</sup> Represents the total population of the Member Municipalities.

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

<b>Fiscal Year</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Debt<sup>1</sup></b>	<b>Ratio of Direct Debt to Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Direct Debt per Capita</b>	<b>Ratio of Direct Debt per Capita to Per Capita Income (%)<sup>3</sup></b>
<b>Ended 6/30</b>								
2018	\$2,018,358,356	\$2,883,369,080	\$42,830,000	2.12%	1.49%	20,848	\$2,054.39	4.95%
2017	2,038,195,880	2,911,708,400	48,230,000	2.37%	1.66%	20,848	2,313.41	5.57%
2016	2,033,984,990	2,905,692,843	52,515,000	2.58%	1.81%	20,687	2,538.55	6.11%
2015	2,067,157,242	2,953,081,774	56,695,000	2.74%	1.92%	20,679	2,741.67	6.60%
2014	2,032,528,017	2,903,611,453	60,625,000	2.98%	2.09%	20,626	2,939.25	7.08%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2013-2017 American Community Surveys.

<sup>3</sup> Income per Capita: \$41,515 U.S. Census Bureau, 2013-2017 American Community Survey.

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

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt <sup>1</sup>	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population <sup>2</sup>	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) <sup>3</sup>
2018	\$2,757,568,984	\$3,939,384,263	\$41,125,000	1.49%	1.04%	50,812	\$809.36	3.07%
2017	2,736,032,759	3,908,618,227	47,395,000	1.73%	1.21%	50,812	932.75	3.54%
2016	2,689,464,641	3,842,092,344	38,755,000	1.44%	1.01%	50,834	762.38	2.89%
2015	2,687,876,591	3,839,823,701	44,910,000	1.67%	1.17%	51,137	878.23	3.33%
2014	2,691,709,967	3,845,299,953	51,580,000	1.92%	1.34%	51,211	1,007.21	3.82%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Surveys.

<sup>3</sup> Income per Capita: \$26,374 U.S. Census Bureau, 2013-2017 American Community Survey.

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

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt <sup>1</sup>	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population <sup>2</sup>	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) <sup>3</sup>
2018	\$4,068,017,222	\$5,811,453,174	\$570,537,000	14.02%	9.82%	124,390	\$4,586.68	23.86%
2017	3,701,904,978	5,288,435,683	622,628,000	16.82%	11.77%	124,390	5,005.45	26.04%
2016	3,619,341,714	5,170,488,163	684,316,000	18.91%	13.24%	124,320	5,504.47	28.64%
2015	3,531,344,777	5,044,778,253	564,120,970	15.97%	11.18%	124,795	4,520.38	23.52%
2014	3,487,781,236	4,982,544,623	517,187,000	14.83%	10.38%	125,211	4,130.52	21.49%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Surveys.

<sup>3</sup> Income per Capita: \$19,220 U.S. Census Bureau, 2013-2017 American Community Survey.

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

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt <sup>1</sup>	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population <sup>2</sup>	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) <sup>3</sup>
2018	\$2,609,986,139	\$3,728,551,627	\$4,195,000	0.16%	0.11%	30,603	\$137.08	0.36%
2017	2,615,695,201	3,736,707,430	5,220,000	0.20%	0.14%	30,603	170.57	0.45%
2016	2,550,822,204	3,644,031,720	6,255,000	0.25%	0.17%	30,590	204.48	0.54%
2015	2,548,042,597	3,640,060,853	7,295,000	0.29%	0.20%	30,638	238.10	0.62%
2014	2,536,619,686	3,623,742,409	8,740,000	0.34%	0.24%	30,652	285.14	0.75%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Surveys.

<sup>3</sup> Income per Capita: \$38,179 U.S. Census Bureau, 2013-2017 American Community Survey.

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

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Direct Debt <sup>1</sup>	Ratio of Direct Debt to Assessed Value (%)	Ratio of Direct Debt to Estimated Full Value (%)	Population <sup>2</sup>	Direct Debt per Capita	Ratio of Direct Debt per Capita to Per Capita Income (%) <sup>3</sup>
2018	\$2,061,636,790	\$2,945,195,414	\$58,515,000	2.84%	1.99%	20,015	\$2,923.56	6.50%
2017	2,033,673,437	2,905,247,767	52,625,000	2.59%	1.81%	20,015	2,629.28	5.85%
2016	2,018,435,060	2,883,478,657	54,925,000	2.72%	1.90%	19,920	2,757.28	6.13%
2015	1,988,502,360	2,840,717,657	42,690,000	2.15%	1.50%	19,839	2,151.82	4.79%
2014	2,164,593,839	3,092,276,913	19,760,000	0.91%	0.64%	19,838	996.07	2.22%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Surveys.

<sup>3</sup> Income per Capita: \$44,956 U.S. Census Bureau, 2013-2017 American Community Survey.

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

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Debt<sup>1</sup></b>	<b>Ratio of Direct Debt to Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Direct Debt per Capita</b>	<b>Ratio of Direct Debt per Capita to Per Capita Income (%)<sup>3</sup></b>
2018	\$6,232,711,742	\$8,903,873,917	\$147,085,000	2.36%	1.65%	63,360	\$2,321.42	4.39%
2017	5,981,347,789	8,544,782,556	150,455,000	2.52%	1.76%	63,360	2,374.61	4.49%
2016	5,946,170,476	8,494,529,251	148,675,000	2.50%	1.75%	63,187	2,352.94	4.45%
2015	5,924,661,849	8,463,802,641	149,280,000	2.52%	1.76%	63,288	2,358.74	4.46%
2014	5,893,896,106	8,419,851,580	140,830,000	2.39%	1.67%	63,396	2,221.43	4.20%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Surveys.

<sup>3</sup> Income per Capita: \$52,846 U.S. Census Bureau, 2013-2017 American Community Survey.

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

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Debt<sup>1</sup></b>	<b>Ratio of Direct Debt to Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Direct Debt per Capita</b>	<b>Ratio of Direct Debt per Capita to Per Capita Income (%)<sup>3</sup></b>
2018	\$2,242,958,976	\$3,204,227,109	\$50,810,000	2.27%	1.59%	26,395	\$1,924.99	4.65%
2017	2,214,180,160	3,163,114,514	55,260,000	2.50%	1.75%	26,395	2,093.58	5.06%
2016	2,213,400,730	3,162,001,043	50,205,000	2.27%	1.59%	26,396	1,901.99	4.59%
2015	2,205,813,324	3,151,161,891	42,370,000	1.92%	1.34%	26,510	1,598.26	3.86%
2014	2,338,758,240	3,341,083,200	22,690,000	0.97%	0.68%	26,579	853.68	2.06%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Survey.

<sup>3</sup> Income per Capita: \$41,404 U.S. Census Bureau, 2013-2017 American Community Survey.

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

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Debt<sup>1</sup></b>	<b>Ratio of Direct Debt to Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population<sup>2</sup></b>	<b>Direct Debt per Capita</b>	<b>Ratio of Direct Debt per Capita to Per Capita Income (%)<sup>3</sup></b>
2018	\$2,886,742,186	\$4,123,917,409	\$39,105,000	1.35%	0.95%	29,037	\$1,346.73	3.41%
2017	2,924,503,409	4,177,862,013	38,340,000	1.31%	0.92%	29,037	1,320.38	3.34%
2016	2,849,933,303	4,071,333,290	38,970,000	1.37%	0.96%	29,034	1,342.22	3.39%
2015	2,831,162,216	4,044,517,451	40,185,000	1.42%	0.99%	29,095	1,381.17	3.49%
2014	3,014,279,336	4,306,113,337	39,390,000	1.31%	0.91%	29,130	1,352.21	3.42%

<sup>1</sup> Does not include overlapping debt and capital lease obligations.

<sup>2</sup> U.S. Census Bureau, 2012-2016 American Community Survey.

<sup>3</sup> Income per Capita: \$39,542 U.S. Census Bureau, 2013-2017 American Community Survey.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures %</b>
2018	\$5,808,960	\$107,831,063	5.39%
2017	6,205,214	101,300,869	6.13%
2016	6,198,138	88,252,903	7.02%
2015	6,087,159	86,455,317	7.04%
2014	5,955,928	84,685,486	7.03%

Source: Annual Audited Financial Statements 2014-2018.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures %</b>
2018	\$10,133,000	\$218,102,000	4.65%
2017	9,101,000	212,291,000	4.29%
2016	9,182,000	202,273,000	4.54%
2015	9,437,000	196,091,000	4.81%
2014	9,215,000	192,436,000	4.79%

Source: Annual Audited Financial Statements 2014-2018.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures %</b>
2018	\$64,385,000	\$669,819,000	9.61%
2017	91,236,000	614,324,000	14.85%
2016	72,734,000	578,813,000	12.57%
2015	46,114,000	582,711,000	7.91%
2014	49,618,000	581,286,000	8.54%

Source: Annual Audited Financial Statements 2014-2018.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures %</b>
2018	\$1,151,000	\$126,309,000	0.91%
2017	1,192,000	127,298,000	0.94%
2016	1,228,000	119,319,000	1.03%
2015	1,677,000	115,086,000	1.46%
2014	1,476,000	113,260,000	1.30%

Source: Annual Audited Financial Statements 2014-2018.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures %</b>
2018	\$3,232,311	\$82,238,247	3.93%
2017	3,260,660	80,439,138	4.05%
2016	2,636,065	72,952,445	3.61%
2015	1,962,439	71,869,171	2.73%
2014	1,671,560	70,159,832	2.38%

Source: Annual Audited Financial Statements 2014-2018.

**RATIO OF ANNUAL BONDED DEBT SERVICE  
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WEST HARTFORD<sup>1</sup>**

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total Governmental Funds Expenditures</b>	<b>Ratio of Debt Service to Governmental Funds Expenditures %</b>
2018	\$21,646,000	\$294,758,000	7.34%
2017	20,435,000	282,338,000	7.24%
2016	19,557,000	260,841,000	7.50%
2015	17,972,000	252,551,000	7.12%
2014	17,365,000	247,243,000	7.02%

<sup>1</sup> Includes All Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis.

Source: Annual Audited Financial Statement 2014-2018.

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

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures %</b>
2018	\$5,616,873	\$112,740,767	4.98%
2017	5,185,048	109,890,352	4.72%
2016	4,385,548	103,719,242	4.23%
2015	3,367,577	99,366,023	3.39%
2014	3,236,244	96,633,894	3.35%

Source: Annual Audited Financial Statements 2014-2018.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
TO TOTAL GOVERNMENTAL EXPENDITURES - TOWN OF WINDSOR<sup>1</sup>**

<b>Fiscal Year Ended 6/30</b>	<b>Annual Debt Service</b>	<b>Total Governmental Funds Expenditures</b>	<b>Ratio of Debt Service to Governmental Funds Expenditures %</b>
2018	\$6,927,469	\$124,302,336	5.57%
2017	6,984,205	124,585,624	5.61%
2016	6,672,435	114,303,514	5.84%
2015	7,307,067	125,456,704	5.82%
2014	6,135,301	110,038,240	5.58%

<sup>1</sup> Includes all Governmental Funds, excluding Capital Expenditures.  
Source: Annual Audited Financial Statements 2014-2018.

**CAPITAL IMPROVEMENT PROGRAMS AND FUTURE BORROWINGS**

Each year the District adopts a Capital Improvement Program (“CIP”) for its capital infrastructure and facility needs. The program requires a series of decisions about the amount, timing, purpose and structure of debt issuance. Annual capital project appropriations and the issuance of debt are approved in accordance with budgetary policies and procedures as presented under the Budget Procedure and Policy of Debt Administration. The Finance Department manages all District borrowings, paying particular attention to debt affordability and timing of borrowings to take advantage of favorable market conditions. The goal is to repay debt rapidly, maintain a conservative level of outstanding debt, and ensure the District’s continued positive financing standing in the bond market. For 2019, the CIP continues to focus on implementing a comprehensive asset management program for wastewater, water and combined programs.

**FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Sewer	\$ 23,900,000	\$ 22,425,000	\$ 40,550,000	\$ 46,000,000	\$ 22,000,000	\$ 154,875,000
Water	29,900,000	39,500,000	32,600,000	30,000,000	37,250,000	169,250,000
Combined	19,300,000	20,400,000	20,200,000	15,400,000	15,200,000	90,500,000
	<u>\$ 73,100,000</u>	<u>\$ 82,325,000</u>	<u>\$ 93,350,000</u>	<u>\$ 91,400,000</u>	<u>\$ 74,450,000</u>	<u>\$ 414,625,000</u>

The adopted 2019 Capital Improvement Program (“CIP”) Budget is \$73.1M. The CIP Budget is expected to be funded with approximately \$73.1M of General Obligation Bonds and funding from the State under the Connecticut Department of Public Health’s Drinking Water State Revolving Fund (water projects), State of Connecticut Department of Energy and Environmental Protection’s Clean Water Fund (wastewater projects), and other State or Federal Funding Programs.

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

[THIS PAGE INTENTIONALLY LEFT BLANK]



**APPENDIX A - BASIC FINANCIAL STATEMENTS**

**THE METROPOLITAN DISTRICT**

**DECEMBER 31, 2018**

[THIS PAGE INTENTIONALLY LEFT BLANK]

## **Independent Auditors' Report**

To the Board of Finance  
The Metropolitan District  
Hartford, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the (aggregate) discretely presented component unit(s) each major fund and the aggregate remaining fund information of The Metropolitan District as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise The Metropolitan District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of The Metropolitan District as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 7 to the financial statements, during the fiscal year ended December 31, 2018, The Metropolitan District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of The Metropolitan District has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter

## ***Other Matters***

### ***Required Supplementary Information***

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

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2019 on our consideration of The Metropolitan District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Metropolitan District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Metropolitan District's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
June 19, 2019

**The Metropolitan District  
Management's Discussion and Analysis  
December 31, 2018**

The management of the Metropolitan District (the District) offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

- On a government-wide basis, the assets of the District exceeded its liabilities at the close of the current year by \$700,644,678 and \$116,018,116 for Governmental Activities and Business-Type Activities, respectively.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$130,725,627 an increase of \$44,402,078 in comparison with the prior year, which is *primarily due to the timing of reimbursements and August 2017 BAN payoff*.
- On a government-wide basis, the District's total net position increased by \$110,016,565 and decreased by \$39,653,132 for the Governmental Activities and Business-Type Activities, respectively.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

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

The government-wide financial statements can be found on pages 14-15 of this report.

## **Fund Financial Statements**

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

### **Governmental Funds**

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

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

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

The District adopts an annual appropriated budget for its General Fund. Budgetary comparison schedules have been provided for the General Fund to demonstrate compliance with this budget. These can be found on pages 63-65 of this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

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

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

The District adopts an annual appropriated budget for its Water Utility Fund. Budgetary comparison schedules have been provided for the Water Utility Fund to demonstrate compliance with this budget. These can be found on pages 74-76 of this report.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

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

The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-62 of this report.

## **Supplemental Combining Statements and Schedules**

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

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the District, assets exceeded liabilities by \$700,644,678 and \$116,018,116 for the Governmental Activities and Business-Type Activities, respectively, at the close of the most recent fiscal year.

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

Set out below is a comparison of the District's net position at the end of fiscal 2018, compared to the prior year, and the changes in net position for fiscal 2017, compared to the prior year.

### **The Metropolitan District NET POSITION December 31, 2018 and 2017**

	<b>2018</b>			<b>2017</b>		
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
Current and other assets	\$ 170,617,171	\$ 75,117,729	\$ 245,734,900	\$ 231,761,531	\$ 81,494,547	\$ 313,256,078
Capital assets, net of accumulated depreciation	1,814,591,656	599,920,958	2,414,512,614	1,675,401,598	575,779,741	2,251,181,339
Total assets	<u>1,985,208,827</u>	<u>675,038,687</u>	<u>2,660,247,514</u>	<u>1,907,163,129</u>	<u>657,274,288</u>	<u>2,564,437,417</u>
Deferred outflows of resources	<u>15,928,969</u>	<u>21,130,296</u>	<u>37,059,265</u>	<u>3,380,689</u>	<u>3,556,168</u>	<u>6,936,857</u>
Current liabilities	46,464,713	15,896,106	62,360,819	149,989,221	39,862,689	189,851,910
Long-term liabilities outstanding	1,235,900,679	539,155,681	1,775,056,360	1,166,946,358 *	461,214,183 *	1,628,160,541
Total liabilities	<u>1,282,365,392</u>	<u>555,051,787</u>	<u>1,837,417,179</u>	<u>1,316,935,579</u>	<u>501,076,872</u>	<u>1,818,012,451</u>
Deferred inflows of resources	<u>18,127,726</u>	<u>25,099,080</u>	<u>43,226,806</u>	<u>2,980,126</u>	<u>4,082,336</u>	<u>7,062,462</u>
Net Position:						
Net investment in capital assets	738,962,237	284,768,635	1,023,730,872	628,338,124	282,355,400	910,693,524
Unrestricted	<u>(38,317,559)</u>	<u>(168,750,519)</u>	<u>(207,068,078)</u>	<u>(37,710,011) *</u>	<u>(126,684,152) *</u>	<u>(164,394,163)</u>
Total Net Position	<u>\$ 700,644,678</u>	<u>\$ 116,018,116</u>	<u>\$ 816,662,794</u>	<u>\$ 590,628,113</u>	<u>\$ 155,671,248</u>	<u>\$ 746,299,361</u>

\* Restated for GASB 75

**The Metropolitan District**  
**CHANGES IN NET POSITION**  
**For the Years Ended December 31, 2018 and 2017**

	2018			2017		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 73,018,310	\$ 79,715,461	\$ 152,733,771	\$ 72,013,708	\$ 82,836,604	\$ 154,850,312
Capital grants and contributions	49,836,293	17,337,818	67,174,111	64,775,491	20,596,616	85,372,107
General revenues:						
Sewer taxation - member municipalities	45,004,000		45,004,000	41,670,400		41,670,400
Unrestricted investment earnings	3,060,821	236,085	3,296,906	1,689,115	201,900	1,891,015
Miscellaneous income	5,501,247		5,501,247	2,813,918	1,906,736	4,720,654
Total revenues	<u>176,420,671</u>	<u>97,289,364</u>	<u>273,710,035</u>	<u>182,962,632</u>	<u>105,541,856</u>	<u>288,504,488</u>
Expenses:						
General government	3,478,751		3,478,751	12,782,032		12,782,032
Operations	11,612,676		11,612,676	15,004,934		15,004,934
Plants and maintenance	32,932,419		32,932,419	43,573,609		43,573,609
Interest on long-term debt	30,746,675		30,746,675	26,066,412		26,066,412
Water		124,328,800	124,328,800		91,573,513	91,573,513
Hydroelectricity		247,281	247,281		702,704	702,704
Total expenses	<u>78,770,521</u>	<u>124,576,081</u>	<u>203,346,602</u>	<u>97,426,987</u>	<u>92,276,217</u>	<u>189,703,204</u>
Excess of Revenues over Expenditures before Transfers	97,650,150	(27,286,717)	70,363,433	85,535,645	13,265,639	98,801,284
Transfers	12,366,415	(12,366,415)	-	(17,707,978)		(17,707,978)
Special item			-	(31,414,007)	32,809,473	1,395,466
Net Change in Net Position	110,016,565	(39,653,132)	70,363,433	36,413,660	46,075,112	82,488,772
Net Position at Beginning of Year	<u>590,628,113</u>	<u>155,671,248</u>	<u>746,299,361</u>	<u>554,214,453 *</u>	<u>109,596,136 *</u>	<u>663,810,589</u>
Net Position at End of Year	<u>\$ 700,644,678</u>	<u>\$ 116,018,116</u>	<u>\$ 816,662,794</u>	<u>\$ 590,628,113</u>	<u>\$ 155,671,248</u>	<u>\$ 746,299,361</u>

\*Restated for GASB 75

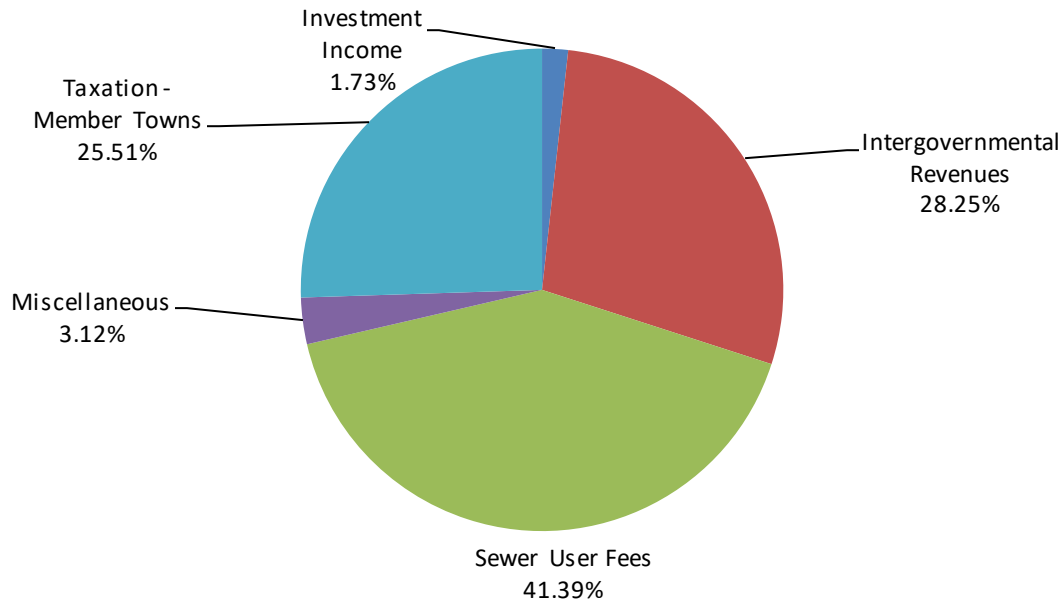
The District's net position increased by \$70,363,433 overall during the fiscal year with ending net position of Governmental Activities and Business-Type Activities of \$700,644,678 and \$116,018,116 respectively. This is discussed below.



## Governmental Activities

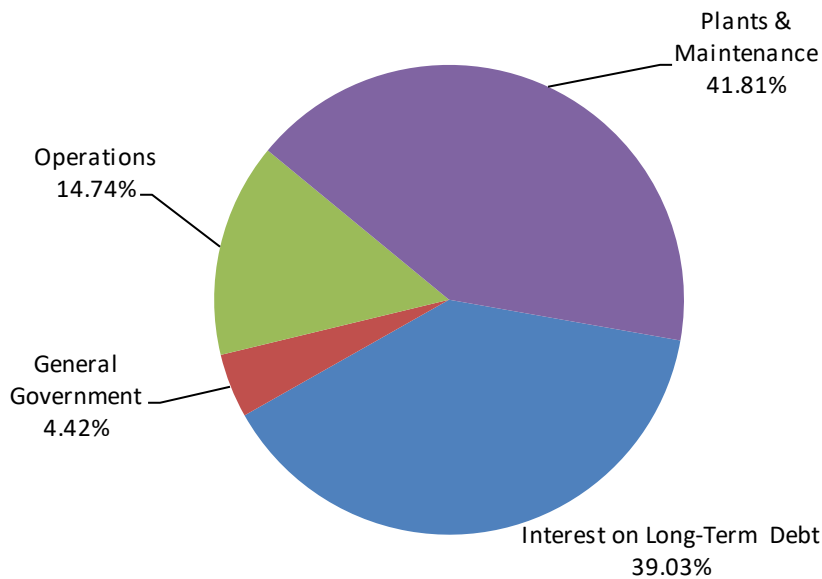
Net position of governmental activities increased by \$110,016,565 in 2018.

Major revenue factors Include:



- Approximately 25% of the governmental activity revenues were derived from taxes levied on our member towns. These taxes increased 8% from the prior year.
- The primary component of charges for services consists of sewer user fees of \$63,888,022 which increased by \$1,209,976 due to rate increases offset by decreased usage.
- The primary component of operating and capital grants and contributions consists of intergovernmental revenues of \$53,890,725 which decreased by \$15,309,014 from the prior year. The intergovernmental revenue decrease is *due to decreased Clean Water Fund grants from the State of Connecticut Clean Water Fund to fund the MDC's Clean Water Project.*

Major expenditure factors Include:

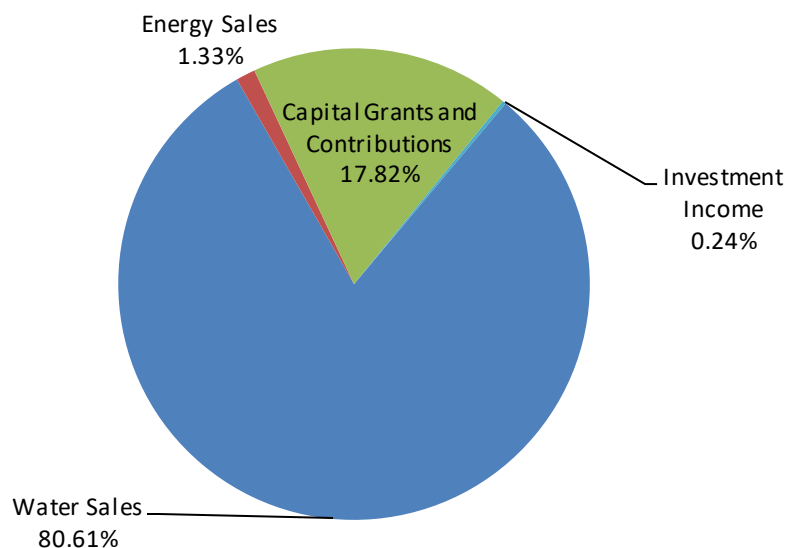


- During 2018, expenses decreased from the prior year by \$18,656,466 of which \$10,641,190 is due to decreased Plants and Maintenance expenses along with decreased General Government expenses of \$9,303,281.

### Business-Type Activities

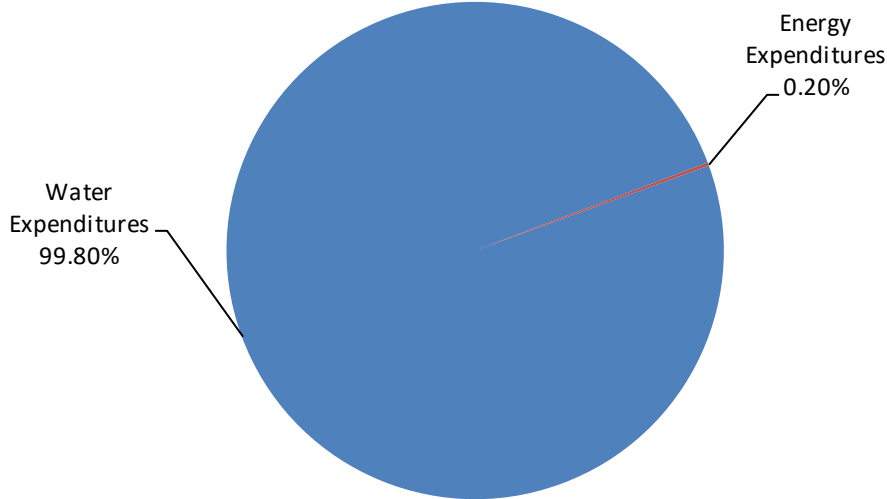
Net position of business-type activities decreased by \$39,653,132 in 2018.

Major Revenue Factors Include:



Water sales revenue decreased by \$3,121,143 or 4% due to increases in water rates, offset by reduced consumption of 5.36%. Capital grants and contributions decreased \$3,258,798 due to decreased State of Connecticut Drinking Water Fund grants offset by allocation to the Water Utility Fund from the Capital Projects Fund. Energy sales increased by \$580,830 as a result of increase precipitation leading to increased stream flow and higher production of available electricity.

## Major Expense Factors Include:



- Water expenses increased \$32,299,864 or 35%. Increase in water expenses is attributable to increase in OPEB liability.

## Financial Analysis of the Government's Funds

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

### Governmental Funds

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

As of the end of the current year, the District's governmental funds reported a combined ending fund balance of \$130,725,627 an increase of \$44,402,078 in comparison with the prior year. Of the fund balances, \$100,358,014 is restricted primarily for Clean Water Project future debt service or capital expenses, \$3,065,322 is nonspendable and reserved for inventory and prepaid assets, and \$9,827,026 is committed for other non-major sewer capital projects. The remaining general fund and capital projects show a combined unassigned balance of \$16,953,991.

The General Fund is the chief operating fund of the District. At the end of the current year, the General Fund total fund balance was \$26,291,943, of which \$23,226,621 is unassigned and spendable and \$3,065,322 is nonspendable and reserved for inventory and prepaid assets. This represents a fund balance increase in the General Fund of \$6,696,965 from the prior year.

The Debt Service fund balance decrease of \$100,009 is the timing of paying debt service on general obligation debt versus the funding.

The Clean Water Project Fund had a decrease in fund balance of \$19,251,558, which is a result of *increased project spending and the timing of Clean Water Fund loan advances, which lag spending.*

The Capital Project Fund had an increase in fund balance of \$57,056,680 *which is a result of the 2018 Bond Issuance*

### **Proprietary Funds**

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

Overall proprietary funds net position totaled \$116,018,116 at the end of the year.

Unrestricted net position of the Water Utility Fund at the end of the year was to a deficit of \$161,115,058. Net investment in capital assets amounted to \$277,926,855. The Hydroelectricity Fund has unrestricted net position of \$1,858,597, or 21.4% of total net position. Net investment in capital assets amounted to \$6,841,780, or 78.6% of total net position of the fund.

### **General Fund Budgetary Highlights**

During the 2018 budget year, total revenues and other financing sources were above budget by \$3,448,060 or 4.6%, and expenditures were less than budget by \$6,785,191 or 8.6%.

Some of the major highlights are as follows:

- The District's budget included a contingent item of \$2,550,000 to cover the groundwater remediation receivable. If this receivable had been paid it would have resulted in a reduction in the ad valorem billing during 2018. However, this bill was outstanding during the calendar year.
- Expenditures were favorable to budget due to the contingency expense \$2,550,000 noted above and favorable Water Pollution Control expenses of \$1,521,584.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

The District's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2018 amounted to \$1,814,591,656 and \$599,920,958 respectively reflecting the District's ongoing investment in capital activities. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, and sewer and water pipes.

Major capital asset additions in 2018 consisted of infrastructure improvements, contributions of capital assets by developers and continued construction in progress, including the continuation of the Clean Water Project.

**The Metropolitan District**  
**CAPITAL ASSETS (net of depreciation)**  
**December 31, 2018 and 2017**

	2018			2017		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 10,206,473	\$ 10,181,885	\$ 20,388,358	\$ 10,206,473	\$ 10,181,885	\$ 20,388,358
Buildings	293,217,275	74,874,804	368,092,079	293,688,406	76,722,968	370,411,374
Machinery and equipment	29,582,288	13,063,648	42,645,936	23,988,646	11,219,160	35,207,806
Infrastructure	529,912,551	253,445,615	783,358,166	479,963,523	230,761,653	710,725,176
Construction in progress	951,673,069	248,355,006	1,200,028,075	867,554,550	246,894,075	1,114,448,625
Total	\$ 1,814,591,656	\$ 599,920,958	\$ 2,414,512,614	\$ 1,675,401,598	\$ 575,779,741	\$ 2,251,181,339

Additional information on the District's capital assets can be found in Note 3D on pages 36-40 of this report.

**Long-Term Debt**

At the end of the current year, the District had total open market bonded debt outstanding of \$840,417,766 and \$564,028,864 of Clean Water and Drinking Water State Revolving fund loans outstanding. All of the Governmental Activities debt, \$1,235,900,679, with the exception of \$209,180,000 of outstanding revenue bonds is backed by the full faith and credit of the District's member towns. The revenue bond indenture has a pledge of the special sewer service surcharge revenues (a.k.a. Clean Water Project Charge), therefore these bonds do not carry the full faith and credit pledge of the District.

**The Metropolitan District**  
**OUTSTANDING DEBT**  
**December 31, 2018 and 2017**

	2018			2017		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
General obligation/ Revenue bonds	\$ 571,679,115	\$ 268,738,651	\$ 840,417,766	\$ 524,865,146	\$ 229,357,778	\$ 754,222,924
Clean/drinking water loans	510,928,231	53,100,633	564,028,864	456,402,106	53,391,540	509,793,646
Compensated absences	3,094,578	3,174,752	6,269,330	2,822,659	3,030,187	5,852,846
Claims and judgments		6,181,157	6,181,157		6,231,742	6,231,742
Net pension liability	28,625,799	39,634,385	68,260,184	27,512,421	9,704,215	37,216,636
OPEB obligation	121,572,956	168,326,103	289,899,059	155,344,026	159,498,721	314,842,747
Total	\$ 1,235,900,679	\$ 539,155,681	\$ 1,775,056,360	\$ 1,166,946,358	\$ 461,214,183	\$ 1,628,160,541

The District's general obligation bond rating went from AA/Negative to AA/Stable from Standard & Poor's and from Aa3 with a negative outlook to Aa3 with a stable outlook from Moody's.

The District's Charter limits the amount of general obligation debt it may issue up to 5% of the combined Grand List of its member towns. The current debt limitation for the District is \$1,277,811,488.

Additional information on the District's long-term debt can be found in Note 3G on pages 42-45 of this report.

### **Economic Factors**

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

All of these factors were considered in preparing the District's 2018 year budget.

### **Requests for Information**

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

**THE METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 135,735,379	\$ 55,912,354	\$ 191,647,733
Receivables, net of allowance for uncollectibles	31,816,470	14,949,757	46,766,227
Inventory	2,560,251	3,041,095	5,601,346
Prepaid items	505,071	1,214,523	1,719,594
Capital assets, nondepreciable	961,879,542	258,536,891	1,220,416,433
Capital assets, net of accumulated depreciation	852,712,114	341,384,067	1,194,096,181
Total assets	<u>1,985,208,827</u>	<u>675,038,687</u>	<u>2,660,247,514</u>
<b>Deferred Outflows of Resources:</b>			
Deferred outflows - pension	9,699,222	13,429,237	23,128,459
Deferred outflows - OPEB	4,746,172	6,571,401	11,317,573
Deferred charge on refunding	1,483,575	1,129,658	2,613,233
Total deferred outflows of resources	<u>15,928,969</u>	<u>21,130,296</u>	<u>37,059,265</u>
<b>Liabilities:</b>			
Accounts payable and accrued items	45,458,594	13,993,169	59,451,763
Customer advances for construction	1,006,119	1,902,937	2,909,056
Noncurrent liabilities:			
Due within one year	120,625,805	27,796,969	148,422,774
Due in more than one year	1,115,274,874	511,358,712	1,626,633,586
Total liabilities	<u>1,282,365,392</u>	<u>555,051,787</u>	<u>1,837,417,179</u>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows - pension	205,193	284,103	489,296
Deferred inflows - OPEB	17,922,533	24,814,977	42,737,510
Total deferred Inflows of resources	<u>18,127,726</u>	<u>25,099,080</u>	<u>43,226,806</u>
<b>Net Position:</b>			
Net investment in capital assets	738,962,237	284,768,635	1,023,730,872
Unrestricted	<u>(38,317,559)</u>	<u>(168,750,519)</u>	<u>(207,068,078)</u>
Total Net Position	<u>\$ 700,644,678</u>	<u>\$ 116,018,116</u>	<u>\$ 816,662,794</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 3,478,751	\$	\$	\$ 73,058	\$ (3,405,693)	\$	\$ (3,405,693)
Operations	11,612,676	16,888,003		555,216	5,830,543		5,830,543
Plants and maintenance	32,932,419	56,130,307		49,208,019	72,405,907		72,405,907
Interest on long-term debt	30,746,675				(30,746,675)		(30,746,675)
Total governmental activities	<u>78,770,521</u>	<u>73,018,310</u>	<u>-</u>	<u>49,836,293</u>	<u>44,084,082</u>	<u>-</u>	<u>44,084,082</u>
Business-type activities:							
Water	124,328,800	78,427,168		17,337,818		(28,563,814)	(28,563,814)
Hydroelectricity	247,281	1,288,293				1,041,012	1,041,012
Total business-type activities	<u>124,576,081</u>	<u>79,715,461</u>	<u>-</u>	<u>17,337,818</u>	<u>-</u>	<u>(27,522,802)</u>	<u>(27,522,802)</u>
Total	<u>\$ 203,346,602</u>	<u>\$ 152,733,771</u>	<u>\$ -</u>	<u>\$ 67,174,111</u>	<u>44,084,082</u>	<u>(27,522,802)</u>	<u>16,561,280</u>
General revenues:							
Sewer taxation - member municipalities					45,004,000		45,004,000
Miscellaneous					5,501,247		5,501,247
Unrestricted investment earnings					3,060,821	236,085	3,296,906
Transfers					12,366,415	(12,366,415)	-
Total general revenues and transfers					<u>65,932,483</u>	<u>(12,130,330)</u>	<u>53,802,153</u>
Change in Net Position					110,016,565	(39,653,132)	70,363,433
Net Position at Beginning of Year, as Restated					<u>590,628,113</u>	<u>155,671,248</u>	<u>746,299,361</u>
Net Position at End of Year					<u>\$ 700,644,678</u>	<u>\$ 116,018,116</u>	<u>\$ 816,662,794</u>

The accompanying notes are an integral part of the financial statements



**THE METROPOLITAN DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 16,212,716	\$ 521,274	\$ 110,577,502	\$ 8,423,887	\$ 135,735,379
Receivables, net of allowance for uncollectibles	9,960,629		19,684,243	2,171,598	31,816,470
Inventory	2,560,251				2,560,251
Prepaid items	505,071				505,071
Total Assets	<u>\$ 29,238,667</u>	<u>\$ 521,274</u>	<u>\$ 130,261,745</u>	<u>\$ 10,595,485</u>	<u>\$ 170,617,171</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued items	\$ 1,940,605	\$	\$ 29,903,731	\$ 5,111,228	\$ 36,955,564
Customer advances for construction	1,006,119				1,006,119
Total liabilities	<u>2,946,724</u>	<u>-</u>	<u>29,903,731</u>	<u>5,111,228</u>	<u>37,961,683</u>
Deferred inflows of resources:					
Unavailable revenue - special assessments				1,929,861	1,929,861
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,929,861</u>	<u>1,929,861</u>
Fund balances:					
Nonspendable	3,065,322				3,065,322
Restricted		521,274	100,358,014		100,879,288
Committed				9,827,026	9,827,026
Unassigned	23,226,621			(6,272,630)	16,953,991
Total fund balances	<u>26,291,943</u>	<u>521,274</u>	<u>100,358,014</u>	<u>3,554,396</u>	<u>130,725,627</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,238,667</u>	<u>\$ 521,274</u>	<u>\$ 130,261,745</u>	<u>\$ 10,595,485</u>	<u>\$ 170,617,171</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2018**

---

Reconciliation of the Balance Sheet - Governmental Funds

to the Statement of Net Position:

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

Fund balances - total governmental funds (page 16)	\$ 130,725,627
--	----------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 2,177,032,562	
Less accumulated depreciation	<u>(362,440,906)</u>	
Net capital assets		1,814,591,656

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

Sewer assessment receivables	1,929,861
Deferred charge on refunding	1,483,575
Deferred outflows related to pensions	9,699,222
Deferred outflows related to OPEB	4,746,172

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

Bonds payable	(522,609,633)
Premiums	(49,069,482)
Notes payable	(510,928,231)
Interest payable on long-term debt	(8,503,030)
Compensated absences	(3,094,578)
Net pension liability	(28,625,799)
Deferred inflows related to pension	(205,193)
Deferred inflows related to OPEB	(17,922,533)
OPEB obligation	<u>(121,572,956)</u>

Net Position of Governmental Activities (page 14)	<u>\$ 700,644,678</u>
---	-----------------------

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>General</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxation - member towns	\$ 45,004,000	\$	\$	\$	\$ 45,004,000
Assessments				458,413	458,413
Sewer user fees	9,804,814		54,083,208		63,888,022
Intergovernmental revenues	5,819,727		47,120,069	950,929	53,890,725
Investment income	655,763		2,405,057		3,060,820
Other local revenues	7,613,648			771,967	8,385,615
Total revenues	<u>68,897,952</u>	<u>-</u>	<u>103,608,334</u>	<u>2,181,309</u>	<u>174,687,595</u>
Expenditures:					
Current:					
General government	4,762,419				4,762,419
Operations	3,918,542				3,918,542
Plants and maintenance	15,144,347				15,144,347
Employee benefits and other	11,162,192				11,162,192
Debt service:					
Principal retirement		45,242,984			45,242,984
Interest		31,071,486			31,071,486
Capital outlay			150,925,964	34,285,107	185,211,071
Total expenditures	<u>34,987,500</u>	<u>76,314,470</u>	<u>150,925,964</u>	<u>34,285,107</u>	<u>296,513,041</u>
Excess (Deficiency) of Revenues over Expenditures	<u>33,910,452</u>	<u>(76,314,470)</u>	<u>(47,317,630)</u>	<u>(32,103,798)</u>	<u>(121,825,446)</u>
Other Financing Sources (Uses):					
Issuance of bonds				62,591,950	62,591,950
Premium on issuance of bonds		2,195,873		5,215,630	7,411,503
Clean Water Fund loans issued			75,331,738	3,803,716	79,135,454
Transfers in		74,118,808		17,549,182	91,667,990
Transfers out	(27,213,487)	(100,220)	(47,265,666)		(74,579,373)
Total other financing sources (uses)	<u>(27,213,487)</u>	<u>76,214,461</u>	<u>28,066,072</u>	<u>89,160,478</u>	<u>166,227,524</u>
Net Change in Fund Balances	6,696,965	(100,009)	(19,251,558)	57,056,680	44,402,078
Fund Balances at Beginning of Year	<u>19,594,978</u>	<u>621,283</u>	<u>119,609,572</u>	<u>(53,502,284)</u>	<u>86,323,549</u>
Fund Balances at End of Year	<u>\$ 26,291,943</u>	<u>\$ 521,274</u>	<u>\$ 100,358,014</u>	<u>\$ 3,554,396</u>	<u>\$ 130,725,627</u>

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

Net change in fund balances - total governmental funds (page 18)	\$ 44,402,078
--	---------------

Governmental funds report capital outlays as expenditures. However, in the statement  
of activities, the cost of those assets is allocated over their estimated useful lives  
and reported as depreciation expense:

Capital outlays, net	172,201,352
Depreciation expense	(28,039,633)

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

(4,971,661)

Revenues in the statement of activities that do not provide current financial resources  
are not reported as revenues in the funds:

Sewer assessment revenue	(16,188)
Change in deferred outflows related to pension	2,171,027
Change in deferred outflows related to OPEB	4,746,172

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

Proceeds from Clean Water Fund loan obligations	(79,135,454)
Proceeds from issuance of bonds	(62,591,950)
Premiums on issuance of bonds	(7,411,503)
Bond payments	20,633,648
Amortization of bond premium and deferred charge on refunding	2,330,556
Clean Water Fund loan payments	24,609,329
Change in accrued interest	(2,005,741)

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

Change in compensated absences	(271,919)
Change in net pension liability	(1,113,378)
Change in deferred inflows related to pension	8,631,293
Change in deferred inflows related to OPEB	(17,922,533)
Change in OPEB obligation	33,771,070

Change in Net Position of Governmental Activities (page 15)	\$ <u>110,016,565</u>
---	-----------------------

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Internal Service Fund
	Major	Nonmajor	Total	
	Water Utility	Hydroelectric Development Project		
Assets:				
Current assets:				
Cash and cash equivalents	\$ 53,671,461	\$ 2,182,903	\$ 55,854,364	\$ 57,990
Accounts receivable, net of allowance for uncollectibles	13,954,608	150,657	14,105,265	844,492
Inventory	2,804,205	236,890	3,041,095	
Prepaid items	1,204,813	9,710	1,214,523	
Total current assets	71,635,087	2,580,160	74,215,247	902,482
Noncurrent assets:				
Capital assets, nondepreciable	258,536,891		258,536,891	
Capital assets, net of accumulated depreciation	334,542,287	6,841,780	341,384,067	
Total noncurrent assets	593,079,178	6,841,780	599,920,958	-
Total assets	664,714,265	9,421,940	674,136,205	902,482
Deferred Outflows of Resources:				
Deferred outflows - pension	13,384,596	44,641	13,429,237	
Deferred outflows - OPEB	6,549,556	21,845	6,571,401	
Deferred charge on refunding	1,129,658		1,129,658	
Total deferred outflows of resources	21,063,810	66,486	21,130,296	-
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	9,764,474	13,312	9,777,786	4,215,383
Customer advances for construction	1,902,937		1,902,937	
Current portion of claims incurred but not reported			-	1,091,036
Current portion of compensated absences	2,245,262		2,245,262	
Current portion of bonds and loans payable	24,460,671		24,460,671	
Total current liabilities	38,373,344	13,312	38,386,656	5,306,419
Noncurrent liabilities:				
Compensated absences	929,490		929,490	
Bonds and loans payable after one year	297,378,613		297,378,613	
Claims incurred but not reported			-	5,090,121
Net pension liability	39,502,632	131,753	39,634,385	
OPEB liability	167,766,553	559,550	168,326,103	
Total noncurrent liabilities	505,577,288	691,303	506,268,591	5,090,121
Total liabilities	543,950,632	704,615	544,655,247	10,396,540
Deferred Inflows of Resources:				
Deferred inflows - pension	283,159	944	284,103	
Deferred inflows - OPEB	24,732,487	82,490	24,814,977	
Total deferred inflows of resources	25,015,646	83,434	25,099,080	-
Net Position:				
Net investment in capital assets	277,926,855	6,841,780	284,768,635	
Unrestricted	(161,115,058)	1,858,597	(159,256,461)	(9,494,058)
Total Net Position	\$ 116,811,797	\$ 8,700,377	125,512,174	\$ (9,494,058)
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			(9,494,058)	
Net Position of Business-Type Activities			\$ 116,018,116	

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Internal Service Fund
	Major	Nonmajor		
	Water Utility	Hydroelectric Development Project	Total	
Operating Revenues:				
Water sales	\$ 74,795,863	\$	\$ 74,795,863	\$
Energy sales		1,288,293	1,288,293	
Reimbursement			-	13,338,455
Miscellaneous	3,631,305		3,631,305	
Total operating revenues	78,427,168	1,288,293	79,715,461	13,338,455
Operating Expenses:				
General government	8,636,792		8,636,792	
Operations	13,190,657		13,190,657	14,556,902
Plants and maintenance	16,057,195		16,057,195	
Employee benefits and other	62,379,995	23,256	62,403,251	
Source of supply		75,088	75,088	
Depreciation expense	13,003,457	148,937	13,152,394	
Total operating expenses	113,268,096	247,281	113,515,377	14,556,902
Operating Income (Loss)	(34,840,928)	1,041,012	(33,799,916)	(1,218,447)
Nonoperating Revenues (Expenses):				
Investment income	236,085		236,085	
Miscellaneous	(268,892)		(268,892)	
Interest and fiscal charges	(9,573,365)		(9,573,365)	
Net nonoperating expenses	(9,606,172)	-	(9,606,172)	-
Income (Loss) Before Grants and Contributions and Other Financing Sources (Uses)	(44,447,100)	1,041,012	(43,406,088)	(1,218,447)
Grants and Contributions:				
Capital grants	3,344,122		3,344,122	
Capital contributions	18,715,898		18,715,898	
Total grants and contributions	22,060,020	-	22,060,020	-
Other Financing Sources (Uses):				
Transfer in	360,345		360,345	
Transfers out	(17,448,962)		(17,448,962)	
Total other financing uses	(17,088,617)	-	(17,088,617)	-
Change in Net Position	(39,475,697)	1,041,012	(38,434,685)	(1,218,447)
Net Position at Beginning of Year, as Restated	156,287,494	7,659,365		(8,275,611)
Net Position at End of Year	\$ 116,811,797	\$ 8,700,377		\$ (9,494,058)
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			(1,218,447)	
Change in Net Position of Business-Type Activities			\$ (39,653,132)	

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Business-Type Activities - Enterprise Funds			
	Major	Nonmajor		
	Water Utility	Hydroelectric Development Project	Total	Business-Type Activities - Internal Service Fund
Cash Flows from Operating Activities:				
Receipts from customers, users and others	\$ 84,694,798	\$ 1,218,329	\$ 85,913,127	\$ 12,536,997
Payments to suppliers	(26,762,176)	(146,251)	(26,908,427)	(12,479,007)
Payments to employees	(40,552,135)	(199,126)	(40,751,261)	
Net cash provided by (used in) operating activities	17,380,487	872,952	18,253,439	57,990
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets/utility plant	(23,548,791)		(23,548,791)	
Proceeds from bonds	48,178,050		48,178,050	
Proceeds from bond premiums	6,299,871		6,299,871	
Proceeds from drinking water loans	3,100,918		3,100,918	
Proceeds from capital grant	3,344,122		3,344,122	
Proceeds from capital contribution	13,993,696		13,993,696	
Principal payments on bonds	(13,746,350)		(13,746,350)	
Principal payments on bond anticipation notes	(26,775,000)		(26,775,000)	
Principal payments on drinking water loans	(3,391,825)		(3,391,825)	
Interest payments on bonds and notes	(9,812,237)		(9,812,237)	
Proceeds from General fund	360,345		360,345	
Payment to Debt Service fund	(17,448,962)		(17,448,962)	
Net cash provided by (used in) capital and related financing activities	(19,446,163)	-	(19,446,163)	-
Cash Flows from Investing Activities:				
Interest on investments	236,085		236,085	
Net Increase (Decrease) in Cash and Cash Equivalents	(1,829,591)	872,952	(956,639)	57,990
Cash and Cash Equivalents at Beginning of Year	55,501,052	1,309,951	56,811,003	-
Cash and Cash Equivalents at End of Year	\$ 53,671,461	\$ 2,182,903	\$ 55,854,364	\$ 57,990
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (34,840,928)	\$ 1,041,012	\$ (33,799,916)	\$ (1,218,447)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	13,003,457	148,937	13,152,394	
Amortization of bond premium	(1,350,698)		(1,350,698)	
Miscellaneous nonoperating revenue (expense)	(268,892)		(268,892)	
Net capital asset addition	(9,022,619)		(9,022,619)	
Change in assets, deferred outflows of resources and liabilities:				
(Increase) decrease in accounts receivable	6,852,264	(69,964)	6,782,300	(801,458)
(Increase) decrease in inventory	(77,501)	7,881	(69,620)	
(Increase) decrease in prepaid items	(477,906)	(148)	(478,054)	
(Increase) decrease in other assets			-	45,000
(Increase) decrease in deferred outflows of resources related to pensions	(11,107,336)	(31,732)	(11,139,068)	
(Increase) decrease in deferred outflows of resources related to OPEB	(6,549,556)	(21,845)	(6,571,401)	
Increase (decrease) in accounts payable and accrued expenses	1,683,983	804	1,684,787	2,083,480
Increase (decrease) in customer advances for construction	(584,634)		(584,634)	
Increase (decrease) in compensated absences	144,565		144,565	
Increase (decrease) in OPEB obligation	9,166,853	(339,472)	8,827,381	
Increase (decrease) in net pension liability	29,853,115	77,055	29,930,170	
Increase (decrease) in claims incurred but not reported related to pensions	(3,776,167)	(22,066)	(3,798,233)	(50,585)
Increase (decrease) in deferred inflows of resources related to OPEB	24,732,487	82,490	24,814,977	
Total adjustments	52,221,415	(168,060)	52,053,355	1,276,437
Net Cash Provided by (Used in) Operating Activities	\$ 17,380,487	\$ 872,952	\$ 18,253,439	\$ 57,990
Noncash Investing, Capital and Financing Activities:				
Capital assets contributed by Capital Projects Fund	\$ 4,722,202	\$ -	\$ 4,722,202	\$ -

The accompanying notes are an integral part of the financial statements

**THE METROPOLITAN DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2018**

---

	<b>Pension and Other Employee Benefit Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,320,499
Accounts receivable	152,761
Investments, at fair value:	
Guaranteed investment contracts	19,869,989
Land	12,500,000
Commingled collective funds	144,068,358
Real estate	<u>25,110,038</u>
Total assets	<u>203,021,645</u>
<b>LIABILITIES</b>	
Retiree expense reimbursement payable	<u>1,917,557</u>
<b>NET POSITION</b>	
Restricted for Pension and OPEB Benefits	\$ <u><u>201,104,088</u></u>

The accompanying notes are an integral part of the financial statements



**THE METROPOLITAN DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 11,500,000
Plan members	3,150,340
Reimbursements	241,355
Total contributions	<u>14,891,695</u>
Investment earnings:	
Net change in fair value of investments	(11,760,119)
Interest and dividends	3,640,352
Total investment earnings (loss)	<u>(8,119,767)</u>
Less investment expenses:	
Investment management fees	1,060,954
Net investment earnings (loss)	<u>(9,180,721)</u>
Total additions	<u>5,710,974</u>
Deductions:	
Benefits	23,934,456
Administrative expense	67,530
Total deductions	<u>24,001,986</u>
Change in Net Position	(18,291,012)
Net Position at Beginning of Year	<u>219,395,100</u>
Net Position at End of Year	<u><u>\$ 201,104,088</u></u>

The accompanying notes are an integral part of the financial statements

## **THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS**

---

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. General**

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

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

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

#### **B. Basis of Presentation**

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

#### **Government-Wide and Fund Financial Statements**

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

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

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

## THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

---

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

## THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

---

The District reports the following major proprietary fund:

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

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

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

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

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

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

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

### **C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days from the date of acquisition are considered to be cash equivalents.

### **D. Investments**

Investments are stated at fair value.

## THE METROPOLITAN DISTRICT

### NOTES TO FINANCIAL STATEMENTS

---

#### E. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### F. Receivables and Payables

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

All receivables are presented net of an allowance for uncollectibles.

#### G. Compensated Absences

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

#### H. Capital Assets

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50-75
Machinery and equipment	6-20
Infrastructure	50-150

## **THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS**

---

### **I. Deferred Outflows of Resources**

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

### **J. Deferred Inflows of Resources**

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

### **K. Long-Term Obligations**

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

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

## THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

---

### **L. Net Pension Liability**

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

### **M. Net OPEB Liability**

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

### **N. Fund Equity**

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

#### **Nonspendable Fund Balance**

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

#### **Restricted Fund Balance**

This balance represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

#### **Committed Fund Balance**

This balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (District Board). Amounts remain committed until action is taken by the District Board (resolution) to remove or revise the limitations.

#### **Assigned Fund Balance**

This balance includes amounts constrained for the intent to be used for a specific purpose by the District Board that has been delegated authority to assign amounts by the Charter.

#### **Unassigned Fund Balance**

This balance represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

In the government-wide financial statements, net position is classified in the following categories:

#### **Net Investment in Capital Assets**

This category represents all capital assets, net of accumulated depreciation and related debt.

## **THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS**

---

### **Restricted Net Position**

This category represents amounts restricted to use by outside parties. The District has no assets under restrictions as of December 31, 2018.

### **Unrestricted Net Position**

This category represents the net position of the District not restricted for use.

## **O. Accounting Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

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

Annual operating budgets are legally adopted for the General Fund and the Water Utility Enterprise Fund. A fund budget was adopted for the Hydroelectric Development Project. Formal budgetary integration is employed as a management control device for these funds. The unencumbered balance of appropriations in the General Fund lapses at year end. Encumbered appropriations are carried forward. Except for encumbrance accounting, the General Fund budget is prepared on a modified accrual basis. Budgetary and actual data in this report have been presented on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, the reconciliation of resultant basis, timing and perspective differences appear at the bottom of the actual vs. budget schedule. The legal level of budgetary control is at the functional level. Any revisions that alter total appropriations at the level of control must have the prior approval of the Board of Finance and the District Board. The amendments were made in the legally permissible manner described above. During the fiscal year ended December 31, 2018, there were no supplemental budgetary appropriations.

Budgetary integration is employed on a continuing (project length) basis for Capital Projects Funds, in which appropriations do not lapse at year end, but rather at the completion of the construction relating to a specific improvement project. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond and note indenture provisions.



## THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

---

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

### **B. Deficit Fund Equity**

Certain individual funds had fund balance deficits at December 31, 2018 as follows:

Internal Service	\$	9,494,058
OPEB Trust Fund	\$	600,396

The internal service fund deficit is a result of increased healthcare costs and outstanding healthcare and other insurance claims. This deficit will be funded by future charges for services and contributions to the internal service fund. The OPEB trust fund deficit has arisen primarily due to new GASB reporting requirements relating to the estimated future obligations for retiree benefits. The OPEB trust fund deficit will be funded by future employer and employee contributions to the fund.

## **3. DETAILED NOTES ON ALL FUNDS**

### **A. Cash, Cash Equivalents and Investments**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposit will not be returned. The District does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its principal place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$13,509,186 of the District's bank balance of \$13,872,383 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,133,267
Uninsured and collateral held by the pledging bank's trust department, not in the District's name	<u>1,375,919</u>
Total Amount Subject to Custodial Credit Risk	\$ <u><u>13,509,186</u></u>

**Cash Equivalents**

At December 31, 2018, the District's cash equivalents amounted to \$179,236,324. The following table provides a summary of the District's cash equivalents as rated by nationally recognized statistical rating organizations. The pool has maturities of less than one year.

	<u><b>Standard &amp; Poor's</b></u>
State Short-Term Investment Fund (STIF)	AAAm

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**Investments**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The District has the following recurring fair value measurements as of December 31, 2018:

	<b>December 31, 2018</b>	<b>Fair Value Measurements Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
Guaranteed investment contracts	\$ 19,869,989	\$	\$ 2,569,802	\$ 17,300,187
Land	12,500,000			12,500,000
Total investments by fair value level	32,369,989	\$ -	\$ 2,569,802	\$ 29,800,187
Investments measured at net asset value (NAV):				
Commingled Collective Trusts	144,068,358			
Timberland Investments	10,166,284			
Cornerstone Real Estate	3,982,586			
Madison Realty Capital Debt Fund	4,948,461			
Intercontinental U.S. REIF	6,012,707			
Total investments measured at NAV	169,178,396			
Total Investments Measured at Fair Value	\$ 201,548,385			

The above investments have no rating or maturity.

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Guaranteed investment contracts classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Land and guaranteed investment contracts classified in Level 3 are valued using discounted cash flow techniques.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (If Currently Eligible)</b>	<b>Redemption Notice Period</b>
Commingled Collective Trusts	\$ 144,068,358	\$	Up to Monthly	Up to 10 Days
Timberland Investments	10,166,284	549,776	Hold to Maturity	Hold to Maturity (15-18 Years Total)
Cornerstone Real Estate	3,982,586	1,430,061	Hold to Maturity	Hold to Maturity (7-9 Years Total)
Madison Realty Capital Debt Fund	4,948,461	374,137	Hold to Maturity	Hold to Maturity (6-9 Years Total)
Intercontinental U.S. REIF	6,012,707		Quarterly	30-60 days
Total Investments Measured at NAV	\$ 169,178,396			

## THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

### Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. To the extent possible, the District attempts to match its investments with anticipated cash flow requirements.

### Credit Risk - Investments

As indicated above, State Statutes limit the investment options of the District. The District has no investment policy that would limit its investment choices due to credit risk.

### Concentration of Credit Risk

The District has no policy limiting an investment in any one issuer that is in excess of 5% of the District's total investments.

### Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the District or that sells investments to or buys them for the District), the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2018, the District did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the District's name.

## B. Receivables

Receivables as of year end for the District's individual major funds, nonmajor business-type activities, internal service fund and trust funds in the aggregate, including the applicable allowances for uncollectible amounts, are as follows:

	General	Clean Water Project	Capital Projects Funds	Water Utility	Hydroelectric Development Project	Internal Service Fund	Trust Funds	Total
Sewer use charges	\$ 10,588,096	\$ 10,617,269	\$	\$	\$	\$	\$	\$ 21,205,365
Customers and employees	3,473,509			16,990,358	150,657			20,614,524
Assessments			1,786,765	744,144				2,530,909
Accrued interest			445,183	218,241				663,424
Intergovernmental		9,066,974						9,066,974
Other	4,559,234		237,599			890,339	152,761	5,839,933
Gross receivables	18,620,839	19,684,243	2,469,547	17,952,743	150,657	890,339	152,761	59,921,129
Less allowance for uncollectibles	8,660,210		297,949	3,998,135		45,847		13,002,141
Net Total Receivables	\$ 9,960,629	\$ 19,684,243	\$ 2,171,598	\$ 13,954,608	\$ 150,657	\$ 844,492	\$ 152,761	\$ 46,918,988

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**C. Interfund Transfers**

Interfund transfers are generally used to supplement revenues of other funds. Interfund transfers for the year ended December 31, 2018 were as follows:

	<b>Transfer In</b>			<b>Total Transfers</b>
	<b>Water Utility Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Out</b>
Transfers out:				
General Fund	\$ 331,666	\$ 26,881,821	\$	\$ 27,213,487
Clean Water Project Fund	28,679	47,236,987		47,265,666
Water Utility Fund			17,448,962	17,448,962
Debt Service Fund			100,220	100,220
Total Transfers In	<u>\$ 360,345</u>	<u>\$ 74,118,808</u>	<u>\$ 17,549,182</u>	<u>\$ 92,028,335</u>

**D. Capital Assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 10,206,473	\$	\$	\$	\$ 10,206,473
Construction in progress	867,554,550	172,351,016	83,510,295	(4,722,202)	951,673,069
Total capital assets not being depreciated	<u>877,761,023</u>	<u>172,351,016</u>	<u>83,510,295</u>	<u>(4,722,202)</u>	<u>961,879,542</u>
Capital assets being depreciated:					
Buildings	439,870,604	18,272,899	3,898,874		454,244,629
Machinery and equipment	43,477,765	11,940,717	3,694,168		51,724,314
Infrastructure	651,315,925	57,869,217	1,065		709,184,077
Total capital assets being depreciated	<u>1,134,664,294</u>	<u>88,082,833</u>	<u>7,594,107</u>	<u>-</u>	<u>1,215,153,020</u>
Less accumulated depreciation for:					
Buildings	146,182,198	15,949,696	1,104,540		161,027,354
Machinery and equipment	19,489,119	4,170,241	1,517,334		22,142,026
Infrastructure	171,352,402	7,919,696	572		179,271,526
Total accumulated depreciation	<u>337,023,719</u>	<u>28,039,633</u>	<u>2,622,446</u>	<u>-</u>	<u>362,440,906</u>
Total capital assets being depreciated, net	<u>797,640,575</u>	<u>60,043,200</u>	<u>4,971,661</u>	<u>-</u>	<u>852,712,114</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,675,401,598</u>	<u>\$ 232,394,216</u>	<u>\$ 88,481,956</u>	<u>\$ (4,722,202)</u>	<u>\$ 1,814,591,656</u>

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 10,181,885	\$	\$	\$	\$ 10,181,885
Construction in progress	<u>246,894,075</u>	<u>23,548,790</u>	<u>26,810,061</u>	<u>4,722,202</u>	<u>248,355,006</u>
Total capital assets not being depreciated	<u>257,075,960</u>	<u>23,548,790</u>	<u>26,810,061</u>	<u>4,722,202</u>	<u>258,536,891</u>
Capital assets being depreciated:					
Buildings	132,255,863	1,592,837			133,848,700
Machinery and equipment	30,517,046	5,094,745	1,011,296		34,600,495
Infrastructure	<u>349,858,153</u>	<u>30,082,052</u>	<u>1,227,671</u>		<u>378,712,534</u>
Total capital assets being depreciated	<u>512,631,062</u>	<u>36,769,634</u>	<u>2,238,967</u>	<u>-</u>	<u>547,161,729</u>
Less accumulated depreciation for:					
Buildings	55,532,895	3,441,001			58,973,896
Machinery and equipment	19,297,886	3,106,923	867,962		21,536,847
Infrastructure	<u>119,096,500</u>	<u>6,604,470</u>	<u>434,051</u>		<u>125,266,919</u>
Total accumulated depreciation	<u>193,927,281</u>	<u>13,152,394</u>	<u>1,302,013</u>	<u>-</u>	<u>205,777,662</u>
Total capital assets being depreciated, net	<u>318,703,781</u>	<u>23,617,240</u>	<u>936,954</u>	<u>-</u>	<u>341,384,067</u>
Business-Type Activities Capital Assets, Net	\$ <u>575,779,741</u>	\$ <u>47,166,030</u>	\$ <u>27,747,015</u>	\$ <u>4,722,202</u>	\$ <u>599,920,958</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
General government	\$ 2,059,948
Engineering	76,801
Operations	8,126,164
Plant and maintenance	<u>17,776,720</u>
Total Depreciation Expense - Governmental Activities	\$ <u>28,039,633</u>
Business-type activities:	
Water	\$ 13,003,457
Hydroelectric	<u>148,937</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>13,152,394</u>

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

**Construction Commitments**

The District has active construction projects as of December 31, 2018. At year end, the District's commitments with contractors for governmental activities are as follows:

<b>Project Name</b>	<b>Remaining Commitment</b>
2015 South Hartford Conveyance and Storage Tunnel Construction	\$ 126,767,950
2017 Hartford Water Pollution Control Facility D	8,884,705
2012 Rocky Hill Interceptor	6,353,294
2013 Folly Brook I/I	3,600,000
2013 Windsor I/I Removal	3,600,000
2014 Wet Weather Expansion Project #2012-21	3,349,385
2012 Cedar Newington	2,412,573
2018 Various Sewer Projects	1,794,856
2014 Levee Protection Systems Improvement	1,174,906
2015 General Purpose Sewer	1,161,823
2014 Packard Street & Daniel Boulevard Sewer Replacement	1,124,843
Large Diameter Clean	1,064,476
2015 Sewer Pipe Replacement	867,950
2017 Water Pollution Control Equipment	867,854
2015 Water Pollution Control Plant Infrastructure	813,050
2014 Various Sewer Pipe Renovation & Replacement	754,303
2018 Sewer Rehab	681,568
2018 Paving Program	608,132
2012 Sewer Replacement Woodland Avenue Bloomfield	600,000
2017 Admin Facility Improvements	554,004
2015 Bond Street Sewer Rehab	517,198
2012 South Montclair West Hartford	510,870
2013 Green Infrastructure	428,738
2015 East Hartford Water Pollution Control Facility Compres	417,356
2013 Rocky Hill Water Pollution Control Facility Cap & Upgrade	409,738
2015 Greenhurst Road	400,196
2009 Water Pollution Control Replacements & Improvements	392,789

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

<b>Project Name</b>	<b>Remaining Commitment</b>
2014 Sewer Rehab Program	\$ 382,284
2010 Water Pollution Control Electrical	335,796
2014 Hartford Water Pollution Control Facility Sludge Mixing Tank	324,709
2011 Water Pollution Control Renovation & Replacement	320,618
2018 Water Pollution Control Infrastructure	311,000
2018 Closer Circuit Television Sewer	302,591
2015 Water Pollution Control E & F Improvement	298,652
2014 General Purpose Sewer	266,474
2014 Rehab/Replacement NM14	251,490
2015 Hartford Water Pollution Control Facility SPB	247,817
2015 Sewer Rehab Project	231,499
2007 Waste Treatment Facility	225,626
2017 Paving Program	219,014
2012 Sewer Rehab Program	200,000
2016 Rocky Hill Water Pollution Control Facility Outfall	195,699
2013 Various Sewer Pipes	194,040
2012 General Purpose Sewer	186,149
2012 South Retreat Avenue Hartford	146,819
2013 Wet Weather Expansion Project #2012-20	130,091
2012 Sewer Replacement Program	103,701
2016 Underground Sto	90,685
2017 Various Sewer S	87,699
2014 SSES Rocky Hill	57,983
2013 Land Improvement	50,110
Multiple Projects < \$50K	<u>464,948</u>
Total	\$ <u><u>175,738,051</u></u>



**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

The District's commitments with contractors for construction in process for business-type activities are as follows:

<u>Project Name</u>	<u>Remaining Commitment</u>
2013 Clean Water Project - Church Street	\$ 3,456,000
2016 Bloomfield Tran	3,375,328
2015 Water Main Replacement Bond Street Hartford	1,946,386
2018 Paving Program	1,896,950
2014 Orchard Street Water Pump Station	1,724,540
2014 TRM-Newington	1,456,681
2014 Water Main Replacement West Hartford	1,380,000
2015 Various TM D&C	1,311,344
2018 Water Treatment Facility Rehab	839,218
2013 Radio Auto Meter	721,060
2014 Kilkenny Water	657,926
2015 Water Main Replacement Garden Weth	635,418
2014 UCONN - Health	629,238
2015 General Purpose Water	620,307
2017 Paving Program	614,110
2016 Water Main Replacement East Hartford	473,811
2012 General Purpose Water	433,536
2010 General Purpose Water	388,077
2014 General Purpose Water Pr	281,967
2013 Paving Program	281,883
2011 Water Main Replacement Cottage Grove Rd.	270,375
2017 General Purpose	242,944
2014 Water Main Replacement Wethersfield	215,321
2018 Water Main Replacement	205,335
2012 W Radio Frequency Meter Program	190,665
2016 General Purpose Water	188,275
2011 TMR Hamilton	129,691
2010 Hydraulic Comp M	120,804
2010 Water Main Replacement Guilford	107,881
2013 Jerome Avenue Water Main	72,827
2009 Water Main Gate	71,594
2010 Water Facility Security	66,082
2014 Phelps Brook Dam/East Dike Rehabilitation	63,852
2011 Water Main Replacement Hartford	50,728
Multiple Projects < \$50K	408,949
Total	<u>\$ 25,529,103</u>

The commitments are being financed with general obligation bonds and state and federal grants.

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

**E. Bond Anticipation Notes**

The District uses bond anticipation notes during the construction period of various projects prior to the issuance of the bonds at the completion of the project.

The District did not issue bond anticipation notes during 2018.

Bond anticipation note transactions for the year ended December 31, 2018 were as follows:

Outstanding - December 31, 2017	\$	120,000,000
New borrowings		
Repayments		<u>(120,000,000)</u>
Outstanding - December 31, 2018	\$	<u><u>-</u></u>

**F. Operating Leases**

Total operating lease payments for the year ended December 31, 2018 were \$397,278. Commitments under an operating lease agreement with the Army Corps of Engineers for water storage rights require minimum annual rental payments, including interest at 3.14% over 50 years. The total cost of this lease was \$204,222 for the year ended December 31, 2018, paid by the Water Utility Fund. Other operating lease payments for office equipment totaled \$47,253 for the year ended December 31, 2018. Future operating lease commitments are as follows:

	<u>Amount</u>
2019	\$ 263,801
2020	23,498
2021	15,915
2022	13,087
2023	<u>9,591</u>
Total	\$ <u><u>325,892</u></u>

**THE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**G. Long-Term Debt**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 267,601,331	\$ 62,591,950	\$ 16,763,648	\$ 313,429,633	\$ 20,073,826
Revenue bonds	213,050,000		3,870,000	209,180,000	4,015,000
Premiums	44,213,815	7,411,503	2,555,836	49,069,482	
Total bonds payable	524,865,146	70,003,453	23,189,484	571,679,115	24,088,826
Clean water fund loans	456,402,106	79,135,454	24,609,329	510,928,231	93,910,268
Compensated absences	2,822,659	3,091,864	2,819,945	3,094,578	2,626,711
Net pension liability	27,512,421	1,113,378		28,625,799	
Net OPEB Liability *	155,344,026		33,771,070	121,572,956	
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,166,946,358</u>	<u>\$ 153,344,149</u>	<u>\$ 84,389,828</u>	<u>\$ 1,235,900,679</u>	<u>\$ 120,625,805</u>
Business-Type Activities:					
General obligation bonds	\$ 211,468,661	\$ 48,178,050	\$ 13,746,350	\$ 245,900,361	\$ 16,271,174
Premiums	17,889,117	6,299,871	1,350,698	22,838,290	
Total bonds payable	229,357,778	54,477,921	15,097,048	268,738,651	16,271,174
Drinking water fund loans	53,391,540	3,100,918	3,391,825	53,100,633	8,189,497
Compensated absences	3,030,187	2,693,594	2,549,029	3,174,752	2,245,262
Claims and judgments	6,231,742	14,556,902	14,607,487	6,181,157	1,091,036
Net pension liability	9,704,215	29,930,170		39,634,385	
Net OPEB Liability *	159,498,721	8,827,382		168,326,103	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 461,214,183</u>	<u>\$ 113,586,887</u>	<u>\$ 35,645,389</u>	<u>\$ 539,155,681</u>	<u>\$ 27,796,969</u>

\*Restated for GASB 75 (see Note 7)

For the governmental activities, pension liability, OPEB liability and compensated absences are generally liquidated by the General Fund.

**General Obligation Bonds**

General obligation bonds are direct obligations of the District for which full faith and credit are pledged and are payable from taxes levied on member towns and other operating revenues. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	Various	\$ 313,429,633
Business-type activities	Various	245,900,361
		<u>\$ 559,329,994</u>

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 20,073,826	\$ 13,142,025	\$ 16,271,174	\$ 10,204,599
2020	19,868,009	12,297,900	16,236,991	9,493,969
2021	19,340,969	11,353,713	16,104,031	8,699,755
2022	19,430,403	10,444,384	16,159,598	7,927,588
2023	18,469,226	9,577,101	15,925,774	7,169,542
2024-2028	90,851,523	36,379,838	77,718,477	25,651,836
2029-2033	80,214,762	18,896,205	61,470,238	11,861,780
2034-2038	39,995,915	5,269,305	26,014,078	2,126,221
2039-2040	<u>5,185,000</u>	<u>352,575</u>		
Total	\$ <u>313,429,633</u>	\$ <u>117,713,046</u>	\$ <u>245,900,361</u>	\$ <u>83,135,290</u>

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at December 31, 2018 is \$1,017,642,047. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**Revenue Bonds**

Revenue bonds are special obligations of the District and are issued pursuant to the District's Charter and Chapter 103 of the Connecticut General Statutes as amended, the Special Obligation Indenture of Trust by and between the District and U.S. Bank National Association (the Trustee) for the purpose of providing funds for the Clean Water Project. The revenue bonds are secured by a pledge of and payable from the Trust Estate which includes pledged revenues, which are special revenues to be received by the District from a Special Sewer Service Surcharge (a.k.a. Clean Water Project Charge), together with the revenues or other receipts, funds or moneys held in or set aside in the Trust Estate. The revenue bonds are not a general obligation of the District. Revenue bonds currently outstanding are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Governmental Activities	Various	\$ <u>209,180,000</u>

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

Annual debt service requirements to maturity for revenue bonds are as follows:

		<b>Governmental Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2019	\$	4,015,000	\$ 10,065,050
2020		4,075,000	9,959,750
2021		4,225,000	9,756,000
2022		4,355,000	9,577,000
2023		4,525,000	9,359,250
2024-2028		25,445,000	43,298,125
2029-2033		45,090,000	35,663,250
2034-2038		76,290,000	1,984,685
2039-2042		41,160,000	4,413,550
Total	\$	<u>209,180,000</u>	<u>\$ 134,076,660</u>

**Clean and Drinking Water Fund Loans**

The District participates in the State of Connecticut's Clean and Drinking Water programs, which provide low-interest loans bearing 2% interest for eligible waste water and 2% interest for eligible drinking water projects. Projects are financed by interim loan obligations until project completion, at which time internal loan obligations are replaced by permanent loan obligations. In the case of certain large projects, permanent loan obligations may be issued annually.

Clean Water Fund loans finance the sewer infrastructure and facility improvements (governmental activities) and will be repaid from future taxation, special sewer service surcharge and user fees.

Drinking Water Fund loans finance the water infrastructure and facility improvements (business-type activities) and will be financed by user charges.

Permanent loan obligations mature as follows:

		<b>Governmental Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2019	\$	26,632,562	\$ 7,911,156
2020		26,405,472	7,381,063
2021		26,405,472	6,852,954
2022		25,793,330	6,330,016
2023		25,635,191	5,816,039
2024-2028		126,254,314	21,439,305
2029-2033		105,376,888	9,518,237
2034-2038		45,285,004	1,700,162
	\$	<u>407,788,233</u>	<u>\$ 66,948,932</u>

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

		<b>Business-Type Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2019	\$	3,291,029	\$ 935,256
2020		3,268,441	867,817
2021		3,027,770	803,812
2022		3,006,220	743,505
2023		2,957,393	683,527
2024-2028		14,445,169	2,549,908
2029-2033		13,786,970	1,127,813
2034-2038		4,419,173	102,891
	\$	<u>48,202,165</u>	\$ <u>7,814,529</u>

Interim loan obligations mature and convert to permanent loan obligations as follows:

		<b>Governmental Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2019	\$	67,277,706	\$ 905,369
2020		18,082,119	110,845
2021		17,780,173	116,681
	\$	<u>103,139,998</u>	\$ <u>1,132,895</u>

		<b>Business-Type Activities</b>	
		<b>Principal</b>	<b>Interest</b>
2019	\$	<u>4,898,468</u>	\$ <u>49,719</u>

**Debt Limitation**

The District's debt indebtedness does not exceed the debt limitations required by its Charter as reflected in the following schedule:

<b>Debt Limit</b>	<b>Net Indebtedness</b>	<b>Balance</b>
\$ 1,277,811,488	\$ 945,046,541	\$ 332,764,947

**THE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**H. Fund Balance**

The components of fund balance for the governmental funds at December 31, 2018 are as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Clean Water Project</u>	<u>Capital Projects</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Prepays	\$ 505,071	\$	\$	\$	\$ 505,071
Inventory	2,560,251				2,560,251
Restricted for:					
Debt service or capital expenditures		521,274	100,358,014		100,879,288
Committed to:					
General purpose sewer				6,004,863	6,004,863
Information systems development				993	993
Facility and building improvements				3,756,617	3,756,617
Inflow and infiltration master plan				64,553	64,553
Unassigned	<u>23,226,621</u>			<u>(6,272,630)</u>	<u>16,953,991</u>
Total Fund Balances	\$ <u>26,291,943</u>	\$ <u>521,274</u>	\$ <u>100,358,014</u>	\$ <u>3,554,396</u>	\$ <u>130,725,627</u>

There were no outstanding encumbrances at December 31, 2018.

**4. EMPLOYEE RETIREMENT PLAN**

**A. Plan Description and Benefits Provided**

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

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

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

At January 1, 2018, membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	612
Terminated members entitled to but not yet receiving benefits	44
Current active members	<u>471</u>
Total Members	<u><u>1,127</u></u>

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

## THE METROPOLITAN DISTRICT

### NOTES TO FINANCIAL STATEMENTS

---

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

#### **B. Summary of Significant Accounting Policies and Plan Asset Matters**

##### **Basis of Accounting**

The Pension Trust Fund's financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with plan provisions. Administrative costs of the plan are financed through investment earnings.

##### **Valuation of Investments**

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price.

#### **C. Funding Policy**

Employees hired prior to October 4, 2015 are required to contribute 5% of their annual covered salary, employees hired between October 4, 2015 and June 5, 2018 are required to contribute 7% of their annual covered salary, and employees hired after June 5, 2018 are required to contribute 7.5% of their annual covered salary.

#### **D. Investments**

##### **Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Personnel, Pension and Insurance Committee by a majority vote of its members. It is the policy of the Personnel, Pension and Insurance Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short-time spans. The following was the Board's adopted asset allocation policy as of December 31, 2018:

<b>Asset Class</b>	<b>Target Allocation</b>
Core Fixed Income	15.00%
Global Funds	12.50%
Large Cap U.S. Equities	30.00%
Mid Cap U.S. Equities	10.00%
Small Cap U.S. Equities	10.00%
Developed Foreign Equities	10.00%
Real Estate (REITS)	6.00%
Private Real Estate Property	1.50%
Commodities	5.00%



## THE METROPOLITAN DISTRICT

### NOTES TO FINANCIAL STATEMENTS

---

#### Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.22)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### E. Net Pension Liability of the District

The components of the net pension liability of the District at December 31, 2018 were as follows:

Total pension liability	\$ 269,964,668
Plan fiduciary net position	<u>201,704,484</u>
Net Pension Liability	<u>\$ 68,260,184</u>
Plan fiduciary net position as a percentage of the total pension liability	74.72%

The net pension liability is recorded in the Water Utility Fund and the Hydroelectric Development Project Fund (Proprietary Funds), and the Governmental Activities of the District.

#### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50%, average, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Combined Healthy Mortality table blended 75% Blue Collar, 25% White Collar, with generational projection per Scale AA
Actuarial cost method	Entry Age Normal

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Rate of Return</b>
Core Fixed Income	2.87%
Global Funds	1.32%
Large Cap U.S. Equities	4.84%
Mid Cap U.S. Equities	5.41%
Small Cap U.S. Equities	6.12%
Developed Foreign Equities	6.12%
Real Estate (REITS)	5.31%
Private Real Estate Property	3.85%
Commodities	4.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**Changes in the Net Pension Liability**

<b>Metropolitan District Employees' Retirement System</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of January 1, 2018	\$ 257,137,288	\$ 219,920,652	\$ 37,216,636
Changes for the year:			
Service cost	4,088,615		4,088,615
Interest on total pension liability	18,306,742		18,306,742
Differences between expected and actual experience	8,180,799		8,180,799
Employer contributions		6,500,000	(6,500,000)
Member contributions		2,280,859	(2,280,859)
Net investment loss		(9,180,721)	9,180,721
Benefit payments, including refund to employee contributions	(17,748,776)	(17,748,776)	-
Administrative expenses		(67,530)	67,530
Net changes	12,827,380	(18,216,168)	31,043,548
Balances as of December 31, 2018	\$ 269,964,668	\$ 201,704,484	\$ 68,260,184

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the District, calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
District's Net Pension Liability \$	97,585,000	\$ 68,260,184	\$ 43,990,705

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2018, the District recognized pension expense of \$11,803,926, which is recorded within the Water Utility Fund, Hydroelectric Development Project Fund and the Governmental Activities of the District in the amounts of \$6,831,012, \$22,783 and \$4,950,131, respectively. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Metropolitan District Employees' Retirement System</b>	
	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ (489,296)	\$ 6,683,153
Changes of assumptions		2,480,414
Net difference between projected and actual earning on pension plan investments		13,964,892
Total	\$ <u>(489,296)</u>	\$ <u>23,128,459</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended December 31,</b>	
2019	\$ 7,246,365
2020	4,772,338
2021	3,816,390
2022	6,489,426
2023	314,644
	<u>\$ 22,639,163</u>

**F. 457(f) Nonqualified Deferred Compensation Plan**

The District has a 457(f) Nonqualified Deferred Compensation Plan for three key employees as deemed eligible by the Personnel, Pension and Insurance Committee. The District will make contributions to the plan as deemed necessary. The District made no contributions to the plan during 2018.

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

**G. Combining Statement of Net Position**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 113,198	\$ 1,207,301	\$ 1,320,499
Accounts receivable	42,901	109,860	152,761
Investments, at fair value:			
Guaranteed investment contracts	19,869,989		19,869,989
Land	12,500,000		12,500,000
Commingled collective funds	144,068,358		144,068,358
Real estate	25,110,038		25,110,038
Total assets	<u>201,704,484</u>	<u>1,317,161</u>	<u>203,021,645</u>
<b>LIABILITIES</b>			
Retiree expense reimbursement payable	<u></u>	<u>1,917,557</u>	<u>1,917,557</u>
<b>NET POSITION</b>			
Restricted for Pension and OPEB Benefits	\$ <u>201,704,484</u>	\$ <u>(600,396)</u>	\$ <u>201,104,088</u>

**THE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**H. Combining Statement of Revenue, Expenses and Changes in Net Position**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total</b>
Additions:			
Contributions:			
Employer	\$ 6,500,000	\$ 5,000,000	\$ 11,500,000
Plan members	2,280,859	869,481	3,150,340
Reimbursements		241,355	241,355
Total contributions	<u>8,780,859</u>	<u>6,110,836</u>	<u>14,891,695</u>
Investment earnings:			
Net change in fair value of investments	(11,760,119)		(11,760,119)
Interest and dividends	3,640,352		3,640,352
Total investment earnings (loss)	<u>(8,119,767)</u>	<u>-</u>	<u>(8,119,767)</u>
Less investment expenses:			
Investment management fees	1,060,954		1,060,954
Net investment earnings (loss)	<u>(9,180,721)</u>	<u>-</u>	<u>(9,180,721)</u>
Total additions (reductions)	<u>(399,862)</u>	<u>6,110,836</u>	<u>5,710,974</u>
Deductions:			
Benefits	17,748,776	6,185,680	23,934,456
Administrative expense	67,530		67,530
Total deductions	<u>17,816,306</u>	<u>6,185,680</u>	<u>24,001,986</u>
Change in Net Position	(18,216,168)	(74,844)	(18,291,012)
Net Position at Beginning of Year	<u>219,920,652</u>	<u>(525,552)</u>	<u>219,395,100</u>
Net Position at End of Year	<u>\$ 201,704,484</u>	<u>\$ (600,396)</u>	<u>\$ 201,104,088</u>

**5. POSTEMPLOYMENT HEALTHCARE PLAN - RETIREE HEALTH PLAN**

**Plan Description**

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

Management of the postemployment benefits plan rests with the Personnel, Pension and Insurance Committee (PPI), which consists of 11 members.

Expenses for postemployment benefits were paid out of the OPEB trust fund during fiscal year ended December 31, 2018. The plan does not issue a stand-alone financial report.

## THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

---

At January 1, 2018, plan membership consisted of the following:

	<b>Retiree Health Plan</b>
Retired members	480
Spouses of retired members	318
Active plan members	<u>596</u>
Total Participants	<u><u>1,394</u></u>

### Funding Policy

The Retirement Plan is funded from various sources, including

- (a) employee mandatory contribution (employees hired before June 5, 2018 contribute 5% of regular compensation and new employees hired after June 5, 2018 contribute 7.5% of regular compensation);
- (b) Actuarially determined employer contribution as based upon different presumptions (ranged from \$5 million to \$6 million per annum);
- (c) Investment returns from discretionary funds including equity, lumber and real estate assets;
- (d) Interest paid by Aetna for use of monies in financial and insurance business

As of January 1, 2019, all employees also contribute 1.0% of regular compensation into an OPEB (Other Post-Retirement Benefits) fund. This fund is typically depleted by the end of the calendar year and is used to support medical costs. Since the early 1990's, the District has embraced "self-insurance."

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

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

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

### Investments

#### Investment Policy

The OPEB investment policy is established and amended by the Personnel, Pension and Insurance Committee by a majority of its members. The investment strategy is based upon the liquidity needs of the plan and thereby determines the distinct asset classes to be invested therein. The investment strategy reduces risk through prudent selection of investments and diversification of the portfolio, which can be changed over time based upon forecasted liquidity needs.

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

**Rate of Return**

For the year ended December 31, 2018, the annual money-weighted rate of return on investments, net of investment expense, was zero percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the District**

The District's net OPEB liability was measured as of December 31, 2018. The components of the net OPEB liability of the District at December 31, 2018 were as follows:

Total OPEB liability	\$	289,298,663
Plan fiduciary net position		<u>(600,396)</u>
Net OPEB Liability	\$	<u><u>289,899,059</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		-0.21%

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.50%, including inflation
Investment rate of return	4.00%, net of OPEB plan investment expense
Healthcare cost trend rates	5.50% - 4.40% over 75 years

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of December 31, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100 %	0.27 %



**THE METROPOLITAN DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 4.10%. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The discount rate at December 31, 2018 increased 0.66% to 4.10% from 3.44% at December 31, 2017.

**Changes in Net OPEB Liability**

<b>Metropolitan District Employees' Retirement System</b>			
	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of January 1, 2018	\$ 314,317,196	\$ (525,552)	\$ 314,842,748
Changes for the year:			
Service cost	8,531,854		8,531,854
Interest on total OPEB liability	11,015,391		11,015,391
Differences between expected and actual experience	14,146,966		14,146,966
Changes in assumptions	(53,399,384)		(53,399,384)
Employer contributions		5,000,000	(5,000,000)
Member contributions		238,516	(238,516)
Benefit payments, including refund to employee contributions	(5,313,360)	(5,313,360)	-
Net changes	(25,018,533)	(74,844)	(24,943,689)
Balances as of December 31, 2018	\$ 289,298,663	\$ (600,396)	\$ 289,899,059

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<b>1% Decrease (3.10%)</b>	<b>Current Discount Rate (4.10%)</b>	<b>1% Increase (5.10%)</b>
Net OPEB liability	\$ 339,942,954	\$ 289,899,059	\$ 250,183,571

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<b>1% Decrease (4.50% Decreasing to 3.40%)</b>	<b>Healthcare Cost Trend Rates (5.50% Decreasing to 4.40%)</b>	<b>1% Increase (6.50% Decreasing to 5.40%)</b>
Net OPEB liability	\$ 243,187,027	\$ 289,899,059	\$ 350,167,370

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2018, the District recognized OPEB expense of \$11,476,248. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Metropolitan District Employees' Retirement System</b>	
	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 42,719,507	\$ 11,317,573
Changes of assumptions		
Net difference between projected and actual earning on OPEB plan investments	18,003	
Total	\$ 42,737,510	\$ 11,317,573

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended December 31,</b>	
2019	\$ 7,854,985
2020	7,854,985
2021	7,854,985
2022	7,854,982
	<u>\$ 31,419,937</u>

## **6. OTHER INFORMATION**

### **A. Clean Water Project**

The Clean Water Project addresses approximately one billion gallons of combined wastewater and storm water currently released each year to area waterways. The project is in response to an EPA SSO federal consent decree and a Connecticut DEEP CSO consent order to achieve Federal Clean Water Act goals. The project is set forth in a Long-Term Control Plan (the LTCP), which is periodically revised and is subject to approval by DEEP. The District's goal is to achieve compliance through efficient improvements to its system, maximizing funding of the project with state and federal grants and the use of state and federal low-cost loans, with the remainder funded with issuance of its own bonds. Project financing is expected to be repaid with the Clean Water Project Charge (previously, the Special Sewer Service Surcharge) added to customers' water bills.

#### *Evolution of the Clean Water Project*

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

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

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

## THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS

---

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

### *Cost Estimates*

Because the resubmitted LTCP incorporates an Integrated Plan, the nature of the project and its overall cost is not directly comparable to the LTCP as currently approved. Current estimates to complete the proposed December 2018 LTCP Update/Integrated Plan are that the Clean Water Project Charge would increase to approximately \$7.40 by 2026, and remain at least at that level for a considerable period as the ongoing capital maintenance and rehabilitation program continues. The primary reasons for the increase in the Clean Water Project Charge are due to inflation to complete the LTCP Update on a longer schedule and to include asset management projects, such as sewer lining, which previously were contemplated to be paid for through Ad Valorem. As a result, the future increases to Ad Valorem will be mitigated while the estimated total cost to the rate payers for both the Clean Water Project Charge and Ad Valorem remains about the same on average. This assumes a continued level of federal and state support in the form of grants and low-cost loans consistent with the support provided to date. Other options would increase the surcharge, particularly those options that accelerate work or change the sequencing, as would a change in the level of federal and state funding support. The District remains mindful of maintaining an overall level of affordability for rate payers of the District, and in particular the residents of Hartford, which may lead to future adjustment in the nature of the project and its cost and financing. No assurance can be given as to the final cost of the project or the precise composition of its funding.

### *Referendum Requirements*

Generally speaking, appropriations for the cost of large projects must be approved by referendum vote of the electors of the Member Municipalities. Effective October 1, 2015, P.A. 15-114 excludes from the referendum requirement appropriations funded by federal or state grants. An \$800 million appropriation for the Clean Water Project was approved at referendum on November 7, 2006. An appropriation for an additional \$800 million for the Clean Water Project was approved at referendum on November 6, 2012. An appropriation of \$140 million for a grant, not requiring a referendum, was approved by the District Board on October 5, 2016. The District expects to appropriate further funds for the project without a referendum for portions paid for by state grants.

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

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

## THE METROPOLITAN DISTRICT

### NOTES TO FINANCIAL STATEMENTS

---

The District has issued, to date, \$225.0 million in Clean Water Project Revenue Bonds, \$209.18 million of which were outstanding as of December 31, 2018. The Clean Water Project Revenue Bonds are being repaid from a portion of the Clean Water Project Charge (previously the Special Sewer Service Surcharge) and are not general obligations of the District.

#### B. Risk Management

The District is exposed to various risks of loss including torts; officers' and employees' liabilities; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for all risks of loss except those risks described in the next paragraph. The District established an internal service fund, the self-insurance fund, to account for and finance the retained risk of loss.

The District is self-insured for healthcare, workers' compensation claims up to \$500,000 for each accident, deductibles for property damage up to \$100,000 for each location, and general and automobile liability up to \$250,000 for each incident. Additionally, the District has provided for \$1 million of excess coverage for liability coverage with no limits for workers' compensation excess coverage. The self-insurance fund is primarily supported by contributions from the General Fund and the Water Utility Enterprise Fund. Workers' Compensation Trust administers the District's workers' compensation program for which the District pays a fee. General and auto liability claims are performed in-house and through third-party administrators whose administrative fees are paid by the self-insurance fund. Blue Cross and Blue Shield administer the District's medical insurance plan for which the District pays a fee. The medical insurance plan provides coverage for most District employees. The District has purchased a stop loss policy for total medical claims in any one year exceeding an aggregate of 110% of expected claims. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in any coverage during the year from that of the prior year.

The claims liability of \$6,181,157 for the self-insurance fund reported at December 31, 2018 is based on the requirements of GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. The District's policy is to have an actuarial study performed annually.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

		<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
2017	\$	4,667,200	\$ 14,623,699	\$ 13,059,157	\$ 6,231,742
2018		6,231,742	14,556,902	14,607,487	6,181,157

## **THE METROPOLITAN DISTRICT NOTES TO FINANCIAL STATEMENTS**

---

### **C. Contingent Liabilities**

#### **Arbitrage**

The District may be subject to rebate penalties to the federal government relating to various bond and note issues. The District expects such amounts, if any, to be immaterial.

#### **Other**

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

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

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

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

The lawsuit asserts claims for breach of contract, breach of good faith and fair dealing and in the alternative, unjust enrichment. On behalf of the proposed class, the plaintiffs are seeking compensatory damages, interest and other just and proper relief.

In June 2018, the MDC filed a Motion to Strike on several grounds, including failure to sufficiently allege the existence of a contract, the MDC is entitled to governmental immunity and the claim is untimely based on the statute of limitations. The Court held that the plaintiff did sufficiently plead the existence of a contract and that the claim was not untimely. However, the Court did limit the time period for recoverable damages based on a six-year statute of limitations. This reduced the relevant period for possible damages to March 2012 to October 2014. Additionally, the Court granted the MDC's motion to strike for the plaintiff's unjust enrichment and breach of the covenant of good faith and fair dealing claims. The MDC will oppose any motion for class certification and has available numerous special defenses to the plaintiff's claims.

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

**THE METROPOLITAN DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

---

**7. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The following restatements were recorded to the beginning of year net position of the governmental activities and business-type activities as a result of implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Water Utility Fund</u>	<u>Hydroelectric Development Project</u>
Net position at December 31, 2017, as previously reported	\$ 702,111,959	\$ 270,136,744	\$ 270,107,800	\$ 8,304,555
Adjustments:				
Eliminate net OPEB obligation reported per GASB No. 45	43,860,180	45,033,226	44,779,394	253,832
Record net OPEB liability per GASB No. 75	<u>(155,344,026)</u>	<u>(159,498,722)</u>	<u>(158,599,700)</u>	<u>(899,022)</u>
Net Position at January 1, 2018, as Restated	<u>\$ 590,628,113</u>	<u>\$ 155,671,248</u>	<u>\$ 156,287,494</u>	<u>\$ 7,659,365</u>

**THE METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Taxation:				
Hartford	\$ 11,550,400	\$ 11,550,400	\$ 11,550,400	\$ -
East Hartford	5,486,600	5,486,600	5,486,600	-
Newington	4,120,900	4,120,900	4,120,900	-
Wethersfield	3,707,800	3,707,800	3,707,800	-
Windsor	4,001,500	4,001,500	4,001,500	-
Bloomfield	3,256,200	3,256,200	3,256,200	-
Rocky Hill	2,712,500	2,712,500	2,712,500	-
West Hartford	10,168,100	10,168,100	10,168,100	-
Total taxation	45,004,000	45,004,000	45,004,000	-
Sewer user fees:				
Bradley Airport - Hamilton - East Granby	629,200	629,200	542,295	(86,905)
Customer service charge	3,320,800	3,320,800	3,127,732	(193,068)
Nonmunicipal - tax exempt	4,030,900	4,030,900	4,168,722	137,822
Hi-flow charges	1,859,200	1,859,200	1,889,290	30,090
Hi-strength	718,300	718,300	671,781	(46,519)
Penalties	110,000	110,000	1,072,718	962,718
Manchester	132,800	132,800	103,734	(29,066)
South Windsor	17,500	17,500	20,090	2,590
Farmington	94,000	94,000	79,869	(14,131)
Cromwell	5,700	5,700	5,473	(227)
CRRA	120,000	120,000		(120,000)
Total	11,038,400	11,038,400	11,681,704	643,304
Sewer user rebates			(1,876,890)	(1,876,890)
Total sewer user fees	11,038,400	11,038,400	9,804,814	(1,233,586)
Intergovernmental:				
Sludge handling	4,500,000	4,500,000	5,795,273	1,295,273
Household hazardous waste	30,000	30,000	24,454	(5,546)
Total intergovernmental	4,530,000	4,530,000	5,819,727	1,289,727
Investment income	450,000	450,000	655,763	205,763



**THE METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Other revenues:				
Rental fees	\$ 5,000	\$ 5,000	\$ 348	\$ (4,652)
Bill jobs	5,000	5,000		(5,000)
Developers	575,000	575,000	360,123	(214,877)
Payroll additives and indirect costs	5,000	5,000		(5,000)
Property rents	153,800	153,800	130,647	(23,153)
Septage/glycol discharge fees	750,000	750,000	1,245,806	495,806
Miscellaneous	12,225,100	12,225,100	15,168,132	2,943,032
Total other revenues	<u>13,718,900</u>	<u>13,718,900</u>	<u>16,905,056</u>	<u>3,186,156</u>
Total revenues	<u>74,741,300</u>	<u>74,741,300</u>	<u>78,189,360</u>	<u>3,448,060</u>
Other financing sources:				
Transfers in	<u>4,235,900</u>	<u>4,235,900</u>		<u>(4,235,900)</u>
Total Revenues and Other Financing Sources	<u>78,977,200</u>	<u>78,977,200</u>	<u>78,189,360</u>	<u>(787,840)</u>
Expenditures:				
General government:				
District Board	184,000	184,000	167,484	16,516
Executive office	442,800	465,600	439,852	25,748
Legal	826,100	862,900	849,137	13,763
Human resources	755,700	692,600	651,238	41,362
Information systems	2,360,200	2,269,400	2,175,194	94,206
Finance	2,099,800	2,152,000	2,136,177	15,823
Total general government	<u>6,668,600</u>	<u>6,626,500</u>	<u>6,419,082</u>	<u>207,418</u>
Engineering and planning	<u>881,300</u>	<u>851,900</u>	<u>728,458</u>	<u>123,442</u>
Operations:				
Environmental health and safety	442,300	430,100	410,457	19,643
Command Center	1,380,700	1,413,700	1,380,178	33,522
Chief Operating office	264,600	241,800	240,087	1,713
Customer service	1,083,800	982,400	948,095	34,305
Operations	<u>2,456,300</u>	<u>2,697,900</u>	<u>2,578,882</u>	<u>119,018</u>
Total operations	<u>5,627,700</u>	<u>5,765,900</u>	<u>5,557,699</u>	<u>208,201</u>

**THE METROPOLITAN DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Plants and maintenance:				
Water pollution control	\$ 16,745,100	\$ 16,745,100	\$ 15,223,516	\$ 1,521,584
Laboratory services	793,600	793,600	762,445	31,155
Maintenance	5,514,800	5,465,800	5,015,236	450,564
Total plants and maintenance	<u>23,053,500</u>	<u>23,004,500</u>	<u>21,001,197</u>	<u>2,003,303</u>
Employee benefits and other:				
Employee benefits	9,027,000	9,027,000	8,983,571	43,429
General insurance	1,248,700	1,248,700	1,207,337	41,363
Special agreements and programs	1,401,000	1,401,000	971,488	429,512
Total employee benefits and other	<u>11,676,700</u>	<u>11,676,700</u>	<u>11,162,396</u>	<u>514,304</u>
Contingency	<u>2,550,000</u>	<u>2,550,000</u>		<u>2,550,000</u>
Debt service:				
Principal	17,667,000	17,667,000	17,998,594	(331,594)
Interest	9,214,800	9,214,900	9,214,893	7
Legal services	1,637,600	1,619,800	109,690	1,510,110
Total debt service	<u>28,519,400</u>	<u>28,501,700</u>	<u>27,323,177</u>	<u>1,178,523</u>
Total expenditures	<u>78,977,200</u>	<u>78,977,200</u>	<u>72,192,009</u>	<u>6,785,191</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	5,997,351	\$ <u>5,997,351</u>
Budgetary expenditures are different than GAAP expenditures because:				
Expenditures not included in the budget, consisting primarily of the material				
The District does not budget for allowance adjustments			600,169	
The District does not budget for year end payroll accruals			(6,590)	
The District does not budget for year end expense accruals			<u>106,035</u>	
Net Change in Fund Balance as Reported on the Statement of Revenues,				
Expenditures and Changes in Fund Balances - Governmental Funds			\$ <u>6,696,965</u>	

**THE METROPOLITAN DISTRICT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**MDERS**  
**LAST FIVE FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 4,088,615	\$ 3,989,674	\$ 4,121,036	\$ 3,977,923	\$ 3,534,272
Interest	18,306,742	18,000,653	17,634,276	17,230,210	16,861,364
Changes of benefit terms		258,130			
Differences between expected and actual experience	8,180,799	(605,374)	159,570	(348,426)	
Changes of assumptions				7,992,450	
Benefit payments, including refunds of member contributions	<u>(17,748,776)</u>	<u>(17,299,291)</u>	<u>(15,950,213)</u>	<u>(15,844,541)</u>	<u>(15,437,612)</u>
Net change in total pension liability	12,827,380	4,343,792	5,964,669	13,007,616	4,958,024
Total pension liability - beginning	<u>257,137,288</u>	<u>252,793,496</u>	<u>246,828,827</u>	<u>233,821,211</u>	<u>228,863,187</u>
Total pension liability - ending	<u>269,964,668</u>	<u>257,137,288</u>	<u>252,793,496</u>	<u>246,828,827</u>	<u>233,821,211</u>
Plan fiduciary net position:					
Contributions - employer	6,500,000	6,300,000	6,361,424	6,000,000	5,918,000
Contributions - member	2,280,859	2,343,416	2,247,072	2,255,825	2,160,885
Net investment income (loss)	(9,180,721)	36,679,882	13,824,703	3,637,492	13,864,280
Other income					102,351
Benefit payments, including refunds of member contributions	(17,748,776)	(17,299,291)	(15,950,213)	(15,844,541)	(15,448,154)
Administrative expense	(67,530)	(119,313)	(109,687)	(35,213)	(46,896)
Special Item		(9,271,439)			
Net change in plan fiduciary net position	<u>(18,216,168)</u>	<u>18,633,255</u>	<u>6,373,299</u>	<u>(3,986,437)</u>	<u>6,550,466</u>
Plan fiduciary net position - beginning	<u>219,920,652</u>	<u>201,287,397</u>	<u>194,914,098</u>	<u>198,900,535</u>	<u>192,350,069</u>
Plan fiduciary net position - ending	<u>201,704,484</u>	<u>219,920,652</u>	<u>201,287,397</u>	<u>194,914,098</u>	<u>198,900,535</u>
District's Net Pension Liability - Ending	<u>\$ 68,260,184</u>	<u>\$ 37,216,636</u>	<u>\$ 51,506,099</u>	<u>\$ 51,914,729</u>	<u>\$ 34,920,676</u>
Plan fiduciary net position as a percentage of the total pension liability	74.72%	85.53%	79.63%	78.97%	85.07%
Covered payroll	\$ 42,779,907	\$ 42,096,151	\$ 43,972,101	\$ 42,655,811	\$ 41,460,234
Net pension liability as a percentage of covered payroll	159.56%	88.41%	117.13%	121.71%	84.23%

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**THE METROPOLITAN DISTRICT  
SCHEDULE OF CONTRIBUTIONS  
MDERS  
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 5,647,479	\$ 5,376,378	\$ 6,361,424	\$ 5,805,223	\$ 5,857,601	\$ 5,804,428	\$ 5,347,556	\$ 15,050,472	\$ 8,809,272	\$ 7,066,074
Contributions in relation to the actuarially determined contribution	<u>6,500,000</u>	<u>6,300,000</u>	<u>6,361,424</u>	<u>6,000,000</u>	<u>5,918,000</u>	<u>5,881,000</u>	<u>5,822,098</u>	<u>4,633,200</u>	<u>2,863,964</u>	<u>7,676,453</u>
Contribution Deficiency (Excess)	<u>\$ (852,521)</u>	<u>\$ (923,622)</u>	<u>\$ -</u>	<u>\$ (194,777)</u>	<u>\$ (60,399)</u>	<u>\$ (76,572)</u>	<u>\$ (474,542)</u>	<u>\$ 10,417,272</u>	<u>\$ 5,945,308</u>	<u>\$ (610,379)</u>
Covered payroll	\$ 42,779,907	\$ 42,096,151	\$ 43,972,101	\$ 42,655,811	\$ 41,460,234	\$ 38,773,923	\$ 41,341,171	\$ 43,872,205	\$ 45,271,276	\$ 42,052,737
Contributions as a percentage of covered-employee payroll	15.19%	14.97%	14.47%	14.07%	14.27%	15.17%	14.08%	10.56%	6.33%	18.25%

Notes to Schedule

Valuation date: January 1, 2018  
Measurement date: December 31, 2018  
Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which the contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal  
Amortization method Level percent, closed  
Remaining amortization period 21 years  
Asset valuation method 5-year asset average, spreading investment gains and losses  
Inflation 2.75%  
Salary increases 3.50%  
Investment rate of return 7.25%  
Retirement age Aged based rates  
Turnover Aged based rates  
Mortality RP-2000 Combined Mortality table blended 75% Blue Collar, 25% White Collar, with generational projection per Scale AA

**THE METROPOLITAN DISTRICT**  
**SCHEDULE OF INVESTMENT RETURNS**  
**MDERS**  
**LAST FIVE FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	4.22%	13.80%	7.48%	1.58%	7.42%

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**THE METROPOLITAN DISTRICT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**RETIREE HEALTH PLAN**  
**LAST TWO FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>
Total OPEB liability:		
Service cost	\$ 8,531,854	\$ 7,730,316
Interest	11,015,391	10,961,483
Differences between expected and actual experience	14,146,966	
Changes of assumptions	(53,399,384)	16,177,425
Benefit payments	<u>(5,313,360)</u>	<u>(5,564,433)</u>
Net change in total OPEB liability	(25,018,533)	29,304,791
Total OPEB liability - beginning	<u>314,317,196</u>	<u>285,012,405</u>
Total OPEB liability - ending	<u>289,298,663</u>	<u>314,317,196</u>
Plan fiduciary net position:		
Contributions - employer	5,000,000	5,000,000
Contributions - member	869,481	804,712
Reimbursements	241,355	451,135
Benefit payments	(6,185,680)	(6,595,450)
Special item		<u>(26,346,000)</u>
Net change in plan fiduciary net position	(74,844)	(26,685,603)
Plan fiduciary net position - beginning	<u>(525,552)</u>	<u>26,160,051</u>
Plan fiduciary net position - ending	<u>(600,396)</u>	<u>(525,552)</u>
Net OPEB Liability - Ending	<u>\$ 289,899,059</u>	<u>\$ 314,842,748</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-0.21%	-0.17%
Covered payroll	\$ 43,535,483	\$ 43,535,483
Net OPEB liability as a percentage of covered payroll	665.89%	723.19%

Notes to Schedule:

Discount rate changes: The rate at December 31, 2018 increased 0.66% to 4.10% from 3.44% at December 31, 2017.

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available

**THE METROPOLITAN DISTRICT  
SCHEDULE OF CONTRIBUTIONS  
RETIREE HEALTH PLAN  
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution (1)	\$ -	\$ 18,458,692	\$ 15,855,000	\$ 14,765,820	\$ 15,755,000	\$ 15,162,000	\$ 14,301,000	\$ 19,989,745	\$ 16,271,928	\$ 15,429,144
Contributions in relation to the actuarially determined contribution	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,588,854</u>	<u>6,512,592</u>	<u>7,932,085</u>	<u>26,995,985</u>	<u>5,155,361</u>	<u>4,873,081</u>
Contribution deficiency (excess)	<u>\$ (5,000,000)</u>	<u>\$ 13,458,692</u>	<u>\$ 10,855,000</u>	<u>\$ 9,765,820</u>	<u>\$ 10,166,146</u>	<u>\$ 8,649,408</u>	<u>\$ 6,368,915</u>	<u>\$ (7,006,240)</u>	<u>\$ 11,116,567</u>	<u>\$ 10,556,063</u>
Covered payroll	\$ 43,535,483	\$ 43,535,483	\$ 41,000,000	\$ 41,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered payroll	11.48%	11.48%	12.20%	12.20%	13.97%	16.28%	19.83%	N/A	N/A	N/A

(1) Actuarially determined contributions prior to fiscal year ended December 31, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule

Valuation date: January 1, 2018

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Asset valuation method	5-year smoothed market
Inflation	2.75%
Healthcare cost trend rates	5.50% - 4.40% over 75 years
Salary increases	3.5%, average, including inflation
Investment rate of return	4.00%
Retirement age	Expected retirement rates for employees begin at 2% for employees aged 50-55, up to 100% at age 70.
Mortality	RP-2000 Combined Healthy and Disabled Mortality, Male and Female, with generational projection per Scale AA.

**THE METROPOLITAN DISTRICT  
SCHEDULE OF INVESTMENT RETURNS  
RETIREE HEALTH PLAN  
LAST TWO FISCAL YEARS\***

---

	<b>2018</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.



August 8, 2019

The Metropolitan District  
555 Main Street  
P.O. Box 800  
Hartford, Connecticut 06142-0800

Ladies and Gentlemen:

In connection with our representation of The Metropolitan District, Hartford County, Connecticut (the “District”) as bond counsel, we have examined certified copies of the proceedings of the District, a Tax Regulatory Agreement of the District dated August 8, 2019 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$76,500,000 Metropolitan District, Hartford County, Connecticut General Obligation Bonds, Issue of 2019, Series A, dated August 8, 2019 and maturing serially on July 15, 2020-2039, \$49,305,000 Metropolitan District, Hartford County, Connecticut General Obligation Refunding Bonds, Issue of 2019, Series B, dated August 8, 2019 and maturing serially on July 15, 2020-2035 and \$32,070,000 Metropolitan District, Hartford County, Connecticut General Obligation Refunding Bonds, Issue of 2019, Series C, dated August 8, 2019 and maturing serially on July 15, 2020-2040 (collectively, the “Bonds”). The Bonds are subject to redemption prior to maturity.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any official statement or other offering material relating to the Bonds and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that the Bonds are valid and binding general obligations of the District for the payment of the principal of and interest on which the full faith and credit

of the District are pledged, that the District is authorized to levy unlimited taxes upon the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield and Windsor comprising the District, proportionately as provided in the District's Charter to pay the principal of the Bonds and interest thereon, and that such city and towns are authorized to levy ad valorem taxes on all taxable property within their respective limits to pay such District taxes without limitation as to rate or amount except as to property classified under the general statutes, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the District.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The opinion set forth below is subject to the condition that the District comply with all such requirements. The District has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excludable from gross income for federal income tax purposes under the Code. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) compliance by the District with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on

August 8, 2019

Page 3

individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

[THIS PAGE INTENTIONALLY LEFT BLANK]

## APPENDIX C- CONTINUING DISCLOSURE AGREEMENT

The Metropolitan District, Hartford County, Connecticut  
\$76,500,000 General Obligation Bonds, Issue of 2019, Series A  
\$49,305,000 General Obligation Refunding Bonds, Issue of 2019, Series B  
\$32,070,000 General Obligation Refunding Bonds, Issue of 2019, Series C  
Dated August 8, 2019

WHEREAS, The Metropolitan District, Hartford County, Connecticut (the “District”) has authorized the issuance of \$76,500,000 General Obligation Bonds, Issue of 2019, Series A, \$49,305,000 General Obligation Refunding Bonds, Issue of 2019, Series B and \$32,070,000 General Obligation Refunding Bonds, Issue of 2019, Series C, dated August 8, 2019 (collectively the “Bonds”), to mature on the dates and in the amounts set forth in the District’s Official Statement dated July 25, 2019 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold pursuant to a Bond Purchase Agreement dated July 25, 2019 (the “Purchase Contract”); and

WHEREAS, in the Purchase Contract, the District acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the District has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure as required by the Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the District desires to assist the underwriters of the Bonds to meet the requirements of the Rule; and

WHEREAS, the District is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriters of the Bonds to meet the requirements of the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the District in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the District hereby represents, covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions above, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the District pursuant to and as described in and consistent with Sections 2 and 3 of this Disclosure Agreement.

“Annual Filing Date” means the date, set in Section 2(a) by which the Annual Report is to be filed with the Repository.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the District and/or its members for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" shall mean the Electronic Municipal Market Access system of the MSRB as described in 1934 Act Release No. 57577 for purposes of the Rule or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for the purposes of the Rule.

"SEC" shall mean the Securities and Exchange Commission of the United States or any successor thereto.

## SECTION 2. Provision of Annual Reports.

(a) The District shall provide, annually, an electronic copy of the Annual Report to the Repository not later than eight (8) months after the end of each fiscal year of the District, commencing with the fiscal year ending December 31, 2019. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If Audited Financial Statements of the District are prepared but not available prior to the Annual Filing Date, the District shall submit unaudited financial statements by the Annual Filing Date and, when the Audited Financial Statements are available, shall file the Audited Financial Statements in a timely manner with the Repository.

(c) If the District is unable to provide an Annual Report to the Repository by the Annual Filing Date, it shall send a notice in electronic format to the Repository of its failure to provide such Annual Report.

## SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information with respect to the District as follows: (i) commencing with information and data for the fiscal year ending December 31, 2018, the Audited Financial Statements of the District, which statements shall be prepared in accordance with generally accepted accounting principles accepted in the United States, as promulgated by the Government Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and (ii) to the extent not included in the financial statements described in (i) above:

(1) under the heading "WATER POLLUTION CONTROL", information concerning the District's facilities for sewer service and the sewer user charges;

(2) under the heading "WATER OPERATIONS", information concerning the District's facilities for water service, water consumption and water utility unit charges;

(3) under the heading "ECONOMIC AND DEMOGRAPHIC INFORMATION - MEMBER MUNICIPALITIES", information concerning income levels, labor force data and major employers of each member municipality;

(4) under the heading "DEBT SUMMARY", the computation of the District's debt limits and net direct indebtedness, outstanding indebtedness, debt ratios, and debt service requirements, all as of the close of the District's prior fiscal year;

(5) under the heading "DEBT SUMMARY", information concerning the member municipalities' net direct debt and underlying net debt, and debt summary, all as of the close of such municipalities' prior fiscal year;

(6) under the heading "FINANCIAL INFORMATION", summaries of the general fund revenues and expenditures for each member municipality.

(b) Audited Financial Statements prepared in accordance with GAAP as described in the Official Statement will be included in the Annual Report. If the District is no longer required by applicable law, regulations or other legally binding obligation to prepare such audited financial statements, the District reserves the

right to provide only financial statements which are not audited. Audited Financial Statements (if any) will be provided pursuant to Section 2.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the District is an “obligated person” (as defined by the Rule), which have been previously filed with the Repository or the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Listed Events.

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership, or other similar event of any obligated person;
13. The consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such action or the termination of a definitive agreement related to such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of a name of a trustee, if material;
15. The incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a financial obligation of the District, any of which affects security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For the purposes of events 15 and 16 above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, provide or cause to be provided a notice of such occurrence to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB.

SECTION 5. Termination of Reporting Obligation. The District's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 6. Dissemination Agent. The District may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement and may discharge any such agent with or without appointing a successor agent.

SECTION 7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the District may amend this Agreement (and any provision of this Agreement may be waived), provided that the following conditions are satisfied:

(a) It may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or of the type of business conducted by the District;

(b) This Agreement, as so amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The District receives an opinion of counsel expert in federal securities laws to the effect that the amendment or waiver does not materially impair the interests of the holders of the Bonds.

A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following the adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

SECTION 8. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the District chooses to include any information in any Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Statement, Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Enforceability. The District agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the



event of a failure of the District to comply with any provision of this Agreement, the District shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the District does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to specific performance to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default of the District with respect to the Bonds. No person or entity shall have any right to any monetary damages for any default under this Agreement.

SECTION 10. Indemnification. The District agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding loss, expense or liability due any such person's willful misconduct. The obligations of the District under this Section shall survive payment of the Bonds.

**IN WITNESS WHEREOF**, the District has caused this Continuing Disclosure Agreement to be executed in its name by the undersigned officers, duly authorized, all as of the date first written above.

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

By: \_\_\_\_\_  
William A. DiBella  
Chairman

By: \_\_\_\_\_  
Christopher P. Martin  
Chief Financial Officer/Treasurer

[THIS PAGE INTENTIONALLY LEFT BLANK]



Municipal Advisory Services  
Provided By

