



The Metropolitan District
water supply · environmental services · geographic information

**BOARD OF FINANCE
REGULAR MEETING
MONDAY, APRIL 29, 2024
5:30 PM**

<u>Location</u>	<u>Commissioners</u>	<u>Citizen Members</u>
Board Room District Headquarters 555 Main Street, Hartford	Adil Currey (Ex-Officio) Hoffman (VC) Salemi (C)	Iacovazzi King-Corbin Russo Tsegai
Dial in #: (415)-655-0001 Access Code: 2319 280 6977# Meeting Video Link	Quorum: 5	

1. CALL TO ORDER
2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
3. APPROVAL OF MEETING MINUTES OF MARCH 25, 2024
4. CONSIDERATION AND POTENTIAL ACTION RE: APPROVAL FOR STATE OF CT FINANCING - DWSRF 2023-7120
5. REPORT RE: AUDITOR GOVERNANCE COMMUNICATION
6. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
7. COMMISSIONER REQUESTS FOR FUTURE AGENDA ITEMS
8. ADJOURNMENT

BOARD OF FINANCE
APPROVAL OF STATE OF CONNECTICUT FINANCING DWSRF 2023-7120

To: Board of Finance

April 29, 2024

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and/or Project Loan Obligation to the State of Connecticut for DWSRF 2023-7120 having a principal amount of \$4,173,475.50 and having an interest rate of 2.00%.

The low interest loan and accompanying grant will fund the replacement of water mains in the vicinity of Capitol Avenue and surrounding streets in Hartford, CT.

The State of Connecticut, through the Drinking Water State Revolving Fund Program, will provide \$5,673,475.50 in state funding with \$1,500,000 in grants and \$4,173,475.50 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Bond Counsel prepared the following resolution for your approval.

It is **RECOMMENDED** that it be

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

Resolved:

Section 1. The Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver the Project Loan and Subsidy Agreement DWSRF 2023-7120 to be entered into with the State of Connecticut (the "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations for DWSRF 2023-7120 in the aggregate amount not to exceed \$4,173,475.50, to fund the replacement of water mains in the vicinity of Capitol Avenue and surrounding streets in Hartford, Connecticut. All previous actions taken by the District, including the actions of the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, in furtherance of this resolution or otherwise related to the Agreement and any and all related documents, shall hereby be ratified and confirmed in all respects. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, as defined in the Agreement, shall bear interest at a rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Agreement and, to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

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

Respectfully submitted,

A handwritten signature in black ink that reads "John Mirtle". The signature is written in a cursive style with a large, prominent initial "J".

John S. Mirtle
District Clerk



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

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

November 30, 2023

Board of Finance
The Metropolitan District
Hartford, Connecticut

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Metropolitan District as of and for the year ended December 31, 2023. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

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

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

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

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

- Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. Material noncompliance can arise from fraud or error and is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report.
- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.
- Consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.
- Perform tests of transactions and other applicable procedures described in the “OMB Compliance Supplement” for the types of compliance requirements that could have a direct and material effect on each of the entity’s major programs. The purpose of these procedures will be to express an opinion on the entity’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity’s compliance with those requirements.
- Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.
- Communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
- Communicate matters required by law, regulation, agreement, or other external requirements.
- Communicate circumstances that affect the form and content of the auditors’ report.

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

Supplementary information in relation to the financial statements as a whole

Our responsibility for the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA in relation to the financial statements as a whole and to report on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA to determine whether the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

Required supplementary information

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

Other information included in annual reports

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

Planned scope and timing of the audit

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

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

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

- Management Override of Controls

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

We expect to begin our audit on approximately December 2023 and issue our report on approximately May 31, 2024.

Other planning matters

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

- Your views about the following matters:
 - The appropriate person(s) in the entity's governance structure with whom we should communicate.
 - The allocation of responsibilities between those charged with governance and management.
 - The entity's objectives and strategies and the related business risks that may result in material misstatements.
 - Matters you believe warrant particular attention during the audit and any areas for which you request additional procedures to be undertaken.
 - Significant communications between the entity and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.
- The attitudes, awareness, and actions of those charged with governance concerning (a) the entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control, and (b) the detection or the possibility of fraud.
- The actions of those charged with governance in response to developments in law, accounting standards, corporate governance practices, and other related matters, and the effects of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
 - The relevance, reliability, comparability, and understandability of the information presented in the financial statements.
 - Whether all required information has been included in the financial statements, and whether such information has been appropriately classified, aggregated or disaggregated, and presented.
- The actions of those charged with governance in response to previous communications with the auditor.

- Your understanding of the risks of fraud and the controls in place to prevent and detect fraud, including your views on the following matters:
 - The “tone at the top” conveyed by management.
 - The risk that the entity’s financial statements or schedule of expenditures of federal awards might be materially misstated due to fraud.
 - Programs and controls that the entity has established to mitigate identified fraud risks or that otherwise help to prevent, deter, and detect fraud.
 - How and how often you review the entity’s policies on fraud prevention and detection.
 - If a fraud hotline is in place, how it is monitored and how you are notified of allegations or concerns.
 - How you exercise oversight of management’s processes for identifying and responding to the risks of fraud and the programs and controls management has established to mitigate those risks.
 - The risks of fraud at the entity, including any specific fraud risks the entity has identified or account balances, classes of transactions, or disclosures for which a risk of fraud may be likely to exist.
 - Examples of fraud-related discussions management has had with you.
 - Any actual or suspected fraud affecting the entity or its federal award programs that you are aware of, including measures taken to address the fraud.
 - Any allegations of fraud or suspected fraud (e.g., received in communications from employees, former employees, grantors, regulators, or others) that you are aware of.
 - Any knowledge of possible or actual policy violations or abuses of broad programs and controls occurring during the period being audited or the subsequent period.
 - Any accounting policies or procedures applied to smooth earnings, meet debt covenants, minimize taxes, or achieve budget, bonus, or other financial targets that you are aware of; and whether you are aware of any accounting policies that you consider aggressive.
- How you oversee the entity’s (1) compliance with laws, regulations, and provisions of contracts and grant agreements, (2) policies relative to the prevention of noncompliance and illegal acts, and (3) use of directives (for example, a code of ethics) and periodic representations obtained from management-level employees about compliance with laws, regulations, and provisions of contracts and grant agreements.
- Whether you are aware of any noncompliance with laws, regulations, contracts, and grant agreements, including measures taken to address the noncompliance.

- If the entity uses a service organization, your knowledge of any fraud, noncompliance, or uncorrected misstatements affecting the entity's financial statements or federal award programs reported by the service organization or otherwise known to you.

* * *

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

Sincerely,

CliftonLarsonAllen LLP



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

From: [Barron, Robert](#)
To: [Pasquale Salemi](#); [Mirtle, John](#); [Salemi, P.J.](#)
Cc: [Donald Currey](#); [Allen Hoffman](#); [Jellison, Scott](#); [Shane, Kelly](#)
Subject: RE: 2023 Audit communication
Date: Friday, March 22, 2024 4:02:16 PM
Attachments: [MDC Governance Preliminary Communication.pdf](#)

Dear Committee Chairman Salemi,

I've been asked to address your questions from the below forwarded email. Yesterday afternoon we received an email from our audit firm, CLA, informing us that they failed to provide the attached governance preliminary communication to us in the fall and asked that we forward it to the committee charged with governance and that we provide CLA a record of it being sent. The letter we received yesterday was unsigned so after receiving the signed letter today we immediately forwarded it to you and your committee members, along with copying all commissioners.

As you pointed out, the letter is dated November 30, 2023 and its delay is clearly an oversight on the auditor's part; however, this is a standard communication that we receive every year. It advises us of the responsibilities of the auditors, the governing standards (GASB) for the preparation of financial statements along with the review of the MDC's internal controls and compliance with those standards. The letter also details the supplementary information (federal awards SEFA), required supplementary information (RSI), other information, and the planned scope and timing of the audit.

Although the last sentence in the opening paragraph indicates that CLA will contact us to schedule a meeting, their audit Principal, Jessica Aniskoff, indicated that this is standard language to indicate their firm's desire to keep an open dialog with any member of their client's governance body, but that most clients do not ask for a meeting to explain the contents of the letter. She has agreed, however, to attend our April 29th Board of Finance meeting to answer any questions. Jessica apologized for the oversight and indicated that it occurred when CLA transitioned the Principal responsible for our account from Vanessa Rossitto to Jessica. Jessica thought that Vanessa had sent the letter and vice versa.

A clarification on the governing standards for conducting an audit: The MDC charter requires that the "district board shall make provision for the proper auditing of the district accounts" however, the governing standards that dictate how the audit is conducted and presented are those of the Government Accounting Standards Board (GASB).

CLA has served us well these past several years, and in their former incarnation as Blum Shapiro. If you have any further questions that you'd like addressed in your April meeting, please let me know and I will make sure that CLA is prepared to answer them during the meeting.

Thank you.

Bob

Robert Barron | Chief Financial Officer | The Metropolitan District Commission



555 Main Street | Hartford, CT 06103
W: 860.278.7850 x3345 | C: 203.306.7044
rbarron@themdc.com | www.themdc.org

From: Pasquale Salemi <budsalemi@hotmail.com>
Sent: Friday, 22 March, 2024 2:09 PM
To: Mirtle, John <JMirtle@themdc.com>; Salemi, P.J. <PSalemi@themdc.com>
Cc: Donald Currey <donaldc073@aol.com>; Allen Hoffman <allenhoffman.366@gmail.com>; Jellison, Scott <SJellison@themdc.com>; Barron, Robert <rbarron@themdc.com>; Shane, Kelly <KShane@themdc.com>
Subject: Re: 2023 Audit communication

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John,

Thanks for the reply. As I said, I couldn't find any earlier communication with Clifton, Larson.

Please ask them to respond to my question regarding the Charter and if they have been provided with a copy of it. Their Report should reference it in particular, to its requirements on financial reporting, etc.

Thanks again,

Pasquale Salemi
Commissioner, Chair of Board of Finance

From: Mirtle, John <JMirtle@themdc.com>
Sent: Friday, March 22, 2024 1:33 PM
To: Salemi, P.J. <PSalemi@themdc.com>
Cc: Donald Currey <donaldc073@aol.com>; Allen Hoffman <allenhoffman.366@gmail.com>; Jellison, Scott <SJellison@themdc.com>; Barron, Robert <rbarron@themdc.com>; Shane, Kelly <KShane@themdc.com>
Subject: RE: 2023 Audit communication

Commissioner Salemi,

Clifton Larson Allen sent the letter to Bob Barron for the first time yesterday afternoon. It was not

previously sent before yesterday. I already made a note to add this to the 4/29 BOF agenda and I believe Bob already notified Clifton Larson Allen to be available for that meeting.

John S. Mirtle, Esq.

Assistant District Counsel/District Clerk
The Metropolitan District
555 Main Street
Hartford, CT 06103
(Direct Line) 860-513-3322
(Phone) 860-278-7850 ext 3221
(Cell) 860-539-1787

From: Pasquale Salemi <budsalemi@hotmail.com>
Sent: Friday, March 22, 2024 12:57 PM
To: Mirtle, John <JMirtle@themdc.com>
Cc: Donald Currey <donaldc073@aol.com>; Allen Hoffman <allenhoffman.366@gmail.com>
Subject: Re: 2023 Audit communication

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John Mirtle,
District Clerk / Assistant District Counsel

John,

I have reviewed the attached communication from Clifton Larson Allen LLP sent to me today, March 22, 2024.

If this communication has been sent previously to the District Board or the Board of Finance, please understand that I do not remember receiving it until today and cannot find a communication to the Board of Finance which includes it. The letter is dated November 30, 2023, on the first page with subsequent pages dated November 2, 2023.

I will note here that the "letter" begins with a statement that the Auditors will contact "you" (the addressee is the Board of Finance) to schedule a meeting to discuss the information....

I do hope that the Board of Finance and in particular, myself as Chair have not somehow overlooked this communication or its suggestion regarding a meeting.

The letter goes on to state that the Audit will begin in December 2023 with the report to be

issued approximately on May 31, 2024.

If the intent was to provide for a meeting of the Auditors and the Board of Finance at a point in the future before the Report is issued and that this now would be an appropriate time to schedule such a meeting, then I would ask if it is appropriate for the District Clerk to contact the Auditors to schedule such a meeting on behalf of Board of Finance.

My only comment on the content of the letter is that while it references multiple "standards" the Report will be in compliance with, it does not appear to explicitly reference the District Charter. Should we assume that the District Charter has been provided to the Auditors and that their Report will respond to any requirements therein?

Thank you,

Pasquale Salemi
Commissioner, Chair Board of Finance

From: Mirtle, John <JMirtle@themdc.com>
Sent: Friday, March 22, 2024 11:20 AM
Cc: Barron, Robert <rbarron@themdc.com>; Shane, Kelly <KShane@themdc.com>; Phan, Tra <Tphan@themdc.com>
Subject: 2023 Audit communication

Good Morning Members of the Board of Finance & Commissioners,

Attached is a communication from auditors Clifton Larson Allen LLP regarding the 2023 audit.

John S. Mirtle, Esq.
Assistant District Counsel/District Clerk
The Metropolitan District
555 Main Street
Hartford, CT 06103
(Direct Line) 860-513-3322
(Phone) 860-278-7850 ext 3221
(Cell) 860-539-1787

**BOARD OF FINANCE
REGULAR MEETING
The Metropolitan District
555 Main Street, Hartford
Monday, March 25, 2024**

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

**REMOTE
ATTENDANCE:** (0)

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

**ALSO
PRESENT:**

Commissioner Dominic Pane
Commissioner Alvin Taylor
Commissioner Byron Lester (Remote Attendance)
Commissioner Jackie Mandyck (Remote Attendance)
Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Kelly Shane, Chief Administrative Officer
Susan Negrelli, Director of Engineering
Chris Levesque, Chief Operating Officer
Robert Barron, Chief Financial Officer
Robert Schwarm, Director of Information Services (Remote Attendance)
Amanda Litvak, IT Professional Level Associate (Remote Attendance)
Jacob Aviles, IT Consultant (Remote Attendance)
Carrie Blardo, Assistant to the Chief Executive Officer
Victoria Escoriza, Executive Assistant

CALL TO ORDER

Chairman Salemi called the meeting to order at 5:41 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MEETING MINUTES OF FEBRUARY 26, 2024

On motion made by Commissioner Adil and duly seconded, the meeting minutes of the Board of Finance meeting of February 26, 2024 were approved.

**BOARD OF FINANCE
CLOSEOUT OF WATER CAPITAL PROJECTS**

To: Board of Finance

March 25, 2024

Staff is seeking to closeout 14 water capital projects and to deauthorize \$12,954,944 of their original \$60,788,239 appropriation. All the projects have been completed, cancelled or had a change of scope and are available to be closed. As a result, the remaining balance (unspent authorization) is no longer required.

Finance has worked diligently with Procurement, Engineering, Facilities & Maintenance, Water Pollution Control, and Water Treatment to review all the following projects for closure.

The District has identified the following projects that have been completed, canceled, or had a change of scope. Based upon the review, District staff now recommends that the following projects be closed:

Project Definition	Year	Fund	Project Description	Town	Appropriation	Expended Amount	Remaining Balance (Deauthorize)
C-18001	2018	2120	2018 Water Main Replacement Program	Various	5,000,000	4,935,200	64,800
	2018 Total				5,000,000	4,935,200	64,800
C-19003	2019	2120	2019 General Purpose Water	Various	483,558	483,558	-
C-19006	2019	2120	2019 Water Main Replacement Program	Various	11,300,000	10,823,974	476,026
	2019 Total				11,783,558	11,307,532	476,026
C-20010	2020	2120	2020 District-wide Water Main Replacement Program	Various	9,000,000	8,955,766	44,234
C-20041	2020	2120	2020 Water Main Replacements, Hartford and Wethersfield	Various	3,230,323	2,842,306	388,017
C-20043	2020	2120	2020 General Purpose Water Program	Various	1,000,000	465,004	534,996
	2020 Total				13,230,323	12,263,076	967,246
C-21009	2021	2120	2021 New Park Avenue Water Main Replacement, West Hartford	West Hartford	3,400,000	3,125,921	274,079
C-21012	2021	2120	2021 District-wide Water Main Replacement Program	Various	424,359	422,696	1,663
C-21018	2021	2120	2021 Newington Rd Water Main Replacement Program	Various	3,600,000	3,514,371	85,629
C-21016	2021	2120	AWMR - Contract #4	Various	9,450,000	8,757,852	692,148
	2021 Total				16,874,359	15,820,840	1,053,519
C-22002	2022	2120	Boulevard & Garfield	Hartford	4,000,000	3,219,583	780,417
C-22005	2022	2120	Bishop's Corner Water Main Replacement	West Hartford	3,900,000	287,064	3,612,936
	2022 Total				7,900,000	3,506,647	4,393,353
C-23W04	2023	2120	Water Main Materials	Various	3,000,000	-	3,000,000
	2023 Total				3,000,000	-	3,000,000
C-24W08	2024	2120	Bishop's Corner Water Main Replacement	West Hartford	3,000,000	-	3,000,000
	2024 Total				3,000,000	-	3,000,000
	Grand Total				60,788,239	47,833,296	12,954,944

It is **RECOMMENDED** that it be

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

Resolved: That the District Board approves appropriation closeouts for the projects listed above.

Respectfully submitted,



John S. Mirtle
District Clerk

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

**BOARD OF FINANCE
APPROPRIATION INCREASE OF \$44,600,000 FOR 2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN AND AUTHORIZATION FOR ISSUANCE OF BONDS OR NOTES NOT TO EXCEED \$44,600,000**

To: Board of Finance

March 25, 2024

The following is a list of the recommended **additional and new** Capital Improvement Program – Water and Integrated Planning Program.

Capital Improvement Program – Water	
Increase Existing Authorization	
District Wide Water Main Replacement Program	\$6,000,000
Hartford Water Main Replacements	\$10,000,000
New authorizations	
Silas Deane Highway Water Main Replacement	\$10,000,000

Integrated Plan	
Increase Existing Authorization	
Sewer & Lateral Rehabilitation in North Meadows Drainage Area (NM 2/3/4)	\$1,600,000
New authorizations	
Windsor Street Area Sewer Separation - Hartford	\$16,000,000

Assessable Sewer	
New authorizations	\$1,000,000

Program - District Wide Water Main Replacement Program (Increase)

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$6,000,000	C-24W06	2120

Description

Design and/or construction for the rehabilitation and/or replacement of various water mains and water services throughout the District that have exceeded their useful life and/or have experienced numerous breaks. District resources may be utilized for this program. District costs may include salary, benefits and overhead.

Purpose

To improve the efficiency and safety of the District's water distribution system.

Future Appropriations

Future appropriation requests for additional projects are anticipated over the next four years.

Bond Language

The sum of \$6,000,000 is hereby appropriated for design and construction costs for the rehabilitation and/or replacement of various water mains and water services throughout the District, including inspection costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the projects. District resources may be utilized for the projects. District costs may include salary, benefits and overhead. This appropriation is in addition to the appropriation of \$11,000,000 approved on December 4, 2023 by the District's Board.

Funding Sources

Project is eligible for a loan under the State of Connecticut DWSRF. However, funding is a condition of priority ranking and fund availability. Bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut.

Program - Hartford Water Main Replacements (Increase)

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$10,000,000	C-24W07	2120

Description

Construction, inspection and associated work for the replacement of existing water main and service reconnections in Hartford. The project will include, but not be limited to, the replacement of water mains in North Hartford in coordination with other sewer rehabilitation projects as well as water main replacements in South Hartford. District resources may be utilized for this program. The District costs may include salary, benefits and overhead.

Purpose

Replacement of existing water main and service reconnections in Hartford.

Future Appropriations

Future appropriation requests for additional projects are anticipated over the next four years.

Bond Language

The sum of \$10,000,000 is hereby appropriated for construction, inspection and associated work for the replacement of existing water mains and service reconnections in Hartford. The project will include, but not be limited to, the replacement of water mains in North Hartford in coordination with other sewer rehabilitation projects as well as water main replacements in South Hartford. The appropriation may also be expended for design costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the projects. District resources may be utilized for the projects. District costs may include salary, benefits and overhead. This appropriation is in addition to the appropriation of \$7,000,000 approved on December 4, 2023 by the District's Board.

Funding Sources

Project is eligible for a loan under the State of Connecticut DWSRF. However, funding is a condition of priority ranking and fund availability. Bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut.

Program - Silas Deane Highway Water Main Replacement

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$10,000,000		2120

Description

Construction, inspection and associated work for the replacement of existing water main and service reconnections along the Silas Deane Highway, and adjacent streets in Rocky Hill and Wethersfield. The project will include, but not be limited to, the replacement of existing 12-inch water mains with new 12-inch water mains. District resources may be utilized for this program. The District costs may include salary, benefits and overhead.

Purpose

To improve the efficiency and safety of the District's water distribution system.

Future Appropriations

Future appropriation requests for additional projects are anticipated over the next four years.

Bond Language

The sum of \$10,000,000 is hereby appropriated for construction, inspection and associated work for the replacement of two existing water mains and service connections along the Silas Deane Highway and adjacent streets in Rocky Hill and Wethersfield. The project will include the replacement of the existing 12-inch water mains with new 8-inch, 10-inch and 12-inch water mains. The appropriation may also be expended for design costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the project. District resources may be utilized for the project. District costs may include salary, benefits and overhead.

Funding Sources

Project is eligible for a loan under the State of Connecticut DWSRF. However, funding is a condition of priority ranking and fund availability. Bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut.

Program - Sewer & Lateral Rehabilitation in North Meadows Drainage Area (NM 2/3/4) (Increase)

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$1,600,000	C-23X16	2600

Description

Design and construction of sewer and laterals within the North Meadows Drainage area in the vicinity of Combined Sewer Overflows NM-2, NM-3, and NM-4. This Project will include repairs, replacements and rehabilitation measures as a result of aging and deteriorating infrastructure. Work being completed in accordance with the Combined Sewer Overflow Long Term Control Plan/Integrated Plan as a way to reduce Combined Sewer Overflow volumes through Inflow and Infiltration Removals. District forces may be utilized for this program. District costs may include salary, benefits and overhead.

Purpose

To rehabilitate, upgrade or replace aging sewer pipelines, laterals and structures within the North Meadows Drainage area in the vicinity of CSOs NM-2, NM-3 and NM-4 in North Hartford.

Future Appropriations

No additional appropriation requests for this Project are anticipated over the next four years.

Bond Language

The sum of \$1,600,000 is hereby appropriated for the planning, design and construction of sewers and laterals within the North Meadows Drainage Area in the vicinity of Combined Sewer Overflows NM-2, NM-3 and NM-4. The Project will include repairs, replacements and rehabilitation measures as a result of aging and deteriorating infrastructure. The Project will be completed in accordance with the Combined Sewer Overflow Long Term Control Plan/Integrated Plan. The appropriation may also be expended for construction and inspection costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the Project. District resources may be utilized for the Project. District costs may include salary, benefits and overhead. The District's Rate Stabilization Fund may be utilized as a funding source for the Project and for the payment of debt service on bonds or notes issued to pay for the Project. This appropriation is in addition to the appropriation of \$5,520,000 approved on December 4, 2023 by the District's Board.

Funding Sources

Project is eligible for a 50% grant from the Connecticut Department of Energy and Environmental Protection (DEEP) and is expected to be made available. The remaining 50% may be funded from a combination of loan under the State of Connecticut Clean Water Fund (subject to priority ranking and fund availability) and the District's Rate Stabilization fund.

Program - Windsor Street Area (Hartford) Sewer Separation

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$16,000,000		2600

Description

Design and construction of the rehabilitation of existing combined sewers and laterals; installation of new sanitary and/or storm sewers and laterals located on Main Street and Windsor Street in Hartford, and other adjacent streets, upstream of CSOs NM-5, NM-6, and NM-7 as necessary to complete sewer separation work. Work being completed in accordance with the Combined Sewer Overflow Long Term Control Plan/Integrated Plan as a way to reduce Combined Sewer Overflow volumes through Inflow and Infiltration Removals and may include costs associated with relocation of adjacent utilities. District forces may be utilized for this program. District costs may include salary, benefits and overhead.

Purpose

To eliminate and reduce inflow and infiltration in North Hartford in the vicinity of CSOs NM-5, NM-6 and NM-7 in North Hartford.

Future Appropriations

No additional appropriation requests for this Project are anticipated over the next four years.

Bond Language

The sum of \$16,000,000 is hereby appropriated for the planning, design and construction of sewers and laterals within the Windsor Street Area in the vicinity of Combined Sewer Overflows NM-5, NM-6 and NM-7. The Project will include repairs, replacements and rehabilitation measures as a result of aging and deteriorating infrastructure. The Project will be completed in accordance with the Combined Sewer Overflow Long Term Control Plan/Integrated Plan. The appropriation may also be expended for construction and inspection costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the Project. District resources may be utilized for the Project. The District costs may include salary, benefits and overhead. The District's Rate Stabilization Fund may be utilized as a funding source for the Project and for the payment of debt service on bonds or notes issued to pay for the Project.

Funding Sources

Project is eligible for a 50% grant from the Connecticut Department of Energy and Environmental Protection (DEEP) and is expected to be made available. The remaining 50% may be funded from a combination of loan under the State of Connecticut Clean Water

Fund (subject to priority ranking and fund availability) and the District's Rate Stabilization fund.

Program – Assessable Sewer Program

<u>Amount</u>	<u>Project #</u>	<u>Fund</u>
\$1,000,000		3110

Description

Extension of existing sanitary sewers resulting from property owner petitions for public sewer service within the Windsor Ave and Pierson Lane sewer service area. This project includes design, construction and project administration. District forces may be utilized for this program. District costs may include salary, benefits and overhead.

Purpose

To provide sanitary sewer service to property owners within the District's service area by extending local sewer mains. Property owners to be served have either a specific health concern or a desire for public sanitary sewer service.

Future Appropriations

No additional appropriation requests for this Project are anticipated over the next four years.

Bond Language

Project is appropriated for extension of existing sanitary sewers resulting from property owner petitions for public sewer service within the District's sewer service area. This project includes design, construction, project administration, legal, administrative and other financing costs related thereto. District forces may be utilized for this program. District costs may include salary, benefits and overhead.

Funding Sources

Assessable Sewer Fund will be used to fund the project. Bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut.

It is **RECOMMENDED** that it be

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

RESOLUTION MAKING A SUPPLEMENTAL APPROPRIATION OF \$44,600,000 FOR THE DISTRICT'S 2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$44,600,000 TO FINANCE SAID APPROPRIATION

WHEREAS, the District Board has resolved to make a supplemental appropriation and issue bonds or notes of the District for those Capital Improvement Program – Water and Integrated Plan projects described in Resolutions Nos. 1 through 6 herein; and

WHEREAS, the District Board wishes to determine the form, date or dates, maturities, manner of sale and other details concerning such bonds or notes.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. \$44,600,000 is hereby appropriated for the District's 2024 Capital Improvement Program – Water and Integrated Plan projects set forth herein in the 2024 Supplemental Capital Improvement Program – Water and Integrated Plan Project Resolutions Nos. 1 through 6, inclusive (collectively, referred to herein as the "Resolutions"), and bonds or notes of the District in an amount not to exceed \$44,600,000 are authorized to be issued to finance said appropriation. This appropriation is in addition to the appropriation of \$153,517,000 approved on December 4, 2023 by the District's Board of Directors. The bonds are authorized to be issued in one or more series in accordance with the applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, "Connecticut laws"), and the District's Charter. The form, date, maturities and other details of such authorized but unissued bonds shall be hereafter determined by the District Board acting in accordance with the District's Charter. Said bonds shall be issued in fully registered form, be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The bonds may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board, in accordance with Connecticut laws and the District's Charter. Each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with and that such bond is within every debt and other limit prescribed by law. The aggregate principal amount of the bonds to be issued, the form of issuance as serial, term or discount bonds, the dated date, final maturity, annual installments of principal, whether interest on the bonds will be fixed or variable, the rate or rates of interest, or method of determining interest rates thereon, whether such interest shall be excluded or included in gross income for federal income tax purposes, denominations, terms of redemption, if any, the date, time of issue and sale and all other terms, details and particulars of such bonds shall be determined by the District Board, in accordance with Connecticut laws and the District's Charter, following recommendation of the Board of Finance. It is hereby found and determined that the issuance of any such bonds the interest on which is included in gross income for federal income tax purposes is in the public interest. The bonds may be sold by competitive bid or negotiated sale, as determined by the District Board. If sold by negotiated sale, the Chairman or Vice Chairman and Treasurer or Deputy Treasurer are hereby authorized, on behalf of the District, to enter into a bond purchase agreement for the sale of the bonds.

Section 2. The Treasurer and the Deputy Treasurer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes or certificates of indebtedness evidencing such borrowings may be sold by competitive bid or negotiated sale, as determined by the Treasurer or Deputy Treasurer, in such manner as shall be determined by said officers. Said notes or certificates of indebtedness shall be issued in

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

Section 3. In connection with the issuance of the bonds, notes or certificates of indebtedness authorized hereunder and pursuant to the Resolutions ("Authorized Obligations"), the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on, the District necessary to obtain standby bond purchase agreements, letters of credit, lines of credit, financial guaranty insurance policies, guarantees of the District or third parties, surety agreements or any similar agreements ("Credit Facilities") with one or more financial institutions providing Credit Facilities ("Credit Facility Providers") to provide for additional security for and the purchase upon tender of the Authorized Obligations, if any, under circumstances set forth in the Indentures (defined herein). Credit Facilities shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

Section 4. In connection with the issuance of Authorized Obligations, interim funding obligations and project loan obligations under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended, the so-called "Drinking Water Program" ("Drinking Water Obligations") or under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended, the so-called "Clean Water Fund Program" ("Clean Water Fund Obligations"), the District Board is hereby authorized to approve the terms and conditions of indentures of trust or other instruments of trust ("Indentures") with commercial banks or national banking associations with trust powers or trust companies to be appointed by the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer ("Trustees"), which provide for, among other things, the rate of rates of interest, or method of determining interest rates thereon, procedures for conducting auctions in an auction rate mode, the denominations, the tender rights of holders, if any, the rights of redemption and redemption prices, the payment of certain fees, the imposition of certain covenants, limitations and restrictions on the District necessary to issue the variable rate bonds, and the execution of various other instruments. Indentures shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer. The Chairman or Vice Chairman and the Treasurer or Deputy Treasurer are authorized to execute and deliver to the State of Connecticut a project loan and project grant agreement and/or project loan and subsidy agreement under the State's Clean Water Fund Program and the State's Drinking Water Program and apply for and accept or reject any federal, state or other grants-in-aid for the project.

Section 5. In connection with the issuance of Authorized Obligations bearing interest at variable interest rates, the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to enter into, remarketing agreements, broker-dealer agreements, auction agency agreements and other agreements (the "Reoffering Agreements") with remarketing agents, investment banking firms or other financial institutions to be appointed by the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer ("Reoffering Agents"), which provide for, among other things, the terms and conditions for reoffering Authorized Obligations bearing interest at variable interest rates, the Reoffering Agents' compensation and the disclosure of the District's financial condition. Reoffering Agreements shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer.

Section 6. In connection with the issuance of Authorized Obligations, if permitted by Connecticut laws and the District's Charter, the District Board is hereby authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the District necessary to obtain an interest rate swap agreement, together with applicable annexes, schedules and confirmations thereto, contracts to manage interest rate risk, including interest rate caps, options, puts, calls or similar arrangements, or such other agreements permitted by Connecticut laws and the District's Charter ("Swap Agreements"), with one or more counterparties to be selected by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer, as Swap Provider (the "Swap Providers"), which provides for, among other things, the effective date or dates of the Swap Agreements, the rate of interest to be paid by the District to the Swap Providers on the principal amount of the bonds (which may be a fixed rate or a variable rate based on an index determined by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer), the rate of interest to be received by the District from the Swap Providers (which may be a fixed rate or a variable rate based on an index determined by the Chairman or Vice Chairman and Treasurer or Deputy Treasurer), the payment of certain fees, the imposition of certain covenants, limitations and restrictions on the District and the execution of various other instruments. Swap Agreements shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or Vice Chairman and the Treasurer or Deputy Treasurer. To the extent provided by Connecticut laws, the full faith and credit of the District may be pledged to any and all payments to be made by the District with respect to the Swap Agreements, including, any termination or netting payments to be made by the District.

Section 7. The Chairman or Vice Chairman and Treasurer or Deputy Treasurer are hereby authorized, on behalf of the District, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") or any other information depository, and to provide notices to the MSRB or such depository of material events as enumerated in the Securities and Exchange Commission Securities Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds, notes and certificates of indebtedness authorized by this Resolution. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

Section 8. The District hereby expresses its official intent pursuant to Treasury Regulations Section 1.150-2 to reimburse expenditures of not more than \$44,600,000 paid up to 60 days prior to the date of passage of this Resolution in connection with the Resolutions with the proceeds of Authorized Obligations, Drinking Water Obligations or Clean Water Fund Obligations. Said obligations shall be issued to reimburse such expenditures not later than

18 months after the later of the date of the expenditure or such later date as such Regulations may authorize. The District hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Chairman or Vice Chairman and the Treasurer or Deputy Treasurer is each individually authorized to pay project expenses in accordance herewith pending the issuance of the Authorized Obligations. This Section is included herein solely for purposes of compliance with Treasury Regulations Section 1.150-2 and may not be used or relied on for any other purpose.

Section 9. In connection with the issuance of Authorized Obligations, Drinking Water Obligations or Clean Water Fund Obligations, the District Board is hereby authorized to, and if any such action shall heretofore have been taken, such action is hereby ratified and confirmed, (a) publish such notices, hold such hearings, make such representations and agreements, and take such other actions as shall be necessary to enable bond counsel to render its opinions as to the validity of said obligations and the exclusion of the interest thereon, if applicable, from gross income for federal income tax purposes, (b) make, execute and deliver all such additional and supplemental documents, including, but not limited to, any tax compliance agreements, tax certificates, tax forms, investment agreements or assignments, and (c) do and perform such acts and take such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by this Resolution.

Section 10. The provisions contained in Sections 1 through 9 of this Resolution shall apply to the 2024 Supplemental Capital Improvement Program – Water and Integrated Plan Project Resolutions Nos. 1 through 6, inclusive, herein; and the District Board hereby finds and determines that each project described in Resolutions Nos. 1 through 6 is a single item of capital expense not regularly recurring.

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

RESOLUTION APPROPRIATING \$6,000,000 FOR THE DISTRICT-WIDE WATER MAIN REPLACEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$6,000,000 TO FINANCE SAID APPROPRIATION

Section 1. The sum of \$6,000,000 is hereby appropriated for design and construction costs for the rehabilitation and/or replacement of various water mains and water services throughout the District, including inspection costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the projects. District resources may be utilized for the projects. The District costs may include salary, benefits and overhead.

Section 2. To finance said appropriation, \$6,000,000 of bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, “Connecticut laws”), and the District’s Charter. The form, date, maturities and other details of such authorized but unissued bonds or notes shall be hereafter determined by the District Board acting in accordance with the District’s Charter.

Section 3. The Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer are authorized in the name and on behalf of the District to apply for and accept any and all federal and state loans and/or grants-in-aid for the project and are further authorized to expend said funds in accordance with the terms thereof. To meet any portion of the costs of the project determined by the State of Connecticut Department of Public Health to be eligible for funding under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended (the "Drinking Water Program"), the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations ("Drinking Water Obligations") as the District Board shall determine, in accordance with Connecticut laws and the District's Charter, following recommendation of the Board of Finance. Drinking Water Obligations, project loan and subsidy agreements and any other instruments, agreements or certificates under the Drinking Water Program shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The aggregate principal amount of the Drinking Water Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Drinking Water Obligations, subject to the provisions of the Drinking Water Program, shall be determined by the District Board, following recommendation of the Board of Finance. Drinking Water Obligations may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board in accordance with Connecticut laws and the District's Charter. Each of the Drinking Water Obligations shall recite that every requirement of law relating to its issue has been duly complied with and that such obligation is within every debt and other limit prescribed by law.

2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN SUPPLEMENTAL PROJECT RESOLUTION NO. 2

RESOLUTION APPROPRIATING \$10,000,000 FOR THE REPLACEMENT OF WATER MAINS IN HARTFORD AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE SAID APPROPRIATION

Section 1. The sum of \$10,000,000 is hereby appropriated for construction, inspection and associated work for the replacement of existing water mains and service reconnections in Hartford. The project will include, but not be limited to, the replacement of water mains in North Hartford, in coordination with other sewer rehabilitation projects, as well as, water main replacements in South Hartford. The appropriation may also be expended for design costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the projects. District resources may be utilized for the projects. District costs may include salary, benefits and overhead.

Section 2. To finance said appropriation, \$10,000,000 of bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to

date and as amended from time to time in the future (together, “Connecticut laws”), and the District’s Charter. The form, date, maturities and other details of such authorized but unissued bonds or notes shall be hereafter determined by the District Board acting in accordance with the District’s Charter.

Section 3. The Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer are authorized in the name and on behalf of the District to apply for and accept any and all federal and state loans and/or grants-in-aid for the projects and are further authorized to expend said funds in accordance with the terms thereof. To meet any portion of the costs of the projects determined by the State of Connecticut Department of Public Health to be eligible for funding under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended (the “Drinking Water Program”), the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations (“Drinking Water Obligations”) as the District Board shall determine, in accordance with Connecticut laws and the District’s Charter, following recommendation of the Board of Finance. Drinking Water Obligations, project loan and subsidy agreements and any other instruments, agreements or certificates under the Drinking Water Program shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The aggregate principal amount of the Drinking Water Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Drinking Water Obligations, subject to the provisions of the Drinking Water Program, shall be determined by the District Board, following recommendation of the Board of Finance. Drinking Water Obligations may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board in accordance with Connecticut laws and the District’s Charter. Each of the Drinking Water Obligations shall recite that every requirement of law relating to its issue has been duly complied with and that such obligation is within every debt and other limit prescribed by law.

**2024 CAPITAL IMPROVEMENT PROGRAM – WATER AND INTEGRATED PLAN
SUPPLEMENTAL PROJECT RESOLUTION NO. 3**

RESOLUTION APPROPRIATING \$10,000,000 FOR WATER MAIN REPLACEMENT ON THE SILAS DEANE HIGHWAY AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$10,000,000 TO FINANCE SAID APPROPRIATION

Section 1. The sum of \$10,000,000 is hereby appropriated for construction, inspection and associated work for the replacement of two existing water mains and service connections along the Silas Deane Highway and adjacent streets in Rocky Hill and Wethersfield. The project will include the replacement of the existing 12-inch water mains with new 8-inch, 10-inch and 12-inch water mains. The appropriation may also be expended for design costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the project. District resources may be utilized for the project. District costs may include salary, benefits and overhead.

Section 2. To finance said appropriation, \$10,000,000 of bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to

time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, "Connecticut laws"), and the District's Charter. The form, date, maturities and other details of such authorized but unissued bonds or notes shall be hereafter determined by the District Board acting in accordance with the District's Charter.

Section 3. The Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer are authorized in the name and on behalf of the District to apply for and accept any and all federal and state loans and/or grants-in-aid for the project and are further authorized to expend said funds in accordance with the terms thereof. To meet any portion of the costs of the project determined by the State of Connecticut Department of Public Health to be eligible for funding under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended (the "Drinking Water Program"), the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations ("Drinking Water Obligations") as the District Board shall determine, in accordance with Connecticut laws and the District's Charter, following recommendation of the Board of Finance. Drinking Water Obligations, project loan and subsidy agreements and any other instruments, agreements or certificates under the Drinking Water Program shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The aggregate principal amount of the Drinking Water Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Drinking Water Obligations, subject to the provisions of the Drinking Water Program, shall be determined by the District Board, following recommendation of the Board of Finance. Drinking Water Obligations may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board in accordance with Connecticut laws and the District's Charter. Each of the Drinking Water Obligations shall recite that every requirement of law relating to its issue has been duly complied with and that such obligation is within every debt and other limit prescribed by law.

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

RESOLUTION APPROPRIATING \$1,600,000 FOR SEWER AND LATERAL REHABILITATION IN THE NORTH MEADOWS DRAINAGE AREA (NM-2, NM-3 AND NM-4) AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$1,600,000 TO FINANCE SAID APPROPRIATION

Section 1. The sum of \$1,600,000 is hereby appropriated for the planning, design and construction of sewers and laterals within the North Meadows Drainage Area in the vicinity of Combined Sewer Overflows NM-2, NM-3 and NM-4. The project will include repairs, replacements and rehabilitation measures as a result of aging and deteriorating infrastructure. The project will be completed in accordance with the Combined Sewer Overflow Long Term Control Plan/Integrated Plan. The appropriation may also be expended for construction and inspection costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the project. District resources may be utilized for the projects. The District costs may include salary, benefits and overhead. The District's Rate Stabilization Fund may be utilized as a funding

source for the project and for the payment of debt service on bonds or notes issued to pay for the project.

Section 2. To finance said appropriation, \$1,600,000 of bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, "Connecticut laws"), and the District's Charter. The form, date, maturities and other details of such authorized but unissued bonds or notes shall be hereafter determined by the District Board acting in accordance with the District's Charter.

Section 3. The Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer are authorized in the name and on behalf of the District to apply for and accept any and all federal and state loans and/or grants-in-aid for the project and are further authorized to expend said funds in accordance with the terms thereof. To meet any portion of the costs of the project determined by the State of Connecticut Department of Energy and Environmental Protection to be eligible for funding under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended (the "Clean Water Fund Program"), the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations ("Clean Water Fund Obligations") as the District Board shall determine, in accordance with Connecticut laws and the District's Charter, following recommendation of the Board of Finance. Clean Water Fund Obligations, project loan and project grant agreements and any other instruments, agreements or certificates under the Clean Water Fund Program shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Clean Water Fund Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the District Board, following recommendation of the Board of Finance. Clean Water Fund Obligations may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board in accordance with Connecticut laws and the District's Charter. Each of the Clean Water Fund Obligations shall recite that every requirement of law relating to its issue has been duly complied with and that such obligation is within every debt and other limit prescribed by law.

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

RESOLUTION APPROPRIATING \$16,000,000 FOR SEWER SEPARATION IN THE WINDSOR STREET AREA OF HARTFORD AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED \$16,000,000 TO FINANCE SAID APPROPRIATION

Section 1. The sum of \$16,000,000 is hereby appropriated for the planning, design and construction of sewers and laterals within the Windsor Street Area in the vicinity of Combined Sewer Overflows NM-5, NM-6 and NM-7. The project will include repairs, replacements and

rehabilitation measures as a result of aging and deteriorating infrastructure. The project will be completed in accordance with the Combined Sewer Overflow Long Term Control Plan/Integrated Plan. The appropriation may also be expended for construction and inspection costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the project. District resources may be utilized for the project. The District costs may include salary, benefits and overhead. The District's Rate Stabilization Fund may be utilized as a funding source for the project and for the payment of debt service on bonds or notes issued to pay for the project.

Section 2. To finance said appropriation, \$16,000,000 of bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, "Connecticut laws"), and the District's Charter. The form, date, maturities and other details of such authorized but unissued bonds or notes shall be hereafter determined by the District Board acting in accordance with the District's Charter.

Section 3. The Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer are authorized in the name and on behalf of the District to apply for and accept any and all federal and state loans and/or grants-in-aid for the project and are further authorized to expend said funds in accordance with the terms thereof. To meet any portion of the costs of the project determined by the State of Connecticut Department of Energy and Environmental Protection to be eligible for funding under Section 22a-475 et seq. of the General Statutes of Connecticut, Revision of 1958, as amended (the "Clean Water Fund Program"), the District may issue bonds, notes or certificates of indebtedness authorized hereby in the form of interim funding obligations in anticipation of project loan obligations ("Clean Water Fund Obligations") as the District Board shall determine, in accordance with Connecticut laws and the District's Charter, following recommendation of the Board of Finance. Clean Water Fund Obligations, project loan and project grant agreements and any other instruments, agreements or certificates under the Clean Water Fund Program shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman or the Vice Chairman and the Treasurer or the Deputy Treasurer, and bear the District seal or a facsimile thereof. The aggregate principal amount of the Clean Water Fund Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Clean Water Fund Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the District Board, following recommendation of the Board of Finance. Clean Water Fund Obligations may be secured by the full faith and credit of the District and/or by special revenues of the District pledged thereto by the District Board in accordance with Connecticut laws and the District's Charter. Each of the Clean Water Fund Obligations shall recite that every requirement of law relating to its issue has been duly complied with and that such obligation is within every debt and other limit prescribed by law.

RESOLUTION APPROPRIATING \$1,000,000 FOR THE EXTENSION OF EXISTING SANITARY SEWERS WITHIN THE WINDSOR AVENUE AND PIERSON LANE SERVICE AREA

Section 1. The sum of \$1,000,000 is hereby appropriated for the extension of existing sanitary sewers in the Windsor Avenue and Pierson Lane Service Area. The appropriation may also be expended for design, construction and inspection costs, engineering and professional fees, materials, equipment, legal fees, financing costs, interest expense on temporary borrowings, and other costs related to the project. District resources may be utilized for this program. The District costs may include salary, benefits and overhead. The District's Assessable Sewer Fund may be utilized as the funding source for the project and for the payment of debt service on bonds or notes issued to pay for the project.

Section 2. To finance said appropriation, \$1,000,000 of bonds or notes of the District are authorized to be issued in accordance with applicable General Statutes of Connecticut, Revision of 1958, as amended to date and as amended from time to time in the future, public acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future, and special acts of the Connecticut General Assembly, as amended to date and as amended from time to time in the future (together, "Connecticut laws"), and the District's Charter. The form, date, maturities and other details of such authorized but unissued bonds or notes shall be hereafter determined by the District Board acting in accordance with the District's Charter.

Respectfully submitted,



John S. Mirtle
District Clerk

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

**BOARD OF FINANCE
APPROVAL OF STATE OF CONNECTICUT FINANCING DWSRF 2023-7121**

To: Board of Finance

March 25, 2024

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and/or Project Loan Obligation to the State of Connecticut for DWSRF 2023-7121 having a principal amount of \$922,449 and having an interest rate of 2.00%.

The low interest loan and accompanying subsidy will fund the replacement of water mains and associated appurtenances in the vicinity of Hubbard Road in Hartford.

The State of Connecticut, through the Drinking Water State Revolving Fund Program, will provide \$1,761,039 in state funding with \$838,590 in subsidy and \$922,449 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Bond Counsel prepared the following resolution for your approval.

It is **RECOMMENDED** that it be

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

Resolved:

Section 1. The Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver the Project Loan and Subsidy Agreement DWSRF 2023-7121 to be entered into with the State of Connecticut (the "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations for DWSRF 2023-7121 in the aggregate amount not to exceed \$922,449, to fund the replacement of water mains and associated appurtenances in the vicinity of Hubbard Road in Hartford, Connecticut. All previous actions taken by the District, including the actions of the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, in furtherance of this resolution or otherwise related to the Agreement and any and all related documents, shall hereby be ratified and confirmed in all respects. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, as defined in the Agreement, shall bear interest at a rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Agreement and, to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

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

Respectfully submitted,



John S. Mirtle
District Clerk

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

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

Judy Allen of West Hartford stated that she was under the assumption that the Clean Water Project was closed out when the Integrated Plan was established. She asked is there a Clean Water Project anymore?

District Chairman Currey raised a point of order that the public comment portion of agendas is not a forum for question and answer sessions.

ADJOURNMENT

The meeting was adjourned at 6:19 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval