MDC

The Metropolitan District

water supply · environmental services · geographic information

BOARD OF FINANCE
REGULAR MEETING
MONDAY, AUGUST 31, 2026
5:30 PM

Location	Commissioners	Citizen Members
Board Room	Adil (VC)	Al Mannai
District Headquarters	Currey (Ex-Officio)	King-Corbin
555 Main Street, Hartford	Mandyck	Murray
	Salemi (C)	Russo
Dial in #: (415)-655-0001		Tsegai
Access Code: 2302 231 6495 #		
Meeting Video Link	Quorum: 5	

1. **CALL TO ORDER**
2. **PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS**
3. **INDEPENDENT CONSUMER ADVOCATE COMMENTS & QUESTIONS RELATIVE TO AGENDA ITEMS**
4. **APPROVAL OF MEETING MINUTES OF JUNE 24, 2026, AND JUNE 29, 2026**
5. **REPORT FROM BOARD OF FINANCE CHAIRMAN**
6. **DISCUSSION RE: TUNNEL CHANGE ORDER; REVIEW OF LEGAL COSTS**
7. **CONSIDERATION AND POTENTIAL ACTION RE: AUTHORIZATION FOR ISSUANCE & SALE OF GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED $80,000,000**
8. **CONSIDERATION AND POTENTIAL ACTION RE: AUTHORIZATION FOR ISSUANCE & SALE OF REVENUE BONDS IN AN AMOUNT NOT TO EXCEED $50,000,000**
9. **CONSIDERATION AND POTENTIAL ACTION RE: REALLOCATION OF BOND PROCEEDS IN THE AMOUNT OF $9,343,000**
10. **CONSIDERATION AND POTENTIAL ACTION RE: WEST HARTFORD STORMWATER PILOT PROJECT**
11. **CONSIDERATION AND POTENTIAL ACTION RE: 2026 OPERATING BUDGET TRANSFER**
12. **DISCUSSION RE: RECENT BOARD OF FINANCE COMMUNICATIONS**
13. **OPPORTUNITY FOR GENERAL PUBLIC COMMENTS**
14. **COMMISSIONER REQUESTS FOR CONSIDERATION OF FUTURE AGENDA ITEMS**
15. **ADJOURNMENT**

BOARD OF FINANCE
DISCUSSION REGARDING TUNNEL CHANGE ORDER

To: Board of Finance August 31, 2026

At a meeting of the Board of Finance meeting on June 24, 2026, Board of Finance Chairman Salemi noted that the CEO could provide the additional documentation directly to the Board of Finance upon request and Board of Finance Chairman Salemi stated he would put a request together regarding the issue.

Board of Finance Chairman Salemi provided the below excerpts and descriptions from the meeting dates listed below:

May 6, 2024

REPORT FROM DISTRICT COUNSEL District Counsel Christopher Stone provided an update on the tunnel litigation, which will be ready to go to trial as early as January 2025.

July 1, 2024

REPORT FROM DISTRICT COUNSEL District Counsel, Christopher Stone, provided an update on the State Claims Commissioner hearing on the landfill and Buckingham Street Garage claims that occurred June 7th and that the post hearing briefs will go through September. He stated that the tunnel litigation is in the discovery phase and currently on track for a January 2025 trial. He also spoke regarding the meeting with City of Hartford on the Park River and mediations through CT DEEP and EPA regarding MS4 permit requirements. 122 ％ July 1, 2024, THE METROPOLITAN DISTRICT COMMISSION

September 9, 2024

REPORT FROM DISTRICT COUNSEL District Counsel, Christopher Stone, provided an update on the tunnel litigation. He stated that the court has ordered a trial-ready date of June 1, 2025, and a two day settlement conference has been scheduled for December. He stated that MDC continues to work toward a mediated settlement

October 7, 2024

REPORT FROM DISTRICT COUNSEL District Counsel, Christopher Stone, updated the Board that counsel is currently preparing for the second mediation on the Tunnel Claim, which will take place December 16th and December 17th.

Nov 6, 2024

REPORT FROM DISTRICT COUNSEL District Counsel, Christopher Stone, updated the Board regarding the mediation last week with EPA and the City of Hartford regarding a Memorandum of Understanding for MS4 responsibilities. He stated that the tunnel mediation is still on schedule for mid-December and will be a two-day mediation.

Christopher Stone also provided an update on the tunnel litigation, which is in the discovery phase. He stated that each party has exchanged more than 1 million documents. The depositions have started and mediation is scheduled for December

THE METROPOLITAN DISTRICT COMMISSION December 9, 2024 ℅ 241 16th and 17th. A motion for summary judgement is scheduled to be argued in February. The trial ready date has been postponed to June 2025.

June 2, 2025

REPORT FROM DISTRICT COUNSEL No report was given

THE METROPOLITAN DISTRICT MEMORANDUM TO: FROM: cc: DATE: Background Board of Commissioners Christopher R. Stone, District Counsel Scott W. Jellison, CEO June 2, 2025 to additional appropriations for the CWP without a referendum for portions paid for by State grants. 1

June 23rd 2025

SOUTH HARTFORD STORAGE AND CONVEYANCE TUNNEL CHANGE ORDERS Chairman Salemi led a discussion on the South Hartford Storage and Conveyance Tunnel change orders.

THE METROPOLITAN DISTRICT

MEMORANDUM

TO: **Board of Commissioners**

FROM: **Christopher R. Stone, District Counsel**

cc: **Scott W. Jellison, CEO**

DATE: **June 2, 2025**

Background

As originally conceived in 2005, and as set detailed in the initial Long Term Control Plan (LTCP), the Clean Water Project ("CWP") was primarily developed to address combined sewer overflows within the City of Hartford and separated sanitary sewer overflows in the other member towns. Pursuant to the initial Long Term Control Plan approved by the District Board and DEEP (as the delegated authority regulating combined systems), the chosen method to address combined sewer overflows was through a series of sewer separation projects whereby a single sanitary and stormwater pipe would be separated into two pipes. The result - a reserved pipe for stormwater and a reserved sanitary pipe, with the additional capacity formerly used for stormwater. Other parts of the first LTCP included controlling of inflow and infiltration of ground- and storm-water into our system and capacity increases and other improvements to the District's treatment plants. By vote of the District Board and consent of our member towns, the CWP was and remains funded by the Clean Water Project Surcharge paid by water customers based upon water usage. The alternative - adding the project costs to the member town ad valorem charge - was rejected.

An updated LTCP was approved by the District Board and submitted to DEEP in 2012 and thereafter revised through December 2014: The revised plan de-emphasized sewer separation projects, which proved expensive and disruptive in downtown areas, and added a large storage and conveyance tunnel in south Hartford (the "South Tunnel"). This resubmittal as approved in 2015 set out a completion of the project by 2029.

Appropriations for the cost of large projects must be approved by referendum vote of the electors of the Member Municipalities. An $800 million appropriation for the CWP was approved at referendum on November 7, 2006. An appropriation for an additional $800 million for the CWP was approved at referendum on November 6, 2012. Effective October 1, 2015, Public Act No.15-114 excludes from the referendum requirement appropriations funded by Federal or State grants. An appropriation of $140 million for a grant, not requiring a referendum, was approved by the District Board on October 5, 2016. Appropriations of $18.8 million and $67.4 million for grants not requiring a referendum were approved by the District Board on September 2, 2020 and April 26, 2023, respectively. The District expects to additional appropriations for the CWP without a referendum for portions paid for by State grants.

Specific projects, and their anticipated costs, are detailed in each LTCP, and funded through the referenda authorizations and subsequent action by the District Board. District staff maintains a current account of pending projects, the design schedule, the procurement process, and funding allocations for each project.

South Hartford Conveyance and Storage Tunnel (Tunnel)

Pursuant to the second, approved LTCP, retained AECOM to design the Tunnel and subsequently retained Jacobs Engineering to serve as construction manager. After an open, public bidding process, the District and the successful low bidder, KOJV, entered into a contract for a $279,400,000.00 construction project known as the "South Hartford Conveyance and Storage Tunnel and Shaft Construction" (the "Contract"). Pursuant to its standard process, once the lowest responsible bidder was determined and contract amount set, the necessary authorizations previously approved by the Board and at referendum were identify and segregated. A contract contingency was established as well, which over time was increased to $69.4M without the need for any additional authorizations or referenda. The adjusted Contract Price, as amended by signed change orders but excluding the change orders relating to the differing site condition claim, was $286,328,353.15.

The instant claim from KOJV relates to a series of alleged differing site conditions encountered by KOJV in each of the three Reaches, or phases, of the tunnel. District staff and our design consultants recognized some merit in the change orders requested for Reaches 2 and 3, and based upon KOJV's initial submittals no merit to proposed change orders relating to Reach 1.

That being stated, it is important to recognize that in deep-rock tunnel projects, despite a significant amount of pre-bid investigation into subsurface conditions, it is common for the contract for the project include the use of a Dispute Resolution Board (DRB) to address disputes that may arise between owner and contractor, and to ensure that any such disputes do not lead to a work stoppage and an expensive tunnelling machine sitting idle for any measurable period of time. As you have previously been advised, the DRB process employed to try to resolve the proposed change orders from KOJV relating to differing site conditions failed.

After a series of legal maneuvers, including filing of a complaint in the wrong venue, a claim for injunctive relief, and two failed mediation sessions one with a federal court magistrate and the other with a private mediator, the parties engaged pursued their respective rights in litigation, a costly and somewhat risky proposition, but one where we had little choice. The pleadings were numerous and extensive, fact discovery involved over 1.5 million images/documents, several depositions were taken, and dispositive pretrial motions filed.

Differing Site Condition Claims

KOJV's claim is essentially that a Differing Site Condition ("DSC") exists with respect to the entire Tunnel – in other words, that the geologic conditions actually encountered during construction of the Tunnel differed materially and substantially from those described in the Contact Specifications, not just for discrete portions of the Tunnel, but for every foot of the four mile long Tunnel. Simply put, KOJV claims that it encountered, and was forced to manage, excess groundwater throughout the tunnel length. Plaintiff's DSC claims were submitted to MDC principally in two change order proposals ("COP"): COP 6, which relates to Reach 1 of the Tunnel; and COP 34, which relates to Reaches 2 & 3 of the Tunnel. The original contract price between the Plaintiff and MDC was $279,400,00.00. The Tunnel drive scope of that Contract price for mining and precast lining was approximately $35M with some amount of general requirement cost allocated for that work. The Plaintiff also sought payment of an additional $91 million for Reach 2 & 3 work.

To a limited extent, and primarily as to Reach 1, KOJV claimed that the design specifications were inadequate in three respects: 1) the specified tunnel boring machine was not appropriate (no specific tunnel machine was designated in the specifications); 2) the two-part grouting system was ineffective (grout was not installed in a timely manner); and 3) unlike Reaches 2 and 3, the contract did not specify that probing and grouting would be required in Reach 1 (decision left to means and methods of contractor).

Litigation

As stated, while the MDC saw some merit in the Reach 2 and 3 claims, and made a good faith offer to compensate KOJV accordingly, KOJV insisted that all proposed change orders should be approved. Such approval would not only include a recognition of the merits of the claims, but also an acceptance of KOJV's demand for compensation.

All interested parties to the dispute were represented by counsel:

For MDC: Timothy Corey of Hinckley Allen
David Hill of Ford and Paulekas
Office of District Counsel

For KOJV: Robert Barbour and Richard Mann of Watt Tieter
Michael Donnelly of Murtha Cullina

For AECOM: David Hatem of MGM The Law Firm*

*Although AECOM was not a party to the lawsuit, part of the allegations in KOJV's complaint related to deficiencies on the design of and specifications for the tunnel. Its direct costs for litigation defense totaled approximately $3M. In addition, since the May Board meeting, we met with AECOM and they agreed to forgive a $500K contractual allowance for claim defense.

As noted in the attached summary of expert fees, the MDC retained experts in the field of deep rock tunnelling, tunnel boring machines and grouting. We also retained an expert in damage calculations for differing site conditions who aided the MDC on the value of those portions of the change order claims that arguably had merit.

With the filing of a federal lawsuit by KOJV in September, 2021, a prolonged, complicated adversarial process began. The initial lawsuit related to Reach 1 only, and was subsequently amended to include Reaches 2 and 3. The MDC filed a counterclaim, claiming damages for delay, breach of contract, defective work and deleted work.

Throughout the process MDC kept DEEP updated. As noted in our presentation to the Board in January, 2025, all change orders in excess of $100,000.00 must be reviewed and approved by DEEP, whether or not DEEP funding is available.

After two days of a third mediation attempt, the parties reached an agreement in principal on the relative merits and value of the differing site condition change orders. The Board approved the resolution at its January, 2025 meeting, and staff proceeded to work with KOJV on final change orders for submission to DEEP. Thereafter, DEEP approved the change orders, and determined that the change order payment was eligible for grant funding at 45% and low interest loan (2%) contribution from the State Clean Water Fund. KOJV has received payment form the project contingency fund, and we are awaiting reimbursement.

As discussed at the January Board meeting, change orders for differing site conditions on deep rock tunnel projects are not unusual. The small sampling below of other projects constructed by the actual bidders on this project supports this conclusion* :

*Note that the average percentage of change order values compared to the original contract value is just under 20%. The larger percentages appear in the projects with higher contract values. The percentage of CO value to contract value in this case was 19.9%.

Contractor	Diameter (ft)	Contract Value ($M)	Change Orders ($M)	%
Shea/Skansa	19	$ 242	$ 143	59
Kenny	17.8	$ 146	$ 2	1
	19.5	$ 131	$ 7	6
	27.3	$ 97	$ 11	11
	23	$ 240	$ 45	19
Keiwit	16	$ 112	$ -	0
CMC	19	$ 43	$ 3	7
	20	$ 59	$ 47	80
Bernard	20	$ 233	$ 8	3
	23.8	$ 111	$ 17	15
OHL/Judlau	19	$ 63	$ 6	9
	31	$ 312	$ 165	53
	30.5	$ 819	$ 325	40
	39.3	$ 846	$ 335	40
Trayler	22.5	$ 659	$ 118	18
Salini/Healy	16.5	$ 306	$ 3	1
Obiyashi	18.3	$ 132	$ (4)	-3
	27	$ 214	$ -	0
	23	$ 240	$ 45	19
			Average	19.89

Attached hereto is a breakdown of costs and expenses. The document entitled "SHCST Contract 2 Litigation Costs" was prepared by MDC Finance. Costs relating to the DRB process were eligible for DEEP participation as the DRB process was part of the contract terms and conditions. The balance of the claims support was paid from the contract budget and is not eligible for DEEP participation. I have also prepared a further breakdown of District costs in summary form. I have also attached a copy of the MDC's responses to an inquiry from a Hartford Business Journal reporter.

SHCST Contract 2
Litigation Costs

Consultant	Spent to 5/28/2025
AECOM inv75 (Services up to 3/15/2024	
AECOM DRB Support	264,960
AECOM Allowance for Claim Support	604,340
Dr Mole- Gary Brierley (Reach #1 DRB Tech Support)	78,104
Ray Henn (Reach #1 DRB Tech Support)	93,313
Levent Ozdemir (Reach #1 DRB Tech Support)	42,750
Subtotal AECOM	**1,083,467**
Jacobs DRB & Claims Support **Subtotal JACOBS**	**925,533**
Invoice 88 May & June 2020	16,177.00
Invoice 94 Jul-Dec 2020	132,574.00
Invoice 100 Jan-June 2021	246,993.00
Invoice 102 Jul-Aug 2021	19,271.00
Invoice 106 Sept - Dec 2021	56,509.00
Invoice 112 Jan-June 2022	92,776.00
invoice 118 July-Dec 2022	83,617.00
invoice 124 Jan-June 2023	101,679.00
Invoice 128 Jul-Dec 2023	140,723.00
invoice 136 Jan-June 2024	35,214.00
Paid through legal MDC	
Ford & Paulekas, LLP (Mitigation Srvs)	587,886.00
Hinckley, Allen & Snyder	980,389
Jay Maclsynsky	43,719
Dr Mole Incorporated	106,986
Construction Meditation (Ty Laurie)	24,125
Secretariat Advisors	209,053
Markus Thewes	25,645
Subtotal Legal MDC	**1,977,803.00**
Grand Total	**3,986,803**

Litigation Expenses Paid Directly

Legal Expenses

Ford and Paulekas	587,886.00
Hinckley Allen	824,551.00
Jay Malcynsky	43,719.00

Expert Fees

Ty Laurie (2 mediation sessions)	$24,375.00
Levent Ozdemir (tunnel machine) Jamal Rostami (differing site conditions)	$17,381.00
Gary Brierly, PH.D., P.E. (differing site conditions)	$106,986.00
Marcus Thewes (grout expert)	$25,645.00
Secretariat Advisors (damage analysis expert)	$205,053.00

Costs

Data Storage and Mgmnt	$103,854.82
Depositions (court reporter/transcripts)	$10,893.58

Litigation Expenses Paid Indirectly

AECOM inv75 (Services up to 3/15/2024	
AECOM DRB Support	264,960
AECOM Allowance for Claim Support	604,340
Dr Mole- Gary Brierley (Reach #1 DRB Tech Support)	78,104
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Invoice 128 Jul-Dec 2023	140,723.00
invoice 136 Jan-June 2024	35,214.00

TOTAL 2,009,000

I'm wondering if you could provide me with an update on the outcome of the attached court complaint from Kenny/Obayashi JV regarding the South Hartford Conveyance and Storage Tunnel project. I noticed the case (number: 3:2022cv01237) appears to have been dismissed. I have a few questions:

Was an agreement reached regarding the court case referenced above? If so, can you provide me details about the agreement, including costs?
It is not uncommon for owners, and by extension its contractors, to encounter differing site conditions in the construction of deep rock tunnels, in this case a tunnel approximately 200 feet below the surface. For the South Hartford Conveyance and Storage Tunnel, the contractor, KOJV, submitted several differing site condition change orders relating to all three reaches of the tunnel. Ultimately, its total claim amounted to over $100M, including prejudgment interest. The MDC saw merit in the claims relating to reaches two and three but disagreed with the amount of additional costs claimed. The MDC took issue with the merits of the reach one claim. The parties were unable to reach a mutually acceptable resolution, case you mentioned was filed. Ultimately, the parties were able to resolve their differences by amending the total amount of all pending differing site condition change orders to just under $51M. As required by the contract, the revised change orders were submitted to CT DEEP for review and approval. DEEP approved all but $28K of the amount submitted for eligibility of Clean Water Fund grant/loan funding.

Our costs to defend have not been finalized, but will include attorney fees, litigation costs, damage experts, and experts in response to the substantive claim of differing site conditions.

Is the South Hartford Conveyance and Storage Tunnel operational currently? If not, when is it expected to be?
The tunnel is completed but will not be operational until the pump station construction is completed, which is anticipated to be the fall of 2026. The pump station gets flows from about 200 feet below grade to the surface for treatment at the Hartford Water Pollution Control Facility located across the street. The pump station is a separate construction contract from the tunnel.

To confirm: Kenny / Obayashi joint venture's original bid for the project was $279.4 million. Is that correct? If not, what was it?
Yes, the original bid price was $279.4M. There were other approved change orders during the course of construction bringing the final complete cost with all change orders to approximately $335M.

What was the final cost for the project? The contract amounts for the entire tunnel project are as follows, excluding consultant costs:
Contract 1 Electrical Upgrades to site $1.4M;

Contract 2 Tunnel $335M from previous question; and
Contract 3 Pump Station $115M (currently in construction).
Contract 5 New Britain Ave Conduits $38M
Contract 4 Franklin Avenue Area Conduits is still yet to be bid as it was put on hold to prioritize the current Integrated Plan / Clean Water Project phase which is the North Hartford Sewer Improvement Projects. The Tunnel can operate without this contract.

BOARD OF FINANCE
RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE METROPOLITAN DISTRICT IN AN AMOUNT NOT TO EXCEED $80,000,000

To: Board of Finance for consideration on August 31, 2026

Bond Counsel prepared the following resolution for your approval.

It is therefore RECOMMENDED that it be:

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

BE IT RESOLVED:

SECTION 1. The Metropolitan District (the "**District**") General Obligation Bonds (the "**Bonds**") in an amount not to exceed $80,000,000, are hereby authorized to be issued to: (a) fund Capital Improvement Projects (the "**Projects**") and (b) pay certain costs of issuance for the Bonds. The Bonds are authorized to be issued to fund such portion of the authorized and unissued balances of the capital appropriations contained in certain bond resolutions adopted to finance capital budget items enacted by the District Board, and for such Projects as determined by the Chairman, or in his absence, the Vice Chairman, and the District Treasurer, or in his absence the Deputy Treasurer (the "**Authorized Officers**"). Proceeds of the Bonds shall be used to finance the expenditures for any of the purposes or Projects and for any supplemental purposes or projects the Board of Finance and the District Board may from the date hereof authorize to be financed by the issuance of bonds.

SECTION 2. The Bonds shall have maturity dates in accordance with the Connecticut General Statutes, as amended, and shall bear interest payable semiannually each year until maturity and be issued in fully registered form. The Bonds shall be payable at and certified by U.S. Bank Trust Company, National Association, which bank shall also serve as certifying, registrar, paying and transfer agent for the Bonds. The Bonds may be sold as a single issue or consolidated with any other authorized issues of bonds of the District. The Bonds shall be sold by the District Treasurer, or in his absence, the Deputy Treasurer, in one or more competitive offerings or negotiated offerings, in the discretion of the District Treasurer, or in his absence, the Deputy Treasurer. If sold in one or more competitive offerings, the Bonds shall be awarded to the bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the District, and in no case for a sum less than par and accrued interest to the date of delivery, and the District Treasurer, or in his absence the Deputy Treasurer, is hereby authorized to determine the principal amount to be issued, the principal amount to mature in each year, the optional redemption date(s) and redemption premium(s), if any, and the rate or rates of interest on the Bonds, and deliver the Bonds to the purchaser(s) thereof in accordance with this resolution. If sold in one or more negotiated offerings, the Authorized Officers are authorized to negotiate, execute and deliver one or more bond purchase agreements for the Bonds setting forth all the terms and conditions of the sale in such form as they shall deem necessary and appropriate, and deliver the Bonds to the purchaser(s) thereof in accordance with this resolution.

SECTION 3. The Authorized Officers are authorized to prepare and distribute a Preliminary Official Statement and a final Official Statement of the District for use in connection with the offering and sale of the Bonds and are further authorized to execute and deliver a Continuing Disclosure Agreement in connection with the issuance and sale of the Bonds on behalf of the District in such form as they shall deem necessary and appropriate.

SECTION 4. The Bonds shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Authorized Officers, bear the District seal or a facsimile thereof, and be approved as to their legality by Shipman & Goodwin LLP, Bond Counsel to the District. The Authorized Officers are authorized to execute and deliver a Tax Certificate and Tax Compliance Agreement on behalf of the District in such forms as they shall deem necessary and appropriate, and to rebate to the federal government such amounts as may be required pursuant to the Tax Certificate for the purpose of complying with the requirements of the Internal Revenue Code of 1986, as amended. The Authorized Officers are authorized to execute and deliver any and all agreements and documents necessary to effect the issuance and sale of the Bonds in accordance with the terms of this resolution. The Authorized Officers are authorized to execute and deliver on behalf of the District any documents or instruments necessary or desirable for the issuance of the Bonds.

SECTION 5. That the District hereby declares its official intent under Treasury Regulation Section 1.150-2 of the Internal Revenue Code of 1986, as amended, that project costs may be paid from temporary advances of available funds and that the District reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized for the Projects.

Respectfully Submitted,

Victoria S Escoriza

Victoria S. Escoriza
Interim District Clerk

BOARD OF FINANCE
RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS FOR NEW MONEY FOR INTEGRATED PLAN PROJECTS

To: Board of Finance for consideration on August 31, 2026

Bond Counsel prepared the following resolution for your approval.

It is therefore RECOMMENDED that it be:

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

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING $50,000,000 REVENUE BONDS FOR INTEGRATED PLAN PROJECTS OF THE METROPOLITAN DISTRICT, THE EXECUTION AND DELIVERY OF A SUPPLEMENT TO THE SPECIAL OBLIGATION INDENTURE OF TRUST, AND RELATED AGREEMENTS

WHEREAS, the Metropolitan District (the "District") has entered into a consent decree of the United States District Court of the District of Connecticut, by and between the District, the United States Department of Justice, the U.S. Attorney's Office, the United States Environmental Protection Agency and the State of Connecticut Attorney General (the "U.S. Consent Decree"), and a consent order and a general permit for nitrogen discharges, and existing municipal national pollutant discharge elimination system permits of the State of Connecticut Department of Energy and Environmental Protection, formerly the State of Connecticut Department of Environmental Protection ("CDEP") entered into by and between the District and the Commissioner of the CDEP (the "Connecticut Consent Order" and together with the U.S. Consent Decree, the "Governmental Orders"), including, but not limited to the obligation to provide for (i) the rehabilitation and reconstruction of portions of the District's sanitary sewer systems, (ii) the renovation of the combined sewer system, (iii) improvements to water pollution control facilities, (iv) development of a nitrogen removal program, (v) the separation of sewerage and storm water drainage collection systems, (vi) the construction of additional storage, conveyance and treatment facilities (herein referred to as the "Project");

WHEREAS, the District has by ordinance adopted October 1, 2007 adopted Section S12x of its Ordinances Relating to Sewers, which provides for a Special Sewer Service Charge for customers of the District who utilize the District's sewer system and are furnished water directly by the District (the "**Special Sewer Surcharge**"), which Special Sewer Surcharge shall be established annually through the District's budget approval process, shall be uniformly applied to, and be proportional to the quantity of water used by, such customers, and shall be used exclusively for the payment of principal and interest on certain bonds issued or which may be issued and other loans, to finance all costs associated with any and all measures necessary to comply with the Governmental Orders, including the costs of the Project;

WHEREAS, Chapter 103 of the General Statutes, the Municipal Sewerage Act (the “Municipal Act”) provides for the issuance of bonds, notes and other obligations by a municipality, including the District, which may be secured as to both principal and interest by a pledge of revenues to be derived from sewerage system use charges, including the Special Sewer Surcharge;

WHEREAS, the District’s Charter, as amended by Special Act 90-27, and as it may be amended from time to time (the “Charter,” and together with the Municipal Act, the “Authorizing Acts”), provides for the issuance of bonds, notes and other obligations by the District, and in connection therewith to enter into reimbursement agreements or similar agreements in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the purpose of moderating interest rate fluctuations;

WHEREAS, the District proposes to issue special obligation bonds to be secured by a pledge of the Special Sewer Surcharge pursuant to the Authorizing Acts;

WHEREAS, special obligation bonds issued pursuant to the Municipal Act are not subject to the limit on indebtedness of the District provided for in the Charter;

WHEREAS, the District proposes to issue bonds pursuant to the Special Obligation Indenture of Trust dated as of June 1, 2013 (the “**Special Obligation Indenture**”) and a Seventh Supplemental Indenture thereto (the “**Seventh Supplemental Indenture”** and together with the Special Obligation Indenture, the “**Indenture**”) with U.S. Bank Trust Company, National Association, to finance the costs of the Project;

WHEREAS, the Indenture provides for the issuance of the Special Obligation Bonds (the “**Bonds**”) of the District, payable solely from the Special Sewer Surcharge, and other receipts, funds or moneys pledged under the Indenture, if any, and that such Bonds shall be special obligations of the District, payable solely from Pledged Revenues, and other receipts, funds or moneys pledged under the Indenture, and respective supplemental indentures thereto for each series of Bonds;

WHEREAS, the District proposes to issue up to $50,000,000 of its revenue bonds (the “**2026 New Money Obligations**”) to fund costs of the Project;

WHEREAS, the District intends to prepare a preliminary official statement and final official statement for the purpose of presenting information in connection with the offering and sale of the 2026 New Money Obligations;

WHEREAS, the District proposes to issue and sell the 2026 New Money Obligations to an underwriter or underwriters pursuant to a bond purchase agreement (the "**Contract for Purchase**"), to be negotiated between the District and the underwriters;

WHEREAS, the 2026 New Money Obligations are expected to be issued on terms such that the interest thereon shall be excludable from gross income for federal income tax purposes, and for the purpose of establishing such terms and giving assurance as to future compliance with the Internal Revenue Code of 1986, the District proposes to enter into a Tax Certificate and Tax Compliance Agreement;

WHEREAS, pursuant to Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as part of the offering of the 2026 New Money Obligations the District proposes to enter into a Continuing Disclosure Agreement; and

WHEREAS, capitalized terms not defined herein shall have the meaning ascribed to such terms in the Indenture.

NOW THEREFORE, BE IT RESOLVED, by the District Board as follows:

Section 1. Not exceeding $50,000,000 revenue bonds of the Metropolitan District, (the "**2026 New Money Obligations**") are hereby authorized to be issued to fund such portion of the authorized and unissued balances of the capital appropriations for the Project, plus the costs of issuing the 2026 New Money Obligations. The 2026 New Money Obligations shall be dated the date of their delivery, shall mature in annual installments of principal and bear interest semi-annually each year until maturity. The 2026 New Money Obligations shall be payable at and certified by U.S. Bank Trust Company, National Association, which bank shall also serve as registrar and transfer agent for the 2026 New Money Obligations. The Chairman, or in his absence, the Vice Chairman, and the District Treasurer, or in his absence the Deputy Treasurer (the "**Authorized Officers**") are authorized to execute and deliver one or more Tax Certificates and Tax Compliance Agreements for the 2026 New Money Obligations on behalf of the District in such form as they shall deem necessary and appropriate, and to rebate to the federal government such amounts as may be required pursuant to the Tax Certificate for the purpose of complying with the requirements of the Internal Revenue Code of 1986, as amended.

Section 2. The District Board determines it is advisable and in the best interest of the District to authorize, and does hereby authorize, the District to enter into the Seventh Supplemental Indenture to the Special Obligation Indenture and to effect the pledge of the Special Sewer Surcharge as provided for therein, such Seventh Supplemental Indenture to be in the form, or substantially the form, as has been or shall be distributed to the District Board, and authorizes the Authorized Officers to execute and deliver such Seventh Supplemental Indenture in such form, with such further changes and additions as they shall approve, such approval to be conclusively evidenced by the execution and delivery of such Seventh Supplemental Indenture by such Authorized Officers.

Section 3. The District Board also determines to deposit into the Rate Stabilization Fund established under the Indenture and subject to the pledge of the Indenture, all Special Sewer Surcharge revenues of the District which have not heretofore been used by the District to pay indebtedness of the District.

Section 4. The District Board authorizes the use of such preliminary official statement in connection with the public offering of the 2026 New Money Obligations as the Authorized Officers shall deem advisable, and authorizes the Authorized Officers, in the name of the District, to deem the preliminary official statement and such supplements final when appropriate and execute a final official statement and such supplements, and any further amendment or supplement thereto, in connection with and after the sale of the 2026 New Money Obligations.

Section 5. The Authorized Officers are hereby authorized to determine the principal amount, maturities, rate or rates of interest, redemption terms, and the other particulars of the 2026 New Money Obligations, and to deliver the 2026 New Money Obligations to the purchaser thereof in accordance with this resolution. The Authorized Officers are authorized to negotiate, execute and deliver one or more Contracts of Purchase setting forth all the terms of sale of the 2026 New Money Obligations, including the underwriters' discount for such sale, in such form as they shall deem necessary and appropriate. The 2026 New Money Obligations shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Authorized Officers, bear the District seal or a facsimile thereof, and be approved as to their legality by Shipman & Goodwin LLP, Bond Counsel to the District. The Authorized Officers are authorized to execute and deliver a Tax Certificate and Tax Compliance Agreement for the 2026 New Money Obligations issued on a tax-exempt basis on behalf of the District in such form as they shall deem necessary and appropriate, and to rebate to the federal government such amounts as may be required pursuant to the Tax Certificate for the purpose of complying with the requirements of the Internal Revenue Code of 1986, as amended. The Authorized Officers are authorized to execute and deliver a Continuing Disclosure Agreement and any and all agreements and documents necessary to effect the issuance and sale of the 2026 New Money Obligations in accordance with the terms of this resolution. The Authorized Officers and other proper officers of the District are hereby authorized to do and perform such acts, and execute and deliver, in the name of the District, such additional instruments, agreements and certificates as they deem necessary or appropriate to carry into effect the intent of the foregoing resolutions, and as shall not be inconsistent with the foregoing resolutions.

Section 6. The District hereby determines and declares, for purposes of Section 7-263 of the Connecticut General Statutes, that the 2026 New Money Obligations are part of a single plan of finance for the purpose of financing the Project, and all prior general obligation bonds of the District (but not any bond anticipation notes issued in anticipation of the issuance of such general obligation bonds) issued for purposes of financing the Project.

Section 7. The District hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations (the "Regulations"), to reimburse expenditures paid sixty days prior to and any time after the date of passage of this resolution, or otherwise as may be allowed under the Regulations, in the maximum amount and for the Project with the proceeds of the 2026 New Money Obligations authorized to be issued by the District. The 2026 New Money Obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The District hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Authorized Officers are authorized to amend such expression of official intent to bind the District pursuant to such changes he deems necessary or advisable to maintain the continued exemption from federal income taxation of interest on the 2026 New Money Obligations.

Section 8. This resolution will take effect immediately.

Respectfully Submitted,

Victoria S Escoriza

Victoria S. Escoriza
Interim District Clerk

BOARD OF FINANCE

REALLOCATION OF PROCEEDS OF CERTAIN GENERAL OBLIGATION BONDS OF THE METROPOLITAN DISTRICT

To: Board of Finance for consideration on August 31, 2026

Staff is seeking authority for the District to reallocate a total of $9,343,000 from the following three issuances:

1. A total of $404,000 of proceeds from the District's $130,810,000 General Obligation Bonds, Issue of 2021, Series A dated August 31, 2021 from the capital improvement projects set forth on Exhibit A-1 (attached hereto) to the capital improvement projects set forth on Exhibit A-1;

2. A total of $461,000 of proceeds from the District's $74,380,000 General Obligation Bonds, Issue of 2022, dated August 30, 2022 from the capital improvement projects set forth on Exhibit A-2 (attached hereto) to the capital improvement projects set forth on Exhibit A-2; and

3. A total of $8,478,000 of proceeds from the District's $75,730,000 General Obligation Bonds, Issue of 2023, dated August 10, 2023 from the capital improvement projects set forth on Exhibit A-3 (attached hereto) to the capital improvement projects set forth on Exhibit A-3.

It is therefore RECOMMENDED that it be:

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

RESOLVED:

RESOLUTION AUTHORIZING THE REALLOCATION OF PROCEEDS OF CERTAIN GENERAL OBLIGATION BONDS OF THE METROPOLITAN DISTRICT

Proceeds from certain of the District's General Obligation Bonds are hereby reallocated as follows:

1. Proceeds from the District's $130,810,000 General Obligation Bonds, Issue of 2021, Series A dated August 31, 2021 from the capital improvement projects set forth on Exhibit A-1 (attached hereto) to the capital improvement projects set forth on Exhibit A-1;

2. Proceeds from the District's $74,380,000 General Obligation Bonds, Issue of 2022, dated August 30, 2022 from the capital improvement projects set forth on Exhibit A-2 (attached hereto) to the capital improvement projects set forth on Exhibit A-2; and

3. Proceeds from the District's $75,730,000 General Obligation Bonds, Issue of 2023, dated

August 10, 2023 from the capital improvement projects set forth on Exhibit A-3 (attached hereto) to the capital improvement projects set forth on Exhibit A-3.

EXHIBIT A-1

130,810,000 General Obligation Bonds, Issue of 2021, Series A

dated August 31, 2021

BOND	TYPE	FROM	DESCRIPTION	AMOUNT	TO	DESCRIPTION	AMOUNT
I. Reallocated from the 2021 GO Bond Sewer							
	Sewer	C-18011	2018 Sewer Rehabilitation Program	(404,000)	C-19012	2019 Water Pollution Control Facilities Infrastructure Rehabilitation, Upgrades and Replacements	404,000
			Total 2021 GO Bond Reallocations	**(404,000)**			**404,000**

EXHIBIT A-2

$74,380,000 General Obligation Bonds, Issue of 2022,

dated August 30, 2022

BOND	TYPE	FROM	DESCRIPTION	AMOUNT	TO	DESCRIPTION	AMOUNT
II. Reallocated from the 2022 GO Bond Sewer and Water							
	Sewer	C-17006	2017 WPC Plant Infrastructure Renewal & Replacement	(182,000)	C-23S01	2023 General Purpose Sewer	182,000
	Water	C-22007	2022 Water Service Inventory and Mapping	(279,000)	C-22003	2022 Capitol Ave. Area Water Main Replacement, Hartford	279,000
			Total 2022 GO Bond Reallocations	**(461,000)**			**461,000**

EXHIBIT A-3

$75,730,000 General Obligation Bonds, Issue of 2023

dated August 10, 2023

BOND	TYPE	FROM	DESCRIPTION	AMOUNT	TO	DESCRIPTION	AMOUNT
III. Reallocated from the 2023 GO Bond Water, Sewer, and Combined							
	Sewer	C-14010	2014 Hartford WPCF Sludge Mixing Tank, Sludge Screening, GT & RSRF Upgrades	(50,000)	C-24S02	2024 Various Small Pump Station Renewals and Rehabilitations	103,000
		C-21006	2021 Water Pollution Control Facilities Infrastructure Rehabilitation, Upgrades and Replacements	(48,000)			
		C-20002	2020 Wastewater Pump Station Upgrades and Equipment	(2,000)			
		C-23S03	2023 Island Road Pump Station Rehabilitation	(1,000)			
		C-11002	2011 Sewer Pump Station Rehabilitation	(1,000)			
		C-20004	2020 Various Sewer Pipe Replacement/Rehabilitation Program	(1,000)			

Sewer	C-20017	2020 Various Sewer Pipe Replacement/Rehabilitation Program	(112,000)	C-21007	2021 East Hartford Water Pollution Control Facility - Phase 3B Aeration, DO Control, SCADA Upgrades and Facility Improvements	112,000
Sewer	C-19008	2019 Wastewater Pump Stations and Equipment	(133,000)	C-19012	2019 Water Pollution Control Facilities Infrastructure Rehabilitation, Upgrades and Replacements	172,000
	C-99V22	2022 Private Property Inflow Disconnect Program	(29,000)			
	C-19015	2019 General Purpose Sewer	(5,000)			
	C-20018	2018 CCTV Generated Sewer Construction	(5,000)			
Sewer	C-18014	2018 General Purpose Sewer	(148,000)	C-20044	2020 General Purpose Sewer Program	148,000
Sewer	C-17005	2017 WPC Equipment & Facilities Improvements	(179,000)	C-18005	2018 WPC Infrastructure Rehabilitation, Upgrades & Replacements	337,000
	C-17019	2017 General Purpose Sewer	(82,000)			
	C-15028	2015/2016 General Purpose Sewer	(76,000)			
Sewer	C-18011	2018 Sewer Rehabilitation Program	(809,000)	C-26S01	2026 General Purpose Sewer	809,000
Sewer	C-23S04	2023 Sanitary Sewer Easement Program	(1,402,000)	C-23S05	2023 WPC Facilities Infrastructure Rehabilitation, Upgrades & Replacement	1,402,000
Sewer	C-17015	2017 Sanitary Sewer Easements Acquisitions & Improvements	(213,000)	C-20044	2020 General Purpose Sewer Program	241,000
	C-22010	2022 Various Sewer Pipe Replacement/Rehabilitations	(28,000)			
Sewer	C-15010	2015/2016 WPC Plant Infrastructure Renewal and Replacements	(763,000)	C-19012	2019 Water Pollution Control Facilities Infrastructure Rehabilitation, Upgrades and Replacements	113,000
				C-23S01	2023 General Purpose Sewer	206,000
				C-18005	2018 WPC Infrastructure Rehabilitation, Upgrades & Replacements	189,000
				C-23S05	2023 WPC Facilities Infrastructure Rehabilitation, Upgrades & Replacement	255,000

Water	C-99M12	2012 Radio Frequency Automated Meter Reading	(682,000)	C-22004	2022 Hartford Hospital Area WMR, Hartford	1,282,000
	C-12009	2012 Dike Penetration and Correction Installations	(600,000)			
Water	C-19006	2019 Water Main Replacement Program	(477,000)	C-24W11	2024 Silas Deane Highway Water Main Replacement	1,317,000
	C-19002	2019 Water Supply Infrastructure Rehabilitation, Upgrades & Replacements	(454,000)			
	C-99M14	2014 Radio Frequency Automated Meter Reading	(386,000)			
Water	C-21016	2021 District-wide Water Main Replacement Program	(667,000)	C-22003	2022 Capitol Ave. Area Water Main Replacement, Hartford	1,725,000
	C-20043	2020 General Purpose Water Program	(378,000)			
	C-21008	2021 General Purpose Water Program	(173,000)			
	C-23W06	2023 Levee Protection - Water	(147,000)			
	C-20008	2020 Webster Hill Area Water Main Replacement, West Hartford	(119,000)			
	C-21009	2021 New Park Avenue Water Main Replacement, West Hartford	(85,000)			
	C-21018	2021 District-wide Water Main Replacement Program	(67,000)			
	C-99P23	2023 Paving Program & Restoration	(89,000)			
Combined	C-23C02	2023 Facilities	(34,000)	C-99F25	2025 CEM Vehicles & Equipment	67,000
	C-20013	2020 Facilities and Equipment Improvements	(15,000)			
	C-21014	2021 Facilities and Equipment Improvements	(9,000)			
	C-99F20	2020 Fleet and Equipment Replacement and Upgrades	(5,000)			
	C-99F21	2021 Fleet and Equipment Replacement and Upgrades	(3,000)			
	C-99F23	2023 CEM Vehicles	(1,000)			
		Total 2023 GO Bond Reallocations	**(8,478,000)**			**8,478,000**
		Grand Total Reallocations	**(9,343,000)**			**9,343,000**

Respectfully submitted,

Victoria S Escoriza

Victoria S. Escoriza
Interim District Clerk

BOARD OF FINANCE
2026 OPERATING BUDGET TRANSFER

To: Board of Finance for consideration on August 31, 2026

The adopted operating budget for the 2026 Metropolitan District projects a deficit in the Operations System Repair department due to higher than anticipated costs in 2026.

CERTIFICATIONS:

In accordance with Section 3-8 of the Charter of The Metropolitan District, I hereby certify that there exists, free from encumbrances, in the following appropriation, the amounts listed:

Cost Center	From:	General	Water	Total
2320010010	Command Ctr - Admin	$ 17,000	$ 33,000	$ 50,000
2320010010	Command Ctr - Admin	$ 34,000	$ 66,000	$ 100,000
2320010010	Command Ctr - Admin	$ 10,200	$ 19,800	$ 30,000
2320010010	Command Ctr - Admin	$ 3,400	$ 6,600	$ 10,000
2320010020	Command Ctr - Utility Svcs	$ 17,000	$ 33,000	$ 50,000
2320010020	Command Ctr - Utility Svcs	$ 6,800	$ 13,200	$ 20,000
2320010020	Command Ctr - Utility Svcs	$ 17,000	$ 33,000	$ 50,000
7000010010	Debt Service	$ 11,600	$ -	$ 11,600
7000010010	Debt Service	$ -	$ 238,400	$ 238,400
2230010010	Laboratory: Admin	$ 24,000	$ 26,000	$ 50,000
2230010020	Laboratory: Operations	$ 24,000	$ 26,000	$ 50,000
Total		**$ 165,000**	**$ 495,000**	**$ 660,000**

Cost Center	To:	General	Water	Total
2330010020	Operations: Systems Repair	$ 75,000	$ 225,000	$ 300,000
2330010020	Operations: Systems Repair	$ 90,000	$ 270,000	$ 360,000
Total		**$ 165,000**	**$ 495,000**	**$ 660,000**

Jonathan M. Perugini
Director of Finance / CFO
District Treasurer

It is therefore RECOMMENDED that it be:

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

Resolved: That transfers within the 2026 Budget Appropriations be approved as follows:

Cost Center	From:	General	Water	Total
2320010010	Command Ctr - Admin	$ 17,000	$ 33,000	$ 50,000
2320010010	Command Ctr - Admin	$ 34,000	$ 66,000	$ 100,000
2320010010	Command Ctr - Admin	$ 10,200	$ 19,800	$ 30,000
2320010010	Command Ctr - Admin	$ 3,400	$ 6,600	$ 10,000
2320010020	Command Ctr - Utility Svcs	$ 17,000	$ 33,000	$ 50,000
2320010020	Command Ctr - Utility Svcs	$ 6,800	$ 13,200	$ 20,000
2320010020	Command Ctr - Utility Svcs	$ 17,000	$ 33,000	$ 50,000
7000010010	Debt Service	$ 11,600	$ -	$ 11,600
7000010010	Debt Service	$ -	$ 238,400	$ 238,400
2230010010	Laboratory: Admin	$ 24,000	$ 26,000	$ 50,000
2230010020	Laboratory: Operations	$ 24,000	$ 26,000	$ 50,000
Total		**$ 165,000**	**$ 495,000**	**$ 660,000**

Cost Center	To:	General	Water	Total
2330010020	Operations: Systems Repair	$ 75,000	$ 225,000	$ 300,000
2330010020	Operations: Systems Repair	$ 90,000	$ 270,000	$ 360,000
Total		**$ 165,000**	**$ 495,000**	**$ 660,000**

Respectfully Submitted,

Victoria S Escoriza

Victoria S. Escoriza
Interim District Clerk

BOARD OF FINANCE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Wednesday, June 24, 2026

PRESENT: Commissioners Andrew Adil, Jackie Mandyck, Pasquale Salemi, Citizen Members Kay Al Mannai, Linda King-Corbin, Linda Russo, and District Chairman Donald Currey (7)

REMOTE ATTENDANCE: Citizen Member Awet Tsegai (1)

ABSENT: Citizen Member Sharon Murray (1)

ALSO PRESENT:
Commissioner William DiBella
Commissioner Dominic Pane
Commissioner Chris Tierinni (Remote Attendance)
Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, Assistant District Counsel
Jonathan Perugini, Chief Financial Officer/ Director of Finance
Robert Schwarm, Director of Information Systems (Remote Attendance)
Janet Murphy, Controller
Julie Price, Executive Assistant
Kevin Sullivan, IT Consultant (Remote Attendance)
Keith Sanabria, IT Consultant (Remote Attendance)
David Flint, CliftonLarsonAllen LLP

CALL TO ORDER

Chairman Salemi called the meeting to order at 5:02 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

INDEPENDENT CONSUMER ADVOCATE COMMENTS & QUESTIONS RELATIVE TO AGENDA ITEMS

Independent Consumer Advocate Elizabeth Tavelli was not present.

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Adil and duly seconded, the Board of Finance meeting minutes of April 27, 2026 were approved unanimously.

Board of Finance Chairman Salemi stated for the record that he acknowledged that there was an agenda item at the April 27, 2026 meeting: "Opportunities for members to submit questions for the auditors regarding the FY2025 Financial Audit" and the opportunity continues into tonight, to ask the auditor any questions regarding the FY2025 Financial Audit.

2025 AUDIT
MR. DAVID FLINT OF CLA WILL PRESENT THE ORGANIZATION OF EACH OF THE REPORTS

David Flint of CliftonLarsonAllen LLP presented an overview of the Fiscal Year 2025 Audit.

2025 AUDIT
THE CHAIR WILL PRESENT WRITTEN QUESTIONS/REQUESTS WHICH HAVE BEEN FORWARDED TO CLA

Board of Finance Chairman Salemi called the agenda item, and led a discussion on the questions submitted by Board of Finance Chairman Salemi and Board of Finance Vice Chairman Adil, and the responses they received from David Flint of Clifton Larson Allen LLP, dated June 16, 2026.

In the June 16, 2026 written response, David Flint stated that CLA did this analysis as a courtesy to the Chair and the Vice Chair of the Board of Finance as such a review falls outside of the scope of the Financial Statement Audit and Federal Single Audit that we were contracted to perform. If the Board of Finance collectively wishes CLA to review the legal expenditures in prior years, they would be happy to do so at our hourly billing rates.

Board of Finance Chairman Salemi noted that CLA's full written response, dated June 16, 2026, is a matter of record.

Board of Finance Chairman Salemi noted that the CEO could provide the additional documentation directly to the Board of Finance upon request and Board of Finance Chairman Salemi stated he would put a request together regarding the issue.

Board of Finance Chairman Salemi noted that the additional work from CLA was not required at this time.

No additional questions were submitted in writing.

2025 AUDIT
THE CHAIR WILL RECOGNIZE MEMBERS FOR THEIR QUESTIONS RE: 2025 AUDIT AND CLA AND MDC STAFF FOR THEIR RESPONSES

Board of Finance Chairman Salemi called the Agenda Item and recognized Members and Commissioners for the purpose of asking questions regarding the FY 2025 Audit presented by Clifton Larson Allen LLP.

Commissioner Mandyck asked multiple questions including whether the tunnel is considered an asset even though the construction isn't complete, whether there was any significant audit adjustment, any risk based on the audit looking at the next 12-24 months, and how the auditor assesses MDCs internal controls. She also asked whether Mr. Flint met with any Board of Finance members or other commissioners.

Commissioner Pane asked if Mr. Flint was familiar with the resolution by the Board of Finance about communicating with the Board of Finance through the District Clerk.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

COMMISSIONER REQUESTS FOR FUTURE AGENDA ITEMS

Commissioner Mandyck requested that the Board of Finance look into whether or not the Webex meeting between Mr. Flint, Board of Finance Chairman Salemi, and Board of Finance Vice Chairman Adil constitutes a violation of MDC Bylaw B2k based on the Board of Finance resolution about communication.

Board of Finance Chairman Salemi stated that the Board of Finance is not the appropriate committee to make this request, so it would not be a Board of Finance agenda item, and that Commissioner Mandyck should bring it to the Board if she wants to.

ADJOURNMENT

The meeting was adjourned at 5:06 PM

ATTEST:

Victoria S. Escoriza
Interim District Clerk

____
Date of Approval

**Video of the full June 24, 2026 Board of Finance meeting is available at https://www.youtube.com/@MetropolitanDistrictCommission **

BOARD OF FINANCE
REGULAR MEETING
The Metropolitan District
555 Main Street, Hartford
Monday, June 29, 2026

PRESENT: Commissioners Jackie Mandyck, Pasquale Salemi, Citizen Members Kay Al Mannai, Sharon Murray, Awet Tsegai and District Chairman Donald Currey (6)

REMOTE ATTENDANCE: Commissioner Andrew Adil, Citizen Members Linda King-Corbin and Linda Russo (3)

ABSENT: None (0)

ALSO PRESENT:
Commissioner John Avedisian
Commissioner Richard Bush
Commissioner Joan Gentile (Remote Attendance)
Commissioner Dominic Pane
Commissioner Chris Tierinni (Remote Attendance)
Scott W. Jellison, Chief Executive Officer
Christopher Stone, District Counsel
John S. Mirtle, Assistant District Counsel (Remote Attendance)
Victoria Escoriza, Interim District Clerk
Kelly Shane, Chief Administrative Officer
Christopher Levesque, Chief Operating Officer
Jonathan Perugini, Chief Financial Officer/ Director of Finance
Sue Negrelli, Director of Engineering (Remote Attendance)
Robert Schwarm, Director of Information Systems (Remote Attendance)
Seth Koos, Director of Procurement
Tom Tyler, Director of Facilities
Dave Rutty, Director of Operations
Janet Murphy, Controller
Kevin Sullivan, IT Consultant (Remote Attendance)
Keith Sanabria, IT Consultant (Remote Attendance)
David Flint, CliftonLarsonAllen LLP
Elizabeth Tavelli, Independent Consumer Advocate (Remote Attendance)

CALL TO ORDER

Chairman Salemi called the meeting to order at 5:30 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

INDEPENDENT CONSUMER ADVOCATE COMMENTS & QUESTIONS RELATIVE TO AGENDA ITEMS

Independent Consumer Advocate Elizabeth Tavelli did not have any comments or questions.

FY2025 AUDIT QUESTIONS FOR STAFF

Chief Administrative Officer Kelly Shane provided a report regarding the MDC Purchasing Card Policy and verbally answered written questions from Commissioner Adil.

RECEIPT OF 2025 AUDIT FROM CLIFTON LARSON ALLEN LLP

On motion made by Commissioner Adil and duly seconded, the receipt of 2025 audit from Clifton Larson Allen LLP was unanimously referred to the District Board.

BOARD OF FINANCE
RESOLUTION TO AUTHORIZE THE DISTRICT TO EXECUTE AND DELIVER ONE OR MORE PROJECT LOAN AND PROJECT SUBSIDY AGREEMENTS AND ONE OR MORE PROJECT LOAN AND PROJECT SUBSIDY AND PRINCIPAL FORGIVENESS AGREEMENTS AND ANY AND ALL INTERIM FUNDING OBLIGATIONS AND PROJECT LOAN OBLIGATIONS IN AN AMOUNT NOT TO EXCEED $1,750,000 IN ORDER TO FUND A 2022 CAPITAL IMPROVEMENT PROGRAM PROJECT

To: Board of Finance June 29, 2026

Staff seeks approval from your Board to authorize the District to execute and deliver one or more project loan and project subsidy agreements and any and all interim funding obligations and project loan obligations in an amount not to exceed $1,750,000 in order to fund a 2022 capital improvement program project.

The project loan and subsidy will fund the capital improvement program project for water service inventory and mapping district-wide.

Bond Counsel prepared the following resolution for your approval.

WHEREAS, on December 6, 2021, the District Board approved that certain resolution entitled "RESOLUTION APPROPRIATING $94,600,000 FOR THE DISTRICT'S 2022 CAPITAL IMPROVEMENT PROGRAM AND AUTHORIZING THE ISSUANCE OF BONDS OR NOTES OF THE DISTRICT IN AN AMOUNT NOT TO EXCEED $94,600,000 TO FINANCE SAID APPROPRIATION" (the "Resolution") after the recommendation of the Board of Finance; and

WHEREAS, the Resolution provides, among other things, an appropriation and bond authorization in the amount of $1,750,000 for the capital improvement program project set forth therein as No. 17 for water service inventory and mapping (the "Project"), as more particularly attached hereto and incorporated herein; and

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

WHEREAS, the Resolution further states that "[t]he aggregate principal amount of the 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 a recommendation of the Board of Finance"; and

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

WHEREAS, the District has submitted and/or plans to submit one or more applications to the State of Connecticut Department of Public Health ("DPH") to determine whether the Project will be eligible for funding under the Drinking Water Program (as defined in the Resolution); and

WHEREAS, in anticipation of DPH determining that the Project will be eligible under the Drinking Water Program, the District Board desires to (1) authorize the District to execute and deliver one or more Project Loan and Project Subsidy Agreements, one or more Project Loan and Project Subsidy and Principal Forgiveness Agreements, as applicable, and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed $1,750,000 in order to fund any or all of the Project described in the Resolution, and (2) make such other determinations of the particulars of any and all such Interim Funding Obligations and Project Loan Obligations as described herein.

It is **RECOMMENDED** that it be

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

BE IT RESOLVED:

Section 1. The Board Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver one or more Project Loan and Project Subsidy Agreements and one or more Project Loan and Project Subsidy and Principal Forgiveness Agreements, as applicable (each, an "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations in an aggregate amount not to exceed $1,750,000 to fund any or all of the Project described in the Resolution and determined by the DPH as eligible under the Drinking Water Program.

Section 2. The Interim Funding Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DPH, dated as of their date of issue, incorporate the amount of issue and the specific Project to be funded, and shall mature within six months of the Scheduled Completion Date, as defined in each Agreement, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in each Agreement, and to the extent not paid prior to maturity from District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in each Agreement.

Section 3. The Project Loan Obligations shall be identified in a manner consistent with the Resolution and the applications submitted to DPH, dated as of their date of issue, incorporate the amount of issue and the specific Project to be funded, and shall mature no later than twenty years from the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum and shall be payable as to principal and interest in monthly installments, all as provided in each Agreement.

Section 4. The prior actions by the Chairman, or in his absence, the Vice-Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, in furtherance of this resolution are hereby ratified and confirmed in all respects. Capitalized terms used herein and not defined shall have the meanings ascribed to them in each Agreement.

Respectfully Submitted,

Victoria S Escoriza

Victoria S. Escoriza
Interim District Clerk

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

Commissioner Mandyck left the meeting at 6:00 PM

RECENT BOARD OF FINANCE COMMUNICATIONS

No discussion was held.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

District Counsel Stone stated for the record that the Fiscal Year 2025 would be filed on June 30, 2026.

COMMISSIONER REQUESTS FOR FUTURE AGENDA ITEMS

Commissioner Salemi would like additional information on the tunnel project change order and suggested a letter to CT DEEP to consider reimbursement.

ADJOURNMENT

The meeting was adjourned at 6:22 PM

ATTEST:

Victoria S. Escoriza ________________________
Interim District Clerk Date of Approval

**Video of the full June 29, 2026 Board of Finance meeting is available at https://www.youtube.com/@MetropolitanDistrictCommission **