



## Northeast Financing

### The Mattabassett District (Connecticut)

\$18,205,000 Revenue Refunding Bonds  
Series 2021

BAIRD

Public Finance

**Pricing Date: June 3, 2021**

**Rating: "AA" Build America Mutual insured  
GreenStar designated**

#### The Mattabassett District (the "District")

The District provides sewer and wastewater treatment services to a number of Connecticut municipalities, including New Britain (S&P: "A"), Middletown (S&P: "AAA"), Berlin (S&P: "AAA"), and Cromwell (S&P: "AAA"). The District's governing Board of Directors is appointed by its constituent members and participants.



#### Use of Proceeds

The District previously obtained a low-interest clean water fund loan from the State of Connecticut to finance various projects. As a result of the low interest rate environment, the District decided to issue public revenue bonds to refinance a portion of its loan to realize debt service savings.

#### The Financing

- **This was the District's first-ever public bond financing.** Baird worked with the District, Bond Counsel, and Underwriter's Counsel to create an indenture and offering document that would be advantageous to the District and accepted by investors.
- **Baird led the bond insurance and credit rating process.** Baird solicited commitments from the two active municipal bond insurers. Build America Mutual was selected; the insurer also assigned its **GreenStar designation** to the 2021 Bonds, given that the original loan proceeds funded sustainable water and wastewater management projects. After careful analysis, Baird also determined that it would be most effective to structure the 2021 Bonds with **no underlying credit rating**.
- **Municipal revenue bond financings are infrequently issued in Connecticut.** The 2021 Bonds are secured by a pledge of the District's sewer revenues, a majority of which are comprised of annual assessments levied on its members and participants. (Any unpaid assessments result in a lien on that participant's real property.)
- Baird's underwriters and salesforce heavily premarketed the 2021 Bonds, highlighting the credit strength of the District's members and participants, and the uniqueness of this negotiated revenue bond issue in Connecticut.
- Baird generated nearly **\$40 million in orders** – a **2.2x oversubscription**. Some maturities were as much as 3x oversubscribed, and **Baird lowered yields** on these selected maturities by 3 basis points (0.03%)
- The transaction execution by Baird's banking, underwriting, and sales teams enabled the District to realize nearly **\$870,000 in gross debt service savings** and **lower its all-in cost of funds** by nearly 50 basis points (0.50%).

#### BAIRD NORTHEAST PUBLIC FINANCE

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