

**South Central Connecticut Regional Water Authority**

**Minutes of the May 16, 2013 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, May 16, 2013 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chair DiSalvo presiding.

Present: Authority – Ms. Lieberman, Messrs. Bell, Cermola, DiSalvo, Marsh  
Management – Mss. Discepolo, Soda, Mr. Bingaman  
RPB – Messrs. Borowy, Havrda  
Staff – Ms. Yoder

The Chair called the meeting to order at 12:35 p.m. He proposed to remove consideration of the capital budget authorization for June 2013 from the consent agenda and consider it at the end of the meeting after consideration of the fiscal year 2014 budgets. There were no objections. Chair DiSalvo briefly described revisions to the Authority’s master calendar such that each quarter will include a special topics meeting and two regular business meetings that each include two committee meetings.

At 12:40 p.m., on motion duly made by Mr. Bell and seconded by Mr. Cermola, it was voted unanimously to go into executive session to discuss litigation, acquisition of real estate and union negotiations. Present in executive session were the Authority members, Mr. Bingaman, Mss. Discepolo and Yoder.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:10 p.m., the Authority came out of executive session and, on motion made by Mr. Cermola and seconded by Ms. Lieberman, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Pension, Benefit and Compensation Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:30 p.m. the Authority reconvened. Mr. Bell made a motion to add “Consider and Act on Mercer Statement of Work and Engagement Letter” to the agenda. Mr. Cermola seconded the motion and the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell reported that the Pension, Benefit and Compensation Committee recommended that the Authority enter into the agreement with Mercer for investment consulting services for the pension and VEBA plans at an annual fee of \$83,000 for the pension and \$6,000 for the VEBA for the period April 1, 2013 through March 31, 2016. He moved for adoption of the following resolution:

**Resolved**, That the Authority retain Mercer to provide investment consulting services for the pension and VEBA plans during the period April 1, 2013 through March 31, 2016 at the fees and subject to the terms and conditions described in the Statement of Work and Engagement Letter Agreement presented to the meeting;

**Resolved Further**, That Richard G. Bell, Chair, Pension, Benefit & Compensation Committee, be, and he hereby is, authorized to sign said agreements on behalf of the Regional Water Authority.

Mr. Cermola seconded the motion and, after brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:32 p.m., on motion made by Mr. Cermola and seconded by Mr. Marsh, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Pension, Benefit and Compensation Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:06 p.m. the Authority reconvened.

On motion made by Mr. Cermola and seconded by Ms. Lieberman, the following items contained in the consent agenda were approved and adopted or received, as appropriate:

- A. Approve minutes of the April 18, 2013 regular meeting.
- C. Receive capital budget transfer notifications detailed in Ms. Discepolo's memo dated May 9, 2013.
- D. Adopt resolution authorizing exemptions from public bidding.

**Resolved**, That the Authority authorizes Management to negotiate the purchase of the following items for the fiscal year June 1, 2013 – May 31, 2014 without public bidding and such purchases without public bidding are hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Discepolo's memorandum of May 9, 2013, a copy of which is to be filed with the records:

- John Deere equipment;
- Neptune meters and Invensys meter reading equipment;
- Polymers (polyelectrolytes) for the West River, Lake Gaillard, Lake Saltonstall and Lake Whitney Water Treatment Plants; and
- Hot and cold patch, gravel, stone and processed aggregate necessary for maintenance and construction of the Authority's distribution system and sources of supply.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

The Chair proposed to reorder the agenda to review the financial statements prior to meeting as the Audit Committee. There were no objections.

Ms. Discepolo reviewed the April 2013 monthly financial report. She commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2013 maintenance test. Discussion focused on medical costs and the allocation of the expected revenue fund balance at fiscal year-end. Mr. Bingaman commented briefly on the analysis of accounts receivable.

At 2:25 p.m., on motion made by Mr. Cermola and seconded by Mr. Bell, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Audit Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:35 p.m. the Authority reconvened.

The Authority reviewed potential special topics to be discussed at its July meeting and decided to focus on the 10-year financial model, appropriate level of financial coverage, an update on the rating criteria gap analysis and the Regional Water Authority's ("RWA") role in regional economic development.

Mr. Bingaman:

- Noted the Travel Rules for Officers, RWA Members and RPB Chair distributed with the meeting materials.
- Provided an update on plans to remove fallen trees in the Lake Maltby area.
- Reported on the status of the Legislature's consideration of the proposed changes to the RWA's enabling legislation.
- Shared additional information concerning RWA's BoardSource membership effective June 1, 2013.
- Commented on RWA participation in regional economic development activities.

At 3:15 p.m., on motion made by Mr. Bell and seconded by Mr. Marsh, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Pension, Benefit and Compensation Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:25 p.m. the Authority reconvened. Mr. Bell reported briefly on the Pension, Benefit and Compensation Committee's discussion of management and review of the Chief Executive Officer; review

of comparable market compensation data for similar positions; and its compensation recommendations for the officers. He moved for adoption of the following resolutions:

**Resolved**, That the Authority approves the recommendation of the Chief Executive Officer to promote Linda Discepolo to Vice President and Chief Financial Officer and Donna DiGianvittorio to Vice President, Employee Services effective June 1, 2013.

**Further Resolved**, That effective June 1, 2013 the salaries of the following officers of the South Central Connecticut Regional Water Authority shall be as follows:

Larry L. Bingaman, President & Chief Executive Officer.....	\$320,000
Donna DiGianvittorio, Vice President, Employee Services.....	\$133,000
Linda Discepolo, Vice President & Chief Financial Officer.....	\$182,000
Edward Norris, Vice President, Asset Management.....	\$158,000
Jean Zanella-Dyer, Vice President, Service & Technology.....	\$165,000

Mr. Cermola seconded the motion and, after brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:35 p.m., on motion made by Mr. Cermola and seconded by Mr. Marsh, it was voted unanimously to recess the regular meeting to allow the Authority members to attend the Representative Policy Board meeting. Chair DiSalvo announced the Authority meeting would reconvene immediately following that meeting.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 6:55 p.m. the Authority reconvened. Mr. DiSalvo noted the Representative Policy Board's ("RPB") comments on the fiscal year 2014 budgets, as expressed at the RPB's meeting. He noted also the comments of the Office of Consumer Affairs. Mr. Bingaman requested approval of the budgets for the fiscal year June 1, 2013 – May 31, 2014 and authorization to file the budgets with the trustee, as required by the *General Bond Resolution*. Mr. Bell moved for adoption of the following resolution:

**Resolved**: That the Authority's Operating and Maintenance Budget for the Fiscal Year from June 1, 2013 – May 31, 2014 ("FY 2014"), showing on a monthly basis projected Operating Expenses and deposits and withdrawals from the several Funds required by the *General Bond Resolution*, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 613 of the *General Bond Resolution*.

Ms. Lieberman seconded the motion. After brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Cermola moved for adoption of the following resolution:

Resolved: That the Authority's Capital Improvements Budget for the Fiscal Year from June 1, 2013 – May 31, 2014 ("FY 2014"), including a plan of capital improvements for FY 2014 through FY 2018 and the additional information required by Section 614 of the *General Bond Resolution*, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 614 of the *General Bond Resolution*.

Mr. Marsh seconded the motion. After brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Cermola moved to approve capital budget authorization for June 2013:

Resolved, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,326,000 for the month of June 2013 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2014 for all Capital Improvement Projects to be exceeded. In the absence of the Controller, the Vice-President – Business Planning, Development and Finance or the Vice-President – Asset Management is authorized to sign in her place.

Mr. Bell seconded the motion and, after brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 7:00 p.m., on motion made by Mr. Cermola and seconded by Mr. Bell, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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Richard G. Bell, Secretary