

## South Central Connecticut Regional Water Authority

### Minutes of the June 20, 2013 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, June 20, 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, Kowalski, Mr. Bingaman  
RPB – Messrs. Borowy, Conroy  
Staff – Ms. Yoder

The Chair called the meeting to order at 12:40 p.m.

At 12:40 p.m., on motion duly made by Mr. Cermola and seconded by Mr. Bell, it was voted unanimously to go into executive session to discuss litigation 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 1:05 p.m., the Authority came out of executive session.

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 May 16, 2013 regular meeting.
- B. Approve capital budget authorization for July 2013.

**Resolved**, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,650,000 for the month of July 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 and Chief Financial Officer or the Vice-President – Asset Management is authorized to sign in her place.

- C. Receive capital budget transfer notifications detailed in Ms. Discepolo's memo dated June 13, 2013.
- D. Receive Key Performance Indicators for the period ended May 31, 2013.
- E. Receive Fiscal Year 2014 Weighted Vote Computation for Representative Policy Board.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell made a motion to add to the agenda "Report on Mercer Global Investment Forum." 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 on his attendance at the Mercer Global Investment Forum on June 13-14. He commented on several presentations and topics discussed at the meeting.

Mr. Bingaman introduced Rochelle Kowalski who recently joined the Regional Water Authority ("RWA") as Controller. He briefly described her background and experience.

Ms. Discepolo reviewed the May 2013 monthly financial report. She commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2013 maintenance test. She reviewed the preliminary unaudited figures for the fiscal year ended May 31, 2013, focusing on the balance sheet.

Ms. Discepolo reviewed the information contained in her memorandum dated June 20, 2013 regarding "Distribution of Fiscal Year 2013 Revenue Fund Balance and General Fund Balance per Section 404D of the *General Bond Resolution*." She commented on the funds available for allocation, the required transfer to the Operating Reserve Fund and the transfers proposed by management to the General Fund and from the General Fund to the Rate Stabilization Fund and Construction Fund. It was noted that, after the transfers, the Rate Stabilization Fund balance will be \$10 million. Mr. Cermola moved for adoption of the following resolution:

**Whereas**, the Vice President and Chief Financial Officer has and will make certain transfers from the Revenue Fund as required by Section 404D of the General Bond Resolution;

**Whereas**, the balance remaining in the Revenue Fund after taking into account such transfers as of year-end is approximately \$6,228,600 and pursuant to the General Bond Resolution will be deposited to the General Fund;

**Now, therefore, be it resolved**, that after such transfer is made to the General Fund, the balance of the General Fund is approximately \$10,118,600.

Mr. Bell seconded the motion and, after discussion regarding the various funds, 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:

**Whereas**, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority;

**Now, therefore, be it hereby resolved by the Regional Water Authority;**

The Vice President and Chief Financial Officer is hereby authorized and directed to transfer and pay over from the General Fund, \$2,993,300 to the Rate Stabilization Fund Surplus Sub-account.

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

Mr. Cermola moved for adoption of the following resolution:

**Whereas**, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority;

**Now, therefore, be it hereby resolved by the Regional Water Authority;**

The Vice President and Chief Financial Officer is hereby authorized and directed to transfer and pay over from the General Fund, \$1,083,000 to the Construction Fund.

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

Mr. Bingaman described the proposed revisions to the fiscal year 2014 Capital Budget totaling \$381,000, resulting in an amended capital budget totaling \$26,893,000. He reported that 97.9% of the fiscal year 2013 capital budget had been spent. Mr. Cermola moved for adoption of the following resolution:

**Resolved**, That the proposed revisions to the Capital Budget for the Authority for the 2014 fiscal year presented to this meeting, including a revised plan of capital improvements for the 2014 through 2018 fiscal years, is hereby adopted and ordered to be filed with the records and with U.S. Bank National Association pursuant to Section 614 of the General Bond Resolution.

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 2:10 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 Environmental, Health, Safety and Risk Assessment Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:00 p.m. the Authority reconvened and, 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 Strategic Planning Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:25 p.m. the Authority reconvened.

Mr. Bell made a motion to add to the agenda "Consider and Act on Recommendations of Strategic Planning Committee re Non-Core Initiatives." Mr. Marsh seconded the motion and the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Lieberman reported briefly on the discussion of three non-core initiatives at the Strategic Planning Committee meeting. She summarized the Committee's recommendations to (1) authorize management to proceed with implementation of its plan to expand the PipeSafe Plus Sewer Line Protection Program, (2) authorize management to proceed with implementation of its plan to expand Laboratory Services, and (3) authorize management to proceed with its short term plan related to wholesale water including the additional one-year agreement with Meriden, emergency interconnections with Southington and Wallingford; and negotiating the extension of wholesale agreements with Meriden and Aquarion. Mr. Bell moved for adoption of the following resolution:

**Resolved**, That, based on the recommendation of its Strategic Planning Committee, the Authority authorizes management to proceed with implementation of (1) its plan to expand the PipeSafe Plus Sewer Line Protection Program; (2) its plan to expand Laboratory Services; and (3) its short term plan related to wholesale water including the additional one-year agreement with Meriden, emergency interconnections with Southington and Wallingford and negotiating the extension of wholesale agreements with Meriden and Aquarion, all as described more fully to the Strategic Planning Committee.

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

Assignments were made for attendance at third quarter 2013 RPB committee meetings. Discussion took place concerning recent RPB committee meetings.

Mr. Bingaman:

- Reported on three bills of interest to RWA adopted during the recent legislative session and six that failed to pass.
- Announced the Greater New Haven Chamber of Commerce's Healthcare Council awarded the RWA the Workplace Wellness Award for medium-sized companies recognizing RWA's employee wellness activities.
- Commented briefly on his memorandum reporting attainment of FY 2013 global metrics that was distributed with the meeting materials.
- Reported that Rep. Rosa DeLauro will announce her reintroduction of legislation regarding the National Infrastructure Development Bank on Tuesday, June 25 at the RWA offices.

At 4:45 p.m., on motion made by Mr. Cermola and seconded by Mr. Marsh, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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Richard G. Bell, Secretary