

## South Central Connecticut Regional Water Authority

### Minutes of the October 17, 2013 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, October 17, 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  
Staff – Ms. Yoder  
FosterGrowth.biz – Mr. Reed

The Chair called the meeting to order at 12:35 p.m.

At 12:36 p.m., on motion made by Mr. Cermola and seconded by Mr. Bell, it was voted unanimously to go into executive session to discuss strategy regarding litigation with the Town of North Branford and negotiations with the Steelworkers union. Present in executive session were the Authority members, Mss. Discepolo, Yoder and Mr. Bingaman.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:25 p.m. the Authority came out of executive session and, on motion made by Mr. Cermola and seconded by Mr. Bell, it was voted unanimously to recess the regular meeting until 1:30 p.m.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:30 p.m. the Authority reconvened. On motion made by Mr. Cermola and seconded by Mr. Bell, the following items contained in the consent agenda were approved and adopted or received, as appropriate:

- A. Approve minutes of the September 19, 2013 regular meeting.
- B. Approve capital budget authorization for November 2013.

**Resolved**, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,600,000 for the month of November 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 notification detailed in Ms. Discepolo's memo dated October 10, 2013.
- D. Adopt resolution authorizing exemption from public bidding for Mars Meter Testing Equipment.

**Resolved**, That the Authority authorizes Management to negotiate the purchase of Mars Meter Testing Equipment for the fiscal year June 1, 2013 – May 31, 2014 without public bidding and such purchase without public bidding is hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Zanella Dyer's request dated October 2013, a copy of which is to be filed with the records.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman and Mr. Reed led an in-depth discussion regarding laboratory revenue growth alternatives including acquisition of a laboratory testing business as an alternate strategy to accelerate growth of non-core revenue from laboratory services.

At 2:25 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 laboratory services competitive information. Present in executive session were the Authority members, Mss. Discepolo, Yoder, Messrs. Bingaman and Reed.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:35 p.m. the Authority came out of executive session. At the close of discussion, it was the consensus of the Authority that management continue to explore whether acquisition of a laboratory testing business is an appropriate strategy and provide additional information at a future meeting. Mr. Reed withdrew from the meeting.

Ms. Discepolo presented a strategic review of the differences between an investor-owned utility and the Regional Water Authority from the perspective of finances and derivation of rates.

The Chair proposed to reorder the agenda to review the financial statements prior to discussing potential strategic topics for future meetings. There were no objections.

Ms. Kowalski reviewed the September 2013 monthly financial report. She commented on the most significant variances in operating revenues and expenses, interest income and the projected fiscal year 2014 maintenance test. Mr. Bingaman commented briefly on the analysis of accounts receivable.

The Authority members discussed potential special topics for review at future meetings.

Authority members reported briefly on recent Representative Policy Board (“RPB”) committee meetings.

Mr. Bingaman:

- Reported Messrs. DiSalvo, Levine and he had a get acquainted meeting with new Woodbridge First Selectman Ellen Scalettar.
- Stated Ms. Discepolo and he will meet with Milford Mayor Blake and the Milford Fire Chief to provide information regarding fire service charges.
- Provided an update on the laboratory services marketing campaign.

Mr. Bingaman commented briefly on the Application to the Representative Policy Board for Approval of a Project to Complete Electrical Improvements at the Lake Gaillard Pump Station. Discussion focused on the project timeline and proposed contingency. Mr. Bell moved for adoption of the following resolution:

**Resolved**, That the Authority hereby accepts the Application to the Representative Policy Board for Approval of a Project to Complete Electrical Improvements at the Lake Gaillard Pump Station, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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Richard G. Bell, Secretary