

**South Central Connecticut Regional Water Authority**

**Minutes of the December 19, 2013 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, December 19, 2013 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chair DiSalvo presiding.

Present: Authority – Ms. Lieberman (via conference telephone), Messrs. Bell, Cermola, DiSalvo, Marsh  
Management – Mss. DiGianvittorio, Discepolo, Kowalski, Soda, Mr. Bingaman  
RPB – Messrs. Borowy, Levine, Malloy  
Staff – Ms. Yoder

The Chair called the meeting to order at 12:30 p.m.

At 12:30 p.m., on motion made by Mr. Cermola and seconded by Mr. Marsh, it was voted unanimously to go into executive session to discuss confidential executive compensation information prepared by Pearl Meyer & Partners, Inc. which counsel has advised is commercial or financial information exempt from public disclosure requirements and strategy regarding litigation with the Town of North Branford. Present in executive session were the Authority members, Mss. Discepolo (12:50 – 1:15 p.m.), Soda (12:50 – 1:15 p.m.), Yoder and Mr. Bingaman.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:15 p.m. the Authority came out of executive session and recessed the meeting until 1:30 p.m.

At 1:30 p.m. the Authority reconvened and, on motion made by Mr. Bell and seconded by Mr. Cermola, it was voted unanimously to recess the 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 2:15 p.m. the Authority reconvened and, on motion made by Mr. Cermola and seconded by Mr. Marsh, it was voted unanimously to recess the meeting to allow the Authority to meet as the Strategic Planning Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:50 p.m. the Authority reconvened and, on motion made by Mr. Marsh and seconded by Mr. Cermola, it was voted unanimously to recess the 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 3:10 p.m. the Authority reconvened. Mr. Bell moved for adoption of the following resolution:

**Resolved**, That, based on the recommendation of its Strategic Planning Committee, the Authority authorizes the Chief Executive Officer or the Chief Financial Officer, in consultation with the Strategic Planning Committee chairperson, to enter into an agreement with FosterGrowth.biz to identify and profile candidate analytical laboratories, subject to legal review of the proposed agreement and further clarification of certain of its terms and conditions.

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

Ms. Lieberman noted that there was no action to be taken at this time with respect to use of a consultant to identify cogeneration opportunities.

Mr. Marsh moved for adoption of the following resolutions:

**Resolved**, That, based on the recommendation of the Pension, Benefit and Compensation Committee, the pension plans' investment with Ironbridge Capital Management, as small cap core investment manager, be liquidated in its entirety as soon as practical.

**Resolved**, That, based on the recommendation of the Pension, Benefit and Compensation Committee, Gannett Welsh & Kotter ("GW&K") be selected as the plans' small cap core investment manager and the total funds currently invested with Ironbridge be invested in the GW&K small/mid cap core strategy investment vehicle as soon as practical.

**Resolved**, That the appropriate officers of the Regional Water Authority be, and they hereby are, authorized to execute any documents necessary to implement the foregoing resolutions.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell noted that no action was required by the Authority at this time with respect to the investment consultant contract.

Mr. Bell and Mr. Bingaman reported briefly on the Pension, Benefit and Compensation Committee's officer compensation recommendations. Mr. Bell moved for adoption of the following resolution:

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

Linda M. Discepolo, Vice President and Chief Financial Officer.....	\$190,000
Donna DiGianvittorio, Vice President, Employee Services.....	\$140,000

Mr. Cermola seconded the motion. At the close of discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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 November 21, 2013 regular meeting.
- B. Approve capital budget authorization for January 2014.

**Resolved**, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$1,900,000 for the month of January 2014 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. Approve capital budget transfers – Type B Amendments related to Whitney Avenue Transmission Main and Mill Rock Basin Vault Improvements Projects.

**Resolved**, That the Authority approves the following transfers totaling \$500,000 from the fiscal year 2014 capital budget accounts listed to the Whitney Avenue Transmission Main fiscal year 2014 capital budget account: \$300,000 from North High Street Transmission Main and \$200,000 from the Ansonia/Derby Westside Tank, as described in the Capital Budget amendment dated November 22, 2013.

**Resolved**, That the Authority approves the transfer of \$300,000 from the fiscal year 2014 service connections capital budget account to the Mill Rock Basin Vault Improvements in fiscal year 2014 capital budget account, as described in the Capital Budget amendment dated November 22, 2013.

- D. Receive capital budget transfer notifications detailed in Ms. Discepolo's memo dated December 12, 2013.
- E. Receive Key Performance Indicators for the period ended November 30, 2013.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Kowalski reviewed the November 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. She reviewed the balance sheet included in the quarterly financial report and the projected maintenance test with various assumptions. Mr. Bingaman commented briefly on the strength of collections, efforts to reduce expenses and significant variances in capital budget expenditures.

Ms. Discepolo briefly reviewed the proposed fiscal year 2015 budget schedule.

Ms. Discepolo described the need for and purpose of the proposed 2013 Supplemental Resolution to amend the *General Bond Resolution*. Mr. Cermola moved for adoption of the following resolution:

**WHEREAS**, the South Central Connecticut Regional Water Authority (the "Authority") adopted its Water System Revenue Bond Resolution, General Bond Resolution, on July 31, 1980 (as amended and supplemented by the 1986 Supplemental Resolution adopted March 10 1986, the 1996 Supplemental Resolution adopted June 20, 1996, the 2000 Supplemental Resolution adopted June 21, 2000, the 2001 Supplemental Resolution adopted November 21, 2001, the 2003 Supplemental Resolution, adopted May 6, 2003, the 2008 Supplemental Resolution, adopted January 16, 2008, the 2010 Series A Supplemental Resolution, adopted February 17, 2010, the 2010 Supplemental Resolution adding Covenants, adopted August 23, 2010, the 2010 Supplemental Resolution on Depreciation Expense, adopted August 23, 2010 and the 2012 Supplemental Resolution to Add to the Covenants of the Authority, adopted November 20, 2012) (the "General Bond Resolution"); and

**WHEREAS**, Section 902-(2) of the General Bond Resolution provides that the Authority may at any time adopt a resolution supplementing the General Bond Resolution to insert such provisions clarifying matters or questions arising under the General Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with the General Bond Resolution as theretofore in effect; and

**WHEREAS**, the Authority is permitted by the Connecticut General Statutes to borrow money from the Drinking Water State Revolving Fund Program ("DWSRF") to finance the cost of certain of its capital projects; and

**WHEREAS**, the Authority desires to amend the General Bond Resolution to clarify the definition of Bond so that it may borrow money from the DWSRF on a parity with the borrowings under the General Bond Resolution

**NOW THEREFORE BE IT RESOLVED** by the South Central Connecticut Regional Water Authority that:

1. Section 102 of the General Bond Resolution is hereby amended to delete the definition of "Bond" or "Bonds" and replace such definition with the following:

*"Bond" or "Bonds"* means any bond or bonds, notes or other obligations, including but not limited to, project loan obligations delivered to evidence the Authority's obligation to repay the financing of a loan from the State of Connecticut under its Drinking Water State Revolving Fund Program, authenticated and delivered under and pursuant to the Resolution.

2. Capitalized terms used herein and not otherwise defined shall have the definitions as set forth in the General Bond Resolution.

3. This Supplemental Resolution shall be effective upon (a) the filing with the Trustee of a copy thereof certified by an Authorized Officer, (b) the filing with the Trustee and the Authority of an instrument in writing made by the Trustee consenting thereto, and (c) a Counsel's Opinion, all in accordance with Section 902 of the General Bond Resolution.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. DiGianvittorio reported on employer trends in funding health care plans. She reviewed Regional Water Authority (“RWA”) medical benefit changes to date; the results of an industry survey on funding practices; the Patient Protection & Affordable Care Act, including the new “Cadillac Tax” to be paid by employers; and trends in employer medical plan funding.

The Chair stated it would be appropriate to elect Authority officers for calendar year 2014. Mr. Cermola moved for adoption of the following resolution:

**Resolved**, That Mr. DiSalvo be elected as Chairperson for a two-year term effective January 1, 2014 and until a successor is elected and has qualified.

**Resolved Further**, The Mr. Cermola be elected as Vice Chairperson and Mr. Bell as Secretary-Treasurer with each to serve for a one-year term effective January 1, 2014 and until a successor is elected and has qualified.

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

Assignments for attendance at first quarter 2014 Representative Policy Board committee meetings were made.

Discussion took place concerning the subjects to be included on the agenda for the January special topics meeting.

Mr. Bingaman:

- Briefly reviewed management’s plan for disposition of the former rental houses, distributed with the meeting materials. The Authority members concurred with the plan.
- Summarized a presentation and report by the Sacred Heart University graduate students on their initial research on water-intensive businesses located in areas of long-term drought.
- Reported on a meeting of the Regional Leadership Council with New Haven Mayor-Elect Harp.
- Announced the ribbon cutting and dedication of the North Sleeping Giant Solar Array project will be rescheduled in Spring 2014 to coincide with Earth Day.

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