

South Central Connecticut Regional Water Authority

Minutes of the August 15, 2012 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, August 15, 2012 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chair DiSalvo presiding.

Present: Authority – Ms. Lieberman, Messrs. Bell, DiSalvo, Marsh
Management – Mss. Discepolo, Soda, Messrs. Bingaman, Norris, Robillard
RPB – Messrs. Borowy, Krasko
Staff – Ms. Yoder

The Chair called the meeting to order at 8:00 a.m.

On motion duly made by Mr. Bell, seconded by Mr. Marsh and unanimously carried, the minutes of the meeting of the Authority held on July 18, 2012 were approved as distributed.

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 8:01 a.m., on motion duly 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	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 8:55 a.m. the Authority reconvened.

Ms. Discepolo reviewed the July 2012 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 accounts receivable and the PipeSafe program.

A schedule of Capital Improvement Budget Expenditures for September 2012 was presented. Ms. Lieberman moved for adoption of the following resolution:

Resolved, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,677,000 for the month of September 2012 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 2013 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 – Operations and Engineering is authorized to sign in her place.

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

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell briefly highlighted his written report on the activities of The Watershed Fund during its fiscal year 2012. He stated the Regional Water Authority is the sole Member of The Watershed Fund. He recommended that in its capacity as sole Member the Authority elect Mss. McDermott, Moore, Powell and Messrs. Clifford and Stone as directors with terms expiring in 2015. Mr. Marsh moved for adoption of the following resolution:

Resolved, That the following persons be, and they hereby are, elected Directors of The Watershed Fund, Inc. to serve in such capacity until the Annual Meeting of the sole Member in 2015 or until they otherwise lawfully cease to hold such office: Thomas P. Clifford III, Patricia L. McDermott, Elisabeth Moore, Kate S. Powell and Brian M. Stone.

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

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 9:15 a.m., on motion duly 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 Strategic Planning Committee.

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 10:00 a.m. the Authority reconvened.

Mr. Bingaman reviewed the proposed changes to the Regional Water Authority (“RWA”) Enabling Legislation, based on his memorandum dated August 9, 2012 and counsel’s discussion draft of the changes dated August 8, 2012. Discussion focused on the proposed change to expand non-core water- or environmental-related revenue opportunities and the importance of this change to RWA from a strategic perspective. Mr. Bingaman described a change to the Representative Policy Board (“RPB”) Rules of Practice that counsel is drafting to include a new application process for the approval of the RWA to enter into significant non-utility business activities. Discussion took place regarding concerns expressed by some RPB members regarding placement of a structure on RWA land by a vendor under a revocable license agreement without the requirement for RPB approval. Authority members and management expressed their commitment to continue to discuss this land use issue with the intent of finding a mechanism to address the concerns of the RPB. Authority members and management noted

they continue to oppose amending the Enabling Legislation to allow the RPB to amend applications. Ms. Lieberman moved for adoption of the following resolution:

Resolved, That the Authority supports the following proposed changes to the Regional Water Authority (“RWA”) enabling legislation as a package:

1. Tie periodic adjustments to Representative Policy Board (“RPB”) member compensation to COLA index, or some other process for increasing compensation;
2. Allow RWA to take advantage of state purchasing contracts;
3. Clarify that the Authority can approve the refinancing of existing bonds without RPB approval;
4. Extend the time the RWA could issue notes, such as Bond Anticipation Notes, from five to eight years;
5. Change the number of total votes of the RPB to reflect vacancies when calculating the number of votes required to adopt measures before the body;
6. Obtain authorization to sell houses and barns with appropriate building lots situated on RWA Class I and II land; and
7. Expand non-core water- or environmental-related revenue opportunities.

Resolved Further, That the Authority will continue to work with the RPB to implement these proposed changes through the RPB Rules of Practice, as needed.

Resolved Further, That the Authority supports the pursuit of legislation to enact the changes described above as a package.

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

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Discussion took place concerning the goals and expected outcomes of the governance workshop to be held at the Authority’s special meeting on August 24, 2012 at 8:00 a.m. at the RWA office. Desired outcomes include: streamlining meetings to be more strategic; introducing generative thinking into discussions; utilizing board governance best practices; and implementing a process for continuous learning.

Authority members reported on recent RPB standing committee meetings.

Mr. Bingaman:

- Provided updated information regarding response to the CTDPH Sanitary Survey Report and CTDPH Evaluation of 2011 Cross Connection Survey Report.
- Reported the Customer Service call abandonment rate for July was 8.7%.
- Provided information on an upcoming fundraiser to benefit Griffin Hospital’s healthy eating for youth in schools initiative.

In response to questions, Mr. Bingaman commented on (1) RWA’s participation in the recent statewide emergency planning and preparedness initiative exercise and (2) RWA’s meter replacement program.

At 10:55 a.m., Messrs. Borowy and Krasko withdrew from the meeting.

Mr. Robillard, Project Engineer, and Mr. Norris, Vice President, Operations and Engineering, responded to questions regarding the Application to the Representative Policy Board for Approval of a Project for the Design and Construction of a Two Million Gallon Water Storage Tank located in Derby, CT. 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 for the Design and Construction of a Two Million Gallon Water Storage Tank Located in Derby, CT, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board.

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

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 11:10 a.m., on motion duly made by Mr. Bell and seconded by Mr. Marsh, it was voted unanimously to go into executive session to discuss strategy and acquisition of real estate. Present in executive session were the Authority members, Messrs. Bingaman, Norris, Mss. Discepolo, Soda, Yoder.

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 11:55 a.m. the Authority came out of executive session and, on motion duly made by Mr. Bell and seconded by Ms. Lieberman, the meeting was adjourned.

Bell	Aye
Cermola	Absent
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Richard G. Bell, Secretary