

South Central Connecticut Regional Water Authority

Minutes of the October 17, 2012 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, October 17, 2012 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, Zanella-Dyer, Mr. Bingaman
RPB – Messrs. Borowy, Levine
Staff – Ms. Yoder

The Chair called the meeting to order at 8:00 a.m. Mr. Marsh requested that the minutes of the meeting of the Authority meeting on September 19, 2012 be removed from the consent agenda.

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:

B. Approve capital budget authorization for November 2012

Resolved, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,490,000 for the month of November 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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.

C. Receive capital budget transfer notifications detailed in Ms. Discepolo's memo dated October 11, 2012.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Marsh raised a question with respect to the minutes of the Authority's September 19, 2012 meeting. After brief discussion, on motion duly made by Mr. Cermola, seconded by Mr. Bell and unanimously carried, the minutes of the meeting of the Authority held on September 19, 2012 were approved as distributed.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo reviewed the September 2012 monthly financial report. She commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2013 maintenance test.

Ms. Zanella-Dyer described RWA's collections strategy, including the current aging report, an analysis of receivables by customer type, initiatives being undertaken to collect past due receivables, the collection process for accounts that can be shut and those that cannot and new collection tactics under consideration by management. Discussion took place concerning the need to assess again the adequacy of the RWA's reserve for doubtful accounts; the balance of financial and reputational issues; and the possibility of legislative changes to provide increased flexibility.

Mr. Bingaman summarized discussion at the recent meeting of the Joint Committee on the Regional Water Authority ("RWA") Enabling Legislation relating to the proposed change to the legislation to expand non-core water- or environmental-related revenue opportunities. He reported the consensus of the committee was to retain the proposed 5% investment limit and lower the threshold to require a Section 19 Representative Policy Board ("RPB") application to \$1.0 million, subject to the Authority's agreement. Mr. Bingaman commented on the reasons for the 5% limit. Discussion took place concerning the merits of the proposed 5% investment limit versus a higher limit or no limit and the impact of various amounts of income from non-core activities on future rate increases. At the conclusion of discussion, Mr. Bell moved for adoption of the following resolution:

Resolved, That the Authority supports the proposed 5% cap on investment in non-core businesses included in the proposed change to the enabling legislation and a \$1.0 million threshold to require an application to the Representative Policy Board to acquire a non-core business, pursuant to Section 19 of the enabling legislation.

Mr. Cermola seconded the motion and, there being no further discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 9:05 a.m. Messrs. Borowy and Levine withdrew from the meeting.

Mr. Bingaman briefly reviewed the status of the project for a RWA business partner to install a 100kW solar energy system at the North Sleeping Giant Water Treatment Plant/Wellfield, as more fully described in Mr. Chaplik's memorandum dated October 11, 2012. He requested authorization from the Authority to prepare an application to the RPB in accordance with Section 19 of the enabling legislation. Mr. Cermola moved for adoption of the following resolution:

Resolved, That the Authority hereby authorizes the preparation of an application to the Representative Policy Board for installation of a 100kW solar energy system by a Regional Water Authority business partner at the North Sleeping Giant Water Treatment Plant/Wellfield, in accordance with Section 19 of Special Act 77-98, as amended.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Messrs. Borowy and Levine rejoined the meeting.

At 9:12 a.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 Audit-Risk Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 9:19 a.m. the Authority reconvened and, on motion made by Mr. DiSalvo 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 9:38 a.m. the Authority reconvened. Chair DiSalvo recognized Mr. Cermola for his 35 years of service as a member of the Authority from its inception.

Chair DiSalvo summarized previous discussion regarding the meeting schedule for the Authority in 2013 and the comments received from RPB members with respect to the proposed schedule. Mr. Bingaman described modifications to address the concerns raised. After discussion, it was agreed that beginning in January 2013 the Authority would meet on the same Thursday as the RPB. Meetings will begin at 12:30 p.m. with an executive session, if required, and will conclude by 5:00 p.m.

Authority members and management reported on recent meetings of RPB standing committees.

Mr. Levine withdrew from the meeting.

Mr. Bingaman summarized the RWA violation of the Stage 2 Disinfection Byproduct sampling requirement at the East Derby Water Works. He commented on the cause of the failure to sample, procedural changes that will be implemented to prevent this type of error from recurring and notification requirements. He stated the violation did not impact water quality.

Mr. Borowy withdrew from the meeting. Mr. Bingaman:

- Shared information concerning utility low income customer assistance programs. It was agreed that additional information will be gathered for future discussion.
- Reported current call center performance metrics.
- Reported management is reconsidering the key performance indicators with the intent of reducing the number of metrics used within RWA.
- Reported on several initiatives related to attracting water-intensive enterprises to the New Haven region.
- Announced Paul Dufour, Senior Manager, Distribution and Construction, will retire effective February 1, 2013.

At 10:35 a.m., on motion made by Mr. Cermola and seconded by Mr. Bell, 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, Mr. Bingaman, Mss. Discepolo, Yoder.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 10:50 a.m. the Authority came out of executive session and, on motion made by Mr. Marsh and seconded by Ms. Lieberman, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Richard G. Bell, Secretary