

South Central Connecticut Regional Water Authority

Minutes of the January 18, 2012 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, January 18, 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, Moran, Messrs. Bingaman, Hudak, Norris, Rugar
RPB – Mr. Borowy
Woodcock & Associates, Inc. – Mr. Woodcock
Staff – Ms. Yoder

The Chair called the meeting to order at 8:00 a.m. He introduced Gail F. Lieberman and welcomed her to the Regional Water Authority.

On motion duly made by Mr. Cermola, seconded by Mr. Marsh and carried, the minutes of the meeting of the Authority held on December 21, 2011 were approved as distributed.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Abstain
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 Audit-Risk Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 8:25 a.m. the Authority reconvened. Mr. Cermola made a motion to add “Consider and Act on Capital Budget Amendment Request” to the agenda. Mr. Bell seconded the motion and the Chair called for the vote.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo described the Capital Budget Amendment Request to transfer a total of \$1,278,600 from various fiscal year 2012 capital budget accounts to the SAP Post-Implementation Phase II account. Mr. Bell moved for adoption of the following resolution:

Resolved, That the Authority approves the following transfers totaling \$1,278,600 from the fiscal year 2012 capital budget accounts listed to the SAP Post-Implementation – Phase II fiscal year 2012 capital budget account: \$20,000 from Asphalt Paving – Burwell Hill Pumping

Station, \$12,000 from Wallingford Interconnection Study, \$373,900 from Lake Gaillard Water Treatment Plant Flocculation Mixer Replacement, \$42,400 from Woodbridge Bulk Fill Station, \$28,400 from Upgrade E-Billing, \$7,900 from Bulk Fill Station – Milford, \$156,100 from PCCP Condition Assessment, \$25,900 from Seymour Wellfield Metering, \$3,400 from Fuel Tank Replacement – CHPS & RHPS, \$79,100 from DMA Installation – Clintonville, \$58,700 from Tank Stairway – Saltonstall Ridge, \$57,800 from Underground Chamber Improvements – Mil TV & PRV, \$133,000 from Land Management, \$70,000 from Watershed Protection and \$210,000 from Ford Street (Ansonia) Pump Station Reconstruction, as described in the Capital Budget Amendment Request Form dated January 17, 2012 that is to be filed with the records.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo reviewed the December 2011 monthly financial report. She commented on draft, cash collections, operating revenues, operating expenses, interest income and the projected fiscal year 2012 maintenance test. Discussion took place concerning the forecasted year-end draw from the Rate Stabilization Fund.

A schedule of Capital Improvement Budget Expenditures for February 2012 was presented. Mr. Cermola 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 \$1,322,000 for the month of February 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 2012 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 brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo and Mr. Woodcock reviewed a rate design philosophy to blend the rates for the Ansonia Valley and New Haven Service Areas, including the history of the Regional Water Authority's ("RWA") current two rates, components of rate design, RWA's current rate structures, pros/cons of water usage alternatives, information on rate structures used by others, pros/cons of rates by class/meter size and a blended rate example. Ms. Discepolo reported Mr. Woodcock would prepare a cost of service study prior to the rate application. Discussion took place concerning the need to stabilize revenues and reduce dependence on volume, the impact of various rate designs on customers and possible strategies to mitigate

that impact and the components of the fixed basic service charge. The Authority members concurred conceptually with the blended rate design proposed and agreed that the presentation be made to the appropriate Representative Policy Board (“RPB”) committee(s).

Mr. Bingaman briefly reviewed the request for exemption from public bidding for the purchase of NAVMAN automated vehicle locator fleet tracking system for fiscal year 2012. He stated this is a revised request as a result of a recent investigation of providers of automatic vehicle locator systems and will lower operating costs. Mr. Cermola moved for adoption of the following resolution:

Resolved, That the Authority authorizes Management to negotiate the purchase of NAVMAN automated vehicle locator fleet tracking system for the fiscal year June 1, 2011 – May 31, 2012 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 the Request for Exemption from Public Bidding dated January 2012, a copy of which is to be filed with the records.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman commented briefly on the negotiations with the Department of Energy and Environmental Protection (“DEEP”) and other stakeholders to develop the new stream flow regulations and commended John Hudak, RWA Environmental Planning Manager, for his part in devising a workable solution. Mr. Hudak presented a summary of the final DEEP stream flow regulations, implications of the regulations for RWA, estimated compliance costs and planned steps to comply with the regulations.

Mr. Norris, Vice President, Operations and Engineering, and Mr. Rugar, Senior Manager, Engineering, presented an update on the RWA’s Underground Asset Management Plan, including the history of development of the plan, the plan components, the results of two ways to assess system condition, the Connecticut Water Planning Council best management practices and how RWA compares to them, results of the assessment of the cleaning and lining and main replacement programs, capital efficiency studies being performed that will help prioritize the use of capital dollars and a revised main failure forecast developed using I-WARP software. They summarized the plan conclusions.

Mr. Bingaman reviewed the status of SAP post-implementation stabilization phase 2 activities including the SAP program solution timeline, project plan, draft project team organization, customer service metric status, backlog resolution status and customer service staffing. Mr. Bingaman reported management retained a new project quality assurance advisor, Bruce Hawthorne, who has extensive SAP implementation experience with other water utilities.

Brief discussion took place concerning the changes to the RWA enabling legislation proposed by management.

Mr. Bingaman described the proposed Sixth Amendment to the Authority’s Voluntary Investment Plan to modify the definition of compensation to include any lump sum payment in lieu of a salary increase. Mr. Cermola moved for adoption of the following resolutions:

RESOLVED: That the Authority Voluntary Investment Plan be, and it hereby is, amended by a Sixth Amendment thereto; and be it

FURTHER RESOLVED: That the Chairperson of the Authority be, and he hereby is, authorized to execute the Sixth Amendment on behalf of the Authority; and the appropriate officers of the Authority be, and they hereby are, authorized, empowered and directed to take any and all additional action which they deem necessary or appropriate in order to implement the same.

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 11:35 a.m., on motion duly made by Mr. Cermola and seconded by Mr. DiSalvo, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Environmental, Health & Safety Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 11:40 a.m. the Authority reconvened. The Chair invited nominations for Authority Secretary-Treasurer to fill the current vacancy in that office. Mr. Cermola nominated Mr. Bell to serve as Secretary-Treasurer for the remainder of calendar year 2012 and until a successor is elected and has qualified. There being no other nominations, the Chair called for the vote

Bell	Abstain
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Authority members reported on their attendance at recent RPB committee meetings.

Mr. Bingaman:

- Stated he would submit revised metrics in February for his 2012 goal to lead the development of strategies and actions necessary to stabilize the SAP CIS system.
- Reported RWA will move forward with siting a water storage tank in Derby and will meet with city officials to brief them on the project.
- Reported Gateway Community College requested a donation of \$150,000 from RWA over five years to underwrite the chemistry laboratory at its new campus. He reviewed RWA's longstanding relationship with Gateway, particularly in the area of employee development. He reported The Watershed Fund is willing to contribute \$75,000 over five years and Gateway has offered credit for scholarships provided. He proposed that the RWA donate \$25,000 from the corporate contributions budget over five years and donate \$25,000 from the General Fund over five years. He recalled a donation was made from the General Fund to underwrite the fountain on the New Haven Green. After discussion focusing on the alignment of Gateway's programs with RWA needs and community relations, the Authority members supported this collaboration with Gateway Community College.

There were no items for discussion in executive session.

Chair DiSalvo reported he met with Mr. Bingaman to convey the Authority members' comments on his 2011 performance.

At 11:55 a.m., on motion duly made by Mr. Bell and seconded by Mr. Cermola, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Richard G. Bell, Secretary