

South Central Connecticut Regional Water Authority

Minutes of the February 15, 2012 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, February 15, 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, Messrs. Bingaman, Marcik, Rugar
RPB – Ms. Dybas, Mr. Borowy
Hawthorne Associates – Mr. Hawthorne
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. Cermola and carried, the minutes of the meeting of the Authority held on January 18, 2012 were approved as distributed.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

At 8:01 a.m., on motion duly 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 Pension, Benefit and Compensation Committee.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

At 8:45 a.m. the Authority reconvened and, on motion duly made by Mr. Cermola and seconded by Mr. Bell, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Audit-Risk Committee.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

At 9:28 a.m. the Authority reconvened.

Ms. Discepolo reviewed the January 2012 monthly financial report. She commented on draft, cash collections, operating revenues, operating expenses, interest income and the projected fiscal year 2012 maintenance test. She reviewed the analysis of accounts receivable. Discussion took place

concerning the large January billing cycle, receivables older than one year, the allowance for doubtful accounts and management initiatives to reduce aged accounts receivable.

A schedule of Capital Improvement Budget Expenditures for March 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 \$2,326,000 for the month of March 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:

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

Mr. Bingaman reviewed the Regional Water Authority (“RWA”) Key Performance Indicators (“KPIs”) for the period ended January 31, 2012, focusing on the lost call rate, including customer service staffing; safety, including planned areas of added emphasis; and unaccounted for water KPIs.

Mr. Bingaman introduced Bruce Hawthorne, the project quality assurance advisor for the SAP Phase II project, and briefly reviewed his background and experience. Mr. Hawthorne commented on his overall view of the SAP system and the approach being taken by RWA in the Phase II project. Mr. Bingaman and Ms. Zanella-Dyer reviewed the SAP Phase II Status Report focusing on the overall approach and benefits of the project, approach and objectives for the blueprint phase, completion of the business process blueprinting workshops, potential reductions in work scope, realization project plan approach from the end of blueprint to “go live” and milestones, next steps, reduction in the number of implausibles and metric status. Mr. Hawthorne summarized his quality assurance review of the blueprint phase.

Authority members reported on their attendance at recent RPB committee meetings. Discussion focused on the review of the blended rate design at the joint Finance and Consumer Affairs Committee meeting.

Mr. Bingaman:

- Reported he joined the Griffin Hospital Board of Directors.
- Commented on the *Financial & Organization Update January 2012* given to all RWA employees and *Presentation to Gail F. Lieberman* included with the meeting materials.
- Commented on a partnership with Gateway Community College and UI to develop a degree program in utility management.
- Reported management is in the process of selecting a municipal bond consultant to replace Mr. Dey who retired at the end of 2011.

Ms. Dybas and Mr. Borowy withdrew from the meeting.

At 11:40 a.m., on motion duly 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 Pension, Benefit and Compensation Committee.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

At 11:50 a.m. the Authority reconvened and, on motion duly made by Mr. Cermola and seconded by Mr. Marsh, it was voted unanimously to go into executive session to discuss (1) strategy regarding pending litigation, (2) real estate acquisition, and (3) information describing critical infrastructure and related operational details of the RWA water supply and distribution systems contained in Attachment B to the Application for Approval of a Project for the Design and Construction of a Water Transmission Main in North High Street and Mill Street in East Haven, Connecticut. Present in executive session were the Authority members, Messrs. Bingaman, Marcik (12:05 – 12:25 p.m.), Rugar (12:05 – 12:25 p.m.), Mss. Discepolo, Yoder.

At 12:25 p.m. the Authority came out of executive session. Messrs. Marcik and Rugar briefly described the proposed project, project cost, preliminary project schedule, required permitting and unusual circumstances involved in the application. 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 Water Transmission Main in North High Street and Mill Street in East Haven, Connecticut, 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 brief discussion, the Chair called for the vote:

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

Chair DiSalvo noted that the application contains certain “critical information” that management believes is exempt from disclosure under the Freedom of Information Act. Mr. Cermola moved for adoption of the following resolution:

Whereas, the Authority wishes to include certain confidential information in its Application to the Representative Policy Board for Approval of a Project for the Design and Construction of a Water Transmission Main in North High Street and Mill Street in East Haven, Connecticut that the Authority considers “critical information” and believes to be exempt from disclosure under the Freedom of Information Act;

Now Therefore Be It

Resolved, that the Authority authorizes its Chairperson and the Chief Executive Officer to file a motion and related materials with the Representative Policy Board to request issuance of a protective order to maintain confidential the information to be contained in Attachment B, "Confidential Information", of the Authority's Application.

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

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

At 12:35 p.m., on motion duly made by Mr. Bell and seconded by Mr. Cermola, the meeting was adjourned.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Lieberman | Aye |
| Marsh | Aye |

Richard G. Bell, Secretary