

South Central Connecticut Regional Water Authority

Minutes of the July 20, 2011 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, July 20, 2011 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chair DiSalvo presiding.

Present: Authority – Messrs. Bell, Cermola, DiSalvo, Edge, Marsh
Management – Ms. Discepolo, Messrs. Bingaman, Norris, Rupar
RPB – Messrs. Borowy, Leary
Staff – Ms. Yoder

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

On motion duly made by Mr. Cermola, seconded by Mr. Bell and unanimously carried, the minutes of the meeting of the Authority held on June 15, 2011 were approved as distributed.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Edge | Aye |
| Marsh | Aye |

Ms. Discepolo reviewed the June 2011 monthly financial report. She commented on draft, cash collections, operating revenues, operating expenses, interest income and the projected fiscal year 2012 maintenance test. Ms. Discepolo summarized the comments of Moody's and Standard & Poor's in their credit rating reports issued in connection with sale of the Authority's 26th Series Bonds. She updated the Authority members on the successful negotiated sale of the 26th Series Bonds. Ms. Discepolo reviewed the analysis of accounts receivable.

A schedule of Capital Improvement Budget Expenditures for August 2011 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 \$1,825,000 for the month of August 2011 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 |
| Edge | Aye |
| Marsh | Aye |

In accordance with the Authority's Capital Budget Amendment Procedure, the Authority was notified in writing of the following transfers between fiscal year 2012 capital budget accounts:

- \$173,500 from 8" pipe – Clark Avenue, Branford to 8" pipe on Home Acres Avenue, Milford
- \$109,900 from 8" pipe – Grove Street, Branford to 8" pipe on Home Acres Avenue, Milford.

Mr. Bingaman reviewed the Regional Water Authority ("RWA") Key Performance Indicators ("KPIs") for the period ended June 30, 2011. He commented on several KPIs including recordable injuries, estimated meter reads and IT help desk tickets closed.

Messrs. Norris and Rugar reviewed the status of the Ansonia-Derby West Side Tank, including the reasons an additional water storage tank is needed on the west side of the Naugatuck River, operations in the Ansonia Valley area, the exhaustive search for a site for a new tank and the characteristics of the "Summit Hill" site selected. Mr. Norris described the project "next steps," proposed schedule and the estimated project cost.

Mr. Rugar described the Peat Swamp Reservoir Dam in Seymour, including the history of its construction, its capacity, acquisition by RWA and dam failure analysis. He described the areas of risk highlighted in the December 2010 Roald Haestad, Inc. dam design report and reviewed the five repair/improvement alternatives for the dam. Mr. Norris reviewed service abandonment permitting steps and related timelines. He stated management recommended that RWA seek a permit to lower the water level in the reservoir to reduce the risks associated with the dam and allow further study of the future need for the source. After discussion of the risks and alternatives, the Authority members supported management's recommendation.

Mr. Norris described the charter of the newly-established Capital Program Control Team, including the team mission, leadership and members, responsibilities, empowerment to take action, measures of success and methodology. He responded to numerous questions regarding the team and its role.

At 9:35 a.m., on motion duly made by Mr. Bell and seconded by Mr. Cermola, it was voted unanimously to adjourn the regular meeting to allow the Authority to meet as the Audit-Risk Committee.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Edge | Aye |
| Marsh | Aye |

At 9:40 a.m. the Authority reconvened. On motion duly made by Mr. Edge and seconded by Mr. Cermola, it was voted unanimously to adjourn the regular meeting to allow the Authority to meet as the Strategic Planning Committee.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Edge | Aye |
| Marsh | Aye |

At 10:10 a.m. the Authority reconvened. On motion duly made by Mr. Bell and seconded by Mr. Edge, it was voted unanimously to adjourn the regular meeting to allow the Authority to meet as the Pension, Benefit & Compensation Committee.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Edge | Aye |
| Marsh | Aye |

At 10:15 a.m. the Authority reconvened. Authority members reported on their attendance at recent RPB standing committee meetings.

Mr. Bingaman:

- Provided an update on customer call center activity and performance statistics.
- Provided an update on the status of SAP post-implementation activities.
- Reported on the progress of stakeholder discussions regarding the proposed stream flow regulations.

Chair DiSalvo stated Mr. Bingaman distributed a comprehensive written review of his January 2011 – June 2011 progress on his revised goals for calendar years 2011 and 2012. Mr. Bingaman commented briefly on progress on several of his goals, including the potential need to re-evaluate the pace of strategic planning activity.

Mr. Bell thanked those who supported the recent Watershed Fund golf tournament. He announced the August Authority meeting agenda will include election of directors of The Watershed Fund. He stated one director is not standing for re-election and invited Authority members to suggest names for consideration.

At 10:40 a.m. on motion duly made by Mr. Cermola and seconded by Mr. Edge, it was voted unanimously to go into executive session to discuss personnel. Present in executive session were the Authority members, Mss. Discepolo, Yoder and Mr. Bingaman.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Edge | Aye |
| Marsh | Aye |

At 10:48 a.m. the Authority came out of executive session and, on motion duly made by Mr. Cermola and seconded by Mr. Bell, the meeting was adjourned.

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| Bell | Aye |
| Cermola | Aye |
| DiSalvo | Aye |
| Edge | Aye |
| Marsh | Aye |

C. Anthony Edge, Secretary