

**South Central Connecticut Regional Water Authority**

**Minutes of the September 21, 2011 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, September 21, 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 – Mss. DiGianvittorio, Discepolo, Ryan, Soda, Messrs. Bingaman, Norris, Rugar  
RPB – Messrs. Borowy, Krasko  
EP2M – Mr. Mulit  
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 August 17, 2011 were approved as distributed.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

At 8:01 a.m., on motion duly made by Mr. Cermola and seconded by Mr. Edge, 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
Edge	Aye
Marsh	Aye

At 8:43 a.m. the Authority reconvened.

Ms. Discepolo reviewed the August 2011 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 quarterly financial report, focusing on the balance sheet and projected maintenance test with various assumptions. Discussion took place regarding the expected shortfall in revenues and implementation of the “wet weather” plan to curtail discretionary operating and maintenance expenses to offset the lower summer revenues. Ms. Discepolo reviewed the analysis of accounts receivable.

A schedule of Capital Improvement Budget Expenditures for October 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 \$2,843,000 for the month of October 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or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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. Marsh seconded the motion. After brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

In accordance with the Authority's Capital Budget Amendment Procedure, a request to amend the Fiscal Year 2012 Capital Budget to reallocate funds from the Indian Ridge Approach Main project to Watershed Protection for purchase of the Ruge property was presented. Mr. Cermola moved for adoption of the following resolution:

**Resolved**, That the Authority approves the transfer of \$700,000 from the fiscal year 2012 Indian Ridge Approach Main capital budget account to the Watershed Protection fiscal year 2012 capital budget account, as described in the Capital Budget Amendment Request Form dated August 31, 2011 that is to be filed with the records.

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

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 transfers from the fiscal year 2012 Indian Ridge Approach Main capital budget account to the following capital year 2012 capital budget accounts: (1) Lake Gaillard Water Treatment Plan Filter #11 Surface Wash Actuator (\$14,500), (2) Lake Saltonstall Residuals Piping Replacement (\$16,000), and (3) Hot Tap Machine Equipment (\$16,000).

Mr. Bingaman reviewed the Regional Water Authority ("RWA") Key Performance Indicators ("KPIs") for the period ended August 31, 2011, focusing on the lost call rate. Mr. Cermola summarized discussion at the September Representative Policy Board ("RPB") Consumer Affairs Committee meeting regarding customer service issues. Mr. Bingaman commented on plans to reorganize the Customer Service department and provide additional training for representatives. Mr. Marsh commented that the zero injuries KPI was achieved for August.

Mr. Bingaman introduced Mr. David L Mulit, Chief Executive Officer of EP2M. He stated Mr. Mulit previously assisted the RPB when it considered the application for the customer service system replacement project and provided quality assurance professional services to management during the

implementation process. Mr. Mulit summarized his assessment of the SAP customer information system stabilization one year after implementation from a system and business operations perspective. He focused on areas of concern including lost call rates and backlog accumulation. He commented on his evaluation of investment into the system and related business operations to guarantee sustained performance. Extended discussion took place. Ms. Ryan, Vice President, Service and Technology, reviewed stabilization activities accomplished since system implementation. She presented management's plan for phase II stabilization and enhancing activities related to the property closing process, dunning process, implausible/outsort analysis and other workflow process review. She presented a timeline for short and near term activities and an estimate of the cost of the short-term analytical activities. Mr. Bingaman emphasized the high priority management places on resolution of stabilization issues. After discussion, the Authority members expressed support for management's plan.

Mr. Norris and Mr. Rugar described the Water Research Foundation project regarding optimization of distribution systems. They described the project, timeline, RWA's involvement as a participating utility, the results and how RWA compares to the optimal. They described the goals of a Water Research Foundation project addressing pressure management currently in process and the Partnership for Safe Water. They responded to questions from Authority members.

At 10:46 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 Environmental, Health and Safety Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

At 11:15 a.m. the Authority reconvened and, on motion duly made by Mr. Bell and seconded by Mr. Edge, 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
Edge	Aye
Marsh	Aye

At 11:30 a.m. the Authority reconvened. Mr. Bingaman briefly described the purpose of the Munger domestic relations order with respect to the South Central Connecticut Regional Water Authority Retirement Plan. Ms. DiGianvittorio stated that RWA attorney, William J. Keenan, Jr. of Murtha Cullina LLP, had reviewed the order and concluded that it satisfies the requirements for a qualified domestic relations order. Mr. Bell moved for adoption of the following resolutions:

WHEREAS, the Regional Water Authority serves as the Pension Committee and Plan Administrator of the South Central Connecticut Regional Water Authority Retirement Plan (the "Plan"); and

WHEREAS, said Pension Committee has the authority to approve domestic relations orders submitted to the Plan; and

WHEREAS, legal counsel has reviewed the domestic relations order dated August 10, 2011 relating to the assignment of certain benefits of Mitchell Munger under the Plan, and has determined that such order satisfies the requirements for a qualified domestic relations order;

NOW, THEREFORE be it

RESOLVED: That based upon advice of legal counsel, the Regional Water Authority, in its capacity as the Pension Committee and Plan Administrator of the South Central Connecticut Regional Water Authority Retirement Plan, approves the order referenced above as a qualified domestic relations order; and be it

FURTHER RESOLVED: That the appropriate officers and employees 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 foregoing resolution.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

Authority members reported on their attendance at recent RPB standing committee meetings and assignments for attendance at fourth quarter meetings were made.

Chair DiSalvo requested that each chair of an Authority committee prepare a committee work plan by the December Authority meeting. He distributed sample work plans.

Mr. Bingaman:

- Reported on the timeframe for the Department of Energy and Environmental Protection to submit the proposed stream flow regulations to the Regulations Review Committee.
- Commented on responses received to the request for proposals to conduct the operating efficiency study.
- Stated he intended to defer preparation of a business case analysis for automated metering infrastructure for at least one year. There was no objection.

At 11:45 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 pending litigation. Present in executive session were the Authority members, Mss. Discepolo, Soda, Yoder and Mr. Bingaman.

At 12:15 p.m., on motion duly made by Mr. Cermola and seconded by Mr. Bell, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

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C. Anthony Edge, Secretary