

South Central Connecticut Regional Water Authority

Minutes of the January 19, 2011 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, January 19, 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, Mr. Bingaman
RPB – Mr. Borowy
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. Edge and unanimously carried, the minutes of the meeting of the Authority held on December 15, 2010 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. Marsh, it was voted unanimously to adjourn 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 8:15 a.m. the Authority reconvened.

Ms. Discepolo reviewed the December 2010 monthly financial report. She commented on draft, cash collections, operating revenues, operating expenses, interest income and the projected fiscal year 2011 maintenance test. She distributed and reviewed information concerning production by fiscal year in 2009, 2010 and to date in 2011. Discussion focused on factors contributing to the continuing decline in draft in non-summer months, actions being taken by management in response to this trend and the level of capital spending. She reviewed the analysis of accounts receivable and responded to questions.

The Chair proposed to reorder the agenda to consider Item IIIC prior to Item IIIB. There were no objections.

Ms. Discepolo reviewed the proposed schedule for an issuance test rate application associated with issuance of the Authority's 26th series bonds to fund its program of capital improvements. She distributed an analysis of recent water rate increases by other utilities. Discussion took place concerning the likely size and components of the anticipated increase. In response to a question, Mr.

Bingaman described the concept of a revenue adjustment clause being explored by management for potential future use as a means to help ensure the fiscal footing of RWA in view of the annual decline in customer consumption.

A schedule of Capital Improvement Budget Expenditures for February 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 \$1,521,000 for the month of February 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 2011 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. At the close of discussion, the Chair called for the vote.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

Mr. Bingaman reviewed the Regional Water Authority (“RWA”) Key Performance Indicators (“KPIs”) for the period ended December 31, 2010. He commented on several KPIs including the lost call abandonment rate, number of periodic meter change outs and water quality and environmental compliance “near misses”. He described the efforts undertaken to catch up on call backs to customers, including planned increases to customer service staffing.

Mr. Bell, Chair, Authority Pension, Benefits and Compensation Committee, described the purpose of the Murphy Domestic Relations Order dated September 24, 2010 with respect to the South Central Connecticut Regional Water Authority Retirement Plan (the “Plan”). He stated that the 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 and is consistent with the provisions of the Plan. Mr. Bell stated that the Authority serves as the Pension Committee and Plan Administrator of the Plan and is responsible for approving domestic relations orders submitted to the Plan. Mr. Cermola 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 September 24, 2010 relating to the assignment of certain benefits of William Murphy 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. Marsh seconded the motion. At the close of discussion, the Chair called for the vote.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

At 9:55 a.m., on motion duly made by Mr. Cermola and seconded by Mr. Bell, it was voted unanimously to adjourn 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 9:59 a.m. the Authority reconvened.

It was reported that no meetings of Representative Policy Board (“RPB”) committees had been held to date in January.

Mr. Bingaman:

- Reported on the status of stakeholder discussions with Department of Environmental Protection staff regarding the proposed stream flow regulations.
- Reported on the Town of North Branford’s proposed revaluation of RWA assets.
- Commented briefly on the R.W. Beck evaluation of the RWA’s capital improvement program and suggested the report be presented to the Authority at its February meeting and thereafter to the RPB Finance Committee and full RPB.
- Commented briefly on RWA response to the January 12 snowstorm.

Ms. Discepolo stated she had received a letter from Linda Schlissel of Evaluation Associates proposing to increase EAI’s fees for fiscal year 2012. Chair DiSalvo referred the matter to the Pension, Benefits and Compensation Committee for consideration at its next meeting.

Mr. Bingaman reviewed his revised 2011 proposed goals. He highlighted goals that are new from those submitted in December, and reviewed the reasons for the changes to his proposed goals. At the conclusion of discussion, the Authority members agreed with the goals proposed by Mr. Bingaman for 2011.

At 10:35 a.m., on motion duly made by Mr. Cermola and seconded by Mr. Bell, it was voted unanimously to go into executive session to discuss personnel and acquisition of real estate. Present in executive session were the Authority members, Mr. Bingaman, Ms. Discepolo, Ms. Yoder.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

At 11:10 a.m. the Authority came out of executive session and, on motion duly made by Mr. Cermola and seconded by Mr. Edge, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

C. Anthony Edge, Secretary