

**South Central Connecticut Regional Water Authority**

**Minutes of the February 20, 2014 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, February 20, 2014 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. DiGianvittorio, Discepolo, Kowalski, Nesteriak, Messrs. Bingaman, Flynn, Norris  
RPB – Messrs. Borowy, Havrda  
Staff – Ms. Yoder

The Chair called the meeting to order at 12:30 p.m.

At 12:31 p.m., on motion made by Mr. Cermola and seconded by Mr. Marsh, it was voted unanimously to recess the meeting to allow the Authority to meet as the Pension, Benefit and Compensation Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:39 p.m. the Authority reconvened and, on motion made by Mr. Cermola and seconded by Mr. DiSalvo, it was voted unanimously to recess the meeting to allow the Authority to meet as the Audit Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:22 p.m. the Authority reconvened. Mr. Cermola reported that the Audit Committee recommended that Marcum LLP be reappointed as internal auditor for the Authority for fiscal year 2015. He moved for adoption of the following resolution:

**Resolved**, That, based on the recommendation of the Audit Committee, Marcum LLP be, and it hereby is, appointed to serve as internal auditor for fiscal year 2015.

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

On motion made by Mr. Cermola and seconded by Mr. Bell, the following items contained in the consent agenda were approved and adopted or received, as appropriate:

- A. Approve minutes of the January 16, 2014 regular meeting.
- B. Approve capital budget authorization for March 2014.

**Resolved.** That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,200,000 for the month of March 2014 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 2014 for all Capital Improvement Projects to be exceeded. In the absence of the Controller, the Vice-President and Chief Financial Officer or the Vice-President – Asset Management is authorized to sign in her place.

- C. Receive capital budget transfer notifications detailed in Ms. Discepolo's memo dated February 13, 2014.
- D. Adopt resolution authorizing signature of documents.

**Resolved.** That the President and Chief Executive Officer, the Vice Presidents and Controller of the Authority be authorized and empowered to execute on behalf of the Authority any and all documents which may be necessary or convenient in connection with the business of the Authority and consistent with the budget authorized by the Authority; and be it

**Further Resolved.** That the Vice President - Asset Management, the Manager of Capital Planning & Delivery, the Vice President – Employee Services, the Manager Operation Planning & Scheduling, the Vice President - Service & Technology, and the Contracts & New Services Manager be authorized and empowered to execute on behalf of the Authority any and all agreements, contracts and documents which may be necessary or convenient in connection with the construction and engineering work of the Authority, including any and all agreements and/or contracts with the State of Connecticut Department of Transportation, Bureau of Highways; and be it

**Further Resolved.** That the Vice President - Asset Management, the Vice President – Service & Technology, the Contracts & New Services Manager, the Vice President – Employee Services, and the Manager Operation Planning & Scheduling of the Authority be authorized to sign on behalf of the Authority, contracts for the extension of water mains and high/low pressure agreements.

- E. Receive Report on Code of Ethics Compliance for Six-Month Period ended November 30, 2013.

Mr. Bingaman stated that the employee who was reported in Ms. Soda's memo as unavailable due to a lengthy absence had now signed and returned a Code of Ethics report for the six-month period ended November 30, 2013 and there had been no violations of the Code of Ethics by any employee or Board member.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Kowalski reviewed the January 2014 monthly financial report. She commented on the most significant variances in operating revenues and expenses, interest income and the projected fiscal year 2014 maintenance test. Discussion took place regarding the declines in billed consumption and draft for the current fiscal year and the outlook for future years.

Ms. Nesteriak and Mr. Norris provided an overview of RWA's distribution system and related topics focusing on: excess available water, interconnection of the distribution system including concepts related to future wholesale water opportunities, an update on the New Haven Service Area study, pressure equalization of the system, and distribution system optimization.

Mr. Bingaman:

- Reported on strategic planning workshops held with approximately 90 interested RWA employees.
- Provided an update on part two of the study by Sacred Heart University graduate students of large water using industries and how to attract the businesses within them to the New Haven area.
- Provided an update on activities related to increasing laboratory non-core revenues.
- Announced he would provide an overview of RWA laboratory expansion and other non-core activities at the American Water Works Association Water Executives Forum next week.
- Shared information on accounts receivable monthly collections during the period January 2010 through January 2014 and commented on activities that led to the strong January 2014 results.

At 4:05 p.m., on motion duly made by Mr. Bell and seconded by Mr. Cermola, it was voted unanimously to go into executive session to discuss strategy regarding litigation with the Town of North Branford and commercial or financial information exempt from public disclosure related to a competitive assessment of executive compensation prepared by Pearl Meyer & Partners, Inc. Present in executive session were the Authority members, Mss. DiGianvittorio (4:18 p.m. – 5:05 p.m.), Discepolo, Yoder and Mr. Bingaman.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 5:05 p.m. the Authority came out of executive session and, on motion made by Ms. Lieberman and seconded by Mr. Cermola, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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Richard G. Bell, Secretary