

**South Central Connecticut Regional Water Authority**

**Minutes of the August 15, 2013 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, August 15, 2013 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, DiGianvittorio, Mr. Bingaman  
RPB – Mr. Borowy  
Staff – Ms. Yoder

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

At 12:30 p.m., on motion made by Mr. Bell 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.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:00 p.m. the Authority reconvened and, on motion made by Ms. Lieberman and seconded by Mr. Cermola, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Audit Committee.

Bell	Absent
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:10 p.m. the Authority reconvened and, on motion 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 Pension, Benefit and Compensation Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:00 p.m. the Authority reconvened.

Mr. Bell stated that the Pension, Benefit and Compensation Committee recommended that the Regional Water Authority make the following contributions to its retirement plans and the Retired Employees' Contributory Welfare Trust during fiscal year 2014, as calculated in the actuarial valuation as of January 1, 2013: both pension plans combined - \$3,784,711; Retired Employees' Contributory Welfare Trust - \$2,503,472. He moved for adoption of the following resolution:

**Resolved**, that, based on the recommendation of its actuary and its Pension, Benefit and Compensation Committee, the South Central Regional Water Authority make a combined contribution of \$3,784,711 to the South Central Connecticut Regional Water Authority Retirement Plan and the South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan during fiscal year 2014;

**Resolved**, that, based on the recommendation of its actuary and its Pension, Benefit and Compensation Committee, the South Central Regional Water Authority make a contribution of \$2,503,472 to the South Central Connecticut Regional Water Authority Retired Employees' Contributory Welfare Trust during fiscal year 2014.

Mr. Cermola seconded the motion. Mr. Bell reviewed the Pension, Benefit and Compensation Committee's discussion of the funding status of the plans, budget impact of the recommended contributions and plans to develop a ten-year funding model. After discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell stated that the Pension, Benefit and Compensation Committee recommended that the interest rate assumption used to calculate contributions to the retirement plans and the Retired Employees' Contributory Welfare Trust be reduced from 8.00% to 7.75%. He moved for adoption of the following resolution:

**Resolved**, That the interest rate assumption used to calculate contributions to the South Central Connecticut Regional Water Authority Retirement Plan, the South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan and the South Central Connecticut Regional Water Authority Retired Employees' Contributory Welfare Trust be reduced from 8.00% to 7.75% effective for the actuarial valuation as of January 1, 2013.

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

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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

- A. Approve minutes of the July 18, 2013 regular meeting.
- B. Approve capital budget authorization for September 2013.

**Resolved**, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,300,000 for the month of September 2013 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 August 8, 2013.
- D. Approve revisions to the South Central Connecticut Regional Water Authority Description of Organization and Bylaws

**Whereas**, Section 11(i) of Special Act 77-98 of the General Assembly of the State of Connecticut (the "Act"), as amended, gives the Authority the power to adopt and amend bylaws; and

**Whereas**, Article VIII of the Authority Bylaws describes the process for considering bylaw amendments;

**Now, Therefore, Be It**

**Resolved**, That the changes to the South Central Connecticut Regional Water Authority Description of Organization and Bylaws delineated on the copy of the Description of Organization and Bylaws that is attached to and made part of these minutes be, and they hereby are, adopted and the Secretary be, and he hereby is, authorized and directed to file the Description of Organization and Bylaws, as amended, with the Secretary of State and the clerk of each town and city within the District as required by Section 11 of the Act.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo reviewed the July 2013 monthly financial report. She commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2014 maintenance test. Mr. Bingaman commented briefly on accounts receivable collection initiatives and efforts to mitigate the increase in the projected draw from the Rate Stabilization Fund. Discussion took place regarding coverage philosophy and the possibility of leveling the bond coverage at 115% in future rate applications.

Ms. Discepolo summarized management's request for approval to apply for a Connecticut Drinking Water State Revolving Fund loan for its Advanced Metering Infrastructure project, if the project is deemed feasible. Mr. Cermola moved for adoption of the following resolution:

**WHEREAS**, the South Central Connecticut Regional Water Authority (the "Authority") is conducting a feasibility study to establish the benefit to its customers of an automated meter reading project which will use technology to collect meter readings continuously and process the data for billing and usage monitoring (the "Project"); and

**WHEREAS**, if the feasibility study establishes that there is a benefit to the Authority's customers, the Authority desires to have the cost of the Project financed through the State of Connecticut's (the "State") Drinking Water Fund Program (the "DWFP"); and

**WHEREAS**, in order to get approval for such financing the Authority must apply to the State's Department of Public Health.

**NOW THEREFORE BE IT RESOLVED** that the Authority hereby authorizes the President and the Chief Financial Officer or either one of them to apply to the State Department of Public Health for eligibility and funding of the Project and to sign such application and any other documents which may be necessary or desirable to apply for eligibility of the Project and financial assistance from the State's DWFP.

Ms. Lieberman seconded the motion and, after discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell stated the Regional Water Authority is the sole Member of The Watershed Fund. He recommended that in its capacity as sole Member the Authority elect Mss. Addiss and Bennitt and Mr. Olejarczyk as directors with terms expiring in 2016. He moved for adoption of the following resolution:

**Resolved**, That the following persons be, and they hereby are, elected Directors of The Watershed Fund, Inc. to serve in such capacity until the Annual Meeting of the sole Member in 2016 or until they otherwise lawfully cease to hold such office: Susan S. Addiss, Claire C. Bennitt, Robert J. Olejarczyk

Ms. Lieberman seconded the motion and, after brief discussion, the Chair called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman:

- Reported on economic development activities he and Mr. Marsh have undertaken since the last Authority meeting.
- Provided an update on non-core revenue activities focusing on expanding laboratory testing services and the PipeSafe Plus program. He reported that, based on financial due diligence, management decided not to pursue a potential cogeneration opportunity.
- Stated he was co-chair of the Griffin Hospital Gala on September 20, 2013.

Members reported briefly on recent meetings of Representative Policy Board committees.

At 3:48 p.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, union negotiations and strategy regarding pending litigation. Present in executive session were the Authority members, Mr. Bingaman, Mss. Discepolo and Yoder.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:07 p.m. the Authority came out of executive session and, on motion made by Mr. Cermola and seconded by Mr. Bell, the meeting was adjourned.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

---

Richard G. Bell, Secretary

Attachment: Proposed revisions to SCCRWA Description of Organization and Bylaws