

South Central Connecticut Regional Water Authority

Minutes of the April 24, 2014 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, April 24, 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, Gaw, Kowalski, Nesteriak, Soda, Zanella Dyer,
Messrs. Bingaman, Flynn, Norris
Staff – Ms. Yoder
Other – Ms. LeMoine

The Chair called the meeting to order at 12:30 p.m. The Chair introduced Patrice LeMoine who will join the Regional Water Authority as Board Administrator on May 19, 2014.

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 March 17, 2014 special meeting and the March 20, 2014 regular meeting.
- B. Approve capital budget authorization for May 2014.

Resolved, That the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$10,000,000 for the month of May 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 April 17, 2014.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Kowalski reviewed the March 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. Mr. Bingaman commented on the success of accounts receivable collection activities.

Ms. Nesteriak and Mr. Norris led a discussion regarding short term reduction of capital spending, including the importance of prioritizing capital investment; the need to meet the expectations of Regional Water Authority ("RWA") customers, District municipalities and rating agencies; the importance of maintaining the RWA's reputation with the Connecticut Department of Public Health and the industry; historical capital budgets compared to actual spending; and the benefits and risks of a reduced capital

spending budget. After discussion, it was the consensus that capital spending could be reduced for 2-4 years once every 10-15 years, if necessary, with careful management and clear targets as to when spending would be resumed at a normal level.

The Authority reviewed the proposed capital budget for fiscal year 2015. Mr. Bingaman summarized the assumptions used to develop the proposed budget. Mss. DiGianvittorio, Nesteriak, Zanella-Dyer and Messrs. Flynn and Norris reviewed highlights of the fiscal year 2015 capital budget. Mr. Norris briefly described the five-year Capital Improvement Program for fiscal years 2015-2019. Mr. Bingaman summarized the savings since fiscal year 2009 from capital efficiencies and other steps and the resulting benefit to ratepayers.

At 2:20 p.m. Mr. Bell withdrew from the meeting.

The Authority reviewed the proposed operating and maintenance budget for the fiscal year from June 1, 2014 through May 31, 2015. Mr. Bingaman reviewed the areas of emphasis in the proposed budget. Mss. Discepolo and Kowalski reviewed the assumptions underlying the proposed budget, FY 2015 revenue projections and related methodology, cash realization experience, the major operating and maintenance expenditure categories, comparing the proposed fiscal year 2015 budget to the projected fiscal year 2014 expenditures; projected maintenance test; fund balance analysis for the Revenue, Rate Stabilization and General Funds, and operating and maintenance expenditure increase vs. the historical and forecast CPI. Mr. Bingaman reviewed operating efficiencies achieved since 2009. Discussion focused on the Authority's philosophy regarding use of the Rate Stabilization Fund and allocation of year-end balances.

At the conclusion of the budget review, Mr. Cermola moved for adoption of the following resolution:

Resolved, That copies of the proposed Capital Budget and Operating and Maintenance Budget for the fiscal year from June 1, 2014 – May 31, 2015, substantially in the form reviewed at this meeting, be distributed to members of the Representative Policy Board and the Office of Consumer Affairs.

Ms. Lieberman seconded the motion. The Chair stated that Mr. Bell had indicated to him that he was in favor of distributing the proposed budget, as presented, to the Representative Policy Board members. After brief discussion, the Chair called for the vote:

Bell	Absent
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

The Chair proposed to reorder the agenda to hold an executive session prior to considering other items on the agenda. There were no objections.

At 4:37 p.m., on motion duly made by Mr. Marsh 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 strategy for collective bargaining with the United Steelworkers Union. Present in executive session were the Authority members (Ms. Lieberman, Messrs. Cermola, DiSalvo, Marsh), Mss. DiGianvittorio, Discepolo, LeMoine, Soda, Yoder and Messrs. Bingaman and Norris.

Bell	Absent
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 5:10 p.m. the Authority came out of executive session. Mr. Marsh made a motion to adopt the following resolution:

Whereas, Evelyn Yoder has served the South Central Connecticut Regional Water Authority as the Executive Administrator to the Regional Water Authority Board and the Representative Policy Board for over **13 years**; and

Whereas, Evelyn skillfully ensured compliance with the enabling legislation that created the South Central Connecticut Regional Water District as well as with the bylaws and rules of practice of the organization; (2) compliance with Connecticut's Freedom of Information Act with respect to governance activities; and, (3) compliance of The Watershed Fund with its governance documents and the efficient operation of its grant and scholarship programs; and

Whereas, Evelyn participated in the Reputation Goal Team and subsequent efforts to research and compile the necessary information to complete and submit the application for the Association of Metropolitan Water Agencies resulting in RWA being named a 2011 Gold Award winner; and

Whereas, Evelyn exercised extraordinary skill in understanding the roles of the two boards while utilizing discretion and integrity to balance the interests of both entities to assure a smooth working relationship and mutual respect; and

Whereas, Evelyn has faithfully contributed unselfishly of her time and talents to the organization and participated at all times in a professional manner while maintaining a calm demeanor and a sense of humor; and

Whereas, Evelyn displayed a deep commitment to the mission, vision, and STARS values of the Authority and is the ideal interface between the organization and the public;

Now therefore be it resolved, that on behalf of the South Central Connecticut Regional Water Authority and the Representative Policy Board of the South Central Connecticut Regional Water District, we hereby congratulate Evelyn, gratefully acknowledge her thirteen and a half years of dedicated service, and wish her well in her retirement.

Mr. Cermola seconded the motion and it was adopted by acclamation.

Bell	Absent
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 5:15 p.m., on motion made by Mr. Cermola and seconded by Mr. Marsh, the meeting was adjourned.

Bell	Absent
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Richard G. Bell, Secretary