

South Central Connecticut Regional Water Authority

Minutes of the May 18, 2011 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Wednesday, May 18, 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 – Mss. Dybas, Gutierro, 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 meetings of the Authority held on April 20, 2011 and April 21, 2011 were approved as distributed.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

At 8:03 a.m., on motion duly made by Mr. Cermola and seconded by Mr. Edge, it was voted unanimously to adjourn the regular meeting to allow the Authority to meet as the Pension, Benefit & Compensation Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

At 8:37 a.m. the Authority reconvened.

Ms. Discepolo reviewed the April 2011 monthly financial report. She commented on draft, cash collections, operating revenues, operating expenses, interest income and the projected fiscal year 2011 maintenance test. Discussion took place concerning the impact of continuing expense control and steps taken to increase collections. Ms. Discepolo reviewed the analysis of accounts receivable and responded to questions.

A schedule of Capital Improvement Budget Expenditures for June 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 \$1,669,000 for the month of June 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contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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. Bell 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, the Authority was notified in writing of the following transfers between fiscal year 2011 capital budget accounts:

- \$177,500 from the Ansonia/Derby West Side Tank to Virtual Hold
- \$7,000 from MCC Replacements to Electronic Safety Communication Stations
- \$30,000 from Genesee Tunnel Improvements to LWWTP Distribution Pump Recoating
- \$9,000 from Genesee Tunnel Improvements to Lake Glen Aeration System
- \$2,500 from Genesee Tunnel Improvements to LGWTP Phase IV Improvements.

Mr. Bingaman commented briefly on a Moody's Special Comment dated June 2010 titled *Importance of Balancing Infrastructure Bondholder Protection During Downturns*. He stated representatives of the RWA expected to meet with the credit rating agencies in June regarding the proposed 26th Series Bonds. Ms. Discepolo distributed updated versions of the RWA's financial planning model demonstrating the impact of future increases in debt service coverage at 1% and 2% levels. After discussion, the Authority members suggested using a 2% increase in debt service coverage at each rate application until reaching 120% as a long range planning assumption.

Mr. Bingaman and Ms. Discepolo reviewed private placement as an option for selling the 26th Series Bonds. They briefly described private placement as compared to a negotiated sale or a competitive sale of the bonds and stated management continues to explore private placement with bond counsel and the RWA's financial advisor. After discussion, the Authority members concurred with continued investigation of the private placement option and with selection of it, should it prove to be clearly advantageous.

Ms. Discepolo commented briefly on the requests for exemption from public bidding for the period June 1, 2011 through May 31, 2012. She and Mr. Bingaman responded to questions, particularly as relates the request for meters. Mr. Bell moved for adoption of the following resolutions:

Resolved, That the Authority authorizes Management to negotiate the purchase of @Road automated vehicle locator fleet tracking system services and equipment for the fiscal year June 1, 2011 – May 31, 2012 without public bidding and such purchase without public bidding is hereby determined to be in the best interest of the Regional Water Authority for the

reasons set forth in Ms. Discepolo's memorandum of May 12, 2011, a copy of which is to be filed with the records.

Resolved, That the Authority authorizes Management to negotiate the purchase of John Deere equipment for the fiscal year June 1, 2011 – May 31, 2012 without public bidding and such purchase without public bidding is hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Discepolo's memorandum of May 12, 2011, a copy of which is to be filed with the records.

Resolved, That the Authority authorizes Management to negotiate directly with suppliers of Neptune meters for the fiscal year June 1, 2011 – May 31, 2012 without public bidding and such purchase without public bidding is hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Discepolo's memorandum of May 12, 2011 as revised May 18, 2011, a copy of which is to be filed with the records.

Resolved, That the Authority authorizes Management to negotiate the purchase of hot and cold patch, gravel, stone and processed aggregate necessary for maintenance and construction of the Authority's distribution system and sources of supply for the fiscal year June 1, 2011 – May 31, 2012 without public bidding and such purchase without public bidding is hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Discepolo's memorandum of May 12, 2011, a copy of which is to be filed with the records.

Resolved, That the Authority authorizes Management to negotiate directly with the suppliers of polymers (polyelectrolytes) for the West River Water Treatment Plan ("WTP"), Lake Gaillard WTP, Lake Saltonstall WTP and Lake Whitney WTP for the fiscal year June 1, 2011 – May 31, 2012 without public bidding and such purchase without public bidding is hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Discepolo's memorandum of May 12, 2011, a copy of which is to be filed with the records.

Resolved, That the Authority authorizes Management to negotiate directly with Allen-Bradley Company and its local distributor, Hartford Electric Supply Company, for the purchase of programmable logic controllers for the fiscal year June 1, 2011 – May 31, 2012 without public bidding and such purchase without public bidding is hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Discepolo's memorandum of May 12, 2011, a copy of which is to be filed with the records.

Mr. Cermola seconded the motion and, after 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 April 30, 2011. He commented on several KPIs including the lost call abandonment rate, number of recordable injuries and unaccounted for water.

Mr. Bingaman commented briefly on the RWA Legislative Status Report prepared by Kulisch Consulting, the RWA's government relations consultant.

At 10:28 a.m., on motion duly made by Mr. Cermola and seconded by Mr. Edge, 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 11:05 a.m. the Authority reconvened.

Authority members reported briefly on recent RPB standing committee meetings they attended.

Mr. Bingaman:

- Provided an update on customer call center activity and performance statistics.
- Provided an update on the status of SAP post-implementation activities.
- Reported on the progress of stakeholder discussions regarding the proposed stream flow regulations.

At 11:20 a.m., on motion duly made by Mr. Bell and seconded by Mr. Cermola it was voted unanimously to go into executive session to discuss personnel. Present in executive session were the Authority members, Mr. Bingaman, Ms. Discepolo and Ms. Yoder.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

At 11:35 a.m. the Authority came out of executive session.

Mr. Bell moved for adoption of the following resolution:

Resolved, That a one-time performance bonus of up to \$10,000.00 be granted to Janet Ryan, Vice President, Service & Technology, in recognition of her outstanding effort leading the SAP project.

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

On motion duly made by Mr. Bell and seconded by Mr. Cermola, the meeting was adjourned at 11:38 a.m.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Edge	Aye
Marsh	Aye

C. Anthony Edge, Secretary