

South Central Connecticut Regional Water Authority
Minutes of the June 19, 2014 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, June 19, 2014 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chairman DiSalvo presided:

Present: Authority – Ms. Lieberman, Messrs. Bell, Cermola, DiSalvo, and Marsh
Management – Mss. DiGianvittorio, Discepolo, Kowalski, Soda, and Mr. Bingaman
RPB – Messrs. Borowy and Conroy
Staff – Ms. LeMoine

Mr. DiSalvo asked if there was any objection to begin the meeting at 12:25 p.m., since all members of the Authority were present. All were in favor. The Chairman called the meeting to order at 12:25 p.m.

Mr. DiSalvo proposed to change the order of the agenda for today's meeting and move agenda item F to be held before the Environmental, Health, Safety and Risk Assessment Committee meeting. There were no objections.

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

1. Approve minutes of the May 15, 2014 regular meeting.
2. Approve capital budget authorization for July 2014.

Resolved: that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,000,000 for the month of July 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 2015 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.

3. Receive capital budget transfer notifications detailed in Ms. Discepolo's memo dated June 12, 2014.
4. Receive Key Performance Indicators for the period ended May 31, 2014.
5. Receive Fiscal Year 2015 Weighted Vote Computation for Representative Policy Board.

With no further discussion, the Chairman called for the vote to accept the consent agenda as presented:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye

Marsh Aye

Mr. Bingaman gave a summary of the recent negotiations held between the U.S. Steelworkers of America Union and the Regional Water Authority. Ms. DiGianvittorio summarized the significant provisions of the new contract including those related to wages and benefits. Mr. Bell moved for adoption of the following resolution:

Resolved: that the collective bargaining agreement negotiated by the Regional Water Authority and the United States Steelworkers of America Union Local #12160 which was ratified by the union be, and it hereby is, accepted and approved by the Authority effective May 2014, and is retroactive to April 15, 2013 until April 15, 2018.

Mr. Cermola seconded the motion and the Chairman called for the vote:

Bell Aye
Cermola Aye
DiSalvo Aye
Lieberman Aye
Marsh Aye

Ms. DiGianvittorio presented the proposed resolutions for the Regional Water Authority's amendment to the retirement plan and adoption of the Regional Water Authority voluntary investment plan. Ms. DiGianvittorio and Mr. Bingaman gave an overview of the resolutions presented.

Mr. Cermola moved for adoption of the following resolutions:

This Amendment made this 19th day of June, 2014, by the South Central Connecticut Regional Water Authority (the "Authority"), for the purpose of amending its Retirement Plan,

WHEREAS, by instrument executed on November 21, 2013, the Authority, adopted an amended and restated Retirement Plan (the "Plan"); and

WHEREAS, the Authority reserved the right to amend the Plan in Section 11.01 thereof; and

WHEREAS, the Authority now wishes to amend the Plan in the particulars set forth below;

NOW, THEREFORE, the Authority hereby amends the Plan as follows:

1. The table in paragraph (a) of Section 5.01 is amended as set forth in Exhibit A attached hereto. [see attached]
2. The following paragraph (k) is added to Section 5.01:
“(k) Participants retiring during the period April 15, 2013 through April 14, 2017 shall have their benefit payments recalculated annually to reflect the increases during such period in the amount per month for each year of Credited Service as set forth in (a) above.”
3. Except as hereinabove modified and amended, the terms of the Plan are confirmed and remain unchanged.

This Amendment made this 19th day of June, 2014, by the South Central Connecticut Regional Water Authority, for the purpose of amending the Authority Voluntary Investment Plan,

WHEREAS, by written Plan instrument dated November 21, 2013, the South Central Connecticut Regional Water Authority (the "Authority"), a public corporation constituting a public instrumentality and political subdivision of the State of Connecticut, has amended and restated the Authority Voluntary Investment Plan (the "Plan"), effective except where otherwise indicated as of January 1, 2013; and

WHEREAS, the Authority wishes to amend the Plan in the particular set forth below;
and

WHEREAS, the Authority reserved the right to amend the Plan in Section 14.1 thereof;
NOW, THEREFORE, the Authority hereby amends the Plan as follows:

1. Subparagraph (A) of Paragraph (b)(2) of Section 3.1 is amended to read as follows:

“(2) (A) Notwithstanding the provisions of paragraph (b)(1) of this Section 3.1, each Union Employee who first commences employment with the Authority on or after April 15, 2010 but before April 16, 2014 shall be eligible to become a Participant immediately without being required to complete ½ Year of Service. However, any Union Employee who first commences employment with the Authority after April 15, 2014 will be subject to the ½ Year of Service eligibility requirement and shall be eligible (upon satisfaction of such requirement) as of the applicable Entry Date. Furthermore, any such Union Employee who first commences employment with the Authority on or after April 15, 2010 (whether before, on or after April 15, 2014) shall be enrolled automatically in the Plan when first eligible at a Salary Deferral contribution percentage rate of six percent (6%) of his Compensation. The Participant may elect to not participate, or may elect a different level within the limits specified in Section 4.1 of the Plan. The contribution shall continue at the six percent (6%) rate unless and until the Participant elects otherwise. The Administrator shall notify any such Participant of the automatic contribution arrangement and of his right to elect a different contribution percentage or to make no Salary Deferral contributions.”

2. Paragraph (c)(2) of Section 4.2 is amended to read as follows:

“(2) In the case of Participants represented by the Union who first commence employment with the Authority on or after April 15, 2010 but prior to April 16, 2014, or who are otherwise covered by the eligibility provisions of Section 3.1(b)(2)(B), the Employer shall make an Employer contribution in an amount equal to \$.50 for each \$1.00 by which any such Participant defers his Compensation in amounts up to 6% pursuant to a Salary Deferral Agreement, provided he is an Active Participant on any day of the Contribution Period, subject to the limitations on allocations in accordance with Article V. However, effective June 1, 2014, no further contributions shall be made pursuant to this paragraph (c)(2).”

3. The following sentence is added to paragraph (a) of Section 4.3 at the end thereof, effective July 1, 2014:

“Effective July 1, 2014, in the case of the current Vice President of Service and Technology and the current Controller, the non-elective Employer contribution shall be five percent (5%) of Compensation rather than four and one-half percent (4½%) of Compensation.”

4. The following new Paragraph (d) is added to Section 4.3, effective June 1, 2014:

“(d) Participants represented by the Union who first commence employment with the Authority on or after April 15, 2010, or who are otherwise covered by the eligibility provisions of Section 3.1(b)(2), shall, following satisfaction of the eligibility requirements and attainment of the Entry Date applicable to such individual if such requirements apply to such individual, but in no event prior to June 1, 2014, receive a non-elective Employer contribution of three and one-half percent (3.5%) of Compensation. For a Participant covered by the service requirement for eligibility, Compensation paid prior to such Participant’s Entry Date shall not be taken into account. For all Participants, Compensation paid prior to June 1, 2014 shall not be taken into account. This contribution is in lieu of matching contributions; that is, any individuals covered by this non-elective Employer contribution are not eligible to receive matching contributions. Any such Participant shall not be required to make salary deferral contributions under Section 4.1 in order to receive such non-elective contribution. Such contributions shall be paid to the Trustee not less frequently than monthly. A separate Employer Contribution Account shall be established for such Participant under Section 6.2 containing all amounts contributed as non-elective contributions and earnings thereon. Withdrawals from such Employer Contribution Account shall follow the rules of Section 9.1 and 9.4 applicable to a Participant’s Matching Contribution Account, with respect to the Participant’s vested interest in such Employer Contribution Account. Notwithstanding Section 1.48 hereof, Participants represented by the Union who first commence employment with the Authority after April 15, 2014 shall be vested in the Employer Contribution Account established pursuant to this Section 4.3(d) in accordance with the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
less than 3	0%
3	50%
4	75%
5 or more	100%

Years of Service shall have the meaning set forth in Section 2.5 hereof. If a Participant terminates employment with less than a 100% vested percentage, the non-vested percentage shall be forfeited and used by the Authority to satisfy a portion of the Authority’s contribution obligations under the Plan. If a Participant terminates employment on or after Normal Retirement Date, due to his Disability, or due to his death, he shall be 100% vested, notwithstanding the foregoing.”

5. Except as hereinabove modified and amended, the Plan shall remain in full force and effect.

6. This Amendment is effective as of the dates specified herein.

Mr. Marsh seconded the motion and unanimously carried. The Chairman called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Lieberman moved for adoption of the Authority's voluntary investment plan:

Resolved: that the Authority Voluntary Investment Plan be, and it hereby is, amended by a First Amendment thereto; and be it

Further Resolved: that the South Central Connecticut Regional Water Authority Retirement Plan be, and it hereby is, amended by a First Amendment thereto; and be it

Further Resolved: that the Chairperson of the Authority be, and he hereby is, authorized to execute the Amendments referenced in the foregoing resolutions on behalf of the Authority; and the appropriate officers 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 same.

Mr. DiSalvo thanked Ms. DiGianvittorio for her time and dedicated work, where upon she withdrew from the meeting.

Ms. Kowalski reviewed the May 2014 monthly financial report. She provided the variances in operating revenues, expenses with changes and highlighted the various overages, with any credits. She also reviewed the projected fiscal year 2014 maintenance test. Ms. Kowalski then reviewed the preliminary unaudited figures for the fiscal year ended May 31, 2014, focusing on the balance sheet.

Ms. Discepolo reviewed the information contained in her memorandum dated June 18, 2014 regarding "Distribution of Fiscal Year 2014 Revenue Fund Balance and General Fund Balance per Section 404D of the *General Bond Resolution*." She noted the funds available for allocation, the required transfer to the Operating Reserve Fund, and the transfers proposed by Management to the General Fund. It was added that Management requested authorization to transfer of \$8,783,798 from the Revenue Fund to the General Fund. It was noted that after the transfers, the Rate Stabilization Fund balance will remain at \$10 million. Ms. Lieberman moved for adoption of the following resolution:

Whereas, the Vice President and Chief Financial Officer has and will make certain transfers from the Revenue Fund as required by Section 404D of the General Bond Resolution;

Whereas, the balance remaining in the Revenue Fund after taking into account such transfers as of year-end is approximately \$8,783,798 and pursuant to the General Bond Resolution will be deposited to the General Fund;

Now, therefore, be it resolved, that after such transfer is made to the General Fund, the balance of the General Fund is approximately \$14,838,204.

Mr. Bell seconded the motion and, after discussion regarding the various funds, the Chairman called for the vote:

Bell	Aye
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Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Lieberman moved for adoption of the following resolution:

Whereas, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority;

Now, therefore, be it hereby resolved by the Regional Water Authority;

The Vice-President and Chief Financial Officer is hereby authorized and directed to transfer and pay over from the General Fund, \$5,391,899 to the Construction Fund.

Mr. Bell seconded the motion and, after discussion regarding the various funds, the Chairman called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

The proposed revisions to the fiscal year 2015 Capital Budget totaling \$1,089,000, result in an amended capital budget totaling \$26,631,000, excluding state and redevelopment projects. Mr. Bingaman reported that 95.1% of the fiscal year 2014 capital budget had been spent. Mr. Marsh moved for adoption of the following resolution:

Resolved: that the proposed revisions to the Capital budget for 2015 fiscal year presented to this meeting, including the revised plan of capital improvements for the 2015 through 2019 fiscal years, is hereby adopted and ordered to be filed with the records and with U.S. Bank National Association pursuant to Section 614 of the General Bond Resolution.

Mr. Cermola seconded the motion. The Chairman called for a vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo presented the resolutions for the proposed issuance of revenue bonds for two pumping stations. The Bonds will be issued to finance two new generators located at the Linsley Lake Pumping Station in North Branford and Cobblestone Pumping Station in Hamden. These two projects were reviewed by the Connecticut Department of Health and deemed eligible for Connecticut Drinking Water State Revolving Funds monies. The requested amount to be financed reflects a not to exceed value of \$100,000 per generator. RWA will be permitted to include the cost of issuance as part of the financing. These projects also are eligible for grant funds which when known will be used to offset the loan obligation. It was added that the resolutions are attached to and made part of the minutes.

Mr. Bell moved to approve the resolutions regarding the proposed issuance of Water System Revenue Bonds for the Cobblestone Pumping Station. Ms. Lieberman seconded the motion and, after discussion, the Chairman called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell moved to approve the resolutions regarding the proposed issuance of Water System Revenue Bonds for the Linsley Lake pumping station. Mr. Marsh seconded the motion and, after discussion, the Chairman called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

A schedule of the upcoming RPB Committee meetings was presented. Assignments were made for attendance at the third quarter 2014 RPB committee meetings.

At 2:02 p.m., Ms. Lieberman moved and Mr. Bell seconded the motion, it was voted unanimously to recess the regular meeting for the Authority to meet as the Environmental, Health, Safety and Risk Assessment Committee.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:14 p.m., the Authority reconvened to its regular meeting, and the Chairman requested a vote to take a short recess. Mr. Marsh made the motion and was seconded by Mr. Bell. All were in favor.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:25 p.m., the Authority returned from recess and Mr. DiSalvo requested Mr. Bingaman to present his goals for the fiscal year 2015.

Mr. Bingaman then presented his goals for the fiscal year 2015 and noted that the Global Metric for recordable injuries would be revised and he would report the change at the July meeting. He added that his goals are based on the organization's new strategic plan.

After discussion, Mr. DiSalvo requested a motion to approve Mr. Bingaman's goals for fiscal year 2015 as presented. It was added that Mr. Bingaman's goals are consistent with the SCCRWA's strategic plan, which is important to the growth of the organization. Mr. Cermola made the motion to

approve the CEO's goals for fiscal year 2015 as presented and seconded by Mr. Bell. The Chairman then requested the vote.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman:

- Reported on management's plan to work with the RPB Land Use Committee to update the Regional Water Authority's Land Use Plan and to review such revisions with the Authority Board.
- Reported that the Dandio property purchase closed on June 10, 2014.
- Reported on discussions that Mr. Marsh, Ms. Discepolo and he had with economic development consultants to develop a strategy to attract large water-intensive businesses to the region.
- Reported on the continuation of discussions that Mr. Flynn, Ms. DiGianvittorio and he had with Gateway Community College and Southern Connecticut State University to establish a utility management degree program.

The Chairman then requested to go into Executive Session.

At 2:58 p.m. Messrs. Borowy and Conroy withdrew from the meeting.

At 3:04 p.m., on a motion duly made by Mr. Cermola and seconded by Mr. Bell it was voted unanimously to go into closed session for the purpose to discuss personnel. The Chairman requested a vote.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At this time, Mr. Bingaman, Mss. Discepolo, Soda and LeMoine left the meeting.

At 3:20 p.m. the Authority came out of executive session.

Mr. DiSalvo stated that in accordance with the terms of Mr. Bingaman's agreement with the Regional Water Authority, Mr. Bingaman notified the Authority by letter dated June 19, 2014 of his desire to extend his agreement for another term. Mr. Cermola moved for adoption of the following resolutions:

Resolved, that the Authority hereby determines to extend its agreement with Larry L. Bingaman, President and Chief Executive Officer, approving the existing conditions, but amended the term to five years, which is December 31, 2019.

Resolved Further, that the Authority authorizes its Chairman to notify Mr. Bingaman of its intent to extend the agreement and to enter into an appropriate letter agreement with Mr. Bingaman outlining certain terms of his employment consistent with those currently in effect,

including continuation of an annual car allowance, payable in lump sum with the next payment in the first quarter of fiscal year 2016.

Mr. Marsh seconded the motion and the Chairman requested a vote.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:22 p.m., Ms. Lieberman moved and Mr. Marsh seconded the motion, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Strategic Planning Committee. The Chairman requested the vote.

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

The Board recessed to the Welch Room for the presentation from the Strategic Plan Committee.

Ms. Lieberman summarized the strategic planning process that began last year. The Leadership Team and Staff worked collectively to devise the goals, initiatives and the action plans with the appropriate steps for the coming five years.

At 4:26 p.m. the Authority reconvened and, on motion made by Mr. Cermola and seconded by Ms. Lieberman. The Chairman requested a vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

The Chairman then requested to go into Executive Session.

At 4:27 p.m., on a motion duly made by Mr. Cermola and seconded by Mr. Bell that the Authority go to into closed session for the purpose regarding pending litigation and personnel matters. The Chairman called for the vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:50 p.m. Mr. Cermola motioned to come out of executive session and was seconded by Mr. Marsh. All were in favor. The Chairman requested a vote:

Bell	Aye
Cermola	Aye
DiSalvo	Aye

Lieberman Aye
Marsh Aye

Mr. Bell moved for the adoption of the following resolution:

Resolved: that a one-time performance bonus of \$5,000 be granted to Ms. Jean Dyer, Vice President, Service and Technology, in recognition of her outstanding effort leading the accounts receivable collections effort.

Mr. Cermola seconded the motion and the Chairman called for the vote.

Bell Aye
Cermola Aye
DiSalvo Aye
Lieberman Aye
Marsh Aye

At 4:53 p.m., a motion was made by Mr. Marsh and seconded by Mr. Bell, the meeting was adjourned. The Chairman called for a vote.

Bell Aye
Cermola Aye
DiSalvo Aye
Lieberman Aye
Marsh Aye

Respectfully submitted,

Richard G. Bell, Secretary

Attachments:

1. Exhibit A SCCRWA First Amendment to Retirement Plan
2. SCCRWA Resolution Approving the Proposed Issuance of Water System Revenue Bonds (for Cobblestone Pumping Station)
3. SCCRWA Resolution Approving the Proposed Issuance of Water System Revenue Bonds (for Linsley Lake Pumping Station)