

**South Central Connecticut Regional Water Authority
Minutes of the April 16, 2015 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) was held Thursday, April 16, 2015 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chair DiSalvo presiding.

Present: Authority – Ms. Lieberman, Messrs. Cermola (via telephone conference), Curseaden, DiSalvo, Marsh
Management – Mss. Devany, Discepolo, Kowalski and Messrs. Bingaman, Flynn and Norris
RPB – Messrs. Borowy and Marino
Louis Berger – Mr. H. Steiman
Staff – Mrs. Slubowski

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

On motion made by Ms. Lieberman and seconded by Mr. Curseaden, it was voted unanimously that the following items contained in the consent agenda were approved and adopted or received, as appropriate:

1. Approve minutes of the March 19, 2015 regular meeting.
2. Approve capital budget authorization for May 2015.

Resolved, That, the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$10,500,000 for the month of May 2015 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 memorandum dated April 10, 2015.
4. Receive Land Use Updates regarding the Introductory Section of the Land Use Plan.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Norris and Mr. Steiman of Louis Berger, the RWA's consulting engineer for bond rating purposes, provided an update on improvements in the Capital Improvement Program (CIP) since Steiman's review in 2011. Mr. Steiman discussed highlights of the study and the methodology used. Based on his review it was determined that RWA is a well-run utility and the water system is in good repair.

At 1:05 p.m. Mr. Marino entered the meeting.

Mr. Steiman highlighted efficiencies gained since he first reviewed the RWA CIP in 2011, and commented on the recommended levels of the CIP for FY 2016 and FY 2017 and for FY 2018 and FY 2019. He also outlined suggested improvements for maintenance of assets.

At 1:59 p.m. Messrs. Norris and Steiman withdrew from the meeting and Mr. Flynn entered the meeting.

Mr. Flynn gave an update on Business Continuity Disaster Recovery Plans for 2015 and beyond. He noted that RWA has contracted with Agility Recovery, a disaster recovery organization, until RWA's program is completed.

At 2:11 p.m. Mr. Flynn withdrew from the meeting and Ms. Kowalski entered the meeting.

Ms. Discepolo and Ms. Kowalski provided an update on Accounts Receivable collections and initiatives.

Mr. DiSalvo discussed potential special topics for discussion at future meetings.

Ms. Kowalski reviewed the March 2015 monthly financial report. She commented on the most significant variances in operating revenues and expenses, interest income and the projected fiscal year 2015 maintenance test. Discussion took place regarding revenues, operating and maintenance expenses for the month ended March 31, 2015, and she stated the projected maintenance test for FY 2015 is 117% with no projected draw from the Rate Stabilization Fund as long as budgeted revenues, collections and expenses are maintained. The full-year projections also incorporate the PILOT settlement with North Branford.

Ms. Discepolo provided a briefing on a proposed Bond Refinancing. She distributed a handout prepared by RWA's advisors, Acacia Financial Group, Inc., which included the benefits of refinancing select maturities contained in the 21st Series, 22nd Series, and the 23rd Series Bonds. After discussion, it was the consensus of the Authority that Ms. Discepolo proceed with refinancing options.

At 2:58 p.m. Ms. Kowalski withdrew from the meeting.

Authority members reported on recent RPB committee meetings they attended.

Mr. Bingaman:

- Provided updates on the AMI project activities over the last month including the issuance of a Request for Proposal for AMI vendors, the establishment of a Project Risk Management Committee, the development of a change management communications plan, and the development of a contract for use with the selected AMI vendor. He also stated the project is slightly under budget due to timing.

- Noted a list of anticipated Applications requiring RPB Approval for the remainder of FY 2015 and in FY2016 was distributed.
- Commented that the Leadership Team will hold an orientation for the newly appointed Milford representative of the RPB.
- Highlighted a meeting he attended with DPH staff and other water utilities to discuss the proposed state Water Supply Plan; the proposed realignment of the Water Utility Coordinating Committees from seven to three; and the State Drinking Water Revolving Fund (SDWRF) loans and grants to water utilities.
- Communicated that the RWA is still working with Southern Connecticut State University on developing a proposal for a utility management degree to send to the Connecticut University Board of Regents for consideration.

At 3:15 p.m. Mr. Borowy withdrew from the meeting and Messrs. Norris and Triana entered the meeting.

Messrs. Norris and Triana discussed the potential purchase of property in Hamden. Mr. Triana noted that the land would comprise Class I and Class II land after the RWA purchase, and is located within the Whitney Watershed. Mr. Curseaden moved for adoption of the following resolution:

Resolved, that the Vice President of Asset Management is authorized to proceed and negotiate the acquisition of 32+/- acres at 775 Gaylord Mountain Rd. near Hamden for the purchase of land on the terms and conditions as discussed.

Mr. Marsh seconded the motion. After discussion, the Chair called for the vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:24 p.m. Mr. Marino withdrew from the meeting.

Messrs. Norris and Triana discussed a proposed Representative Policy Board Application for the Transfer of Interest in Real Property through a conservation easement on 60+/- acres in Guilford to receive from the Department of Energy and Environmental Protection (DEEP) an Open Space Grant Money on the Dandio property – Land Unit GU 12A, which the RWA purchased in 2014. Mr. Marsh moved for adoption of the following resolution:

Resolved, That, the Authority hereby accepts the Application for the Proposed Transfer of Interest in Real Property (Conservation Easement) to the State of Connecticut over 60+/- acres located off of Great Hill Rd. in Guilford, CT, which is currently referred to as Land Unit GU 12A as referred to in the Land Use Plan, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board.

Mr. Curseaden seconded the motion. After discussion, the Chair called for the vote.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye

Marsh Aye

At 3:28 p.m., on motion duly made by Mr. Curseaden and seconded by Ms. Lieberman, it was voted unanimously to go into executive session to discuss PILOT litigation and lab acquisition strategies. Present in executive session were the Authority members, Mss. Devany, Discepolo, Slubowski and Mr. Bingaman.

At 3:46 p.m., on motion made by Mr. Cermola and seconded by Mr. Marsh, it was voted unanimously to reconvene the Authority meeting and adjourn.

Cermola Aye
Curseaden Aye
DiSalvo Aye
Lieberman Aye
Marsh Aye

Gail Lieberman, Secretary