

**South Central Connecticut Regional Water Authority
Minutes of the June 18, 2015 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority was held Thursday, June 18, 2015 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chairman DiSalvo presided:

Present: Authority – Ms. Lieberman, Messrs. Cermola, Curseaden, DiSalvo and Marsh
Management – Mss. Devany, Discepolo and Kowalski and Messrs. Bingaman,
Norris and Triana
RPB – Ms. Gutierro and Messrs. Albrecht and Borowy
Staff – Mrs. Slubowski

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

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

1. Approve minutes of the May 21, 2015 meeting.
2. Approve capital budget authorization for July 2015.

RESOLVED, that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,775,000 for the month of July 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 2016 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 11, 2015.
4. Receive Key Performance Indicators for the period ended May 31, 2015.
5. Receive Fiscal Year 2016 Weighted Vote Computation for Representative Policy Board.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 12:31 p.m. Ms. Kowalski entered the meeting.

Ms. Kowalski reviewed the May 2015 monthly financial report. She commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2015 maintenance test.

At 12:40 p.m. Mr. Albrecht entered the meeting.

Ms. Kowalski reviewed revenues, operating and maintenance expenses for the month ended May 31, 2015 and she stated the projected maintenance test for FY 2015 is 122% with no projected draw from the Rate Stabilization Fund. She provided an update on accounts receivable collections. Ms. Kowalski reviewed the preliminary unaudited figures for the fiscal year ended May 31, 2015 focusing on the balance sheet.

At 12:45 p.m. Ms. Gutierro entered the meeting.

Ms. Discepolo distributed to Authority members a memorandum dated June 18, 2015 regarding "Distribution of Fiscal Year 2015 Revenue Fund Balance and General Fund Balance per Section 404D of the *General Bond Resolution*." She commented on the funds available for allocation, the required transfer to the Operating Reserve Fund, the transfers proposed by management to the General Fund and from the General Fund to the Rate Stabilization Fund and Construction Fund. Mr. Cermola 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; and

WHEREAS, the balance remaining in the Revenue Fund after taking into account such transfers as of year-end is approximately \$8,439,615 and pursuant to the General Bond Resolution will be deposited to the General Fund;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that after such transfer is made to the General Fund, the balance of the General Fund is approximately \$17,890,669.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Curseaden 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, \$7,890,669 to the Construction Fund.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo described proposed revisions to the fiscal year 2016 Capital Budget totaling \$445,000, resulting in an amended capital budget totaling \$26,371,000. Mr. Bingaman reported that 98% of the fiscal year 2015 capital budget was spent thereby surpassing the target. Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, That the proposed revisions to the Capital budget for the Authority for the 2016 fiscal year presented to this meeting, including a revised plan of capital improvements for the 2016 through 2020 fiscal years, is hereby adopted and ordered to be filed with the records and the U.S. Bank National Association pursuant to Section 614 for the General Bond Resolution.

Ms. Lieberman seconded the motion. The Chair called for a vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:13 p.m. Ms. Kowalski withdrew from the meeting.

Authority members reported on recent meetings of the Representative Policy Board committees and a schedule of the upcoming RPB Committee meetings was presented. Assignments were made for attendance at the third quarter 2015 RPB committee meetings.

At 1:20 p.m., on motion made by Mr. Marsh and seconded by Mr. Cermola, and unanimously carried, it was voted to recess the regular meeting for the Authority to meet as the Environmental, Health, Safety and Risk Assessment Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:20 p.m., the Authority reconvened and on motion made by Mr. Marsh and seconded by Mr. Curseaden, and unanimously carried it was voted to adjourn the Environmental, Health, Safety and Risk Assessment Committee meeting to allow the Authority to meet as the Strategic Planning Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:30 p.m. the Authority reconvened and Messrs. Norris and Triana entered the meeting.

Messrs. Norris and Triana discussed the Application for the proposed transfer of interest in real property (conservation easement) in Killingworth (Lorman property). Mr. Cermola 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 64+/- acres located off Burr Hill Rd. in Killingworth, CT, which is currently referred to as Land Unit KI 13C, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board; and

FURTHER RESOLVED, if approved by the Representative Policy Board, the President and CEO, and the Vice President of Asset Management, are authorized to take any and all actions necessary to complete the transfer of the easement to the State of Connecticut and receive a grant of \$335,000.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:35 p.m. Messrs. Borowy, Norris and Triana withdrew from the meeting.

Mr. Bingaman:

- Provided an AMI update. He noted that RWA team members and Don Schlenger, RWA's consultant, completed their review of six vendor proposals and selected four to interview next month. Once the interviews are complete and a vendor is selected a contract will be drafted and sent to the Department of Public Health for review. He stated this process will take approximately four months to complete. He reported that a Risk Management Committee was formed; and, the governance process is established and a communication plan is nearing completion.
- Highlighted an application for a platinum award to the Association of Metropolitan Water Agencies ("AMWA"), an organization of the largest publicly owned water utilities in the United States, and noted that RWA received a gold award in 2011, which makes RWA eligible to apply for a platinum award. RWA will be notified of its status in October.
- Reported on economic development support opportunities.
- Noted that Ted Norris, Vice President of Asset Management, was appointed to the Board of Connecticut Economic Resource Center (CERC) to represent RWA.
- Informed the Authority that he has been appointed to the State Water Planning Steering Committee and the first meeting will take place at the end of June.

Mr. Bingaman then presented his proposed goals for fiscal year 2016. He stated that his goals are based on the organization's strategic plan and Global Metrics.

After discussion, Mr. DiSalvo requested a motion to approve Mr. Bingaman's goals for fiscal year 2016 as presented. It was added that Mr. Bingaman's goals are consistent with RWA's strategic plan, which is important to the growth of the organization. Mr. Marsh made the motion to approve the

Chief Executive Officer's goals for fiscal year 2016 as presented. Mr. Curseaden seconded the motion. The Chair called for the vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:47 p.m., on motion made by Mr. Cermola and seconded by Mr. Curseaden, and unanimously carried, it was voted to go into executive session to discuss PILOT litigation with the town of Seymour. Present in executive session were Authority members, Mss. Devany, Discepolo, Slubowski and Mr. Bingaman.

At 3:52 p.m., the Authority reconvened and on motion made by Mr. Cermola and seconded by Ms. Lieberman, and unanimously carried, the meeting was adjourned.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Respectfully submitted,

Gail F. Lieberman, Secretary