

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

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) was held Thursday, July 16, 2015 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chairman DiSalvo presided:

**Present:** Authority – Ms. Lieberman, Messrs. Cermola, Curseaden (via telephone conference), DiSalvo and Marsh  
Management – Mss. Bochan, Devany, Discepolo, Kowalski and Zanella-Dyer and Messrs. Bingaman, Norris and Triana  
RPB – Ms. Dybas and Mr. Borowy  
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:35 p.m.

Mr. Bingaman discussed a safety moment, and stated the policy going forward at the RWA is to begin each meeting discussing a safety topic to raise awareness of safety, which is one of the core RWA STARS (Service, Teamwork, Accountability, Respect and Safety) values.

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

1. Approve minutes of the June 18, 2015 meeting.
2. Approve capital budget authorization for August 2015.

**RESOLVED**, that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,200,000 for the month of August 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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. Report on Code of Ethics Compliance for six month period ending May 31, 2015.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Kowalski reviewed the June 2015 monthly financial report. She commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2016 maintenance test. Ms. Kowalski stated the projected maintenance test for FY 2016 is 114% with a projected draw of \$1.5 million from the Rate Stabilization Fund, consistent with the FY 2016 budget. She provided an update on accounts receivable collections.

Ms. Bochan gave a presentation on Business Process Improvement. She highlighted various problem solving approaches and key processes to improve operations consistent with RWA's Strategic Plan.

At 1:16 p.m. Ms. Bochan withdrew from the meeting.

Ms. Discepolo discussed the need for and the purpose of the proposed Linsley Lake Pump Station Generator resolutions. Mr. Curseaden moved for adoption of the following resolutions:

**WHEREAS**, the South Central Connecticut Regional Water Authority (SCCRWA) has applied for Emergency Power Generator for Linsley Lake Pump Station located at 30 Linsley Lake Road, North Branford, Connecticut; and

**WHEREAS**, the State of Connecticut Department of Public Health (CTDPH) has approved said application under the Drinking Water State Revolving Fund (DWSRF); and

**WHEREAS**, the SCCRWA is eligible to receive subsidization for up to 45% of the cost of the generator and applicable expenses, of which the total cost is estimated to be no more than \$100,000; and

**WHEREAS**, the SCCRWA has approved the issuance of the Authority's bonds in an amount not to exceed \$100,000, approved during a Representative Policy Board meeting held on July 17, 2014 to help pay for such a generator; and

**WHEREAS**, the State's subsidization will be provided in the form of loan principal forgiveness and will not be repaid to the State of Connecticut in the DWSRF loan; and

**WHEREAS**, the CTDPH intends to offer term financing for the loan portion of the SCCRWA generator project based on the expected useful service life of the generator for up to 5 years; and

**WHEREAS**, interest rates on the portion of the loan that will be repaid by the SCCRWA are expected to be approximately half of the market rate at the time of the loan execution;

**NOW THEREFORE BE IT RESOLVED**, that Linda Discepolo, Vice President and Chief Financial Officer is hereby authorized to execute and file applications, contracts and agreements on behalf of the SCCRWA, as approved at the May 21, 2015 meeting of the Board, with the Commissioner of Public Health for a CTDPH grant and loan under the DWSRF Emergency Power Generator Program; and

**BE IT FURTHER RESOLVED**, that such loan shall not exceed \$100,000 with up to 45% of that amount to be forgiven by the State, for a term not to exceed 5 years.

Mr. Cermola seconded the motion, after discussion the Chair called for the vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo discussed the need for and the purpose of the proposed Cobblestone Drive Pump Station Generator resolutions. Mr. Curseaden moved for adoption of the following resolutions:

**WHEREAS**, the South Central Connecticut Regional Water Authority (SCCRWA) has applied for Emergency Power Generator for Cobblestone Drive Pump Station located at the Cobblestone Drive cul-de-sac, Hamden, Connecticut: and

**WHEREAS**, the State of Connecticut Department of Public Health (CTDPH) has approved said application under the Drinking Water State Revolving Fund (DWSRF); and

**WHEREAS**, the SCCRWA is eligible to receive subsidization for up to 45% of the cost of the generator and applicable expenses, of which the total cost is estimated to be no more than \$100,000; and

**WHEREAS**, the SCCRWA has approved the issuance of the Authority's bonds in an amount not to exceed \$100,000, approved during a Representative Policy Board meeting held on July 17, 2014 to help pay for such a generator; and

**WHEREAS**, the State's subsidization will be provided in the form of loan principal forgiveness and will not be repaid to the State of Connecticut in the DWSRF loan; and

**WHEREAS**, the CTDPH intends to offer term financing for the loan portion of the SCCRWA generator project based on the expected useful service life of the generator for up to 5 years; and

**WHEREAS**, interest rates on the portion of the loan that will be repaid by the SCCRWA are expected to be approximately half of the market rate at the time of the loan execution;

**NOW THEREFORE BE IT RESOLVED**, that Linda Discepolo, Vice President and Chief Financial Officer is hereby authorized to execute and file applications, contracts and agreements on behalf of the SCCRWA, as approved at the May 21, 2015 meeting of the Board, with the Commissioner of Public Health for a CTDPH grant and loan under the DWSRF Emergency Power Generator Program; and

**BE IT FURTHER RESOLVED**, that such loan shall not exceed \$100,000 with up to 45% of that amount to be forgiven by the State, for a term not to exceed 5 years.

Mr. Cermola seconded the motion, after discussion the Chair called for the vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Authority members reported on recent Representative Policy Board committee meetings and discussed a joint meeting with the Representative Policy Board in the fall.

Mr. Cermola led a discussion on rate strategy and the Authority members discussed fixed vs. variable water service rates, the level of service charge, and practices in the public water supply industry.

At 1:50 p.m. Ms. Zanella-Dyer entered the meeting.

Ms. Lieberman led a discussion on social media. Authority members discussed RWA's objectives and the role RWA should play in social media communications. Ms. Lieberman highlighted potential risks and the use of social media for emergency related communications.

At 2:24 p.m. Mss. Devany and Zanella-Dyer withdrew from the meeting.

Mr. Marsh led a discussion on Water Affordability. He highlighted challenges related to customers paying their quarterly water bill and the possibility of a relief effort to assist customers in need. The Authority discussed potential methodologies used to assist customers in need and methods of determining qualifications for such a program.

At 2:50 p.m. Mr. Norris entered the meeting.

Mr. Norris led a discussion on Asset Risk. He provided a handout to the Authority members and reviewed various asset risk questions pertaining to the RWA. Discussion took place on the risks associated with these assets and procedures in place to protect them.

At 3:11 p.m. Mss. Dybas and Kowalski and Mr. Norris withdrew from the meeting.

At 3:14 p.m., on motion made by Mr. Marsh and seconded by Ms. Lieberman, and unanimously carried, it was voted to recess the regular meeting for the Authority to meet as the Pension, Benefit and Compensation Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:15 p.m., the Authority reconvened.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:15 p.m. Messrs. Norris and Triana entered the meeting.

Messrs. Norris and Triana discussed the Application for the disposition of the Wepawaug Rental House in Orange. Discussion took place regarding restrictions associated with the disposition of the property and enabling legislation requirements. Mr. Curseaden moved for adoption of the following resolution:

**RESOLVED**, that the Authority hereby rejects the Application for the disposition of 1.60 acres located north of Derby Ave. in Orange that is part of Land Unit OR 2, because there is not enough information available about various disposition options and the Authority does not authorize filing the Application with the Representative Policy Board at this time.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:39 p.m. Messrs. Norris and Triana withdrew from the meeting.

Mr. Marsh reported on the Pension, Benefit and Compensation Committee's discussion of Chief Executive Officer's FY 2015 goals update; the RWA performance bonus program for selected non-union employees; Chief Executive Officer performance evaluation; review of comparable market compensation data for similar officer positions; and, its compensation recommendations for the officers. He moved for adoption of the following resolution:

**RESOLVED**, that the Authority approves RWA's FY 2015 performance bonus program for the top 20%-30% of non-union employees as follows:

Leadership Team .....	Up to 7%
Tier I (Managers).....	Up to 5%
Tier II (Leads & Supervisors).....	Up to 3%
Tier III (Administrative).....	Up to 2%

Mr. Cermola seconded the motion and, after discussion, the Chair called for the vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Marsh moved for adoption of the following resolutions:

**RESOLVED**, that the Authority approves the recommendation of the Chief Executive Officer to promote James Flynn to Vice President, Operations, effective August 1, 2015; and

**BE IT FURTHER RESOLVED**, that effective June 1, 2015 the salaries of the following officers of South Central Connecticut Regional Water Authority shall be as follows:

Larry L. Bingaman, President & Chief Executive Officer.....	\$345,050
Donna DiGianvittorio, Vice President, Employee Services.....	\$150,000
Linda Discepolo, Vice President & Chief Financial Officer.....	\$208,060
Jim Flynn, Sr. Manager, Treatment & Distribution.....	\$155,000
Edward Norris, Vice President, Asset Management.....	\$172,010
Rochelle Kowalski, Controller.....	\$150,000
Jean Zanella-Dyer, Vice President, Service & Technology.....	\$180,250

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. Bingaman:

- Provided an AMI update. He noted that four vendor presentations took place in June and the selection of one is expected in the next month. Negotiating a contract is also expected in the next four weeks. He informed members that Ted Norris is leading the risk management effort and the communications plan is being refined. Mr. Bingaman stated that a business requirements workshop will take place in September to select an AMI partner.
- Highlighted a meeting on June 30<sup>th</sup> of the Water Planning Council Steering Committee of which he is a member. Among the subjects covered were: registered vs. permitted diversions; water cycling and reuse for water supply; inner basin transfers; aging infrastructure; climate change; and, the use of water for economic development. He noted that John Hudak of RWA is assisting him with the the committee work.

At 4:44 p.m., on motion made by Mr. Marsh and seconded by Mr. Cermola, and unanimously carried, it was voted to go into executive session to discuss Seymour PILOT litigation. Present in executive session were Authority members, Mss. Devany, Discepolo, Slubowski and Mr. Bingaman.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:55 p.m., the Authority reconvened and on motion made by Mr. Cermola and seconded by Mr. Marsh, and unanimously carried, the meeting was adjourned.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Respectfully submitted,

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Gail F. Lieberman, Secretary