

**South Central Connecticut Regional Water Authority
Minutes of the August 20, 2015 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) was held Thursday, August 20, 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, DiGianvittorio and Kowalski and Mr. Bingaman
RPB –Messrs. Borowy and Conroy
Watershed Fund – Mr. Bell
Staff – Mrs. Slubowski

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

Mr. Bingaman reviewed the safety moment, “*Take precautions to prevent heat exhaustion.*”

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 July 16, 2015 meeting.
2. Approve capital budget authorization for September 2015.

RESOLVED, that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,750,000 for the month of September 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 memorandum dated August 13, 2015.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bell stated the Regional Water Authority is the sole Member of The Watershed Fund. He recommended that in its capacity as sole Member, the Authority re-elect Mss. Moore and Powell and Messrs. Clifford and Stone as directors with terms expiring 2018. Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, That the following persons be, and they hereby are, re-elected as Directors of The Watershed Fund, Inc. to serve in such capacity until the Annual Meeting of the sole Member in 2018 or until they otherwise lawfully cease to hold such office: Thomas P. Clifford III, Elisabeth Moore, Kate S. Powell, and Brian M. Stone.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Abstain
Lieberman	Aye
Marsh	Aye

At 12:38 p.m. Mr. Bell withdrew from the meeting.

On motion made by Mr. Marsh and seconded by Mr. Cermola, and unanimously carried, "Capital Budget Transfer – Type B Amendment" was added to the agenda immediately following the Accounts Receivable Update.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 12:39 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 1:40 p.m., the Authority reconvened and on motion made by Mr. Curseaden and seconded by Ms. Lieberman, and unanimously carried, it was voted to recess the regular meeting for the Authority to meet as the Audit Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:00 p.m. the Authority reconvened.

Ms. Kowalski reviewed the July 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 \$1.0 million from the Rate Stabilization Fund, less than the budgeted draw. She provided an update on accounts receivable collections.

Ms. Discepolo explained the need for a Capital Budget Transfer – Type B Amendment to the Authority. She noted that authorization is required for the transfer of an additional \$800,000 for the Indian Ridge Approach Main Project budget in order to complete the project in one year versus two. She also noted current estimates identify a \$300,000 cost savings from the original project budget.

Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, That the Authority approves the transfer totaling \$800,000 from the fiscal year 2016 capital budget AMI Project account to the Indian Ridge Approach Main Project account.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:15 p.m. Mss. Devany and Kowalski withdrew from the meeting.

Authority members reported on recent Representative Policy Board (“RPB”) committee meetings and discussion took place concerning a joint meeting in October with the RPB to discuss water rate trends and a possible meeting with the RPB in December to discuss risk tolerance.

At 2:22 p.m. Ms. Devany entered the meeting.

Mr. Bingaman:

- Provided an AMI update and noted that a vendor was selected. Negotiations with the vendor’s attorney took place in August to resolve contractual issues, technical and performance specifications, as well as terms and conditions of the project. The final contract will be completed in early September and then sent to the Department of Public Health for approval. He also noted that the vendor provided options for hosting the systems, which was the least cost option. He communicated that Mr. Norris, Vice President of Asset Management, continues to head the Risk Management Committee and is working on prioritizing short term risks. He reported that business requirements and workshops for process changes will begin in September to implement AMI.
- Highlighted that Ms. Discepolo is working with a consultant to plan a brainstorming session in October with two RWA members, OCA and an RPB member, and seven or eight outside business leaders to develop non-core business ideas. He also noted that RWA is researching companies to assist in evaluating non-core revenue options and risk assessment discussions.
- Informed the Authority that he continues to work with Blane Canada on an economic development marketing plan. Blane Canada is developing a list of large food processing manufacturers to solicit about moving to the RWA district. RWA should have the list in September. An in-house team at RWA was formed to respond to inquiries.
- Highlighted that RWA is continuing to work with Southern Connecticut State University to develop a utility management degree program. SCSU will send a

proposal for the program to the Connecticut University Board of Regents for approval soon.

- Reported that due to issues on a site in North Haven a large water user was evaluating for locating a facility, the economic development project would not progress. However, he will continue to work with the North Haven First Selectman to support locating potential large water users.

At 2:50 p.m. Messrs. Borowy and Conroy withdrew from the meeting and Ms. DiGianvittorio entered the meeting.

At 2:50 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 personnel matters. Present in executive session were Authority members, Mss. Devany, DiGianvittorio, Discepolo, Slubowski and Mr. Bingaman.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:05 p.m., the Authority reconvened and on motion made by Mr. Marsh 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