

**South Central Connecticut Regional Water Authority
Minutes of the March 21, 2019 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, March 21, 2019, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut. Chairman DiSalvo presided.

Present: Authority – Ms. Sack and Messrs. Borowy, Cermola, Curseaden, and DiSalvo
Management – Mss. Discepolo, Kowalski, Nesteriak, Reckdenwald
RPB – Ms. Verderame
Staff – Mrs. Slubowski

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

Ms. Discepolo, RWA’s Executive Vice President and Chief Financial Officer, reviewed the Safety Moment distributed to members.

At 12:31 p.m., on motion made by Mr. Cermola, seconded by Mr. Borowy, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Environmental, Health and Safety Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 1:30 p.m., the Authority reconvened.

At Ms. Sack’s request, the Chair removed item #4, *Key Performance Indicators*, and item #5, *Accounts Receivable Update*, from the Consent Agenda for further discussion.

On motion made by Mr. Cermola, seconded by Mr. Curseaden, and unanimously carried, the Authority:

1. Approved the minutes of the February 19, 2019 and February 21, 2019 meetings.
2. Approved the capital budget authorization for April 2019.

RESOLVED, that the Vice-President of Finance and Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$4,000,000 for the month of April 2019 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 2019 for all Capital Improvement Projects to be exceeded. In the absence of the Vice-President of Finance and Controller, the Executive Vice-President and Chief Financial Officer or the Vice-President – Asset Management is authorized to sign in her place.

3. Received Capital Budget Transfer Notifications for April 2019.
6. Received Derby Land Parcel Update.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Ms. Discepolo and Ms. Kowalski, RWA's Vice President of Finance and Controller, discussed questions from Authority members regarding key performance indicators and accounts receivable. After discussion, the Chair called for the vote. On motion made by Ms. Sack, seconded by Mr. Cermola, and unanimously carried, the Authority approved Items # 4 and #5 of the Consent Agenda.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Chair DiSalvo distributed a handout to Authority members that included special topics for FY 2020. After discussion, Authority members agreed on the following discussion topics and possible presentations. Topics of discussion included:

- Whether appropriate to expand size of FMA to gain diversity of experience in light of non-core revenue push, as well as diversity of race and gender
- Whether RWA should attempt to take a very strong leadership role in the State Water Plan workings and development, etc. (pros, cons, viability)
- Term limits for Authority appointments
- Term limits for Authority officer positions

Possible presentations included:

- How to grow a business
- How to create a complete due diligence process
- Cybersecurity best practices
- Latest developments in distribution; water treatment
- Asset management program developments
- How to create a successful union/management relationship
- Pension asset management comparison and alternatives

Ms. Nesteriak, RWA's Senior Vice President of Operations & Business Strategy, provided an AMI update, which included:

- Installation progress and number of installations to date
- Total number of FlexNets and meters installed
- Upcoming communication schedules for Ansonia, Derby, Seymour, and Woodbridge
- Updates and next steps

Ms. Discepolo:

- Stated that RWA's Government and Public Relations Specialist met with legislators to provide testimony regarding the Public Utilities Management Program. The bill is expected to be included as part of a larger bill.
- Reported on the status of the state's Pension Sustainability Committee, which last met on March 5, 2019.

- Noted that management will provide a short overview of the RWA’s strategic plan for FY 2020-2025 as part of the FY 2020 Budget presentations in April.
- Reported that the RWA received its annual actuarial report findings, which will be included in the FY 2020 budget presentation. The Actuary will attend the RWA’s Pension & Benefit Committee meeting in April to discuss its findings in more detail.
- Commented on planned changes to RWA’s Affordability Program. The grant amount will increase to \$175 and the plan will be modified to include tenants who can demonstrate that they are responsible for paying the water bill.

Authority members reported on recent Representative Policy Board (“RPB”) committee meetings and assignments were made for attendance at the second quarter 2019 committee meetings.

Ms. Kowalski, RWA’s Vice President of Finance and Controller, reviewed the quarterly financial report for the quarter ended February 28, 2019, including revenues, expenses, the balance sheet, and key items since the last quarter. She also reviewed the February 2019 monthly financial report. Ms. Kowalski commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2019 maintenance test. She stated the projected maintenance test for fiscal year 2019 is 114% with no projected draw from the Rate Stabilization Fund.

She noted that long-term financing for the Great Hill Tunnel project is included in the financing in the rate application. Ms. Kowalski also reported that non-core revenue for FY 2019 is positive.

Ms. Discepolo distributed a handout and updated the Authority on a recent meeting with the RPB Finance Committee to discuss the RPB Dashboard Report. She noted that the Finance Committee requested one additional metric, which will include non-core revenue as a percentage of total budgeted revenue. It was the consensus of the Authority that management includes the additional metric to the RPB Dashboard Report and move forward with quarterly updates to the RPB.

At 3:16 p.m., Ms. Verderame withdrew from the meeting, and on motion made by Mr. Cermola, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to go into executive session to discuss strategy and negotiations. Present in executive session were Authority members, Mss. Discepolo, Kowalski, Nesteriak, Reckdenwald, and Slubowski.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

At 3:55 p.m., the Authority came out of executive session, and on motion made by Mr. Borowy, seconded by Mr. Cermola, and unanimously carried, the meeting adjourned.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Respectfully submitted,

Kevin Curseaden, Secretary