

**South Central Connecticut Regional Water Authority
Minutes of the October 15, 2015 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) was held Thursday, October 15, 2015 at the office of the Authority, 90 Sargent Drive, New Haven, CT, Chairman DiSalvo presiding:

Present: Authority – Ms. Lieberman, Messrs. Cermola, Curseaden, DiSalvo and Marsh (via teleconference)
Management – Mss. DiGianvittorio, Discepolo, Gavrilovic, Kowalski, Nesteriak and Soda, and Messrs. Bingaman, Norris and Triana
RPB – Ms. Gutierro and Mr. Borowy
Staff – Mrs. Slubowski

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

Mr. Bingaman reviewed the safety moment, “*Walking Benefits Our General Well Being.*”

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

1. Approve minutes of the September 17, 2015 meeting.
2. Approve capital budget authorization for November 2015.

RESOLVED, that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,850,000 for the month of November 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 October 9, 2015.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 12:34 p.m. David Borowy entered the meeting.

Ms. Kowalski reviewed the September 2015 monthly financial report. Ms. Kowalski commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2016 maintenance test. She stated the projected maintenance test for FY 2016 is 114% with a projected draw of \$900,000 from the Rate Stabilization Fund, compared to the budgeted draw of \$1.481 million. Ms. Kowalski 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 \$338,000 for the Lake Gaillard Hydroturbine Project in order to complete the project.

Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, That the Authority approves the transfer totaling \$338,000 from the fiscal year 2016 Capital Budget AMI/SAP/MDM Implementation Project account to the Lake Gaillard Hydroturbine Project account.

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 reviewed the Terms of Water System Revenue Bonds and Notes for the Cobblestone Pumping Station. Mr. Cermola moved for adoption of the following resolutions:

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) proposes to issue its Water System Revenue Bonds which may be issued as Project Loan Obligations (the “Bonds”) and delivered to the State of Connecticut (the “State”) and its temporary notes in anticipation of the proceeds of the Bonds which may be issued as Interim Funding Obligations and delivered to the State (the “Notes”) in accordance with Special Act 77-98 of the General Assembly of the State of Connecticut, as amended (the “Act”) and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority and approved by the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) on July 31, 1980, as amended and supplemented (the “General Bond Resolution”); and

WHEREAS, on June 19, 2014, the Authority adopted and on July 17, 2014, the RPB approved the resolutions which established the general terms and provisions of the Authority’s Bonds in the aggregate principal amount not to exceed \$100,000 to finance, among other things, the cost of a new generator to be located at the Cobblestone Pumping Stations (the “Project”); and

WHEREAS, Section 9 of the Act provides that the Authority may delegate to one or more of its members, officers, agents or employees, such powers and duties as it may deem proper; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s Bonds and Notes.

NOW THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Resolution authorizing the issuance of the Notes substantially in the form attached hereto as Exhibit A, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President / Chief Executive Officer or Vice President and Chief Financial Officer shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto; and

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the Bonds substantially in the form attached hereto as Exhibit B, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President / Chief Executive Officer or Vice President and Chief Financial Officer shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto; and

BE IT FURTHER RESOLVED, that the Chairperson or Vice Chairperson and the President / Chief Executive Officer or Vice President and Chief Financial Officer be authorized (i) to issue, sell and deliver the Bonds and Notes in an amount for each not to exceed \$100,000 provided that the proceeds of the Bonds be used to redeem the Notes if such Notes are issued, and (ii) to determine the amount, date, date of maturity, interest rate, form and other details of the Bonds and Notes, pursuant to the Act and the General Bond Resolution or any other provisions of law thereto enabling; and

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President / Chief Executive Officer and the Vice President and Chief Financial Officer, or any one of them, are hereby authorized to execute and deliver such documents as may be necessary or desirable to issue, sell and deliver the Bonds and Notes, including but not limited to, the Emergency Generator Subsidized Loan Agreement, the Tax Regulatory Agreement, if any and the Continuing Disclosure Agreement, if any, and to take such actions or to designate other officials or employees of the Authority to take such actions and execute such documents in connection with the issuance, sale and delivery of the Bonds and Notes as are determined necessary or advisable and in the best interests of the Authority and that the execution of such documents shall be conclusive evidence of such determination; and

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President / Chief Executive Officer and the Vice President and Chief Financial Officer, or any one of them, are authorized to apply for and accept federal and state grants to finance the project and federal and state loans to finance the Project, and enter into any grant or loan agreement prescribed by a federal agency or by the State, and that the Chairperson, Vice Chairperson, President / Chief Executive Officer and the Vice President and Chief Financial Officer, or any one of them, are authorized to take any other actions necessary to obtain such grants or loans pursuant to Section 22a-479 of the Connecticut General Statutes, Revision of 1958, as amended, or to any other present or future legislation, or to implement such grant or loan agreements. Any grant proceeds may be used to pay project costs or principal and interest on bonds, notes, or temporary notes or obligations.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. DiCeppolo reviewed the Terms of the Water System Revenue Bonds and Notes for the Linsley Lake Pumping Station. Mr. Cermola moved for adoption of the following resolutions:

WHEREAS, the South Central Connecticut Regional Water Authority (the "Authority") proposes to issue its Water System Revenue Bonds which may be issued as Project Loan Obligations (the "Bonds") and delivered to the State of Connecticut (the "State") and its temporary notes in anticipation of the proceeds of the Bonds which may be issued as Interim Funding Obligations and delivered to the State (the "Notes") in accordance with Special Act 77-98 of the General Assembly of the State of Connecticut, as amended (the "Act") and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority and approved by the Representative Policy Board of the South Central Connecticut Regional Water District (the "RPB") on July 31, 1980, as amended and supplemented (the "General Bond Resolution"); and

WHEREAS, on June 19, 2014, the Authority adopted and on July 17, 2014, the RPB approved the resolutions which established the general terms and provisions of the Authority's Bonds in the aggregate principal amount not to exceed \$100,000 to finance, among other things, the cost of a new generator to be located at the Linsley Lake Pumping Stations (the "Project"); and

WHEREAS, Section 9 of the Act provides that the Authority may delegate to one or more of its members, officers, agents or employees, such powers and duties as it may deem proper; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority's Bonds and Notes.

NOW THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Resolution authorizing the issuance of the Notes substantially in the form attached hereto as Exhibit A, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President / Chief Executive Officer or Vice President and Chief Financial Officer shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto; and

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the Bonds substantially in the form attached hereto as Exhibit B, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President / Chief Executive Officer or Vice President and Chief Financial Officer shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto; and

BE IT FURTHER RESOLVED, that the Chairperson or Vice Chairperson and the President / Chief Executive Officer or Vice President and Chief Financial Officer be authorized (i) to issue, sell and deliver the Bonds and Notes in an amount for each not to exceed \$100,000 provided that the proceeds of the Bonds be used to redeem the Notes if such Notes are issued, and (ii) to determine the amount, date, date of maturity, interest rate, form and other details of the Bonds and Notes, pursuant to the Act and the General Bond Resolution or any other provisions of law thereto enabling; and

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President / Chief Executive Officer and the Vice President and Chief Financial Officer, or any one of them, are hereby authorized to execute and deliver such documents as may be necessary or desirable to issue, sell and deliver the Bonds and Notes, including but not limited to, the Emergency Generator Subsidized Loan Agreement, the Tax Regulatory Agreement, if any and the

Continuing Disclosure Agreement, if any, and to take such actions or to designate other officials or employees of the Authority to take such actions and execute such documents in connection with the issuance, sale and delivery of the Bonds and Notes as are determined necessary or advisable and in the best interests of the Authority and that the execution of such documents shall be conclusive evidence of such determination; and

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President / Chief Executive Officer and the Vice President and Chief Financial Officer, or any one of them, are authorized to apply for and accept federal and state grants to finance the project and federal and state loans to finance the Project, and enter into any grant or loan agreement prescribed by a federal agency or by the State, and that the Chairperson, Vice Chairperson, President / Chief Executive Officer and the Vice President and Chief Financial Officer, or any one of them, are authorized to take any other actions necessary to obtain such grants or loans pursuant to Section 22a-479 of the Connecticut General Statutes, Revision of 1958, as amended, or to any other present or future legislation, or to implement such grant or loan agreements. Any grant proceeds may be used to pay project costs or principal and interest on bonds, notes, or temporary notes or obligations.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo provided an interim financing update. She noted that Acacia Financial Group, Inc., RWA's advisors, are exploring financing opportunities. Discussion took place regarding the cost of issuance and interest rates.

At 1:10 p.m. Ms. Nesteriak and Mr. Olejarczyk entered the meeting.

Mss. Discepolo and Kowalski presented the Ten-Year Model. They reviewed the financial model including revenue and financing assumptions, expense assumptions, capital and financial requirements, maintenance test, and leverage and fund balances. Authority members discussed the use of the projections, customer impact and debt reduction programs. Ms. Discepolo distributed a handout to Authority members, *Ten-Year Financial Model and Sensitivity Analysis*, to address affordability funding, a Community Benefit Fund, and a sensitivity analysis.

At 2:54 p.m. Mss. Kowalski and Nesteriak and Messrs. Borowy and Olejarczyk withdrew from the meeting.

Mr. Cermola led a discussion on what extent RWA should rely on renewable resourced energy. Discussion took place regarding options for renewable energy sources.

Mr. Curseaden led a discussion on how the board can lead the organization. Discussion took place on the long-term vision, values and mission of RWA.

Authority members reported on recent Representative Policy Board ("RPB") committee meetings.

At 3:42 p.m. Ms. DiGianvittorio entered the meeting.

Mr. Bingaman:

- Provided an AMI Update. He noted that contract negotiations with Sensus Technologies are nearing completion. A bridge agreement is in place to continue planning work during the Department of Public Health review. Mr. Bingaman stated that contract language is under final legal review. He highlighted that development phase risk management mitigation planning continues; a communication strategy has been drafted; and, technical workshops for planning integration activities is scheduled. Mr. Bingaman reported that RWA hired an internal AMI Project Manager and an external Meter Data Management Integration Analyst.
- Reported that the dry weather has not caused drought status. Storage is at 62% compared to 67% for the long-term average. He noted that although we are below normal for the year, rainfall is just about average for September.
- Highlighted employee engagement workshops developed by RWA's consultant, Gagen MacDonald, that took place in September and October. He stated that 115 employees participated in the workshop to help develop RWA's story. Chapter headings in the story included: History & Purpose; Challenge; Opportunity; Journey; and, Destination. Ms. DiGianvittorio reported that we are conducting an Employee Engagement Survey. Results will be used to improve business, customer service and employee experience.
- He informed Authority members of a naming opportunity at Southern Connecticut State University. As part of the recognition for a donation, a permanent plaque will be on display at the Rain Harvester in front of the new Academic Science and Laboratory Building noting RWA's support. He also noted that RWA will become a named partner in underwriting education programs and sustainability workshops.
- Highlighted a brainstorming session that took place last week to generate non-core revenue ideas. He noted that 73 ideas and 38 themes were generated.
- Reported that Ms. Discepolo, Mr. Norris and he met last week with two professors and student from Yale who will host a Hack-A-Thon for RWA to examine non-core revenue ideas. The Hack-A-Thon is expected take place in January or February 2016.
- Noted that a meeting took place with First Selectman of North Haven, Mike Freda, to collaborate for economic development strategies to bring large water users to the area.
- Announced that Mayor Toni Harp will declare October 19, 2015 as RWA Day to celebrate RWA receiving the 2015 Platinum Award for Utility Excellence from American Metropolitan Water Agencies and being named Utility of the Year by New England Water Works Association.
- Stated that he has a speaking engagement with the Kiwanis Club next week.
- Reported that the Tennessee gas pipeline plans to run a pipe through Class I and Class II watershed land owned by Metropolitan District Commission. RWA will join in efforts with other area organizations to respond in an effort to oppose.

At 4:16 p.m. Mss. DiGianvittorio and Gutierro withdrew from the meeting and Messrs. Norris and Triana entered the meeting.

Messrs. Norris and Triana reviewed the Application for the disposition of the Wepawaug Rental House in Orange. Mr. Cermola moved for adoption of the following resolutions:

RESOLVED, That the Authority hereby accepts the Application for Disposition for 1.60 acres located north of Derby Ave. in Orange that is part of Land Unit OR 2, 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, That if approved by the Representative Policy Board, the President and Chief Executive Officer, and the Vice President of Asset Management, are authorized to take any and all actions necessary to complete the transfer interest in real estate.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Messrs. Norris and Triana presented the 2015 Land Use Plan Amendment. Mr. Curseaden made a motion to adopt the following resolution, with edits:

RESOLVED, That the South Central Connecticut Regional Water Authority hereby accepts the amended Land Use Plan as a completed proposal, substantially in the form submitted to this meeting, with edits, and authorizes filing said Land Use Plan with the Representative Policy Board.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:20 p.m. Ms. Gavrilovic entered the meeting and Mr. Triana withdrew from the meeting.

Ms. Gavrilovic provided information on the upcoming RPB Application to replace the Burwell Tank 1A located in West Haven. She noted that this tank is one of the oldest in the system. Repairs to the tank were done in 2009 with the understanding that there would be a need for a replacement tank in the future.

At 4:25 p.m. Ms. Gavrilovic and Mr. Norris withdrew from the meeting.

At 4:25 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 Seymour PILOT litigation and personnel matters. Present in executive session were Authority members, Mss. Discepolo, Slubowski and Soda and Mr. Bingaman.

Cermola	Aye
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Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:30 p.m. Mss. Discepolo, Slubowski and Soda withdrew from the meeting.

At 4:52 p.m., Mss. Slubowski and Soda entered the meeting, 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,

Gail F. Lieberman, Secretary

Attachments:

1. Cobblestone Pumping Station
 - a. SCCRWA Resolution \$100,000 Bond Anticipation Notes
 - b. SCCRWA Supplemental Resolution
 - c. Water System Revenue Bonds Resolution

2. Linsley Lake Pumping Station
 - a. SCCRWA Resolution \$100,000 Bond Anticipation Notes
 - b. SCCRWA Supplemental Resolution
 - c. Water System Revenue Bonds Resolution