

**South Central Connecticut Regional Water Authority
Minutes of the May 19, 2016 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority took place on Thursday, May 19, 2016, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut, Chair DiSalvo presiding.

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

The Chair called the meeting to order at 12:30 p.m. He proposed to reorder the agenda to move Item I.2, *Succession planning update*, to Item K, *Executive Session* and move Item K before Item J, *Application for the disposition of two Seymour Rental Houses*, as the discussion contains personnel matters, which counsel has advised is exempt from public disclosure requirements. On motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, it was voted to reorder the agenda.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman reviewed the safety moment.

At 12:30 p.m., on motion made by Mr. Marsh, seconded by Ms. Lieberman, it was voted unanimously to recess the regular meeting to allow the Authority to meet as the Audit Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:09 p.m., on motion made by Mr. DiSalvo, seconded by Mr. Curseaden, it was voted unanimously to recess the Audit Committee meeting to allow the Authority to meet as the Pension, Benefit and Compensation Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:02 p.m., the Authority reconvened.

Mr. Marsh discussed the increase to the FY 2016 Pension Contribution. He moved for adoption of the following resolution:

RESOLVED, that based on the recommendation of its Pension, Benefit and Compensation Committee, the South Central Connecticut Regional Water Authority authorizes an increase of \$1,000,000 to the combined contribution of the South Central Connecticut Regional Water Authority Retirement Plan and the South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan during fiscal year 2016.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

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

1. Approve minutes of the April 21, 2016 meeting, with corrections.
2. Approve Capital Budget Authorization for June 2016.

RESOLVED, that, the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,650,000 for the month of June 2016 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 2017 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 May 12, 2016.
4. Receive monthly financial report for April 2016.
5. Receive accounts receivable update for April 2016.
6. Adopt resolution authorizing exemptions from public bidding:

RESOLVED, that the Authority authorizes Management to negotiate the purchase of the following items for the fiscal year June 1, 2016 to May 31, 2017 without public bidding and such purchases without public bidding are hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Discepolo's memorandum of May 12, 2016, a copy of which is to be filed with the records:

1. Information Technology Disaster Recovery Site
2. John Deere Equipment
3. Pick Up of Patch, Sand, Gravel, Stone and Topsoil
4. Polymers
5. Programmable Logic Controllers
6. Variable Frequency Drives

7. Approve proposed resolution for Lorman transfer of interest (conservation easement) to CT DEEP.

WHEREAS, on June 18, 2015 the South Central Connecticut Regional Water Authority (the “RWA”) adopted a resolution authorizing 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 (the “Application”), and authorized filing of said Application with the Representative Policy Board (the “RPB”); and

WHEREAS, on June 18, 2015 the RWA adopted a resolution authorizing the President and CEO, and the Vice President of Asset Management, 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 and if approved by the RPB; and

WHEREAS, on July 16, 2015 the Representative Policy Board approved a resolution authorizing a public hearing for said Application in accordance with Special Act 77-98, as amended, and the Bylaws and Rules of Practice of the RPB; and

WHEREAS, on September 17, 2015 the Representative Policy Board held a public hearing for the Application in accordance with Special Act 77-90, as amended, and the Bylaws and Rules of Practice of the RPB; and

WHEREAS, on October 22, 2015 the RPB approved the Application.

NOW THEREFORE, BE IT RESOLVED, that on May 19, 2016 the RWA approves the following Resolutions revising its June 18, 2015 Resolutions, as recommended by the CT Department of Energy and Environmental Protection; and

RESOLVED, that Edward O. Norris III, RWA’s Vice President of Asset Management, is hereby authorized to execute on behalf of the RWA a Grant Agreement and Conservation and Public Recreation Easement and Assignment under the Open Space and Watershed Land Acquisition Program with the State of Connecticut for financial assistance to acquire permanent interest in land known as Lorman Property – OSWA 444 and to manage said land as open space land pursuant to Section 7-131d of the Connecticut General Statutes; and

IT IS FURTHER CERTIFIED, that Edward O. Norris III was appointed as Vice President of Asset Management in 2013. Edward O. Norris III serves as the Vice President of Asset Management for the RWA and has both the authority and the office to sign on behalf of the RWA a Grant Agreement and Conservation and Public Recreation Easement and Assignment for financial assistance to purchase permanent interest in land under the Open Space and Watershed Land Acquisition Program.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Discepolo reviewed the proposed supplemental resolutions providing for the issuance, sale and delivery of the Thirty-second Series bonds. Mr. Cermola moved for adoption of the following resolutions:

WHEREAS, Section 22 of Special Act 77-98, as amended, of the Connecticut General Assembly (the “Act”) provides, in pertinent part, that bonds shall be authorized by a resolution of the South Central Connecticut Regional Water Authority (the “Authority”) which shall provide for the terms and conditions of the bonds, and may provide for any matter which in any way affects the security or protection on the bonds; 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, on December 17, 2015, the Authority adopted and on April 21, 2016, the Representative Policy Board (the “RPB”) approved the resolutions which established the general terms and provisions of the Authority’s Water System Revenue Bonds in the aggregate principal amount not to exceed \$20,000,000 to finance, among other things, the cost of certain capital improvements to the water system and which may be issued in one or more series; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s Water System Revenue Bonds, Thirty-second Series A (the “Thirty-second Series A Bonds”) and authorize the issuance, sale and delivery of the Authority’s Water System Revenue Refunding Bonds, Thirty-second Series B (the “Thirty-second Series B Bonds” and together with the Thirty-second Series A Bonds, the “Thirty-second Series Bonds”).

NOW THEREFORE BE IT 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 Thirty-second Series A Bonds in an amount not to exceed \$20,000,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the Thirty-second Series A Bonds, pursuant to the Act and the Water System Revenue Bond Resolution, General Bond Resolution as amended and supplements (the “General Bond Resolution”) or any other provisions of law thereto enabling; 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 Thirty-second Series B Bonds in an amount not to exceed \$155,000,000 (a) to finance the cost of refunding certain prior bonds of the Authority (b) to provide funds for deposit in certain reserve funds held pursuant to the General Bond Resolution and (c) to pay costs of issuance of the Thirty-second Series B Bonds, and (ii) to determine the amount, date, date of maturity, interest rate, form and other details of the Thirty-second Series B Bonds, pursuant to the Act and the General Bond Resolution or any other provisions of law thereto enabling; and

BE IT FURTHER RESOLVED, that the Authority hereby approves the Thirty-second Series A Supplemental Resolution authorizing the issuance of the Thirty-second Series A Bonds substantially in the form attached hereto as Exhibit A, with such changes, commissions, 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 Thirty-second Series B Supplemental Resolution authorizing the issuance of the Thirty-second Series B 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.

BE IT FURTHER RESOLVED, that for the purpose of providing for the public offering and sale of the Thirty-second Series Bonds and further setting forth information relating to the Thirty-second Series Bonds, an official statement, substantially in the form of the official statement attached hereto as Exhibit B (the “Official Statement”) is hereby approved, 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 or shall be necessary to provide information concerning the Thirty-second Series Bonds; and such officers, in the name of the Authority, are hereby authorized to deem the Official Statement final when appropriate and are further authorized and directed to execute such Official Statement and any amendment or supplement thereto on and after the same of the Thirty-second Series Bonds; and

BE IT FURTHER RESOLVED, that the Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President and Chief Financial Officer are hereby authorized to determine which of the Authority’s prior bonds are to be redeemed (the “Refunded Bonds”) with a portion of the proceeds of the Thirty-second Series B Bonds and to call irrevocably for redemption and to defease the Refunded Bonds all in accordance with the General Bond Resolution. The President/Chief Executive Officer and Vice President and Chief Financial Officer or either one of them are authorized to appoint an underwriter or underwriters, an escrow agent and a verification agent and to execute and deliver any and all purchase, escrow and related agreements necessary to provide for the sale of the Thirty-second Series B Bonds and the payment when due of the principal of, interest and the redemption premium, if any, on the Refunded Bonds; 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 purchase a municipal bond insurance policy to guarantee the payment of principal and interest on the Thirty-second Series Bonds, if the Authority’s financial advisor or the underwriter for the Thirty-second Series Bonds deems it advisable, and execute and deliver such documents as may be necessary or desirable to issue, sell and deliver the Thirty-second Series Bonds, including but not limited to, the Purchase Contract, the Escrow Agreement, the Tax Regulatory Agreement and the Continuing Disclosure Agreements 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 Thirty-second Series Bonds as are determined necessary or advisable and in the best interest of the Authority and that the execution of such documents shall be conclusive evidence of such determination.

Mr. Marsh seconded the motion. After discussion, the Chair called for the vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Kowalski reviewed the FY 2016 Operating and Maintenance Budget revision increases with a corresponding increase in revenue/cash collection budget. Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, that the proposed revisions to the Fiscal Year 2016 Operating and Maintenance Budget dated May 12, 2016, as presented to this meeting, are hereby adopted and ordered to be filed with the records and with the Trustee pursuant to Section 613 of the General Bond Resolution.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman:

- Provided a hiTechFOCUS update. He noted that the meter bid award was approved by CT Department of Public Health; SAP blueprint sessions are completed; the build in SAP is 8% complete and on schedule; Data Collection Unit (“DCU”) installation plans are nearing completion; 25 sites for endpoint transmitter installations for testing have been selected; the Risk Team is updating and reviewing development phase mitigation plans. The three-month look ahead includes: finalizing the consolidation of all sub-plans; finalizing DCU installation plans and install first two DCUs; installing the first 25 Meter Interface Units for component testing; business process redesign and optimization will continue; the network and communications design draft between RWA, Sensus data centers, and DCUs will be finalized. Mr. Bingaman highlighted hiTechFOCUS’s Change Management: Process review, and noted 28 modifications required to existing processes, 24 new AMI-related processes have been put in place, 27 deployment-related processes have been documented and 29 processes have been reviewed. He noted that key milestones continue to be on track; communications and organizational readiness are completed; the request for quotation and request for proposal are completed; a procurement contract was awarded and executed in December 2015; contractor ramp up and network setup and SAP integration are completed; IT systems build and integration will take place from January 2016 through January 2017; Radio, DCU, IT Systems Testing and Pilot will take place from July 2016 to April 2017; full scale deployment is planned to begin in April 2017; and the monthly billing project build will take place in January 2019 and is expected to be completed in January 2020.
- Attended the Metro Chamber Dinner on May 10, 2016, as Chair of New Haven Chamber of Commerce, to discuss budget policy changes, with the Governor, to improve business climate.
- Spoke with the head of the Milwaukee Global Water Center earlier in the week to discuss the establishment of a water cluster in the New Haven area. Bob Santy, President and Chief Executive Officer of the Connecticut Economic Resource Center, is working in collaboration with RWA to develop a similar center with other water related businesses focused on water technology.
- Noted that, as of May 18, 2016, reservoir levels are at 87%, which is 5% below normal. Three major reservoirs are currently at 100%. He reported that Lake Gaillard is currently at 80% and Lake Whitney is running seven days a week 12 hours per day.
- Stated that he, Linda Discepolo, RWA’s Vice President and Chief Financial Officer, and Rochelle Kowalski, RWA’s Controller, are meeting with Standard & Poor’s and Moody’s rating agencies tomorrow to try and increase RWA’s rating to provide new financing for RWA’s Capital Program.

- Reported that he spoke at a RWA sponsored chamber real estate and economic growth forum on RWA's economic development plan.
- Highlighted his current speaking circuit on economic development. This month he spoke at the Wallingford/Cheshire Kiwanis Club, Madison Rotary and New Haven Middlesex Association of Realtors Commercial Investment Division. He will speak at the Branford Rotary on June 1, 2016.
- Noted that the House did not pass the amendments to the Enabling Legislation. RWA will resubmit the amendments for approval at the next legislative session.
- Highlighted that his academic residency starts next week for his doctorate program.

Authority members reported on recent meetings of Representative Policy Board committees.

Ms. Lieberman led a discussion on strategic alliances/partnerships. Discussion took place regarding top-level research of themes, investigation, potential revenue growth, cost containment and risk mitigation. Next steps will include a discussion on alliances and the presence of opportunities.

Authority members discussed possible director led topics for FY 2017.

At 3:48 p.m., Mss. Discepolo, Kowalski and Mr. Borowy withdrew from the meeting.

Ms. DiGianvittorio distributed a handout, "*Succession Planning Update 2016.*"

At 3:48 p.m., on motion duly made by Mr. Curseaden, seconded by Mr. Cermola, it was voted unanimously to go into executive session to discuss personnel matters, PILOT matters, strategy and negotiations, and the enabling legislation, which counsel has advised is exempt from public disclosure requirements. Present in executive session were the Authority members, Mss. DiGianvittorio, Slubowski and Mr. Bingaman.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:29 p.m., the Authority reconvened. Messrs. Norris, Triana and two members of the public entered the meeting.

Messrs. Norris and Triana discussed the Applications to be recommended to the Representative Policy Board for approval of:

- (1) The disposition of 1.62 acres located north of Rimmon Road, in Seymour, that is part of Land Unit SE 11; and
- (2) The disposition of 1.77 acres located east of Maple Street, in Seymour that is part of Land Unit SE 11.

Mr. Marsh moved for adoption of the following resolutions:

RESOLVED, that the Authority hereby accepts the application for the disposition for 1.62 acres located north of Rimmon Road, in Seymour, Connecticut, that is part of Land Unit SE 11, 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 the Authority hereby accepts the application for the disposition for 1.77 acres located east of Maple Street, in Seymour, Connecticut, that is part of Land Unit SE 11, 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 transfers of interest in real estate.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:37 p.m., Messrs. Norris and Triana and two members of the public withdrew from the meeting.

At 4:37 p.m., on motion made by Mr. Curseaden, seconded by Mr. Cermola, it was voted unanimously to recess the regular meeting to allow the Authority members to attend the Representative Policy Board meeting. Chair DiSalvo announced the Authority meeting would reconvene immediately following the RPB meeting.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 7:15 p.m., the Authority reconvened.

Mr. DiSalvo noted the Representative Policy Board's ("RPB") comments on the fiscal year 2017 budgets, as expressed at the RPB's meeting. Mr. Bingaman requested approval of the budgets for the fiscal year June 1, 2016 – May 31, 2017 and authorization to file the budgets with the trustee, as required by the *General Bond Resolution*. Mr. Cermola moved for adoption of the following resolutions:

RESOLVED, that the Authority's Operating and Maintenance Budget for the Fiscal Year from June 1, 2016 – May 31, 2017 ("FY 2017"), showing on a monthly basis projected Operating Expenses and deposits and withdrawals from the several Funds required by the *General Bond Resolution*, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 613 of the *General Bond Resolution*; and

RESOLVED, that the Authority's Capital Improvements Budget for the Fiscal Year from June 1, 2016 – May 31, 2017 ("FY 2017"), including a plan of capital improvements for FY 2017 through FY 2021 and the additional information required by Section 614 of the *General Bond Resolution*, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 614 of the *General Bond Resolution*.

Mr. Marsh seconded the motion. After discussion, the Chair called for the vote:

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye

Lieberman	Aye
Marsh	Aye

At 7:17 p.m., on motion made by Mr. Curseaden, seconded by Ms. Lieberman, and unanimously carried, the meeting adjourned.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Gail F. Lieberman, Secretary

Attachment:

1. SCCRWA Resolutions Approving Water System Revenue Refunding Bonds, Thirty-second Series.