

**South Central Connecticut Regional Water Authority
Minutes of the July 16, 2020 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority took place on Thursday, July 16, 2020, via remote access. Chairman DiSalvo presided.

Present: Authority – Messrs. DiSalvo, Borowy, Cermola, Curseaden, and Ms. Sack
Management – Mss. Burns, Discepolo, Kowalski, Nesteriak, Reckdenwald and Messrs. Bingaman, Norris and Singh
RPB – Messrs. Mongillo and Ricozzi
Staff – Mrs. Slubowski

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

Mr. Bingaman, the RWA’s President & Chief Executive Officer, reviewed the safety moment distributed to members.

At 12:31 p.m., on motion made by Ms. Sack, seconded by Mr. Borowy, and unanimously carried, the Authority voted to recess the regular meeting to allow the Authority to meet as the Pension and Benefit Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 1:40 p.m., the Authority reconvened.

On motion made by Ms. Sack, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to approve, adopt, or receive, as appropriate the following items in the amended Consent Agenda:

1. Minutes of the June 18, 2020 meeting.
2. Capital budget authorization for August 2020.

RESOLVED, that the Vice President of Financial Services is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,600,000 for the month of August 2020 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 FY 2021 for all Capital Improvement Projects to be exceeded. In the absence of the Vice President of Financial Services, the Vice-President of Asset Management is authorized, to sign in her place.

3. Capital Budget Transfer Notifications.
4. Monthly Financial Report for June 2020.
5. Accounts Receivable Update for June 2020.
6. Derby Tank Update.
7. North Cheshire Update.
8. Request for Bid Exemption – Ruden Street, West Haven, Water Main Rehabilitation.

9. Release of option on Olin Property, Hamden.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Kowalski, RWA's Vice President of Financial Services, reviewed the resolutions for the Drinking Water State Revolving Fund project loan and grant subsidy for RWA's Automated Metering Infrastructure (AMI) (Phase IV). Mr. Borowy moved for approval of the following resolutions:

WHEREAS, on July 17, 2014, the Authority adopted and on November 20, 2014, the Representative Policy Board (the "RPB") approved the resolutions which established the general terms and provisions of the Authority's bonds which may be issued as project loan obligations in one or more series delivered to the State of Connecticut in the aggregate principal amount not to exceed \$28,425,000 to finance, among other things, the cost of certain capital improvements to the Authority's water system, specifically the purchase and installation of advanced meter reading infrastructure (the "AMI Project"); and

WHEREAS, the Authority has issued PLO No. 2018-7063, PLO No. 2019-7071 and PLO No.2018-7063 each to finance a portion of the AMI Project; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority's Project Loan Obligation for the fourth portion of the AMI Project (the "PLO") and approve the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to such portion of the AMI Project (the "AMI Loan Agreement").

NOW THEREFORE BE IT RESOLVED, that the President/Chief Executive Officer and the Vice President of Financial Services and any Vice President or any one of them may apply to the State Department of Public Health for eligibility and funding of the AMI Project and sign such application and any other documents which may be necessary or desirable to apply for eligibility of and to apply for and obtain financial assistance for the AMI Project from the State's Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

BE IT FURTHER RESOLVED, that the Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Services be authorized (i) to issue, sell and deliver the PLO in an amount not to exceed \$7,000,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the PLO, pursuant to the Act and the Water System Revenue Bond Resolution, General Bond Resolution as amended and supplemented (the "General Bond Resolution") or any other provisions of law thereto enabling.

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the PLO 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 of Financial Services shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto.

BE IT FURTHER RESOLVED, that for the purposes of providing to the Authority the loan and grant from the State, the Authority hereby approves the AMI Loan Agreement substantially in the form as the President/Chief Executive Officer or Vice President of Financial Services

shall deem advisable and the approval of the Authority shall conclusively be determined from any of their signatures thereon.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer and Vice President of Financial Services , or any one of them, are hereby authorized to execute and deliver such documents as may be necessary or desirable to issue and deliver the PLO, including but not limited to, the AMI Loan Agreement, 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 PLO 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.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Services or any one of them are hereby authorized to accept such grants from the State for the AMI Project as set forth in the AMI Loan Agreement and to apply the proceeds of the grant to the AMI Project.

Mr. Cermola seconded the motion. The Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Abstain

Ms. Nesteriak, RWA's Senior Vice President of Operations and Business Strategy, provided an update of COVID-19 at the RWA, which included:

- Employee status
- Return to work kits
- Self-certification application
- Upgrades to 90 Sargent Drive
- Staffing
- Treatment plant status
- Next phase

Ms. Kowalski provided an update of the COVID-19 Key Metrics Data, which included:

- Year-over-year production Cash collections
- Continued uncertainty

At 1:50 p.m., Ms. Burns entered the meeting and Mr. Ricoszi withdrew from the meeting.

Ms. Nesteriak introduced Ms. Burns, RWA's Director of Operations, who provided a Distribution System update, which included:

- Water Distribution system overview
- Operating strategy
- Risk, resiliency and redundancy
- Next steps

At 2:35 p.m., Ms. Burns and Mr. Mongillo withdrew from the meeting.

Mr. Bingaman reported on the results of a short board survey.

Authority members reported on recent Representative Policy Board committee meetings.

At 2:40 p.m., on motion made by Mr. Curseaden, seconded by Mr. Borowy, and unanimously carried, the Authority voted to recess the regular meeting to allow the Authority to meet as the Compensation Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 2:45 p.m., Mss. Discepolo, Kowalski, Nesteriak, Reckdenwald, Slubowski and Messrs. Norris and Singh withdrew from the meeting.

At 3:15 p.m., the Authority reconvened.

Mr. Cermola reported on the Compensation Committee meeting. The committee discussed FY 2020 Chief Executive Officer (CEO) and officer compensation that would be effective August 1, 2020. He noted that in light of the RWA's uncertain financial outlook due to the COVID-19 pandemic, it was the CEO and Leadership Team's unanimous recommendation that they not receive a Fiscal Year 2020 merit increase, a performance bonus, or an increase in compensation due to the promotions or added responsibilities announced on June 25, 2020.

Mr. Cermola further commented that all or part of warranted compensation increases could be restored for the organization should RWA's financial situation not turn out as reflected in the recast and reduced Fiscal Year 2021 budget. After discussion, it was the consensus of the committee that given the RWA's current circumstances and financial uncertainty, the suspension of a salary increase and bonus payout for FY 2020 for the CEO and officers was an appropriate action, as discussed in the committee's executive session. He moved for approval of the following resolutions:

RESOLVED, that at the recommendation of the CEO and Leadership Team, the Authority does not authorize Fiscal Year 2020 merit increases, a performance bonus, or an increase in compensation due to promotions or added responsibilities as announced on June 25, 2020; and

FURTHER RESOLVED, that all or part of warranted compensation increases could be restored for the organization should the RWA's financial situation not turn out as reflected in the recast and reduced Fiscal Year 2021 budget; and

FURTHER RESOLVED, that at the Compensation Committee's recommendation, the Authority approves the suspension of Fiscal Year 2020 salary increases and bonus payouts for FY 2020 for its CEO and officers.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:17 p.m., Ms. Reckdenwald entered the meeting and on motion made by Mr. Borowy, seconded by Mr. Cermola, and unanimously carried the Authority voted to go into executive session to discuss COVID-19 related concessions. Present in executive session were the Authority members, Mr. Bingaman and Ms. Reckdenwald.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:40 p.m., the Authority came out of executive session and on motion made by Ms. Sack, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to adjourn the meeting.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Respectfully submitted,

Kevin Curseaden, Secretary

Attachments:

1. SCCRWA Resolution regarding project loan obligation for AMI Project (Phase IV)
2. SCCRWA Supplemental Resolution regarding project loan obligation for AMI Project (Phase IV)