

South Central Connecticut Regional Water Authority

Minutes of the August 18, 2016 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, August 18, 2016, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut, Chairman DiSalvo presided:

Present: Authority – Ms. Lieberman, Messrs. Cermola, Curseaden, DiSalvo and Marsh
Management – Mss. DiGianvittorio, Discepolo, Lima, Kowalski, Nesteriak and Mr. Bingaman
RPB – Ms. Dybas and Mr. Albrecht
The Watershed Fund: Mr. Bell
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:30 p.m. He proposed to add an item to the agenda before Item H, *Updates*, to discuss the November board meeting date. On motion made by Mr. Marsh, seconded by Mr. Curseaden, and unanimously carried, it was voted to add the item to the agenda.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman, RWA’s Chief Executive Officer and President, reviewed the Safety Moment, “*Zika Virus.*”

Mr. Bell, President of The Watershed Fund, reported on the FY 2016 grant and scholarship awards. He stated that the scholarship program has become increasingly popular and that funds raised from the annual golf tournament are no longer sufficient to fund the number of scholarships that the board approves. Mr. Bell noted that alternatives for supplemental funding would be required for future scholarships.

Mr. Bell stated that the RWA is the sole member of The Watershed Fund and recommended that, in its capacity as sole member, the Authority re-elect the following Directors: Mss. Addiss and Bennitt and Mr. Olejarczyk, with terms expiring in 2019. Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, that the following persons be, and hereby are, elected Directors of The Watershed Fund, Inc., to serve in such capacity until the annual meeting of the sole member in 2019, or until they otherwise lawfully cease to hold such office: Susan A. Addiss, Claire C. Bennitt and Robert J. Olejarczyk.

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 12:40 p.m., Mr. Bell withdrew from the meeting and on motion made by Mr. Cermola, seconded by Mr. Curseaden, 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 1:20 p.m., the Authority reconvened and on motion made by Ms. Lieberman, seconded by Mr. Curseaden, 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 1:46 p.m., the Authority reconvened.

On motion made by Ms. Lieberman, seconded by Mr. Cermola, 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 21, 2016 meeting.
2. Approve capital budget authorization for September 2016.

RESOLVED, that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,200,000 for the month of September 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 monthly financial report for July 2016.
4. Receive accounts receivable update for July 2016.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman reported that he and Ms. Nesteriak, RWA's Senior Advisor to the President & Director of Business Strategy, are working with RWA's counsel to finalize the revisions to RWA's

Enabling Legislation to include suggestions generated from RWA's meeting with area environmental groups last month. He reviewed the current proposed changes with Authority members and stated that next steps include a final review of the proposed changes, a meeting with state legislators to discuss the proposed changes and Representative Policy Board ("RPB") member outreach to Chief Elected Officials to address concerns regarding the proposed changes. The RWA and RPB will vote on the proposed revisions to the Enabling Legislation no later than November.

Mr. DiSalvo reported that the Greater New Haven Chamber of Commerce ("GNHCC") has scheduled its annual Big Connect Expo on Thursday, November 17, 2016, which conflicts with the regular RWA meeting. It was the consensus of the board to reschedule its November 17, 2016 meeting to Wednesday, November 16, 2016, from 10:30 a.m. to 2:30 p.m.

Ms. Nesteriak, RWA's Senior Advisor to the President and Director of Business Strategy, provided a hiTechFOCUS update. She reported that major activities accomplished included: the continued building and testing of SAP specifications for the IT components, MeterSense training was conducted, the remaining eight data collection units (DCUs) were received for installation, RWA obtained approval for the Seymour DCU site and commenced site work and filming for the project video continued. The three-month look ahead includes: the installation of remaining DCUs, continue SAP build and testing, business process redesign and optimization reviews, meter contract award, external communications to town/city Chief Elected Officials, and completion of the project video. Ms. Nesteriak reported on efforts regarding employee buy-in and discussed a recently formed team created to focus on this area. The team will address employee and individual attitudes, act as change agents to identify employee champions and pockets of resistance, conduct small group and individual conversations and demonstrate places where new technology adds new dimensions to every day jobs. She noted that key milestones remain unchanged.

Mr. Bingaman

- Provided a risk mitigation update. He noted recommendations for board vulnerabilities. It was the consensus of the board to have management draft a contingency plan for its review.
- Stated that reservoir levels, as of August 15, 2016, are at 70% compared to the long-term average of 78%. A first stage drought advisory is 53%. He reported that the Lake Whitney Water Treatment Plant is still running 24/7 to increase production and allow the Lake Gaillard to build capacity.
- Highlighted a meeting earlier in the week with Mr. DiSalvo, Mr. Rescigno, the RPB's North Haven Representative, and North Haven's First Selectman Mike Freda, to discuss area economic development plans.
- Announced that he and Mr. Rescigno, as representatives of the GNHCC, met with New Haven's Mayor, Toni Harp, to show GNHCC's support of an economic development plan within the City of New Haven.
- Highlighted the Business Before Hours, a GNHCC event hosted by the Regional Water Authority, at the Whitney Water Treatment Plant. He provided a discussion of business operations and guests were invited to tour the facility. He noted that 75 people attended and he received positive feedback related to the facility and business operations.
- Announced that he will make two broadcast media appearances at the end of August and is scheduled to speak at the West Haven, Hamden and North Haven Rotary Clubs to discuss Conscious Capitalism.

Authority members reported on recent Representative Policy Board committee meetings.

At 2:31 p.m., Ms. Dybas withdrew from the meeting.

Mr. Bingaman provided an overview of revisions to RWA's FY 2017 goals. He noted that, as a result of last month's RWA meeting, the FY 2017 goals were amended to include developing a philosophy and long-term goal for expansion of RWA's non-core revenue over a period of time, as well as conducting a complete assessment of RWA's total compensation philosophy. He noted that management met with two firms that specialize in compensation studies and philosophy for total compensation rewards. Once the study is completed, it will document RWA's compensation philosophy and determine how RWA compares within the current market, at which time a discussion can take place to determine adjustments and a timeframe.

Mr. Bingaman also reported on a meeting earlier in the week with Ms. Lieberman to discuss framework and philosophy for non-core revenue.

At 2:36 p.m., Mr. Albrecht withdrew from the meeting and on motion made by Mr. Cermola, seconded by Ms. Lieberman, and unanimously carried, it was voted to go into executive session to discuss personnel matters, contract negotiations and strategy. Present in executive session were Authority members, Mss. DiGianvittorio, Discepolo, Kowalski, Lima, Nesteriak, Slubowski and Mr. Bingaman.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:37 p.m., the Authority came out of executive session and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the meeting adjourned.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Respectfully submitted,

Gail F. Lieberman, Secretary