

**South Central Connecticut Regional Water Authority
Minutes of the September 15, 2016 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, September 15, 2016, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut, Chairman DiSalvo presiding:

Present: Authority – Ms. Lieberman, Messrs. Cermola, Curseaden, DiSalvo and Marsh
Management – Mss. Cortes, Discepolo, Kowalski, Nesteriak, Zanella-Dyer and Mr. Bingaman
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 C.2, *Committee Charter Revision Discussion*, to Item I.1. The Chair also added to the agenda, as Item H.2, *Resolutions to Approve Project Loan Obligation 2017-7050, project for improvements to the Authority’s water system, specifically the Lake Gaillard Water Treatment Plant Generator Project*. On motion made by Mr. Marsh, seconded by Mr. Cermola, and unanimously carried, the above items were moved and/or added to the agenda.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Bingaman reviewed the safety moment, “*Watch out for school children.*”

At 12:35 p.m., on motion made by Mr. Cermola, seconded by Ms. Lieberman, 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 12:56 p.m., the Authority reconvened and on motion made by Mr. Marsh, seconded by Ms. Lieberman, and unanimously carried, it was voted to recess the regular meeting for the Authority to meet as the Environmental, Health, Safety & Risk Assessment Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 1:37 p.m., the Authority reconvened and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, it was voted to recess the regular meeting for the Authority to meet as the Strategic Planning Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:20 p.m., the Authority reconvened.

Ms. Cortes, RWA's Marketing and Digital Media Specialist, provided a Digital Media update of recent website enhancements and a Social Media update. Ms. Cortes navigated through RWA's 360 degree "web-out" features, the new "En Español" page, and the Economic Development page. Other recent additions included a new PipeSafe landing page and Recreation Program registration system. She also discussed a project for enhancements to RWA's website for mobile responsiveness to allow customers to access RWA's website from a smart phone or iPad and reviewed RWA's social media pages, including: Facebook; Twitter; Instagram; and LinkedIn.

On motion made by Mr. Cermola, 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 August 18, 2016 meeting.
2. Approve capital budget authorization for October 2016.

RESOLVED, that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$1,875,000 for the month of October 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 September 9, 2016.
4. Receive Key Performance Indicators for the period ended August 31, 2016.
5. Receive Accounts Receivable Update for the period ended August 31, 2016.
6. Approve exemption from public bidding for the North Branford Tank.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Kowalski reviewed the quarterly financial report for the first quarter of FY 2017 ended August 31, 2016, including revenues, expenses, the balance sheet and capital budget variances. She also

reviewed the August 2016 monthly financial report. Ms. Kowalski commented on the most significant variances in operating revenues and expenses as well as the projected fiscal year 2017 maintenance test. She stated that the projected maintenance test for FY 2017 is 118% with no projected draw from the Rate Stabilization Fund.

Ms. Discepolo reviewed the Resolutions for the Lake Gaillard Water Treatment Plant Generator Project Loan and Subsidy Agreement. Mr. Cermola moved for the following resolutions:

WHEREAS, on November 19, 2015, the Authority adopted and on December 17, 2015, 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 delivered to the State of Connecticut in the aggregate principal amount not to exceed \$2,800,000 to finance, among other things, the cost of certain capital improvements to the Authority’s water system, specifically the Lake Gaillard Water Treatment Plant Generator Project (the “Lake Gaillard Project”); and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s Project Loan Obligation 2017-7050 (the “2017-7050 PLO”) and approve the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the Lake Gaillard Project (the “Lake Gaillard Loan Agreement”); and

WHEREAS, on April 21, 2016, the Authority adopted a resolution which established the general terms and provisions of the Authority’s bonds which may be issued as project loan obligations delivered to the State of Connecticut in the aggregate principal amount not to exceed \$3,000,000 to finance, among other things, the cost of certain capital improvements to the water system specifically the Lake Saltonstall Raw Water Pump Station Project (the “Lake Saltonstall Project”); and

WHEREAS, the Authority wishes to approve the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the Lake Saltonstall Project (the “Lake Saltonstall Project Loan Agreement” and together with the Lake Gaillard Loan Agreement, the “Loan Agreements”).

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 2017-7050 PLO in an amount not to exceed \$2,800,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the 2017-7050 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 2017-7050 PLO Supplemental Resolution authorizing the issuance of the 2017-7050 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 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 purposes of providing to the Authority the loan and grant from the State, the Authority hereby approves the Loan Agreements substantially in the form as attached hereto as Exhibit B, with such changes, omissions, insertions and revisions as the President/Chief Executive Officer or Vice President and Chief Financial Officer 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 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 and deliver the 2017-7050 PLO 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 2017-7050 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 or Vice Chairperson and President/Chief Executive Officer or Vice President and Chief Financial Officer are hereby authorized to accept such grants from the State for the applicable project as set forth in the Loan Agreements and to apply the proceeds of the grants to the appropriate project.

Ms. Lieberman seconded the motion, after discussion the Chair called for the vote and the motion was adopted unanimously.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. DiSalvo stated the proposed modifications to the charters of the Audit Committee, Environmental, Health, Safety and Risk Assessment Committee and Pension, Benefit & Compensation Committee. It was noted that Risk Assessment be moved from the Environmental, Health, Safety and Risk Assessment Committee to the Audit Committee, and a Compensation Committee be formed to alleviate responsibilities from the Pension, Benefit & Compensation Committee. Mr. DiSalvo noted that the Strategic Planning Committee would no longer operate; updates will be provided periodically by management. Mr. Cermola moved for adoption of the following resolution:

RESOLVED, that the charter of the Audit Committee be, and hereby is, amended to incorporate the revisions presented at the meeting, and the committee be re-named the "Audit-Risk Committee."

Mr. Marsh seconded the motion, after discussion the Chair called for the vote, and the motion was adopted unanimously.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Marsh moved for adoption of the following resolution:

RESOLVED, that the establishment and the charter of the Compensation Committee be, and hereby is, approved, with revisions to include Succession Management Planning.

Mr. Curseaden seconded the motion, after discussion the Chair called for the vote, and the motion was adopted unanimously.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Curseaden, Chair of the Environmental, Health, Safety & Risk Assessment Committee noted that the majority of the revisions to the committee charter were suggestions made by Kate Novick of Gradient Planning, and are based on the American Water Works Association G440 standard as well as the Business Continuity Planning (BCP) and Emergency Preparedness work with Jim Flynn, RWA's Vice President of Operations. He stated that the primary purpose of the revisions was to have the committee charter accurately reflect and align with the work of the committee, including the evolving role of the BCP and Emergency Preparedness. He moved for adoption of the following resolution:

RESOLVED, that the charter of the Environmental, Health, Safety and Risk Assessment Committee be, and hereby is, amended to incorporate the revisions presented at the meeting and the committee be re-named the "Environmental, Health and Safety Committee."

Mr. Cermola seconded the motion, after discussion the Chair called for the vote, and the motion was adopted unanimously.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Marsh moved for adoption of the following resolution:

RESOLVED, that the charter of the Pension, Benefit & Compensation Committee be, and hereby is, amended to incorporate the revisions presented at the meeting and the committee is re-named the "Pension & Benefit Committee."

Mr. Curseaden seconded the motion, after discussion the Chair called for the vote, and the motion was adopted unanimously.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Mr. Cermola moved for adoption of the following resolution:

RESOLVED, that the Strategic Planning Committee be dissolved and future updates be provided by RWA's management to the board.

Ms. Lieberman seconded the motion, after discussion the Chair called for the vote, and the motion was adopted unanimously.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 3:35 p.m., Mr. Borowy withdrew from the meeting.

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: integration testing is 90% complete; the installation of seven more data collection units (DCUs) is completed; the Department of Public Health approved a change order to permit RWA to purchase higher end meters; process review and documentation is wrapping up; team leads are taking an active approach to employee buy-in and members of management attended the Naugatuck Valley Council of Governments meeting. The three month look ahead included: installation of remaining DCU in Seymour, acceptance test will be underway, complete the training documentation for delivery, award the meter contract, continue external communications to town/city CEOs, and maintain a focus on Change Management for employee buy-in. Ms. Nesteriak highlighted a photo of a Trimble, a hand-held device used in the field to collect data and provide quality control. She noted that key milestones remain unchanged.

Mr. Bingaman:

- Communicated that an active outreach is beginning for review of the changes to RWA's Enabling Legislation. He noted that revisions are now in legislative bill format for easier review. He further noted one additional change to section seven of the Enabling Legislation to broaden the language of RWA's ethics policy to include non-core business. Next, Mr. Bingaman plans to meet with the Rivers Alliance, CT Fund for the Environment and key constituents.
- Reported that at the last meeting of the Water Planning Council Steering Committee, the Department of Environmental Protection introduced new diversion regulations, which would require water utilities to obtain a permit for a utility to add to its exclusive service area and to attempt to extend a water main.
- Reported that storage levels are at 63%, with a long-term average of 71% and a drought alert at 45%. At the end of September last year, the long-term average was 68%. Mr. Bingaman stated that the Lake Whitney Water Treatment Plant is still running 24/7 at 4.6 mg/day to increase production and allow Lake Gaillard to build capacity.
- Highlighted that Jim Flynn will be attending the Association of Metropolitan Water Agencies Management Conference in October to present Gateway Community College and Southern Connecticut State University's Utility Management degree to a large industry segment.

Authority members reported on recent meetings of the Representative Policy Board committee meetings and assignments were made for attendance at the fourth quarter 2016 RPB committee meetings.

At 4:05 p.m., on motion made by Ms. Lieberman, seconded by Mr. Marsh, and unanimously carried, it was voted to go into executive session to discuss strategy and negotiations. Present in executive session were Authority members, Mss. Discepolo, Kowalski, Nesteriak, Slubowski and Mr. Bingaman.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 4:08 p.m., the Authority reconvened and on motion made by Mr. Curseaden, seconded by Mr. Marsh, and unanimously carried, the meeting adjourned.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Respectfully submitted,

Gail F. Lieberman, Secretary

Attachments:

1. Lake Gaillard Water Treatment Generator Project
 - a. SCCRWA Resolution for Project Loan Obligation 2017-7050
 - b. SCCRWA Supplemental Resolution
 - c. Project Loan Subsidy Agreement