

**South Central Connecticut Regional Water Authority
Minutes of the November 16, 2016 Meeting**

A special meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Wednesday, November 16, 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. Discepolo, Kowalski, Nesteriak and Mr. Bingaman
RPB – Mr. Borowy and Ms. Gutierro
Staff – Mrs. Slubowski

The Chair called the meeting to order at 10:30 a.m.

Mr. Bingaman reviewed the safety moment distributed to members.

On motion made by Mr. Curseaden, 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 October 20, 2016 meeting.
2. Approve capital budget authorization for December 2016.

RESOLVED, that the Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,670,000 for the month of December 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 November 10, 2016.
4. Receive Monthly Financial Report for October 2016.
5. Receive Account Receivable Update for October 2016.
6. Approve Release of Easement for Parker Mill Road.
7. Adopt Schedule of Calendar Year 2017 Meeting Dates, with changes.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Ms. Kowalski, RWA's Vice President of Finance and Controller, reviewed the proposed fiscal year 2018 budget schedule. She identified changes made for internal purposes but overall the schedule is consistent with last year's schedule to allow for a longer review period by the Authority and the Representative Policy Board ("RPB"). She also identified that both the fiscal year 2018 budget and 2017 projections are taking into consideration Governor Malloy's drought watch issued October 28, 2016 and RWA's request for water conservation issued November 7, 2016; each announcement urging individuals to voluntarily reduce water consumption by 15%. In an effort to mitigate the potential decline in water revenues, Ms. Kowalski informed the Board an evaluation of additional cost saving strategies has commenced.

Ms. Discepolo, RWA's Executive Vice President and Chief Financial Officer, reviewed the terms of the Water System Revenue Bond Subordinate Notes for the Advanced Meter Reading Infrastructure Project ("AMI"). The request is for approximately \$8,400,000. Mr. Curseaden 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 bond anticipation notes in anticipation of the proceeds of the Bonds (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 July 17, 2014, the Authority adopted and on November 20, 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 \$28,425,000 to finance, among other things, the cost of the purchase and installation of advanced meter reading infrastructure (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 approved a resolution to provide for the issuance, sale and delivery of the Authority's Notes on November 19, 2015 (the "Resolution"); and

WHEREAS, the Authority wishes to amend the Resolution by clarifying section 4.02 of the Note Resolution (as hereinafter defined) correcting the title of an officer and delegating to the Vice President of Finance and Controller certain powers and duties.

NOW THEREFORE BE IT RESOLVED, that the Resolution is hereby amended and restated in its entirety as follows:

BE IT RESOLVED, that the Authority hereby approves the resolution authorizing the issuance of the Notes (the "Note Resolution") in one or more series 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 Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller shall deem advisable and which shall be as set forth in a Certificate of Determination for the appropriate series of Notes attached thereto; and

BE IT FURTHER RESOLVED, that the Chairperson or Vice Chairperson and the President / Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller be authorized (i) to issue, sell and deliver the Notes in an amount for each not to exceed \$8,400,000, and (ii) to determine the amount, date, date of maturity, interest rate, form and other details of each series of 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, the Executive Vice President and Chief Financial Officer and Vice President of Finance and Controller, or any one of them, are hereby authorized to execute and deliver such documents as may be necessary or desirable to issue, sell, secure and deliver the Notes, including but not limited to, an Official Statement if the Notes are publicly offered, a Contract of Purchase, a Tax Regulatory Agreement and a Continuing Disclosure 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, security and delivery of the 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, the Executive Vice President and Chief Financial Officer and Vice President of Finance and Controller, 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, the Executive Vice President and Chief Financial Officer and Vice President of Finance and Controller, or any one of them, are authorized to take any other actions necessary to obtain such grants or loans 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.

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. Nesteriak, RWA's Senior Advisor to the President & Director of Business Strategy, provided a hiTechFOCUS and communications plan update. She reviewed a presentation that included RWA's communication goals; meter deployment schedule from 2017 through 2019; communication schedule; support resources; and the anticipated schedule for the next three months. Ms. Nesteriak reported that communication efforts would begin next month with local municipalities and town officials. Discussion took place regarding security and installation of meters.

Mr. Bingaman:

- Reviewed a Regional Water Production: Conservation Goal Progress Chart. He stated that chart is a record of water usage from October 1, 2016 to present and shows a decline in water usage since the Governor’s request for a voluntary water reduction.
- Updated the Authority on the proposed changes to RWA’s Enabling Legislation. He reported that Ms. Nesteriak is working with counsel to finalize the language. Once completed, meetings would be scheduled with Legislators and environmental groups for review and comment.
- Reported that reservoir levels are at 51%, 15% below the long-term average of 66%. The advisory stage for drought is 42%. He noted that the drought is expected to continue through January. He stated that Lake Whitney Water Treatment Plant continues to run 24/7 at 3.7 mg/day to allow Lake Gaillard to build capacity. Mr. Bingaman noted that other alternatives are being investigated to manage balance in the supply system.
- Updated the Authority on a non-core strategy session that took place in mid-October and included RWA’s PipeSafe programs, Lab, Fleet garage, and Real Estate department. He noted that a second meeting took place in early November to continue the discussions. Mr. Bingaman communicated that a third meeting will take place in December to discuss business growth and develop the three to five year goal.
- Highlighted a meeting that took place in earlier in the month with the North Branford Town Manager. He reported on concerns about ATV’s on RWA and Town property in North Branford. RWA’s Police Chief contacted the Town Manager to assist in resolving the issue.

The Authority discussed long-range strategic topics for its 2017 meetings.

At 11:42 a.m., Mr. Borowy entered the meeting.

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

At 11:45 a.m., Ms. Gutierro withdrew from the meeting and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the Authority recessed for lunch.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 12:18 p.m., the Authority reconvened and on motion made by Mr. Marsh, 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 12:35 p.m., 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 Pension, Benefit and Compensation Committee.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:03 p.m., the Authority reconvened.

Mr. Marsh moved for adoption of the following resolutions:

RESOLVED, that the South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan be, and it hereby is, amended by a First Amendment thereto; and be it

FURTHER RESOLVED, that the Chairperson of the Authority be, and hereby is, authorized to execute the First Amendment on behalf of the Authority; and the appropriate officers of the Authority be, and they hereby are, authorized, empowered and directed to take any and all additional action which they deem necessary or appropriate in order to implement the same.

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

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

At 2:06 p.m., the Authority reconvened and on motion made by Mr. Cermola, seconded by Ms. Lieberman, and unanimously carried, the meeting adjourned.

Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Lieberman	Aye
Marsh	Aye

Respectfully submitted,

Kevin Curseaden, Secretary

Attachments:

1. SCCRWA Restated and Adopted Resolution for Bond Anticipation Notes
2. SCCRWA Water System Revenue Bonds Resolution