

**South Central Connecticut Regional Water Authority
Minutes of the January 19, 2017 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 19, 2017, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut, Chairman DiSalvo presided.

Present: Authority – Messrs. Borowy, Cermola, Curseaden, DiSalvo and Marsh (via teleconference)
Management – Mss. DiGianvittorio, Discepolo, Kowalski, Velasquez, Zanella-Dyer and Messrs. Bingaman, Hudak and Norris
RPB – Mr. Krasko
Staff – Mrs. Slubowski

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

Mr. Bingaman reviewed the safety moment distributed to members.

Chair DiSalvo proposed the addition of an item to the agenda, as E.2, *Exemption from Public Bidding*. On motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the item was added to the agenda.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

On motion made by Mr. Cermola, seconded by Mr. Curseaden, and unanimously carried, the Authority approved and adopted or received, as appropriate, the following items contained in the consent agenda:

1. Approve minutes of the December 15, 2016 meeting.
2. Approve capital budget authorization for February 2017.

RESOLVED, that the Vice-President of Finance and Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,800,000 for the month of February 2017 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 Vice-President of Finance and Controller, the Executive 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 December 2016.
4. Receive Accounts Receivable Update for December 2016.
5. Receive update on Sablitz Property purchase in Hamden.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Ms. Velasquez, RWA's Environmental Compliance Analyst, provided a Sustainability update. She reviewed previous accomplishments, RWA's strategic goal through 2020, carbon footprint, benchmarks, assessment results, and high points. Ms. Velasquez also discussed assessment recommendations and projected outcomes. Discussion took place regarding the benefits of sustainability goals, carbon exchange, and initiatives for sustainability.

At 12:49 p.m., Mr. Hudak and Ms. Velasquez withdrew from the meeting and Ms. DiGianvittorio entered the meeting.

Ms. DiGianvittorio, RWA's Vice President of Employee Services, provided an employee engagement update since the last one presented in July 2016. She reported on 25 training sessions including leadership development, labor relations, and safety and technical training. Ms. DiGianvittorio noted that the RWA plans re-evaluate its leadership training program to address potential vacancies for succession planning. She also reported on employee events and fundraisers. Ms. DiGianvittorio provided three action council updates: communication, recognition, and strategic plan. She communicated that RWA hired a Director of Communication and Outreach, Philip Vece, and discussed changes to internal communications over the past six months.

At 1:11 p.m., Ms. DiGianvittorio withdrew from the meeting.

Ms. Kowalski, RWA's Vice President of Finance and Controller, reviewed the resolutions to amend the Supplemental Resolution for the Lake Gaillard Generator Replacement. She also noted that the resolutions approve the project loan agreement for the Lake Saltonstall Paint Project. Mr. Marsh moved for adoption of the following resolutions:

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 Water Tank Paint Project (the "Paint Project"); and

WHEREAS, on September 15, 2016 the Authority adopted a resolution (the "2016 Resolution") to approve the form of a Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the Lake Saltonstall Project and the Lake Gaillard Water Treatment Plant Generator Project (the "Loan Agreement") and to provide for the issuance, sale and delivery of the Authority's Project Loan Obligation 2017-7050 (the "2017-7050 PLO") to finance the Lake Gaillard Water Treatment Plant Project (the "Gaillard Project"); and

WHEREAS, the Authority wishes to approve the form of Loan Agreement related to the Paint Project; and

WHEREAS, the titles of certain officers of the Authority have been changed; and

WHEREAS, the Authority wishes to amend the Resolution to approve the form of the Loan Agreement for the Paint Project, to revise the titles and add to the officers of the Authority entitled to execute documents in connection with the financing of the Gaillard Project and to

revise the Project Loan Obligation 2017-7050 Supplemental Resolution (the “Supplemental Resolution”) for the Gaillard Project which was attached to the 2016 Resolution as Exhibit A.

NOW THEREFORE BE IT RESOLVED, that for the purposes of providing to the Authority the loan and grant from the State for the Paint Project, the Authority hereby approves for the Paint Project, the form of the Loan Agreement that was approved by the 2016 Resolution with such changes, omissions, insertions and revisions as the President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller shall deem advisable and the approval of the Authority shall conclusively be determined from any of their signatures thereon; 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 the Vice President of Finance and Controller 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; and

BE IT FURTHER RESOLVED, that the Authority hereby amends and restates the Supplemental Resolution 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 the Vice President of Finance and Controller shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto; and

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer and the Executive Vice President and Chief Financial Officer and the 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 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; and

BE IT FURTHER RESOLVED, that 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 are hereby authorized to accept such grants from the State for the Paint Project as set forth in the Loan Agreement and to apply the proceeds of the grant to the Paint Project.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Mr. Bingaman, RWA’s President and Chief Executive Officer, discussed the request for the Exemption from Public Bidding for the Whitney Water Treatment Plant in Hamden. He noted that in order to complete the emergency work in a timely manner with the least impact on RWA’s customers, it

was necessary to request the exemption. It was the consensus of the Authority that this authorization was in the best interest of the Authority and its customers. On motion made by Mr. Cermola, seconded by Mr. Marsh, and unanimously carried, the Authority approved the bid exemption.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 1:30 p.m., Ms. Zanella-Dyer entered the meeting.

Mr. Bingaman:

- Reported that reservoir levels are at 60% of full storage, up from 53% at the end of December 2016, with a long-term average of 75%. The advisory stage for drought is at 52%.
- Communicated that Beth Nesteriak, RWA's Senior Advisor to the President & Director of Business Strategy, is meeting today with a Senate Co-Chair of the Planning and Development Committee to review changes to RWA's Enabling Legislation. He noted that she will meet on Friday with the Connecticut Fund for the Environment to discuss Class III Land.
- Reported on a statement of purpose bill aimed at bottled water plants, which would prohibit the use of declining block water pricing, establish a ban on shipping water out of state during drought emergencies, and require renewable diversion permits for such operations.
- Stated that the Water Planning Council Advisory Group met this week to discuss RWA's Enabling Legislation and its impact on land preservation.
- Noted that he attended a Water Planning Council Steering Committee public workshop and a Policy subcommittee meeting. He stated that discussions centered on conservation rates and irrigation reduction and elimination. Mr. Bingaman communicated that management will analyze conservation rates at the next rate case.

Ms. Zanella-Dyer, RWA's Vice President of Service Delivery, provided a hiTechFOCUS update. She reported that major activities accomplished include: AMI software system is live; RWA's installation contractor, CCI, is set up in North Haven and the call center is ready for customers; pilot customers are responding to the letters for meter changes; the focus group is reviewing data and processes. The three-month look ahead includes training RWA Inspectors from Field Service for deployment; completing field readiness test; conducting refresher training and continuing with external communications. Ms. Zanella-Dyer reported on the Field Readiness Test, which tests the end-to-end processes of field deployment. She reported that key milestones remain unchanged. Ms. Zanella-Dyer also reviewed the Capital Spending Analysis through December 31, 2016.

At 1:55 p.m., Ms. Zanella-Dyer withdrew from the meeting.

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

Chair DiSalvo formalized the assignments for RWA Committee Chairs beginning January 1, 2017: Mr. Borowy – Audit-Risk Committee; Mr. Cermola – Compensation Committee; Mr. Curseaden

– Environmental, Health & Safety Committee; and Mr. Marsh – Pension & Benefit Committee, who will act as Chair until a successor is appointed.

The Authority discussed long-range strategic topics for its 2017 meetings, which include: Rate Escalation; Social Media; Strategic alliances/partnerships; Benefit Topics; Risk; and Cybersecurity.

At 2:12 p.m., Mr. Krasko withdrew from the meeting and Mr. Triana entered the meeting.

Mr. Triana, RWA’s Real Estate Manager, discussed a Representative Policy Board Application for a non-substantial Land Use Plan Amendment for the Mattabesett Trail in Durham and Madison. He reported that the relocation was for safety purposes and that use of the trail will be for recreational purposes. Mr. Triana noted that the application does not require a public hearing because the relocation has no impact on the public water supply. Mr. Cermola moved for adoption of the following resolution:

RESOLVED, that the Authority hereby accepts the Application to the Representative Policy Board (RPB) for the non-substantial Land Use Plan Amendment to relocate the Mattabesett Trail onto Authority property in Durham and Madison on Land Units DU 2A, DU 2B, DU 2, DU 1, DU 1A, and MA 11, as a completed Application, substantially in the form submitted to this meeting and authorizes filing said Application with the Representative Policy Board.

Mr. Curseaden seconded the motion, the Chair called for the vote.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Mr. Norris, RWA’s Vice President of Asset Management discussed the following proposed Representative Policy Board Applications for the disposition of three improved parcels of land in Woodbridge:

- i. Application to the Representative Policy Board for the disposition of 1.67 acres located east of Sperry Road in Woodbridge that is part of Land Unit WO 5; and
- ii. Application to the Representative Policy Board for the disposition of 1.84 acres located west of Litchfield Turnpike in Woodbridge that is part of Land Unit WO 5; and
- iii. Application to the Representative Policy Board for the disposition of 2.47 acres located east of Johnson Road in Woodbridge that is part of Land Unit WO 14.

He stated that all three parcels are located in Woodbridge but are three separate applications; however, management will present the applications individually at one public hearing.

Mr. Triana, provided background on the condition and safety of the rental properties, list prices and cost avoidance. He stated that the three properties are classified as non-water use on RWA’s Land Use Plan. Mr. Cermola made a motion to adopt the following resolutions:

RESOLVED, that the Authority hereby accepts the Application for Disposition for 1.67 acres located east of Sperry Rd. in Woodbridge that is part of Land Unit WO 5, as a completed Application, substantially in the form submitted to this meeting, and authorized 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 transfer interest in real estate.

Mr. Curseaden seconded the motion. At the close of discussion, the Chair called for the vote.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Mr. Curseaden made a motion to adopt the following resolutions:

RESOLVED, that the Authority hereby accepts the Application for Disposition for 1.84 acres located west of Litchfield Turnpike in Woodbridge that is part of Land Unit WO 5, 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 transfer interest in real estate.

Mr. Cermola seconded the motion. At the close of discussion, the Chair called for the vote.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Mr. Borowy made a motion to adopt the following resolutions:

RESOLVED, that the Authority hereby accepts the Application for Disposition for 2.47 acres located west of Johnson Road in Woodbridge that is part of Land Unit WO 14, 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 transfer interest in real estate.

Mr. Curseaden seconded the motion. At the close of discussion, the Chair called for the vote.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 2:37 p.m., Ms. Nesteriak entered the meeting and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the Authority voted to go into Executive Session to discuss strategy and negotiations and real estate acquisition. Present in executive session were the Authority members, Mss. Discepolo, Kowalski, Nesteriak, Slubowski and Messrs. Bingaman, Norris and Triana.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 3:00 p.m., the Authority reconvened.

On motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the Authority approved the RWA's request for the acquisition of 44+/- acres at 2114 Durham Road in Madison.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 3:05 p.m., Messrs. Norris and Triana withdrew from the meeting and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, it was voted to go back into Executive Session to discuss strategy and negotiations. Present in executive session were the Authority members, Mss. Discepolo, Kowalski, Nesteriak, Slubowski and Mr. Bingaman.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 3:10 p.m., the Authority came out of executive session and, on motion made by Mr. Cermola, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Respectfully submitted,

Kevin Curseaden, Secretary

Attachments:

1. SCCRWA Resolution to Amend the Lake Gaillard Generator Replacement and approve the project loan agreement for the Paint Project.
2. SCCRWA Supplemental Resolution for Project Loan Obligation #2017-7050.