

**South Central Connecticut Regional Water Authority
Minutes of the February 16, 2017 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, February 16, 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
Management – Discepolo, Kowalski, Nesteriak and Mr. Bingaman
RPB – Mr. Havrda
Woodcock & Associates, Inc. – C. Woodcock
Raftelis Financial Consultants, Inc. - D. Fox
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:00 p.m.

Mr. Bingaman reviewed the safety moment distributed to members.

Messrs. Fox and Woodcock presented a Fire Protection Analysis to compare RWA’s existing methodology for assessing fire protection charges to various methods. Mr. Fox analyzed reasonable alternative methods and discussed the results of a sensitivity analysis of estimated public fire protection charges per town. Mr. Fox discussed total funds attributed to public fire rate charges and allocations to respective municipalities and provided a breakdown of assessment of allocations by Town. Messrs. Fox and Woodcock concluded that RWA’s existing methodology and allocation for fire protection to hydrants and inch-feet of water main is the lowest cost of service methodology for fire protection and is consistent with industry best practices. Mr. Woodcock recommended a full cost of service study before updating or implementing any changes to RWA’s present fire protection charges. Discussion took place regarding RWA-owned hydrants per town, next steps, and recommended methodology.

Ms. Discepolo, RWA’s Executive Vice President and Chief Financial Officer, led a discussion on water rate escalation. The Authority asked questions about inclining block rates and seasonal rates in response to the concepts under consideration in the state’s water plan to encourage water conservation.

At 12:55 p.m., Messrs. Fox and Woodcock withdrew from the meeting and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the members voted to recess the regular meeting of the Authority to meet as the Pension & Benefit Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 1:30 p.m., the Authority reconvened and on motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the members voted to recess the regular meeting of the Authority to meet as the Audit-Risk Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 2:07 p.m., the Authority reconvened.

On motion made by Mr. Borowy, seconded by Mr. Marsh, 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 January 19, 2017 meeting.
2. Approve capital budget authorization for March 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 \$2,650,000 for the month of March 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 January 2017.
4. Receive Accounts Receivable Update for January 2017.
5. Receive Report on Code of Ethics compliance for the period ended November 30, 2016.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Ms. Nesteriak, RWA's Senior Advisor to the President & Director of Business Strategy, provided a hiTechFOCUS update. She reported that major activities accomplished include: Field readiness testing continues with CCI completing 392 customer installations in Cheshire and Wolcott; three RWA field inspectors are engaged; and refresher training is being conducted with customer service representatives. The three-month look ahead includes completing the field readiness test; conducting refresher training as needed; and continuing with external communications. Ms. Nesteriak provided an update on Field Readiness Testing, which includes weekly meetings with the contractor to review performance, route saturation to measure completeness, call center monitoring, opportunities to review processes, and a review of data. She reported that key milestones remain unchanged.

Mr. Bingaman:

- Reported that reservoir levels are at 65% of full storage compared to the long-term average of 80% at February 13. The advisory stage for drought is at 57%. The drought is expected to last through the end of April.
- Commented that in January 2017 Beth Nesteriak and Lori Vitagliano, RWA's Government and Public Relations Specialist, met with the South Central Regional Council of Governments (SCRCOG) to present proposed changes to RWA's Enabling Legislation. He noted that at its next meeting SCRCOG would consider passing a resolution supporting the changes.

- Communicated that as part of the budget released by the Governor, RWA will support a proposed licensing fee for public water utilities operating in the state to generate funds to raise money specifically for the Department of Public Health’s drinking water section. The money will fund existing staff to fulfill duties to enforce provisions of the Safe Drinking Water Act. The proposal will become effective, if passed, in July 2018.
- Noted a proposed bill to amend the charter of The Metropolitan District Commission to add a consumer advocate to its operations to assist consumers with public water supply problems. In addition, this bill includes the ability for the public to request an investigation by the Public Utilities Regulatory Authority (PURA) of any water company. RWA is opposing the bill because of the implications of increasing PURA’s authority over regional entities.
- Reported on RWA’s comprehensive dam safety program, in view of the Oroville Dam situation in California. He reviewed RWA’s inspection schedules and noted that RWA typically inspects dams more frequently than required by the Department of Energy and Environmental Protection regulations. Mr. Bingaman also highlighted two large capital projects for dam work scheduled in the five-year budget.
- Noted that RWA’s Operations Department continues to work on the Whitney Water Treatment Plant.
- Highlighted a meeting last month with the Wallingford Rotary Club to discuss Conscious Capitalism and in March will meet with the Sustainability Council of the Family Business Center, which is a part of University of New Haven, to discuss Conscious Capitalism and Sustainability and how they work together.

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

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 3:50 p.m., the Authority reconvened and on motion made by Mr. Borowy, seconded by Cermola, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Respectfully submitted,

Kevin Curseaden, Secretary