

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

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, March 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 (via teleconference)  
Management – Discepolo, Kowalski, Nesteriak and Mr. Bingaman  
RPB – Mr. Dubno  
Staff – Mrs. Slubowski

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

Mr. Bingaman reviewed the safety moment distributed to members.

At 12:32 p.m., on motion made by Mr. Cermola, seconded by Mr. Curseaden, 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 1:26 p.m., the Authority reconvened, and on motion made by Mr. Borowy, seconded by Mr. Cermola, and unanimously carried, the members voted to recess the regular meeting of the Authority to meet as the Environmental Health & Safety Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 2:15 p.m., the Authority reconvened.

Ms. Kowalski, RWA’s Vice President of Finance and Controller, reviewed the quarterly financial report for the quarter ended February 28, 2017, including revenues, expenses, the balance sheet, and key changes since the last quarter. She also reviewed the February 2017 monthly financial report. Ms. Kowalski commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2017 maintenance test. She stated the projected maintenance test for fiscal year 2017 is 123% with no projected draw from the Rate Stabilization Fund. Ms. Kowalski also discussed the potential for an operating budget amendment based on current projections and prudent fiscal management.

On motion made by Mr. Borowy, seconded by Mr. Cermola, 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 February 16, 2017 meeting.
2. Approve capital budget authorization for April 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 \$3,800,000 for the month of April 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 Key Performance Indicators for February 2017.
4. Receive Accounts Receivable Update for February 2017.

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: the completion of the field readiness testing and the release of full deployment effective March 10, 2017. She also discussed field findings, buried meter vaults, and existing wiring challenges. She reviewed the installation progress in Wolcott and Cheshire. The three-month look ahead includes a ramp up of full deployment, refresher training as needed, continuation of external communications, and the communication schedule for Branford and Hamden. Ms. Nesteriak reported that key milestones completed include the completion of PILOT testing.

Mr. Bingaman:

- Reported that reservoir levels are at 69% of full storage compared to the long-term average of 86% as of March 13, 2017. The advisory stage for drought is at 63%.
- Announced that RWA's insurance company and the CT Department of Public Health have approved Lake Whitney Water Treatment Facility to resume operation beginning next week. Final controls and necessary water quality testing will be completed prior to the plant's return to operation.
- Communicated that Beth Nesteriak and Lori Vitagliano, RWA's Government and Public Relations Specialist, have met with the South Central Regional Council of Governments and the Valley Council of Governments to review proposed changes to RWA's Enabling Legislation. A follow up meeting between RWA and the City of New Haven will take place on April 3, 2017 to discuss the proposed changes.
- Stated that he presented testimony on a bill with the proposed changes to RWA's Enabling Legislation to the Legislature's Planning and Development Committee. He highlighted the acknowledgement of RWA's outreach efforts and hard work.
- Reported that Linda Discepolo, RWA's Executive Vice President and Chief Financial Officer, and he, spoke with the Office of Consumer Counsel (OCC) regarding RWA's

methodology for fire protection rates. After a review of RWA’s methodology, the OCC concluded that RWA’s approach is the least cost method.

Authority members reported on recent Representative Policy Board (“RPB”) committee meetings and assignments were made for attendance at the second quarter 2017 committee meetings.

At 3:12 p.m., on motion made by Mr. Curseaden, seconded by Mr. Borowy, 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 4:05 p.m., the Authority reconvened.

Mr. Cermola stated that, in accordance with the just completed total compensation study by Willis Towers Watson, the Compensation Committee recommended that management increase the salaries of the Executive Vice President and Chief Financial Officer and the Vice President of Finance and Controller, retroactive from November 1, 2016, in recognition of their expanded responsibilities. He moved for adoption of the following resolution:

**WHEREAS**, on October 20, 2016, the Authority approved the recommendation of RWA’s Chief Executive Officer to promote Linda Discepolo to the position of Executive Vice President and Chief Financial Officer and Rochelle Kowalski to the position of Vice President of Finance and Controller, effective November 1, 2016; and

**WHEREAS**, Mss. Discepolo and Kowalski accepted their positions, effective November 1, 2016.

**NOW THEREFORE BE IT RESOLVED**, that the Authority approves the recommendation of the Chief Executive Officer and the Compensation Committee to increase the salaries of the Executive Vice President and Chief Financial Officer and the Vice President of Finance and Controller of the South Central Connecticut Regional Water Authority, effective November 1, 2016.

Mr. Curseaden seconded the motion. After discussion, the Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Mr. Cermola stated that in accordance with the just completed total compensation study by Willis Towers Watson, the Compensation Committee recommended that management approve an increase in various executive and non-executive employees’ compensation to target the 50<sup>th</sup> percentile median compensation, in six increases over a period of three years, dependent on performance and other factors. He moved for adoption of the following resolution:

**RESOLVED**, that the Authority approves the recommendation of the Compensation Committee to increase various executive and non-executive employees’ compensation, to target

the 50th percentile median compensation, in six increases over a period of three years based on performance.

Mr. Borowy seconded the motion. After discussion, the Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Mr. Cermola stated that the Compensation Committee recommended that management explore the mechanics and details of a new bonus program for RWA employees within the next 18 months. He moved for adoption of the following resolution:

**RESOLVED**, that the Authority approves the recommendation of the Compensation Committee for management to explore the mechanics and details of a new bonus program for RWA executive and non-executive employees within the next 18 months.

Mr. Curseaden seconded the motion. After discussion, the Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

At 4:15 p.m., on motion made by Mr. Borowy, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Marsh	Aye

Respectfully submitted,

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Kevin Curseaden, Secretary