

South Central Connecticut Regional Water Authority
Minutes of the April 4, 2017 Meeting

A special meeting of the South Central Connecticut Regional Water Authority took place on Tuesday, April 4, 2017, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut, Chair DiSalvo presided.

Present: Authority – Ms. Sack, Messrs. Borowy, Cermola (via teleconference), Curseaden and DiSalvo
Management – Mss. DiGianvittorio, Gavrilovic, Gaw, Discepolo, Kowalski, Nesteriak, Zanella-Dyer and Messrs. Bingaman, Flynn and Norris
Staff – Mrs. Slubowski

The Chair called the meeting to order at 9:00 a.m. He introduced Suzanne Sack, as Mr. Marsh's replacement, for the term ending December 31, 2019.

Mr. Bingaman reviewed the safety moment distributed to members.

Mr. Bingaman, RWA's President and Chief Executive Officer, reviewed the FY 2018 capital budget outline and summarized the assumptions used to develop the proposed budget. He noted that the FY 2018 capital budget includes the funding of 57 projects and programs in six project areas: Natural Resources, Pumping, Treatment, Transmission and Distribution, General Plant and AMI (Automated Metering Infrastructure). He reported that the total budget would be approximately \$31 million and within the recommended range of the Louis Berger Capital Budget Report. Mr. Norris, RWA's Vice President of Asset Management, discussed the prioritization methodology and reviewed the capital project prioritization matrix with the Authority members. He noted the addition of a sustainability category for prioritization. Mr. Flynn, RWA's Vice President of Operations, reviewed highlights of natural resources, pumping and treatment projects. Ms. Gavrilovic, RWA's Director of Capital Planning and Delivery, provided an overview of transmission and distribution projects and Ms. Discepolo, RWA's Executive Vice President & Chief Financial Officer, highlighted general plant projects. Discussion took place regarding efficiencies, escalation, and infrastructure replacement.

Mr. Norris summarized the five-year capital budget projections. Mr. Bingaman concluded by summarizing the FY 2018 capital budget. He noted the RWA would continue to pursue lower cost financing alternatives, review and implement recommendations received in the GHD Capital Budget Report, and continue to develop RWA's asset management plan.

At 10:45 a.m., Mss. Gavrilovic and Gaw withdrew from the meeting.

The Authority reviewed the proposed FY 2018 operating and maintenance budgets. Mr. Bingaman provided an introduction of RWA's budget by reviewing historical policies and practices, and its strategic focus from 2009 to the present. Ms. Discepolo reviewed the results of policy changes in fund balances from 2009 to the present, key financial accomplishments for FY 2017, the historical water consumption trend, a comparison of FY 2018 projected billed consumption to six prior fiscal years billed consumption, and the proposed FY 2018 revenue assumptions.

Ms. Kowalski, RWA's Vice President and Controller, compared the FY 2017 budget to the proposed FY 2018 budget for water revenue reconciliation, net revenues and gross revenues and expenses. She also reported on the FY 2018 proposed expense assumptions, reviewed the maintenance test and year-end disposition. Discussion took place regarding medical expenses, maintenance and repairs, and depreciation. Ms. Nesteriak, RWA's Senior Advisor to the President & Director of Business Strategy, discussed the opportunities and vulnerabilities for FY 2018.

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At the conclusion of the budget review, Mr. Cermola moved for adoption of the following resolution:

Resolved, that copies of the proposed FY 2018 Capital Budget and Operating and Maintenance Budgets beginning on June 1, 2017 and ending on May 31, 2018, as presented, be distributed to members of the Representative Policy Board and the Office of Consumer Affairs.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 12:30 p.m., on motion made by Mr. Borowy, seconded by Mr. Curseaden, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Kevin Curseaden, Secretary