

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

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

**Present:** Authority – Ms. Sack, Messrs. Borowy, Cermola, Curseaden, and DiSalvo  
Management – Mss. DiGianvittorio, Discepolo, Kowalski, Nesteriak, and  
Messrs. Bingaman and Olejarczyk  
RPB – Mr. Eitzer  
Business Transfer Alliance – R. Taft  
Business Growth Advisors – P. Viscomi  
Staff – Mrs. Slubowski

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

Mr. Bingaman reviewed the Safety Moment distributed to members.

On motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, the Authority:

1. Approved the minutes of its September 28, 2017 meeting.
2. Approved the capital budget authorization for November 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 \$1,850,000 for the month of November 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 2018 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. Received the Monthly Financial Report for the period ended September 30, 2017.
4. Received the Accounts Receivable Update for the period ended September 30, 2017.

Borowy     Aye  
Cermola    Aye  
Curseaden  Aye  
DiSalvo    Aye  
Sack        Aye

Ms. DiGianvittorio, RWA’s Vice President of Employee Services, provided a quarterly update of employee engagement and collaboration since July 2017. She reviewed training and workshops offered to employees, which included: technical training, foundations of safety leadership training, active shooter training, Ceridian DayForce time and mobile app training, and a new hire orientation

program. Ms. DiGianvittorio reported that the RWA appointed Sal Nesci as RWA's new Organizational Development and Security Manager to assist in developing and instructing leadership training programs. She also discussed RWA's goals for organizational development, cultural issues, expectations, and expected outcomes of training. Ms. DiGianvittorio highlighted recent employee events and the RWA's proactive approach to communication. Discussion took place regarding individual resiliency training programs.

At 12:55 p.m., Ms. DiGianvittorio withdrew from the meeting.

Ms. Nesteriak, RWA's Senior Advisor to the President and Director of Business Strategy, provided a hiTechFOCUS update. She reported that major activities accomplished included: a review of the active installations in Wolcott, Cheshire, North Branford, East Haven, Branford and North Haven, final letters mailed to customers along with field attempts and phone attempts, and the 14 day letters were mailed to portions of North Haven. She reviewed the installation progress and the number of installations completed to date. The three-month look ahead includes continuing external communications, the upcoming communication schedule for North Haven and New Haven, and the mailing schedule for the next group of final letters in Cheshire. She reviewed an Advanced Metering Infrastructure ad scheduled to run weekly during the month of November in the North Haven local papers. Ms. Nesteriak also provided a quarterly Capital Spending Analysis update. Discussion took place regarding change orders, contingency, and future planning.

Mr. Bingaman:

- Highlighted a meeting with First Selectman Beth Heller of Woodbridge, Mr. DiSalvo, Ms. Nesteriak, Mark Levine (Woodbridge) and the town attorney. He stated that the meeting was very positive.
- Provided an update on the alternate proposal to the Department of Public Health's water activities license fee. The proposal is still pending.
- He reported on the status of repairs to the Lake Whitney Water Treatment Plant underdrain. Mr. Bingaman stated that a contractor is on site to determine the cause of the failure. The RWA also hired a consultant to do an initial inspection to assist in identifying alternative options moving forward.

Mr. DiSalvo stated that he appointed Mr. Curseaden to review the RWA Description of Organization and Bylaws ("Bylaws"). Mr. Curseaden noted that he reviewed recent changes to the Bylaws, as made by counsel, to correspond with the recently adopted changes to RWA's Enabling Legislation. He stated that he did not see any barriers to adopting the Bylaws with the changes, as presented. Mr. Curseaden will work with RWA management and counsel on technical revisions and will distribute an incorporated draft to board members with clarifications.

Authority members reported on recent Representative Policy Board committee meetings.

At 1:40 p.m., Mr. Olejarczyk entered the meeting.

Ms. Discepolo, RWA's Executive Vice President and Chief Financial Officer, and Ms. Kowalski, RWA's Vice President of Finance and Controller, presented the RWA's Ten-Year Model to the Authority. Ms. Discepolo reviewed the base financial model including expense and revenue assumptions, and the issuance test results. Ms. Kowalski then reviewed funds to mitigate debt financing, leverage, and an illustrative sensitivity analysis with eight scenarios, as well as opportunities and vulnerabilities.

At 2:45 p.m., Mr. Olejarczyk withdrew from the meeting.

Ms. Kowalski discussed management's request for the approval to move monies from the General Fund Corporate Development to a new Growth Fund for non-core revenue opportunities. Mr. Curseaden moved for adoption of the following resolution:

**WHEREAS**, Section 1 of Special Act 77-98, as amended, of the Connecticut General Assembly (the "Act") provides in pertinent part that the South Central Connecticut Regional Water Authority (the "Authority") was created for the primary purpose of providing and assuring the creation of an adequate supply of pure water and to the degree consistent with the foregoing conducting or investing in noncore businesses; and

**WHEREAS**, pursuant to Section 11 of the Act, the Authority has the power to do any and all things necessary or convenient to carry out the powers expressly given in Section 1 through 33 of the Act; and

**WHEREAS**, the Authority's Water System Revenue Bonds are issued pursuant to a General Bond Resolution adopted by the Authority on July 31, 1980 and approved by the Representative Policy Board on July 31, 1980 (the "General Bond Resolution"); and

**WHEREAS**, several funds were established under the General Bond Resolution including the General Fund; and

**WHEREAS**, pursuant to the General Bond Resolution, the Authority may apply any moneys or securities in the General Fund at any time to any lawful purpose of the Authority; and

**WHEREAS**, the Authority wishes to use money in the General Fund for the purpose of conducting or investing in noncore businesses.

**NOW THEREFORE BE IT RESOLVED,**

(i) that the Authority hereby directs management to create a separate fund to be held by the Authority, such fund to be called the Growth Fund (the "Growth Fund"); and

(ii) that the Growth Fund will be held by the Authority outside of the various funds established by the General Bond Resolution and shall not be subject to the pledge created by the General Bond Resolution or be considered revenues under the General Bond Resolution; and

(iii) that the Authority is hereby authorized to transfer \$3,500,000 from the General Fund to the Growth Fund for the purpose of conducting or investing in noncore businesses.

Mr. Cermola seconded the motion. After discussion, the Chair called for the vote and the resolution passed unanimously.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:06 p.m., Mr. Taft, of Business Transfer Alliance, RWA's consultant for business strategy, entered the meeting, and on motion made by Mr. Cermola, seconded by Mr. Borowy, and unanimously carried, the Authority voted to go into executive session to discuss business strategy. Present in executive session were Authority Members, Mss. Discepolo, Kowalski, Nesteriak, Slubowski and Messrs. Bingaman and Taft.

At 3:45 p.m., Mr. Taft withdrew from the meeting and Mr. Viscomi, of Business Growth Advisors, RWA's consultant for business development, entered the meeting.

At 4:25 p.m., on motion made by Mr. Curseaden, seconded by Ms. Sack, the Authority came out of executive session and the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Respectfully submitted,

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Kevin Curseaden, Secretary