

**South Central Connecticut Regional Water Authority
Minutes of the January 18, 2018 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 18, 2018, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut. Chairman DiSalvo presided.

Present: Authority – Ms. Sack and Messrs. Borowy, Cermola, Curseaden, and DiSalvo
Management – Mss. Bochan, DiGianvittorio, Discepolo, Kowalski, Nesteriak, and Velasquez and Messrs. Bingaman, Hill and Norris
RPB – Mr. Krasko
Morgan Stanley – Mr. Kelliher
Murtha Cullina LLP – Attorney Harrington
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 Ms. Sack, seconded by Mr. Cermola, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Pension & Benefit Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 1:20 p.m., the Authority reconvened and Attorney Harrington entered the meeting.

Attorney Harrington, of Murtha Cullina LLP, the RWA’s counsel, reviewed the RWA’s Sexual Harassment Policy for employees and reviewed an addition to the policy addressing complaints made against senior management. Discussion took place regarding revisions to the new policy to identify the senior management group. The board will vote to approve the policy once Attorney Harrington has made the relevant corrections. It was the consensus of the board to adopt the policy related to complaints made against senior management as part of the RWA’s existing policy.

Ms. DiGianvittorio, RWA’s Vice President of Employee Services, provided a presentation of Human Resource Best Practices, which included:

- The Future of Human Resources (HR) – Delivering Value
- Linking the HR to Business Strategy
- HR Metrics
- HR and the 4+2 Formula
- Executive Compensation
- Performance Measurement and Rewards
- Changing the way we change

Ms. DiGianvittorio will provide an action plan update to the board in the next couple of months.

At 2:26 p.m., on motion made by Mr. Cermola, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Compensation Committee.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

At 2:55 p.m., the Authority reconvened and Mr. Norris entered the meeting.

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

1. Approved the minutes of the December 14, 2017 meeting.
2. Approved the capital budget authorization for February 2018.

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 \$2,250,000 for the month of February 2018 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 December 2017.
4. Received the Accounts Receivable Update for December 2017.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Ms. Kowalski, RWA's Vice President of Finance and Controller, presented an analysis of the impact on rates the Great Hill Tunnel project will have as well as the positive impact of the recent refinancing.

Mr. Norris, RWA's Vice President of Asset Management reviewed the RWA's FY 2019 Preliminary Capital Project Prioritization Matrix, which included:

- A review of must-do projects
- Funded programs
- Project ranking
- Deferred projects

Ms. Kowalski, RWA's Vice President of Finance and Controller, reviewed the resolutions for the Interim Financing for RWA's Automated Metering Infrastructure (AMI) (Phase II). Mr. Cermola moved for adoption of the following resolutions:

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) proposes to issue its Water System Revenue Bonds which may be issued as Project Loan Obligations (the “Bonds”) and delivered to the State of Connecticut (the “State”) and its bond anticipation notes in anticipation of the proceeds of the Bonds (the “Notes”) in accordance with Special Act 77-98 of the General Assembly of the State of Connecticut, as amended (the “Act”) and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority and approved by the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) on July 31, 1980, as amended and supplemented (the “General Bond Resolution”); and

WHEREAS, on July 17, 2014, the Authority adopted and on November 20, 2014, the RPB approved the resolutions which established the general terms and provisions of the Authority’s Bonds in the aggregate principal amount not to exceed \$28,425,000 to finance, among other things, the cost of the purchase and installation of advanced meter reading infrastructure (the “Project”); and

WHEREAS, Section 9 of the Act provides that the Authority may delegate to one or more of its members, officers, agents or employees, such powers and duties as it may deem proper; and

WHEREAS, the Authority plans to issue \$8,400,000 of Bonds in the form of a project loan obligation to be delivered to the State to permanently finance a portion of the Project; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of Notes to finance a portion of the Project.

NOW THEREFORE,

BE IT RESOLVED, that the Authority hereby approves the resolution authorizing the issuance of the Notes (the “Note Resolution”) in one or more series 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 Vice President of Finance and Controller shall deem advisable and which shall be as set forth in a Certificate of Determination for the appropriate series of Notes attached thereto.

BE IT FURTHER RESOLVED, that the Chairperson or the Vice Chairperson and the President / Chief Executive Officer or the Executive Vice President and the Chief Financial Officer or Vice President of Finance and Controller be authorized (i) to issue, sell and deliver the Notes in an amount for each not to exceed \$4,200,000, and (ii) to determine the amount, date, date of maturity, interest rate, form and other details of each series of Notes, pursuant to the Act and the General Bond Resolution or any other provisions of law thereto enabling.

BE IT FURTHER RESOLVED, that the Chairperson, the Vice Chairperson, the President / Chief Executive Officer, 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, sell, secure and deliver the Notes, including but not limited to, an Official Statement if the Notes are publicly offered, a Contract of Purchase, a Tax Regulatory Agreement and a Continuing Disclosure Agreement 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, security and delivery of the Notes 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.

BE IT FURTHER RESOLVED, that the Chairperson, the Vice Chairperson, the President / Chief Executive Officer, the Executive Vice President and Chief Financial Officer and the Vice President of Finance and Controller, or any one of them, are authorized to apply for and accept

federal and state grants to finance the project and federal and state loans to finance the Project, and enter into any grant or loan agreement prescribed by a federal agency or by the State, and that the Chairperson, the Vice Chairperson, the President / Chief Executive Officer, the Executive Vice President and Chief Financial Officer and the Vice President of Finance and Controller, or any one of them, are authorized to take any other actions necessary to obtain such grants or loans or to implement such grant or loan agreements. Any grant proceeds may be used to pay project costs or principal and interest on bonds, notes, or temporary notes or obligations.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Kowalski reviewed the resolutions for the RWA's project loan obligation and subsidy for AMI (Phase I). Mr. Curseaden moved for adoption of the following resolutions:

WHEREAS, on July 17, 2014, the Authority adopted and on November 20, 2014, the Representative Policy Board (the "RPB") approved the resolutions which established the general terms and provisions of the Authority's bonds which may be issued as project loan obligations in one or more series delivered to the State of Connecticut in the aggregate principal amount not to exceed \$28,425,000 to finance, among other things, the cost of certain capital improvements to the Authority's water system, specifically the purchase and installation of advanced meter reading infra structure (the "AMI Project"); and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority's Project Loan Obligation for the AMI Project (the "PLO") and approve the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the AMI Project (the "AMI Loan Agreement").

NOW THEREFORE,

BE IT RESOLVED, that the President/Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Vice President of Finance and Controller and any Vice President or any one of them may apply to the State Department of Public Health for eligibility and funding of the AMI Project and sign such application and any other documents which may be necessary or desirable to apply for eligibility of and to apply for and obtain financial assistance for the AMI Project from the State's Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

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 and Controller be authorized (i) to issue, sell and deliver the PLO in an amount not to exceed \$8,400,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the 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.

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the PLO 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 Vice President and Controller shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto.

BE IT FURTHER RESOLVED, that for the purposes of providing to the Authority the loan and grant from the State, the Authority hereby approves the AMI Loan Agreement substantially in the form as the President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President and Controller shall deem advisable and the approval of the Authority shall conclusively be determined from any of their signatures thereon.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer, the Executive Vice President and Chief Financial Officer and Vice President 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 PLO, including but not limited to, the AMI Loan Agreement, 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 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.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer, Executive Vice President and Chief Financial Officer or Vice President and Controller, or any one of them are hereby authorized to accept such grants from the State for the AMI Project as set forth in the AMI Loan Agreement and to apply the proceeds of the grant to the AMI Project.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Kowalski reviewed the resolutions for the RWA's project loan obligation and subsidy for the North Sleeping Giant Well Project. Ms. Sack moved for adoption of the following resolutions:

WHEREAS, on May 18, 2017, the Authority adopted and on June 15, 2017, the Representative Policy Board (the "RPB") approved the resolutions 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 \$1,500,000 to finance, among other things, the cost of certain capital improvements to the Authority's water system, specifically the North Sleeping Giant Well Project (the "North Sleeping Giant Project"); and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority's Project Loan Obligation for the North Sleeping Giant Project (the "PLO") and approve the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the North Sleeping Giant Project (the "North Sleeping Giant Loan Agreement").

NOW THEREFORE,

BE IT RESOLVED, that the President/Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Vice President of Finance and Controller and any Vice President or any one of them may apply to the State Department of Public Health for eligibility and funding of the North Sleeping Giant Project and sign such application and any other documents which may be necessary or desirable to apply for eligibility of and to apply for and

obtain financial assistance for the North Sleeping Giant Project from the State's Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

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 and Controller be authorized (i) to issue, sell and deliver the PLO in an amount not to exceed \$1,500,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the 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.

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the PLO 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 Vice President and Controller shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto.

BE IT FURTHER RESOLVED, that for the purposes of providing to the Authority the loan and grant from the State, the Authority hereby approves the North Sleeping Giant Loan Agreement substantially in the form as the President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President and Controller shall deem advisable and the approval of the Authority shall conclusively be determined from any of their signatures thereon.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer, the Executive Vice President and Chief Financial Officer and Vice President 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 PLO including but not limited to the North Sleeping Giant Loan Agreement, 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 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.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer, Executive Vice President and Chief Financial Officer or Vice President and Controller, or any one of them are hereby authorized to accept such grants from the State for the North Sleeping Giant Project as set forth in the North Sleeping Giant Loan Agreement and to apply the proceeds of the grant to the North Sleeping Giant Project.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Kowalski reviewed the resolutions for the RWA's project loan obligation and subsidy for the Burwell Hill Tank Replacement Project. Ms. Sack moved for adoption of the following resolutions:

WHEREAS, on May 18, 2017, the Authority adopted and on June 15, 2017, the Representative Policy Board (the "RPB") approved the resolutions 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 \$2,900,000 to finance, among other things, the cost of certain capital improvements to the Authority's water system, specifically the cost of demolition and replacement of a 1.0 million gallon water storage tank, installation of a mixing system to improve water quality, installation of tank stairs and associated fencing and site electrical and instrumentation upgrade all in the Burwell Hill Service area (the "Burwell Hill Project"); and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority's Project Loan Obligation for the Burwell Hill Project (the "PLO") and approve the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the Burwell Hill Project (the "Burwell Hill Loan Agreement").

NOW THEREFORE,

BE IT RESOLVED, that the President/Chief Executive Officer, the Executive Vice President and Chief Financial Officer, the Vice President of Finance and Controller and any Vice President or any one of them may apply to the State Department of Public Health for eligibility and funding of the Burwell Hill Project and sign such application and any other documents which may be necessary or desirable to apply for eligibility of and to apply for and obtain financial assistance for the Burwell Hill Project from the State's Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

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 and Controller be authorized (i) to issue, sell and deliver the PLO in an amount not to exceed \$2,900,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the 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.

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the PLO 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 Vice President and Controller shall deem advisable and which shall be as set forth in a Certificate of Determination attached thereto.

BE IT FURTHER RESOLVED, that for the purposes of providing to the Authority the loan and grant from the State, the Authority hereby approves the Burwell Hill Loan Agreement substantially in the form as the President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President and Controller shall deem advisable and the approval of the Authority shall conclusively be determined from any of their signatures thereon.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer, the Executive Vice President and Chief Financial Officer and Vice President 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 PLO including but not limited to the Burwell Hill Loan Agreement, 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 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.

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

Controller, or any one of them are hereby authorized to accept such grants from the State for the Burwell Hill Project as set forth in the Burwell Hill Loan Agreement and to apply the proceeds of the grant to the Burwell Hill Project.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Nesteriak, RWA's Senior Advisor to the President and Director of Business Strategy, provided a hiTechFOCUS update. She reported on activities and milestones including:

- A review of the active installations in North Branford, East Haven, Branford, North Haven, and New Haven
- The completion of installations in Cheshire
- Final letters continuing in North Branford and East Haven
- A review of the installation progress and number of installations completed to date
- Upcoming communication schedule for New Haven and Hamden
- The number of meters being read using FlexNet
- Capital Spending Analysis through December 2017

Mr. Norris, RWA's Vice President of Asset Management, provided a Great Hill Tunnel and Pipeline Restoration Update. He reported on activities and milestones including:

- Completed work to date
- Upcoming work
- Contractors working on-site
- Project notables

At 3:50 p.m., Mr. Norris withdrew from the meeting.

Ms. Nesteriak reported on the RPB Governance Committee meeting that took place earlier in the month. She reviewed the proposed changes to the RWA's Enabling Legislation, which included:

- Authorizing the Chairman of the Representative Policy Board to set the date of a public hearing for emergency capital expenditures
- Shortening the minimum time between publication of the notice and a public hearing, for emergency capital projects, to no less than seven days
- Governing how an emergency is declared and defining situations to which it would apply

Mr. Curseaden moved for adoption of the following resolutions:

RESOLVED, that the proposed amendments to the South Central Connecticut Regional Water Authority's enabling legislation attached hereto, which 1) authorize the Chairman of the RPB (instead of the entire board) to set the date of the public hearing for emergency capital expenditures; 2) shorten the minimum time between the publication of notice and the public hearing on an emergency capital expenditure to no less than seven days; and 3) govern how an emergency is declared, and define the situations to which it would apply; are deemed prudent and consistent with the South Central Connecticut Regional Water Authority's mission, and are hereby approved; and

RESOLVED FURTHER, that such proposed legislative amendments, together with any further appropriate modifications identified by management of the South Central Connecticut Regional Water Authority, provided that, any such modifications do not fundamentally alter the intent of the proposal, be submitted to and promoted during the 2018 session of the Connecticut General Assembly.

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

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

At 3:55 p.m., on motion made by Mr. Borowy, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Strategic Planning Committee.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

At 4:30 p.m., the Authority reconvened and Ms. Velasquez and Messrs. Hill and Norris entered the meeting.

On motion made by Mr. Cermola, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to go into executive session to discuss strategy and negotiations. Present in executive session were: Authority members, Mss. DiGianvittorio, Discepolo, Kowalski, Nesteriak, Slubowski, Velasquez and Messrs. Bingaman, Hill and Norris.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

At 4:45 p.m., the Authority came out of executive session.

Ms. Velasquez, RWA's Environmental Compliance Analyst, Mr. Hill, RWA's Manager of Special Projects, and Mr. Norris requested approval to proceed with an Application for a Future Renewable Economic Resource Project at Lake Gaillard Water Treatment Plan. It was the consensus of the Authority to authorize management to proceed with the Application.

At 4:47 p.m., Ms. Velasquez and Messrs. Hill and Norris withdrew from the meeting, and on motion made by Mr. Borowy, seconded by Ms. Sack, and unanimously carried, the Authority voted to adjourn the meeting.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Respectfully submitted,

Kevin Curseaden, Secretary

Attachments:

1. SCCRWA Resolution to authorize interim financing for AMI (Phase II)
2. SCCRWA Resolution to authorize project loan obligation and subsidy for AMI (Phase I)
3. SCCRWA Resolution to authorize project loan obligation for the North Sleeping Giant Well Project
4. SCCRWA Resolution to authorize project loan obligation for the Burwell Hill Tank Replacement Project
5. South Central Connecticut Regional Water Authority Enabling Legislation Amendments