

**South Central Connecticut Regional Water Authority
Minutes of the March 15, 2018 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, March 15, 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. DiGianvittorio, Discepolo, Kowalski, and Nesteriak and Messrs. Bingaman and Norris
RPB – Mr. Havrda
Staff – Mrs. Slubowski

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

Chair DiSalvo stated that members should review the Safety Moment handout.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 1:25 p.m., the Authority reconvened and motion made by Mr. Cermola, seconded by Ms. Sack, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Audit-Risk Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 1:43 p.m., the Authority reconvened.

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

1. Approved the minutes of the February 15, 2018 meeting.
2. Approved the capital budget authorization for April 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 \$3,600,000 for the month of April 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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. Approved bid exemptions for:
 - a. Fibrelite
 - b. Mt. Carmel Well No. 2, Pump and Motor Replacement
4. Received Key Performance Indicators for February 2018.
5. Received Accounts Receivable Update for February 2018.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Ms. Kowalski, RWA's Vice President of Finance and Controller, reviewed the quarterly financial report for the quarter ended February 28, 2018, including revenues, expenses, the balance sheet, and key items since the last quarter. She also reviewed the February 2018 monthly financial report. Ms. Kowalski commented on the most significant variances in operating revenues and expenses and the projected fiscal year 2018 maintenance test. She stated the projected maintenance test for fiscal year 2018 is 119% with no projected draw from the Rate Stabilization Fund.

Ms. Kowalski discussed that the actuarial report is expected March 23, 2018 and information contained in the report would have an impact on the FY 2019 Budget. Therefore, Ms. Kowalski requested an extension for the mailing of the FY 2019 until March 26, 2018. Board members agreed it would be prudent to include this information before mailing out the FY 2019 proposed budget.

Ms. Kowalski reviewed the Resolutions to approve the Proposed Issuance of Bonds for the Saltonstall Tank Project. Funding for this program is through the Connecticut Drinking Water State Revolving Fund. The request is for \$1,700,000. Mr. Borowy 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 \$1,700,000 to finance, among other things, the cost of certain capital improvements to the Authority's water system, specifically the Saltonstall Tank Project (the "Saltonstall Project"); and

WHEREAS, on May 18, 2017 the Authority approved the form of the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the Saltonstall Project (the "Saltonstall Agreement"); and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority's Project Loan Obligation to finance the Saltonstall Project (the "Saltonstall PLO").

NOW THEREFORE, BE IT RESOLVED, that the Chairperson or Vice Chairperson and the President/Chief Executive Officer, Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller be authorized (i) to issue, sell and deliver the Saltonstall PLO in an amount not to exceed \$1,700,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the Saltonstall 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; and

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the Saltonstall 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, 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 attached thereto; and

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer, the Executive Vice President and Chief Financial Officer and 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 and deliver the Saltonstall PLO 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 Saltonstall 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; and

BE IT FURTHER RESOLVED, that the Chairperson or Vice Chairperson and President/Chief Executive Officer, Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller or any one of them are hereby authorized to accept such grants from the State of Connecticut for the project as set forth in the Saltonstall Agreement, to apply the proceeds of such grants to such project and to execute and deliver the Saltonstall Agreement in such form and with such changes as the officer executing such agreement deems to be in the best interest of the Authority and the Saltonstall Agreement is deemed to be approved by the Authority by the execution of such agreement by such officer.

Mr. Cermola seconded the motion. The Chair called for the vote and the Authority adopted the resolutions unanimously.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 2:20 p.m., Ms. Sack withdrew from the meeting and Mr. Norris entered the meeting.

Ms. Nesteriak, RWA’s Senior Advisor to the President and Director of Business Strategy, provided an AMI Project update, which included:

- A review of the active installations in North Branford, East Haven, Branford, North Haven, New Haven, and Hamden
- Final letters mailed 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

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

- Contractors working on-site
- Completed work to date

- Upcoming work
- Project notables

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

Mr. Bingaman:

- Reported that Ms. Nesteriak is meeting tomorrow with the Planning and Development Committee of the Legislature to testify in favor of changes to RWA'S Enabling Legislation.
- Discussed the existing legal arrangement in place with Murtha Cullina ("Murtha") with regards to the Authority and Representative Policy Board representation.

At 2:47 p.m., Ms. Sack entered the meeting.

Authority members reported on recent Representative Policy Board ("RPB") committee meetings and assignments made for attendance at the second quarter 2018 committee meetings.

At 3:10 p.m., Mr. Havrda withdrew from the meeting, and Ms. DiGianvittorio, RWA's Vice President of Employee Services, entered the meeting. On motion made by Mr. Cermola, seconded by Mr. Borowy, and unanimously carried, the Authority voted to go into executive session to discuss strategy and negotiations related to succession planning efforts and specific employee information. Present in executive session were Authority members, Mss. DiGianvittorio, Discepolo, Kowalski, Nesteriak, Slubowski and Mr. Bingaman.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:45 p.m., Ms. DiGianvittorio withdrew from the meeting.

At 4:03 p.m., the Authority came out of executive session and on motion made by Mr. Cermola, seconded by Ms. Sack, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Respectfully submitted,

Kevin Curseaden, Secretary

Attachments:

1. Saltonstall Tank Project Resolutions
2. Saltonstall Tank Project Supplemental Resolutions