

**South Central Connecticut Regional Water Authority  
Minutes of the June 21, 2018 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority took place on Thursday, June 21, 2018, 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. Discepolo, Gavrilovic, Kowalski, Nesteriak and Messrs. Bingaman, Norris and Triana  
RPB – Ms. Campbell  
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:30 p.m. He proposed removing Item #7, *FY 2019 RPB Application Schedule*, from the Consent Agenda for further discussion. On motion made by Mr. Curseaden, seconded by Mr. Cermola, and unanimously carried, Item #7 was removed and placed after the Consent Agenda as Item C.A.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Mr. Bingaman reviewed the safety moment distributed to members.

Mr. Bingaman introduced Mr. Gaugler, Managing Director for Janney Montgomery (JM), RWA's analyst for the water utility industry. He provided a discussion of water space and consolidation, which included:

- Utility coverage area
- Peer group valuation analysis
- Timeline, including key developments
- Fair Value Legislation
- RWA's current position

At 1:10 p.m., Mr. Gaugler withdrew from the meeting.

On motion made by Ms. Sack, seconded by Mr. Cermola, the Authority unanimously voted to approve, adopt, or receive, as appropriate:

1. The minutes of the May 17, 2018 meeting.
2. Capital budget authorization for July 2018.

**RESOLVED**, that the Vice President and Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$1,750,000 for the month of July 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 FY 2019 for all Capital Improvement Projects to be exceeded. In the absence of the Vice President and Controller, the Executive Vice-President and Chief

Financial Officer or the Vice-President – Asset Management is authorized, to sign in her place.

3. Capital budget transfer notifications detailed in Ms. Discepolo’s memorandum dated June 14, 2018.
4. Key Performance Indicators for the period ended May 31, 2018.
5. Accounts Receivable Update for May 2018.
6. FY 2019 Representative Policy Board Weighted Vote Computation.
7. Request for Exemption from Public Bidding for the Lake Gaillard Water Treatment Plant Residual Sludge Removal.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Discussion took place regarding the FY 2019 RPB Application Schedule. Ms. Nesteriak, the RWA’s Senior Advisor to the President & Director of Business Strategy, reported on the status of the CIS Application, which is expected to be submitted to the Authority in June 2019. She noted that management is in the process of completing an IT strategy evaluation and will report findings to the Authority in August. It was the consensus of the Authority that management shares the findings of the IT Strategy with the Representative Policy Board (RPB).

Ms. Kowalski reviewed the financial report for the fiscal year ended May 31, 2018, which included:

- Balance sheet
- Statement of revenues, expenses, and changes in net position
- Maintenance test
- Operating & Maintenance expenses
- Capital budget
- Investment earnings report

After discussion, it was the consensus of the committee that management continues to provide periodic reports of investment earnings to the RPB Finance Committee.

At 1:35 p.m., Ms. Campbell entered the meeting.

Ms. Kowalski, RWA’s Vice President of Finance and Controller, distributed to Authority members a memorandum dated June 21, 2018, regarding “Distribution of Fiscal Year 2018 Revenue Fund Balance and General Fund Balance per Section 404D of the *General Bond Resolution*.” She commented on the funds available for allocation, the required transfers proposed by management to the General Fund, the General Fund - Corporate Development, and the Construction Fund.

Mr. Cermola moved for adoption of the following resolution:

**WHEREAS**, the Vice President of Finance and Controller has and will make certain transfers from the Revenue Fund as required by Section 404D of the General Bond Resolution; and

**WHEREAS**, the balance remaining in the Revenue Fund after taking into account such transfers as of year-end is approximately \$12,674,954 and pursuant to the General Bond Resolution will be deposited to the General Fund.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that after such transfer is made to the General Fund, the balance of the General Fund is approximately \$22,972,967; and

**BE IT FURTHER RESOLVED**, that \$350,000 is deposited in the General Fund.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Mr. Cermola moved for adoption of the following resolution:

**WHEREAS**, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Regional Water Authority, that the Vice-President of Finance and Controller is hereby authorized and directed to transfer and pay over from the General Fund, **\$10,824,594** to the Construction Fund.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Mr. Cermola moved for adoption of the following resolution:

**WHEREAS**, pursuant to Section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority; and

**NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE REGIONAL WATER AUTHORITY**, that the Vice-President of Finance and Controller is hereby authorized and directed to transfer from the General Fund, \$1,500,000 to the Growth Fund.

Mr. Curseaden seconded the motion. The Chair called for a vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Kowalski described proposed revisions to the fiscal year 2019 Capital Budget totaling \$1,784,852, resulting in an amended capital budget totaling \$30,407,000 (excluding state and redevelopment). Mr. Borowy moved for adoption of the following resolution:

**RESOLVED**, that the proposed revisions to the Capital Budget for the Authority for the 2019 fiscal year presented to this meeting, including a revised plan of capital improvements for the 2019 through 2023 fiscal years, is hereby adopted and ordered to be filed with the records and the U.S. Bank National Association pursuant to Section 614 for the General Bond Resolution.

Mr. Cermola seconded the motion. The Chair called for a vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Authority members reported Representative Policy Board committee meetings and assignments allocated for attendance at the third quarter 2018 RPB committee meetings.

At 2:12 p.m., on motion made by Mr. Borowy, seconded by Ms. Sack, the Authority voted unanimously to recess the regular meeting, to allow the Authority to meet as the Environmental, Health & Safety Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:00 p.m., the Authority reconvened. Ms. Gavrilovic and Messrs. Norris and Triana entered the meeting

Ms. Gavrilovic, RWA's Director of Capital Planning and Delivery, provided a financial update for the Great Hill Tunnel project. She reported on the budget summary, which included:

- Consultant Engineering fees
- Construction fees
- Total project cost incurred

Mr. Norris, the RWA's Vice President of Asset Management, provided a financial update for the Lake Whitney underdrain project. He reported on the budget summary, which included:

- Consultant Fees
- Contractor Fees
- Material Costs
- Total project cost incurred

Ms. Nesteriak, provided an AMI Update, which included:

- Installation progress and number of installations to date
- A status review of completed installations to date
- Schedule of upcoming installations in New Haven, Hamden and West Haven
- Update on recent software enhancements

At 3:20 p.m., Ms. Gavrilovic withdrew from the meeting.

Messrs. Norris and Triana, RWA's Real Estate Manager, provided an update of the Madison rental house sale. The closing is expected to take place in the next few months.

Mr. Triana discussed management's Application for the disposition of 184 Downs Road in Bethany. Mr. Curseaden moved for approval of the following resolution:

**RESOLVED**, that the Authority hereby accepts the Application for the Disposition of 3.08 acres located east of Downs Road in Bethany that is part of Land Unit BE 22, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board; and

**FURTHER RESOLVED**, if approved by the Representative Policy Board, the President and Chief Executive Officer and/or the Vice President of Asset Management, are authorized to take any and all actions necessary to complete the transfer interest in real estate.

Mr. Cermola seconded the motion. The Chair called for a vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:38 p.m., Mss. Discepolo, Kowalski, Nesteriak, Slubowski, and Messrs. Norris and Triana withdrew from the meeting. On motion made by Ms. Sack, seconded by Mr. Cermola, the Authority voted unanimously to go into executive session to discuss strategy and negotiations. Present in executive session were Authority members and Mr. Bingaman.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 4:45 p.m., the Authority came out of executive session and on motion made by Mr. Borowy, seconded by Mr. Curseaden, and unanimously carried, the Authority voted to adjourn the meeting.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Respectfully submitted,

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Kevin Curseaden, Secretary