

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

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, November 15, 2018, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut. Vice Chairman Cermola presided.

Present: Authority – Ms. Sack, Messrs. Borowy, Cermola, Curseaden, and DiSalvo (via teleconference)
Management – Mss. Discepolo, Gavrilovic, Kowalski, Nesteriak, and Messrs. Bingaman, Norris, and Viscomi
RPB –Mr. Krasko
Staff – Mrs. Slubowski

At Chair DiSalvo’s request, Vice Chair Cermola acted as Chairman. He called the meeting to order at 12:30 p.m.

Mr. Bingaman reviewed the safety moment distributed to members.

At 12:31 p.m., on motion made by Ms. Sack, seconded by Mr. Borowy, 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. Mr. Cermola proposed removing Item C.5; *Consent to extend the RPB decision for the Trifecta Application*, from the consent agenda to Item H.3, *Non-core Program Update*. On motion made by Mr. Curseaden, seconded by Mr. Borowy, and unanimously carried, the Authority voted to remove Item C.5 from the consent agenda and move it to Item H.3.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

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

1. Approved minutes of the October 18, 2018 meeting.
2. Approved capital budget authorization for December 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 \$2,350,000 for the month of December 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 2019 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. Receive the monthly financial report for October 2018.
4. Received Accounts Receivable Update for the period ended October 31, 2018.
5. Adopted the schedule of Calendar Year 2019 meetings.

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Ms. Kowalski, RWA's Vice President of Finance and Controller, reviewed the proposed FY 2020 budget schedule. She stated that the schedule is consistent with last year's schedule to allow for a longer review period by the Authority and the Representative Policy Board. Discussion took place regarding meeting dates for the Authority to review the budget. It was the consensus of the Authority to hold a special meeting on Tuesday, April 2, 2019 to review the FY 2020 Budget.

At 1:24 p.m., Mr. Norris entered the meeting.

Ms. Kowalski reviewed the Rate Application Schedule with Authority members.

Mr. Norris, RWA's Vice President - Asset Management, provided an update of management's responses to the OCA's FY 2019 Budget inquiries, which included:

- Asset Management Program
- Unexpected Projects
- IT Assessment
- Capital Budget Recommendations
- Reducing Costs
- Outside Services

At 1:50 p.m., Mr. Norris withdrew from the meeting.

Ms. Nesteriak, RWA's Senior Vice President of Operations & Business Strategy, provided an AMI update, which included:

- Installation progress and number of installations to date
- Total number of FlexNets and meters installed
- Upcoming communication schedules for Milford and Orange
- Updates and next steps

Authority members reported on recent Representative Policy Board committee meetings.

At 1:56 p.m., on motion made Mr. Borowy, seconded by Mr. Curseaden, 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 2:32 p.m., the Authority reconvened and on motion made Mr. Cermola, 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 2:48 p.m., Mr. DiSalvo ended his participation via teleconference.

At 3:33 p.m., the Authority reconvened. Mr. Curseaden moved for the approval of the following Consent:

WHEREAS, on July 24, 2018, the South Central Connecticut Regional Water Authority (“RWA”), submitted an application to the Representative Policy Board (“RPB”) for Trifecta Ecosystems Investment (the “Application”);” and

WHEREAS, according to the RPB Rules of Practice, Section 21(c), *Time Period to Make Decision*, “Failure of the Board to reject or deny any proposed action by the Authority within 150 days after the filing of an application shall be deemed to be an approval of such proposed action unless the Authority shall grant an extension or extensions of such time limits for up to the aggregate maximum of sixty days;” and

WHEREAS, at its October 18, 2018 meeting, the RPB voted to move the public hearing date for the RPB to hear the RWA’s Application from November 15, 2018 to December 20, 2018, decreasing the number of days available for the RPB to make a decision.

NOW THEREFORE BE IT RESOLVED, that the Authority believes that it is in the best interest of the RWA to consent to a 60 day extension to allow the RPB time to deliberate on the Application; and

FURTHER RESOLVED, that the deadline for the RPB to vote on a final decision for the Application, submitted on July 24, 2018, is hereby extended from 150 days to 210 days; on or before February 19, 2019.

Mr. Borowy seconded the motion, after discussion Vice Chair Cermola called for the vote and the Authority voted to approve the Consent.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Absent
Sack	Aye

On motion made by Mr. Curseaden, seconded by Ms. Sack, and unanimously carried, the Authority voted to approve the Strategic Planning Committee’s recommendation for management’s request to advance \$250,000 to Trifecta Ecosystems, Incorporated, for research and development and operating expenses, conditional on the discussion that took place during the Committee’s executive session.

Borowy	Aye
--------	-----

Cermola	Aye
Curseaden	Aye
DiSalvo	Absent
Sack	Aye

At 3:39 p.m., Ms. Gavrilovic and Mr. Norris entered the meeting.

Mr. Norris and Ms. Gavrilovic, RWA's Director of Capital Planning and Delivery, provided an update on the Derby Storage Tank Application. Mr. Norris requested approval to move the application forward to the RPB. Mr. Curseaden moved for approval of the following resolutions:

RESOLVED, that the Authority hereby withdraws its Application No. 12-02, for a project for the design and construction of a Two Million Gallon Water Storage Tank located in Derby, Connecticut, dated August 15, 2012, filed with the Representative Policy Board ("RPB") on August 16, 2012, and accepted by the RPB as a completed application on November 29, 2012; and

RESOLVED, that the Authority hereby accepts the new Application, dated November 15, 2018, for a project to complete the design and construction of a One Million Gallon Water Storage Tank located in Derby, Connecticut, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing of said application with the RPB; and

FURTHER RESOLVED, if approved by the RPB, the President and Chief Executive Officer, and the Vice President of Asset Management, are authorized to take any and all actions necessary to complete the design and construction of the One Million Gallon Water Storage Tank in Derby, Connecticut.

Mr. Borowy seconded the motion, after discussion the Vice Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Absent
Sack	Aye

Vice Chair Cermola noted that the Application contains certain "critical information" that management believes is exempt from disclosure under the Freedom of Information Act. Mr. Curseaden moved for adoption of the following resolution:

WHEREAS, the Authority wishes to include certain confidential information in its Application to the Representative Policy Board for approval of a project to construct a One Million Gallon Water Storage Tank located in Derby, Connecticut that the Authority considers "critical information" and believes to be exempt from disclosure under the Freedom of Information Act.

NOW THEREFORE BE IT RESOLVED, that the Authority authorizes its Vice Chairperson and the Chief Executive Officer to file a motion and related materials with the Representative Policy Board to request issuance of a protective order to maintain confidential the information to be contained in Appendices A, B, C, and D, "Confidential Information," of the Authority's Application.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Absent

Sack Aye

Ms. Kowalski discussed her request for approval of financing for the Application. Mr. Curseaden moved for adoption of the following resolutions:

WHEREAS, prior capital improvement plans prepared by the South Central Connecticut Regional Water Authority's (the "Authority") included the construction of a water storage tank in Derby, Connecticut (the Original Project"); and

WHEREAS, the Authority has financed and spent approximately \$813,030 on preliminary expenditures for the Original Project; and

WHEREAS, the Authority wishes to finance a water storage tank in Derby, Connecticut less the amount previously authorized and incurred as well as the funding of reserve funds held under the General Bond Resolution (as defined below) and associated costs of such financing with bonds, internally generated funds and financial assistance from the State of Connecticut (the "State") Drinking Water Revolving Fund Program, for the qualified portion of this project, and to approve the form of a loan agreement related thereto.

NOW THEREFORE BE IT RESOLVED: That the Authority hereby establishes the general terms and provisions of the Authority's Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut (the "Bonds") and which may be on a parity with or subordinate to bonds issued pursuant to the Water System Revenue Bond Resolution, General Bond Resolution adopted by the Authority and approved by the Representative Policy Board on July 31, 1980, as amended (the "General Bond Resolution").

1. The Bonds shall not exceed Five Million One Hundred Thousand Dollars (\$5,100,000) in aggregate principal amount which amount is in addition to the \$813,030 previously authorized and spent.
2. The Bonds may be issued as obligations in one or more series pursuant to a supplemental resolution to be adopted by the Authority for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions and such other details of the Bonds as the Authority shall determine in accordance with the limits established by the applicable provisions of the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be to finance or refinance the cost of construction of a new water storage tank and associated site work, land acquisition and electrical implementation in Derby, Connecticut, the deposit to certain reserve funds held under the General Bond Resolution and the payment of costs of issuance of the Bonds (the "Derby Water Storage Tank Project").
4. The Bonds may be sold by negotiation as serial or term bonds with stated maturities and may be sold in a private placement to the State of Connecticut or a purchaser approved by the Authority.
5. The form of this resolution entitled "Resolution Approving the Proposed Issuance of Bonds," a copy of which shall be filed with the records of the Authority, shall be submitted to the Representative Policy Board for its approval in accordance with Section 22 of Special Act No. 77-98, as amended.

BE IT FURTHER RESOLVED that:

1. Temporary notes of the Authority which may be issued as Interim Funding Obligations delivered to the State of Connecticut may be issued by the Authority in the amount of \$5,100,000 in anticipation of the receipt of the proceeds from the sale of such Bonds.
2. 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 Derby Water Storage Tank 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 Derby Water Storage Tank 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 for the purposes of providing to the Authority the loan and grant from the State for the Derby Water Storage Tank Project, the Authority hereby approves a project loan and subsidy agreement for the Derby Water Storage Tank Project in such form and with such changes, omissions, insertions and revisions as the President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance 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 Authority hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and any time after the date of passage of this resolution in the maximum amount authorized hereby and for the Derby Water Storage Tank Project defined herein with the proceeds of bonds, notes, or other obligations authorized to be issued by the Authority. Such bonds, notes or other obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Derby Water Storage Tank Project, or such later date the Regulations may authorize. The Authority hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Absent
Sack	Aye

At 3:52 p.m., Ms., Gavrilovic and Mr. Norris withdrew from the meeting, and on motion made by Mr. Borowy, seconded by Ms. Sack, and unanimously carried, the board voted to go into executive session to discuss negotiation strategies. Present in executive session were the Authority members, Mss. Discepolo, Kowalski, Nesteriak, Slubowski and Mr. Bingaman.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Absent
Sack	Aye

At 3:58 p.m., the Authority came out of executive session, and on motion made by Mr. Borowy, seconded by Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Absent
Sack	Aye

Respectfully submitted,

Kevin Curseaden, Secretary