

**South Central Connecticut Regional Water Authority
Minutes of the May 16, 2019 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, May 16, 2019 at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut, Chairman DiSalvo presided:

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

The Chair called the meeting to order at 12:00 p.m. In lieu of the Safety Moment, the Authority viewed a short video regarding the RWA’s celebration of local businesses.

At 12:01 p.m., on motion made by Ms. Sack, seconded by Mr. Cermola, and unanimously carried, the Authority voted to recess the meeting to meet as the Pension & Benefit Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 1:24 p.m., the Authority reconvened and on motion made by Mr. Borowy, seconded by Mr. Cermola, and unanimously carried, the Authority voted to recess the regular meeting to meet at the Audit-Risk Committee.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 2:05 p.m., the Authority reconvened.

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

1. Approved minutes of its April 18, 2019 and May 6, 2019 meetings.
2. Approved capital budget authorization for June 2019.

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 \$1,650,000 for the month of June 2019 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn, pursuant to such requisition, is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget, but will not cause the aggregate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 2020 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 are authorized to sign in her place.

3. Received capital budget transfer notifications detailed in Ms. Discepolo's memorandum dated May 9, 2019.
4. Adopt resolutions authorizing exemptions from public bidding:

RESOLVED, that the Authority authorizes Management to negotiate the purchase of the following items for the fiscal year June 1, 2019 to May 31, 2020 without public bidding and such purchases without public bidding are hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Kowalski's memorandum of May 9, 2019, a copy of which is to be filed with the records:

- Programmable Logic Controllers
- John Deere Equipment
- Variable Frequency Drives
- Pick Up of Patch, Sand Gravel, Stone and Topsoil
- Polymers
- Fire Hydrants
- Clean Fill for Former Hamden Middle School Remedial Action
- Information Technologies Disaster Recovery Site
- Harty Integrated Solutions
- Cla-Val Hydraulic Control Valves
- Johnson Controls HVAC Software and Hardware

5. Received monthly financial report for April 2019.
6. Received accounts receivable update for April 2019.
7. Received the Derby Tank Project Update.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Kowalski, RWA's Vice President of Finance and Controller, reported on a revision to the FY 2019 operations and maintenance budget. Mr. Cermola moved for adoption of the following resolution:

RESOLVED, that the proposed revision to the FY 2019 Operating and Maintenance Budget dated May 9, 2019, as presented at this meeting, is hereby adopted and ordered to be filed with the records and with the Trustee pursuant to Section 613 of the General Bond Resolution.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Kowalski reviewed the proposed supplemental resolutions providing for the issuance, sale, and delivery of the Thirty-fourth Series bonds. Mr. Borowy moved for adoption of the following resolutions:

WHEREAS, Section 22 of Special Act 77-98, as amended, of the Connecticut General Assembly (the “Act”) provides, in pertinent part, that bonds shall be authorized by a resolution of the South Central Connecticut Regional Water Authority (the “Authority”) which shall provide for the terms and conditions of the bonds, and may provide for any matter which in any way affects the security or protection on the bonds; 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, on November 6, 2017, the Authority adopted and on December 6, 2017 the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) approved resolutions authorizing the issuance of up to \$15,000,000 of bonds to finance the Great Hill tunnel and pipeline project (the “Great Hill Project”); and

WHEREAS, on January 19, 2018 and January 23, 2018, the Authority issued its \$10,000,000 and \$5,000,000 bond anticipation notes (the “Initial Notes”), respectively, to temporarily finance the costs of the Great Hill Project; and

WHEREAS, on January 18, 2019 and January 22, 2019, the Authority issued \$10,000,000 and \$5,000,000 bond anticipation notes (the “Bond Anticipation Notes”), respectively, to refund the Initial Notes; and

WHEREAS, on December 20, 2018, the Authority adopted and on April 18, 2019, the RPB approved resolutions authorizing of up to \$18,000,000 of bonds to finance certain capital improvements to the water system of the Authority; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s Water System Revenue Bonds, Thirty-fourth Series (the “Thirty-fourth Series Bonds”).

NOW THEREFORE BE IT RESOLVED, that the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Executive Vice President and Chief Financial Officer or Vice President of Finance and Controller be authorized (i) to issue, sell and deliver the Thirty-fourth Series Bonds in an amount not to exceed \$33,000,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the Thirty-fourth Series Bonds, 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 Thirty-fourth Series Supplemental Resolution authorizing the issuance of the Thirty-fourth Series Bonds 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 Certificate of Determinations attached thereto.

BE IT FURTHER RESOLVED, that for the purpose of providing for the public offering and sale of the Thirty-fourth Series Bonds and further setting forth information

relating to the Thirty-fourth Series Bonds, an official statement, substantially in the form of the official statement attached hereto as Exhibit B (the “Official Statement”) is hereby approved, 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 or shall be necessary to provide information concerning the Thirty-fourth Series Bonds; and such officers, in the name of the Authority, are hereby authorized to deem the Official Statement final when appropriate and are further authorized and directed to execute such Official Statement and any amendment or supplement thereto on and after the sale of the Thirty-fourth Series Bonds.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer and the Executive Vice President and Chief Financial Officer and Vice President of Finance and Controller, or any one of them, are hereby authorized to purchase a municipal bond insurance policy to guarantee the payment of principal and interest on the Thirty-fourth Series Bonds, if the Authority’s financial advisor or the underwriter for the Thirty-fourth Series Bonds deems it advisable, and execute and deliver such documents as may be necessary or desirable to issue, sell and deliver the Thirty-fourth Series Bonds, including but not limited to, the Purchase Contract, the Tax Regulatory Agreement and the 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 and delivery of the Thirty-fourth Series Bonds 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.

Mr. Cermola seconded the motion. After discussion, the Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

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

- Installation progress and number of installations completed to date
- Upcoming town schedule: Woodbridge, Derby, Seymour and Ansonia
- General updates

She also provided an updated 2025 Strategic Plan to incorporate comments and suggestions from Authority members.

Mr. Bingaman:

- Reported that the Leadership Team met last week with S&P and Moody’s rating agencies to present a review of the RWA. Both agencies gave positive reviews and were complimentary.
- Highlighted that the Connecticut Society of Civil Engineers has chosen to give RWA’s Engineering department an Achievement in Civil Engineering award for their work on the Great Hill Tunnel in North Branford.

Authority members reported on recent Representative Policy Board (“RPB”) committee meetings.

At 2:42 p.m., on motion made by Mr. Borowy, seconded by Ms. Sack, 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 2:54 p.m., the Authority reconvened.

Ms. Sack, Chair of the RWA’s Pension & Benefit Committee, moved for approval of the following resolutions:

RESOLVED, that the Authority approves a contribution of \$2,027,798 to the South Central Connecticut Regional Water Authority’s Retired Employees’ Contributory Welfare Trust, effective for the actuarial valuation of January 1, 2019; and

FURTHER RESOLVED, that the Authority approves that the mortality table for the South Central Connecticut Regional Water Authority’s Retired Employees’ Contributory Welfare Trust be changed from the RP-2014 Employee and Healthy Annuitant with Scale MP-2017 generational improvements from 2006 (Male/Female) to the PubG.H.-2010 Employee and Healthy Annuitant with Scale MP-2018 generational improvements from 2006 (Male/Female), effective as of the actuarial valuation of January 1, 2019.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Sack, Chair of the RWA’s Pension & Benefit Committee, moved for approval of the following resolutions:

RESOLVED, that the Authority approves a contribution of \$3,301,077 to the South Central Connecticut Regional Water Authority’s Salaried Employees’ Retirement Plan, effective for the actuarial valuation of January 1, 2019; and

FURTHER RESOLVED, that the Authority approves the South Central Connecticut Regional Water Authority’s Salaried Employees’ Retirement Plan be from the RP-2014 White Collar Tables (M/F) with MP-2017 Generational Projection (Projected from 2006) to the RP-2014 White Collar Tables (M/F) with MP-2018 Generational Projection (Projected from 2006), effective as of the actuarial valuation of January 1, 2019.

Mr. Cermola seconded the motion. After discussion, the Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye

Sack Aye

Ms. Sack, Chair of the RWA's Pension & Benefit Committee, moved for approval of the following resolutions:

RESOLVED, that the Authority approves a contribution of \$1,314,032 to the South Central Connecticut Regional Water Authority's Union Employees' Retirement Plan, effective for the actuarial valuation of January 1, 2019; and

FURTHER RESOLVED, that the Authority approves the South Central Connecticut Regional Water Authority's Union Employees' Retirement Plan be changed from the RP Blue Collar Tables (M/F) with MP-2017 Generational Projection (Projected from 2006) to the RP-2014 Blue Collar Tables (M/F) with MP-2018 Generational Projection (Projected from 2006), effective as of the actuarial valuation of January 1, 2019.

Mr. Cermola seconded the motion. After discussion, the Chair called for the vote:

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Ms. Sack, Chair of the RWA's Pension & Benefit Committee, moved for approval of the following resolutions:

RESOLVED, that based, on the recommendation of the its Pension & Benefit Committee, the South Central Connecticut Regional Water Authority authorizes an increase of \$1,000,000, to be partially funded through the Revenue Fund and partially funded through the General Fund, to the combined contribution to the South Central Connecticut Retirement Plan and the South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan during fiscal year 2019.

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

Borowy Aye
Cermola Aye
Curseaden Aye
DiSalvo Aye
Sack Aye

Ms. Sack, Chair of the RWA's Pension & Benefit Committee, moved for approval of the following resolutions:

RESOLVED, that the Authority Voluntary Investment Plan be, and it hereby is, amended by the Fourth Amendment, effective as of June 1, 2019; and be it

FURTHER RESOLVED, that the Chairperson of the Authority is authorized, empowered and directed to execute the Fourth Amendment on behalf of the Authority, and the appropriate officers of the Authority are authorized, empowered and directed to take any and all additional action which they deem necessary or appropriate in order to implement the same.

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

Borowy Aye
Cermola Aye

Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:00 p.m., on motion made by Mr. Cermola, seconded by Mr. Borowy, and unanimously carried, the Authority voted to go into executive session to discuss strategy. Present in executive session were Authority members, Mss. Discepolo, Kowalski, Nesteriak, Reckdenwald, Slubowski and Messrs. Bingaman and Norris.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 3:54 p.m., the Authority came out of executive session and on motion made by Mr. Borowy, seconded by Mr. Cermola, and unanimously carried, the Authority voted to recess the meeting to attend the Representative Policy Board (RPB) meeting. Chair DiSalvo announced the Authority would reconvene immediately following the RPB meeting.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 7:16 p.m., the Authority reconvened.

Mr. Bingaman requested approval of the budgets for the fiscal year June 1, 2019 – May 31, 2020 and authorization to file the budgets with the trustee, as required by the *General Bond Resolution*. Mr. Borowy moved for adoption of the following resolutions:

RESOLVED, that the Authority’s Operating and Maintenance budget for Fiscal Year 2020 from June 1, 2019 – May 31, 2020, showing on a monthly basis projected Operating Expenses and deposits and withdrawals from the several Funds required by the General Bond Resolution, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 613 of the *General Bond Resolution*; and

FURTHER RESOLVED, that the Authority’s Capital Improvements Budget for Fiscal Year 2020 from June 1, 2019 – May 31, 2020, including a plan of capital improvements for the FY 2020 through FY 2024 and the additional information required by Section 614 of the *General Bond Resolution*, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 614 of the *General Bond Resolution*.

Ms. Sack seconded the motion. After discussion, the Chair called for the vote:

Borowy	Aye
Cermola	Aye
Curseaden	Absent
DiSalvo	Absent
Sack	Aye

At 7:18 p.m., on motion made by Ms. Sack, seconded by Mr. Borowy, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Absent
DiSalvo	Absent
Sack	Aye

Kevin Curseaden, Secretary

Attachments:

1. SCCRWA Fourth Amendment to Authority Voluntary Investment Plan
2. SCCRWA Resolution Approving Fourth Amendment to Authority Voluntary Investment Plan
3. SCCRWA Resolutions Approving Water System Revenue Bonds, Thirty-Fourth Series