

**England Water Works Association
Board of Directors Meeting Minutes
February 9, 2011**

The New England Water Works Association Board of Directors held a meeting on February 9, 2011, at the Holiday Inn By the Bay in Portland, ME. President David Paris called the meeting to order at 8:28 a.m. Those present were David Paris, Michael Covellone, David Harris, Christopher Woodcock, David Kane, Carol Harris, Sarah Pillsbury, Craig Douglas, Red Dufresne, Ken Booth, Patrick Connelly, Matt Pearson, Louis Schoolcraft, David Polcari and Ray Raposa (ex-officio and non-voting). NEWWA Deputy Executive Director Ted Kenney and NEWWA Director of Communications Kirsten King were also in attendance.

Item #1- Consent Agenda & Minutes of December 15, 2010.

Item #2 - Consent Agenda - November Financial Statement.

Item #3 - Consent Agenda - Committee Chair Appointment: Jay Nadeau of Winooski, VT, to chair the S137 Standard Committee for AC Pipe.

Dave Polcari made a motion to accept the consent agenda. The motion was seconded by Louis Schoolcraft. The motion passed unanimously.

Item #4 - Treasurer's Report - Financial Update.

Dave Kane reviewed the income statement through 12/31/10. Our profit YTD is \$12,549, with two major components - approximately \$122,000 gained through investments and a \$109,000 operating funds loss, resulting in the \$12,000 profit.

\$58,000 of investments is unrestricted gain on unrestricted funds.

The association did well in December, seeing a \$54,000 profit. David estimates that the \$109,000 overall operating loss will decrease throughout the remainder of the fiscal year, but still believes that the association will suffer some level of loss for the overall year, estimating somewhere around \$50,000. The estimated loss includes the board approved \$20,000 for the membership survey, as well as the need to stop training during the month of July to begin the computer system upgrade. The association also over-accrued revenues for its newsletters, resulting in an \$8,000 loss for this fiscal year. There was also a slightly lower fall conference net income than was expected, and, due to 2010 being a non-recertification year for Massachusetts, training ran behind as expected.

Overall, the association is trending below the budget.

Considering the negative financial results through December, Chris Woodcock asked if we could get results earlier for each month. Dave Kane explained that staff is still converting and learning the new accounting system.

A target of a 2-week turnaround was suggested for draft budget statements.

There was a discussion on how to deal with the possibility of this year closing in the red.

Chris Woodcock made a motion that at the next board meeting staff have a presentation for realistic revenue and expense projections for year end and to the extent that revenue is less than expenses, some plan to minimize or eliminate those deficits. Pat Connelly seconded the motion.

Dave stated that if we wait until the results of the March show, there is not much that could be done for the last 3 months of the year to affect the bottom line. The Executive Committee made a decision to not cut anything for this year and that they were comfortable with this fiscal year coming in at a deficit if there was no other alternative.

Craig spoke against the motion on the floor. While he agreed with Chris that there is fiduciary responsibility by the board, we went through the same exercise Chris suggested in his motion 2 years ago. Those measures taken back then are still implemented as cost-saving measures and they made us more efficient. The only thing we reinstated was revenue sharing with other associations. Going through an exercise that Chris has motioned would take time away from staff that can be focusing their efforts on other things. He feels that the March show is going to have a positive impact on the bottom line, grants are not fully realized yet, last year was a banner year for the association, and staff is more than capable of bringing in a good year. He suggested that we allow this year to continue on and to revisit cutting the budget again next year if the same pattern starts to take shape.

Mike Covellone stated that a lot of the issues with this year's budget were not unexpected. Many of things, like the slower year in training, are typical for a non-recertification year. He stated that we are not in dire straights financially and that there is \$1.9million in reserves. Ray noted that there are added expenses with the computer conversion this year and staff is dedicating extra time to implement the new software and systems.

Dave Kane suggested that we can do a projection with the help of staff.

Mike Covellone suggested that the board should be looking at the budget on a multiple year basis, as assigning staff to search for cost savings can hold up projects that should be getting done.

Chris stated that he wasn't expecting to be \$110,000 in the red this year and that he is looking for reasonable projections up to July, and if there are opportunities for cost savings.

Matt Pearson stated that David Kane has already projected that we may end this fiscal year with a \$50,000 loss.

There was a vote on the motion. Matt Pearson and Craig Douglas opposed. The motion passed.

David Kane gave the investment report. He stated that mortgage transfers will take place during the March show. However, he may come back to the board if the budget isn't looking good to reverse the mortgage payment.

On the third page of the written investment report there was a draft policy statement relating to investments that the association provides to employees regarding their retirement plans. It is the responsibility of the Investment Committee to ensure that they are good options. With the help of the association's investment advisor the committee drafted a policy statement that has to be approved by the board. Twice a year the committee will review its investment choices to ensure they are good investment vehicles.

Matt Pearson made a motion to adopt the Investment Committee policy statement on employee retirement funds. The motion was seconded by Dave Harris. The motion passed unanimously.

Chris Woodcock made a motion to approve the treasurer's report. The motion was seconded by Matt Pearson. The motion passed unanimously.

Item #5 – Old Business.

Item #5A – Site Selection Committee recommendation for the 2011 Planning Session is the North Conway Grand in North Conway, N.H. Tabled from December 2010 Meeting.

Pat Connelly made a motion to take the item off the table from the previous board of director's meeting. Chris Woodcock seconded the motion. The motion passed unanimously.

Dave Harris reported that the Site Selection Committee recommends Mt. Wachusett for the 2011 Planning Session, which can include a tour of the local brewery and skyrides to the top of the mountain. In addition we

will be able to have a BBQ under the tent in the evening, with the July board meeting the next morning. Accommodations would only be \$79.00 for the night.

Dave Harris made a motion to hold the 2011 Planning Session at Mt. Wachusett. Ken Booth seconded the motion. The motion was passed unanimously.

Item #6 – New Business.

Item #6A – Confirmation of Director on Nominating Committee: David Polcari has resigned; New appointment is Carol Harris.

Matt Pearson made a motion to accept Carol Harris as the new member of the Nominating Committee, replacing David Polcari. Ken Booth seconded the motion. The motion passed unanimously.

Item #6B – NEWFound (New England Water Foundation) proposal – Dave Paris.

Dave Paris made a proposal for NEWWA to be the parent of a foundation that would become a separate 501c3 with the purpose to educate the public and fund educational initiatives. The proposed name is the New England Water Foundation, and he worked together with Ray and the Executive Committee to draft a whitepaper about it.

Dave asked the board to endorse the foundation proposal and enable staff to dedicate in-kind resources. An endorsement would also enable Dave to speak to others outside the water profession (educational, governmental, etc.). The idea of the foundation falls in line with a couple think tank documents recently produced; would be a sustainability initiative; and put the water profession on the map for students as a reasonable vocation for them to pursue.

The floor was opened for discussion. Chris Woodcock thought it was a great idea and that it is something he hopes will work and be successful. He did mention a few things to keep in mind as we move forward, as 15-20 minutes ago it was stated that staff doesn't have time to do budget projections, he is now wondering where staff will get the time to focus on a foundation. He is concerned that NEWWA is the only organization out there doing things while other organizations in the area don't do their part as much as we do.

Dave stated that the biggest pushback he has seen is that utilities may not support an additional organization. Utilities will be asked for voluntarily support--wastewater, drinking water, stormwater, etc. He also plans to approach watershed associations and the university systems in New England. This idea was mainly spawned from our response to the PR Committee's proposal and our inability to find the \$80,000 requested.

Chris Woodcock made a motion that the board supports the concept for a New England Water Foundation initiative as outlined in the whitepaper. Ken Booth seconded the motion. The motion was passed unanimously.

Dave Kane clarified that this is a concept, and that we will need to obtain supporters, and then come back to the board with a more concrete proposal.

Dave Paris stated that the board endorsing this proposal means that each member is an advocate and should be able to explain to people what it is.

Matt Pearson asked that it is reasonable to expect that there will be an update at the March board meeting. Dave Paris stated yes.

Ray reminded the board that the day after the March board meeting is the meeting with NEWEA and APWA.

Carol asked what was meant by education. Dave Paris stated that he has a vision of a board of 7-9 people that represent water educational institutions/organizations. They would then solicit proposals for what to do with the money, for example, research or public outreach or a student assignment.

Dave Paris explained that this effort will not happen overnight as it will most likely take 10-20 years to build an endowment. It is just a funding source that we would compete against other organizations to obtain funds from. The organization itself would consist only of a board and not be a member-driven organization.

Sarah suggested including NEIWPC in initial conversations.

Item #7 – AWWA Update – Pat Connelly, AWWA Director.

Item #7A – Report and Election Results.

Pat provided the AWWA Director's report:

1. Election results

- a. President-elect
 - i. **Charlie Anderson**, Texas Section
 - ii. *Dean Fritzke, Pacific NW not elected*
- b. Vice Presidents
 - i. **Dan Hood**, Indiana Section
 - ii. **Dennis Kelleher**, New York Section
 - iii. **Gene Koontz**, Pennsylvania Section
 - iv. **Wayne Stiver**, Ontario Section
 - v. *Dave Koch (Michigan) and Albert Ortiz (Puerto Rico) not elected*
- c. Director at Large
 - i. **Alissa Lockett**, Texas Section (YP)
 - ii. *Cliff Shrive (Ohio) and Marsi Steirer (Cal-Nevada) not elected*
- d. Service Provider Director at Large
 - i. **Rosemary Smud**, Cal-Nevada Section (YP)
 - ii. *Tony Belden (Minnesota) and Paul Spofford (Virginia) not elected*

2. AWWA/WEF Joint Resolution to collaborate more effectively:

- a. "AWWA and WEF resolve to support and lead as necessary an effort to develop a cohesive voice for the water community by encouraging collaboration between our members, coordinating programs and services and developing consensus on major water policy issues."

3. **ACE Location Change to include Toronto** in 2023 and, if successful, in 2029. Therefore, Washington, D.C. will be in 2026 instead of Orlando.

4. Annual Budget for FY2012:

- a. \$28,776,800 income projection
- b. \$27,957,800 expense projection
- c. No dues increase – still at 2009 and 2010 levels (but will have to consider an increase at some point)
- d. Programs Analysis Tool was used to make a number of cost-saving changes
 - i. Dissolved a number of meetings, committees, forums, programs, etc.
 - ii. Repackage, repurpose, turnaround other committees, meetings, etc.
 - iii. Dissolved the Administration & Policy Council (APC)
 1. Membership, Section Services and Canadian Affairs Committees will be merged or reconfigured in some manner and will report to some other body

5. Executive Director David LaFrance focusing on:

- a. Turning around declining membership, and focusing on more awareness of revenue-producing members (from > 60,000 members to under 55,000)
- b. Association and Section common identify and collaboration for mutual benefit

6. **2011 Annual Conference & Exhibition** is in Washington, DC on June 12 – 16.

Dave Paris asked a question about collaborating with AWWA and online training. Ted stated that they have not come back to sections with a specific plan yet.

Craig Douglas made a motion to approve the AWWA Director's Report. Carol Harris seconded. The motion was passed unanimously.

Item #8 – Executive Director and Staff Reports.

A written report was provided by the staff. The following staff members added these highlighted comments:

Item #8A – IACET Renewal Application Process & Training – Ted.

Ted reported that there were four NEWWA sessions offered here in Portland during the MWUA conference. Two were taught by Ali Armstrong and the other two by Paul Riendeau. We worked in partnership with MWUA to put the program on, and this is a good example of mission sharing. There were more than 130 attendees in the NEWWA programs.

Regarding the IACET process, there are 688 providers across the U.S. and IACET is the highest level of operating training for each state board. 2011 is another recertification year for NEWWA. The process has changed since we were last recertified and they now follow ANSI/IACET standards. Staff has been working for the last 13 months on the application and the package is now in Washington. Part of the process is documenting everything we do. The next step in the process is an on-site visit by IACET commissioners.

Dave Paris stated that the authorization is a source of pride for us, and that we are set to a higher standard than other associations in the region. He also commended Ted on putting in yeoman's hours in completing the application.

Item #8B – Communications – Kirsten.

Kirsten reported that the 2011 Section Education Award was completed and sent to AWWA at the end of January. The application highlighted NEWWA's new course on social media and public relations.

The March 2011 Journal is on schedule to go to print at the end of February. Advertisers will continue to be solicited.

The winter 2011 *Source* was mailed in January, which included the NEWWA Sponsor Services calendar. The spring 2011 *Source* deadline is February 11. Source advertisers have been secured for 2011. Ken Booth offered to write the "In the Boardroom" article for the Summer 2011 *Source*.

Currents information, for the March mailing, was due on February 3.

The E-Source continues to go out every other Friday with an approximate open rate of 32.1 percent, which is well above the non-profit average of 20 percent. We sent out a backflow/cross connection-specific issue at the beginning of January targeting that specific audience. In addition, we will utilize the E-Source software to send out a training/education survey to students in the next few weeks, which will allow us to perform a gap analysis of our programs and maintain IACET compliance.

The new Web site is in production and we are currently working with Gomembers to ensure a single sign-on as well as integration with Q. 95 percent of the static pages on the new site have been constructed. The URL to view the progress of the new site is <http://newwa.org.dnnmax.com/>. Since December 16, 2010 the current Web site has had 6,497 hits.

The Facebook page is holding strong with 294 fans. The page is updated once to twice each week with photos, event news, news releases, and general information.

NEWWA is also on Twitter and can be found at @newwaterworks. We currently have 92 followers.

Communications:

We exhibited at the MMA, RI League of Cities and Towns, and NEWEA conferences in January.

A news release on preventing frozen pipes was issued in mid January, which was picked up by such outlets as the *Worcester Telegram* and *Metro West Daily News*.

The PR Committee is working with the Conservation Committee on a workshop that will be held on April 21. The agenda is finalized and was mailed out with the March/April training flyer for Holliston. In addition, the PR Committee will be conducting a "mini" transit ad campaign utilizing Only Tap Water Delivers this May. We are working with AWWA on designing the poster.

The ad-hoc Value Committee, after the December board meeting, selected the Center for Research and Public Policy out of Connecticut to conduct the member survey, which was approved by the board at the December board meeting. However, that project is currently on hold due to budgetary concerns from the Executive Committee. Once staff receives approval to move forward again, the project will commence.

Ray

Ray reported that work continues to plan for the opening of the Waterworks Museum at the Chestnut Hill Pumping station. The opening date is March 27. We will have information posted and available at NEWWA. Marcus Kemp, Marianne Connelly, and he are working on the museum.

The spring conference mailing is out; so far for we have 150 companies registered for booths and 181 booths sold, which is on track compared to previous years. Registrations are starting to come in.

We also just resigned a 5-year contract with Naylor Publications to produce the annual Membership Roster. They have provided information on an Online Buyers Guide and selling on line advertising for a commission.

Membership numbers were pointed out as a total of 2,784.

Ray encouraged the board members to read the written report for all program details. He noted the implementation schedule for the new Massachusetts operator certification training requirements (start date January 1, 2012), are also included in the full report.

Chris Woodcock made a motion to approve the executive director and staff reports. Carol Harris seconded. The motion was passed unanimously.

Carol Harris asked about mission sharing and who has participated. Ray reported that CT was the only state that did not participate. Chris Woodcock asked that staff provide a summary of what each state proposed using the funds for. He thinks it is a good topic to discuss at the regional meeting with all the states. Ray will ask states to provide an update at the March meeting in Worcester.

Item #9 – Council Director Updates on Committee Actions – Council Directors.

Item #9A – Council Spring meeting and planning process for 2011 – Dave Harris.

The spring council meeting is scheduled for May 20. Dave Harris is in the process of organizing the Planning Committee. So far he has been receiving positive responses from people. He plans to hold the first committee meeting within the next 2 weeks and has some ideas on how to make the meeting fun. He is also open to any suggestions. Also note that May 20 is a board meeting day, with the board meeting in the early morning and followed by the council meeting.

Item #9B – Council Director's Review - Committee Updates – Council Directors.

Dave Paris requested that when the board meets in March that each council director provide a brief update on what their committees have been working on.

Dave Polcari reported that the YP Committee obtained tickets to a Red Sox game on May 17—a block of about 55 tickets. There is also a snow tubing event on February 17 in Amesbury, MA.

Item #10 – Committee Reports.

Item #10A – Executive Committee – Mike Covellone.

Mike Covellone reported that the Executive Committee met yesterday. One of the discussions involved the Personnel Committee recommendations. Dave Kane also provided the financial update. The New England Water Foundation was also discussed.

Mike also reported that Naylor Publications issues our annual Membership Roster. They pay us to produce it and do all advertising, printing, mailing, etc. NEWWA's 5-year contract is up, and the next one will be for 5 years and include a \$1,500 signing bonus.

Matt Pearson made a motion to accept the proposal from Naylor Publications. Dave Polcari seconded. The motion was passed unanimously.

Discussion:

Chris Woodcock stated that the marketing was too heavy handed. He asked the staff to let them know not to be so aggressive. We will advise Naylor that concerns were raised regarding the approach during advertising sales.

Item #10Ai – Job posting software on new Web site tied to new accounting software:

Mike Covellone made a motion to support the purchase of work related to the Enterprise Services fee so that job postings on our new Web site can be tied to the GoMembers “Q” and new accounting softwares. The expense is \$12,550 including \$700 for an adjustment to the support agreement. The income from job postings was \$12,990 in FY2010. Ken Booth seconded the motion.

Staff is currently reviewing alternative options where payment would be required though a service like Pay Pal. Ray asked for an approval of the motion to keep the project moving and since job postings last year generated more revenue than this request.

The motion was passed unanimously.

Also, the fiscal year 2012 budget was discussed. The present draft is close to being balanced. The final will be brought to the board at the end of March.

Item #10Aii – Membership Survey; Approved at December 2010 BOD. Executive Committee Recommendation is to Table with Income Behind Projection.

It was stated that the Executive Committee discussed this and considered holding the project. The opinion is not to take action and to continue according to the Board vote from December 2010. Kirsten will proceed with working with the vendor. There were no added comments.

Item #10Aii – Pay Down NEWWA Building Mortgage – Executive Committee recommendation is to Table with Income behind Projection.

The Executive Committee is recommending not using reserve funds and paying down the mortgage until more information is considered on this year's projected financial results.

Ken Booth made a motion to table paying down the building mortgage until further into the fiscal year due to the budget being behind projections. Dave Harris seconded. The motion passed unanimously.

Item #10B – Legislative Caucus With State Associations.

Dave Paris reported that the first meeting, held in Manchester, NH, was very successful. The second meeting will be held in Holliston on February 28. He strongly urged all states to have representation. Sarah made a suggestion for the agenda—the Obama administration has been charged with weeding out regulations and rules that are outdated, old, redundant, and/or ineffective. It would be good to discuss this at the next meeting. Ray will distribute an agenda.

Item #10C – Sustainability Committee Update – 2011 Sustainability Congress at MIT tentatively on June 2, 2011.

Ken Booth reported that they have secured a nationally renowned mediator/negotiation expert. The day will be set up as a case study scenario and involve issues such as streamflow, water supply, simulated watershed communities, etc., and include role playing. The day will start at 10/10:30 to compensate for city traffic. There will be at least one speaker in the morning and case studies, etc. in the afternoon. The committee has begun fundraising efforts to help support the event. MIT is hosting for no charge and will also encourage students to be involved. There will be a flyer and request for sponsors sent out once details are finalized.

Item #10D – Ad Hoc Committee Nomination Process – Will report at March Meeting.

Item #11 – Announcements and meetings.

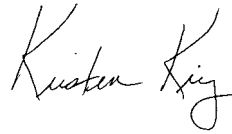
Item #12 – Adjourn.

Dave Harris motioned to adjourn and Louis Schoolcraft seconded at 11:10 a.m. The motion passed unanimously.

Respectfully submitted,



Raymond J. Raposa
New England Water Works Association
Executive Director and Corporate Clerk



Kirsten King
New England Water Works Association
Director of Communications