

**Water Works Association
Board of Directors Meeting Minutes
March 30, 2010**

The New England Water Works Association Board of Directors held a meeting on March 30, 2010, at the Hilton Garden Inn in Worcester, Mass. President Christopher Woodcock called the meeting to order at 4:35 p.m. Those present were Patrick Connelly, Christopher Woodcock, David Paris, David Kane, David Polcari, Carol Harris, Michael Covellone, Matthew Pearson, Pam Irwin, Ken Booth, Craig Douglas, Robert Beaurivage, Jim Marvel, Louis Schoolcraft, David Harris, 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. Larry Durkin and Rebecca Jenkins, of the New England Water For People Gala Committee, as well as Carol Rego and Tom Descoteaux of the Facilities Committee, and Robert Wood, president of the Green Mountain Water Environment Association, were guests.

Item #1- Consent Agenda & Minutes of February 9, 2010.

Pat Connelly made a motion to accept the consent agenda The motion was seconded by Bob Beaurivage. The motion passed unanimously.

Item #2 – Treasurer’s Report – Financial Update.

David Kane reviewed the treasurer’s report. Year to date the association’s operating budget is at a positive \$113,153 and investments \$84,841 for a total of \$197,994.

In January, the managed investment accounts lost \$18,733. Staff will be transferring cash generated from 2009 operations to the investment accounts.

Training continues to be strong, even with a net loss for the month of January of \$14,268, which is normal for the early winter months. The overall net training income is \$155,903 better than budget.

The Fall Conference had a net of \$15,386, which was \$12,528 better than budget. Administrative expenses are \$59,715 better than budget, as less administrative costs are being allocated out to programs.

The allotment revenue was received from AWWA. As expected, the amount is less than budget by approximately \$17,000.

Item #2A – January 2010 Financial Reports.

Expenses for this fiscal year may end up higher than budget by as much as \$75,000. This is also because we are experiencing more revenue than anticipated this budget cycle.

On the operating side, we have a projected surplus balance of \$636,000. The targeted amount is 25 percent of the operating budget, and we are about \$30,000 short of our goal.

It was noted by Dave that the association and auditor listed \$99,603 of the Project 2000 Capital program as restricted funds. The funds are restricted to the capital expenditures related to the building. The funds will move from capital restricted to capital unrestricted by spending on building expenses and debt principal payment. The capital unrestricted has been designated by the Board to be used on capital expenditures but may be transferred to other purposes if the Board authorizes.

The treasurer further reviewed the funds and reported an estimate of \$636,364 is designated by Board of Directors as rainy day funds. Additionally, there is an estimated \$307,033 of cash-on-hand for ongoing operations to pay expenses. This is our cash flow.

Item #2B – Facilities Refinancing Update – Dave Russell.

David Kane reported for Dave Russell. It is suggested that the association stays with what it has with regard to financing. Unfortunately we can only get a fixed-rate loan for a short time frame (5 years up to 5 percent), and then it would be variable again. Bob Beurivage also met with “Yankee Farm Credit,” who loans money to agricultural entities mainly but can loan to utilities as well. Through them we could maybe save ½ to a percent compared to Citizen’s. Compared to our HEFA loan this would not make any sense with loan closing cost evaluated. Dave suggested we continue with our HEFA loan, which is approximately \$800,000 outstanding.

Dave Harris made a motion to approve the treasurer’s report. Bob Beurivage seconded. The motion was passed unanimously.

Item #3 – Old Business.

Chris commented on items on the agenda and schedule of the meeting.

Item #3A – Update on FY10 Proposed Budget.

Dave Paris reviewed the memo he distributed regarding the budget as well as additional materials to support the proposal for the FY11 budget.

The budget is the same as what was proposed at our last board meeting in Portland. The comparison from FY10 to FY11 shows a positive for budgeted numbers. He is trying to bring forward a balanced budget that shows some balance at the end of the year. Some of the program purposes are important to look at, as it is the way the budget is broken down.

Revenues by program are broken down via a pie chart. There is a 5 percent margin on conferences, which helps establish subsidies for other programs that don’t have enough revenue.

Pat Connelly asked why fundraising doesn’t have higher revenue than expenses. Our only “fundraising” is via our golf tournament, etc. It is not technically “fundraising,” just the way we pay for things we do.

Dave thanked the board and staff for assistance with the budget. He cited the following specifics:

- Administration: The AWWA allotment was reduced by approximately \$9,000 and additional expenses related to the computer conversion for \$24,000 and added \$22,000 is notable changes to this item.
- PR: The Tap Water Delivers campaign budget has been reduced from \$13,500 to \$10,000. This will continue the program at a level approximate to cover current expense.
- Fundraising: Both expenses and income have been reduced to reflect a positive \$3,900 net change.
- Conferences: Again, primarily as a function of anticipated increase in income, the expected bottom line from the 2010 conference is up \$18,000. Catering expenses will be significantly higher than at Balsams, but expect to be offset by greater registration.
- Meetings: no major change. Note that meetings generally show a small loss each year.
- Membership: Membership will reflect our new proposal for mission sharing which is budgeted at \$14,000. This is a new initiative not included in the previous budget but expected to be sustained in the future. Additional money has been allocated to committee

activities as we are hoping to energize our committee structure through the use of Chinese food.

- Publications: An increase in journal advertising income plus changes involving lower internet expense and higher costs for newsletter printing produce a net \$3,000 higher cost than last year's budgeted number.
- Training: Income is projected to be approximately \$77,000 over this year as a function of the increased fees and cyclical pattern. Overall expenses will eat into approximately ½ of this to produce a net projected improvement of \$44,000 in bottom line for training.
- Noted in the budget summary are the facts monthly meetings and a few training courses are member services offered and may be subsidized. The Board empowers and trusts the staff, as the operational managing partner, to make these decisions with review of member needs, ability to deliver distant events and financial impact.
- SDWA: essentially no change projected
- Grants and programs including Emergency Preparedness; Pollution Prevention; DWW Outreach; Emergency Solutions; Small Systems; Vulnerability; Water Safety;
- All zeroed out
- EPA Asset; new for 2010 – 2011 at \$40,000 balance grant vs. expense
- Business Security: no change
- Mass SRF: overall \$12,000 less but balanced grant vs. expense.
- CT SRF: no grant
- RI SRF: balanced grant vs. expense
- Overall unrestricted and restricted investments are projected to net an additional \$1,000 over this

The bottom line for this expense budget is \$2,564,616.00. As mentioned above, this reflects an overall surplus of \$18,000 which would go to reserves if realized. The budget policy adopted last year promotes a 3 month operating reserve for NEWWA which would be approximately \$641,000 of unrestricted funds based on this budget proposal. These moneys are managed by our treasurers with advice of the Investment Committee. The management of most of our investments is related to a market base. We would anticipate that any surplus would be allocated to reaching this goal.

Jim Marvel had an issue with cutting the Only Tap Water Delivers campaign again as he thought it was a higher priority. Chris suggested we revisit it in next year's budget. Pat suggested we put more effort into volunteer efforts.

The PR Committee will look at the Only Tap Water Delivers campaign and try to restore it in some way. Pat, Jim, Louis, and Chris will work with the PR committee to come up with ideas to bring back to the board.

The board feels that this is an important effort.

Jim Marvel made a motion to approve the FY11 budget. Craig Douglas seconded. The motion was passed, with Matt Pearson abstaining.

Item #3B – Affiliation Agreement and Memo – Bob Beurivage.

Bob reported that the hope was to have this move forward today with a vote of the board. Ray did a historical search going back to the old agreement. A memo was written and a copy with the information was sent to AWWA a few weeks ago. Susan, at AWWA, passed the information to the AWWA committee chair. An additional background document was included. They are in the process of putting them together. Bob asked if we could vote on this in May at the next board meeting. It will be a MOU that will be attached to a fixed agreement. An AWWA lawyer working, with the AWWA committee, is reviewing the documents we sent.

Item #4 – New Business.

Item #4A – Capital Plan Recommendations for Review – Carol Rego & Tom Descoteaux.

Carol and Tom visited the board meeting to discuss two items: the capital plan and preventive maintenance plan. The Facilities Committee has been working on a capital plan and preventive maintenance plan for a few years now that has culminated in the 2010 – 1015 capital plan budget, which was distributed to the board.

This project started as a preventive maintenance plan and is now a capital plan. The committee has also developed a maintenance matrix. The committee completed a room-by-room inventory of doors, hardware, etc. They then created an estimate, assigned unit costs to items, and broke down by type of work and by room. Finally they decided what would be a good frequency for “renewing.” The committee tried to prioritize what should be done based on energy factors, etc. (HVAC, window caulking, etc.). The first few years’ costs are higher due to catch up work that needs to be done, and then things should level off. Our building is twenty-four years old and none of this work has been done.

Chris praised the committee for all their hard work in putting this together.

Jim Marvel made a motion to accept the Facilities Committee report. Pam Irwin second. The motion was passed unanimously.

With regards to the spending of money for FY10 and 11, Dave Kane suggested that funds be taken from the Project 2000 capital program for implementation of these items in the facilities report. A motion was made by Jim Marvel, and seconded by Pat Connelly. The motion passed unanimously.

Chris had a quick question regarding the library filing system. A few years ago the Facilities Committee had looked into a rolling type of system to replace existing shelves. A picture of the prior suggestion was shown. Carol added that now the recommendation is to have a carpenter build similar shelves to match the existing shelving and replace the file cabinets so they fit under the new shelves. This option would be approximately \$5,000.

Carol said that we now have full documentation of the entire building. These include photos taken by the committee and some original drawings scanned in.

Carol also discussed a joint memo from the Fundraising and Facilities Committees on collaboration. Over the last several months they have had different requests from people to be able to donate funds in recognition of someone. The committee has developed a proposal in the memo that suggests doing this in a coordinated manner. People would like to honor former members, spouses, etc. What the committee would like to do is to take some of the money that people would be willing to donate to expand garden. First is a small expansion for additional plants and three granite benches. One would be named for Alice Hathaway. The second would be an arbor, bench and marker

in memory of past-president and honorary member Robert Maynard and the third to plant a tree for a past president/spouse memory.

The committees should create a more formal program so the membership has some opportunities to donate as well. This would be an effort in conjunction with the Fundraising Committee.

Four motions were presented as a result:

Request \$2,200 to purchase memorial for Alice Hathaway. **Craig Douglas moved to authorize the Facilities Committee up to \$3,000 to install a bench in memory of Alice Hathaway and expand the garden. Pam Irwin seconded.**

Chris Woodcock believed that this matter had already been voted on at a previous meeting and that he had made a motion a year ago for \$500 for a bench for Alice Hathaway. Ray would look into past minutes to confirm.

The original motion was revised to appropriate \$3,000 from unrestricted capital funds for Phase 2 of the garden project. The motion was seconded by Dave Polcari and passed unanimously.

Jim Marvel made a motion to take \$2,500 out of the Project 2000 fund to do a memorial for Bob Maynard. Pam seconded. The motion was passed unanimously.

Jim Marvel made a motion for a tree to be donated by a member for the full cost of the tree and marker. Dave Polcari seconded. Craig doesn't think we should go ahead with garden items until structures are put in place. Carol Rego showed the board that the full garden has been developed and broken down into phases. A plan is already in place. The motion stood to go ahead with naming. **The motion passed unanimously.**

Jim Marvel moved that the Facilities and Fundraising Committees develop options as outlined but reserve 20 percent of naming opportunities for NEWWA should, in the future, we want to designate or honor outstanding members. Craig Douglas seconded. The motion was passed unanimously.

Item #5- AWWA Update – Jim Marvel, AWWA Director.

Jim reported that NEWWA won a Section Education Award again this year.

Item #5A – AWWA Update and Volunteer Opportunities

Jim Marvel reported that only two people are running for AWWA president this year, which is the lowest number in almost 20 years.

Item #5B – AWWA Executive Director

Jim was also in Washington, DC, last week for the special AWWA board meeting to approve the new Executive Director of AWWA, David LaFrance, who is the current CFO from Denver Water in Colorado. David will take his position in early May.

Pam Irwin made a motion to approve the AWWA Director's report. Louis Schoolcraft seconded. The motion was passed unanimously.

Item #6 – Executive Director and Staff Reports.

Ted

The five sections of the fall 2009 *Drinking Water Operator Examination Review Courses* were completed in October with a total of 89 participants. A total of 300 participants attended the 2009 calendar year program. The five sections of the spring 2010 *Drinking Water Operator Examination Review Courses* began in March. There are 115 participants registered to date with the final two sections of the class due to start in the second week of April.

The May 2009 sessions of Excavation Safety and Backhoe/Loader Training had 72 participants. The August 2009 sessions had 55 participants. The October 2009 sessions had 57 participants. The 2010 schedule and MA DPS Examination schedule have been established. There are 35 participants registered for the May session to date.

Cross Connection Training Program: The 2010 Cross Connection Control Program schedule is complete with course offerings in all six New England states, New York, New Jersey, and Pennsylvania

The twelfth annual Water Quality Symposium, The Operations Challenge Triangle: an Issues and Answers Case Study Approach, is scheduled for May 12, 2010. There are 15 participants registered to date.

The 2010 Laboratory Operations Symposium, Current Issues Impacting Drinking Water Labs: Don't Get Caught Unprepared was completed on March 4, 2010 at the NEWWA Training Center in Holliston, MA. This marks the twelfth annual Laboratory Operations Symposium. There were 38 participants in attendance.

Contract training is also running strong, as well as our grant work in multiple New England states. In addition, classes are running in all of our satellite drinking water centers.

Ted is also working on the association's IACET reaccreditation, which is up in early 2011.

Kirsten

NEWWA continues its assistance with the MA Water and Wastewater Agency Response Network (WARN). There are currently 59 utilities in Massachusetts signed on to the agreement.

The PR Committee is also working on a joint workshop with the Conservation Committee that will be held on April 30, 2010.

The Social Networking Committee has now reached critical mass and will begin planning in the spring 2010. They have not held their first meeting yet but a LinkedIn group has been set up for them to communicate.

NEWWA is also assisting again with Drinking Water Day activities in Massachusetts (May 4 at the State House) and is also coordinating National Theatre for Children troupes for across New England for the first week in May. We also plan to join forces with the New England Car Wash Association to exhibit at the annual Earth Fest that takes place in Boston on the Esplanade each April. The event draws approximately 100,000 people.

NEWWA staff also taught a Social Media/Public Relations Courses on March 16 in New Haven, CT and has been asked to speak at the Barnstable County Water Utilities Association meeting on April 14.

NEWWA has also taken on a high-school intern who is working on redesigning the Careers in Water Supply brochure and she will also be assisting in the design of an updated NEWWA general brochure as well as a new masthead for the Web site.

NEWWA has completed eight courses out of its required 16 under the MCSSA contract (Groundwater O&M and Groundwater Rule Compliance). In-house staff taught all the above-mentioned courses, which allowed for more staff time to be billed to the grant instead of NEWWA overhead. We have also scheduled 12 additional courses during the spring on Groundwater O&M, Groundwater Rule, and

Cross Connection Control. The Water Systems Manual was completed, printed, and shipped to all DEP regions for distribution.

NEWWA is also heavily involved in the internship program via the contract.

The RFP for the next contract was submitted to the state in mid-February. We are still awaiting word on the status of the proposal.

NEWWA is also a co-sponsor to an "efficient utilities" workshop taking place on April 20, 2010 at UMASS Lowell. EPA Region I is leading the charge with this program and NEWWA is handling details.

NEWWA staff is also working with U.S. EPA Region I on more grant programs on security as well as upcoming regulations. Workshops, trainings, and printing jobs will take place through the end of 2010.

Louis Schoolcraft agreed to write the next board article for the summer issue of the *Source*.

Ray

Ray reported that the Spring Conference pre-registration attendance has passed 2,100 and that the exhibit hall is sold out. We are starting to work on the fall conference, with a month to complete the program. The deadline for that program is May 1st with a mailing targeted deadline of June 1st.

We will also send an e-mail about our joint luncheon with CTAWWA at AWWA ACE2010, which is in Chicago this year.

Regarding public policy – we are still working with MWWA to determine our new training requirement in terms of courses necessary to take before a potential operator sits for an exam. The state expects regulatory changes later this year or early 2011 with implementation in 2012

Ray distributed a new board calendar with event and meeting dates through Feb 2011.

Ray also provided the agenda for cooperating with NEWWA and EPA on improving a water utility's performance for the session on April 20, 2010 at UMASS Lowell.

He reminded everyone of the list of committee meetings over the next two days. He encouraged their attendance at committees in their councils. The May 7th Council meeting information is in the meeting package. Please encourage committees to be represented.

We also had a 13-person gain in membership.

Item #6A – Computer System and Web site Update.

Ray informed the board that once the conference was over, in order to finish upgrading the new database system, approximately 80 percent of staff time will need to be dedicated. We're targeting June 1 as a test so we can go live on July 1.

It was noted in the report staff can not take on other new projects until the computer conversion is completed.

Matt Pearson made a motion to approve the executive director and staff reports. Pam Irwin seconded. The motion was passed unanimously.

Item #7 – Council Director Updates on Committee Actions – Council Directors.

Item #7D – Planning Committee Update– Mike Covellone.

Mike stated that we had a good program put together for the May 7 Council Meeting. Three issues were decided upon for the council meeting. And this year, we are going to do something different in

that we will poll all participants to find out who wants to work on what question. Hopefully this will result in an even distribution of people and get people talking about what they want to talk about. Louis Schoolcraft and Dave Harris volunteered to be moderators.

Item #7E – Spring Council Meeting is Friday, May 7th at NEWWA in Holliston, MA.

Item #8 – Committee Reports.

Item #8A – Executive Committee Update from March Meeting.

Dave Paris reported that the committee met on March 2. He distributed draft minutes. One of the items for discussion is the Harrisville Water District. However, the event is not taking place for another week.

Item #8B – WFP Gala Update.

Larry Durkin and Rebecca Jenkins provided the board with an update on the Water For People Gala taking place May 1 at Fenway Park. Larry thanked the board for its effort with the event. Rebecca reported that by this time last year the committee had raised \$80,000. This year they are only at \$40,000. They do not have Poland Spring as a corporate sponsor this year due to them contributing to Haiti relief efforts. The committee is also still working on obtaining sponsorships from Black and Veatch, CH2MHill, and Stantec, but it is challenging considering the economy.

They have hired a Latin band to go with the Dominican theme (benefiting country). There will also be dance teachers that come with the band for entertainment.

Jim Marvel asked if we have enough money to cover expenses? Rebecca answered that as of right now, yes. There would be about \$14,000 donated to WFP at this time. Regarding the remaining sponsors, Larry said they will try to work on the remaining people and get them active. Rebecca invited all the board members for tours of Fenway. There will be a live auction again and not a big speaking program. The CEO of WFP is also coming. More of the focus will be on the music.

Pat stated that he was disappointed WFP was not in Haiti. Larry said there are a multitude of factors that inhibit any organization from moving into that country.

Jim Marvel brought up his request from last September regarding sponsoring the WFP Water Buffalos out of Denver, who raise money each year. Jim requested an answer from the committee by June. Larry will discuss with Jim.

A brief discussion took place regarding the Poland Spring controversy that had evolved over the past few weeks. Larry said that the relationship between Poland Spring and WFP goes back to 2005. Representatives from Maine were always very supportive of partnering with Poland Spring. The company was purchased by Nestle, which has resulted in controversy. David VanHoven had been in contact with WFP international, and was trying to get \$25,000 from Nestle/Poland Spring. WFP was trying to go into the greater community beyond water works. Larry and Rebecca had visited Poland Spring and discovered they have dedicated a lot of resources to Haiti. As a result, Poland Spring has since backed out as a sponsor. Also within the past month WFP international told the New England WFP committee they do not support the solicitation of Poland Springs (Nestle) for this event and under the terms of the MOU the local committee must comply with these fundraising guidelines. Nestle, however, has talked about potentially offering money in the future. However, if WFP international won't support them, it's something the local WFP Committee can't pursue.

Chris suggested we pursue looking into a policy that takes corporate/environmental responsibility into account. This would be regarding accepting money from certain entities, building advertising, etc. First question is "should we." If anyone is interested in pursuing this they should contact Chris. Those that offered include Pat Connelly, Dave Polcari, Matt Pearson and Ray Raposa.

Item #8C – Water Sustainability Committee – Ken Booth.

Ken reported that the event is June 2 at Bentley College. The Congress is coming together well. Blake Martin, who is co-chair and Barbara Cook have both been instrumental in getting the program done.

On the front of the flyer Ken distributed is a list of sponsors. They are still looking for more as there will be a lot of attendance by nonprofit entities, advocacy groups, state regulators, etc. who have all had budget cuts. They are trying to subsidize as much as possible with donations. We also need to make sure water utilities attend.

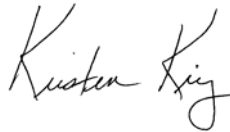
Item #10 – Adjourn.

Matt Pearson motioned to adjourn and Dave Polcari seconded at 7:52 p.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