

**New England Water Works Association  
Board of Directors Meeting Minutes  
September 25, 2011**

The New England Water Works Association Board of Directors held a meeting on September 25, 2011, at the Newport Marriott in Newport, RI. President David Paris called the meeting to order at 9:36 a.m. Those present were David Paris, Michael Covellone, Christopher Woodcock, David Harris, Carol Harris, Craig Douglas, David Russell, Ken Booth, Patrick Connelly, Matt Pearson, David Polcari, David Kane, Peter Pezanko, Sarah Pillsbury, Louis Schoolcraft, Red Dufresne, 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 in addition to AWWA Executive Director David LaFrance, visiting officer from the New York Section Dennis Kelleher, and Phil Bilodeau, candidate for New Hampshire State Director.

**Items #1 – Consent Agenda & Minutes of July 26, 2011.**

**1. Minutes of July 26, 2011**

**Dave Polcari motioned to accept the consent agenda. Louis Schoolcraft seconded. The motion was passed unanimously.**

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

Dave Kane reported that the association made \$175,000 for the fiscal year, which consisted of \$212,000 of gains in investments and a \$38,000 operating loss for the year. He provided three reasons for the operating loss:

- For the year ending June 30, 2010, NEWWA raised almost \$50,000 for Water For People (WFP) but the monies were not remitted until the current fiscal. As a result the expense wasn’t budgeted for the current fiscal year.
- Second, the board has been made aware on numerous occasions about the computer conversion, which has cost roughly \$20,000 more than budgeted.
- Third, the recent IACET reauthorization process yielded approximately \$6,000 more in expenses that were not anticipated.

There were also a number of entries that the auditor picked up that were not made throughout the year. WFP was the biggest, then the computer conversion, and a few late entries that were made.

Dave stated that when he was preparing for the conference general opening session, he decided to take a long-term view. He will show fund balances going back to 1989. Back then NEWWA had surplus balances of less than \$300,000 and the building had a negative fund balance. In 2001, the balance had grown to about \$500,000 and the building fund was still in the negative. In 2005, the fund balance started to grow, and in 2010, NEWWA had almost \$1.5 million in surplus balance, and by 2011 it had grown to almost \$1.7 million.

There are also three major categories of reserves: unrestricted has \$590,000; and the building fund is up to \$827,000 for 2 purposes: help pay off building loan and pay for any capital work done to the building. The third is the scholarship fund, which has now grown to \$271,000. This provides money that NEWWA pays out in scholarships. The association gave out \$17,000 in scholarships this year.

Total expenses for the year were \$2.685M and the budget was \$2.545M. We were over by approximately \$139,000, which was explained earlier in the meeting. In addition, the MA SRF program has been expanded, which added a few additional programs. This does bring in more revenue but also causes more expenses (roughly over by \$70,000).

The board was aware of the MA SRF, computer expenses, and WFP. And as in previous years, NEWWA has more training revenue, which also yields more expenses. Dave apologized and said he should have brought these issues before the board earlier in the fiscal year.

Chris Woodcock stated that he was disappointed that we violated our constitution by \$139,000. He doesn’t think that we did our duty to members to make sure we stay within the budget. He is a bit surprised as he thought we would make a profit. He stated we should have been on top of the numbers better.

Pat Connelly stated that we spent a lot of time at meetings talking about staff bonuses. He was wondering if we have we learned a lesson that we shouldn't decide those before the fiscal year is over.

Dave Paris stated that the bylaws are for Inc. and that we are two organizations. The Inc. bylaws state that we should approve a budget and then if the amount exceeds more than what was approved then the board can approve it by a 2/3 margin. The AWWA bylaws only provide guidelines. While Chris is correct, we also did more training, which brings more revenue as well as expenses. He does not feel that David Kane is responsible for any errors in judgment.

David Kane commented about the timing of notifications and stated that the auditor made a lot of adjustments this year. There was between \$70,000 and \$100,000 made by the auditors during the audit. He stated it had been a tough year for staff to keep up with the new computer conversion, etc.

Carol asked what some of the adjustments were. The biggest was related to the WFP transaction. There was also a \$20,000 entry for training revenue that was sitting in pre-paid for last year but held in this year. There were also smaller entries made for "Q" software and also minor entries to correct numbers while closing out the books. Carol stated that it seems that most of the "losses" were timing issues instead of actual losses.

Chris stated that the audit is for Inc. and that we need a little better financial control and information below the board level. He also feels that we should consider adding additional help like what was approved a few years ago.

Dave Kane reviewed a number of suggestions the auditor made in their exit interview. He talked about the possibility of allocating an estimated \$10,000 to \$20,000 additional for training and development of standards, procedures, and processes for staff to follow. It could also involve the auditors coming in for a "mini audit" halfway through next year to ensure the process goes smoothly (approx. \$5 - \$10K). We do need to improve internal control and processes.

Ray reported that staff did 2 days of training last week to cover some issues that have arisen in the new Great Plains software.

**Michael Covellone made a motion to reconcile the actuals for FY 2011 with the budgeted number to appropriate additional numbers. David Harris seconded. The motion passed by a 2/3 vote.**

Dave Kane continued his review of comments that the auditors made on the 3 levels of reporting requirements:

- First – are there any material weakness in internal control – The auditor did not report any with NEWWA.
- Second – whether there are any serious processes/procedures that need to be addressed. The auditor recommended that there was a need to reconcile Q with Great Plains.
- Third – suggestions for improvement. The auditor did have several. NEWWA has not officially been given the auditor letter yet but there are two laws the association needs to be in compliance with – whistleblower and document destruction. NEWWA needs policies for both. They also recommended that a second person review the staff accountant's reconciliations and that we consider establishing a backup for the staff accountant. They also recommend posting investment transaction entries throughout year.

**Craig Douglas made a motion to accept the treasurer's report. David Polcari seconded. The motion was passed unanimously.**

**Item #3– Old Business.**

**Item #3A – Water Foundation Exploration Steering Committee Formation – Dave Paris.**

Dave Paris stopped the meeting to introduce David LaFrance, AWWA executive director, as well as Dennis Kelleher, AWWA vice president. Phil Bilodeau, candidate for NH Director to replace Bob Beaurivage was also in attendance.

Round of introductions.

Dave reported on the water foundation initiative, which is to explore the feasibility of success for a foundation (endowment) for the greater NE water industry. Funding would assist with outreach programs to communities and the focus would be on water systems throughout the region. The foundation would be separate and independent from NEWWA.

Dave has approached contacts across NE and asked for letters of support. He has received three so far from RI, NH, and ME with a promise from VT. The biggest concern voiced has been the financial drain on existing supporters to state and regional associations.

Dave would like to form an exploratory committee.

**Chris Woodcock made a motion that the board form an exploratory committee for the water foundation, with the stipulation that the board does not expend any additional funds outside what has been initially approved. Dave Polcari seconded. The motion was passed unanimously.**

Dave Paris will be chair of the exploratory committee.

#### **Item #4 – New Business.**

##### **Item #4A – May 2011 Golf Classic Proceed Disbursement – Dave Polcari.**

Dave Polcari distributed a memo on the Golf Classic Proceed Disbursement:

- The event raised approximately \$6,800
- They request that \$4,000 be given to the Scholarship Committee
- \$2,000 to Water For People
- And that they retain the remaining funds for disbursement at a later date

**Matt Pearson made a motion to approve the 2011 Golf Classic proceed disbursement recommendations of \$4,000 for the Scholarship Committee and \$2,000 for water For people. Chris Woodcock seconded. The motion was passed unanimously.**

##### **Item #4B – NEWWA Strategic Plan 2011-2016 – Craig Douglas.**

Craig reported on the strategic plan, which placed its focus on implementable items this year. They are summarized on Page 17 of the 5-year strategic plan. The summary provides deadlines and specific programs developed during the summer 2011 Planning Session.

There were a couple of suggestions from the Executive Committee on restructuring the 5-year plan. Craig has started a memo to explain the recommended changes by the Executive Committee.

Dave Paris welcomed Dave Harris back to the board. And he commended Craig Douglas for stepping up and taking over when needed to fill duties during Dave's absence. Dave Polcari and Matt and Laurie Pearson also assisted.

**Craig Douglas made a motion to accept the Long-Range Strategic Plan. Dave Polcari seconded. The motion was passed unanimously.**

Dave Harris thanked Craig, Dave, and Matt as well as the rest of the board for their assistance with the project and support during his absence.

##### **Item #4C – Sean Osborne recommendation for AWWA Director at Large – Pat Connelly.**

**Pat Connelly made a motion that Sean Osborne be nominated as AWWA Director at Large.**

Sean works for Haley & Ward, was with CDM, and in the Air Force before that. He is also a Princeton and UMASS Lowell graduate and a Kenneth J. Miller Founder's Award winner. Chris also added that he has spoken with Sean a lot over the past 2 years and he has a considerable interest in NEWWA and AWWA. Chris feels he will be an asset to AWWA.

**Chris Woodcock seconded the motion. The motion was passed unanimously.**

**Item #4D – Organization Chart 2011-2012 Councils and Committees – Mike Covellone.**

Mike presented the 2011-2013 Organizational Chart. New members have been assigned and council chairs changed. Tom Cravens is recommended as chair for the Board of Certification of Backflow Prevention Device Testers. He is a past president of NHWWA and has been active at the AWWA annual Fly-in.

Steve Estes Smargiassi is also being recommended to sit on the Massachusetts Water Management Advisory Committee.

**Craig Douglas made a motion to approve the table of organization as amended. Matt Pearson seconded. The motion was passed unanimously.**

**Item #4E – Water Infrastructure Finance and Innovation Authority (WIFIA) Letter – Dave Paris.**

The letter was distributed to the board. Dave proposed we send the letter to the New England congressional contingent to endorse WIFIA.

**Sarah made a motion that we send the letter to the New England congressional contingent. Louis Schoolcraft seconded. The motion was passed unanimously.**

Sarah stated that from a state perspective, there is concern as to what becomes of SRF funds. She feels it may be in New England's interest to ensure smaller utilities are protected.

Dave LaFrance stated that WIFIA is modeled after the current "TIFIA" (transportation) so that people who have to carry the bill are already comfortable with the language. Some of the money would be used for direct loans to utilities but would also have the capabilities to make loans to SRFs. The authority could determine if it's a direct loan to a utility or to the state SRF. The size criteria of a loan are such that a small utility wouldn't qualify, but under the SRF it would. It provides a critical financing alternative for the middle-market utilities. It does rely on reserves, so it is not a new budget item, but rather a "default risk" that has to be re-appropriated. The reserve on TIFIA is a little over 10 percent. For every dollar issued, a dime has to be appropriated.

**Item #4F – Other By Members.**

Red was asked by Dave to explore the idea of establishing an award in Mike Garofano's memory. He was the lead operator in Rutland, Vermont, who was killed in the line of duty during Hurricane Irene. One idea is a scholarship and the other is a safety/heroism award. GMWEA is donating \$500 to help fund a statue at the water treatment facility.

Dave Paris suggested Red put together an ad-hoc committee to determine the proper method of recognition for Mike. Pat suggested the ad-hoc also look into establishing a scholarship for safety training. Chris wants to see something more permanent in his memory. Louis Schoolcraft, Chris Woodcock, Ken Booth, and Pat Connelly all volunteered to sit on the ad-hoc committee.

**Matt Pearson motioned to appoint Red Dufresne as ad-hoc chair of the Mike Garofano Memorial Committee. Dave Polcari seconded. The motion was passed unanimously.**

**Item #5 – AWWA Director's Report – Pat Connelly.**

Pat thanked Dennis and Dave for being here.

**Item #5A – Upcoming AWWA RMSO, Moncton, New Brunswick – October 21-22, 2011 – Pat Connelly.**

Pat updated the board on the meeting and encouraged everyone's attendance and explained it's a good way for networking with other section leaders.

**Item #5B – AWWA Award Nominations Due October 1 – Hall of Fame & Honorary Member, Others.**

Pat reviewed the AWWA awards and encouraged nominations. There are currently no slots available for AWWA honorary members.

Dennis reported that this is his first visiting officer meeting and is excited to be with NEWWA. He stated New York has always respected NEWWA as a highly professional organization. He also stated that NEWWA's educational program is something they want to aspire to. He thanked us for all our hard work.

David LaFrance thanked the board for having him. He also echoed Dennis' sentiments about our section and that we are heralded as one of the top sections. He also spoke about the power of the volunteers. AWWA has approximately 140 staff members, but when they look at the association's budget and then all that the association does, it comes down to the volunteers' efforts. He thanked everyone for their service. He also said NEWWA has done a great job by bringing Pat to AWWA's board as he is active and a good leader.

**Craig made a motion to accept the AWWA director's report. Dave Polcari seconded. The motion was passed unanimously.**

#### **Item #6 - Executive Director and Staff Reports - Ray & Staff.**

##### **Item #6A – Computer Conversion.**

Ray reported that the computer conversion is going rather well and that all meeting and registration sections are complete. Two pieces are lagging behind – ExpoCAD, which has to be integrated, and E-Commerce.

##### **Item #6B – Verbal Updates.**

Ray reported that in the office, staff is in place and been working very hard. The conference is slated to have a very strong attendance this year, and we may cross the 400 mark for who will be here on site. We also have the largest exhibitor count for any annual show on record, with 24 total. All awards are in place and ready to be given during opening session and the membership recognition celebration.

Ted reported we had very busy July and August. Also, due to significant changes in operator prequalification requirements in Mass effective 1/1/12, we had had 160+ students in the spring review program. In the summer we saw more than 100 students. Now the fall is underway, which includes the first of 12-week specially developed courses to prepare operators for the new requirements taking effect 1/1/12. We currently have almost 30 operators in those programs. There are 75 operators total across the exam review courses for the fall. We designed and developed the new courses and had them approved by the MA Board of Certification for Drinking Water Operators.

In addition we had successful excavation safety courses at the end of the summer, with 60 students. Dave Paris commented on what a good partnership this is with Milton CAT.

We also maintain a good number of contract training offerings; some examples include SWSC, BWSC, and FEMA. etc.

Kirsten reported that we worked with NH DES and U.S. EPA Region I to put on a radiological workshop in Concord, NH on September 14. We are also preparing to offer two Advanced Sanitary Survey courses for regulators in Providence on October 4 and Manchester on October 6.

The fall issue of *The Source* was sent to the printer right before the conference, and *Currents* for the October membership mailing was completed as well.

Ray reminded the board about the RMSO meeting in October as well as the Monday afternoon regional state association meeting after opening session.

**Craig Douglas made a motion to accept the executive director and staff reports. Louis Schoolcraft seconded. The motion was passed unanimously.**

## **Item #7 – Council Business – Updates.**

### **Item #7A – Council Reports by Council by Director Assignments.**

Council reports will be held until the Inc. business meeting.

### **Item #8 – This Year’s Major Goals – Reminder (From President’s Plan).**

- A. Look at incentives and programs to expand membership opportunities to the broader community of tap water professionals. Target individuals.
- B. Identify and implement programs where NEWWA can work collaboratively with environmental, public health, EPA, states, and others as a regional bridge to common areas of interest. Target groups.
- C. Recognize drinking water operators as vital to community health and safety.
- D. Working with the premise that perception is reality in many cases where tap water is concerned, help membership understand and craft ways to shape this perception. Develop opportunities for membership to learn public communication skills.
- E. Continue to encourage young professional involvement in NEWWA. Think of ways to incentivize the message to communities and businesses about the value of professional involvement in career development.

### **Item #9 – Other By Members.**

Dave Paris wanted the board to be aware of a meeting that took place in Manchester between several watershed owners. Organized by EPA Region I, participants talked about common issues regarding land management, land acquisition, and forestry. It was a very well attended and valuable program. Most important was carrying costs for a utility to preserve watersheds on an annual basis. There were some very eye opening numbers. It may encourage utilities to divest watersheds to help fund future capital projects.

Chris Woodcock mentioned an initiative petition in Mass. that will limit increases to water and sewer rates to 2.5%. He wasn’t sure what we can do—do we take a position? MWWA is concerned as well. If it passes it may affect other states as well. The subject will be discussed at the state officers meeting on Monday. Ray said we have been in touch with MWWA to voice our support and will let MWWA take the lead on the issue.

Sarah stated that on October 4 in Franklin, NH, there are plans to have the congressional delegation there, and that maybe NEWWA should send a representative. Ray stated NEWWA is planning to be there.

Louis stated he has been nominated to sit on the board of directors for the Utility Contractors Association. He stated it will help bridge NEWWA and their issues together.

### **Item #10 – Committee Reports.**

#### **Item #10A – Executive Committee Update – Mike Covellone.**

Mike reported that the Executive Committee met on September 7. They discussed everything from the foundation to WIFIA to the strategic plan. There was also a discussion about assisting accounting in-house.

Dave Kane stated that we will want additional training before the end of the year, and it will most likely occur before the next board meeting in November.

**Dave Kane made a motion to amend the budget up to \$10,000 to be spent to improve accounting policies and procedures via staff training. Ken Booth seconded.**

**Chris Woodcock motioned to amend the motion to state that the \$10,000 be paid for from reserves. Louis Schoolcraft seconded. The motion was passed unanimously.**

**A vote was taken on the amended motion on the table. The motion was passed unanimously.**

A discussion also took place about a proposal from the Groundwater Committee to establish a new NEWWA award to recognize those working in the hydrogeology field.

Craig Douglas made a motion to accept the Executive Committee Report. Louis Schoolcraft seconded. The motion was passed unanimously.

**Item #10B – Scholarship Committee/Final Rankings.**

Ray provided the Scholarship Committee report. In 2011 NEWWA is issuing \$17,000 in scholarships divided across 8 students. Two from UNH, 3 from WPI, 1 from ULowell, 1 Brigham-Young, and 1 UCONN.

Seven of the students are studying civil engineering. One is studying environmental engineering.

Craig Douglas motioned to accept the Scholarship Committee report. Louis Schoolcraft seconded. The motion was passed unanimously.

**Item #11 – Announcements and Meetings.**

**Committee Meeting Schedule  
Annual Conference Marriott Hotel, Newport, RI, September 25 – 28, 2011**

**Sunday, September 25, 2011**

**NEWWA Board of Directors Meeting**

9:30AM – 11:30AM, Newport Suite

**NEWWA Annual Business Meeting**

1:00PM – 2:30AM, Newport Suite

**Board Spouse Reception**

4:00 - 5:00 PM – Narragansett Suite Reception Area

**Monday, September 26, 2011**

**Regional Water Works Association Officers (By Invitation, including all officers and state directors)**

12:00PM – 1:30PM, Courageous Room

**Tuesday, September 21, 2011**

**Past Officer Breakfast (By Invitation)**

7:30AM – 9:30AM, Columbia Room

**Program Committee Meeting**

7:30AM – 9:00AM, Middletown Suite

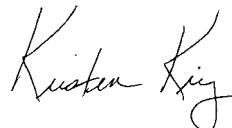
**Item #12 – Adjourn.**

Craig Douglas motioned to adjourn and David Polcari seconded at 12:14 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