

**New England Water Works Association
Board of Directors Meeting Minutes
May 19, 2009**

The New England Water Works Association Board of Directors held a meeting on May 19, 2009, at NEWWA's offices in Holliston, MA. President Patrick Connelly called the meeting to order at 2:10 p.m. Those present were Patrick Connelly, Christopher Woodcock, David Paris, Jim West, Dave Polcari, Barbara Cook, Louis Schoolcraft, Dave Harris, Dave Kane, Jae Kim, Pam Irwin, Bob Beurivage, and Ray Raposa (ex-officio and non-voting). NEWWA Deputy Executive Director, Ted Kenney, Kirsten King, Director of Communications, and Larry Durkin, Water For People Gala chair, were also in attendance.

Items #1 & #2 – Consent Agenda & Minutes of March 31, 2009.

Chris Woodcock asked that it should be noted that the association should break even at the end of the fiscal year (operationally) in the treasurer's report. He also requested that the fourth paragraph under Item #4A be wordsmithed to read: "Moving money back into reserves was also discussed (e.g., a "rainy day" fund). The association is currently well below the targeted numbers. As a result of the poor economy, no additional funds were included in reserves." Chris made the motion for the edits, Dave Polcari seconded the edits.

Jim West asked that the minutes be pulled off of the consent agenda. Chris Woodcock moved that the consent agenda be approved. Dave Polcari seconded. Motion passed unanimously. Chris Woodcock motioned that the minutes of March 31 be amended as noted above, Dave Kane seconded, all approved, motion passed unanimously.

A vote was taken to approve the meeting minutes as amended. Jim West motioned, which was seconded by Bob Beurivage. Motion passed unanimously.

Item #3 – Treasurer's Report – Financial Update.

Item #3A – March 2009 Financial Update.

Dave Kane reported that March results were positive, with almost a \$70,000 profit, making March the second biggest month this year. The expenses are in line, with the exception that we made a \$12,650 donation to Water For People, which was leftover money from last year.

Page 5 of the financial reports indicated a YTD loss of \$13,848. We are currently projecting the year will end \$2,075 in the black. These numbers do not include investment losses.

Training revenue seems to be coming in more than expected, and it looks like we'll end up \$20 - \$30K more than projected.

This report also included the results of the Spring Conference, which earned the association almost \$10,000. It should be noted that the \$6,000 match to other associations has not been taken out yet. Dave also reminded the board that they voted to give \$6,000 in shared revenue from the conference to state associations. The conference profit resulted in \$4,000 more revenue to bottom line.

Our YTD investment losses are \$175,045. The Investments Committee met on April 22, reviewed what's going on with advisors, and decided not to change anything. They plan on meeting again later on in May. This was an updated number as of May 19--we should have picked up approximately \$30,000 of losses since March.

The Investments Committee also decided to change scholarship money to fixed income, which minimized losses in the scholarship fund for the quarter. Approximately \$40,000 was switched.

The Investments Committee also discussed the loan on the building (Hopping Brook Road). The loan is through Citizen's Bank. Our rate has been affected by the fact that Citizen's has been downgraded by its rating agency, which increased our interest rate to 5 percent. The Committee will meet again in a few weeks to monitor what's going on. Citizen's plans to take care of it. They need to address the issue of rating downgrading.

Ray Raposa stated that Citizen's does have a new option of how to wrap funds. For every user that has a loan, it will be a way for investors to wrap loans, which will bring the rating back to AAA.

Dave Paris asked about the Wii profits from the Spring Conference. We made approximately \$700, which went to NEWWA's training programs. Bruce Berger was the winner.

Jim West asked a question on our decision to pull money out of equities why only scholarships? It was bad timing to do others at this point.

Chris Woodcock thanked staff for their work done to fix the budget and adjust it to ensure losses were minimized.

Ray R. asked if it would make sense to give treasurer's authority to make decisions on scholarship funds and to move them. Pat C. said to have the Executive Committee involved in the decision.

Item #3B – Draft Budget Policy.

Dave Kane discussed draft budget policy. Its purpose is to document current procedures on how to go about doing the annual budget. It would make it more helpful for future board members to have policies down on paper. Dave highlighted significant changes.

He read key points from the draft budget policy, which included a budget calendar and committee; budget guidelines; a 3-year capital improvement program; 3-year financial plan; member dues and training fees; budget adoption; and budget amendment sections.

The policy has been vetted out by the Executive Committee.

He asked for consideration for approval.

Pat added that the Executive Committee has reviewed and made recommendations and changes to approve.

Bob Beurivage added that Dave Kane put a lot of time and effort into it and commended him for his efforts.

A motion was made by Dave Polcari to approve. Barbara Cook seconded.

Discussion:

Jim West, on appendix A, should years be added in? It was suggested to drop the year. All agreed. This will help make the document timeless.

Chris W. asked what happened to section 9? It was turned into Appendix D.

On Section 6A, seconded sentence, it was requested to make the word "exceptions" plural. It was put forth that there is an understanding that there are training programs we choose to subsidize, but may not necessarily make money. For programs that are like that, they need to be identified when the budget is being done. Ray R. said we needed to note that even some programs that are planned to make money may not. The staff may still make a decision to run a class. Pat C. said we need to try to be as realistic as possible when planning the budget.

The end result of the above discussion was to mention, at the bottom of budget reports, classes that may not make money. This will help in planning of classes for future years.

Chris Woodcock suggested that a review of the Executive Committee minutes be taken out of order to discuss the budget policy. Chris reviewed the Executive Committee minutes.

Pat detailed one last point on the Executive Committee minutes. Pat had asked back in the winter to adjust the budget to ensure we reduce expenses as much as possible. The written budget was not changed. If the budget policy had been implemented, we would have gone back into the budget and made a formal change for the remainder of the FY budget. The new budget policy would implement this. A “significant change” would be a judgment of the board. Dave Kane explained the implications of a budget amendment—currently there is not a column on the budget that will hold staff accountable for changes. Now there would be a budget with a column of amendments to compare to what was originally budgeted as opposed to what the amendment was.

Dave Kane noted that this is a policy that can be amended.

Bob Beurivage made a comment regarding Executive Committee meeting. They voted not to make any more investment changes until the market stabilized. This did not apply to the scholarship program as the committee made changes to be more conservative. Chris W. explained that the Executive Committee recommended to the Investments Committee they should look at the risk associated with the investment of our rainy day funds (reserves) considering the recommended policy to set them at 25% of the annual budget. They want to check to make sure the risk level will be appropriate.

Louis S. asked if we have a review system in place to evaluate training programs that lose money? Staff reviews programs that lose money. But when we do the budget for the following year, the review process looks at a program area. A training program might be divided into 15 categories. Ted K. explained that training comes on need, not purely on whether or not they lose money. Chris asked for a list of courses that tend to lose money. Pat suggested that as we get into the next budget cycle those will come out.

Dave Kane asked a question on our income goal under the policies’ document and if it applies to training programs. Yes we have a goal and we plan to hit that. Ray R. noted that monthly meetings are the biggest abuser of that policy yet the board still votes to keep holding them.

Dave Harris made a motion to approve the policy as amended. Dave Polcari seconded. The Motion passed unanimously.

Chris Woodcock motioned to approve the treasurer’s report. Jim West second. The motion passed unanimously.

Item #4 – Old Business.

Item #4A – Chloramines – New Proposed VT Legislation.

Dave Paris reported that there has been some movement on the chloramine issue. The Vermont legislature passed a bill that an engineering review should be conducted on seven utilities not in compliance with Stage I DBP. EPA is not sure exactly where the money is going to come from but it is working on it. The study is supposed to be done and brought back to the VT state legislature by January 2010.

Dave Paris also had other chloramine issues to talk about. A survey to 28 chloramine users across New England was conducted by a NEWWA ad-hoc chloramine subcommittee. It shows ranges and different

approaches to monitoring and control. This Provides baseline data for what utilities in New England are doing to chloraminate their systems. This will help when NEWWA goes up to the Champlain Water District (CWD) for peer review.

Chris W. asked if utilities reported any complaints from customers? There were very little to no complaints from other utilities. Most issues are aesthetic.

Dave Paris also reported that the committee has been asked, even in light of the engineering review, to go up to CWD with a peer-review group to do an evaluation of their chloramination process. They put together a list of people who are familiar with chloramination, which they are in the process of recruiting. These include representatives from Manchester, NH; Portland, ME, and the MWRA. CDM may also participate, and the committee is also looking for another consultant that is familiar with treatment practices. They are trying to get someone from UNH or UVM – in an effort to add more credibility. UMASS may also be an option.

They are also looking at the schedule of when to head north. EPA has given preliminary approval that they will pay for overnight hotel rooms. The protocol that will be followed will be the EPA process document, which is a Comprehensive Performance Evaluation. Dave handed out a schematic of the process. An exit meeting will also be conducted with CWD staff.

Chris W. asked that since the VT legislature has ordered EPA to do the study, does CWD still want us to do this? The answer is yes.

Dave Harris suggested having someone from the CDC? Dave Paris stated that this is more of an engineering study rather than a public health study.

Dave Kane asked is this performance evaluation a broad interpretation of what we do? Is our insurance comfortable with this? Will they cover defense costs? Will it cover someone who is not a member? Ray R. will check with our insurance company.

Pat C. asked that Dave Paris consult with the group to determine the level of reporting that will be done. With EPA endorsing this, it becomes a public document.

Jim W. asked how the funded study EPA is already doing compares to this? The EPA study is dealing with Stage I compliance (or non compliance). The CWD study is dealing with an individual utility's performance.

Item #5 – New Business

Item #5A – Conflict of Interest Policy.

The entire board has a copy of the proposed new BOD orientation packet, but should now vote on the new proposed conflict of interest policy put forth.

It identifies that a conflict of interest policy is important, but does not require a signature; it is just part of the packet that makes a new board of director member informed.

Jim West asked a question on the second bullet--contract between NEWWA and an entity with "responsible person" --is 5 percent of what? This bullet needs to be clarified.

The board decided to send the policy back to the ad-hoc committee or Executive Committee for clarification. It will be discussed again in July.

Item #5B – Computer Software/Computer Upgrade.

Ray R. updated the board to make them aware of this need. In the Executive Director's report we have talked about upgrading the association's management system (AMS). We've kept it on hold for several years waiting for AWWA. Due to issues at AWWA they have instructed NEWWA to not wait for them. In addition, close to 1.5 years ago, the software vendor we use started surcharging support because we have fallen more than 2 issuances of software behind – so it costs us more money because we have no current version of the software. They are also not updating our version of the software, which was initially set up in DOS. The new software is now on a .net platform, so it can be used on the Internet. This is similar to what AWWA just did (but not the same company). We cannot upgrade or use any more current products. Our products are frozen in Office 1993.

NEWWA has reactivated a package from our provider that has 2 options. One is to buy software and put it on our own servers for \$84,000, with a support plan. The other is that we don't buy a license, instead they would host for us for \$42,000 (startup) with a \$12,000 per year hosting fee.

Ray R. asked our contacts at AWWARF for opinions (who have our version of software). AWWARF has had good luck with the software. However, They have an IT person on staff who can deal with software. They suggested that if we don't have IT person on staff, we should opt for the hosting platform, which would make the hosting facility keep up with maintenance.

All software updates are included in either fee. This will not be compatible with AWWA software. But they have made a pledge that all software will be able to download data that is needed by the sections.

NEWWA has been using this software since 1992. We pay \$12,000/year in support services.

Dave Kane suggested we do a 10-year life cycle of both options, taking into account software, hardware, tech support, etc. Plus how to plan on rolling it out.

Cost would be under capital improvement in the budget.

Concerning implementation, the major upgrade falls into 2 cycles--June through the first half of August or December through February. We need to avoid conflicting with our two major conferences. Then there would be a minimum of 2 months to 4 or 6 months before we go live.

If we don't do the upgrade, none of the association's Microsoft programs will be able to be upgraded. From the member's perspective, the reality is that members are going to expect that their information is net accessible for them. It will give members a lot of online capabilities.

We currently have money in our accounts

Staff will discuss this with the IT Committee on recommendations.

Item #6 – AWWA Update.

Jim Marvel was not able to attend the meeting.

Ray reported on the Affiliation Agreement with AWWA. We have identified about six areas that need discussion with AWWA. They have received some signed agreements already from other sections, and are trying to keep an agreement that has received buy-in from everyone.

Item #7 – Executive Director and Staff Reports.

Written reports were provided for all programs and staff gave the following highlights:

Training

Spring Conference final numbers came in at just over 2,500. The conference was very big success. Companies and attendees are pleased with how event has progressed.

Ray R. passed out the Annual Conference draft program. The plan is to get it to the printer by end of the week and mailed to the membership by early June.

Ted K. highlighted his training report.

Operator exam review courses broke the 120 mark, which is very good. July/August sessions are scheduled, and a fall training will also be scheduled soon.

The most recent excavation safety course had 72 people registered, with 23 registered for the Mass DPS exam. All passed. The next session is scheduled for the summer.

Cross connection training continues to run strong in New England and across the Northeast.

May 12 was the Water Quality symposium. There were 96 attendees and three exhibitors. Rob Renner from AWWARF was the keynote speaker. The Filtration Committee did a good job organizing the program.

Contract training has been busy and is scheduled through the end of June. The CT Section and Green Mountain each have specialty programs. We also have two grants that we've been pursuing since last fall – RI and NH. Both are progressing. We are looking to have training in the summer in RI. We also received the contract for NH and are ready to go. RI is a set of 2-year renewables, good for up to 6 years. NH is for 24 months with potential for two 6-month extensions.

The MWUA program is doing well. Paul is up there teaching this week.

Ray R. wanted to note that as part of the RI and NH programs, both states require that we have a local presence. Bernie Rousseau has agreed to remain our contact for NH. There is the same requirement in RI, which will be filled by Mike Covellone. Ray had to testify that someone would sign. Ted K. did sign with Ray R. testifying for the state of RI.

Grants/Communications

Kirsten K. updated the board on a number of initiatives. NEWWA has booked and taught its first two courses of four under the MCSSA contract (Groundwater O&M). One is being taught in each Massachusetts DEP region during March and April 2009. It has also booked four courses on the Groundwater Rule for May and June. In-house staff will be teaching all the above-mentioned courses, which will allow for more staff time to be billed to the grant instead of NEWWA overhead. All other programs are running as scheduled.

The Law Enforcement CD ROM is reproduced, and the association is currently working with EPA on how to distribute.

NEWWA also secured a subcontract with the CADMUS group (EPA monies) to develop and execute asset management and energy efficiency classes across New England in 2009. Total contract amount is \$24,000. The contract is still not signed, due to hold-ups with the stimulus package on EPA's end.

Staff had a meeting with Region I to discuss how to best utilize the remainder of the association's grant monies. This will be done primarily through training programs, using the monies as subsidies. Planning for these will take place during the spring/summer 2009.

The June 2009 Journal is in the works. There are currently 41 advertisers for the 2009 year, which is 2 down from last year (we lost two ¼-page ads). Archived issues of the Journal (starting in 2008) can now be downloaded from the Web site. Currently, this is a member benefit only, and we plan to open all articles to the general public for a fee, pending the approval of the new Web site.

The summer 2009 *The Source* is currently in production. The remaining Source deadlines for 2009 are August 14, and November 6. There are currently 29 advertisers for the 2009 year. In addition, all future issues of *The Source* (until we deem it unnecessary) will be 12 pages instead of 16. This will help save the association \$3,217 per fiscal year (four issues).

Currents remains on schedule for the membership mailings. All advertising slots (seven) have been filled for the year. In addition, we have pulled full production of *Currents* in-house, which will bring an additional \$2,000 of revenue to the association per fiscal year (7 issues). The remaining two issues for this fiscal year will also be produced in house.

The E-Source continues to go out every other Friday with an approximate open rate of 34 percent. Two advertising slots have been added to the E-Source to try to enhance non-dues revenue.

The Web site continues to be updated with information as it becomes available. The new Web site is currently on hold until we determine how it will mesh with the proposed new AMS.

The Facebook page is holding strong with 136 members.

NEWWA continues its assistance with the MA Water and Wastewater Agency Response Network (WARN). There are currently 34 utilities in Massachusetts signed on to the agreement. Next steps are to continue marketing the WARN and to gain more members, as well as enhance the Web site with a resource list for all members. A training on the MAWARN was held at Holliston on May 19.

The PR Committee sent out news releases to all daily and weeklies during Drinking Water Week, which highlighted the "Only Tap Water Delivers" campaign. The Web page was also updated. In addition, NEWWA worked with MWUA and placed an advertisement in a special insert that the MWUA put together for major newspapers in Maine. The insert ran the weekend of May 2. Also, NEWWA participated in the Dedham (MA) "Green Fair" on May 15 and had an information table to speak to people about how Only Tap Water Delivers. We gave out stainless steel water bottles at the event. We also had an opportunity to exhibit at the WBOS Earth Fest but due to logistics will hold off until 2010. We are currently working on a pitch to New England Cable News for them to cover a story on the value of water.

Coordination for the Massachusetts Drinking Water Day activities, in conjunction with MWWA and MA DEP is underway. Due to scheduling conflicts and the annual statistical report not being mailed to utilities until February 4, 2009, this year's event will not be held until June 25, 2009. The venue will coincide with a tour of the desalination plant in North Dighton. NEWWA was also the main organizer for the National Theatre for Children troupes that perform across New England during Drinking Water Week. Three troupes were contracted for 2009 and all days were filled.

Executive Director Update

Ray R. reported that there is a group in the state of Maine and Rhode Island that runs their own backflow Prevention course. Their attorney sent us a letter saying not fair that we run programs in certain locations. Specifically, the University of Rhode Island was mentioned. The location was suggested by officers from RIWWA.

The Nominating Committee report will be going out shortly, which gives the slate of nominees as proposed by the Nominating Committee to members. People can send comments back, and we will issue a ballot 45 days later for August 1.

There is currently a candidate for each position. But there is one position that there will be an election for, which is the Director at Large.

Ray referenced the list of scheduled meetings through May 2010. Note that the BOD meeting is at 9:30am on Sunday, September 20, which means folks are going to need to come up to the Balsams on Saturday.

He also clarified the Planning Session, which is on Monday, July 27 and will be the full day. The BOD meeting will be on Tuesday, July 28 at 9:00a.m.

The Chestnut Hill pumping station now a reality. It is expected that in the next 2 weeks the museum condo space will be turned over to the museum board.

Louis S. motioned to accept the executive director and staff updates. Pam second. The motion passed unanimously.

Item #8 – Council Director Updates on Committee Actions.

Item #8A – Council Meeting.

On Friday, May 1, about 50 people broke into four sub-groups for the Council Meeting. Dave Polcari and Craig Douglas still need to give their reports to Dave Paris. Topics included greening of the association, a Public Interest Advisory Forum, and the future of the organization.

Item #8B – Planning Committee/Organizational Development Committee.

Dave Paris is folding the Planning Committee report into the Organizational Development Committee. This is an opportunity to craft the direction of the organization to take in future. It also allows discussion of issues concerning the council structure, as well as the Public Interest Advisory Forum.

Item #8C – Council Director Updates.

Dave Harris received a note from Matt Stosse that we received 16 new members (Membership Committee).

Pat C. suggested other reports be deferred to the July meeting.

We still do not have an Organizational Diversity Committee chair – Pat asked for suggestions.

Item #9 – Committee Reports.

Item #9A – Executive Committee Update from May Meeting

Chris W. gave the report earlier in the meeting.

Item #9B – Ad-hoc Committee on Board Orientation/Policies

Pat C. reported that Craig Douglas has put together a draft BOD orientation handbook. The Conflict of Interest Policy discussed earlier in the meeting will be a part of it. BOD members who have any comments should get them to Ray Raposa. This will be presented at the July meeting.

Item #9C – Water For People Committee

Larry Durkin addressed the BOD about the Water For People Gala, which may be at Fenway Park again in 2010 as this venue worked well. The tours went well and it was a great evening. The committee is expecting to do less in 2010 given the economy. Larry D. asked Ray to record a second vice chair position for the committee. Tara Hourihan will stay as the NEWWA vice chair. The other will act as a co-chair with NEWEA, which will be filled by Rebecca Jenkins of Stantec. The committee has raised \$146,000 over the past few years. The gala could be \$100,000 event if we draw in the greater community. This could be a goal for 2012. The committee needs to focus on outside sales and to establish a New England Water For People Web site. They are currently obtaining costs to do that.

It would also help to have a celebrity keynote speaker and prospectus.

Larry also stated that he wanted to arrange a meeting with Kirsten K. to discuss an educational event to coincide with World Water Day, which is on March 22. The committee is looking to partner with Engineers Without Borders to try to draw them into Water For People as well as public health schools.

They are now forming an exploratory committee to do this, with the target on college and high school students.

The plans for the next gala involve the first 2 weeks in May 2010.

Item #9D – Other.

MWUA is having a session on June 3. Jim West is doing a piece on the NEWWA perspective on what we've done regarding our ad-hoc Sustainability Committee.

Dave Paris informed the board that Bernie Lucie of NHWWA/DES is retiring.

Item #10 – Announcements and Meetings.

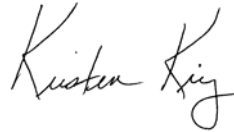
There were no other questions or business.

Barbara Cook motioned to adjourn and Louis Schoolcraft seconded to adjourn at 5:37 p.m. Motion passed.

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