

BOARD OF WATER COMMISSIONERS

SPECIAL MEETING ON APRIL 18, 2019

ATTENDANCE: Chairwoman Elizabeth Phelan
Commissioner Robert A. Badal
Commissioner Ramiro Suarez
Robert Longo, Superintendent

Also in Attendance: Attorney Tom Conlin, Corporation Counsel
Attorney Dale Clift, Corporation Counsel

Absent: Commissioner Ferrier
Commissioner Dunn

1) CALL TO ORDER

Chairwoman Phelan called the meeting to order at 4:08 PM

2) INVESTMENTS

Superintendent Longo read a letter dated April 18, 2019 from Mayor Ellen Zoppo-Sassu (see attached) into record regarding Annuity Investments.

Superintendent Longo advised the Board to approve the Mayor's recommendation so the Department will be in compliance.

A very lengthy discussion ensued how the Department is non-compliant with the CT General Statutes, Section 7-400 and the actions that need to be done to get in compliance. It was noted that there would be a penalty to withdraw the funds from the current investments of approximately \$88,000.00. Corporation Counsel will write a letter on behalf of the Department requesting the penalty fees be waived.

Motion made by Commissioner Badal be it resolved that the Board of Water Commissioners authorizes Water Superintendent Robert Longo to take all steps required to liquidate the annuities contracts with Jackson National Life Insurance Company known as policies #1009039267 and 1009039348 and with the assistance of Comptroller and Corporation Counsel to place these assets into suitable investment vehicles pursuant to Connecticut General Statute Section 7-400.

Motion seconded by Commissioner Suarez.

Roll Call Vote: Commissioner Badal - Yes
Commissioner Suarez - Yes
Chairwoman Phelan - Yes

Motion passed.

3) ADJOURNMENT

Motion made by Commissioner Badal to adjourn the meeting at 4:33 PM.

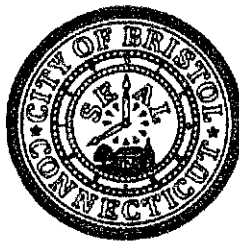
Motion seconded by Commissioner Suarez.

Motion passed unanimously.

Attested By,

A handwritten signature in cursive script that reads "Elizabeth Phelan".

Elizabeth Phelan
Chairwoman



ELLEN ZOPPO-SASSU
MAYOR

City of Bristol

RESPICE, ADSPICE, PROSPICE
Look to the Past, Look to the Present, Look to the Future

April 18, 2019

Robert Longo, Superintendent
Elizabeth Phelan, Chair
Board of Water Commissioners
119 Riverside Avenue
Bristol, CT 06010

Re: Annuity Investments

Dear Superintendent Longo, Chairwoman Phelan, and Commissioners:

I have been monitoring closely, through our Corporation Counsel and Comptroller, the on-going review of financial compliance pertaining to the investment of Bristol Water Department funds. Specifically, the Comptroller and Corporation Counsel have brought to me concerns about the Water Commissioners' present investment policies and practices that appear to be non-compliant with Connecticut General Statutes, Section 7-400. Corporation Counsel Cliff and his office have also consulted with special counsel with expertise in this area, and Comptroller Waldron has reviewed these issues with the City's auditors and have shared these findings with the Superintendent and me.

I commend both Chairwoman Phelan and Superintendent Longo for the candor and openness with which they have made information available to our Comptroller and Corporation Counsel for this review. However, it is obvious that the Board of Water Commissioners must take immediate and corrective action to bring the Water Department investments and the investment policies into compliance. The Corporation Counsel's Office has drafted a resolution to be voted on by the Board at your Special Meeting scheduled for today. This resolution will authorize the Superintendent to take all necessary action to close the investment accounts that have been determined not to be compliant.

I am also directing the Superintendent to work with the Comptroller, with the advice of the Corporation Counsel, to consider whether any additional action is warranted regarding the investment accounts in question. In addition, I am also recommending that work on a new set of investment policies be commenced immediately and include the ability of the Comptroller and her office to have full transparency as to how all Water Department funds are handled. We are all stewards of the funds paid by the rate payers and taxpayers, and no less shall be required.

Thank you to all the members of the Board of Water Commissioners for your continued diligence and dedication in serving in this capacity.

Sincerely,

Ellen Zoppo-Sassu
Mayor, City of Bristol