

Representative Policy Board
Finance Committee
South Central Connecticut Regional Water District
90 Sargent Drive, New Haven, Connecticut

or

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Phone Conference ID: 749 317 767#

AGENDA

Regular Meeting of Monday, January 8, 2024 at 5:00 p.m.

1. Safety Moment
2. Approval of Minutes - December 11, 2023 meeting
3. Lake Whitney Dam Design Project Update: Larry Marcik
4. Quarterly Financial Report: R. Kowalski
5. RPB Quarterly Dashboard Report – FY 2024 Q2
6. Finance Committee Members Attendance at Regional Water Authority Meetings on: Thursday, February 22; Thursday, March 28; Thursday, April 25; and Thursday, May 23
7. New Business
8. Adjourn

Note: As a reminder, the next meeting of the Finance Committee will be held on Monday, February 12, 2024 at 5:00 p.m., hybrid (regular meeting).

****Members of the public may attend the meeting in person or via remote access using instructions at the top of the agenda. To view meeting documents, please visit <https://tinyurl.com/yfwn7awc>. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com**

SAFETY MOMENT

JANUARY – FROSTBITE PREVENTION

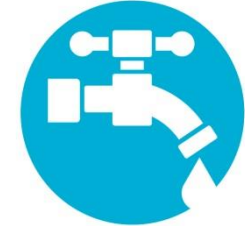
Even skin that is protected can be subject to frostbite. It's the most common injury resulting from exposure to severe cold, and it usually occurs on fingers, toes, nose, ears, cheeks and chin. If caught early, it is possible to prevent permanent damage.

If you suspect frostbite:

- Get indoors immediately
- Seek medical attention
- Remove constrictive clothing and jewelry that could impair circulation
- Place dry, sterile gauze between toes and fingers to absorb moisture and keep them from sticking together
- Elevate the affected area to reduce pain and swelling
- For superficial frostbite, you may also place the affected area in water that is 100 to 105 degrees until the tissue softens



Tap Into Safety



Regional Water Authority



FROSTbite



Service – Teamwork – Accountability – Respect – Safety

Safety is a core company value at the Regional Water Authority .
It is our goal to reduce workplace injuries to zero.

Regional Water Authority

**Representative Policy Board
Finance Committee
South Central Connecticut Regional Water District
Via Remote Access**

MINUTES

Regular Meeting of Monday, December 11 2023 at 5:00 p.m.

Committee Members Present: Tim Slocum, Tom Clifford, Jay Jaser, and Michelle Verderame

Committee Members Absent: Vincent M. Marino

RPB: Robert E. Harvey, Jr., Naomi Campbell, Charles Havrda, and Mark Levine

FMA: David Borowy and Kevin Curseaden

Management: Larry Bingaman, Rochelle Kowalski, Sunny Lakshminarayanan, and Charles DelVecchio

OCA: Jeffrey Donofrio

Staff: Jennifer Slubowski

In Chair Marino's absence, Mr. Slocum called the meeting to order at 5:03 p.m. He reviewed the Safety Moment distributed to members.

On motion made by Mr. Clifford, and seconded by Mr. Jaser, the Committee voted to approve the minutes of its November 13, 2023 meeting.

Mr. Slocum stated that the Committee would be reviewing proposed revisions, discussion points, procedural updates, and timing for the RWA's enabling legislation.

Mr. Curseaden, Authority Vice Chair and liaison to the RPB Joint Committee on Enabling Legislation, provided background and reasoning for the proposed changes, including additional amendments. He summarized the list of proposed changes, as follows:

1. Section 2, page 3, allowing RWA to conduct its non-core business outside of Connecticut.
2. Section 4, page 5, setting the Authority shall meet at least quarterly with the RPB.
3. Section 4, Page 6 correction of typo (the word timber)
4. Section 5, page 7, increasing the Authority board to seven members, providing exclusions to appointment (see below), no less than 5 members shall be residents of the district.
5. Section 9, page 8, allowing the Authority to meet at least quarterly. Also, setting that four members of Authority are a quorum.
6. Section 14, page 17, setting that interest rate can be applied to past due bills after the 28th day.
7. Section 18, page 21, combining (c) with (b) moving paragraph (c). Section 18, page 25, first paragraph, adding a period after the word records.
8. Section 19, page 25, raising the question if the \$2 million threshold for RPB approval of capital projects should be increased according to inflation as well as the non-core \$1 million threshold. Also comports section 19 to section 18 to exclude vacancies when calculating the total weighted votes of the RPB membership need to approve various items.
9. Section 21, page 26, raising the question if the word "improvements" should be defined to eliminate questions about the applicability of certain provisions.
10. Section 22, page 31, correcting the spelling of the word "all".
11. Section 30, page 35, question if the threshold for RPB approval of a project should be increased.
12. Special Act 03-12, page 40, correcting the word "affect" to "effect".
13. Section 2, page 3, add "sustainable manufacturing support" to allowed non-core business activity
14. Section 22 (b), page 27 remove "not exceeding forty years from their respective dates"
15. Section 22 (h), page 30 remove "any bonds issued by it at a price of not more than the principal amount thereof and accrued interest"

16. Section 4, page 4 and 5, RPB compensation – update to base compensation amount, change to every third vs. fifth year, and update referenced dates
17. Section 5, page 7, Authority board term limits (e.g., limit of 3 or 4 terms)
18. Section 5, page 7, consider including a CPI factor for Authority board member compensation, applicable every three years, subject to RPB approval.

Mr. Borowy, Authority Chair, noted the reasoning and timing of the proposed changes.

At 5:37 p.m., Ms. Verderame and Mr. Clifford withdrew from the meeting.

Mr. Bingaman, the RWA's President & Chief Executive Officer answered questions related to the proposed changes. After discussion, it was determined that the amount stated in the proposed list for RPB approval for capital projects be noted as an increase from \$2 million to \$4 million, and the amount for RPB approval for commercial business acquisitions be noted as an increase from \$1 million to \$2 million, with both to include an inflammatory factor.

Mr. Levine acknowledged Atty. Donofrio, Office of Consumer Affairs, who reported that he was present at the RPB Joint Committee on Enabling Legislation meeting last month and stated his approval of an increase in RPB approved capital projects from \$2 million to \$4 million. But reported that he was concerned with the increased risk of raising the amount for RPB approval of commercial business acquisitions. He stated that he would discuss this further with management and the RPB Executive Committee at its meeting next month.

After careful consideration, the Committee was satisfied with the presentation and the proposed changes to be brought forward to the RPB at its December 21, 2023 meeting.

At 5:57 p.m., Mr. Levine withdrew from the meeting.

The Committee reviewed the FY 2025 budget schedule. After consideration, the Committee set its meeting to review the proposed FY 2025 budget Monday, April 8, 2024 at 5:00 p.m.

Ms. Kowalski, the RWA's Vice President & Chief Financial Officer, reviewed the Quarterly Report on RPB Approved Projects, which included:

- Ansonia-Derby Tank
- West River Water Treatment Plant Improvements
- Lake Gaillard Water Treatment Plant (LGWTP) Clarifier, Recycle Pump Station, and Concrete Restoration
- LGWTP HVAC and Electrical Improvements
- Lake Whitney Spillway Improvements Phase I – Initial Design Project
- Customer Information System

The next meeting of the Finance Committee is on Monday, January 8, 2024 at 5:00 p.m.

As there was no new business to report, at 6:07 p.m., the Committee meeting adjourned.

Timothy Slocum, Acting Chair

Representative Policy Board
Dashboard Metric - 2Q FY24

Metrics	Quarter ended 11/30/22 (2Q FY 2023)	Quarter ended 05/31/23 (4Q FY 2023)	Quarter ended 08/31/23 (1Q FY 2024)	Quarter ended 11/30/23 (2Q FY 2024)
Financial Metrics				
<i>Coverage</i>	Budget: 1.14 w/o draw	Budget: 1.14 w/o draw	Budget: 1.14 w/o draw	Budget: 1.14 w/o draw
	Projected: 1.23 w/o draw	Projected: 1.41 w/o draw	Projected: 1.14 w/o draw	Projected: 1.16 w/o draw
<i>Draw Requirement</i>	Budget: \$0 million	Budget: \$0 million	Budget: \$0 million	Budget: \$0 million
	Projected: \$0 million	Projected: \$0 million	Projected: \$0 million	Projected: \$0 million
<i>Capital Expenditures to Budget (Note 1)</i>	Budget: \$20.726 million	Budget: \$41.320 million	Budget: \$52.520 million	Budget: \$52.520 million
	Result: \$14.232 million/26.0% of total fiscal year budget	Result: \$41.233 million/99.8% of total fiscal year budget	Result: \$8.032 million/15.3% of total fiscal year budget	Result: \$17.021 million/32.43% of total fiscal year budget
<i>Aged Account Receivables - Total Water (Note 2)</i>	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551
	Nov. 2022 : \$8,799,889 (+32.1%)	May 2023 : \$7,517,465 (+12.9%)	Aug 2023 : \$7,137,670 (+7.2%)	Nov. 2023 : \$6,744,597 (1.3%)
<i>Aged Account Receivables - Residential (Note 2)</i>	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160
	Nov. 2022 : \$8,236,243 (+41.2%)	May 2023 : \$7,067,920 (+21.2%)	August 2023 : \$6,755,012 (+15.8%)	Nov. 2023 : \$6,353,667 (+8.9%)
<i>Pension Market Values (Note 3)</i>	Oct. Mkt Value: \$62,396,715	May 2023 Mkt. Value: \$66,990,538	Aug 2023 Mkt. Value: \$68,995,451	Nov 2023 Mkt. Value \$69,091,124
	Sept 2022 Mkt. Value: \$60,072,550	March 2023 Mkt. Value: \$65,549,028	June 2023 Mkt. Value: \$68,894,215	Sept. 2023 Mkt. Value: 66,646,763
	Sept Return: Negative 9.8%	March Return: .1% Fiscal	June Return: 8.85% Cal	Sept Return: 3.49% Cal/.17% Fiscal
	Actuarial Return Assumption: 6.75%	Actuarial Return Assumption: 6.75%	Actuarial Return Assumption: 6.75%	Actuarial Return Assumption: 6.75%

Representative Policy Board
Dashboard Metric - 2Q FY24

Metrics	Quarter ended 11/30/22 (2Q FY 2023)	Quarter ended 05/31/23 (4Q FY 2023)	Quarter ended 08/31/23 (1Q FY 2024)	Quarter ended 11/30/23 (2Q FY 2024)
System Metrics				
<i>Average Daily Production (Draft) to Budget (MGD)/Prior Year (MGD)</i>	Prior Year: 48.344 MGD	Prior Year: 43.329 MGD	Prior Year: 55.730 MGD	Prior Year: 48.344 MGD
	Result: 48.863 MGD	Result: 43.680 MGD	Result: 49.111 MGD	Result: 45.669 MGD
<i>Disinfection By-products</i>	Target: 100%	Target: 100%	Target: 100%	Target: 100%
	Result: 100%*	Result: 100%*	Result: 100%*	Result: 100%*
	* As of Sept. 30, 2022, updated	* As of March 31, 2023, updated	* As of June 30, 2023, updated	* As of Sept, 2023, updated
<i>Net Unaccounted For Water (annualized)</i>	Target: 10.0%	Target: 10.0%	Target: 10.0%	Target: 10.0%
	Result: 12.04% for the annualized period of Sept. 2021 to August 2022	Result: 11.58% for the annualized period of March 2022 to Feb 2023	Result: 11.65% for the annualized period of June 2022 to May 2023	Result: 11.41% net for the annualized period of Sept 2022 to Aug 2023
<i>Service Disruptions (Notes 4 and 5): Due to Main Breaks</i>				
<i>Number of Disruptions</i>	Result: 6	Result: 5	Result: 4	Result: 10
<i>Number of Customers Impacted</i>	Result: 48	Result: 62	Result: 78	Result: 140
<i>Avg. Period Customers are w/o Water (hrs.)</i>	Target: 6	Target: 6	Target: 6	Target: 6
	Result: 3.1	Result: 2.1	Result: 3.44	Result: 3.63
<i>Water Quality (Notes 5 and 6): Discolored Water - System/Hydraulics</i>				
<i>Number of Complaints</i>	Result: 91	Result: 73	Result: 105	Result: 154