

Representative Policy Board
South Central Connecticut Regional Water District
90 Sargent Drive, New Haven, Connecticut
and
Via Remote Access**

AGENDA

Regular Meeting of Thursday, April 25, 2024 at 6:30 p.m.

- I Safety Moment
 - II Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
 - III Approval of Minutes – March 28, 2024 meeting
 - IV Communications
 - A. Notify members of expired terms and appointments ending June 30, 2024
 - a. Expired – Campbell, Rescigno, and Verderame
 - b. Ending – Branford, DeSantis, Harvey, Havrda, Levine, Malloy, Marino, and Oslander
 - B. Volunteers needed for RPB Nominating Committee for RPB Officers
 - C. RPB Quarterly Dashboard Report
 - V Items for Consideration and Action
 - A. Final Decision, Findings of Fact and Conclusions of Law of the Representative Policy Board for the Authority's Application for approval to purchase assets of Target Three
 - B. Consider and act on Finance Committee's recommendation to the Representative Policy Board for the Target Three Application associated financing
 - C. Representative Policy Board first quarter 2024 compensation
 - VI Reports
 - A. Finance Committee
 - B. Land Use Committee
 - C. Consumer Affairs Committee
 - D. Executive Committee
 - E. Authority/Management
 - VII Adjourn
-

7:00 P.M. – **PUBLIC HEARING** – LAKE WHITNEY WATER TREATMENT PLANT CHEMICAL IMPROVEMENTS PROJECT APPLICATION

**Members of the public may attend the meeting in person or by conference call. To view meeting documents please visit <http://tinyurl.com/yyxk7xcs>. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

SAFETY MOMENT

DEFENSIVE DRIVING

Defensive driving is a set of safe responses to potential hazards, including other drivers, damaged road surfaces, debris, inclement weather, and more. Getting behind the wheel isn't risk-free, and employing defensive driving techniques can help keep you and other drivers safe.

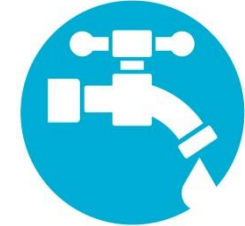
Use these reminders to stay safe:

- Avoiding distractions.
- Driving sober and alert.
- Purchasing a safe vehicle.
- Following traffic laws.
- Avoiding potentially dangerous situations.

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.

Tap Into
Safety



Regional Water Authority



 Regional Water Authority

**Representative Policy Board
South Central Connecticut Regional Water District
Minutes of March 28, 2024 Meeting**

The regular meeting of the Representative Policy Board (“RPB”) of the South Central Connecticut Regional Water District took place on Thursday, March 28, 2024, at 90 Sargent Drive, New Haven, Connecticut, and via remote access. Chair Harvey presided.

PRESENT

RPB

Ansonia	Thomas P. Clifford III (R)
Bethany	Brian Eitzer (R)
Branford	Vacant
Cheshire	Timothy Slocum
East Haven	Michelle Verderame (R)
Guilford	Charles Havrda
Hamden	Stephen Mongillo
Killingworth	Jamie Mowat Young
Madison	Joseph A. Oslander (R)
New Haven	Naomi Campbell
North Haven	Anthony P. Rescigno (R)
Orange	Jasper J. Jaser
Prospect	Robert E. Harvey, Jr.
Seymour	Mike Horbal (R)
West Haven	T. Gregory Malloy (R)
Woodbridge	Mark Levine
Governor’s Rep	Vincent M. Marino (R)

Regional Water Authority

David Borowy
Kevin Curseaden (R)
Catherine LaMarr (R)
Mario Ricozzi
Suzanne Sack (R)

Management

Adrian Cosma
Charles DelVecchio
Larry L. Bingaman
Elizabeth Calo (R)
Jim Hill
Rochelle Kowalski
Premjith Lakshman Singh
Sunny Lakshminarayanan
Tara Augur

Absent

Derby	Frank Pepe
North Branford	Peter DeSantis
Milford	Richard Smith
Beacon Falls	Peter Betkoski

Office of Consumer Affairs

Jeffrey Donofrio

Staff

Jennifer Slubowski

Call to Order

Chair Harvey called the meeting to order at 6:30 p.m. He reviewed the Safety Moment handout distributed to members.

Public Comment

Chair Harvey offered the opportunity for members of the public to comment. There were no members of the public present at the meeting.

Minutes

On motion made by Mr. Malloy, seconded by Ms. Campbell, the RPB approved the minutes of its February 22, 2024 meeting as distributed, with 85 total weighted votes cast in the affirmative.

Ansonia (3)	Aye	Guilford (4)	Aye	No. Haven (5)	Aye
Beacon Falls (0)	Absent	Hamden (10)	Aye	Orange (3)	Aye

Bethany (5)	Aye	Killingworth (2)	Aye	Prospect (1)	Aye
Branford (6)	Vacant	Madison (6)	Aye	Seymour (1)	Aye
Cheshire (4)	Aye	Milford (11)	Absent	West Haven (8)	Aye
Derby (2)	Absent	New Haven (13)	Aye	Woodbridge (3)	Aye
East Haven (6)	Aye	No. Branford (8)	Absent	Gov. Rep. (1)	Aye

Communications

Chair Harvey stated that the Finance Committee would review the FY 2025 Budget at its regular meeting on Monday, April 8, 2024.

He also noted that there would be a joint meeting of the Land Use Committee and Consumer Affairs Committee to review the FY 2025 Budget on Monday, April 15, 2024.

Reports

Finance Committee – Mr. Marino, Chair of the Finance Committee, reported on the committee meeting earlier in the month. The Committee met with RWA’s external auditor, CliftonLarsonAllen, to review the 2024 audit plan. An update on the RPB approved capital projects was also provided.

The next meeting is on Monday, April 8, 2024 at 5:00 p.m., via hybrid.

Land Use Committee – Mr. Malloy reported on the Land Use Committee meeting earlier in the month. Ms. Smith, RWA’s Natural Resources Analyst, provided an update of the 2023 deer hunt.

The Committee will hold a special joint meeting with the Consumer Affairs Committee on Monday, April 15, 2024 at 5:30 pm to review the FY 2025 Budget.

Consumer Affairs Committee – Mr. Levine, Chair of the RPB Consumer Affairs Committee, reported that the committee met with management to receive and update on RWA’s educational outreach programs that are being offered to nearby school systems.

The Committee will hold a special joint meeting with the Consumer Affairs Committee on Monday, April 15, 2024 at 5:30 pm to review the FY 2025 Budget.

Authority/Management – Mr. Borowy, Chair of the Authority, reported on the Authority meeting earlier in the day. He stated that the Authority met to review the FY 2025 Budget. The Authority also met as the Environmental, Health and Safety Committee and the Commercial Business Committee.

Mr. Ricoszi, Chair of the Environmental, Health and Safety Committee, reported on the meeting earlier in the day. The Committee met with management to receive updates on the RWA’s Raw Water Quality Program, Invasive Species, and Health and Safety Initiatives.

Mr. Curseaden, Chair of the Commercial Business Committee, reported on the meeting earlier in the day, the Committee met to discuss the third quarter commercial business results and other related initiatives. The meeting was held in executive session.

Mr. Bingaman, the RWA’s President and Chief Executive Officer, reviewed revenues, operating and maintenance expenses for the month ended February 29, 2024, and stated the projected maintenance test for FY 2024 is 120%, with no shortfall. Contributing to the higher coverage is prudent cost management and the RWA’s reduction to some discretionary spending to help offset the lower revenues due to the wet summer this past year.

He also reported that raw water storage levels as of March 18, 2024, were 100%, compared to the long-term average of 87%.

Mr. Bingaman reported on the Authority meeting earlier in the day. The Authority approved a type B3 Amendment, which would transfer \$1.5 million to the Lake Gaillard Water Treatment Plant project.

Mr. Bingaman reported on his recent testimony in favor of changes to the RWA's enabling legislation. Authority and RPB chairmen and the Office of Consumer Affairs also provided testimony in support of the changes. Last week, the changes passed unanimously out of the Planning and Development Committee.

Chair Harvey acknowledged Atty. Donofrio of the Office of Consumer Affairs who had nothing to report.

The next RPB meeting is on Thursday, April 25, 2024.

At 6:53 p.m., on motion made by Mr. Malloy, and seconded by Ms. Mowat Young, the RPB voted to adjourn, with 85 total weighted votes cast in the affirmative.

Ansonia (3)	Aye	Guilford (4)	Aye	No. Haven (5)	Aye
Beacon Falls (0)	Absent	Hamden (10)	Aye	Orange (3)	Aye
Bethany (5)	Aye	Killingworth (2)	Aye	Prospect (1)	Aye
Branford (6)	Vacant	Madison (6)	Aye	Seymour (1)	Aye
Cheshire (4)	Aye	Milford (11)	Absent	West Haven (8)	Aye
Derby (2)	Absent	New Haven (13)	Aye	Woodbridge (3)	Aye
East Haven (6)	Aye	No. Branford (8)	Absent	Gov. Rep. (1)	Aye

Respectfully submitted,

Jamie Mowat Young, Secretary

(R) = Attended remotely.

Representative Policy Board
Dashboard Metric - 3Q FY24

Metrics	Quarter ended 02/28/23 (3Q FY 2023)	Quarter ended 08/31/23 (1Q FY 2024)	Quarter ended 11/30/23 (2Q FY 2024)	Quarter ended 2/28/24 (3Q 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: 1.26 w/o draw	Projected: 1.14 w/o draw	Projected: 1.16 w/o draw	Projected: 1.20 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: \$30.755 million	Budget: \$52.520 million	Budget: \$52.520 million	Budget: \$52.520 million
	Result: \$24.455 million/54.4% 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	Result: \$25.219 million/48.02% 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
	Feb. 2023: \$8,682,202 (+30.4%)	Aug 2023 : \$7,137,670 (+7.2%)	Nov. 2023 : \$6,744,597 (1.3%)	Feb. 2024 : \$6,565,554 (-1.4%)
<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
	Feb 2023: \$8,135,230 (+39.5%)	August 2023 : \$6,755,012 (+15.8%)	Nov. 2023 : \$6,353,667 (+8.9%)	Feb. 2024 : \$5,935,013 (+1.8%)
<i>Pension Market Values (Note 3)</i>	Feb. Mkt Value: \$64,571,575	Aug 2023 Mkt. Value: \$68,995,451	Nov 2023 Mkt. Value \$69,091,124	Feb 2024 Mkt. Value \$73,506,054
	Dec 2022 Mkt. Value: \$63,735,939	June 2023 Mkt. Value: \$68,894,215	Sept. 2023 Mkt. Value: 66,646,763	Dec 2023 Mkt. Value: \$72,063,393
	Dec Return: Negative 12.85%	June Return: 8.85% Cal	Sept Return: 3.49% Cal/.17% Fiscal	Dec. Return: 12.13%Cal/8.54% 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 - 3Q FY24

Metrics	Quarter ended 02/28/23 (3Q FY 2023)	Quarter ended 08/31/23 (1Q FY 2024)	Quarter ended 11/30/23 (2Q FY 2024)	Quarter ended 2/28/24 (3Q FY 2024)
System Metrics				
<i>Average Daily Production (Draft) to Budget (MGD)/Prior Year (MGD)</i>	Prior Year: 44.734 MGD	Prior Year: 55.730 MGD	Prior Year: 48.344 MGD	Prior Year: 44.788 MGD
	Result: 44.788 MGD	Result: 49.111 MGD	Result: 45.669 MGD	Result: 43.255 MGD
<i>Disinfection By-products</i>	Target: 100%	Target: 100%	Target: 100%	Target: 100%
	Result: 100%*	Result: 100%*	Result: 100%*	Result: 100%*
	* As of Dec. 31, 2022, updated	* As of June 30, 2023, updated	* As of Sept, 2023, updated	* As of Dec 21, 2023, updated
<i>Net Unaccounted For Water</i>	Target: 10.0%	Target: 10.0%	Target: 10.0%	Target: 10.0%
<i>(annualized)</i>	Result: 11.72% for the annualized	Result: 11.65% for the annualized	Result: 11.41% net for the annualized	Result: 12.08% net for the annualized
	period of Dec. 2021 to Nov. 2022	period of June 2022 to May 2023	period of Sept 2022 to Aug 2023	period of Dec 2022 to Nov 2023
<i>Service Disruptions (Notes 4 and 5): Due to Main Breaks</i>				
<i>Number of Disruptions</i>	Result: 22	Result: 4	Result: 10	Result: 21
<i>Number of Customers Impacted</i>	Result: 241	Result: 78	Result: 140	Result: 453
<i>Avg. Period Customers are w/o Water (hrs.)</i>	Target: 6	Target: 6	Target: 6	Target: 6
	Result: 3.7	Result: 3.44	Result: 3.63	Result: 5.4
<i>Water Quality (Notes 5 and 6):</i>				
<i>Discolored Water - System/Hydraulics</i>				
<i>Number of Complaints</i>	Result: 92	Result: 105	Result: 154	Result: 287

Notes:

Note 1: Excludes State and Redevelopment, Growth Fund, and contingency/reserve. Percentage is of fiscal year budget

Note 2: Reflects aged receivables over 90 days - total water and total residential. Comparison is to pre-pandemic level

Note 3: Fiscal year-end based on audited financials. Other quarters based on latest available reports and net returns

Note 4: This metric may be later expanded to other types of service disruptions with the same statistics

Note 5: For fiscal 2023 reflect quarterly information. In fiscal 2024, can be adjusted to reflect fiscal year-to-date

Note 6: This metric may be later expanded to include time to resolve and time to respond w/associated targets

REPRESENTATIVE POLICY BOARD
OF THE
SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

APRIL 25, 2024

PROPOSED RESOLUTION

(Approval of Authority's Application to Purchase the Assets of Target Three)

RESOLVED, that the proposed Findings of Fact, Conclusions of Law and Final Decision of the Representative Policy Board, attached hereto, with respect to the South Central Connecticut Regional Water Authority's Application for approval to Purchase the Assets of Target Three, dated February 22, 2024, be and hereby is approved in the form submitted to the meeting.

**Representative Policy Board
South Central Connecticut Regional Water District**

Application for Approval to Purchase :
the Assets of Target Three : **April 25, 2024**

**Final Decision, Findings of Fact and Conclusions of Law
of the Representative Policy Board**

A. The Applicant's Request

On February 22, 2024, the South Central Connecticut Regional Water Authority (“RWA” or the “Applicant”), through its five-member Authority, submitted an application for approval to purchase the Assets of Target Three (“Application” or “Target Three”). The purchase would expand the RWA’s commercial business footprint and market share. Target Three has a stable earnings profile and is positioned to compliment the RWA’s existing offerings with significant market expansion and positive revenue impact. The proposed asset purchase cost, including the purchase of all physical and intangible assets, is between \$9 and \$13 million dollars.

The Application for approval of the project was filed pursuant to the statutory authority set forth in Section 19 of Special Act No. 77-98, as amended, and under the requirements of the expedited process.

B. Participants

In addition to the Representative Policy Board (“RPB”) and the RWA, the district’s Office of Consumer Affairs (“OCA”) participated in this proceeding. The OCA is authorized by Section 15 of Special Act No. 77-98, as amended, to act as the advocate for consumer interests in all matters that may affect water customers in the district.

C. Statutory Standard

Pursuant to the legislation cited in paragraph A above, the RWA is required to obtain approval from the RPB prior to acquiring or making a subsequent investment in any non-core business in an amount costing more than \$1 million dollars.

D. Notice and Procedures

Effective July 1, 2021, Senate Bill 1202, Section 163, permitted the RPB to hold the public hearing on the Application using electronic equipment or technology that facilitates real-time public access to meetings, including, but not limited to, telephonic, video or other conferencing platforms. On March 4, 2024, under the expedited process, upon recommendation of the Finance Committee, the RPB Chairman, on behalf of the RPB, accepted the Application as complete and called a public hearing on Thursday, March 28, 2024 at 7:00 p.m., at the office of the South Central Connecticut Regional Water Authority, 90 Sargent Drive, New Haven and via remote access. The RPB designated Timothy Slocum (Cheshire) to serve as Presiding Member at the public hearing.

As required by Section 10 of Special Act. No. 77-98, as amended, the RPB published in the *New Haven Register* and the *Connecticut Post* the date, time and place of the public hearing to be held by the RPB to consider the Application for approval. The date of publication was March 5, 2024. A copy of this notice, including information about electronic participation for the meeting, was filed with the Office of the Clerk of each city and town within the District, the Connecticut Secretary of State, and posted on the RWA's website.

E. Public Hearing

At the public hearing on March 28, 2024, the Applicant provided sworn testimony from Rochelle Kowalski, the RWA's Vice President and Chief Financial Officer, and Adrian Cosma,

the RWA's Director of Business Development. The Applicant provided a public presentation that included an overview and background, opportunity review, and asset purchase structure.

The Application also contained confidential information, subject to protection under C.G.S. Section 1-200(6)(E), for matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information. The portion of the public hearing, during which confidential commercial and financial information was discussed, was held in executive session.

The OCA provided a summary of his analysis of the Application as noted in his memorandum to the RPB dated March 21, 2024, which included commercial and financial information protected under C.G.S. Section 1-210(b)(5)(B) and was thus filed subject to the RPB-approved Protective Order. For the reasons set forth in his memorandum, the OCA recommended approval of the Application.

In addition to the applicants and OCA listed above, members of the public were invited to attend. One individual from the public was present during the open session segment of the hearing.

F. Analysis

After considering all of the evidence presented, the RPB believes that the Application is necessary, advances the policies and goals of the South Central Connecticut Regional Water Authority, and is in the best interest of the RWA and its customers. The presentations at the public hearing reinforced the need for, and importance of, the acquisition.

G. Conclusion

We therefore conclude that the Application should be approved. Separately stated findings of fact and conclusions of law are attached hereto as Exhibit A.

Exhibit A
Representative Policy Board
South Central Connecticut Regional Water District

Application for Approval to Purchase :
the Assets of Target Three : **April 25, 2024**

Findings of Fact

1. The South Central Connecticut Regional Water Authority (“RWA”), through its five-member Authority, submitted an Application to the RPB for approval to purchase the Assets of Target Three (“Application”) on February 22, 2024, under the requirements of the expedited process.
2. In 2017, Special Act 17-5 amended the RWA’s enabling legislation to allow the RWA to conduct and invest in non-core business activities defined as including water related, environment, agriculture, and certain renewable energy sources.
3. In fiscal year 2018, the establishment of RWA’s Growth Fund was created as a means to reserve funds intended for non-core commercial investments.
4. The RWA’s 2020-2025 Strategic Plan outlines a non-core strategy to conduct and invest in non-core business activities to achieve commercial service net revenue of \$9.2 million dollars by May 2025.
5. The RWA has bought and integrated three smaller operations since 2021.
6. The first two acquisitions, structured as an asset purchase, have exceeded their valuation earning’s targets, are cash flow positive, and the RWA anticipates the same from the latest acquisition.
7. This transaction will be executed under the RWA, not a subsidiary entity. Therefore, revenues will be deposited into, and expenses will be paid out of, the Revenue Fund with the earnings available as part of the Year-End-Disposition to be transferred into the

Construction Fund to help fund the RWA's capital program, mitigate future rate increases, and reduce debt leverage.

8. The asset-based deal structure mitigates risk.
9. The structure of the transaction incorporates deferred revenues. The funding source is primarily the Growth Fund, with additional financing from the General Fund and debt issuance.
10. Post transaction, operations will be subject to the controls, limitations, and approvals therein, including governance by the Authority and the RPB.
11. The proposed asset purchase cost, including all physical and intangible assets, is between \$9 and \$13 million dollars.
12. The Application is necessary, advances the policies and goals of the South Central Connecticut Regional Water Authority, and is in the best interest of the RWA and its customers.
13. The Application also contains separately stated findings of fact and conclusions of law in its confidential and proprietary elements protected under C.G.S. Section 1-200(6)(E) for matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.
14. The OCA recommended approval of the Application for the reasons set forth in his Memorandum to the RPB.

Conclusions of Law

1. The South Central Connecticut Regional Water Authority's ("RWA") application for approval to purchase the Assets of Target Three ("Application" or "Target Three") dated February 22, 2024, was filed pursuant to the statutory authority set forth in Section 19 of Special Act No. 77-98, as amended.
2. Notice of the public hearing to consider the Application and to allow interested persons, including water users and property owners within the district, to be heard was properly made on March 5, 2024, pursuant to Section 10 of Special Act No. 77-98, as amended.
3. Pursuant to Sections 10 and 19 of Special Act 77-98, as amended, the public hearing was held on March 28, 2024.
4. Based upon the above Findings of Fact, the Representative Policy Board concludes that the RWA's application to purchase the Assets of Target Three meets all requirements for approval.

**REPRESENTATIVE POLICY BOARD
OF THE
SOUTH CENTRAL CONNECTICUT REGIONAL WATER DISTRICT**

PROPOSED RESOLUTION

Resolution Approving the Issuance of Bonds

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) proposes to issue its Bonds (the “Bonds”) in accordance with Special Act 77-98, as amended, of the General Assembly of the State of Connecticut (the “Act”) and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority and approved by the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) on July 31, 1980, as amended and supplemented (the “General Bond Resolution”); and

WHEREAS, the Act authorizes the Authority to issue its bonds from time to time but subject to the approval of the Representative Policy Board (the “RPB”).

NOW THEREFORE BE IT RESOLVED THAT:

1. The RPB hereby approves the issuance of the Authority’s Bonds in an amount which shall not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) in aggregate principal amount.
2. The Bonds may be issued as obligations in one or more series pursuant to the General Bond Resolution and a supplemental resolution to be adopted by the Authority for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions and such other details of the Bonds as the Authority shall determine in accordance with the limits established by the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be (I) to finance or refinance a portion of the costs of the acquisition of a protection plan company, (II) to provide funds for deposit to the Capital Contingency Fund and the Debt Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and (III) to pay costs of issuance (the “Project”).
4. The Bonds may be sold by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement to a bank.

