

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut

or

*Dial in by phone

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Phone conference ID: 759 969 552#

AGENDA

Regular Meeting of Thursday, February 26, 2026 at 12:30 p.m.

1. Call to Order
 - 1.1 Safety Moment
2. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
3. Authority Committee Chair Assignment update
4. Meet as Audit-Risk Committee: T. Cort
 - 4.1 Approve Minutes – December 18, 2025 meeting
 - 4.2 FY 2026 Plan of Audit: D. Flint and G. Epstein
5. Consent Agenda
 - 5.1 Approve Minutes – January 15, 2026 special meeting, January 22, 2026 special meeting, and January 22, 2026 regular meeting
 - 5.2 Capital Budget Authorization – March 2026
 - 5.3 Monthly Financial Report – January 2026
 - 5.4 Accounts Receivable Update – January 2026
 - 5.5 Report on Code of Ethics Compliance – November 30, 2025
 - 5.6 RWAY Closure Benefits
6. Reports on RPB Committee meetings
7. Meet as Strategic Planning Committee: S. Sack
 - 7.1 Approve Minutes – November 20, 2025 meeting
 - 7.2 Discuss FY 2027 Strategic Planning Process & Timeline
8. Act on matters arising from Committee meetings
9. Business Updates: S. Lakshminarayanan
 - 9.1 Monthly Business Highlights: S. Lakshminarayanan
 - 9.2 *AWA Update: S. Lakshminarayanan and R. Kowalski - Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information.
10. Land Use Plan Amendment: J. Triana

*Members of the public may attend the meeting in person or by conference call. To view meeting documents please visit <https://tinyurl.com/3u3h9n3x>. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

**RPB Member (V. Marino) is excused at Item 10.2*

SAFETY MOMENT

February – Radon Action

Radon is the second leading cause of lung cancer in the United States and results in 20,000 deaths annually. Radon is a radioactive gas that comes from the natural decay of uranium found in most soils. High radon levels have been found in every state.

Take precautions by:

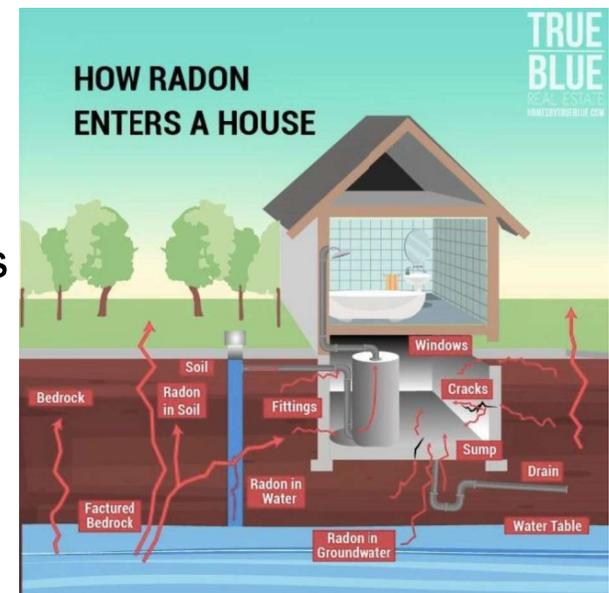
- Stop smoking
- Increase air flow in your house by opening windows and using fans to circulate air
- Seal cracks in floors and walls
- Hire a company to test your home for radon

Service – Teamwork – Accountability – Respect – Safety

Tap Into
Safety



Regional Water Authority



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

Regional Water Authority

South Central Connecticut Regional Water Authority

Audit-Risk Committee

December 18, 2025

Minutes

The regular meeting of the South Central Connecticut Regional Water Authority Audit-Risk Committee took place on Thursday, December 18, 2025, at 90 Sargent Drive, New Haven, Connecticut, and via remote access. Chair LaMarr presided.

Present: **Committee** – Mss. LaMarr and Sack, and Messrs. Borowy, Cort, Curseaden and Ricozzi(R)
Management – Ms. Calo and Messrs. Lakshminarayanan, Singh, Hill(R), and Schnaitmann
RPB: Mr. Malloy
Staff – Mrs. Slubowski

3. MEET AS AUDIT-RISK COMMITTEE

Ms. LaMarr called the meeting to order at 12:31 p.m.

3.1 APPROVE MINUTES – SEPTEMBER 25, 2025 MEETING

On motion made by Ms. Sack and seconded by Mr. Borowy, the Committee voted unanimously to approve the minutes of its meeting held on September 25, 2025.

Borowy	Aye
Cort	Aye
Curseaden	Absent
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

3.2 CYBER/TECHNOLOGY/RESILIENCY UPDATE

At 12:32 p.m., on motion made by Mr. Borowy and seconded by Ms. Sack, the Committee voted to convene in executive session pursuant to C.G.S. Section 1-200(6)(E) for matters covered by Section 1-210(b)(19)(i)(ii), pertaining to security risk. Present in executive session were Committee members, Messrs. Malloy, Lakshminarayanan, Singh, Hill, and Schnaitmann, and Mss. Calo and Slubowski.

Borowy	Aye
Cort	Aye
Curseaden	Absent
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 1:10 p.m., Mr. Curseaden entered the meeting.

At 1:18 p.m., the Committee came out of executive session. No votes were taken in, or as a result of executive session. On motion made by Mr. Borowy and seconded by Ms. Sack, the Committee voted to adjourn the meeting.

South Central Connecticut Regional Water Authority
Audit-Risk Committee
December 18, 2025

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Catherine E. LaMarr, Chair

(R) = Attended remotely.

UNAPPROVED



CliftonLarsonAllen LLP
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phone 860-561-4000 fax 860-521-9241
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February 19, 2026

Regional Water Authority
South Central Connecticut Regional Water Authority
New Haven, CT 06511-5966

We are engaged to audit the financial statements of the business-type activities, and the fiduciary activities of the South Central Connecticut Regional Water Authority as of and for the year ended May 31, 2026. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

Our responsibility under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Connecticut State Single Audit Act

Financial statements, internal control, and compliance

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Connecticut State Single Audit Act (State Single Audit). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Those standards also require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under U.S. GAAS and *Government Auditing Standards*.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.
- Form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- Plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
- Perform, as part of obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, tests of the entity's compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our tests is not to provide an opinion on compliance with such provisions and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.
- Provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control over compliance that we identify during the audit that are required to be communicated.
- Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Act will always detect material noncompliance when it exists. Material noncompliance can arise from fraud or error and is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report.

- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal or state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit.
- Consider internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit.
- Perform tests of transactions and other applicable procedures described in the “OMB Compliance Supplement” and the “Compliance Supplement to the State Single Audit” for the types of compliance requirements that could have a direct and material effect on each of the entity’s major programs. The purpose of these procedures will be to express an opinion on the entity’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity’s compliance with those requirements.
- Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of federal or state awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance and the State Single Audit.
- Communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
- Communicate circumstances that affect the form and content of the auditors’ report.

Our audit of the financial statements does not relieve you or management of your responsibilities.

Supplementary information in relation to the financial statements as a whole

Our responsibility for the schedule of expenditures of federal awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA and the SESFA in relation to the financial statements as a whole and to report on whether the SEFA and the SESFA are fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA and the SESFA to determine whether the SEFA and the SESFA complies with the requirements of the Uniform Guidance and the State Single Audit, respectively, the method of preparing the schedules has not changed from

the prior period, and the SEFA and the SESFA is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the SEFA and the SESFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we will make certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We will compare the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we will not express an opinion or provide any assurance on the RSI.

Use of financial statements

Our auditors' opinions, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document. You are responsible to provide us the opportunity to review such documents before issuance.

Other information included in annual reports

It is our understanding that our auditors' report will be included in your annual report and that your annual report will be issued after the audit. Management is responsible for the preparation of other information included in your annual report and for providing such information to us in a timely manner, and if possible, prior to the date of our auditors' report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinions on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If management refuses to correct a material misstatement of the other information, professional standards require us to communicate the matter to you. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Planned scope and timing of the audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the

financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management Override of Controls
- Revenue Recognition

As a result of unexpected events, changes in conditions, or the audit evidence obtained from the results of audit procedures performed, we may need to modify the overall audit strategy and audit plan and, thereby, the resulting planned nature, timing, and extent of further audit procedures, based on the revised consideration of assessed risks.

We expect to begin our audit in April and issue our report on approximately September 15, 2026.

* * *

This communication is intended solely for the information and use of the Regional Water Authority and management of the South Central Connecticut Regional Water Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CliftonLarsonAllen LLP



David Flint, CPA
Principal
860-570-6379
David.Flint@CLAconnect.com



February 3, 2026

Statement of Work - Audit Services

This agreement constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated February 6, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and South Central Connecticut Regional Water Authority ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended May 31, 2026.

David Flint is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the business-type activities and fiduciary activities, which collectively comprise the basic financial statements of South Central Connecticut Regional Water Authority, and the related notes to the financial statements as of and for the year ended May 31, 2026.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The following RSI will be subjected to certain limited procedures, but will not be audited.

- Management's discussion and analysis.
- GASB-required supplementary pension, OPEB, and/or infrastructure information under modified reporting.

We will also evaluate and report on the presentation of the following supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole:

Test

The following supplementary information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors' report will not provide an opinion or any assurance on that information:

Test

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of data collection form
- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of schedule of expenditures of federal awards.
- Preparation of Adjusting Journal Entries.

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports.

We will perform procedures on the financial information of the Watershed Fund (or request other auditors to perform procedures on the financial information of the Watershed Fund) to enable us to express our opinions.

We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to

enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

It is our understanding that our auditors' report will be included in your annual report which is comprised of Annual Report and that your annual report will be issued Annual Report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other

information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

In connection with, and upon completion of, our audit, we also will issue a written report on your compliance with the terms, covenants, provisions, or conditions of Sections 610(D) and 610(E) of the Water System Revenue Bond Resolution of the Authority adopted on July 31, 1980, as amended and supplemented December 21, 2023. However, our audit will not be directed primarily toward obtaining knowledge of noncompliance. Our report will include a statement indicating that had we performed additional procedures, other matters might have come to our attention regarding the entity's noncompliance with aspects of the Bond Resolution, insofar as they relate to accounting matters. The report will be addressed to the Members of the South Central Connecticut Regional Water Authority and is not intended to be and should not be used by anyone other than these specified parties.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, and the Uniform Guidance.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and evaluate whether audit evidence obtained is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the entity and its environment, including the system of internal control, relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on our evaluation of audit evidence obtained, whether there are conditions or events,

considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls

- Revenue recognition

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial

statements that we identify during the audit that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a

summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with, or making arrangements to facilitate (1) unrestricted communication between us and the component auditor(s) to the extent permitted by law or regulation; (2) communications between the component auditor(s), those charged with governance of the component(s), and component management, including communications of significant deficiencies and material weaknesses in internal control; (3) communications between regulatory authorities and the component(s) related to financial reporting matters; (4) access to component information, those charged with governance of the component(s), component management, and the component auditor(s) (including relevant audit documentation requested by us); and (5) permission to perform work, or request a component auditor to perform work, on the financial information of the component(s).

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information

that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for the preparation of other information included in your annual report. You agree to provide the final version of such information to us in a timely manner, and if possible, prior to the date of our auditors' report. If the other information included in your annual report will not be available until after the date of our auditors' report on the financial statements, you agree to provide written representations indicating that (1) the information is consistent with the financial statements, (2) the other information does not contain material misstatements, and (3) the final version of the documents will be provided to us when available, and prior to issuance of the annual report by the entity, so that we can complete the procedures required by professional standards. Management agrees to correct material inconsistencies that we may identify. You agree to include our auditors' report in any document containing financial statements that indicates that such financial statements have been audited by us.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have

received sufficient information to oversee the services.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection

Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of CLA and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory bodies pursuant to authority given to it by law or regulation. If requested, access to such audit documentation will be provided under the supervision of CLA's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to those regulators. The regulators may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by a regulator. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fee is \$129,500.00 which includes expenses (including travel, report production, word processing, postage, internal and administrative charges, etc.) plus a technology and client support fee of

five percent (5%) of all professional fees billed. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered as work progresses and are payable on presentation.

Audit of financial statements	\$112,000.00
Federal single audit (1st Major Program)	\$13,500.00
Federal Single Audit (Each Additional Major Program, if needed)	\$7,500.00

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide the services described in this SOW related to the MSA. All terms and provisions of the MSA shall apply to these services. If you agree with the terms of this SOW, please sign below to indicate your acknowledgement and understanding of, and agreement with, this SOW.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of South Central Connecticut Regional Water Authority.

CLA
David Flint, CPA

David Flint, CPA

SIGNED 2/3/2026, 10:52:54 AM EST

Client
South Central Connecticut Regional Water
Authority

Rochelle Kowalski

Rochelle Kowalski

SIGNED 2/12/2026, 8:59:00 AM EST

**South Central Connecticut Regional Water Authority
Minutes of the January 15, 2026 Special Meeting**

The special meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 15, 2026, at 90 Sargent Drive, New Haven, and via remote access. Chair Borowy presided.

Present: **Authority Members** – Messrs. Borowy, Cort, Curseaden, and Ricozzi, and Mss. LaMarr(R) and Sack(R)
 Management – Mss. Kowalski and Calo(R), and Messrs. Lakshminarayanan, Singh, and Hill(R)
 Cravath, Swaine and Moore – Messrs. Gruber(R) and Minturn(R)
 Staff – Mrs. Slubowski

1. CALL TO ORDER AND SAFETY MOMENT

Chair Borowy called the meeting to order at 9:00 a.m. He reviewed the safety moment distributed to members.

2. PUBLIC COMMENT

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

3. AWA UPDATE

At 9:00 a.m., on motion made by Mr. Curseaden and seconded by Mr. Ricozzi, the Authority voted to go into executive session to discuss matters pursuant to C.G.S. 1-200(6)(E) for matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information. Present in executive session were Authority members, Messrs. Lakshminarayanan, Singh, and Hill, Gruber and Minturn, and Mss. Kowalski, Calo, and Slubowski.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Absent
Ricozzi	Aye
Sack	Aye

At 9:02 a.m., Ms. LaMarr entered the meeting.

At 10:10 a.m., Ms. Sack and Messrs. Gruber and Minturn withdrew from the meeting.

At 10:20 a.m., the Authority came out of executive session. No votes were taken in, or as a result of executive session.

4. POSSIBLE CONSIDERATION AND ACTION RESULTING FROM AWA UPDATE

There were no actions taken as a result of the AWA update.

Chair Borowy discussed the need for a subcommittee to work collaboratively with management on the Blue Drop transaction. He appointed Messrs. Curseaden and Ricozzi, and Ms. LaMarr, with himself as

South Central Connecticut Regional Water Authority
January 15, 2026

ex-officio. The committee should be prepared to provide a report to the Authority at a special meeting on Thursday, January 22, 2026, at 11:30 a.m.

At 10:22 a.m., on motion made by Mr. Curseaden and seconded by Mr. Ricoszi, the Authority voted to adjourn the meeting.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricoszi	Aye
Sack	Absent

Respectfully submitted,

Catherine E. LaMarr, Secretary

(R) = Attended remotely.

UNAPPROVED

**South Central Connecticut Regional Water Authority
January 22, 2026 Special Meeting**

Minutes

The special meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 22, 2026, at 90 Sargent Drive, New Haven, and via remote access. In chair Borowy’s absence, Mr. Curseaden presided.

Present: **Authority Members present** – Messrs. Curseaden, Cort, and Ricozzi, and Mss. LaMarr and Sack(R)
 Authority Members absent – Mr. Borowy
 Management – Mss. Kowalski and Calo(R), and Messrs. Lakshminarayanan, Singh, and Hill(R)
 Cravath, Swaine and Moore – Messrs. Gruber(R) and Minturn(R)
 Staff – Mrs. Slubowski

1. CALL TO ORDER AND SAFETY MOMENT

Mr. Curseaden called the meeting to order at 11:30 a.m. He reviewed the safety moment distributed to members.

2. AWA UPDATE

At 11:31 a.m., on motion made by Ms. LaMarr and seconded by Mr. Ricozzi, the Authority voted to go into executive session to discuss matters pursuant to C.G.S. 1-200(6)(E) for matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information. Present in executive session were Authority members, Messrs. Lakshminarayanan, Singh, and Hill, Gruber and Minturn, and Mss. Kowalski, Calo, and Slubowski.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Absent

At 12:17 p.m., Ms. Sack entered the meeting.

At 12:27 p.m., the Authority came out of executive session and Messrs. Gruber and Minturn withdrew from the meeting. No votes were taken in, or as a result of executive session. On motion made by Ms. LaMarr and seconded by Mr. Ricozzi, the Authority voted to recess the meeting to attend the Authority’s regular meeting.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 2:32 p.m. the Authority special meeting reconvened. On motion made by Ms. LaMarr and seconded by Mr. Ricozzi, the Authority voted to go into executive session to discuss matters pursuant to C.G.S. 1-

200(6)(E) for matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information. Present in executive session were Authority members, Messrs. Lakshminarayanan, Singh, and Hill, and Mss. Kowalski, Calo, and Slubowski.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 3:42 p.m., the Authority came out of executive session. No votes were taken in executive session.

3. POSSIBLE CONSIDERATION AND ACTION RESULTING FROM AWA UPDATE

On motion made by Mr. Ricozzi and seconded by Ms. LaMarr, the Authority voted to authorize the Interim President & Chief Executive Officer, and the Senior Vice President, Chief Financial Officer & Head of Corporate Development, to negotiate an extension and parameters to the Purchase and Sale Agreement (PSA), dated January 27, 2025, as discussed in executive session, and authorized the Authority Chair to sign the associated documents. In the absence of the Authority Chair, the Authority Vice Chair is authorized to sign in his place.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 3:44 p.m., on motion made by Mr. Ricozzi and seconded by Ms. LaMarr, the Authority voted to adjourn the meeting.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Respectfully submitted,

Catherine E. LaMarr, Secretary

(R) = Attended remotely.

**South Central Connecticut Regional Water Authority
January 22, 2026**

Minutes

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 22, 2026, at 90 Sargent Drive, New Haven, and via remote access. In Chair Borowy’s absence, Mr. Curseaden presided.

Present: **Authority Members Present** – Messrs. Curseaden, Cort, and Ricozzi, and Mss. LaMarr and Sack(R)
 Authority Member Absent – Mr. Borowy
 Management – Mss. Kowalski and Calo(R), and Messrs. Lakshminarayanan, Singh, Hill(R), and DelVecchio
 RPB – Mr. Betkoski(R)
 Staff – Mrs. Slubowski

1. CALL TO ORDER AND SAFETY MOMENT

Mr. Curseaden called the meeting to order at 12:30 p.m. He reviewed the safety moment distributed to members.

2. PUBLIC COMMENT

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

3. PENSION & BENEFIT COMMITTEE

At 12:32 p.m., on motion made by Mr. Ricozzi and seconded by Mr. Cort, the Authority voted to recess the meeting to meet as the Pension & Benefit Committee.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 1:19 p.m., the Authority reconvened.

4. CONSENT AGENDA

Before the vote, it was the consensus of the Authority to remove Item 4.6, *Bid Exemptions*, from the consent agenda for discussion.

On motion made by Mr. Ricozzi and seconded by Ms. LaMarr, the Authority voted to approve, adopt, or receive as appropriate the following items in the Consent Agenda, as amended:

- 4.1. Minutes of December 18, 2025 regular meeting.
- 4.2. Capital Budget Authorization for February 2026.

RESOLVED, that the Senior Vice President, Chief Financial Officer & Head of Corporate Development is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,000,000 for the month of February 2026 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2026 for all Capital Improvement Projects to be exceeded. In the absence of the Senior Vice President, Chief Financial Officer & Head of Corporate Development, the Controller is authorized to sign in her place.

- 4.3. Capital Budget Transfers (no authorization required) – February 2026
- 4.4 Monthly Financial Report – December 2025.
- 4.5. Accounts Receivable update for the period ending December 2025.
- 4.6 REMOVED
- 4.7. Customer Assistance Program

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Authority members reviewed the bid exemptions for the Lake Whitney Water Treatment Plant Geothermal System and the Mount Carmel Wellfield – Backup Well 2A. Mr. Lakshminarayanan, the Interim President & CEO of the RWA, along with Mr. Hill, the General Manager & Head of Operations, noted that the selected vendors possess familiarity with the RWA’s distinctive systems and that each project is atypical and unique. They noted that initiating a bidding process would result in delays for these projects. After discussion, it was the Authority’s position that the exemptions are warranted, with the commitment to include details for such exemptions in future communications. There was also discussion regarding steps to reduce the annual exemptions. On motion made by Mr. Ricozzi and seconded by Ms. LaMarr, the Authority voted to approve the bid exemptions for the Lake Whitney Water Treatment Plant Geothermal System and the Mount Carmel Wellfield – Backup Well 2A.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 1:48 p.m., Mr. Betkoski withdrew from the meeting.

[BREAK 1:48 P.M. TO 2:00 P.M.]

5. FINANCE

Ms. Kowalski, the RWA’s Senior Vice President, Chief Financial Officer & Head of Corporate Development, requested approval of the transfer of funds from existing capital accounts to the following: 1) Filter Media Replacement to avoid future material costs, as well as potential future material procurement issues, and 2) to the project reserve capital budget account to be held for stated projects until FY 2027.

After discussion, Mr. Ricozzi moved for approval of the following resolutions:

1. **RESOLVED** that the Authority approves the transfer of \$800,000 from the Ford Street Tank #1 Painting & Stairs capital budget account to the Filter Media Replacement capital budget account; and
2. **FURTHER RESOLVED** that the Authority approves the transfer of \$650,000 from the Lake Gaillard Water Treatment Plant project account; \$510,000 from the Lake Gaillard Water Treatment Plant Chemical Feed Improvements project account; \$750,000 from the North Cheshire Wellfield Facility Improvements project account; \$1,300,000 from the Lead Service Line Replacements project account; and \$400,000 from the North Branford Tank Replacement project account to the project reserve capital budget account.

Ms. LaMarr seconded the motion. Mr. Curseaden called for the vote and the Authority approved the resolutions:

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

6. REPORTS ON RPB COMMITTEE MEETINGS

Authority members reported on recent Representative Policy Board committee meetings.

7. MEET AS COMPENSATION COMMITTEE

At 2:23 p.m., on motion made by Ms. LaMarr and seconded by Mr. Cort, the Authority voted to recess the meeting to meet as the Compensation Committee.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 2:24 p.m., the Authority reconvened.

8. ACT ON MATTERS ARISING FROM COMMITTEE MEETINGS

Ms. LaMarr moved for approval of the following resolutions, as recommended by the Pension & Benefit Committee at its meeting earlier in the day:

1. *Authority Investment Plan – Thirteenth Amendment*

WHEREAS, the Authority maintains and sponsors the Plan for the benefit of its eligible employees; and

WHEREAS, Section 14.1 of the Plan vests in the Authority the right to amend the Plan; and

WHEREAS, the Authority, has authorized the Pension Committee (the “Committee”), effective July 18, 2013, and on July 28, 2018, officially expanded to include the Authority Voluntary Investment Plan to take actions on behalf of the Authority on other than non-routine or discretionary matters; and

WHEREAS, consistent with such delegation of authority, the Committee has determined that, due to guidance issued by the United States Internal Revenue Service, technical, routine and non-discretionary amendments to the forfeiture provisions of the Plan are necessary, appropriate and desirable to make; and

WHEREAS, the Committee desires to amend the Plan to incorporate the aforementioned technical, routine and non-discretionary amendments to the forfeiture provisions of the Plan, subject to the subsequent approval and ratification of such amendment by the Authority, effective as of December 1, 2025 (the “Amendment Effective Date”).

NOW, THEREFORE, BE IT RESOLVED, that effective as of the Amendment Effective Date, and subject to the subsequent approval and ratification by the Authority, the Committee hereby amends the Plan, by adopting the Thirteenth Amendment to the Plan, attached hereto as Exhibit A; and

FURTHER RESOLVED, the appropriate members of the Committee are hereby authorized, directed, and empowered, in the name of and on behalf of the Authority and/or the Plan, as applicable, to take such actions and execute such instruments and documents as may be necessary, appropriate or desirable in order to effect the intent and purpose of these resolutions (with the subsequent approval and ratification by the Authority).

2. *Thirteenth Amendment Resolution*

WHEREAS, the Authority maintains and sponsors the South Central Connecticut Regional Water Authority Investment Plan (the “Plan”) for the benefit of its eligible employees; and

WHEREAS, Section 14.1 of the Plan vests in the Authority the right to amend the Plan; and

WHEREAS, the Authority, has authorized the Pension Review Committee (the “Committee”), effective July 18, 2013, and on July 28, 2018, to take actions on behalf of the Authority, such authorization officially expanded to include the Plan, on other than non-routine or discretionary matters; and

WHEREAS, consistent with such delegation of authority, the Committee determined that, due to guidance issued by the United States Internal Revenue Service, technical, routine and non-discretionary amendments to the forfeiture provisions of the Plan were necessary, appropriate and desirable to make; and

WHEREAS, on December 31, 2025, the Committee amended the Plan, effective as of December 1, 2025 (the “Amendment Effective Date”), to incorporate the aforementioned technical, routine and non-discretionary amendments to the forfeiture provisions of the Plan, by adopting the Thirteenth Amendment to the Plan, attached hereto as Exhibit A, subject to the subsequent approval and ratification by the Authority of such action; and

WHEREAS, the Board of the Authority desires to approve and ratify the Committee's adoption, effective as of the Amendment Effective Date, of the Thirteenth Amendment to the Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of the Authority hereby approves and ratifies the Committee's adoption, effective as of the Amendment Effective Date, of the Thirteenth Amendment to the Plan, attached hereto as Exhibit A; and
2. That the appropriate members of the Committee are hereby authorized, directed, and empowered, in the name of and on behalf of the Authority and/or the Plan, as applicable, to take such actions and execute such instruments and documents as may be necessary, appropriate or desirable in order to effectuate the intent and purpose of the foregoing resolution.
3. *Authority Voluntary Investment Plan – Thirteenth Amendment – Exhibit A*

WHEREAS, by written Plan instrument dated November 21, 2013, the Authority has amended and restated the Plan, effective except where otherwise indicated as of January 1, 2013; and

WHEREAS, by written Plan instrument dated June 19, 2014, the Authority has amended the Plan pursuant to the First Amendment thereto, effective as of the dates set forth therein; and

WHEREAS, by written Plan instrument dated May 21, 2015, the Authority has amended the Plan pursuant to the Second Amendment thereto, effective except where otherwise indicated as of July 1, 2015; and

WHEREAS, by written Plan instrument dated April 20, 2017, the Authority has amended the Plan pursuant to the Third Amendment thereto, effective except where otherwise indicated as of May 1, 2017; and

WHEREAS, by written Plan instrument dated May 16, 2019, the Authority has amended the Plan pursuant to the Fourth Amendment thereto, effective as of June 1, 2019; and

WHEREAS, by written Plan instrument dated September 19, 2019, the Authority has amended the Plan pursuant to the Fifth Amendment thereto, effective as of June 1, 2019; and

WHEREAS, by written Plan instrument dated October 15, 2020, the Authority has amended the Plan pursuant to the Sixth Amendment thereto, effective as of July 16, 2019; and

WHEREAS, by written Plan instrument dated November 19, 2020, the Authority has amended the Plan pursuant to the Seventh Amendment thereto, effective as of the dates set forth therein; and

WHEREAS, by written Plan instrument dated June 17, 2021, the Authority has amended the Plan pursuant to the Eighth Amendment thereto, effective as of July 1, 2021; and

WHEREAS, by written Plan instrument dated May 2, 2022, the Authority has amended the Plan pursuant to the Ninth Amendment thereto, effective as of May 2, 2022; and

WHEREAS, by written Plan instrument dated October 2, 2023, the Authority has amended the Plan pursuant to the Tenth Amendment thereto, effective as of the dates set forth therein; and

WHEREAS, by written Plan instrument dated May 22, 2025 the Authority has amended the Plan pursuant to the Eleventh Amendment thereto, effective as of May 22, 2025; and

WHEREAS, by written Plan instrument dated May 22, 2025 the Authority has amended the Plan pursuant to the Twelfth Amendment thereto, effective as of May 22, 2025; and

WHEREAS, the Authority wishes to further amend the Plan, in the particulars set forth below, to provide for how the Plan utilizes forfeiture balances of former employees; and

WHEREAS, the Authority reserved the right to amend the Plan in Section 14.1 thereof.

NOW, THEREFORE, BE IT RESOLVED, the Authority hereby amends the Plan as follows, effective as of December 1, 2025:

1. Section 11.7 of the Plan is hereby added as follows:

“11.7 FORFEITURES. Notwithstanding any provision of the Plan to the contrary, forfeitures occurring during a given Plan Year (the “Forfeiture Plan Year”) must be used or otherwise disposed of no later than the last day of the Plan Year beginning immediately following the Forfeiture Plan Year (the “First Subsequent Plan Year”). The Employer shall direct the Administrator to use forfeitures occurring during a given Forfeiture Plan Year in accordance with any combination of the following methods, including a different method based on the source of such forfeitures. Forfeitures occurring during a given Forfeiture Plan Year may be used or otherwise disposed of, as follows:

- (a) Added to any discretionary Employer contribution for the Forfeiture Plan Year or the First Subsequent Plan Year, as applicable, and allocated in the same manner;
- (b) Used to reduce any Employer contribution for the Forfeiture Plan Year or the First Subsequent Plan Year, as applicable;
- (c) Allocated to all Participants in the same proportion that each Participant’s Compensation for the Forfeiture Plan Year or the First Subsequent Plan Year, as applicable, bears to the Compensation of all Participants for the Forfeiture Plan Year or First Subsequent Plan Year, as applicable; or
- (d) Defray any reasonable administrative expenses that the Plan has incurred for the Forfeiture Plan Year, the First Subsequent Plan Year, or any subsequent Plan Year, as applicable.”

2. Except as hereinabove modified and amended, the Plan shall remain in full force and effect.

Mr. Ricoszi seconded the motion. Mr. Curseaden called for the vote and the Authority approved the resolutions.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricoszi	Aye
Sack	Aye

9. BUSINESS UPDATES

9.1 MONTHLY BUSINESS HIGHLIGHTS

Mr. Lakshminarayanan:

- Highlighted that employee engagement with regular *60 With Sunny* dialogue sessions have resumed and allows for an open forum for constructive, two-way conversation, and allows employees to receive perspectives from fellow colleagues; and
- Provided an update on the Innovation Hub Partnership with ClimateHaven and Yale University. Yale students spent the Fall semester validating the return on investment argument for RWA's watershed telemetry innovation initiatives. In December, a white paper detailing these topics was submitted to an internal RWA team for review. Unaccounted for water was at 9.94%, below the RWA's strategic goal of 10%.

At 2:32 p.m., on motion made by Ms. LaMarr and seconded by Mr. Ricozzi, the Authority voted to recess the regular meeting to reconvene the Authority's special meeting.

Borowy	Absent
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 3:44 p.m. the Authority meeting reconvened and Messrs. Borowy and DelVecchio entered the meeting.

[BREAK FROM 3:44 P.M. TO 4:00 P.M.]

10. PRESENTATION ON ISSUANCE TEST RATE APPLICATION

Ms. Kowalski and Mr. DelVecchio, the RWA's Controller, provided the Rate Case Application presentation, which included:

- Rate making process
- Application overview
- Current and recent rate increases
- Actions to mitigate rates and savings
- Annualized savings
- Issuance test and details
- Operating & Maintenance expense

After discussion, Ms. LaMarr moved for approval of the following resolutions:

1. Rate Application

Ms. LaMarr moved for approval of the following resolutions:

RESOLVED that the Authority hereby accepts the Application, dated January 22, 2026, for approval to the Representative Policy Board for the Rate Application, as a completed Application,

substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board ("RPB").

Mr. Curseaden seconded the motion. Chair Borowy called for the vote, and the resolutions were approved unanimously.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

2. *Proposed Issuance of Bonds*

RESOLVED: That the Authority hereby establishes the general terms and provisions of the Authority's Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut (the "Bonds") which are to be issued under its Water System Revenue Bond Resolution, General Bond Resolution adopted by the Authority and approved by the Representative Policy Board on July 31, 1980 as amended (the "General Bond Resolution").

1. The Bonds shall not exceed Thirty-five Million Dollars (\$35,000,000) 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 to finance or refinance the cost of certain capital improvements to the water system of the Authority (the "Projects") from approximately July, 2026 through December, 2027, in accordance with a certain capital improvement plan (the "Plan") adopted by the Authority on June 26, 2025 as may be amended from time to time, or in accordance with resolutions approved by the Authority for additional water system projects, (the "Resolutions"), to provide funds for deposit to the Capital Contingency Fund, Debt Reserve Fund, and Operating Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and to pay costs of issuance.
4. The Bonds may be sold by a competitive bid or by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement to a bank or the State of Connecticut.
5. The Authority reasonably expects to incur expenditures (the "Expenditures") in connection with the Projects of which a general functional description is contained in the Plan and the Resolutions. The Authority reasonably expects to reimburse itself for the cost of Expenditures with respect to the Projects with the proceeds of tax-exempt debt to be issued by the Authority within eighteen (18) months after the date of any Expenditure or the date the Project is placed

in service or abandoned, whichever is later. The maximum principal amount of such debt with respect to the Projects is not expected to exceed \$35,000,000.

6. The form of this resolution entitled “Resolution Approving the Proposed Issuance of Bonds” a copy of which shall be filed with the records of the Authority, shall be submitted to the Representative Policy Board for its approval in accordance with Section 22 of Special Act No. 77-98, as amended.

BE IT FURTHER RESOLVED that:

1. Temporary notes of the Authority which may be issued as Interim Funding Obligations delivered to the State of Connecticut may be issued by the Authority in the amount of \$35,000,000 in anticipation of the receipt of the proceeds from the sale of such Bonds.
2. The President and Chief Executive Officer and the Senior Vice President, Chief Financial Officer or any one of them may apply to the State Department of Public Health for eligibility and funding of the Projects and sign such application and any other documents which may be necessary or desirable to apply for eligibility of and to apply for and obtain financial assistance for the Projects from the State’s Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

Mr. Curseaden seconded the motion. Chair Borowy called for the vote and the resolutions were approved unanimously.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 4:35 p.m., on motion made by Mr. Curseaden and seconded by Ms. LaMarr, the Authority voted unanimously to adjourn the meeting.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Respectfully submitted,

Catherine E. LaMarr, Secretary

(R) = Attended remotely.

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

MEMORANDUM

TO: David J. Borowy
Todd Cort
Kevin J. Curseaden
Catherine E. LaMarr
Mario Ricozzi
Suzanne C. Sack

FROM: *Rochelle* Rochelle Kowalski
Senior Vice President, Chief Financial Officer & Head of Corporate Development

DATE: February 20, 2026

SUBJECT: Capital budget authorization request for March 2026

Attached for your meeting on February 26, 2026, is a copy of the resolution authorizing expenditures against the capital improvement budget for March 2026. The amount of the requested authorization for funds held by the trustee is \$4,700,000.

In addition, approximately \$60,000 is expected to be used for the HSV Enhancements & CMS Upgrade project from the Growth Fund.

This would result in projected expenditures through March 2026 of \$34,614,824 or approximately 52% of the total 2026 fiscal year capital budget, including State and Redevelopment.

Attachment

RESOLVED

That the Senior Vice President, Chief Financial Officer & Head of Corporate Development is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$4,700,000 for the month of March 2026 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2026 for all Capital Improvement Projects to be exceeded. In the absence of the Senior Vice President, Chief Financial Officer & Head of Corporate Development, the Controller is authorized to sign in her place.

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
January 31, 2026 (FY 2026)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY26 revenue for water, including wholesale and fire service, is over budget by \$2,746k (approx. 2.9%).
 Metered water revenue is over budget by \$2,470k (approx. 2.9%)

Total net other revenue is \$582k over budget due to other water and proprietary expenses being lower than budget.

Operating Expenses

Operating and Maintenance Expenses are currently under budget due to the following:

	Jan-26
Payroll is over budget due to O&M/non-O&M mix. Total gross payroll is under budget.	\$ 220,000
Administrative Building is under budget primarily due to timing.	(133,000)
General & Administrative is under budget primarily due to timing.	(216,000)
Transportation is under budget due to lower body repairs, parts and timing.	(120,000)
Utilities & Fuel is under budget due to lower than anticipated costs and timing.	(84,000)
Pump Power is under budget primarily due to timing.	(457,000)
Chemicals Expense is over budget primarily due to timing.	125,000
Postage is under budget due to a vendor credit and lower than anticipated costs.	(183,000)
Business Improvement is under budget due to lower than anticipated costs and timing.	(302,000)
Insurance Premiums are over budget due to O&M/non-O&M mix and other factors.	158,000
Public/Customer Information is under budget primarily due to timing.	(51,000)
Outside Services is under budget across multiple areas.	(1,180,000)
Central Lab/Water Quality is under budget primarily due lower than anticipated costs associated with internal services.	(104,000)
Training and continued education is under budget due to lower than anticipated costs and timing.	(161,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to timing.	(276,000)
Maintenance & Repairs are under budget primarily due to timing.	(237,000)
All Other	<u>(99,000)</u>
<u>Interest Income</u>	(3,100,000)

Interest Income is above budget primarily due to higher investment earnings.

PROJECTED MAINTENANCE TEST

The projected coverage is 1.28 with no shortfall.

**REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING JANUARY 31, 2026**

	FY 2025 Actual	FY 2026 Budget	FY 2026 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 80,883	\$ 84,685	\$ 87,155	\$ 2,470
Fire service	9,212	9,526	9,564	38
Wholesale	748	608	845	238
Other revenue - water	3,726	2,727	2,670	(56)
Other revenue - proprietary	11,319	11,528	10,993	(534)
Total operating revenues	<u>105,888</u>	<u>109,073</u>	<u>111,229</u>	<u>2,155</u>
Operating expenses				
Operating and maintenance expense	45,993	50,193	47,093	(3,100)
Expense associated with other revenue - water	2,104	1,492	1,146	(346)
Expense associated with other revenue - proprietary	5,100	6,023	5,196	(826)
Provision for uncollectible accounts	229	333	479	145
Depreciation and amortization	17,337	17,833	17,833	0
Payment in lieu of taxes	6,012	6,471	6,471	0
Amortization Pension Outflows/Inflows	145	1,239	1,239	(0)
Amortization OPEB Outflows/Inflows	(380)	(71)	(71)	0
Total operating expenses	<u>76,540</u>	<u>83,513</u>	<u>79,386</u>	<u>(4,127)</u>
Operating income	<u>29,348</u>	<u>25,560</u>	<u>31,843</u>	<u>6,283</u>
Nonoperating income and (expense)				
Interest income	7,077	4,486	6,047	1,561
(Loss) Gain on disposal of assets	537	(416)	(16)	400
Realized and unrealized (losses) gains on investments			-	-
Interest expense	(14,267)	(14,468)	(14,188)	280
Amortization of bond discount, premium, issuance cost and deferred losses	1,974	1,949	1,928	(22)
Amortization of Goodwil.			-	-
Intergovernmental revenue	1,500		8,087	8,087
Contributions to related entities			-	-
Total nonoperating income and (expense) before captial contribution	<u>(3,178)</u>	<u>(8,449)</u>	<u>1,857</u>	<u>10,306</u>
Income (expense) before contributions	<u>26,170</u>	<u>\$ 17,111</u>	<u>33,700</u>	<u>\$ 16,589</u>
Capital contributions	<u>1,930</u>		<u>4,255</u>	
Change in net assets	<u>28,100</u>		<u>37,955</u>	
Total net assets - beginning of fiscal year	<u>322,165</u>		<u>359,744</u>	
Total net assets - end of reporting month	<u>350,265</u>		<u>\$ 397,699</u>	

	Budget FY 2026 @114%	Projected FY 2026 @114%	(Under)Over FY 2026 @114%
FY 2026 MAINTENANCE TEST (Budget vs. Projected)			
Revenue Collected:			
Water sales	135,906	139,381	3,475
Interest Income	3,658	4,558	900
BABs Subsidy	616	616	-
Other Net	9,759	9,849	90
Common Non-Core	(300)	(200)	100
Total	<u>149,639</u>	<u>154,204</u>	<u>4,565</u>
Less:			
Operating and maintenance expenses	(74,062)	(74,062)	-
Depreciation	(10,750)	(10,750)	-
PILOT (A)	(9,623)	(9,623)	-
Net Avail for Debt Service (B)	<u>\$ 55,204</u>	<u>\$ 59,769</u>	<u>\$ 4,565</u>
Debt Service Payments (C)	<u>\$ 47,494</u>	<u>46,786</u>	<u>\$ (708)</u>
Debt Service @ 114% (D)	<u>\$ 54,143</u>	<u>53,336</u>	<u>\$ (807)</u>
Difference (B-D)	<u>\$ 1,061</u>	<u>\$ 6,433</u>	
RSF, Growth and/or General Fund (D)	-		
Coverage	<u>116%</u>	<u>128%</u>	

REGIONAL WATER AUTHORITY
 OPERATING AND MAINTENANCE EXPENSE
 JAN 31, 2026

PERIOD ENDING JAN 31, 2026

	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2026</u>	<u>(Under)</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Over</u>
1 Payroll	\$ 17,914	\$ 18,490	\$ 18,710	\$ 220
2 Employee Benefits	5,686	6,559	6,524	(35)
Pension Contributions	1,686	1,762	1,762	0
3 Administrative Building	704	824	691	(133)
4 General & Administrative	1,134	1,049	834	(216)
5 Transportation	574	688	568	(120)
6 Tools & Stores	267	288	256	(32)
7 Utilities & Fuel	1,329	1,552	1,468	(84)
8 Material From Inventory	221	239	264	26
9 Pump Power Purchased	2,821	3,349	2,892	(457)
10 Chemicals	2,243	2,257	2,382	125
11 Road Repairs	138	187	223	36
14 Postage	463	504	321	(183)
15 Printing & Forms	24	48	19	(29)
17 Collection Expense	670	775	782	7
18 Business Improvement	153	436	134	(302)
19 Public/Customer Information	143	165	114	(51)
20 Outside Services	2,910	2,915	1,734	(1,180)
21 Insurance Premiums	1,306	1,414	1,572	158
22 Worker's Compensation, pre-Churchill	26	30	(14)	(44)
23 Damages	28	50	45	(5)
24 Training & Cont. Education	294	317	156	(161)
25 Authority Fees	94	123	141	18
26 Consumer Counsel	44	40	33	(7)
27 RPB Fees	166	167	191	25
28 Organizational Dues	68	83	66	(17)
29 Donations	34	36	26	(10)
34 Central Lab/Water Quality	224	266	161	(104)
40 Environmental Affairs	145	136	106	(31)
44 Info. Technology Licensing & Maintenance Fees	2,035	2,741	2,465	(276)
45 Maintenance and Repairs	2,293	2,549	2,312	(237)
46 Regulatory Asset Amortization	156	156	156	0
	<u>\$ 45,993</u>	<u>\$ 50,193</u>	<u>\$ 47,093</u>	<u>\$ (3,100)</u>

South Central Regional Water Authority

Analysis of Accounts Receivable ("A/R")
(\$000 omitted)

Total Accounts Receivable Aging (in days)

	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sept 2025	Aug 2025	July 2025	June 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
Under 30	6,847	7,107	8,314	7,898	7,627	9,126	7,765	7,165	\$ 9,489	\$ 7,090	\$ 7,647	\$ 6,905	\$ 6,376
31-60	1,339	1,615	1,778	1,737	1,664	1,685	2,226	1,958	1,039	1,897	1,904	1,365	1,425
61-90	761	793	884	981	729	1,030	1,098	1,067	664	942	610	611	735
91-180	1,272	1,359	1,053	1,458	1,357	1,423	1,495	1,486	1,038	1,218	1,074	1,119	1,078
181-360	1,182	1,189	1,169	1,155	1,061	1,211	1,213	1,166	974	1,065	1,027	980	964
More than 1 year	2,860	2,836	2,937	2,898	2,782	2,859	3,032	3,071	2,929	3,077	3,209	3,253	3,306
Sub Total	14,261	14,899	16,135	16,127	15,220	17,334	16,829	15,913	16,133	15,289	15,471	14,233	13,884
Interest due	1,451	1,471	1,468	1,166	1,414	1,385	1,319	1,192	1,231	1,378	1,382	1,479	1,510
Total Gross A/R plus interest *****	\$ 15,712	\$ 16,370	\$ 17,603	\$ 17,293	\$ 16,634	\$ 18,719	\$ 18,148	\$ 17,105	\$ 17,364	\$ 16,667	\$ 16,853	\$ 15,712	\$ 15,394

Aged Accounts Receivable Focus of Collection Efforts

	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sept 2025	Aug 2025	July 2025	June 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
Greater than 60 days:													
A/R	\$ 7,354	\$ 7,487	\$ 7,325	\$ 7,651	\$ 7,156	\$ 7,190	\$ 8,157	\$ 7,982	\$ 6,767	\$ 7,533	\$ 7,135	\$ 7,266	\$ 7,408
Less: Multi-Tenants	(1,947)	(2,429)	(1,993)	(1,941)	(1,931)	(1,854)	(1,835)	(1,692)	(1,470)	(2,357)	(1,571)	(1,616)	(1,619)
Receiverships***	(1,433)	(1,430)	(1,400)	(1,407)	(1,420)	(1,390)	(1,569)	(1,556)	(1,120)	(1,741)	(1,723)	(1,776)	(1,891)
Liens	(1,649)	(1,192)	(1,269)	(1,261)	(1,104)	(1,154)	(1,940)	(1,962)	(1,951)	(1,500)	(2,069)	(2,024)	(1,937)
Total	\$ 2,325	\$ 2,436	\$ 2,663	\$ 3,042	\$ 2,701	\$ 2,792	\$ 2,813	\$ 2,772	\$ 2,226	\$ 1,935	\$ 1,772	\$ 1,850	\$ 1,961
	32%	33%	36%	40%	38%	39%	34%	35%	33%	26%	25%	25%	26%

Collection Efforts

	Jan 2026	Dec 2025	Nov 2025	Oct 2025	Sept 2025	Aug 2025	July 2025	June 2025	May 2025	Apr 2025	Mar 2025	Feb 2025	Jan 2025
Shuts *	\$ 63	\$ 14	\$ 31	\$ 28	\$ 76	\$ 67	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ 8	\$ 37
Red Tags **	36	4	2	7	-	-	-	-	-	-	-	5	6
Receivers	12	14	3	12	5	14	6	6	26	25	-	38	82
Top 100 Collection Calls	632	127	178	137	-	-	-	-	444	190	318	394	108
Other ⁽¹⁾	902	1,740	1,462	1,717	1,714	1,885	1,814	724	434	723	390	626	958
Total	\$ 1,645	\$ 1,899	\$ 1,676	\$ 1,901	\$ 1,795	\$ 1,966	\$ 1,828	\$ 730	\$ 904	\$ 938	\$ 708	\$ 1,071	\$ 1,191

* Number of shuts

** Number of Red tags

***Receivership, Stipulated & Bankruptcy

****Reflects SAP AR as of 03/21/2025. Payments received between 03/22/25 to 03/31/25 are not reflected.

*****April, May, June, July, Aug., Sept., & Oct. 2025 A/R is under review and subject to change.

⁽¹⁾ Includes: Notices and letters and legal initiatives.

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

DATE: February 3, 2026
TO: Sunder Lakshminarayanan
FROM: Elizabeth Calo
CC: David Borowy
Robert E. Harvey, Jr.
SUBJECT: Code of Ethics Compliance

As required by the 2009 Regional Water Authority Code of Ethics (Code) and acting as the Ethics Official, I am providing this memorandum to certify that we did not receive any employee reports of a violation of the Code for the 12-month reporting period ending November 30, 2025.

We have one employee who is out on approved leave and will submit their Code of Ethics form when they return. If there is anything to report, we will notify you.

The documentation completed by board members and employees will be kept on file in the Office of the Authority at 90 Sargent Drive for a period of one year. If you have any questions, please let me know.

South Central Connecticut Regional Water Authority

Strategic Planning Committee

November 20, 2025

Minutes

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, November 20, 2025, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chair Sack presided.

Committee Members – Mss. Sack and LaMarr, and Messrs. Borowy, Cort, Curseaden, and Ricozzi

RWA – Mss. Kowalski and Calo(R), and Messrs. Lakshminarayanan, Hill(R), and Singh

RPB – Mr. Oslander

Staff – Mrs. Slubowski

3. MEET AS STRATEGIC PLANNING COMMITTEE

Chair Sack called the meeting to order at 12:31 p.m.

3.1. APPROVE MINUTES – SEPTEMBER 25, 2025 MEETING

On motion made by Mr. Curseaden and seconded by Mr. Ricozzi, the Committee voted to approve the minutes of its September 25, 2025 meeting.

Borowy	Aye
Cort	Abstain
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

3.2 STRATEGIC PLANNING WORKSHOP DISCUSSION

Ms. Sack reported that Committee engaged in a strategic planning workshop earlier in the day, focusing on initiating the strategic planning process at the board level. The session included sharing data, reviewing relevant information, preliminary planning, merging insights, and discussing implementation strategies.

She will report back to the Committee in January when she has more information.

At 12:33 p.m., on motion made by Mr. Borowy and seconded by Ms. LaMarr, the Committee voted unanimously to adjourn the meeting.

Borowy	Aye
Cort	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Suzanne Sack, Chair