

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

MINUTES

Regular Meeting of Monday, October 2, 2023 at 5:00 p.m.

ATTENDEES: **Finance Committee Members:** Vincent M. Marino, Tom Clifford, Jay Jaser, Tim Slocum, and Michelle Verderame

FMA Member: Mario Ricozzi

RWA: Rochelle Kowalski, Jim Hill, and Charles DelVecchio

CliftonLarsonAllen (CLA): David Flint and Gabriel Epstein

OCA: Jeffrey Donofrio

Staff: Jennifer Slubowski

Chair Marino called the meeting to order at 5:00 p.m. He reviewed the Safety Moment distributed to members.

Mr. Flint, of CliftonLarsonAllen, the RWA's external auditor, provided a presentation of the results of the RWA's audit and financial statements for the fiscal year ended May 31, 2023, which included:

- Audit scope
- Reporting results
- 2023 Changes
- Financial highlights
- Required communications

Mr. Flint reported that changes to the FY 2023 audit included the implementation of a new accounting standard regarding leases and included statements and notes for RWA Well Services LLC and the Claire C. Bennitt Watershed Fund. In FY 2023, the RWA was also required to file a Single Federal Audit, which included financial information related to federal funds received by non-federal entities in excess of \$750,000. Based on the RWA's expected Drinking Water State Revolving Fund loans and grants for the upcoming fiscal year, a Single Federal Audit will be required. Overall, the RWA received a clean and unmodified opinion of its financial statements.

At 5:15 p.m., Messrs. Flint and Epstein withdrew from the meeting.

On motion made by Mr. Clifford, seconded by Mr. Slocum, and unanimously carried, the committee voted unanimously to approve the minutes of its September 11, 2023 meeting.

Ms. Kowalski, the RWA's Vice President & Chief Financial Officer, introduced Mr. DelVecchio, the RWA's recently hired Controller. Committee members welcomed Mr. DelVecchio.

Ms. Kowalski reviewed the first quarter 2024 financial report, which included highlights of the:

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- Balance sheet
- Income statement
- Maintenance test
- Revenues and expenses
- Operating and maintenance key variances and projections
- Capital budget key items
- Investment earnings report

She reported that August billings were lower than expected due to cool wet weather. Rates have increased but earnings are higher as a result of the higher interest rates, PILOT is favorable, and the timing of the Drinking Water State Revolving Fund financing is also having a favorable impact. However, due to the decline in cash collections the RWA has taken actions to postpone discretionary expenses.

Ms. Kowalski reviewed the RPB Dashboard Metrics for the first quarter of FY 2024.

As there was no new business to report, at 5:40 p.m. on motion made by Mr. Slocum, the Committee voted unanimously to adjourn.

Vincent M. Marino, Chairman