

South Central Connecticut Regional Water Authority

Via Remote Access**

AGENDA

Regular Meeting of Thursday, December 15, 2022 at 12:30 p.m.

- A. Safety Moment
- B. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board
- C. Audit-Risk Committee: C. LaMarr
 - 1. Approve minutes – September 22, 2022 meeting
 - 2. Controls/Risk Assessment Update Memorandum- Internal Audit – Including Possible Executive Session - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(C) to receive a briefing and discuss security strategies and implementation*: R. Kowalski
 - 3. *Cyber/Technology Resiliency Update Memorandum: P. Singh
- D. Consent Agenda
 - 1. Approve minutes – November 17, 2022 meeting
 - 2. Capital Budget Authorization – January 2023
 - 3. Capital Budget Transfer Notifications (no action required) – January 2023
 - 4. Accounts Receivable Update – November 2022
 - 5. Key Performance Indicators
 - 6. RPB Quarterly Dashboard Report
 - 7. Environmental Education Updates Memorandum
- E. Consider and Act on Regional Water Authority Rules and Regulations: P. Singh
- F. Finance: R. Kowalski
 - 1. Quarterly Financial Report
- G. Elect Officers for Calendar Year 2023, *not including Chair*
- H. RPB Committee assignments and reports on RPB Committee meetings
- I. Updates: L. Bingaman
 - 1. COVID Update: E. Calo
 - 2. *Monthly Business Highlights - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(D) to discuss matters concerning strategy pertinent to real estate matters*: L. Bingaman
- J. Possible consideration and action on resolution for the acquisition of 200 Saddle Court, Prospect, CT
- K. Commercial Business Committee: K. Curseaden
 - 1. Approve minutes – September 22, 2022 meeting

2. Acquisition Update Memorandum - *Upon 2/3 vote, convene in executive session pursuant to G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210 subsection b #'s 5 B, pertaining to commercial and financial information:* D. Donovan
- L. Act on matters arising from Committee meetings
- M. Presentation on Issuance Test Rate Application: R. Kowalski - *Upon 2/3 vote, convene in executive session pursuant to G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210 subsection b #'s 5 B, pertaining to commercial and financial information.*
1. Consider and act on Resolution to approve Proposed Issuance of Water System Revenue Bonds
 2. Consider and act on Resolution to approve Issuance Test Rate Application and submit to the Representative Policy Board

****** Members of the public may attend the meeting via conference call. For information on attending the meeting and to view meeting documents, please visit <https://tinyurl.com/bvaurs6j>. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

**RPB Member (P. Betkoski) may join at Item C.3 and is excused at Item I.2*

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

(Including Audit-Risk Committee and Commercial Business Committee meetings)

DECEMBER 15, 2022 AT 12:30 P.M.

Remote meeting instructions:

Call in (*audio only*)

[+1 469-965-2517,,488405172#](tel:+14699652517488405172) United States, Dallas

Phone Conference ID: 488 405 172#

For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com

South Central Connecticut Regional Water Authority
Audit-Risk Committee

Minutes of the September 22, 2022 Meeting

The regular meeting of the South Central Connecticut Regional Water Authority Audit-Risk Committee took place on Thursday, September 22, 2022, via remote access. Chair LaMarr presided.

Present: **Committee** – Mss. LaMarr and Sack, and Messrs. Borowy, Curseaden, and DiSalvo,
Management – Mss. Kowalski, Verdisco, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, and Singh
CliftonLarsonAllen (“CLA”) – Messrs. Flint and Nossek
Staff – Mrs. Slubowski

Ms. LaMarr called the meeting to order at 12:36 p.m.

On motion made by Ms. Sack, seconded by Mr. Borowy, and unanimously carried, the Committee approved the minutes of its meeting held on May 26, 2022, as presented.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. LaMarr introduced Messrs. Flint and Nossek of CLA, RWA’s external auditor, who provided a clean and unmodified opinion of the RWA’s audited financial statements for the fiscal year ended May 31, 2022, which included:

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

Mr. Nossek reported that the RWA Well Services and the Claire C. Bennett Watershed Fund were consolidated within the fiscal year 2022 financial statements and associated notes. They also reported that a single federal audit was not required for 2022, as the RWA did not receive federal funds in excess of \$750,000. However, the single federal audit will be required in fiscal year 2023 based on the Drinking Water State Revolving Fund loans and grants already received this fiscal year and additional federal amounts anticipated.

At 12:41 p.m., on motion made by Mr. DiSalvo, seconded by Mr. Curseaden, and upon 2/3 vote, the committee voted to convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered under Section 1-210 subsection b #5B concerning financial information given in confidence, not required by statute. Invited to join in the executive session were committee members, and Messrs. Flint and Nossek. Mss. Kowalski, Slubowski, Verdisco, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, and Singh withdrew from the meeting

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 12:59 p.m., the committee came out of executive session and Mss. Kowalski, Slubowski, Verdisco, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, and Singh entered the meeting.

At 1:00 p.m., on motion made by Mr. DiSalvo, seconded by Ms. Sack, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Catherine LaMarr, Secretary

South Central Connecticut Regional Water Authority
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<http://www.rwater.com>

To: Authority Audit-Risk Committee
David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine E. LaMarr
Suzanne C. Sack

Cc: Larry Bingaman, President & CEO

From: Prem Singh, VP Customer Care & Chief Information Digital Officer

Date: December 15, 2022

Subject: Fiscal 2023 Q2 Cyber/Technology Resiliency Update

The RWA continues to improve Cyber/Technology practices as part of its efforts to strengthen security measures and foster innovation while addressing technology obsolescence and infrastructure needs. Here is a fiscal 2023 second-quarter Cyber/Technology resiliency update.

1. **Complete – Top 3 Cybersecurity Focus Areas Aligned to Internal Business Process**
 - 1) Completed the implementation of various multifactor authentications for both the business and the SCADA network
 - 2) Completed a supplemental Beazley Insurance ransomware audit ensuring continued coverage for the RWA.
 - 3) Completed a full-scale audit of all network and security infrastructure drawings. While Department of Homeland Security (DHS) weekly penetration tests are performed, the RWA proactively collaborates with DHS and the FBI to report attacks that have been identified. This practical activity allows the RWA to be on the forefront of any emerging new threats.

2. **Complete – Updated Cyber Roadmap**

The RWA Enterprise Security team evaluates and updates our cybersecurity roadmap on a quarterly basis in collaboration with internal and external experts, and authorities such as the Cybersecurity and Infrastructure Security Agency (CISA). This regular quarterly activity is critical to handling emerging threats. Some of the FY24 critical cyber roadmap initiatives include implementing additional protections and vulnerability scans for the SCADA distribution network, deploying an insider threat awareness program for employees in collaboration with Corporate Services, and hardening the ATT cyber services edge network for resiliency.

3. **Complete – Fountain Lake Functional Exercise**

The RWA IT team performed a three-hour functional exercise on October 21 at the Fountain Lake Pump Station in Ansonia to demonstrate business continuity in an event technology was compromised and it was necessary to operate our distribution network manually. Approximately 30 staff, our partners and board members (Authority and RPB) participated in a SCADA Outage and manual operations emergency exercise. The RWA Incident Management Plan and Fountain Lake Pump Station Effective Practice Guidelines

were tested. The exercise provided an opportunity for RWA staff and operators to practice and observe manual operation of a pump station. Strengths identified included RWA subject matter experts and familiarity with the Incident Command System. Areas of improvement identified included access to emergency plans, communication on the prioritization of pump stations to staff who need to know, and the availability and stocking of critical components inventory.

4. In Progress – Phishing Campaigns With Employees

As part of our fiscal 2023 strategic objectives and Global Metrics, we committed to delivering four phishing campaigns with employees to create awareness and learning. The RWA Enterprise Security team completed two phishing exercises with two more planned in 2023. The first phishing campaign was completed on August 17 and was an attempt to get users to click on RWA user training offered by Microsoft products. One user out of 283 clicked on the rogue email (99% success rate). The second phishing campaign was completed on November 22; 278 emails containing a rogue voicemail attachment were sent and three users opened the attachment (99% success rate). Based on the clicks by users, we deployed real-time training on how to be more cyber aware and cyber safe.

5. Ongoing – Quarterly CISA Dashboard

Second quarter CISA dashboard reported no known vulnerabilities and/or threats to the RWA enterprise. Cybersecurity active penetration test results indicated no hosts with unsupported software, no potential risky open services and no change in vulnerable hosts. A copy of the detailed CISA dashboard report is available upon request.

Board Discussion

- After reviewing the memo and subsequent discussion, is the board confident that a coherent cyber security governance process is in place, aligned with the business strategy and complemented by effective controls enabling cyber security protections?
- Working from home brings challenges related to employee security training, software-as-a-service security, virtual private network configurations, ransomware, phishing, and more. Does the board feel that RWA management is doing enough to thwart any cyber security breaches?
- Given the above discussion and questions, is there a specific cybersecurity topic the board is interested in learning more about during the second half of fiscal 2023?