

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

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Phone Conference ID: 322 078 450#

AGENDA

Regular Meeting of Monday, January 9, 2023 at 5:00 p.m.

1. Safety Moment
2. Approval of Minutes - December 12, 2022 and December 19, 2022 meetings
3. Consider and act on recommendation to Representative Policy Board re Completeness, Mode and Date of Public Hearing for the Authority's Issuance Test Rate Application
4. Review Quarterly Financial Report
5. Review RPB Quarterly Dashboard Report – FY 2023 Q2 and provide update on requested revision
6. Finance Committee Members Attendance at Regional Water Authority Meetings on: Thursday, February 23; Thursday, March 23; Thursday, April 27; and Thursday, May 25
7. New Business
8. Adjourn

Note: As a reminder, the next meeting of the Finance Committee will be held on Monday, February 13, 2023 at 5:00 p.m. (regular meeting).

****Members of the public may attend the meeting via remote access using instructions at the top of the agenda. To view meeting documents, please visit <https://tinyurl.com/8rmtann3>. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com**

SAFETY MOMENT

JANUARY – PREPARE YOUR CAR FOR WINTER

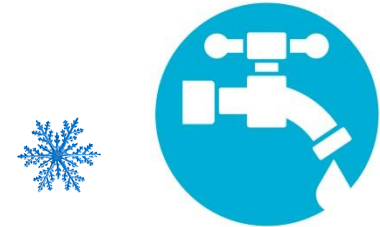
Prepare Your Car for Winter

In addition to annual maintenance, here are some tips to winterize your car:

- Test your battery; battery power drops as the temperature drops
- Make sure the cooling system is in good working order
- Have winter tires with a deeper, more flexible tread put on your car
- If using all-season tires, check the tread on your tires and replace if less than 2/32 of an inch
- Check the tire pressure; tire pressure drops as the temperature drops
- Check your wiper blades and replace if needed
- Add wiper fluid rated for -30 degrees
- Keep your gas tank at least half full to avoid gas line freeze

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

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

MINUTES

Regular Meeting of Monday, December 12, 2022 at 5:00 p.m.

ATTENDEES: **Committee Members:** Tim Slocum, Tom Clifford, Charles Havrda, Jay Jaser, Vincent Marino, and Michelle Verderame
RPB: Mario Ricozzi and Bob Harvey
FMA: Suzanne Sack
Management: Larry Bingaman, Rochelle Kowalski, and Jim Hill
OCA: Jeffrey Donofrio
Staff: Jennifer Slubowski

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

On motion made by Mr. Marino, seconded by Mr. Havrda, and unanimously carried, the committee approved the minutes of its November 14, 2022 meeting.

At 5:02 p.m., Mr. Clifford entered the meeting.

Mr. Bingaman, the RWA's President and Chief Executive Officer, reported that RPB members had previously requested changes to the RPB Dashboard Report (Report) to include up to date business data for RWA's key metrics. As a result, Mr. Bingaman reported that management revised the current version of the Report, which originally included 14 metrics, and developed an updated Report that consisted of six of the 14 metrics combined with others to measure the RWA's financial and organizational performance.

Ms. Kowalski, the RWA's Vice President and Chief Financial Officer, provided the Report background including pre-pandemic vs. post pandemic changes and impacts on financial and operational key metrics.

Committee members discussed regulatory standards, water quality reporting, receivables, exclusions, average daily consumption, service disruption and the overall customer experience. After discussion, it was the consensus of the committee that management make additional revisions the updated Report to include metrics for water quality complaints and service disruptions. Mr. Bingaman stated that management would amend the updated Report and review with the Committee at its January 2023 meeting.

On motion made by Mr. Jaser, seconded by Mr. Havrda, and unanimously carried, the Committee voted to approve the Finance Committee's special meeting to review management's proposed FY 2024 budget on April 19, 2022 at 5:00 p.m., subject to change.

Ms. Kowalski reviewed the Quarterly Report on RPB Approved Projects, which included:

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

The next meeting of the Finance Committee is on Monday, January 9, 2023 at 5:00 p.m.

As there was no new business to report, at 5:47 p.m., on motion made by Mr. Havrda, seconded by Mr. Marino, and unanimously carried, the meeting adjourned.

Timothy Slocum, Chairman

Representative Policy Board
South Central Connecticut Regional Water District
Consumer Affairs Committee
Finance Committee
Joint Meeting

Minutes of the December 19, 2022 Meeting

The regular meeting of the Consumer Affairs Committee (“CAC”) and the Finance Committee of the Representative Policy Board of the South Central Connecticut Regional Water District (“RPB”) took place on Monday, December 19, 2022, via remote access.

CAC Committee members present: S. Mongillo, N. Campbell, M. Levine, F. Pepe, and A. Rescigno

Finance Committee members present: T. Slocum, C. Havrda, and J. Jaser

RPB: R. Harvey

Authority: D. Borowy and A. DiSalvo

RWA: L. Bingaman, R. Kowalski, D. Bochan, J. Hill, and P. Singh

Office of Consumer Affairs: Attorney Donofrio (“OCA”)

RPB Staff: J. Slubowski

Chairman Mongillo called the meeting to order at 5:30 p.m. He reviewed the Safety Moment distributed to members.

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

At 5:32 p.m., on motion made by Mr. Pepe, seconded by Mr. Rescigno, and unanimously carried, the committee voted to convene in executive session pursuant to C.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. Present in executive session were CAC and Finance Committee members, Messrs. Bingaman, DiSalvo, Donofrio, Harvey, Hill, and Singh, and Mss. Bochan, Campbell, Kowalski, and Slubowski.

At 6:32 p.m., the committee came out of executive session and Mr. Rescigno withdrew from the meeting. No votes were taken in, or as a result of, executive session.

On motion made by Ms. Campbell, and seconded by Mr. Pepe, the committee voted to approve the minutes of its November 21, 2022 meeting, as presented.

The date for the special joint meeting of the Consumer Affairs Committee and Finance Committee to review the FY 2024 Budget with management was scheduled for Monday, April 17, 2023 at 5:00 p.m.

Atty. Donofrio, OCA, provided an update on the complaint discussed last month that involved a minor usage charge for a vacant property located in New Haven. He reported that the RWA tested the meter at the property and determined that it is working properly, but continues to show usage, which could indicate a leak. Atty. Dagostine, of Ciulla & Donofrio, is scheduled to have a call with the customer this week to assist with leak detection.

On motion made by Mr. Pepe, seconded by Ms. Campbell, and unanimously carried, the Committee approved the OCA's November 2022 billing for \$2,590.00.

There was no new business to report.

The next regular meeting is on Monday, January 23, 2023 at 5:30 p.m.

At 6:36 p.m., the meeting adjourned.

Stephen Mongillo, Chairman

**REPRESENTATIVE POLICY BOARD
FINANCE COMMITTEE
JANUARY 9, 2023**

PROPOSED RESOLUTION

(Application for 2023 Rate Application)

RESOLVED, that the Finance Committee recommends to the Representative Policy Board (“RPB”) that the Authority’s Issuance Test Rate Application filed with the RPB on December 27, 2022 is complete, and that a public hearing be held on Thursday, February 23, 2023 at 7:00 p.m., (*logistics to be determined*), and that the public hearing be conducted by a presiding member.

DRAFT

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

TO: RPB Finance Committee Members

Timothy Slocum
Thomas P. Clifford III
Charles Havrda
Jasper J. Jaser
Vincent Marino
Michelle Verderame

FROM:  Rochelle Kowalski

DATE: January 5, 2023

SUBJECT: Quarterly financial statements for fiscal year 2023 (ending May 31, 2023)

Attached are the following financial reports regarding the second quarter of fiscal year 2023. i.e., the quarter ended November 30, 2022:

- Statements of net position as of November 30, 2022 and November 30, 2021;
- Schedule A-1 & A-2: Statements of revenues, expenses and changes in net position as of November 30, 2022, maintenance test, and commentary;
- Schedule B: Operating and maintenance expenses;
- Schedule C: Capital budget report;
- Schedule D: Investment earnings report - comparison of investment rates of return

The reports bulleted above incorporate the Authority's experience from June 2022 through November 2022. For the remainder of fiscal year 2023, the reports include the projections shown on schedules A-2 and B, which use the assumptions explained below.

Schedule A-2: Statements of Revenues, Expenses and Changes in Net Position

Section of page entitled "Six months Ended November 30, 2022"

The figures shown present June to November 2022 as well as comparative budget vs. actual results for the six months ended November 30, 2022.

Section of page entitled "Year Ending May 31, 2023"

The "budget" column is the budget for fiscal year 2023, as approved by the Five-Member Authority.

Assumption 1

The column labeled *Assumption 1* presents earned metered water revenues that reflect six months (June through November 2022) of consumption and six months of budgeted consumption for (December 2022 through May 2023).

Other revenues and expenses shown in this column reflect six months of results and six months, as projected.

Assumption 2

The column labeled *Assumption 2* projects consumption for the months of December 2022 through May 2023 at 4% above budget. Operating expenses for "pump power" and chemicals for these same months are adjusted to reflect the 4% increase.

Assumption 3

The column labeled *Assumption 3* projects consumption for the months of December 2022 through May 2023 at 4% below budget. Operating expenses for "pump power" and chemicals for these same months are adjusted to reflect the 4% decrease.

Section of page entitled "Maintenance Test"

The maintenance test reflects the same three assumptions described above except that water sales are not accrued revenue, but cash collections from June through November 2022, plus projected cash collections for December 2022 through May 2023. Management projects cash collections by applying historical collection patterns to billings. Management assumes that the billings are collected over the course of the subsequent twelve months.

Schedule B: Operating and Maintenance Expense

This schedule provides details of the operating and maintenance expense for the second quarter of fiscal year 2023, as well as projections for December 2022 through May 2023 under the three assumptions presented above.

Schedule C: Capital Budget Report

This schedule shows capital expenditures for June through November 2022, as well as projections for the full fiscal year 2023.

Schedule D: Interest Earned

Compared here are “budgeted” versus “actual” interest rates earned on the Authority’s invested funds.

Attachments

REGIONAL WATER AUTHORITY
STATEMENTS OF NET POSITION
AS OF NOVEMBER 30, 2022 AND 2021

Assets	FY 2023	FY 2022	Y/Y Variance
Utility plant			
Property, plant and equipment in service	\$ 939,193,760	\$ 907,166,878	\$ 32,026,882
Accumulated depreciation	(415,171,979)	(396,643,877)	(18,528,101)
Utility plant in service	524,021,781	510,523,001	13,498,780
Land	27,993,743	27,993,988	(245)
Construction work in progress	32,484,267	32,933,279	(449,013)
Total utility plant, net	584,499,790	571,450,268	13,049,522
Nonutility land, at cost	64,983,522	64,983,522	-
Goodwill	10,693,435	10,942,120	(248,685)
Current assets			
Cash and cash equivalents	55,132,825	48,658,080	6,474,745
Investments	-	-	-
Accounts receivable, less allowance for doubtful accounts	14,887,189	15,606,091	(718,901)
Accrued revenue	11,212,411	17,783,528	(6,571,117)
Accrued interest receivable	148,747	9,359	139,388
Materials and supplies	2,260,308	1,919,630	340,677
Prepaid expenses and other assets	3,755,458	2,843,722	911,736
Total current assets	87,396,939	86,820,411	576,528
Note Receivable	500,000	500,000	-
Pension Assets	-	-	-
OPEB Assets	-	-	-
Restricted assets	141,661,173	102,151,594	39,509,578
Regulatory assets	9,425,759	9,622,000	(196,240)
Total assets	899,160,619	846,469,915	52,690,703
Deferred Outflows of Resources			
Deferred charge on refunding	14,624,006	16,522,874	(1,898,868)
Deferred charge on pension plans	2,359,464	1,837,103	522,362
Deferred charge on OPEB plans	1,665,902	2,008,091	(342,189)
Total	\$ 917,809,991	\$ 866,837,983	\$ 50,972,008

Liabilities and Net Assets	FY 2023	FY 2022	Y/Y Variance
Liabilities			
Revenue bonds payable, less current portion	\$ 489,365,000	\$ 474,140,000	\$ 15,225,000
Net premiums and discounts from revenue bonds payable	44,594,376	38,963,262	5,631,114
DWSRF loans payable, less current portion	24,750,453	24,677,625	72,827
Net pension liability	16,601,369	9,651,739	6,949,630
Net OPEB obligation	17,176,905	17,772,589	(595,684)
Total noncurrent liabilities	592,488,102	565,205,215	27,282,887
Current liabilities			
Current portion of revenue bonds payable	22,565,000	21,475,000	1,090,000
Current portion of DWSRF loans payable	1,388,463	1,300,003	88,460
Accounts payable	4,312,954	3,407,192	905,762
Notes payable	50,500	50,500	-
Customer deposits and advances	1,370,206	1,597,015	(226,809)
Other accrued liabilities	7,479,147	7,784,986	(305,839)
Total current liabilities	37,166,270	35,614,695	1,551,574
Liabilities payable from restricted assets			
Accounts payable for construction	2,090,067	1,226,238	863,829
Accrued interest payable	7,201,486	6,920,196	281,290
Customer deposits and advances	1,298,091	1,290,192	7,899
Total liabilities payable from restricted assets	10,589,644	9,436,626	1,153,018
Other liabilities	5,647,64	28,182	(22,535)
Total liabilities	640,249,663	610,284,718	29,964,945
Deferred inflows of resources			
Deferred inflows related to pensions	0	5,740,431	(5,740,430)
Deferred inflows related to OPEB	3,477,972	4,166,099	(688,127)
Net Position			
Invested in capital assets, net of related debt	96,691,384	91,124,037	5,567,347
Restricted assets	116,273,672	94,441,207	21,832,465
Unrestricted assets	61,117,299	61,081,491	35,808
Total net assets	274,082,355	246,646,735	27,435,621
Total liabilities and net assets	\$ 917,809,991	\$ 866,837,983	\$ 50,972,008

REGIONAL WATER AUTHORITY

SCHEDULE A-1 - COMMENTARY

REVIEW OF FINANCIAL DATA

November 30, 2022 (FY 2023)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY23 revenue for water, including wholesale and fire service, is over budget by \$2,833k (approx. 4.3%).
Metered water revenue is over budget by \$2,647k (approx. 4.5%).

Total net other revenue is \$384k over budget due to both other water and other proprietary revenues being higher than budget and expenses for other proprietary being under budget.

Operating Expenses

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

Payroll is under budget primarily due to head count under runs.	\$ (532,000)
Employee Benefits are under budget primarily due to lower medical expense	(675,000)
General & Admin is under budget primarily due to timing of expenses.	(194,000)
Transportation is under budget primarily due to timing.	(89,000)
Pump Power is under budget due to lower usage and timing.	(190,000)
Road Repairs are under budget due to year-to-date payment restoration costs being less than anticipated.	(99,000)
Postage is under budget primarily due to timing.	(90,000)
Collection Expense is under budget primarily due to lower year-to-date bank fees.	(409,000)
Business Improvement is under budget primarily due to accelerating certain expenses into fiscal 2022 and timing within fiscal 2023.	(215,000)
Public/Customer Information is under budget primarily due to timing.	(115,000)
Outside Services are under budget across multiple areas.	(533,000)
Insurance is under budget due to reserve requirements.	(87,000)
Training and continued education is under budget across multiple areas, including tuition assistance.	(68,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services and timing.	(67,000)
Maintenance & Repairs are under budget due to the timing of certain expenses budgeted early in the fiscal year.	(449,000)
All Other	<u>(138,000)</u>
	(3,950,000)

Interest Income

Interest Income is above budget due to higher investment earnings.

PROJECTED MAINTENANCE TEST

The projected coverage is 1.23 with no shortfall.

REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING NOVEMBER 30, 2022

Schedule A-1

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 55,782	\$ 59,235	\$ 61,882	\$ 2,647
Fire service	6,077	6,453	6,482	30
Wholesale	420	446	602	156
Other revenue - water	1,989	1,910	2,140	230
Other revenue - proprietary	5,019	4,714	4,805	91
Total operating revenues	69,287	72,758	75,912	3,154
Operating expenses				
Operating and maintenance expense	26,844	32,273	28,323	(3,950)
Expense associated with other revenue - water	1,078	1,125	1,125	
Expense associated with other revenue - proprietary	2,248	2,046	1,983	(63)
Provision for uncollectible accounts	249	320	110	(210)
Depreciation	12,307	11,605	11,605	-
Payment in lieu of taxes	4,336	4,464	4,311	(154)
Amortization Pension Outflows/Inflows	427	1,157	1,157	0
Amortization OPEB Outflows/Inflows	(313)	(299)	(299)	(0)
Total operating expenses	47,175	52,692	48,315	(4,376)
Operating income	22,112	20,066	27,597	7,531
Nonoperating income and (expense)				
Interest income	208	1,082	3,035	1,953
(Loss) Gain on disposal of assets	(84)	-	-	-
Realized and unrealized (losses) gains on investment	-	-	-	-
Interest expense	(10,789)	(11,234)	(11,198)	36
Amortization of bond discount, premium, issuance cost and deferred losses	1,245	1,578	1,563	(15)
Amortization of Goodwill	-	-	-	-
Intergovernmental revenue	-	-	490	490
Contributions to related entities	-	-	-	-
Total nonoperating income and (expense) before capital contributions	(9,420)	(8,574)	(6,110)	2,464
Income (expense) before contributions	12,692	\$ 11,492	21,487	\$ 9,995
Capital contributions	740		576	
Change in net assets	13,433		22,063	
Total net assets - beginning of fiscal year	233,214		252,019	
Total net assets - end of reporting month	\$ 246,647		\$ 274,082	

	Budget FY 2023 @114%	Projected FY 2023 @114%	(Under)Over FY 2023 @114%
FY 2023 MAINTENANCE TEST			
(Budget vs. Projected)			
Revenue Collected:			
Water sales	124,093	125,353	1,260
Interest Income	213	2,600	2,387
BABs Subsidy	657	657	-
Other Net	6,946	7,196	250
Common Non-Core	(300)	(350)	(50)
Total	131,609	135,455	3,847
Less:			
Operating and maintenance expenses	(63,492)	(63,492)	-
Depreciation	(7,500)	(7,500)	-
PILOT (A)	(8,901)	(8,706)	195
Net Avail for Debt Service (B)	\$ 51,718	\$ 55,758	\$ 4,040
Debt Service Payments (C)	\$ 45,366	45,288	\$ (78)
Debt Service @ 114% (D)	\$ 51,717	51,628	\$ (89)
Difference (B-D)	\$ 0	\$ 4,129	
RSF, Growth and/or General Fund (D)	-		
Coverage	114%	123%	

REGIONAL WATER AUTHORITY
Fiscal Year 2023
(\$000 Omitted)

SCHEDULE A-2

STATEMENTS OF REVENUES, EXPENSES

AND CHANGES IN NET ASSETS

	Six Months Ending November 30				Twelve Months Ending May 31			
	FY 2022	FY 2023	FY 2023	(Under)/Over		Projection -	Projection -	
	Actual	Budget	Actual	Budget	Budget	Assumption 1	Assumption 2	Assumption 3
Operating Revenues								
Metered Water Revenues	\$ 55,782	\$ 59,235	\$ 61,882	\$ 2,647	\$ 108,610	\$ 109,610	\$ 110,938	\$ 108,283
Fire Service	6,077	6,453	6,482	30	12,906	12,935	12,935	12,935
Wholesale Water	420	446	602	156	802	958	958	958
Other revenue - water	1,989	1,910	2,140	230	3,703	3,703	3,703	3,703
Other revenue - proprietary	5,019	4,714	4,805	91	9,465	9,716	9,716	9,716
Total Operating Revenues	69,287	72,758	75,912	3,154	135,486	136,922	138,250	135,595
Operating Expenses								
Operating and Maintenance	26,844	32,273	28,323	(3,950)	63,491	63,492	63,591	63,393
Expenses associated with other revenue-water	1,078	1,125	1,125	0	2,206	2,206	2,206	2,206
Expenses associated with other revenue-proprietary	2,248	2,046	1,983	(63)	3,359	3,409	3,409	3,409
Provision for uncollectible accounts	249	320	110	(210)	600	600	600	600
Depreciation	12,307	11,605	11,605	-	23,200	23,200	23,200	23,200
Payment in lieu of taxes	4,336	4,464	4,311	(154)	8,910	8,706	8,706	8,706
Amortization Pension Outflows/Inflows	427	1,157	1,157	0	1,882	1,882	1,882	1,882
Amortization OPEB Outflows/Inflows	(313)	(299)	(299)	(10)	(598)	(598)	(598)	(598)
Total Operating Expenses	47,175	52,692	48,315	(4,376)	103,051	102,896	102,995	102,797
Operating Income	22,112	20,066	27,597	7,531	32,436	34,026	35,254	32,797
Nonoperating Income and (expense)								
Interest Income	208	1,082	3,035	1,953	2,155	4,542	4,542	4,542
(Loss)/Gain on disposal of assets	(84)	-	-	-	(1,000)	(1,000)	(1,000)	(1,000)
Interest Expense	(10,789)	(11,234)	(11,198)	36	(22,289)	(22,237)	(22,237)	(22,237)
Amortization of bond discount, premium								
issuance cost and deferred losses	1,245	1,578	1,563	(15)	3,093	3,063	3,063	3,063
Amortization of Goodwill					(249)	(249)	(249)	(249)
Intergovernmental revenue	-	-	490	490		490	490	490
Contributions to/from related entities								
Total nonoperating income & (expense)	(9,420)	(8,574)	(6,110)	2,464	\$ (18,290)	\$ (15,391)	\$ (15,391)	\$ (15,391)
(Expense) income before contributions	12,692	\$ 11,492	21,487	\$ 9,995	\$ 14,146	\$ 18,634	\$ 19,863	\$ 17,406
Capital contributions	740		576					
Change in net assets	13,433		22,063					
Total net assets - beginning of fiscal year	233,214		252,019					
Total net assets - end of reporting month	\$ 246,647		\$ 274,082					

MAINTENANCE TEST

Revenue Collected:

	Twelve Months Ending May 31			
	Budget	Projection -	Projection -	Projection -
		Assumption 1	Assumption 2	Assumption 3
Water Sales	\$ 124,093	\$ 125,353	\$ 126,417	\$ 124,289
Interest Income	213	2,600	2,600	2,600
BABs Subsidy	657	657	657	657
Other Net	6,946	7,196	7,196	7,196
Common Non-Core	(300)	(350)	(350)	(350)
Total	131,609	135,453	136,519	134,391
Less:				
Operating and Maintenance Expenses	(63,492)	(63,492)	(63,591)	(63,393)
Depreciation	(7,500)	(7,500)	(7,500)	(7,500)
PILOT (A)	(8,901)	(8,706)	(8,706)	(8,706)
Net Avail for Debt Service (B)	51,717	55,755	56,723	54,793
Debt service payments (C)	\$ 45,366	\$ 45,289	\$ 45,289	\$ 45,289
Debt Service @ 114% (D)	\$ 51,717	\$ 51,629	\$ 51,629	\$ 51,629
Difference (B-D)	\$ (0)	\$ 4,129	\$ 5,094	\$ 3,164
RSF, Growth and/or General Fund (D)	\$ -	\$ -	\$ -	\$ -
Coverage	114%	123%	125%	121%
Required Coverage	114%	114%	114%	114%

REGIONAL WATER AUTHORITY
 OPERATING AND MAINTENANCE EXPENSES
 Fiscal Year 2023
 (\$000 Omitted)

SCHEDULE B

SIX MONTHS ENDING NOVEMBER 30					YEAR ENDED MAY 31, 2023			
	FY 2022	FY 2023	FY 2023	(Under)	Budget	Assump 1	Assump 2	Assump 3
	Actual	Budget	Actual	Over				
1 Payroll	\$ 11,061	\$ 12,258	\$ 11,726	\$ (532)	24,531	24,531	24,531	24,531
2 Employee Benefits Allocation	3,319	3,879	3,204	(675)	7,793	7,793	7,793	7,793
Pension	1,351	1,333	1,333	-	2,632	2,632	2,632	2,632
3 Administrative Building Space Allo	492	510	493	(17)	1,033	1,033	1,033	1,033
4 General & Administrative	677	795	601	(194)	1,537	1,537	1,537	1,537
5 Transportation Allocation	270	430	340	(89)	854	854	854	854
6 Tools & Stores Allocation	166	163	141	(22)	308	308	308	308
7 Utilities & Fuel	681	720	688	(32)	1,506	1,506	1,506	1,506
8 Material From Inventory	112	158	133	(25)	302	302	302	302
9 Pump Power Purchased	1,454	1,646	1,455	(190)	2,939	2,939	2,991	2,887
10 Chemicals	1,190	1,474	1,485	11	2,695	2,695	2,742	2,648
11 Road Repairs	139	199	101	(99)	299	299	299	299
14 Postage	97	237	147	(90)	474	474	474	474
15 Printing & Forms	25	34	21	(13)	71	71	71	71
17 Collection Expense	328	842	433	(409)	1,702	1,702	1,702	1,702
18 Business Improvement	36	241	26	(215)	346	346	346	346
19 Public/Customer Information	56	205	90	(115)	417	417	417	417
20 Outside Services	1,265	1,868	1,335	(533)	3,935	3,935	3,935	3,935
21 Insurance Premiums	879	864	777	(87)	1,747	1,747	1,747	1,747
22 Worker's Compensation, pre-Chur	(4)	23	34	10	45	45	45	45
23 Damages	19	32	33	1	65	65	65	65
24 Training & Cont. Education	54	151	83	(68)	337	337	337	337
25 Authority Fees	69	82	70	(12)	164	164	164	164
26 Consumer Counsel	11	30	26	(4)	60	60	60	60
27 RPB Fees	52	84	52	(32)	169	169	169	169
28 Organizational Dues	56	49	97	48	108	108	108	108
29 Donations	4	19	13	(5)	36	36	36	36
34 Central Lab/Water Quality	72	217	150	(67)	441	441	441	441
40 Environmental Affairs	33	49	40	(9)	100	100	100	100
44 Info. Technology Licensing & Maintenance Fees	1,243	1,333	1,296	(37)	2,696	2,696	2,696	2,696
45 Maintenance and Repairs	1,425	2,212	1,763	(449)	3,872	3,872	3,872	3,872
46 Regulatory Asset Amortization	212	137	137	0	274	274	274	274
	<u>\$ 26,844</u>	<u>\$ 32,273</u>	<u>\$ 28,323</u>	<u>\$ (3,950)</u>	<u>\$ 63,492</u>	<u>\$ 63,492</u>	<u>\$ 63,591</u>	<u>\$ 63,393</u>

SCHEDULE C
QTR 2

	Period Ending November 30, 2022			Period Ending May 31, 2023		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
I. NATURAL RESOURCES						
Watershed Protection	50	12	(38)	100	300	200
Land Management	12	1	(11)	20	20	-
Lake Whitney Dam & Spillway Improvements	115	19	(96)	1,008	300	(708)
Prospect Dam Improvements	46	71	25	250	250	-
Tunnel Diversion Raw Water Main Rehabilitation Program	70	125	55	415	415	-
Miscellaneous Natural Resources	85	40	(44)	102	102	-
Prior Year	-	-	-	-	-	-
TOTAL	378	267	(110)	1,895	1,387	(508)
II. TREATMENT						
Filter Media Replacement	202	0	(202)	500	500	-
Surface Water In-Line Turbidimeters	126	127	1	136	136	-
Treatment Plant Graphics Upgrades	150	23	(127)	800	650	(150)
LGWTP Local Control Console Upgrade	75	47	(28)	375	375	-
LGWTP -Clarifiers Recycle & Building Improvements	60	121	61	3,000	400	(2,600)
LGWTP-Raw Water Flow Control Valve Replacement	180	386	206	480	557	77
LGWTP Sodium Hypochlorite Tanks Replacement	300	244	(56)	360	360	-
LGWTP Improvements	11	41	30	200	200	-
LSWTP Electrical Upgrades	100	51	(49)	375	200	(175)
LGWTP Electrical Upgrades	125	112	(13)	200	200	-
LSWTP -Chemical Treatment System Improvements	216	101	(115)	992	992	-
LSWTP Improvements	12	24	12	200	200	-
LWWTP Ozone and DAF Controls	7	20	13	250	250	-
WRWTP Improvements (Dissolved Air Flotation, Electrical, Chemical)	5,665	4,057	(1,608)	10,215	10,215	-
SSG Wellfield Facility Improvements	377	353	(24)	1,310	760	(550)
Seymour Wellfield Generator Replacement	65	11	(54)	800	775	(25)
Wellfield Facility Improvements - Derby	12	42	30	150	150	-
Well Rehabilitation Program	7	60	53	265	264	(0)
Well Equipment Replace Rehab Hamden and Seymour	257	0	(257)	450	450	-
Derby Wellfield Electrical Upgrade	25	6	(19)	125	6	(119)
Green Bond Projects - Treatment	-	-	-	-	-	-
Water Treatment Plant Valve Replacement Program	12	48	36	1,100	2,295	1,195
LGWTP-HVAC Upgrades	30	139	109	2,000	200	(1,800)
Miscellaneous Treatment	331	322	(8)	385	457	72
Prior Year	-	35	-	-	35	35
TOTAL	8,345	6,368	(1,976)	24,668	20,627	(4,041)

	Period Ending November 30, 2022			Period Ending May 31, 2023		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
III. TRANSMISSION AND DISTRIBUTION						
Pipe	4,977	3,339	(1,638)	5,742	6,073	331
Valve Replacements	132	134	2	250	250	-
Service Connections	1,005	951	(54)	1,800	1,800	-
Capital Pipe Service Connections	225	715	490	500	800	300
Meters	30	241	211	485	485	-
Hydrants and Connections	60	42	(18)	125	125	-
Lead Service Line Replacements	245	1	(244)	500	500	-
Sanitary Survey Improvements	75	14	(61)	200	200	-
Northern Service Area Expansion	-	19	19	100	100	-
Service Area Improvements - East West Transmission System	70	-	(70)	160	160	-
State Street Pipe Bridge	235	387	152	400	400	-
Pipe Bridge Rehabilitation Program	4	12	8	25	40	15
Ansonia-Derby Tank	1,095	676	(419)	4,380	3,185	(1,195)
Saltonstall Ridge Tank Power Vent	2	22	20	250	250	-
North Branford Tank Structural Improvements & Additional Tank	8	0	(8)	150	150	-
Variable Frequency Drive Replacement Program	80	138	58	150	150	-
Raynham Hill Pump Station Improvements	8	46	38	47	47	-
Critical Pump Station & Transmission Facilities Upgrades	140	87	(53)	170	170	-
Spring Street Pump Station Replacement	15	2	(13)	200	200	-
Burwell Hill Pump Station Equipment Replacement	280	42	(238)	344	344	-
Pump Station Generator Replacements	105	9	(96)	750	225	(525)
Pump Station Roof Replacements	100	10	(90)	100	100	-
Route 80 Throttling Valve Relocation	12	4	(8)	500	50	(450)
Water Quality Improvements Program	6	-	(6)	154	154	-
Miscellaneous Transmission & Pumping	35	32	(3)	69	87	17
Prior Year	-	13	13	-	13	13
TOTAL	8,945	6,936	(2,009)	17,552	16,059	(1,493)
IV. GENERAL PLANT						
Work & Asset Management Solutions (Formerly InforEAM GIS Data Integ)	140	-	(140)	350	100	(250)
SAP Work Management	-	-	-	10	10	-
LIMS Business Enhancements	140	2	(138)	140	140	-
AMI Software Business Enhancements	-	11	11	10	11	1
CIS (Customer Information Services)	900	16	(884)	5,133	4,603	(530)
Innovation						
Business Analytics Platform	20	-	(20)	85	85	-
Customer Channels Sales Marketing	125	0	(125)	150	150	-

SCHEDULE C
QTR 2

	Period Ending November 30, 2022			Period Ending May 31, 2023		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
Robotic Process Automation/Machine Learning/AI	25	-	(25)	125	125	-
SAP SQL Upgrade	100	6	(94)	100	100	-
Cyber Security Enhancements	74	23	(51)	110	110	-
SCADA	55	57	2	120	120	-
Information Systems	185	54	(131)	750	750	-
Miscellaneous Information Systems	150	16	(134)	428	419	(8)
Equipment	551	381	(170)	2,019	2,169	150
Miscellaneous Equipment	222	67	(155)	245	246	1
90 Sargent Drive	292	17	(275)	607	607	-
Miscellaneous 90 Sargent Drive	80	-	(80)	120	120	-
Prior Year	-	10	10	-	10	10
TOTAL	3,059	661	(2,398)	10,502	9,876	(626)
 V. CONTINGENCY	 80	 -	 (80)	 151	 6,645	 6,494
 TOTAL	 20,806	 14,232	 (6,574)	 54,769	 54,594	 (174)
 VI. STATE & REDEVELOPMENT PIPE	 1,100	 926	 (174)	 3,000	 3,000	 -
 VII. NON-CORE BILLING	 100	 37	 (63)	 100	 100	 -
 TOTAL	 22,006	 15,195	 (6,811)	 57,869	 57,694	 (174)

SCHEDULE D

Investment Earnings Report
Comparison of Investment Rates of Return

Fund Type	Balance @ November 30, 2022	Budgeted Return	Rate of Return November 30, 2022	Rate of Return Fiscal Year to Date
Less than Six Months				
Revenue Investment(A)	\$ 29,466,970	0.15%	3.85%	2.41%
Revenue(B)	4,867,337	0.00%	0.34%	0.28%
Rate Stabilization(A)	10,000,000	0.15%	3.85%	2.41%
Operating Reserve(A)	10,157,613	0.15%	3.85%	2.41%
Capital Contingency(A)	5,575,835	0.15%	3.85%	2.41%
Debt Reserve(A)	5,845,668	0.15%	3.85%	2.41%
Debt Reserve(C)	12,813	0.00%	3.21%	1.83%
Debt Service(A)	17,660,945	0.15%	3.85%	2.41%
PILOT (A)	3,765,265	0.15%	3.85%	2.41%
General Fund(A)	11,728,128	0.15%	3.85%	2.41%
Sub-Total	\$ 99,080,574			
Long Term Investments				
Operating Reserve	\$ 500,000	0.67%	0.51%	0.51%
Capital Contingency	500,000	0.57%	0.38%	0.38%
Debt Reserve(D)	15,258,728	0.72%	1.89%	1.52%
Sub-Total	\$ 16,258,728			
Other				
Construction (A)	\$ 71,828,062	0.15%	3.85%	2.41%
Construction (E)	9,614	0.00%	0.00%	0.00%
Growth Fund	7,944,523	0.00%	1.69%	1.18%
Interim Financing	903	0.00%	1.68%	1.11%
Sub-Total	\$ 79,783,102			
Total	\$ 195,122,403			

(A) Investments are in the Connecticut Short Term Investment Fund (STIF).

(B) Reflects new sweep product with balances fully insured. Balances earn credits to offset bank fees.
Percentage based on month-end book balance.

(C) Investment is in the First American Government Obligation Fund.

(D) Current fiscal year investment purchases (approx. \$6.25M) are earning between 3.0% - 5.2%.

(E) Cash Balance as of November 30, 2022.

Fund	(Cash Basis) as of November 30, 2022	(Cash Basis) as of November 30, 2022	(Under)/ Over
Debt Reserve	40,880	160,471	119,591
Operating Reserve	11,590	97,718	86,128
Capital Contingency	6,860	54,396	47,536
PILOT	1,610	27,628	26,018
Debt Service	13,331	128,667	115,336
Revenue	10,921	271,842	260,921
Rate Stabilization	7,625	121,042	113,417
General	10,009	143,094	133,085
Sub Total	102,826	1,004,858	902,032
Construction	56,397	734,737	678,340
Growth Fund	-	44,573	44,573
Interim Financing	-	5	5
Total	159,223	1,784,173	1,624,950

Representative Policy Board
Dashboard Metric - 2Q FY23 - Revised Metrics

Metrics	Quarter ended 11/30/21 (2Q FY 2022)	Quarter ended 5/31/22 (4Q FY 2022)	Quarter ended 8/31/22 (1Q FY 2023)	Quarter ended 11/30/22 (2Q FY 2023)
Financial Metrics				
Coverage	Budget: 1.14 w/draw	Budget: 1.14 w/draw	Budget: 1.14 w/o draw	Budget: 1.14 w/o draw
	Projected: 1.14 w/o draw	Projected: 1.40 w/o draw	Projected: 1.16 w/o draw	Projected: 1.23 w/o draw
Draw Requirement	Budget: \$922 thousand	Budget: \$922 thousand	Budget: \$0 million	Budget: \$0 million
	Projected: \$0 million	Projected: \$0 million	Projected: \$0 million	Projected: \$0 million
Capital Expenditures to Budget (Note 1)	Budget: \$12.190 million	Budget: \$30.792 million	Budget: \$7.246 million	Budget: \$20.726 million
	Result: \$10.248 million/25.4% of total fiscal year budget	Result: \$29.581 million/96.1%	Result: \$5.616 million/10.3% of total fiscal year budget	Result: \$14.232 million/26.0% of total fiscal year budget
Aged Account Receivables - Total Water (Note 2)	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551
	Nov. 2021: \$9,254,967 (+39.0%)	May 2022: \$8,893,501 (+33.5%)	Aug. 2022 : \$8,951,804 (+34.4%)	Nov. 2022 : \$8,799,889 (+32.1%)
Aged Account Receivables - Residential (Note 2)	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160
	Nov. 2021: \$8,662,395 (+48.5%)	May 2022: \$8,435,718 (+44.6%)	Aug. 2022 : \$8,449,516 (+44.9%)	Nov. 2022 : \$8,236,243 (+41.2%)
Pension Market Values (Note 3)	Nov. Mkt Value: \$72,158,273	May Mkt. Value: \$67,311,833	Aug. Mkt Value: \$66,527,775	Oct. Mkt Value: \$62,396,715
	Sept 2021 Mkt. Value: \$70,677,764	See above	June 2022 Mkt. Value: \$63,189,971	Sept 2022 Mkt. Value: \$60,072,550
	Sept. Return:Negative .53%	May Return: Negative 4.9%	June Return: Negative 10.6%	Sept Return: Negative 9.8%
	Actuarial Return Assumption: 6.75%	Actuarial Return Assumption: 6.75%	Actuarial Return Assumption: 6.75%	Actuarial Return Assumption: 6.75%

Representative Policy Board

Dashboard Metric - 2Q FY23 - Revised Metrics

Metrics	Quarter ended 11/30/21 (2Q FY 2022)	Quarter ended 5/31/22 (4Q FY 2022)	Quarter ended 8/31/22 (1Q FY 2023)	Quarter ended 11/30/22 (2Q FY 2023)
System Metrics				
<i>Average Daily Production (Draft) to Budget (MG/D)/Prior Year (Note 5)</i>	Prior Year: 50.707 MGD	Prior Year: 45.181 MGD	Prior Year: 53.416 MGD	Prior Year: 48.344 MGD
	Result: 48.344 MGD	Result: 43.329 MGD	Result: 55.730 MGD	Result: 48.863 MGD
<i>Disinfection By-products</i>	Target: 100%	Target: 100%	Target: 100%	Target: 100%
	Result: 100%*	Result: 100%*	Result: 100%*	Result: 100%*
	* As of June 30, 2021, updated	* As of March 31, 2022, updated	* As of June 30, 2022, updated	* As of Sept. 30, 2022, updated
<i>Net Unaccounted For Water</i>	Target: 10.0%	Target: 10.0%	Target: 10.0%	Target: 10.0%
<i>(annualized)</i>	Result: 11.73% for the annualized	Result: 13.52% for the annualized	Result: 13.85% for the annualized	Result: 12.04% for the annualized
	period of Sept. 2020 to August 2021	period of March 2021 to February 2022	period of June 2021 to May 2022	period of Sept. 2021 to August 2022

Notes:

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

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

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