



Fiscal Year 2023

Corporate Social Responsiveness Report

The Power of Purpose

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The Power of Purpose

The Regional Water Authority was born out of a purposeful mission by our founder, Eli Whitney II, to make life better for people.

More than 17 decades later, Whitney's ambition drives our nonprofit corporation and our quest to transform from a traditional water utility to a 21st-century environmental services company to better serve our customers and communities.

Every day, we work consciously to deliver on our higher purpose to make life better for people. That noble purpose guides all that we do for our customers and communities and is at the heart of all our business decisions.

To that end, we are committed to upholding the highest environmental, social responsibility and governance standards through our delivery of clean, safe and reliable water and services to our customers.

As an organization that has demonstrated its viability as a pioneer of conscious capitalism in the state — a philosophy that recognizes the potential of business to make a positive impact on the world — to us, social responsiveness, like conscious capitalism, adds value for people and creates benefits for the environment and the region.

On the following pages, you will read about the progress we made in Fiscal Year 2023 to navigate the important social, environmental and economic issues of our region, and learn how we improve key moments in people's lives by making good things happen with our reliable, high-quality water.

Sincerely,



Larry L. Bingaman
President and Chief Executive Officer



The RWA is a nonprofit public corporation that provides an essential, life-sustaining product – water. On average, we deliver nearly 44 million gallons of water a day to a population of more than 430,000 consumers in 15 South Central Connecticut municipalities. The RWA acts as a responsible steward of the environment by protecting the nearly 28,000 acres of watershed land it owns and by promoting sustainable practices. Our customers and other stakeholders have faith in our ability to deliver the water that their lives depend on, any time they turn on the faucet.

Higher Purpose

We believe that, like good people, good companies have a higher purpose. Our higher purpose is **to make life better for people by delivering water for life.** That means we improve key moments in people's lives. Eli Whitney II, who organized the New Haven Water Company (NHWC) – our predecessor – in 1849, had a similar purpose. Now, as we mark our 175th anniversary, Whitney's vision lives on in every aspect of today's RWA, which succeeded the NHWC in 1980. Our purpose is what drives us to work consciously, innovate for the greater good and continuously improve for all our stakeholders.

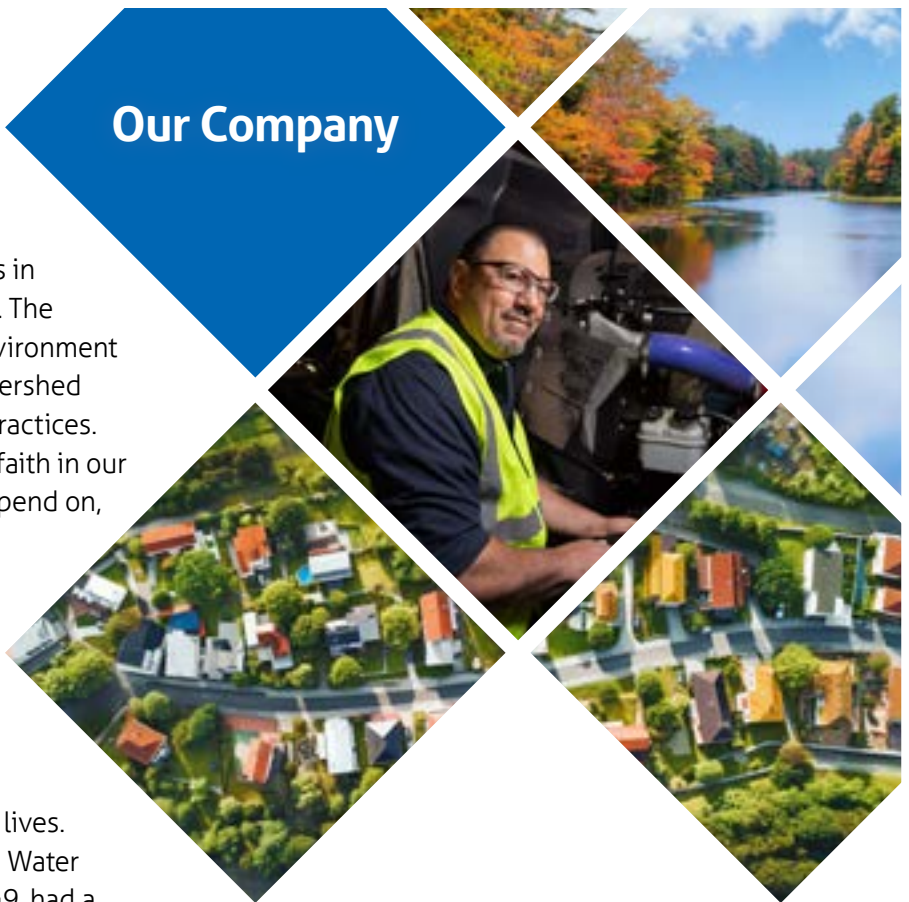
43,680,000 Gallons of Water a Day

430,601 Consumers

15 Municipalities

27,795 Acres of Watershed Land

Our Company



Mission and Vision

Our mission is straightforward and defines why we exist and our reason for being: **to provide customers with high-quality water and services at a reasonable cost while promoting the preservation of watershed lands and aquifers.** This mission is what gets us up in the morning, sustains us when times get tough and serves as our North Star when we are pulled off course.

Our vision is a bit more complex: **to be an innovative water utility that sustains life, strengthens our communities and protects natural resources for future generations.** To help you better understand our vision for the future, here's what it means broken down into phrases:

- ▶ As an **innovative water utility**, we test the present, push the envelope and challenge the norms through technology and invention to generate ideas and discoveries that realize greater value for our customers, the communities we serve and the region.

- ▶ We **sustain life** by recognizing the value of the essential product we deliver to our customers each day. In a world where an estimated 3.4 million people die or become sick every year from preventable waterborne diseases, our water system provides high-quality water from the tap, 24/7/365. Consumers can rest assured that their water supply meets or is better than rigorous federal and state health and safety standards.
- ▶ We **strengthen our communities** through our high quality water and well-maintained water system – key elements of prosperous, healthy communities and a



symbol of our region's bounty. Water is a vital resource that citizens depend on for public health and fire protection, support for the economy and maintenance of the overall quality of life we all enjoy.

- ▶ We **protect natural resources** for future generations because we feel a close kinship with the sources, supplies and assets we monitor and safeguard in order to deliver a reliable, high-quality product. We're reminded of the extraordinary value of resources when water service is temporarily interrupted.

STARS Values

Pointing us in the right direction, our STARS values are more than just a set of words that reflect our mission, our vision and our higher purpose. Our values are the beliefs that guide our conduct and drive how we do business. Here's a closer look at our STARS values:

Service: We provide prompt, courteous service to our customers, our coworkers and all of our stakeholders. We continually strive to make the customer experience better for all.

Teamwork: We build on each other's strengths. Through efficiency and innovation, we work together, operating as a team, in a spirit of mutual trust and openness, to achieve success.

Accountability: We are responsible for our actions. We are honest and ethical. Integrity is at the heart of everything we do.

Respect: We treat with respect everyone with whom we come in contact while doing our jobs. We promote diversity and embrace individuality.

Safety: We are a safe workforce. Safety is owned by each and every employee. We all benefit when safety is part of our daily lives.



Water Quality

State-of-the-Art Laboratory

The RWA operates a state-of-the-art laboratory that ensures the water we provide to our customers is of the highest quality. The **RWA's laboratory** is fully certified in 150 fields of testing by the Environmental Laboratory Accreditation Program. Our team of chemists, biologists and technicians offers expert testing of the RWA's drinking water, as well as the water of consumers and from the public and private water utilities that hire our services.

The experts in our laboratory test water for contaminants regulated under state and federal law, as well as for contaminants of emerging concern, such as perfluoroalkyl and polyfluoroalkyl substances, commonly called PFAS. We are proud to say that after testing our water sources, we found that any presence of PFAS was well below the current health advisory level. Water is necessary for life, and by operating one of our state's foremost water science laboratories, the RWA is able to ensure the quality of water served to hundreds of thousands of people.

27,746
Water Samples
81,159
Tests



Extensive Testing

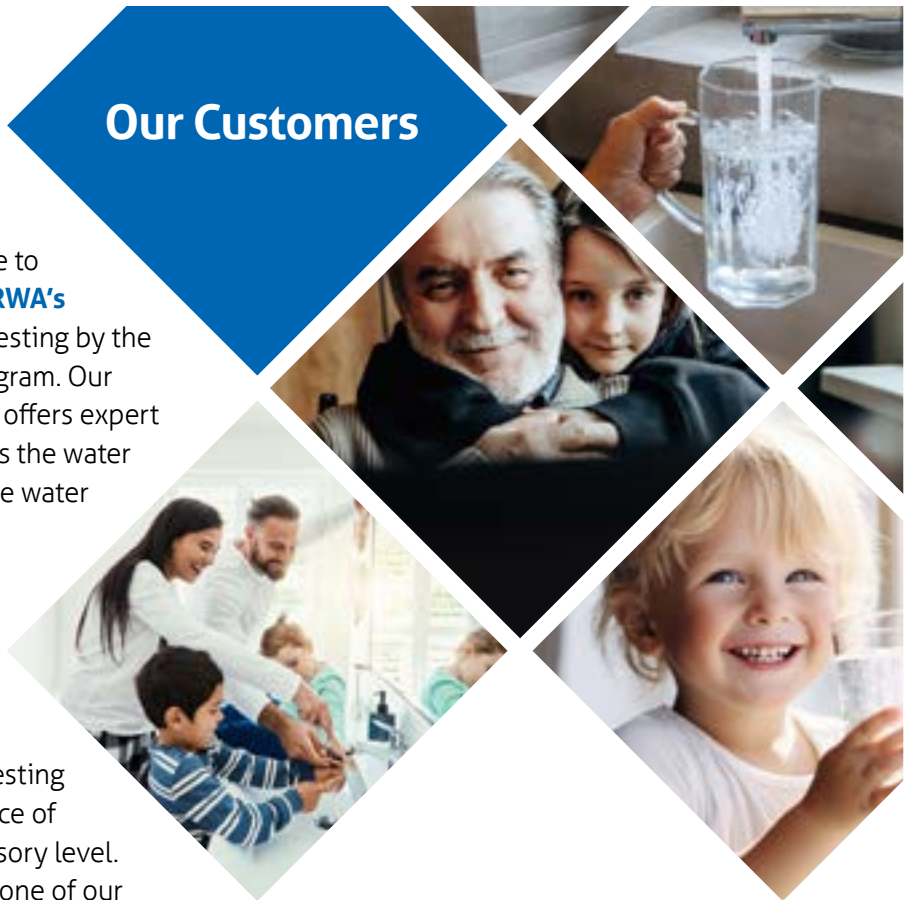
In Fiscal Year 2023, our team of experts in the RWA's laboratory analyzed 27,746 water samples and

conducted 81,159 tests. Samples were professionally taken at the RWA's water sources, as well as the sources used by other utilities, municipalities and homeowners who hire our laboratory. The results of water testing can fluctuate due to weather, temperature, time of year and a host of other conditions. For this reason, we take samples from locations throughout our distribution system at regular intervals during the year. This comprehensive testing protocol allows the RWA and our customers to be confident that the water we provide is of the highest quality.

Results to Be Confident In

The most important part of the comprehensive testing conducted at the RWA's laboratory is the results. In Fiscal Year 2023, our laboratory did not detect any

Our Customers



contaminants at levels in excess of federal and state drinking water standards. Water provided by the RWA to our more than 430,000 consumers continues to meet or be better than all health and safety guidelines. The results of the RWA's testing are made available to customers every year in our **Consumers' Annual Report on Water Quality**.

During 2023 the RWA participated in the fifth phase of the EPA's Unregulated Contaminant Monitoring Rule (UCMR5). Unregulated contaminants are those for which the EPA has not established drinking water standards. Monitoring assists the EPA in determining the occurrence of these compounds and whether or not regulation is warranted. Detections from 2023 are summarized in the following table. For general information on UCMR5, visit www.epa.gov/ubwcmr or contact EPA's Safe Drinking Water Section at 1-800-426-7752.

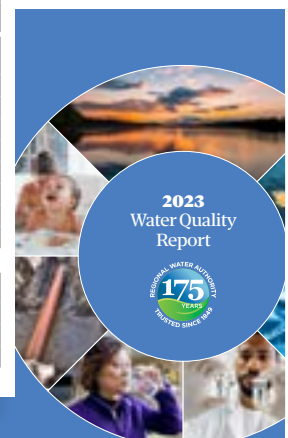
System-wide Levels of Unregulated Contaminants in Aquifers

Parameter	MCL	Units	Average Level and Range Detected During 2023	Typical Sources	Met Regulatory Standards
Manganese	Secondary MCL 0.05 ppm	ppm	0.04 Range ND - 0.16	Erosion of natural deposits	Yes
Sodium	Notification Level 180 ppm	ppm	18.7 Range 10.5 - 41.4	Erosion of natural deposits road salt runoff	Yes

Parameter	MCL	Units	Average Level and Range Detected During 2023	Typical Sources	Met Regulatory Standards
Bromochloromethane	N/A	ppb	6.0 Range 2.6 - 15.6	By-product of drinking water chlorination	N/A
Chloroform	N/A	ppb	28.3 Range 12.1 - 64.2	By-product of drinking water chlorination	N/A
Dibromochloromethane	N/A	ppb	0.9 Range ND - 2.8	By-product of drinking water chlorination	N/A
Monochloroacetic Acid	N/A	ppb	3.4 Range 1.0 - 8.4	By-product of drinking water chlorination	N/A
Dichloroacetic Acid	N/A	ppb	10.0 Range 3.8 - 15.7	By-product of drinking water chlorination	N/A
Trichloroacetic Acid	N/A	ppb	16.4 Range 8.7 - 28.0	By-product of drinking water chlorination	N/A
Dibromomethane	N/A	ppb	0.14 Range ND - 0.8	By-product of drinking water chlorination	N/A
Monobromomethane	N/A	ppb	1.1 Range ND - 3.8	By-product of drinking water chlorination	N/A

Unregulated Contaminant Monitoring Rule 5 Results

Parameter	MCL	Units	Average Concentration and Range	Typical Sources	Met Regulatory Standards
PFDA	N/A	ppb	0.0028 Range 0.0025 - 0.0063	???	???
PFOS	N/A	ppb	0.0054 Range 0.0048 - 0.0081	???	???
PFOs	N/A	ppb	0.0033 Range 0.0032 - 0.0034	???	???



Keeping Contamination Out of Drinking Water



Under certain conditions, water from a non-potable source, such as a cooling or irrigation system, can reverse flow and enter the public water system, making that water unusable or unsafe to drink. This type of contamination is called “backflow.” The RWA works with businesses, healthcare facilities and homeowners to **prevent backflow** from impacting drinking water in our region.

In Fiscal Year 2023, our cross-connection control specialists ensured that 9,800 backflow prevention assemblies were tested and operating correctly. These backflow prevention assemblies prevent non-potable water from crossing into drinking water supplies.

Customer Care

Service First!

Our customer care specialists strive to quickly and successfully respond to customer inquiries. Our team,



acting as the main point of contact with the people we serve, handled 55,380 customer queries in Fiscal Year 2023. Responding to customer calls as quickly as possible, our customer care team resolved them in an average of 119 seconds.

A past survey of our customers reported a 91.8 percent customer satisfaction result for billing and payment. We are proud of the high levels of satisfaction reported by our customers and will continue working to improve on them.

Upgrading the Customer Journey

We’re proud of our Customer Care team and our consistent high performance in customer satisfaction surveys taken over the years. But we don’t believe in standing on our laurels. We continue to improve the systems and processes our representatives rely on to deliver excellent service to customers, harnessing technology to provide a seamless customer journey.



In 2023, we officially launched Project RWAY, a wide-ranging effort to overhaul our Customer Information System that underpins nearly every interaction with customers, from calls to the Customer Care Center to field service requests.

The new Itineris UMAX cloud-based platform — set to debut at the end of the 2024 calendar year — will address the pending obsolescence of legacy systems and will provide our teams with powerful new tools and dashboards to help them better serve customers. Customers will enjoy new functionality and improved self-service tools to help them manage their accounts, monitor their water usage and save money.

A Helping Hand to Those in Need



\$350,000

Financial Assistance Available to Families in FY23



The RWA is proud to provide reliable, high-quality tap water to its customers for about a penny per gallon. However, some families need additional assistance to make ends meet. In 2016, the RWA launched

its **Residential Water Assistance Program** with an initial budget of \$325,000 to provide financial assistance. The RWA expanded this program several times since its launch to better help households in need pay their water bills. Through this program, residential customers could qualify for grants of up to \$175 toward their water bills.

RWA customers living at or below 175 percent of the Federal Poverty Income Guidelines are eligible for the Residential Water Assistance Program. Income guidelines depend on household size.

In Fiscal Year 2023, through our partnerships with Dollar Energy and by participating in the Low Income Water Assistance Program, approximately \$350,000 in funded assistance was available to ensure no customer was without water service in times of financial hardship.

Customers at the Center of All We Do

Over the past few years, we have dedicated ourselves to improving the customer experience by looking at the technology, systems and processes we have that support them and how they all fit together to deliver exceptional service. For example, at the end of Fiscal Year 2023, about 39 percent of our customers were enrolled in paperless billing. Our e-Billing program is free and available through our website. This enabled us to save over 100,000 pieces of paper and it reduced postage costs for our customers and our business.

Consumer Education

Water service is the least expensive household utility service at about a penny per gallon. That can create a perception that water treatment and delivery have few, if any, associated costs. Every year, we evaluate our messaging and methods of delivery to determine how we can most effectively educate our customers about the value of water service. For example, we proactively share information through digital communications to enhance the customer experience and provide additional information on topics that help customers save money and use water wisely. We share this content through our customer bill and billing newsletter, our community e-newsletter, our website and our social media channels, including **Facebook**, **Instagram**, **X** (formerly Twitter) and **LinkedIn**.



91.8%
Customer Satisfaction

Online forums help us inform and obtain customer feedback:



3,071 Facebook followers
facebook.com/scctrwa

1,517 X (formerly Twitter) followers
x.com/SC_CT_RWA



2,254 Instagram followers
instagram.com/scctrwa

2,010 LinkedIn followers
linkedin.com/company/regional-water-authority



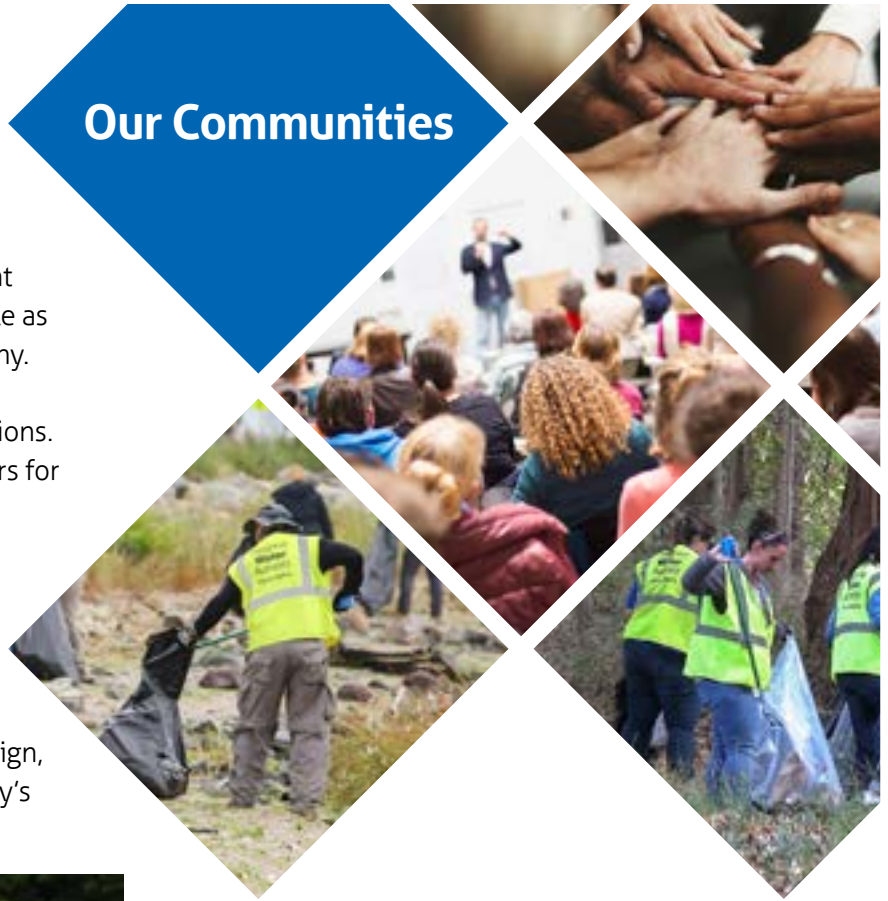
Community and Economic Impact

Supporting Local Partners

The RWA believes that community engagement strengthens our region and is critical to our role as a 21st-century environmental services company. Throughout the year, the RWA donates money, services and time to local charitable organizations. RWA employees volunteered hundreds of hours for various causes.

Each fall, the RWA holds an employee fundraising campaign for the **United Way of Greater New Haven**. In 2023, RWA employees contributed nearly \$26,000 to the United Way, including a corporate contribution. As part of this fundraising campaign, RWA employees volunteered in the United Way's annual Day of Caring.

Our Communities



Water on the Go

Since 2015, our **RWater to Go** water wagon has been a key aspect of the RWA's community support efforts, helping schools and community organizations save money and keep event attendees hydrated. RWater to Go is a mobile water fountain and bottle filling station that operates April through October.

11 Community Events

375 Gallon Capacity (equivalent to 2,800 plastic bottles diverted from waste stream)

The RWater to Go water wagon was used at 11 community events such as school and sports functions in Fiscal Year 2023. The water wagon holds 375 gallons of water, which is equivalent to diverting approximately 2,800 0.5 liter plastic bottles from the waste stream. It is

equipped with eight water fountains and eight bottle filling stations, and it is accessible to children as well as people with disabilities.

Educating the Next Generation

The RWA supports educational efforts through **The Claire C. Bennett Watershed Fund**. This fund, established in 1999, is a driving force behind the RWA's mission to protect water quality by acquiring watershed land and promoting environmental education. The education programs and scholarships supported by the fund provide future leaders with the tools they need to preserve and protect open space and drinking water supply resources. It provides students from the RWA's service district with annual scholarships. Since its founding, the fund has awarded more than \$800,000 in scholarships. In 2023, the fund provided more than \$52,000 in scholarships to 11 students who are working toward a degree in an environmentally focused field.



Buying Locally

The RWA has provided high-quality water to the Greater New Haven region for 175 years. As the communities we serve have grown, so have we. The RWA is committed to the health and economic strength of this region, which is why we support local businesses wherever possible. In Fiscal Year 2023, we spent nearly \$54 million with Connecticut businesses and municipalities.

Supporting local businesses and municipalities is a direct investment in the communities and people we serve. Buying locally has also been shown to generate a significantly smaller carbon footprint than relying on out-of-state vendors and suppliers.

\$53,940,201

Invested in CT
Businesses
and Municipalities



Advancing an Inclusive Economy

A very diverse
population of
people call

the Greater New Haven region their home. The RWA believes in promoting inclusive economic growth in our community, and we do our part by supporting businesses that represent the diversity of the people we serve. In Fiscal Year 2023, approximately \$5.66 million of our spending was with businesses owned by people of color, women, members of the LGBT community or disabled veterans. Supporting these businesses helps drive economic prosperity to members of our community who have not historically benefited from economic growth. By supporting these businesses, we hope to help create a more inclusive and sustainable economy that benefits all people.

Protecting the Environment

For over 30 years, the RWA has operated **HazWaste Central**, Connecticut's first permanent collection facility for household hazardous waste. In that time, the program has helped residents of member communities safely dispose of waste from the more than 200,000 households in the region served by the program. The program, co-sponsored by the RWA and the South Central Regional Council of Governments, helps divert that waste from being improperly disposed of in a landfill. Since its inception, this program prevented over 100,000 gallons of hazardous waste from going into the regular garbage. Residents of communities that are members of the program can bring their waste products to HazWaste Central's weekly collections for free, convenient disposal.



HazWaste Central offers its member communities a weekly opportunity to deliver their household hazardous waste on Saturday during the operating season, from May to the end of October. HazWaste Central has also worked with other organizations to offer additional services, including a collaboration with the U.S. Drug Enforcement Administration to collect unwanted medications.

HazWaste Central typically attracts over 100 people at each collection. Our online registration tool, introduced to encourage social distancing during the pandemic, makes signing up easy while reducing paper waste, making the program greener and more sustainable.





Enriching Education in Our Region

Our commitment to making lives better is evidenced by our belief that we have a responsibility to educate people about how water is one of our most precious natural resources. That's why, since 1990, the RWA has offered hands-on **environmental education programs** to show young people how their actions impact the ecosystem.

Educating our future water consumers and environmental advocates has always been a priority at the RWA. The RWA's Whitney Water Center provides free, hands-on water science programs to schools within the RWA service district. In Fiscal 2023, more than 8,360 students from 40 different schools and organizations participated in classroom programs, field trips, water science loan boxes or field experiences.



In addition to our classroom activities, our education team has also developed a **25-part video series** highlighting at-home water science activities for parents and teachers as a distance learning resource. These videos are available on our website and shared on our social media channels, and have been used by schools, libraries and other local organizations.

Our education programs also build partnerships between schools and the business community. In 2016, we adopted Common Ground High School in New Haven. Common Ground is the nation's longest running environmental charter school, where learning is grounded in the local community and the environment. The RWA has worked for the past several years with Common Ground students

8,361 Students

40 Different Schools and Organizations

and staff through our annual environmental careers summer camp and by providing support for several other initiatives. Through our continuing partnership with the school, we build on these opportunities, offering both financial and experiential support.

Growing the Water Workforce



With approximately one-third of the water-sector utility workforce eligible to retire in the next 10 years, attracting and retaining good workers is a critical challenge for utilities like the RWA. The RWA reaches out to high school and college students to let them know about the variety of careers available at a water utility. This activity has included a weeklong program with Common Ground High School students, a daylong program with New Haven Junior Achievement students as well as students from Gateway Community College and Southern Connecticut State University, who tour our headquarters and water treatment plants.

A landmark Public Utility Management Degree program was created as a solution to address the shortage of utility workers across the region. The RWA initiated and led the collaboration with Gateway, Southern and other utilities to develop the programs as a way to offer students a pathway to employment in the utility industry.

Students can begin pursuing an Associate's Degree in Public Utility Management at Gateway. Following that, students can transfer to Southern to complete their Bachelor of Science Degree in Public Utility Management. Both degrees offer a mix of courses designed to prepare students for work with a utility. Course subjects include



Visited	365	Area Companies*
Provided	745	Resources for Information
Discovered	1,335	New Potential Jobs

* Since FY2020

environmental sustainability, financial accounting, asset and infrastructure management, and other subjects related to work in public utilities. Students graduating from these programs will be equipped to fill managerial and technical job openings at the RWA and other utilities. The RWA covers the full cost of tuition for employees who enroll in these programs. The programs are new but growing. SCSU had 11 students enrolled in the program for the 2023 spring semester.

The RWA offers internships to these students and attends job fairs and other events where we can meet with them and discuss career opportunities. The RWA has hired four graduates of these programs, and hopes to employ more as the degree programs grow.

Promoting Economic Growth

As a committed member of the business community, the RWA is active in local chambers of commerce and other industry organizations. We also seek opportunities to do business with local companies whenever possible in order to help strengthen an inclusive economy in our region. In Fiscal Year 2020, the RWA funded a business development position with the Greater New Haven Chamber of Commerce to assist in job retention and economic growth. This unique initiative proactively connects with existing small and medium-sized businesses so we can better understand their needs and respond with resources. The goals of the program are to help businesses grow and thrive, remain in the region and encourage workforce development. Since its formation in 2020, the Chamber's business retention and growth program specialist visited 365 area companies; provided 745 resources for information, education and advocacy; and discovered more than 1,335 new potential jobs.

Investing in Our Communities

As a nonprofit, the RWA does not pay taxes to local, state or federal governments. However, we believe that being a member of this region means making investments in its future. For this reason, we made \$8.5 million in payments to the communities we serve through payments in lieu of property taxes (PILOT) during Fiscal Year 2023. These payments support schools, healthcare, local infrastructure and other vital services. Our commitment to this region starts at the tap, but flows well beyond.



Protecting Connecticut's Drinking Water

RWA employees are involved in various statewide public policy workgroups and initiatives. They collaborate on issues involving the environment, water resources and the future of the state's drinking water supply. RWA employees participate in state's PFAS Task Force, Climate Change Council, Water Planning Council Advisory and Working Groups as well as the Connecticut section of the American Water Works Association and the Connecticut Water Works Association, to name a few.

Advocates for Our Customers

The residents of each municipality within the RWA's region — those we provide water to and residents of communities where we own land — have a voice in our company in the form of two boards that govern our work. The 21 members of our **Representative Policy Board** (RPB) represent each community in our service district, as well as one member appointed by the governor. They are all residents of the municipalities they represent, and bring to our organization a wide range of backgrounds and expertise. RPB members cast votes on critical decisions, with their votes weighted based on a formula that considers the number of customers and amount of land owned by the RWA in each municipality.

Members of this board represent the interests of their communities. They vote on critical issues such as rate increases, land sales and any capital project with a cost in excess of \$2 million. The members of this board also ratify the appointment of the RWA's chief executive officer and appoint the five members of our Regional Water Authority Board.



Authority Board members are residents of the RWA's service region, but do not represent individual municipalities. Instead, they are involved with high-level strategy and oversight, such as setting the RWA's organizational priorities and overseeing the strategic direction of the company by reviewing and approving our strategic plan, and tracking metrics to ensure it is successful.

Our Governance



Members of the Authority Board also oversee the financial strength of the RWA, which includes reviewing financials, approving operating and capital budgets, and holding annual, in-depth examinations of the organization's 10-year financial model. They provide input on the strategies that ensure the long-term financial health of the RWA. The success of these strategies has helped the RWA keep its commitment of providing high-quality, reliable and affordable water and services.



Focusing on What Matters

To perform their oversight role, members of the RWA's two governing boards form specialized committees. These committees include:

Authority Board Committees:

Audit-Risk Committee – This committee assists the Authority Board in fulfilling its fiduciary and statutory oversight. The Audit-Risk Committee reviews the financial reporting process, the system of internal controls, the audit process, the process for monitoring compliance with laws, regulations and the Code of Conduct, as well as the RWA's risk management guidelines, policies and practices.



Compensation Committee – This committee has responsibilities for oversight relating to Leadership Team compensation. This includes reviewing the compensation strategy and ensuring officer compensation is aligned with market data, internal equity considerations, compensation practices and their contributions to financial and operating performance, and that the compensation strategy supports the organization's strategic plan goals and objectives.

Pension & Benefit Committee – The purpose of this committee is fulfilling its fiduciary responsibilities for oversight relating to the RWA's pension and other post-employment plans. Responsibilities include the funding and investment policies for the plans, monitoring asset allocation and investment performance,



and monitoring actuarial assumptions used to estimate the projected liabilities of the plans.

Environmental, Health and Safety Committee –

This committee provides guidance and input to promote the RWA's leadership role in environmental sustainability and to help protect the health and safety of employees and the public. Members also assess and manage the company's emergency preparedness, business continuity and water supply.

Commercial Business Committee – This committee, in collaboration with the CEO and members of the Leadership Team, develops and recommends the overall strategy for development of the company's market-based business activities. It monitors progress, identifies and mitigates strategy risks, reviews results as a basis for setting new strategy and recommends actions consistent with the



RWA's Enabling Legislation, Rules of Practice and strategic plan. Market-based business opportunities are sources of revenue other than water rates. The objective of pursuing these revenue enhancement opportunities is to invest back in the core utility business and to mitigate water rate increases for customers.



Strategic Planning Committee – This committee, in collaboration with senior management, develops and recommends the overall strategic direction for the organization, monitors progress, reviews the basis for setting new strategies, and recommends actions consistent with the strategic plan.

Representative Policy Board Committees:

Consumer Affairs Committee – Members of this committee assist the RPB in fulfilling its fiduciary and statutory oversight responsibility. This committee consults with the RPB and the Office of Consumer Affairs (OCA) on matters concerning the interests of our customers. Examples of activities performed include reviewing the policies and procedures for considering consumer complaints and conducting public hearings to entertain objections by the consumer to OCA decisions.

Finance Committee – Members of this committee assist the RPB in fulfilling its fiduciary and oversight responsibilities concerning



financial and budgetary matters, as well as the establishment of rates. The committee carries out its responsibilities relative to these matters including the review of rate applications, capital projects in excess of \$2 million, proposed commercial ventures in excess of \$1 million upfront, and proposals to issue bonds, Bond Anticipation Notes and other financial instruments, and recommends the external auditor. Members also participate in policy discussions.

Land Use Committee – The Land Use Committee fulfills its oversight responsibilities relating to land use and management. This includes acquisition and disposition, recreation, cutting of timber, other land uses, land use plan amendments and related policy discussions.



Evaluating Impacts on Customers



As part of its governance, the RWA funds an independent advocate for consumers. The legal counsel who represents our Office of Consumer Affairs (OCA) provides oversight to the RWA on customer issues. Complaints from customers can be sent to the OCA for evaluation and the implementation of remedies. The OCA also reviews RWA rate applications and other financial decisions, drafting opinions for consideration by the RPB before any vote. The OCA is entirely independent from the RWA, allowing for complete objectivity when providing guidance on how the RWA can best serve our customers. During Fiscal Year 2023, the OCA received two customer complaints.

Risk Management



At the RWA, we are always looking ahead and considering a wide range of risk factors that could impact our business, from water quality issues to cybersecurity. The RWA's culture of safety includes planning for potential sources of risk. The RWA has a central control room and its own police department to respond to hazardous material spills on our watersheds and aquifers at any time of day. We maintain good working relationships

with state and local emergency responders, and engage with them in regular tabletop simulations to enhance our mutual emergency preparedness.

Dam inspections and reports are completed on a routine basis at an interval that meets or exceeds state regulations. Emergency action plans have been prepared for high-hazard dams and are shared with local and state emergency planning officials. The RWA retains the services of a third-party consultant to assist in the completion of hydrologic and hydrology studies, structural and stability analyses, and modeling for use in identifying capital improvement needs at our dams.

Supply Chain



We strive to ensure that our suppliers share our values of service, teamwork, accountability, respect and safety. We believe in supporting those companies that, like the RWA, strive to do good for the people and communities where they do business. The RWA seeks to ensure its suppliers comply with all environmental, health and safety laws, rules, regulations and organizational standards. We also hold these companies to the same high standards of safety to which we hold ourselves.

Employer of Choice

Creating an Environment for Employees to Do Their Best Work

The RWA workforce is comprised of 283 employees, 163 non-union employees and 120 union employees who are in a bargaining unit*. In Fiscal Year 2023, we provided 1,635 hours of training and professional development opportunities to employees. The RWA believes continuing education is essential to professional growth, and we issued \$21,492 through our tuition reimbursement program in 2023.

Our workforce is our greatest asset, and in an effort to retain our talented employees, the RWA offers a Total Rewards Package that is competitive and progressive within our industry and our community. It reflects our company's philosophy to provide every employee with competitive and valuable benefits, including base and premium pay, comprehensive health and welfare offerings, life insurance and retirement benefits.

Shaping the RWA's Future Together

The RWA is currently operating under the **Fiscal Year 2020-2025 Strategic Plan**. Similar to prior plans, this strategic plan was developed through a robust planning process, incorporating input from across the organization.

As part of our company-wide strategic planning process, 120 employees stepped up and offered their expertise and guidance on how the RWA should evolve to better serve our customers. Input from employees allowed the plan to encompass a wide range of diverse perspectives, creating a more inclusive final document.

163 Non-Union Employees
120 Union Employees
283 Employees



* As of May 31, 2023

Our Employees



Journey to Zero Preventable Injuries

Safety is the anchor of the RWA's core values.

We are committed to ensuring that everyone returns home safely at the end of each and every day, and that our assets are operated in a safe and reliable manner. We base our commitment to safety on our care for employees, contractors, the communities in which we operate and the environment.

In Fiscal Year 2023, employees underwent more than 1,500 hours of safety training. Overall, we reported one OSHA violation and preventable injuries were kept to a minimum. There were a total of four such injuries resulting in two lost-time injuries and three restricted duty injuries.



Information and Data Security



The RWA makes the security of personal information and customer data a top priority. Our information security and public safety experts stay on the cutting edge of this topic. They share information and strategies with utilities and law enforcement agencies throughout the country.

Moreover, they implement internal strategies to protect customer data and work with all employees to promote smart cybersecurity practices.

To help protect customer information, and keep our network secure, in Fiscal Year 2023, we conducted four phishing campaigns with employees through a trusted vendor. We have also implemented user phishing training as part of our onboarding for new employees. Results showed that RWA employees effectively protect the security of our network by identifying and avoiding phishing attempts. We distribute a monthly newsletter to employees, which covers the latest industry news, best practices and special RWA cyber alerts. Moreover, we perform multiple ransomware tabletop exercises with our employees.



Economic and Financial Stability

Keeping Costs Low for Customers

As a nonprofit providing a life-sustaining product to more than 430,000 people, it is a priority of the RWA to provide water that is affordable for all. Every year, we charge employees with identifying opportunities to save money and create efficiencies.

Finding savings and efficiencies has a direct benefit for RWA customers. Combined with our successful efforts at reducing debt service since 2009, the RWA has mitigated rate increases by approximately 22 percent.

Besides our sound financial policies and operational effectiveness, the bond rating upgrades also reflect our ongoing commitment to fund our capital program in a way that is responsible to customers. The RWA primarily uses bonds to finance capital improvements. Beginning in 2011, we took steps to generate these capital funds internally. With the continuous decline in water consumption at a rate of approximately 1 percent per year, we have identified savings, as well as operational and capital efficiencies, and refinanced debt to help further mitigate rate increases.

A High Standard of Ethics



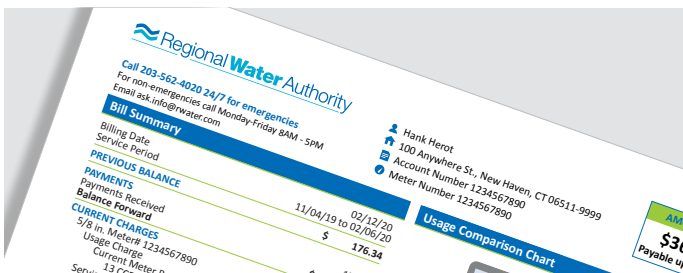
By maintaining a high standard of ethical conduct, the RWA is able to ensure our employees act honestly and in a way that best serves the interests of our customers. We have in place a strict Code of Ethics that allows us to ensure all RWA business is conducted ethically and is in the best interest of our customers. In Fiscal Year 2023, 100 percent of RWA employees reviewed this Code and documented their adherence to it.

Responsible Financial Management



Responsible fiscal practices contribute to the sustainable discipline that exists throughout the RWA. The RWA's fiscal policies and governance are focused on the long-term economic viability of our company, our resources and the region. Through responsible rate-setting practices, advanced financial management initiatives and effective strategies to increase our reserves, the RWA has established a strong financial foundation on which to build our sustainable future as a 21st-century environmental services company.

The RWA's rates are based on cost-of-service studies generally performed every three to five years. These periodic studies ensure that our rate structure reflects the true cost of water and remains affordable. The RWA's water costs about a penny per gallon. Cost-of-service analysis allows for matching rates to be charged to each class of water customer based on the costs to service that specific class.



The RWA monitors industry trends regarding rate structures and policies. By staying apprised of current trends and strategies, we are able to better plan for any future changes to our water supply or the communities we serve. We continue to adopt rate structures and financial policies that promote the sustainability of our organization while keeping water affordable for our customers.

The RWA utilizes a 10-year financial model that provides a long-term perspective on expenses, financing requirements and revenue needs. This model allows us to project rate increases, both the percentage and dollar amount, for each planned rate increase over the 10-year planning horizon. We update the model annually, and present the results of the base case and multiple sensitivity scenarios to both our governing boards. We solicit input from the boards regarding the scenarios analyzed, creating transparency in regard to any projected rate increases. Steps are regularly taken to enhance the RWA's financial model. For example, with reducing debt leverage as a focus, the model now incorporates projected debt leverage over the planning horizon. The model is also used throughout the year to assess various impacts on the RWA's overall financial position.

Encouraging Sustainable Investments



In 2019, the RWA issued its first "green bonds" series. These bonds refinanced an environmentally sustainable tunnel and pipeline restoration project that was completed in 2018. Green bonds provide investors with the opportunity to invest in bonds that are targeted to support environmentally beneficial projects, including sustainable water management and drinking water infrastructure upgrades. Investors are able to seek out green bonds as a way to identify opportunities to put their dollars toward environmentally friendly projects and combat climate change. We are a strong supporter of efforts by the business community to do good in the world by pursuing environmentally and socially beneficial projects. Participating in the growing "green investment" movement is another way the RWA is helping to build awareness of the ability of the business community to do good and support the environment.



Strategic Planning

Our **2020-2025 Strategic Plan** sets clear goals that incorporate cost savings and operational efficiency, encourage building a safer and more diverse workplace, measure and improve customer satisfaction, establish goals of effective management of our assets, promote sustainable management of our watershed lands and achieve financial targets while providing high-quality water to our customers.

The strategic plan focuses on several aspects of the RWA's operations, including increasing revenues from commercial business initiatives, with the objective of investing back into the core utility and mitigating water rate increases for customers. Enhanced revenue sources, such as services offered through the RWA's water laboratory, PipeSafe and WellSafe protection programs, fleet repair, rental property and others help to reduce reliance on water revenues, mitigating rate increases for our customers. Our commercial business ventures also allow us to expand our innovative services and solutions to more customers and clients.

The 2020-2025 Strategic Plan is based on the Balanced Scorecard and serves as a living document and guide for action. It sets the stage for implementation plans, which are central to the four perspectives of the Balanced Scorecard:

- ▶ Customers and Constituents
- ▶ Financial
- ▶ Internal Business Process
- ▶ Employee Learning and Growth



Conservation

Maintaining a High-Quality Water Supply

Weather conditions are always unpredictable, and although the Greater New Haven region typically has abundant rainfall, in 2016-2017 we experienced a prolonged drought. During that period, our customers voluntarily reduced their water usage by 10 percent.

Conservation is not solely the responsibility of the customer; it is important for the RWA to manage leaks and perform preventive maintenance as well. We reduced our rolling net annualized Unaccounted for Water to 11.65 percent for Fiscal Year 2023. The RWA achieved this by using improvements in customer data and monitoring made possible by AML.

The water loss tool we use is a cutting-edge application that allows us to further target long-term water loss within our distribution system and coordinate field leak detection activities.

Since the beginning of Fiscal Year 2019, more than 11,394 tons of water treatment residuals were sent to local contractors for beneficial reuse as a topsoil amendment.

Land Use



A key component of maintaining the long-term viability of our water resources is our commitment to watershed land preservation and acquisition. The RWA manages its lands in accordance with a [Land Use Plan](#) that governs and enforces allowed uses on all land holdings. The RWA

11,394
Tons of Water
Treatment Residuals
Recycled



continues to acquire additional watershed land as it becomes available, with

Our Environment



the help of a matrix developed in-house to score the protection value of individual parcels. The protection of water supply is the foremost standard for all land use decisions by our management and its governing boards

The RWA maps, monitors and addresses invasive plants on watershed forestlands. This work includes research on control methods for species such as barberry, stiltgrass and knotweed, which interfere with forest regeneration, attract disease-causing ticks and impact water quality. We have worked with University of Connecticut researchers on remote sensing methods for mapping invasive species, as well as the tree damage caused by insects and storm events. Monitoring of invasive aquatic species is a high priority, including best management practices to prevent the introduction of zebra mussels





and non-native aquatic plants into RWA reservoirs. The RWA is currently taking aggressive actions to contain water chestnut in one of its impoundments, including annual harvests since 2020.



The RWA regularly seeks opportunities to acquire and protect new parcels of open space. Since 2007, we have spent \$13.5 million to protect 995 acres of land by acquisition or through legal agreements that guarantee the land is protected from

development. This includes 265 acres protected by the RWA in the past seven years. The RWA regularly applies for grants that assist in purchasing open space. Since 2015, the RWA has been awarded approximately \$688,000 in grants to purchase 201 acres of open space. Owning property on active watersheds is the first layer of our multi-barrier approach to protect water quality.

The RWA also regularly assists land trust organizations in their efforts to acquire new land so that it can be cared for and preserved from development. In the past four years, we worked with local organizations to protect 45 acres of land at a cost of \$225,000. We also expressed our support for open space purchases by two municipalities within our public water supply watersheds. Moreover, the RWA works with land trusts and other organizations to create and extend hiking trails in our region. Most recently, we agreed to assist in creating



a new trail in North Branford that will allow hikers to explore part of a previously inaccessible area of the RWA's land.

Groundwater Management

Although it is mostly unseen, groundwater sources are an integral part of our water supply. Proper management of the watershed allows us to reduce pollution that could compromise the quality of the groundwater. The RWA conducts inspections annually to identify potential sources of pollution within our public water supply watersheds and aquifers. We work closely with business owners, as well as local and state regulatory agencies to ensure timely correction of any potential water quality threats. In Fiscal Year 2023, the RWA conducted 778 industrial, commercial and residential property inspections on parcels within our watersheds, which resulted in 34 violations. Once the violations were identified, corrective action was taken to prevent additional issues.



Recreation

The RWA has nine recreation areas that touch 11 towns and traverse nearly 82 miles throughout

Greater New Haven offering great water views and four seasons of fun as part of our **Claire C. Bennett Recreation Program**. Permit holders can hike, jog, cross-country ski, bicycle and stream, lake and boat fish. The trails are well marked, easily accessible and open year-round. We provide easy-to-read trail maps and offer special family events such as nature walks and fishing derbies. In Fiscal Year 2023, we had approximately 5,000 permit holders.

Since 2007 Invested
\$13,488,962
to Protect 995 New
Acres of Land



Land Management



Our commitment to water quality extends well beyond the laboratory – it includes the conservation of watershed and aquifer lands. The RWA has long recognized the link between human activity on land and the water quality of streams, rivers and reservoirs. We have invested millions of dollars to protect thousands of acres of watershed land in the region so we can maintain a high level of water quality for our customers.

In 2016, we further demonstrated our commitment to serve as stewards of RWA lands when we signed [the Connecticut Source Water Collaborative Charter](#). The Collaborative is a multi-stakeholder group that seeks to develop and support strategies to preserve, protect and maximize the conservation of sources used for drinking water and the land that protects and recharges those sources.

Through our work with the Source Water Collaborative, we will strengthen our water supply mission and enhance awareness that stewardship of water and land is a responsibility shared by all residents of the state of Connecticut.

Moreover, in 2019, we partnered with local land trusts and led the formation of a new regional conservation partnership in the Greater New Haven area called the [South Central Regional Land Conservation Alliance](#). This regional partnership is an association of local land trust organizations that have come together to work collectively toward fostering open space in the Greater New Haven region. The RWA was a driving force in bringing these land trust organizations together so they can share expertise, information and resources.

Water Wise Ways

As part of its response to the drought affecting Connecticut in 2016 and 2017, the RWA accelerated a long-term campaign encouraging customers to use water wisely. Using bill inserts, social media, its website, news media and other outreach opportunities, the RWA provides customers with tips and guidance on how to conserve water and more efficiently use this precious natural resource. To provide customers with an additional tool to conserve water, the RWA reached an agreement with a rain barrel manufacturer to make the barrels available to RWA customers at a discount. These barrels, sold at no profit to the RWA, allow customers to capture and store rainwater, and then use a hose attachment to water a garden, wash a car or do other outdoor chores.

Approximately 40 percent of water used by the average homeowner in warm weather months is used outdoors. A one-inch rainfall on a 1,200-square-foot roof can yield over 1,330 gallons of water. Using a rain barrel is an excellent way to capture this water for household use. In Fiscal Year 2023, we sold 330 barrels at a deep discount over the retail price. To date, the RWA has sold over 1,030 rain barrels to customers, helping them use water wisely.

More than
1,030
Rain Barrels
Sold to
Customers



In 2023, the RWA once again partnered with WTNH-News 8 and WCTX Channel 59 to air a series of television public service announcements sharing tips we call [Water Wise Ways](#). These video segments can be found on the RWA's website, alongside many other points for reducing water use. Additionally, we have offered a webinar series to educate homeowners on proper outdoor irrigation use and water conservation. It featured experts from the EPA's WaterSense program, a local irrigation professional, a master gardener and a senior environmental analyst from the RWA.

Infrastructure Improvements

The RWA averages nearly 44 million gallons of water production each day. To maintain our system and continue delivering high-quality water to our customers, we made approximately \$8.2 million in improvements to replace old and undersized water mains in Fiscal Year 2023.

Our Capital Pipe Replacement Program, with the “three breaks per 1,000 feet replacement” criteria, is a very strong metric that has resulted in the RWA maintaining a main break rate of 2.56 breaks per 100 miles of main. The RWA’s main break rate is very low compared to the American Water Works Association’s national average of about 20 breaks per 100 miles of main. The Capital Pipe Replacement Program is based on a Massachusetts Institute of Technology study performed for the RWA and has been reexamined by multiple parties to demonstrate its effectiveness in reducing and optimizing our main replacement program over the last 30 years, in order to balance capital investment with leakage and customer service standards.

\$42.6 Million
FY23 Capital
Investment Budget



Additionally, every year, we listen for leaks on about a quarter of our water mains – over 400 miles – by attaching two sensors to the pipes. The noise made by water leaking from a pipe is picked up by the sensors and

transmitted to a device that can calculate the exact distance to

\$8.2 Million Spent in
FY23 on Improvements
to Replace Old and
Undersized Water Mains



a leak. This high-tech effort helps us detect small leaks, preventing them from becoming big breaks.

In Fiscal Year 2023 the capital investment budget was \$42.6 million. The RWA reduces costs by taking advantage of grants from the Drinking Water State Revolving Fund (DWSRF) program and pursues other low/no-cost financing opportunities. Since we began participating in this program, the RWA has received \$4.3 million in DWSRF grants and pursue other low- and no-cost financing opportunities.

Reducing Our Carbon Footprint

The RWA is deeply committed to preserving the environment and continues looking for new ways to minimize our energy footprint. These ongoing energy reduction efforts helped the RWA accomplish an average decrease of 365,212 kilowatt hours (kWh), compared to our baseline year of Fiscal Year 2015, per EPA's Portfolio Manager.

In 2020, the RWA began purchasing green power through a third-party energy provider. The energy is 100% wind energy and as a result of this purchase, the RWA has avoided the production of approximately 10,624 tons of CO₂ in Fiscal Year 2023.



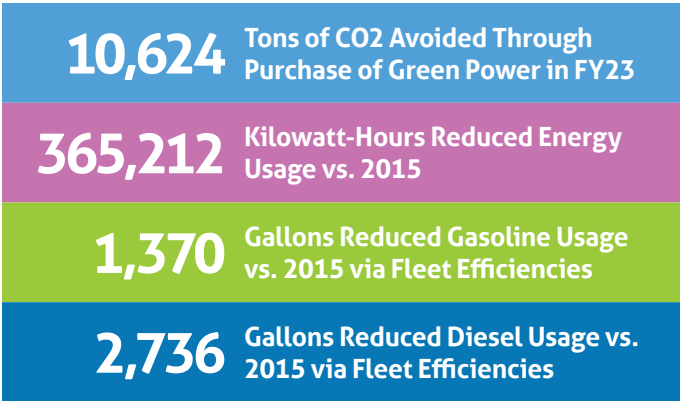


Reducing our energy footprint spans various areas of the company. Our fleet efficiencies reduced gasoline use by 1,370 gallons, and diesel use by 2,736 gallons, reducing our overall CO2 emissions by 33 tons compared to Fiscal Year 2015, and in accordance with emissions factors provided by the US Energy Information Administration.

Renewable Energy Sources



In addition to projects that promote energy efficiency, the RWA has sought to more widely use renewable energy sources. The RWA has a 300-kilowatt hydro-turbine installed behind the meter at its largest water treatment plant. In Fiscal Year 2023, the turbine offset this facility’s energy usage by 628 megawatt-hours (MWh).



Another renewable energy source is the 1-MW solar array installed in 2015 at one of our wellfields. In Fiscal Year 2023, the solar array produced approximately 1,161 megawatts and provided 89 percent of the facility’s power. The RWA is currently proposing a modification of its internal approval process for renewable energy projects to streamline efforts to develop small energy projects.

By utilizing solar power, we reduced our emissions by approximately 503 metric tons, equivalent to 2,079,441 miles driven by a passenger car or the energy use for 102 homes for one year.

By cutting back on our emissions equivalent, the RWA is preventing this material from entering the atmosphere and contributing to climate change.



Fiscal Year 2023 At a Glance



283 Employees



430,601 Consumers Served



43.7 Million Gallons of Water
a Day Delivered



8,631 Area Students Educated
About Water Science



15 South Central Connecticut
Municipalities in Service Area



116,818 Metered Customers in
District



\$900 Million in Assets



27,795 Acres of Land Owned



1,722 Miles of Main



10,343 Hydrants Owned



82 Miles of Recreation Trails



16 Miles of Fishing Areas



\$144 Million in Operating
Revenue

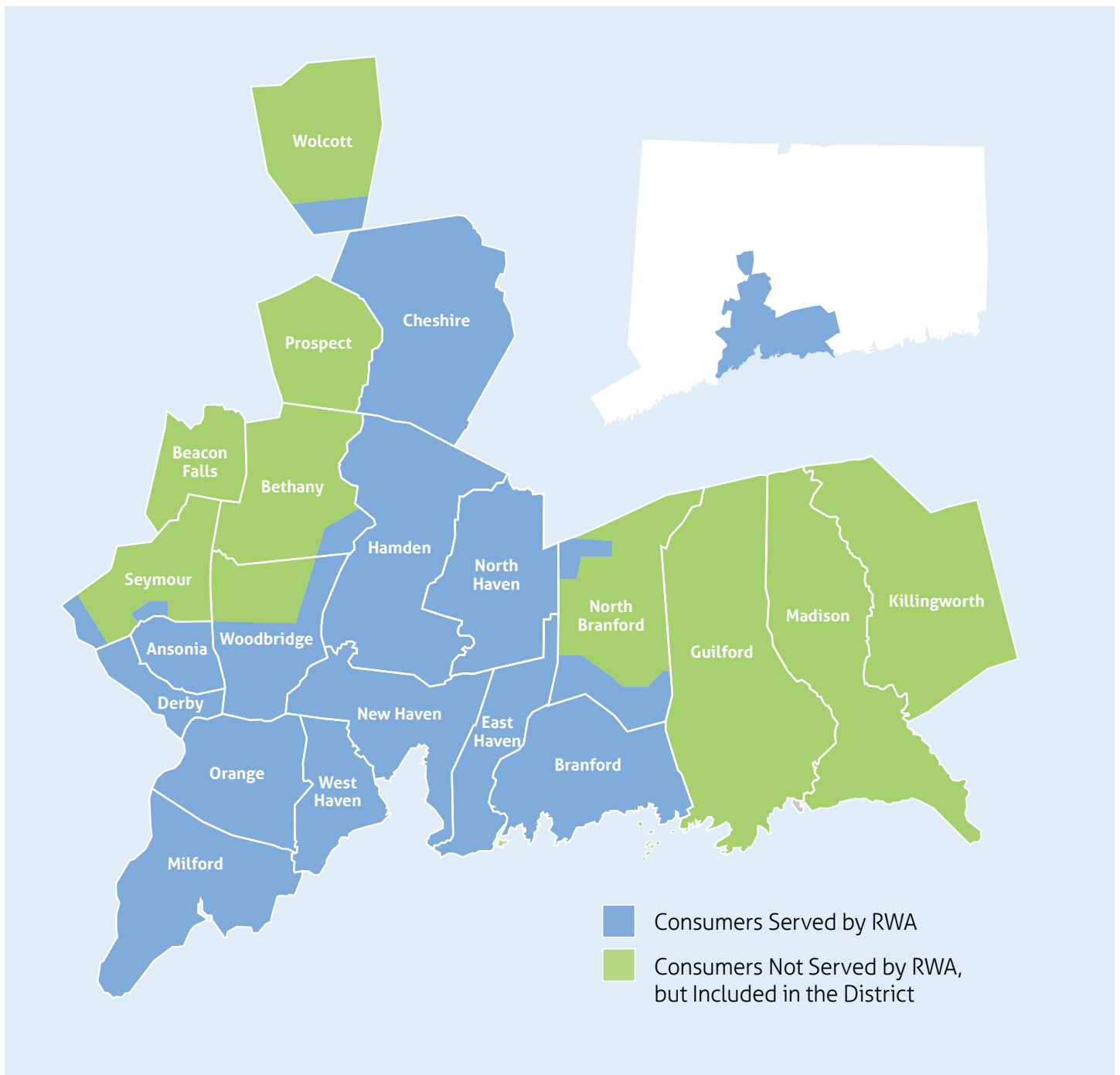


15.9 Billion Gallons of Water
Treated



1,045 Acres of Conservation
Easements

Our Service Area



 **Regional Water Authority**
Tapping the Possibilities™

Visit: www.rwater.com | Write: ask.info@rwater.com | Call: 203-562-4020

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