

**Representative Policy Board  
Consumer Affairs Committee  
South Central Connecticut Regional Water District  
Via Remote Access\*\***

**AGENDA**

**Regular Meeting of Monday, October 19, 2020 at 5:30 pm**

1. Safety Moment
2. Ten Year Model Presentation: R. Kowalski
3. Approval of Minutes – September 21, 2020 meeting
4. Report of OCA
5. Approval of OCA Invoice for September 2020 for \$2,870.00
6. Next regular meeting – Monday, November 16, 2020 at 5:30 p.m.
7. Adjourn

**\*\***In accordance with the Governor Lamont’s, Executive Order No. 7B for the Protection of Public Health and Safety during COVID-19 Pandemic and Response, the public hearing will be held remotely under the requirements of Paragraph 1 of Executive Order No. 7B - Suspension of In-Person Open Meeting Requirements. Members of the public may attend the meeting via conference call, videoconference or other technology. For information on attending the meeting via remote access, and to view meeting documents, please visit <https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2020&category=1435&meettype=&page=>. For questions, contact the board office at 203-401-2515.

**Topic: RPB CAC Meeting**

Time: Oct 19, 2020 05:30 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Dial by your location

+1 312 626 6799 US (Chicago)

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+1 346 248 7799 US (Houston)

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Meeting ID: 899 6923 7480

Passcode: 234053

Find your local number: <https://us02web.zoom.us/j/89969237480>

# SAFETY MOMENT

## AUTUMN SAFETY



**CHECK  
SMOKE  
DETECTORS**

ONCE PER MONTH TO  
ENSURE THEY WORK



**KEEP ALL FALL  
DECORATIONS**

AWAY FROM LIT CANDLES  
& ALL OPEN FLAMES

**CLEAN AND  
INSPECT**

YOUR CHIMNEY ON A  
REGULAR BASIS



**DON'T  
OVERLOAD  
OUTLETS**

WITH TOO MANY  
PLUG-IN  
DECORATIONS



**Tap Into  
Safety**



Service – Teamwork – Accountability – Respect – 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 Consumer Affairs Committee  
South Central Connecticut Regional Water District**

**Minutes of the September 21, 2020 Meeting**

The regular meeting of the Consumer Affairs Committee of the Representative Policy Board of the South Central Connecticut Regional Water District (“RPB”) took place on Monday, September 21, 2020, via remote access. Committee members present were M. Levine, S. Mongillo, F. Pepe, and R. Smith.

Also present were T. Clifford, B. Eitzer and T. Slocum (RPB), S. Sack (Authority member), J. Donofrio (Office of Consumer Affairs), L. Bingaman, P. Singh and P. Vece (RWA), and J. Slubowski (RPB Staff).

Chair Mongillo called the meeting to order at 5:30 p.m. He reviewed the safety moment distributed to members.

On motion made by Mr. Pepe, seconded by Mr. Smith, and unanimously carried, the Committee approved the minutes of its August 17, 2020 meeting, as presented.

At 5:32 p.m., Messrs. Singh and Vece entered the meeting.

The Office of Consumer Affairs provided an update on one pending consumer complaint from Clark Commons in Milford, as a result of excessive consumption readings. After discussions with the consumer, RWA management, and the OCA, a resolution was reached. After receiving new information from the consumer, the RWA offered a proposed one-time waste adjustment of \$1,355, which was accepted by the board at Clark Commons.

The OCA reported that there are currently no other active consumer complaints.

Mr. Singh, RWA’s Vice President of Customer Service & Chief Information and Digital Officer, provided a PipeSafe Marketing update:

- Status of the program. Currently there are 58K customers for PipeSafe, 44K customers for sewer pipe protection, 4K customers for plumbing repairs and 890 customers for septic repairs.
- Marketing efforts to increase brand awareness and participation will be done with the same budget.
- The target audience has been identified. The advertising campaign will be deployed in two waves for impact and cost efficacy.
- One goal is to increase the plumbing repair customers from 4K to 18K.
- Other efforts to increase the PipeSafe brand awareness are customer focused and include TV and radio spots, outdoor panels, website information, direct mail, bill inserts, social media, lawn signs and fleet billboards.

Discussion took place regarding competitive marketing, repair services, other considerations, number of calls to date, brand awareness, social marketing, and enrollment.

At 6:30 p.m., Messrs. Bingaman, Eitzer and Vece withdrew from the meeting.

Representative Policy Board  
Consumer Affairs Committee  
September 21, 2020

**UNAPPROVED DRAFT**

On motion made by Mr. Smith, seconded by Mr. Pepe, and unanimously carried, the Committee approved the OCA's August 2020 billing (\$2,037.50).

The next regular meeting is scheduled for Monday, October 19, 2020 at 5:30 p.m.

As there was no other business, the meeting adjourned at 6:32 p.m.

Respectfully submitted,

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Stephen Mongillo, Chairman

# Ten Year Financial Model & Sensitivity Analysis

Representative Policy Board  
Consumer Affairs Committee

October 19, 2020



# Agenda

- Review Ten-Year Base Case Model
  - Underlying Assumptions
  - Issuance Test Summary Results
  - Components of Increases
  - Capital Planning Update
  - Leverage
  - Opportunities/Vulnerabilities
- Scenarios – Recommendations & Additional Sensitivities
- Next Steps – FY 2021 Results, FY 2022 Budget and Upcoming Rate Application
- Appendix A – Sensitivity Tables

# Base Case Model Review

## Planning Ahead

### Underlying Assumptions – Base Case:

- **RSF at \$10m, General Fund at \$10m, and coverage at 114%**
  - RSF reimbursed to \$10m each year – despite “non-cash” draws
  - Growth Fund utilized to fund “non-core” capital projects
  - General Fund in excess of \$10m used to reduce upcoming rate increases

### Revenue

- 1% Y/Y decline in consumption (from FY 2021 original budget)
- Net “non-core” reflects organic growth only – meets FY 2025 target excluding acquisitions

### Financing

- Reflects additional DWSRF project financing/reimbursement
- Updated Capital Improvement Plan
- Rate Applications – every eighteen months

### Expenses

- Congressional Budget Office (CBO) projections (published July 2020)
- Exceptions include pension, medical, and OPEB
  - Pension fully funded in FY 2025 (vs. at end of FY 2023), consistent with 2019 model
  - Depreciation \$1m increase, except when pension reaches fully funded level



# Base Case Model Review Planning Ahead (cont.)

## Issuance Test – Summary Results:

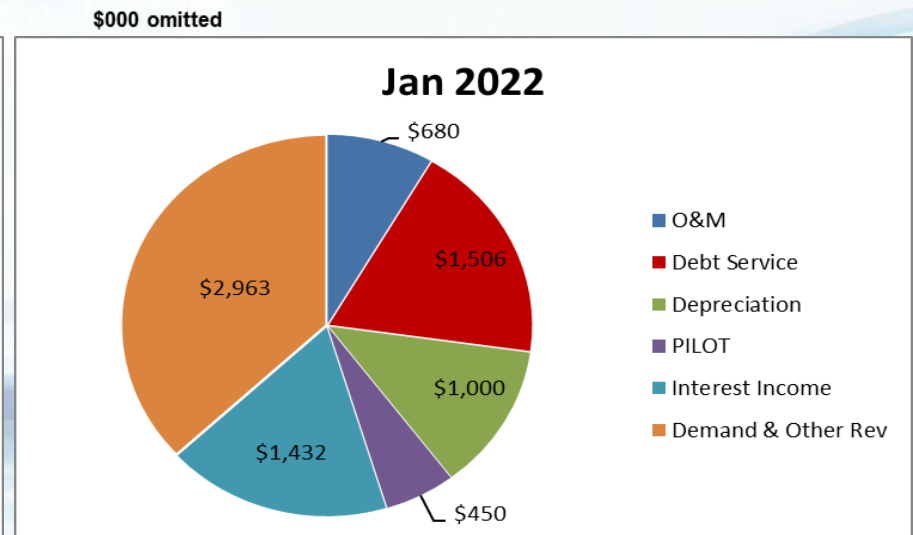
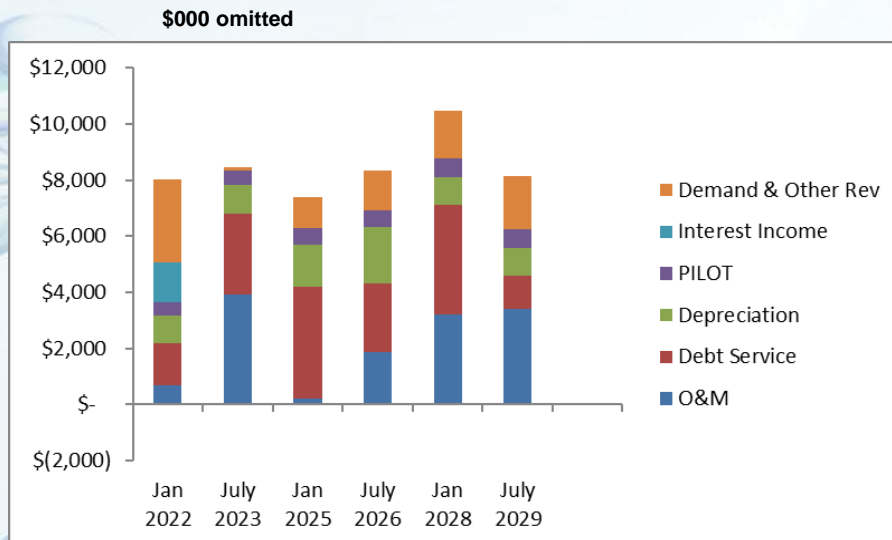
|  | Effective<br>July 2, 2019<br>FY2020 | Effective<br>January 2, 2022<br>FY2022 | Effective<br>July 1, 2023<br>FY2024 | Effective<br>January 2, 2025<br>FY2025 | Effective<br>July 1, 2026<br>FY2027 | Effective<br>January 2, 2028<br>FY2028 | Effective<br>July 1, 2029<br>FY2030 |
|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
| <b>Percentage Increase:</b>                      |                                     |  |                                     |  |                                     |  |                                     |
| Overall percentage increase                      | 6.13%                               | 6.54%                                  | 6.46%                               | 5.34%                                  | 5.78%                               | 6.95%                                  | 5.12%                               |
| Overall percentage increase (water only)         | 6.52%                               | 6.93%                                  | 6.89%                               | 5.70%                                  | 6.15%                               | 7.39%                                  | 5.42%                               |
| <b>Customer Impact:</b>                          |                                     |  |                                     |  |                                     |  |                                     |
| <u>Avg. Residential Cust. Bill: (in dollars)</u> | \$ 685.15                           | \$ 732.62                              | \$ 783.08                           | \$ 827.72                              | \$ 878.63                           | \$ 943.52                              | \$ 994.63                           |
| Annual increase                                  |                                     | 47.47                                  | 50.46                               | 44.64                                  | 50.91                               | 64.89                                  | 51.11                               |
| Cents per day                                    |                                     | 0.13                                   | 0.14                                | 0.12                                   | 0.14                                | 0.18                                   | 0.14                                |
| Price per Gallon                                 | \$ 0.0092                           | \$ 0.0098                              | \$ 0.0105                           | \$ 0.0111                              | \$ 0.0117                           | \$ 0.0126                              | \$ 0.0133                           |

- Price per gallon remains approximately a penny over the 10 year planning horizon
- Projected increases through FY 2027 under 7%

# Base Case Model Review Planning Ahead (cont.)

## Issuance Test – Components of Rate Increases/Key Takeaways:

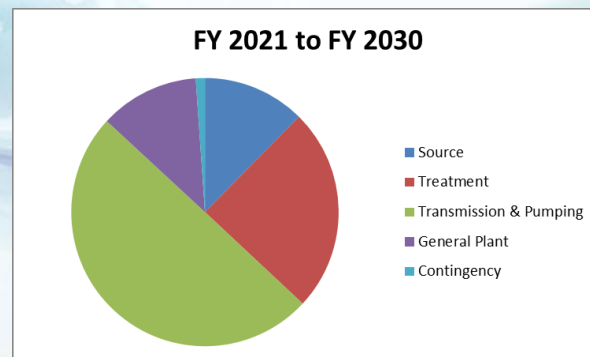
- January 2022: Cash revenues, debt service, and decline in interest income are primary drivers. Use of General Fund reduces O&M impact on rates
- July 2023: O&M and debt service are primary drivers of increase. O&M has largest impact due to minimal General Fund monies used to offset increase
- January 2025: Lower increase reflects pension plans achieving fully funded level
- January 2025 and July 2026 reflect depreciation increase above \$1m



# Base Case Model – Capital Planning

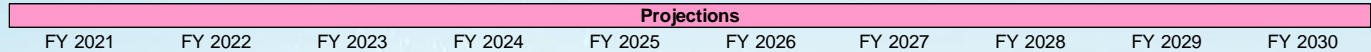
**Key Takeaway: Thorough review of ten-year capital improvement plan used in model  
Incorporates 3R's - Risk, Resiliency, and Redundancy**

- New CIP structure (e.g., source of supply, service area, and activity) utilized
  - Allowing for more clarity regarding if the allocation of capital dollars is meeting objectives
- Moving towards project delivery method of larger 'system' projects to achieve multiple objectives
  - Multiple RPB project applications submitted earlier, with larger budgets and contingencies
  - Capital efficiencies: bundling, project administration and management, coordination
- Reflects projects that are certain– not all infrastructure or tech projects reflected. For example:
  - Rehabilitations with low consequence of failure
  - Capital associated with potential, but not yet promulgated, regulatory requirements
  - Potential, not yet definitive, technology projects (e.g., CIS/ERP upgrade)
- Includes critical infrastructure projects, sequence well thought-out



# Base Model Review Planning Ahead (cont.)

## Leverage Trend:



## Leverage Calculations:

| Debt to Capital Ratio at par - adj. for unspent proceeds | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 85.5%   | 83.5%   | 84.1%   | 82.8%   | 82.3%   | 81.2%   | 79.8%   | 78.6%   | 76.7%   | 74.8%   |

## Leverage Trend:

- Debt to capital ratio trend 2009 **100%** → 2021 **86%** → 2030 **75%**
- Over ten year horizon, net utility plant increases by more than debt
- Ratio will be impacted by asset mix
- With capital improvement plan, FY 2021 projected debt is \$545m and FY 2030 is \$538m, debt peaks at \$591m in FY 2025
- Projected depreciation exceeds projected principal payments (by approx. 2.5%)
- Internally generated funds of approximately \$139m over the 10 year planning horizon

# Opportunities & Vulnerabilities

## Key Takeaway: Continued commitment to mitigate rate increases

- 
- Capital Expenditures & Financing
    - Regulatory requirements
    - DWSRF (low cost loans and grants)
    - Interest rate environment
    - Refinancing (e.g., taxable advance, forward delivery, post 8/22 – yield curve)
    - Grants
  - Operating expenses
    - Multiple categories
  - Revenue
    - “Non-core” growth
    - Percentage of billings collected
    - Billed consumption
    - Wholesale/interconnection
- 

# Scenarios – Recommendations

**Key Takeaway: Balance rate impacts with financial stability**

## **Recommendations:**

### **Scenario 1: Base Case - Jan. 2022 Rate Increase Under 7% *(for details see page 15)***

- Using General Fund monies in excess of \$10m to reduce O&M impact
- Increases depreciation and OPEB, when pension reaches fully funded level
  - Depreciation increase: Additional \$500k in Jan. 2025 and additional \$1m July 2027
  - Increase OPEB contribution approximately \$.5m and \$1.2m
  - Ability to adjust mix and amount of increases based on then current circumstances
- Updated capital improvement plan utilized with no reductions
- Rate is the fourth lowest, annual rate of approximately \$995 in the 10<sup>th</sup> year
- Leverage is reduced to 75% in the 10<sup>th</sup> year
- Internally generated of approximately \$139m

# Recommendations & Additional Scenarios

## Recommendations (cont.):

### Scenarios 5 and 6 *(for details see page 17)*

#### Scenario 5 - Target - January 2022 rate increase less than 6.5%

- Focused on upcoming rate application - slightly lower O&M, capital and PILOT
- Approximately \$4 lower rate in 10<sup>th</sup> year (\$991), slightly higher (\$364k) internal funds

#### Scenario 6 - Outer Year Expense Reductions

- Approximately \$3 lower rate in 10<sup>th</sup> year and slightly higher (\$299k) internal funds

## Additional Scenarios:

### Scenario 2: Increase in Depreciation (over base case)

- Depreciation increases over base \$.5m Jan. 2025, \$.75m July 2026, \$.75m July 2029
- Unlike coverage increase – ability to assess depreciation increases at each rate case
- Second highest rates, annual rate of \$1,004 in the 10<sup>th</sup> year
- Highest internal generation of funds, \$3.3m higher than base case
- Reduces leverage by approx. .5% at the end of the planning horizon

# Additional Scenarios (cont.)

## **Scenario 3: 10% Increase in Capital (starting in FY 2022)**

- Highest rates, annual rate \$1,012 in the 10<sup>th</sup> year
- Second highest internal generation of funds, approx. \$1.1m higher than base
- Second highest leverage in the 10<sup>th</sup> year, approx. 1% higher than the base

## **Scenario 4: Capital up by \$15m in FY 2027**

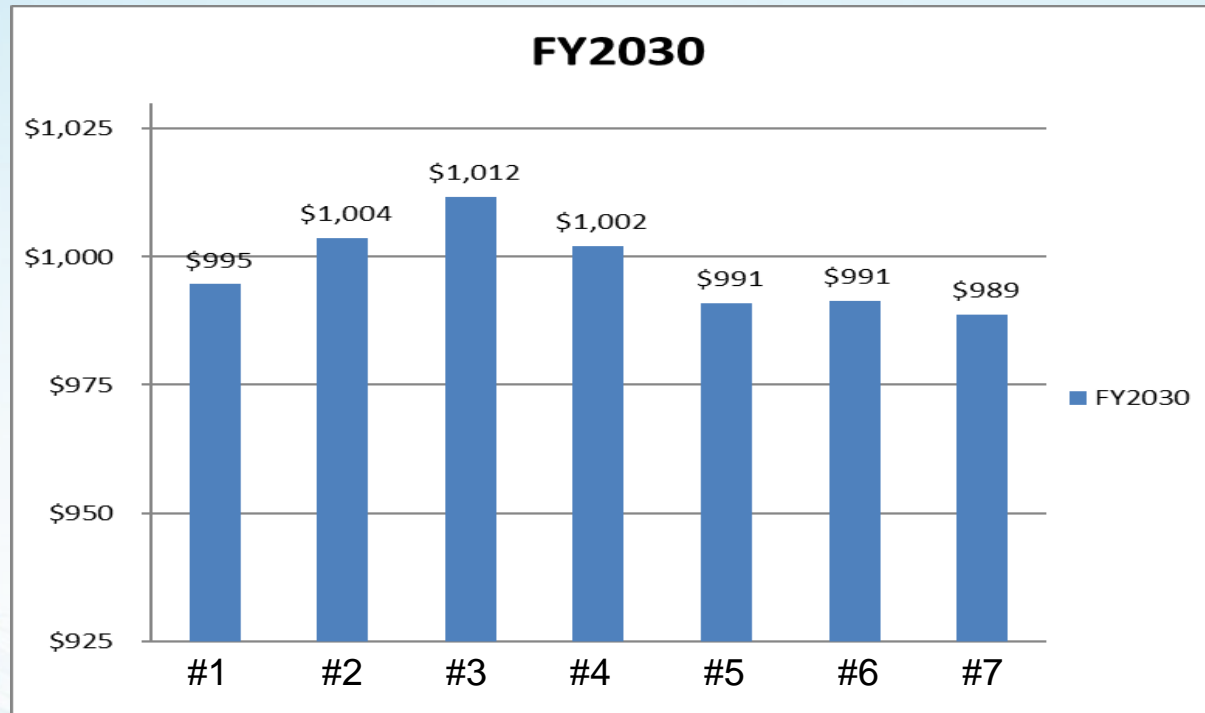
- Third highest rates, annual rate of \$1,002 in the 10<sup>th</sup> year
- Third highest internally generated funds, approx. \$.5m higher than base
- Highest leverage at the end of the planning horizon, approx. 2% higher than base

## **Scenario 7: Pension Fully Funded FY 2023**

- Highest rate increases in January 2022 – increase over 9%
- OPEB 10% Y/Y increases starting in FY 2024
- Three rate applications at \$1.5 million depreciation (July 2023, Jan. 2025, July 2026)
- Lowest rate by approx. \$5 dollars (\$989) at the end of the 10<sup>th</sup> year
- Lowest internally generated funds
- With additional \$.5m depreciation added in July 2026, rate of \$991 in 10<sup>th</sup> year, second highest internal funds, and lowest leverage



# Summary of Scenarios



## Key Takeaways:

- Scenarios help inform decisions/recommendations
- Adjust approach based on then current circumstances
- Adopt aspects of alternative scenarios
- Balance rate impact on customers with financial stability (e.g., reduced leverage)

# Next Steps

## **Continued focus and execution against of our Strategic Plan**

- Mitigate debt service (grants, refinancing, alternative financing)
- Revenue enhancement (e.g., non-core, cash collections, wholesale)
- Prudent cost management/process efficiencies/innovative approaches
- Workforce engagement
- Asset management
- Continued evaluation of O&M and capital spending levels

## **FY 2021 Results, FY 2022 Budget & Rate Application:**

- Continue to monitor COVID-19 impacts on FY 2021 results and maintain flexibility
- Continue to refine assumptions for FY 2022 budgets and rate application
- Incorporate impacts of FY 2021 results and decisions in upcoming rate application

## **Continued communication to all stakeholders**

# Appendix A

# Sensitivity Table

|   | FY2021    | FY2022    | FY2023    | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | Total      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <b>Scenario 1 (Base)</b>                    |           |           |           |           |           |           |           |           |           |           |            |
| GBR Coverage Requirement Assumption         | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%       |
| Actual Coverage (w/depreciation)            | 129%      | 130%      | 127%      | 129%      | 128%      | 132%      | 133%      | 132%      | 131%      | 134%      |            |
| Overall Percentage Increase                 |           | 6.5%      |           | 6.5%      | 5.3%      |           | 5.8%      | 7.0%      |           | 5.1%      |            |
| Overall percentage increase (water only)    |           | 6.9%      |           | 6.9%      | 5.7%      |           | 6.2%      | 7.4%      |           | 5.4%      |            |
| Average Residential Customer Bill           |           | \$ 732.62 |           | \$ 783.08 | \$ 827.72 |           | \$ 878.63 | \$ 943.52 |           | \$ 994.63 |            |
| Annual increase                             |           | \$ 47.47  |           | \$ 50.46  | \$ 44.64  |           | \$ 50.91  | \$ 64.89  |           | \$ 51.11  |            |
| Cents per day                               |           | \$ 0.13   |           | \$ 0.14   | \$ 0.12   |           | \$ 0.14   | \$ 0.18   |           | \$ 0.14   |            |
| Price per Gallon                            |           | \$ 0.0098 |           | \$ 0.0105 | \$ 0.0111 |           | \$ 0.0117 | \$ 0.0126 |           | \$ 0.0133 |            |
| Realization of Target Fund Balances:(000's) |           |           |           |           |           |           |           |           |           |           |            |
| RSF   | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000  |
| General Fund                                | \$ 12,223 | \$ 10,648 | \$ 10,648 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398  |
| Growth Fund                                 | \$ 5,504  | \$ 5,109  | \$ 4,784  | \$ 4,424  | \$ 4,384  | \$ 4,344  | \$ 4,304  | \$ 4,264  | \$ 4,224  | \$ 4,184  |            |
| DWSRF Reimbursement                         | \$ -      | \$ 6,572  | \$ -      | \$ 8,000  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ 14,572  |
| Internal Funds used for utility plant       | \$ 19,647 | \$ 20,733 | \$ 10,076 | \$ 8,873  | \$ 11,474 | \$ 10,922 | \$ 15,309 | \$ 14,184 | \$ 13,491 | \$ 14,667 | \$ 139,376 |
| Debt/Capital Ratio                          |           | 86%       | 84%       | 84%       | 83%       | 82%       | 81%       | 80%       | 79%       | 77%       | 75%        |
| Internal Funds & DWSRF                      |           |           |           |           |           |           |           |           |           |           | \$ 153,948 |

|   | FY2021    | FY2022    | FY2023    | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030      | Total      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|------------|
| <b>Scenario 2 (Increase Depreciation)</b>   |           |           |           |           |           |           |           |           |           |             |            |
| GBR Coverage Requirement Assumption         | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%        | 114%       |
| Actual Coverage (w/depreciation)            | 129%      | 130%      | 127%      | 129%      | 129%      | 133%      | 135%      | 134%      | 133%      | 137%        |            |
| Overall Percentage Increase                 |           | 6.5%      |           | 6.5%      | 5.7%      |           | 6.0%      | 6.9%      |           | 5.5%        |            |
| Overall percentage increase (water only)    |           | 6.9%      |           | 6.9%      | 6.1%      |           | 6.4%      | 7.3%      |           | 5.8%        |            |
| Average Residential Customer Bill           |           | \$ 732.62 |           | \$ 783.08 | \$ 830.75 |           | \$ 884.19 | \$ 948.63 |           | \$ 1,003.68 |            |
| Annual increase                             |           | \$ 47.47  |           | \$ 50.46  | \$ 47.66  |           | \$ 53.45  | \$ 64.44  |           | \$ 55.05    |            |
| Cents per day                               |           | \$ 0.13   |           | \$ 0.14   | \$ 0.13   |           | \$ 0.15   | \$ 0.18   |           | \$ 0.15     |            |
| Price per Gallon                            |           | \$ 0.0098 |           | \$ 0.0105 | \$ 0.0111 |           | \$ 0.0118 | \$ 0.0127 |           | \$ 0.0134   |            |
| Realization of Target Fund Balances:(000's) |           |           |           |           |           |           |           |           |           |             |            |
| RSF   | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000   | \$ 10,000  |
| General Fund                                | \$ 12,223 | \$ 10,648 | \$ 10,648 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398   | \$ 10,398  |
| Growth Fund                                 | \$ 5,504  | \$ 5,109  | \$ 4,784  | \$ 4,424  | \$ 4,384  | \$ 4,344  | \$ 4,304  | \$ 4,264  | \$ 4,224  | \$ 4,184    |            |
| DWSRF Reimbursement                         | \$ -      | \$ 6,572  | \$ -      | \$ 8,000  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -        | \$ 14,572  |
| Internal Funds used for utility plant       | \$ 19,647 | \$ 20,733 | \$ 10,076 | \$ 8,873  | \$ 11,473 | \$ 10,937 | \$ 15,871 | \$ 14,890 | \$ 14,558 | \$ 15,652   | \$ 142,710 |
| Debt/Capital Ratio                          |           | 86%       | 84%       | 84%       | 83%       | 82%       | 81%       | 80%       | 78%       | 76%         | 74%        |
| Internal Funds & DWSRF                      |           |           |           |           |           |           |           |           |           |             | \$ 157,282 |

# Sensitivity Table (cont.)

|  | FY2021    | FY2022    | FY2023    | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030      | Total      |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|------------|
| <b>Scenario 3 (10% Capital Increase Beginning FY 2022)</b> |           |           |           |           |           |           |           |           |           |             |            |
| GBR Coverage Requirement Assumption                        | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%        | 114%       |
| Actual Coverage (w/depreciation)                           | 129%      | 130%      | 127%      | 129%      | 128%      | 131%      | 133%      | 131%      | 130%      | 133%        |            |
| Overall Percentage Increase                                |           | 6.9%      |           | 6.8%      | 5.7%      |           | 6.1%      | 7.2%      |           | 5.3%        |            |
| Overall percentage increase (water only)                   |           | 7.3%      |           | 7.2%      | 6.0%      |           | 6.4%      | 7.7%      |           | 5.6%        |            |
| Average Residential Customer Bill                          |           | \$ 735.19 |           | \$ 788.20 | \$ 835.79 |           | \$ 889.64 | \$ 957.77 |           | \$ 1,011.76 |            |
| Annual increase  |           | \$ 50.04  |           | \$ 53.02  | \$ 47.59  |           | \$ 53.85  | \$ 68.14  |           | \$ 53.98    |            |
| Cents per day  |           | \$ 0.14   |           | \$ 0.15   | \$ 0.13   |           | \$ 0.15   | \$ 0.19   |           | \$ 0.15     |            |
| Price per Gallon   |           | \$ 0.0098 |           | \$ 0.0105 | \$ 0.0112 |           | \$ 0.0119 | \$ 0.0128 |           | \$ 0.0135   |            |
| Realization of Target Fund Balances:(000's)                |           |           |           |           |           |           |           |           |           |             |            |
| RSF  | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000   | \$ 10,000  |
| General Fund   | \$ 12,223 | \$ 10,648 | \$ 10,648 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398   | \$ 10,398  |
| Growth Fund  | \$ 5,504  | \$ 5,109  | \$ 4,784  | \$ 4,424  | \$ 4,384  | \$ 4,344  | \$ 4,304  | \$ 4,264  | \$ 4,224  | \$ 4,184    |            |
| DWSRF Reimbursement  | \$ -      | \$ 6,572  | \$ -      | \$ 8,000  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -        | \$ 14,572  |
| Internal Funds used for utility plant                      | \$ 19,647 | \$ 20,733 | \$ 10,153 | \$ 8,882  | \$ 11,762 | \$ 11,027 | \$ 15,295 | \$ 14,560 | \$ 13,665 | \$ 14,762   | \$ 140,486 |
| Debt/Capital Ratio   | 86%       | 83%       | 84%       | 83%       | 83%       | 82%       | 80%       | 79%       | 78%       | 76%         |            |
| Internal Funds & DWSRF                                     |           |           |           |           |           |           |           |           |           |             | \$ 155,058 |
| <b>Scenario 4 (\$15m Capital Increase in FY 2027)</b>      |           |           |           |           |           |           |           |           |           |             |            |
| GBR Coverage Requirement Assumption                        | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%        |            |
| Actual Coverage (w/depreciation)                           | 129%      | 130%      | 127%      | 129%      | 128%      | 132%      | 134%      | 131%      | 131%      | 134%        |            |
| Overall Percentage Increase                                |           | 6.5%      |           | 6.5%      | 5.3%      |           | 6.6%      | 6.9%      |           | 5.1%        |            |
| Overall percentage increase (water only)                   |           | 6.9%      |           | 6.9%      | 5.7%      |           | 7.0%      | 7.4%      |           | 5.4%        |            |
| Average Residential Customer Bill                          |           | \$ 732.62 |           | \$ 783.08 | \$ 827.73 |           | \$ 885.81 | \$ 951.03 |           | \$ 1,002.17 |            |
| Annual increase  |           | \$ 47.47  |           | \$ 50.46  | \$ 44.65  |           | \$ 58.08  | \$ 65.22  |           | \$ 51.15    |            |
| Cents per day  |           | \$ 0.13   |           | \$ 0.14   | \$ 0.12   |           | \$ 0.16   | \$ 0.18   |           | \$ 0.14     |            |
| Price per Gallon   |           | \$ 0.01   |           | \$ 0.01   | \$ 0.01   |           | \$ 0.01   | \$ 0.01   |           | \$ 0.01     |            |
| Realization of Target Fund Balances:(000's)                |           |           |           |           |           |           |           |           |           |             |            |
| RSF  | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000   | \$ 10,000  |
| General Fund   | \$ 12,223 | \$ 10,648 | \$ 10,648 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398   | \$ 10,398  |
| Growth Fund  | \$ 5,504  | \$ 5,109  | \$ 4,784  | \$ 4,424  | \$ 4,384  | \$ 4,344  | \$ 4,304  | \$ 4,264  | \$ 4,224  | \$ 4,184    |            |
| DWSRF Reimbursement  | \$ -      | \$ 6,572  | \$ -      | \$ 8,000  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -        | \$ 14,572  |
| Internal Funds used for utility plant                      | \$ 19,647 | \$ 20,733 | \$ 10,076 | \$ 8,873  | \$ 11,473 | \$ 10,920 | \$ 15,309 | \$ 14,843 | \$ 13,258 | \$ 14,775   | \$ 139,907 |
| Debt/Capital Ratio   | 86%       | 84%       | 84%       | 83%       | 82%       | 81%       | 82%       | 81%       | 79%       | 77%         |            |
| Internal Funds & DWSRF                                     |           |           |           |           |           |           |           |           |           |             | \$ 154,479 |

# Sensitivity Table (cont.)

|   | FY2021    | FY2022    | FY2023    | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | Total      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <b>Scenario 5 ( Jan. 2022 - Less than 6.5%)</b> |           |           |           |           |           |           |           |           |           |           |            |
| GBR Coverage Requirement Assumption             | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%       |
| Actual Coverage (w/depreciation)                | 129%      | 130%      | 128%      | 129%      | 128%      | 132%      | 133%      | 132%      | 131%      | 134%      |            |
| Overall Percentage Increase                     |           | 6.1%      |           | 6.5%      | 5.3%      |           | 5.8%      | 7.0%      |           | 5.1%      |            |
| Overall percentage increase (water only)        |           | 6.4%      |           | 6.98%     | 5.7%      |           | 6.2%      | 7.4%      |           | 5.4%      |            |
| Average Residential Customer Bill               |           | \$ 729.30 |           | \$ 780.21 | \$ 824.67 |           | \$ 875.41 | \$ 940.10 |           | \$ 991.00 |            |
| Annual increase                                 |           | \$ 44.15  |           | \$ 50.91  | \$ 44.46  |           | \$ 50.74  | \$ 64.69  |           | \$ 50.90  |            |
| Cents per day                                   |           | \$ 0.12   |           | \$ 0.14   | \$ 0.12   |           | \$ 0.14   | \$ 0.18   |           | \$ 0.14   |            |
| Price per Gallon                                |           | \$ 0.0097 |           | \$ 0.0104 | \$ 0.0110 |           | \$ 0.0117 | \$ 0.0126 |           | \$ 0.0132 |            |
| Realization of Target Fund Balances:(000's)     |           |           |           |           |           |           |           |           |           |           |            |
| RSF   | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000  |
| General Fund                                    | \$ 12,223 | \$ 10,648 | \$ 10,250 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000  |
| Growth Fund                                     | \$ 5,504  | \$ 5,109  | \$ 4,784  | \$ 4,424  | \$ 4,384  | \$ 4,344  | \$ 4,304  | \$ 4,264  | \$ 4,224  | \$ 4,184  | \$ 4,184   |
| DWSRF Reimbursement                             | \$ -      | \$ 6,572  | \$ -      | \$ 8,000  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -       |
| Internal Funds used for utility plant           | \$ 19,647 | \$ 20,733 | \$ 10,219 | \$ 9,315  | \$ 11,173 | \$ 10,976 | \$ 15,292 | \$ 14,213 | \$ 13,497 | \$ 14,675 | \$ 139,740 |
| Debt/Capital Ratio                              | 86%       | 84%       | 84%       | 83%       | 82%       | 81%       | 80%       | 79%       | 77%       | 75%       |            |
| Internal Funds & DWSRF                          |           |           |           |           |           |           |           |           |           |           | \$ 154,312 |
| <b>Scenario 6 (Outer Yr. O&amp;M Savings)</b>   |           |           |           |           |           |           |           |           |           |           |            |
| GBR Coverage Requirement Assumption             | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      |            |
| Actual Coverage (w/depreciation)                | 129%      | 130%      | 127%      | 129%      | 128%      | 132%      | 133%      | 132%      | 131%      | 134%      |            |
| Overall Percentage Increase                     |           | 6.5%      |           | 6.4%      | 5.3%      |           | 5.7%      | 6.9%      |           | 5.1%      |            |
| Overall percentage increase (water only)        |           | 6.9%      |           | 6.8%      | 5.6%      |           | 6.1%      | 7.3%      |           | 5.3%      |            |
| Average Residential Customer Bill               |           | \$ 732.52 |           | \$ 782.69 | \$ 826.73 |           | \$ 876.99 | \$ 941.11 |           | \$ 991.44 |            |
| Annual increase                                 |           | \$ 47.37  |           | \$ 50.17  | \$ 44.04  |           | \$ 50.26  | \$ 64.12  |           | \$ 50.33  |            |
| Cents per day                                   |           | \$ 0.13   |           | \$ 0.14   | \$ 0.12   |           | \$ 0.14   | \$ 0.18   |           | \$ 0.14   |            |
| Price per Gallon                                |           | \$ 0.01   |           | \$ 0.01   | \$ 0.01   |           | \$ 0.01   | \$ 0.01   |           | \$ 0.01   |            |
| Realization of Target Fund Balances:(000's)     |           |           |           |           |           |           |           |           |           |           |            |
| RSF   | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000  |
| General Fund                                    | \$ 12,223 | \$ 10,648 | \$ 10,648 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398 | \$ 10,398  |
| Growth Fund                                     | \$ 5,504  | \$ 5,109  | \$ 4,784  | \$ 4,424  | \$ 4,384  | \$ 4,344  | \$ 4,304  | \$ 4,264  | \$ 4,224  | \$ 4,184  | \$ 4,184   |
| DWSRF Reimbursement                             | \$ -      | \$ 6,572  | \$ -      | \$ 8,000  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -       |
| Internal Funds used for utility plant           | \$ 19,647 | \$ 20,733 | \$ 10,073 | \$ 8,907  | \$ 11,488 | \$ 10,989 | \$ 15,330 | \$ 14,232 | \$ 13,569 | \$ 14,707 | \$ 139,675 |
| Debt/Capital Ratio                              | 86%       | 84%       | 84%       | 83%       | 82%       | 81%       | 80%       | 79%       | 77%       | 75%       |            |
| Internal Funds & DWSRF                          |           |           |           |           |           |           |           |           |           |           | \$ 154,247 |

# Sensitivity Table (cont.)

|   | FY2021    | FY2022    | FY2023    | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    | Total      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <b>Scenario 7 (Pension FY23 Fully Funded)</b> |           |           |           |           |           |           |           |           |           |           |            |
| GBR Coverage Requirement Assumption           | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%      | 114%       |
| Actual Coverage (w/depreciation)              | 126%      | 124%      | 128%      | 133%      | 130%      | 130%      | 133%      | 132%      | 131%      | 134%      |            |
| Overall Percentage Increase                   |           | 9.1%      |           | 1.2%      | 7.2%      |           | 6.3%      | 6.9%      |           | 5.1%      |            |
| Overall percentage increase (water only)      |           | 9.6%      |           | 1.3%      | 7.7%      |           | 6.7%      | 7.3%      |           | 5.4%      |            |
| Average Residential Customer Bill             |           | \$ 751.04 |           | \$ 760.97 | \$ 819.72 |           | \$ 874.65 | \$ 938.47 |           | \$ 988.82 |            |
| Annual increase                               |           | \$ 65.89  |           | \$ 9.93   | \$ 58.75  |           | \$ 54.93  | \$ 63.82  |           | \$ 50.35  |            |
| Cents per day                                 |           | \$ 0.18   |           | \$ 0.03   | \$ 0.16   |           | \$ 0.15   | \$ 0.17   |           | \$ 0.14   |            |
| Price per Gallon                              |           | \$ 0.01   |           | \$ 0.01   | \$ 0.01   |           | \$ 0.01   | \$ 0.01   |           | \$ 0.01   |            |
| Realization of Target Fund Balances:(000's)   |           |           |           |           |           |           |           |           |           |           |            |
| RSF   | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000  |
| General Fund                                  | \$ 10,648 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000  |
| Growth Fund                                   | \$ 5,504  | \$ 5,109  | \$ 4,784  | \$ 4,424  | \$ 4,384  | \$ 4,344  | \$ 4,304  | \$ 4,264  | \$ 4,224  | \$ 4,184  |            |
| DWSRF Reimbursement                           | \$ -      | \$ 6,572  | \$ -      | \$ 8,000  | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ -      | \$ 14,572  |
| Internal Funds used for utility plant         | \$ 19,647 | \$ 18,568 | \$ 6,200  | \$ 13,120 | \$ 14,614 | \$ 10,728 | \$ 12,427 | \$ 15,520 | \$ 13,734 | \$ 14,699 | \$ 139,257 |
| Debt/Capital Ratio                            | 86%       | 84%       | 85%       | 83%       | 82%       | 81%       | 80%       | 79%       | 77%       | 75%       |            |
| Internal Funds & DWSRF                        |           |           |           |           |           |           |           |           |           |           | \$ 153,829 |



# 10-Year Financial Model

FY 2021 – FY 2030

Base Model



**South Central Connecticut Regional Water Authority  
Calculation of Issuance Test Rate Application**

As discussed on 10/15/2020

|   | 1)                                  | 2)                                     | 3)                                  | 4)                                     | 5)                                  | 6)                                     | 7)                                  |
|---|-------------------------------------|--|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
|   | Effective<br>July 2, 2019<br>FY2020 | Effective<br>January 2, 2022<br>FY2022 | Effective<br>July 1, 2023<br>FY2024 | Effective<br>January 2, 2025<br>FY2025 | Effective<br>July 1, 2026<br>FY2027 | Effective<br>January 2, 2028<br>FY2028 | Effective<br>July 1, 2029<br>FY2030 |
| (in thousands of dollars)   |                                     |  |                                     |  |                                     |  |                                     |
| <b>A) Issuance Test Rate Application Calculation:</b>   |                                     |  |                                     |  |                                     |  |                                     |
| Operating and Maintenance Expenses  | \$ 61,099                           | \$ 61,779                              | \$ 65,690                           | \$ 65,909                              | \$ 67,763                           | \$ 70,956                              | \$ 74,362                           |
| Depreciation  | 6,500                               | 7,500                                  | 8,500                               | 10,000                                 | 12,000                              | 13,000                                 | 14,000                              |
| PILOT   | 8,660                               | 9,110                                  | 9,652                               | 10,247                                 | 10,858                              | 11,527                                 | 12,213                              |
| Max Debt Service @ coverage rates as follows:   |                                     |  |                                     |  |                                     |  |                                     |
| 114.00%   | 45,652                              | 51,789                                 |                                     |  |                                     |  |                                     |
| 114.00%   | 46,754                              | 53,299                                 |                                     |  |                                     |  |                                     |
| 114.00%   | 49,293                              |  | 56,195                              |  |                                     |  |                                     |
| 114.00%   | 52,782                              |  |                                     | 60,171                                 |                                     |  |                                     |
| 114.00%   | 54,883                              |  |                                     |  | 62,566                              |  |                                     |
| 114.00%   | 58,287                              |  |                                     |  |                                     | 66,448                                 |                                     |
| 114.00%   | 59,253                              |  |                                     |  |                                     |  | 67,548                              |
| Reduction for historical interest income  | (1,582)                             | (150)                                  | (150)                               | (150)                                  | (151)                               | (151)                                  | (151)                               |
| Reduction for BAB's Subsidy   | (652)                               | (656)                                  | (656)                               | (642)                                  | (586)                               | (557)                                  | (494)                               |
| Minimum amount to be raised from water revenue and non-water revenue  | 125,814                             | 130,883                                | 139,231                             | 145,535                                | 152,449                             | 161,223                                | 167,479                             |
| <b>Historical Revenues:</b>   |                                     |  |                                     |  |                                     |  |                                     |
| Water   | 111,518                             | 115,911                                | 122,626                             | 129,527                                | 135,379                             | 141,902                                | 150,490                             |
| Non-water   | 7,030                               | 6,941                                  | 8,158                               | 8,624                                  | 8,744                               | 8,840                                  | 8,837                               |
|   | 118,548                             | 122,852                                | 130,785                             | 138,151                                | 144,123                             | 150,742                                | 159,328                             |
| Additional Revenues Required  | \$ 7,266                            | \$ 8,031                               | \$ 8,446                            | \$ 7,384                               | \$ 8,326                            | \$ 10,481                              | \$ 8,152                            |
| <b>B) Percentage Increase:</b>  |                                     |  |                                     |  |                                     |  |                                     |
| Overall percentage increase   | 6.13%                               | 6.54%                                  | 6.46%                               | 5.34%                                  | 5.78%                               | 6.95%                                  | 5.12%                               |
| Overall percentage increase (water only)  | 6.52%                               | 6.93%                                  | 6.89%                               | 5.70%                                  | 6.15%                               | 7.39%                                  | 5.42%                               |
| <b>C) Customer Impact:</b>  |                                     |  |                                     |  |                                     |  |                                     |
| <u>Avg. Residential Cust. Bill: (in dollars)</u>  | \$ 685.15                           | \$ 732.62                              | \$ 783.08                           | \$ 827.72                              | \$ 878.63                           | \$ 943.52                              | \$ 994.63                           |
| Annual increase   |                                     | 47.47                                  | 50.46                               | 44.64                                  | 50.91                               | 64.89                                  | 51.11                               |
| Cents per day   |                                     | 0.13                                   | 0.14                                | 0.12                                   | 0.14                                | 0.18                                   | 0.14                                |
| Price per Gallon  | \$ 0.0092                           | \$ 0.0098                              | \$ 0.0105                           | \$ 0.0111                              | \$ 0.0117                           | \$ 0.0126                              | \$ 0.0133                           |
| <b>D) Components of the rate increase:</b>  |                                     |  |                                     |  |                                     |  |                                     |
| Debt Service  | \$ 1,716                            | \$ 1,506                               | \$ 2,896                            | \$ 3,990                               | \$ 2,451                            | \$ 3,911                               | \$ 1,164                            |
| Additional coverage   | -                                   | -                                      | -                                   | -                                      | -                                   | -                                      | -                                   |
| Oper & Maint exp  | 2,449                               | 680                                    | 3,910                               | 219                                    | 1,854                               | 3,193                                  | 3,406                               |
| Depreciation  | 1,000                               | 1,000                                  | 1,000                               | 1,500                                  | 2,000                               | 1,000                                  | 1,000                               |
| PILOT   | 550                                 | 450                                    | 543                                 | 595                                    | 610                                 | 669                                    | 687                                 |
| Interest Income   | (990)                               | 1,432                                  | -                                   | -                                      | (1)                                 | -                                      | -                                   |
| Changes to base load demand and non-water   | 2,541                               | 2,963                                  | 98                                  | 1,080                                  | 1,412                               | 1,707                                  | 1,895                               |
|   | \$ 7,266                            | \$ 8,031                               | \$ 8,446                            | \$ 7,384                               | \$ 8,326                            | \$ 10,481                              | \$ 8,152                            |
| <b>E) Assumptions:</b>  |                                     |  |                                     |  |                                     |  |                                     |
| <b>Rate case every 18 months</b>  |                                     |  |                                     |  |                                     |  |                                     |
| Timing:   | Most recent case                    | 18 months from last                    | 18 months from last                 | 18 months from last                    | 18 months from last                 | 18 months from last                    | 18 months from last                 |
| File  | January 2, 2019                     | January 2, 2021                        | January 2, 2023                     | January 2, 2025                        | January 2, 2026                     | January 2, 2027                        | January 2, 2029                     |
| Hearing   | March 21, 2019                      | September 16, 2021                     | March 16, 2023                      | September 19, 2024                     | March 19, 2026                      | September 16, 2027                     | March 15, 2029                      |
| Decision  | April 18, 2019                      | October 21, 2021                       | April 20, 2023                      | October 17, 2024                       | April 16, 2026                      | October 21, 2027                       | April 19, 2029                      |
| 45 day holding period to commence after publication of a customer notice identifying approved rate increase |                                     |  |                                     |  |                                     |  |                                     |
| Visit rating agency   | May 9, 2019                         | November 15, 2021                      | May 15, 2023                        | November 15, 2024                      | May 15, 2026                        | November 15, 2027                      | May 15, 2029                        |
| Bonds issued - rates effective  | July 2, 2019                        | January 2, 2022                        | July 1, 2023                        | January 2, 2025                        | July 1, 2026                        | January 2, 2028                        | July 1, 2029                        |

**South Central Connecticut Regional Water Authority**  
**Calculation of Issuance Test Rate Application**  
 As discussed on 10/15/2020

| (in thousands of dollars)                           | FY2019                 | FY2020          | FY2021       | FY2022          | FY2023       | FY2024          | FY2025       | FY2026          | FY2027    | FY2028          | FY2029    | FY2030          |  |                 |  |
|---|------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|-----------|-----------------|-----------|-----------------|--|-----------------|--|
| <b>Capital Program to be financed:</b>              |                        |                 |              |                 |              |                 |              |                 |           |                 |           |                 |  |                 |  |
| Total Capital Program                               |                        |                 |              | 62,959          |              | 57,634          | 62,713       |                 | 57,930    | 59,963          |           | 54,803          |  |                 |  |
| <b>Capital Program by Month:</b>                    |                        |                 |              |                 |              |                 |              |                 |           |                 |           |                 |  |                 |  |
| Based on 18 months following rate decision          |                        |                 |              | Jan 22 - Jun 23 |              | Jul 23 - Dec 24 |              | Jan 25 - Jun 26 |           | Jul 26 - Dec 27 |           | Jan 28 - Jun 29 |  | Jul 29 - Dec 30 |  |
|   | FY2019                 | FY2020          | FY2021       | FY2022          | FY2023       | FY2024          | FY2025       | FY2026          | FY2027    | FY2028          | FY2029    | FY2030          |  |                 |  |
| June  | \$ 1,475               | \$ 919          | \$ 342       | \$ 475          | \$ 581       | \$ 584          | \$ 573       | \$ 583          | \$ 567    | \$ 574          | \$ 543    | \$ 561          |  |                 |  |
| July  | 1,828                  | 1,890           | 1,322        | 1,834           | 2,244        | 2,254           | 2,213        | 2,251           | 2,269     | 2,217           | 2,087     | 2,168           |  |                 |  |
| August  | 1,979                  | 2,518           | 1,691        | 2,346           | 2,871        | 2,883           | 2,832        | 2,880           | 2,903     | 2,836           | 2,683     | 2,774           |  |                 |  |
| September   | 1,618                  | 2,458           | 1,152        | 1,598           | 1,956        | 1,964           | 1,929        | 1,961           | 1,977     | 1,932           | 1,827     | 1,889           |  |                 |  |
| October   | 2,531                  | 3,015           | 1,874        | 2,600           | 3,182        | 3,195           | 3,138        | 3,191           | 3,217     | 3,143           | 2,973     | 3,074           |  |                 |  |
| November  | 2,834                  | 1,410           | 2,206        | 3,061           | 3,745        | 3,761           | 3,694        | 3,756           | 3,766     | 3,700           | 3,284     | 3,395           |  |                 |  |
| December  | 2,326                  | 1,978           | 2,070        | 2,872           | 3,514        | 3,529           | 3,466        | 3,525           | 3,553     | 3,472           | 3,499     | 3,618           |  |                 |  |
| January   | 2,042                  | 1,834           | 1,362        | 3,360           | 3,350        | 3,364           | 3,304        | 3,360           | 3,387     | 3,309           | 3,130     | 3,236           |  |                 |  |
| February  | 1,983                  | 2,359           | 1,693        | 4,176           | 4,164        | 4,182           | 4,107        | 4,176           | 4,210     | 4,114           | 3,891     | 4,023           |  |                 |  |
| March   | 1,743                  | 819             | 1,867        | 4,606           | 4,582        | 4,612           | 4,529        | 4,606           | 4,642     | 4,536           | 4,291     | 4,436           |  |                 |  |
| April   | 2,580                  | 3,444           | 1,581        | 3,900           | 3,889        | 3,905           | 3,835        | 3,900           | 3,931     | 3,841           | 3,633     | 3,757           |  |                 |  |
| May   | 6,091                  | 3,356           | 2,486        | 6,132           | 6,113        | 6,140           | 6,030        | 6,132           | 6,181     | 6,040           | 5,711     | 5,908           |  |                 |  |
| Total   | \$ 29,031              | \$ 26,001       | \$ 19,646    | \$ 36,960       | \$ 40,201    | \$ 40,373       | \$ 39,650    | \$ 40,321       | \$ 40,643 | \$ 39,714       | \$ 37,562 | \$ 38,839       |  |                 |  |
| <b>Required Debt Service for Financing:</b>         |                        |                 |              |                 |              |                 |              |                 |           |                 |           |                 |  |                 |  |
|   |                        | FY2022          | FY2024       | FY2025          | FY2027       | FY2028          | FY2030       |                 |           |                 |           |                 |  |                 |  |
| Date Outstanding                                    |                        | January 2, 2022 | July 1, 2023 | January 2, 2025 | July 1, 2026 | January 2, 2028 | July 1, 2029 |                 |           |                 |           |                 |  |                 |  |
| Capital needed                                      |                        | \$ 62,959       | \$ 57,634    | \$ 62,713       | \$ 57,930    | \$ 59,963       | \$ 54,803    |                 |           |                 |           |                 |  |                 |  |
| Interest earned on bond proceeds                    |                        | (10)            | (16)         | (23)            | (35)         | (41)            | (54)         |                 |           |                 |           |                 |  |                 |  |
| Cash received from deferred land sales              |                        | -               | -            | -               | -            | -               | -            |                 |           |                 |           |                 |  |                 |  |
| Cash available to offset financing (deprec., other) |                        | (16,609)        | (19,763)     | (11,509)        | (28,906)     | (14,052)        | (31,810)     |                 |           |                 |           |                 |  |                 |  |
| DWSRF Reimbursements                                |                        | (6,572)         | (8,000)      | -               | -            | -               | -            |                 |           |                 |           |                 |  |                 |  |
| Capital to be financed                              |                        | 39,768          | 29,855       | 51,182          | 28,989       | 45,870          | 22,939       |                 |           |                 |           |                 |  |                 |  |
| Debt Reserve Fund                                   | max prin & int         | 2,478           | 1,860        | 3,189           | 1,806        | 2,858           | 1,429        |                 |           |                 |           |                 |  |                 |  |
| Underwriter's discount                              | \$6.0 / \$1,000        | 259             | 195          | 333             | 189          | 299             | 150          |                 |           |                 |           |                 |  |                 |  |
| Capital Contingency                                 | 1% of debt outstanding | 398             | 299          | 512             | 290          | 459             | 229          |                 |           |                 |           |                 |  |                 |  |
| Cost of Issuance                                    |                        | 303             | 301          | 304             | 304          | 305             | 302          |                 |           |                 |           |                 |  |                 |  |
| Gross Total Funding                                 |                        | \$ 43,205       | \$ 32,510    | \$ 55,519       | \$ 31,579    | \$ 49,790       | \$ 25,050    |                 |           |                 |           |                 |  |                 |  |
| RWA Bond Financing                                  |                        |                 |              |                 |              |                 |              |                 |           |                 |           |                 |  |                 |  |
| annual interest                                     | 3.75%                  | 4.00%           | 4.50%        | 4.75%           | 5.25%        | 5.50%           | 5.50%        |                 |           |                 |           |                 |  |                 |  |
| term in years                                       | 30                     | 30              | 30           | 30              | 30           | 30              | 30           |                 |           |                 |           |                 |  |                 |  |
| DWSRF Financing                                     |                        |                 |              |                 |              |                 |              |                 |           |                 |           |                 |  |                 |  |
| annual interest                                     | 2.25%                  | 2.40%           | 2.70%        | 2.85%           | 3.15%        | 3.30%           | 3.30%        |                 |           |                 |           |                 |  |                 |  |
| term in years (RTU Project 15 yrs)                  | 20                     | 20              | 20           | 20              | 20           | 20              | 20           |                 |           |                 |           |                 |  |                 |  |

**South Central Connecticut Regional Water Authority  
Maintenance Test**

|   | Actual           | Projections      |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
|   | FY2020           | FY2021           | FY2022           | FY2023           | FY2024           | FY2025           | FY2026           | FY2027           | FY2028           | FY2029           | FY2030           |  |
| ( in thousands of dollars)  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| <b>Operating Revenues (Collected):</b>                                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| Water Revenues  | \$ 114,138       | \$ 110,182       | \$ 117,456       | \$ 122,694       | \$ 127,834       | \$ 130,869       | \$ 135,461       | \$ 140,350       | \$ 143,877       | \$ 150,590       | \$ 155,144       |  |
| Investment Income   | 1,703            | 261              | 150              | 150              | 150              | 150              | 150              | 151              | 151              | 151              | 151              |  |
| BABs Subsidy  | 655              | 656              | 656              | 656              | 656              | 642              | 615              | 586              | 557              | 526              | 494              |  |
| Other - net   | 7,369            | 6,620            | 7,569            | 7,955            | 8,247            | 8,554            | 8,560            | 8,627            | 8,650            | 8,654            | 8,724            |  |
| RSF Draw  | -                | -                | 0                | 1,451            | 1,323            | 2,084            | 689              | 1,552            | 2,687            | 3,144            | 2,307            |  |
| Total Operating Revenues  | 123,865          | 117,719          | 125,831          | 132,906          | 138,210          | 142,300          | 145,475          | 151,266          | 155,921          | 163,064          | 166,819          |  |
| <b>Expenses (Accrued):</b>  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| Coverage Shortfall to meet 114%/ General Fund draw to offset expenses   |                  | (3,274)          | (1,575)          | -                | (250)            | -                | -                | -                | -                | -                | -                |  |
| Total Operating and Maintenance Expenses                                | 55,143           | 52,926           | 59,919           | 63,109           | 65,574           | 66,963           | 65,156           | 67,589           | 69,673           | 71,872           | 74,163           |  |
| Depreciation  | 6,417            | 6,500            | 6,917            | 7,500            | 8,417            | 9,125            | 10,000           | 11,833           | 12,417           | 13,000           | 13,917           |  |
| PILOT Payments  | 8,388            | 8,581            | 8,924            | 9,281            | 9,652            | 10,039           | 10,440           | 10,858           | 11,292           | 11,744           | 12,213           |  |
| Net Revenues Available for Debt Service (A)                             | \$ 53,916        | \$ 49,713        | \$ 50,071        | \$ 53,017        | \$ 54,567        | \$ 56,174        | \$ 59,879        | \$ 60,987        | \$ 62,539        | \$ 66,448        | \$ 66,525        |  |
| Debt Service Payments (B)   | \$ 41,456        | \$ 43,605        | \$ 43,923        | \$ 46,506        | \$ 47,865        | \$ 49,275        | \$ 52,526        | \$ 53,497        | \$ 54,859        | \$ 58,287        | \$ 58,356        |  |
| Coverage Requirement  | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             |  |
| Coverage over 100%  | 5,804            | 6,105            | 6,149            | 6,511            | 6,701            | 6,899            | 7,354            | 7,490            | 7,680            | 8,160            | 8,170            |  |
| Debt Service Payments Per Coverage Requirement                          | 47,260           | 49,710           | 50,072           | 53,017           | 54,567           | 56,174           | 59,879           | 60,987           | 62,539           | 66,448           | 66,525           |  |
| Coverage A / B  | 130%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             | 114%             |  |
| Coverage (A+Depr) / B   | 146%             | 129%             | 130%             | 127%             | 129%             | 128%             | 132%             | 133%             | 132%             | 131%             | 134%             |  |
| <b>Year End Disposition Reconciliation:</b>                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| Excess Coverage less maintenance test RSF draw                          | \$ 12,460        | \$ 6,107         | \$ 6,148         | \$ 5,060         | \$ 5,378         | \$ 4,815         | \$ 6,665         | \$ 5,938         | \$ 4,993         | \$ 5,017         | \$ 5,863         |  |
| Add: Depreciation (non-cash)  | 6,417            | 6,500            | 6,917            | 7,500            | 8,417            | 9,125            | 10,000           | 11,833           | 12,417           | 13,000           | 13,917           |  |
| Add: Prior RSF draw   | -                | -                | -                | 0                | 1,451            | 1,323            | 2,084            | 689              | 1,552            | 2,687            | 3,144            |  |
| Less:   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| Payments for prior FY ended year negative balance                       | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Debt transfers lower (higher) than payments                             | (3,182)          | (504)            | (1,448)          | (813)            | (1,197)          | (1,232)          | (1,313)          | (1,337)          | (1,371)          | (1,457)          | (1,459)          |  |
| PILOT transfers lower(higher) than payments                             | (49)             | (140)            | (146)            | (151)            | (157)            | (164)            | (170)            | (177)            | (184)            | (192)            | (199)            |  |
| Difference between accrual exp and cash exp                             | (862)            | (862)            | (862)            | (862)            | (862)            | (862)            | (862)            | (862)            | (862)            | (862)            | (862)            |  |
| Year End Disposition  | 14,785           | 11,101           | 10,609           | 10,734           | 13,030           | 13,005           | 16,403           | 16,083           | 16,544           | 18,193           | 20,404           |  |
| Transfer to Operating Reserve Fund                                      | -                | -                | (532)            | (411)            | (231)            | -                | (406)            | (347)            | (367)            | (382)            | (398)            |  |
| <b>Available Year End Disposition</b>                                   | <b>\$ 14,785</b> | <b>\$ 11,101</b> | <b>\$ 10,078</b> | <b>\$ 10,323</b> | <b>\$ 12,798</b> | <b>\$ 13,005</b> | <b>\$ 15,997</b> | <b>\$ 15,736</b> | <b>\$ 16,178</b> | <b>\$ 17,811</b> | <b>\$ 20,006</b> |  |
| <b>Changes to the Reserve Balances</b>                                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |  |
| RSF Beginning Balance   | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        |  |
| Year end disposition  | -                | -                | 0                | 1,451            | 1,323            | 2,084            | 689              | 1,552            | 2,687            | 3,144            | 2,307            |  |
| RSF draw  | -                | -                | (0)              | (1,451)          | (1,323)          | (2,084)          | (689)            | (1,552)          | (2,687)          | (3,144)          | (2,307)          |  |
| RSF Ending Balance  | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        | \$ 10,000        |  |
| <b>General Fund Beginning Balance</b>                                   | <b>\$ 10,648</b> | <b>\$ 16,148</b> | <b>\$ 12,223</b> | <b>\$ 10,648</b> | <b>\$ 10,648</b> | <b>\$ 10,398</b> | <b>\$ 10,398</b> | <b>\$ 10,398</b> | <b>\$ 10,398</b> | <b>\$ 10,398</b> | <b>\$ 10,398</b> |  |
| Year end disposition  | 5,500            | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |  |
| General Fund draw   | -                | (3,925)          | (1,575)          | -                | (250)            | -                | -                | -                | -                | -                | -                |  |
| General Fund Ending Balance   | \$ 16,148        | \$ 12,223        | \$ 10,648        | \$ 10,648        | \$ 10,398        | \$ 10,398        | \$ 10,398        | \$ 10,398        | \$ 10,398        | \$ 10,398        | \$ 10,398        |  |
| <b>Growth Fund Beginning Balance</b>                                    | <b>\$ 5,500</b>  | <b>\$ 6,250</b>  | <b>\$ 5,504</b>  | <b>\$ 5,109</b>  | <b>\$ 4,784</b>  | <b>\$ 4,424</b>  | <b>\$ 4,384</b>  | <b>\$ 4,344</b>  | <b>\$ 4,304</b>  | <b>\$ 4,264</b>  | <b>\$ 4,224</b>  |  |
| Year end disposition  | 750              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |  |
| Growth Fund draw  | -                | (746)            | (395)            | (325)            | (360)            | (40)             | (40)             | (40)             | (40)             | (40)             | (40)             |  |
| Growth Fund Ending Balance  | \$ 6,250         | \$ 5,504         | \$ 5,109         | \$ 4,784         | \$ 4,424         | \$ 4,384         | \$ 4,344         | \$ 4,304         | \$ 4,264         | \$ 4,224         | \$ 4,184         |  |
| <b>Construction Fund (Internally Generated) Beginning Balance</b>       | <b>\$ 30,146</b> | <b>\$ 29,279</b> | <b>\$ 20,734</b> | <b>\$ 10,077</b> | <b>\$ 8,872</b>  | <b>\$ 11,475</b> | <b>\$ 10,922</b> | <b>\$ 15,309</b> | <b>\$ 14,184</b> | <b>\$ 13,491</b> | <b>\$ 14,667</b> |  |
| Year End Disposition to Construction Fund                               | 8,571            | 11,101           | 10,077           | 8,872            | 11,475           | 10,922           | 15,309           | 14,184           | 13,491           | 14,667           | 17,699           |  |
| DWSRF Reimbursement   | 553              | -                | 6,572            | -                | 8,000            | -                | -                | -                | -                | -                | -                |  |
| Internally Generated Funds used from Prior Years to mitigate financing  | (9,991)          | (19,647)         | (14,784)         | (10,076)         | (584)            | -                | -                | (587)            | -                | -                | (561)            |  |
| Internally Generated Funds used from Current Year to mitigate financing | -                | -                | (12,521)         | -                | (16,289)         | (11,474)         | (10,922)         | (14,722)         | (14,184)         | (13,491)         | (14,106)         |  |
| Construction Fund (Internally Generated) Ending Balance                 | \$ 29,279        | \$ 20,734        | \$ 10,077        | \$ 8,872         | \$ 11,475        | \$ 10,922        | \$ 15,309        | \$ 14,184        | \$ 13,491        | \$ 14,667        | \$ 17,699        |  |

**Leverage and Fund Balances**

|   | FY 2019            | FY 2020            | Projections        |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   |                    |                    | FY 2021            | FY 2022            | FY 2023            | FY 2024            | FY 2025            | FY 2026            | FY 2027            | FY 2028            | FY 2029            | FY 2030            |
| <b>Long Term Debt:</b>                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Revenue Bonds Beg. Balance @ PAR                        | 594,831,270        | 572,284,139        | 581,443,237        | 557,313,813        | 575,789,158        | 549,632,786        | 555,230,181        | 582,412,953        | 552,259,425        | 552,773,730        | 570,182,532        | 535,905,972        |
| Net/Premium/Discount                                    | 530,960,000        | 513,835,000        | 535,945,000        | 516,180,000        | 538,820,268        | 516,575,268        | 525,805,000        | 556,374,464        | 529,384,464        | 532,833,240        | 552,982,972        | 521,262,972        |
| Refinancing Impact PAR                                  | 63,871,269         | 58,449,139         | 45,498,237         | 41,133,813         | 36,968,890         | 33,057,518         | 29,425,181         | 26,038,489         | 22,874,961         | 19,940,490         | 17,199,560         | 14,643,000         |
| Refinancing Impact Prem/Disc                            |                    | 14,905,000         |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Principal Payment                                       | (17,125,000)       | (17,645,000)       | (19,765,000)       | (20,565,000)       | (22,245,000)       | (23,280,000)       | (24,950,000)       | (26,990,000)       | (28,130,000)       | (29,640,000)       | (31,720,000)       | (32,305,000)       |
| Subtotal  | 577,706,270        | 556,697,969        | 561,678,237        | 536,748,813        | 553,544,158        | 526,352,786        | 530,280,181        | 555,422,953        | 524,129,425        | 523,133,730        | 538,462,532        | 503,600,972        |
| New Bonds @ Par (Additions)                             |                    | 24,850,000         |                    | 43,205,268         |                    | 32,509,732         | 55,519,464         |                    | 31,578,776         | 49,789,732         |                    | 25,050,268         |
| New Prem/Disc (Additions)                               |                    | 4,939,820          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| New Bonds Issued in FY                                  | -                  | 29,789,820         | -                  | 43,205,268         | -                  | 32,509,732         | 55,519,464         | -                  | 31,578,776         | 49,789,732         | -                  | 25,050,268         |
| Subtotal  | 577,706,270        | 586,487,789        | 561,678,237        | 579,954,081        | 553,544,158        | 558,862,518        | 585,799,645        | 555,422,953        | 555,708,201        | 572,923,462        | 538,462,532        | 528,651,240        |
| Amortizations:  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Premium   | (5,422,131)        | (5,044,552)        | (4,364,424)        | (4,164,923)        | (3,911,372)        | (3,632,337)        | (3,386,692)        | (3,163,528)        | (2,934,471)        | (2,740,930)        | (2,556,560)        | (2,331,148)        |
| Discount  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Total Long Term RWA Revenue Bonds Ending Balance</b> | <b>572,284,139</b> | <b>581,443,237</b> | <b>557,313,813</b> | <b>575,789,158</b> | <b>549,632,786</b> | <b>555,230,181</b> | <b>582,412,953</b> | <b>552,259,425</b> | <b>552,773,730</b> | <b>570,182,532</b> | <b>535,905,972</b> | <b>526,320,092</b> |
| <b>RWA Revenue Bonds @ PAR</b>                          | <b>513,835,000</b> | <b>535,945,000</b> | <b>516,180,000</b> | <b>538,820,268</b> | <b>516,575,268</b> | <b>525,805,000</b> | <b>556,374,464</b> | <b>529,384,464</b> | <b>532,833,240</b> | <b>552,982,972</b> | <b>521,262,972</b> | <b>514,008,240</b> |
| Net Premium/Discount                                    | 58,449,139         | 45,498,237         | 41,133,813         | 36,968,890         | 33,057,518         | 29,425,181         | 26,038,489         | 22,874,961         | 19,940,490         | 17,199,560         | 14,643,000         | 12,311,852         |
| DWSRF Loans Outstanding - Beg Bal                       | 13,572,668         | 22,367,673         | 22,151,355         | 28,338,875         | 31,809,437         | 38,739,592         | 36,785,373         | 34,761,311         | 32,693,066         | 30,579,659         | 28,420,090         | 26,213,336         |
| DWSRF Additions   | 9,537,470          | 791,233            | 7,498,000          | 4,900,000          | 8,550,000          |                    |                    |                    |                    |                    |                    |                    |
| DWSRF Principal Payments                                | (742,465)          | (1,007,551)        | (1,310,480)        | (1,429,438)        | (1,619,846)        | (1,954,219)        | (2,024,062)        | (2,068,245)        | (2,113,407)        | (2,159,569)        | (2,206,754)        | (2,254,985)        |
| DWSRF Loans Outstanding - Ending Bal                    | 22,367,673         | 22,151,355         | 28,338,875         | 31,809,437         | 38,739,592         | 36,785,373         | 34,761,311         | 32,693,066         | 30,579,659         | 28,420,090         | 26,213,336         | 23,958,351         |
| <b>Total Long Term Debt Outstanding @ PAR</b>           | <b>536,202,673</b> | <b>558,096,355</b> | <b>544,518,875</b> | <b>570,629,705</b> | <b>555,314,860</b> | <b>562,590,373</b> | <b>591,135,775</b> | <b>562,077,530</b> | <b>563,412,899</b> | <b>581,403,062</b> | <b>547,476,308</b> | <b>537,966,591</b> |

|                                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Utility Plant:</b>                |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Plant Property and Equipment         | 851,800,289        | 873,171,912        | 891,642,307        | 914,156,010        | 946,835,988        | 982,595,321        | 1,018,364,964      | 1,053,253,896      | 1,088,653,809      | 1,124,214,974      | 1,158,691,293      | 1,190,870,153      |
| Additions                            | 24,739,975         | 19,834,294         | 26,646,000         | 36,960,000         | 40,201,000         | 40,373,000         | 39,650,000         | 40,321,000         | 40,643,000         | 39,714,000         | 37,562,000         | 38,839,000         |
| Retirements (on Plant)               | (3,368,352)        | (1,363,899)        | (4,132,297)        | (4,280,022)        | (4,441,666)        | (4,603,357)        | (4,761,067)        | (4,921,087)        | (5,081,836)        | (5,237,680)        | (5,383,140)        | (5,533,691)        |
| Retirements Impact (on depreciation) | 873,171,912        | 891,642,307        | 914,156,010        | 946,835,988        | 982,595,321        | 1,018,364,964      | 1,053,253,896      | 1,088,653,809      | 1,124,214,974      | 1,158,691,293      | 1,190,870,153      | 1,224,175,462      |
| Depreciation Expense                 | (2,791,874)        | (1,169,144)        | (3,120,748)        | (3,199,546)        | (3,313,926)        | (3,439,084)        | (3,564,277)        | (3,686,389)        | (3,810,288)        | (3,934,752)        | (4,055,420)        | (4,168,046)        |
|                                      | (23,809,377)       | (24,228,043)       | (24,407,965)       | (25,280,521)       | (26,235,295)       | (27,190,345)       | (28,121,879)       | (29,067,057)       | (30,016,540)       | (30,937,058)       | (31,796,233)       | (32,685,485)       |
| Accumulated Depreciation             | (338,882,328)      | (361,941,227)      | (383,228,444)      | (405,309,419)      | (428,230,788)      | (451,982,049)      | (476,539,651)      | (501,920,319)      | (528,126,570)      | (555,128,876)      | (582,869,689)      | (611,387,128)      |
| Net Utility Plant                    | 534,289,584        | 529,701,080        | 530,927,565        | 541,526,568        | 554,364,533        | 566,382,914        | 576,714,245        | 586,733,490        | 596,088,403        | 603,562,418        | 608,000,464        | 612,788,334        |
| CWIP                                 | 11,941,329         | 19,661,117         | 12,661,117         | 12,661,117         | 12,661,117         | 12,661,117         | 12,661,117         | 12,661,117         | 12,661,117         | 12,661,117         | 12,661,117         | 12,661,117         |
| Land                                 | 92,928,735         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         | 93,083,854         |
| <b>Total Net Utility Plant</b>       | <b>639,159,648</b> | <b>642,446,051</b> | <b>636,672,536</b> | <b>647,271,539</b> | <b>660,109,504</b> | <b>672,127,885</b> | <b>682,459,216</b> | <b>692,478,461</b> | <b>701,833,374</b> | <b>709,307,389</b> | <b>713,745,435</b> | <b>718,533,305</b> |

**Leverage Calculations:**

|  |       |       |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Debt to Capital Ratio at par - adj. for unspent proceeds | 83.9% | 86.9% | 85.5% | 83.5% | 84.1% | 82.8% | 82.3% | 81.2% | 79.8% | 78.6% | 76.7% | 74.8% |
| With interim financing                                   | 66.8% | 87.8% |       |       |       |       |       |       |       |       |       |       |

**South Central Connecticut Regional Water Authority  
Revenue and Financing Assumptions**

| (in thousands of dollars)                                    | Proj.<br>FY2021 | Proj.<br>FY2022 | Proj.<br>FY2023 | Proj.<br>FY2024 | Proj.<br>FY2025 | Proj.<br>FY2026 | Proj.<br>FY2027 | Proj.<br>FY2028 | Proj.<br>FY2029 | Proj.<br>FY2030 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Revenue Assumptions</b>                                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Water Revenues:</b>                                       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Assumed rate increase every 18 months                        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Effective Date of Rate Increase                              |                 | January 2, 2022 |                 | July 1, 2023    | January 2, 2025 |                 | July 1, 2026    | January 2, 2028 |                 | July 1, 2029    |
| Declining consumption (net of new customers)                 | (1%)            | (1%)            | (1%)            | (1%)            | (1%)            | (1%)            | (1%)            | (1%)            | (1%)            | (1%)            |
| <b>Investment Income:</b>                                    |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Interest Earnings Rate on CT STIF                            | 0.08%           | 0.08%           | 0.08%           | 0.13%           | 0.18%           | 0.23%           | 0.28%           | 0.33%           | 0.38%           | 0.43%           |
| Interest Earnings Rate on 5-YR Treasury                      | 2.09%           | 2.09%           | 2.09%           | 2.14%           | 2.19%           | 2.24%           | 2.29%           | 2.34%           | 2.39%           | 2.44%           |
| <b>BABs Subsidy:</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Per the 2010 Series Bond Financing                           | \$656           | \$656           | \$656           | \$656           | \$642           | \$615           | \$586           | \$557           | \$526           | \$494           |
| <b>Change to Other-Net/Non-Core Revenues:</b>                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Fees for shutting accounts, service calls, meter resetting   |                 | \$ 5            | \$ -            | \$ 24           | \$ 5            | \$ -            | \$ 21           | \$ 6            | \$ -            | \$ 21           |
| Misc. Service charges (operate curb valve, backflow testing) |                 | 7               | -               | 32              | 6               | -               | 27              | 8               | -               | 29              |
| Other Revenue  |                 | 113             | 77              | 15              | 6               | 3               | 15              | 4               | -               | 16              |
| Laboratory Testing Services                                  |                 | (70)            | 70              | (50)            | 30              | 4               | 4               | 4               | 4               | 4               |
| PipeSafe Offerings   |                 | 181             | 236             | 267             | 259             | -               | -               | -               | -               | -               |
| Total change   |                 | \$ 203          | \$ 386          | \$ 292          | \$ 308          | \$ 6            | \$ 67           | \$ 22           | \$ 4            | \$ 8,854        |

| (in thousands of dollars)   | Proj.<br>FY2021 | Proj.<br>FY2022 | Proj.<br>FY2023 | Proj.<br>FY2024 | Proj.<br>FY2025 | Proj.<br>FY2026 | Proj.<br>FY2027 | Proj.<br>FY2028 | Proj.<br>FY2029 | Proj.<br>FY2030 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Financing Assumptions - RWA Bonds Only</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Based on the updated capital program estimate.  |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Financing Requirements: (includes capital program & associated reserve requirements, see Issuance Test for details) |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Financing for 18 months - July 2019 - December 2020   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Financing for 18 months - January 2022 - June 2023  |                 | \$43,205        |                 |                 |                 |                 |                 |                 |                 |                 |
| Financing for 18 months - July 2023 - December 2024   |                 |                 |                 | \$32,510        |                 |                 |                 |                 |                 |                 |
| Financing for 18 months - January 2025 - June 2026  |                 |                 |                 |                 | \$55,519        |                 |                 |                 |                 |                 |
| Financing for 18 months - July 2026 - December 2027   |                 |                 |                 |                 |                 |                 | \$31,579        |                 |                 |                 |
| Financing for 18 months - January 2028 - June 2029  |                 |                 |                 |                 |                 |                 |                 | \$49,790        |                 |                 |
| Financing for 18 months - July 2029 - December 2030   |                 |                 |                 |                 |                 |                 |                 |                 |                 | \$25,050        |
| Interest rate - 30 year   |                 | 4.00%           |                 | 4.50%           | 4.75%           |                 | 5.25%           | 5.50%           |                 | 5.50%           |

**South Central Connecticut Regional Water Authority**

| (in thousands of dollars)  |      | PROJ<br>FY2021 | "Original Budget"<br>FY2021 | PROJ<br>FY2022 | PROJ<br>FY2023 | PROJ<br>FY2024 | PROJ<br>FY2025 | PROJ<br>FY2026 | PROJ<br>FY2027 | PROJ<br>FY2028 | PROJ<br>FY2029 | PROJ<br>FY2030 |
|--|------|----------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Operating and Maintenance Expenses</b>                            |      |                |                             |                |                |                |                |                |                |                |                |                |
| Coverage Shortfall to meet 114%/General Fund draw to offset expenses |      |                |                             |                |                |                |                |                |                |                |                |                |
|  | Beg  |                |                             | -              | (1,575)        |                | -              | -              | -              | -              | -              | -              |
|  | Inc. |                |                             |                | <b>-100.0%</b> |                | <b>0.0%</b>    | <b>0.0%</b>    | <b>0.0%</b>    | <b>0.0%</b>    | <b>0.0%</b>    | <b>0.0%</b>    |
|  | End  | <b>(3,274)</b> | -                           | (1,575)        | -              | (250)          | -              | -              | -              | -              | -              | -              |
| Payroll  | Beg  |                |                             | \$ 24,216      | \$ 24,859      | \$ 25,541      | \$ 26,231      | \$ 26,939      | \$ 27,693      | \$ 28,496      | \$ 29,351      | \$ 30,261      |
|  | Inc. |                |                             | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.8%</b>    | <b>2.9%</b>    | <b>3.0%</b>    | <b>3.1%</b>    | <b>3.1%</b>    |
|  | End  | <b>23,088</b>  | <b>24,216</b>               | 24,859         | 25,541         | 26,231         | 26,939         | 27,693         | 28,496         | 29,351         | 30,261         | 31,199         |
| Medical/Dental   | Beg  |                |                             | 4,722          | 5,015          | 5,302          | 5,578          | 5,841          | 6,086          | 6,332          | 6,586          | 6,849          |
|  | Inc. |                |                             | <b>6.2%</b>    | <b>5.7%</b>    | <b>5.2%</b>    | <b>4.7%</b>    | <b>4.2%</b>    | <b>4.0%</b>    | <b>4.0%</b>    | <b>4.0%</b>    | <b>4.0%</b>    |
|  | End  | <b>4,722</b>   | <b>4,722</b>                | 5,015          | 5,302          | 5,578          | 5,841          | 6,086          | 6,332          | 6,586          | 6,849          | 7,123          |
| Pension  | Beg  |                |                             | 4,431          | 4,171          | 4,171          | 5,250          | 4,730          | 727            | 727            | 727            | 727            |
|  | Inc. |                |                             | <b>-5.9%</b>   | <b>0.0%</b>    | <b>25.9%</b>   | <b>-9.9%</b>   | <b>-84.6%</b>  | <b>0.0%</b>    | <b>0.0%</b>    | <b>0.0%</b>    | <b>0.0%</b>    |
|  | End  | <b>3,171</b>   | <b>4,431</b>                | 4,171          | 4,171          | 5,250          | 4,730          | 727            | 727            | 727            | 727            | 727            |
| OPEB   | Beg  |                |                             | 1,855          | 1,855          | 1,961          | 2,063          | 2,160          | 2,762          | 3,538          | 3,892          | 4,281          |
|  | Inc. |                |                             | <b>0.0%</b>    | <b>5.7%</b>    | <b>5.2%</b>    | <b>4.7%</b>    | <b>27.9%</b>   | <b>28.1%</b>   | <b>10.0%</b>   | <b>10.0%</b>   | <b>10.0%</b>   |
|  | End  | <b>1,855</b>   | <b>1,855</b>                | 1,855          | 1,961          | 2,063          | 2,160          | 2,762          | 3,538          | 3,892          | 4,281          | 4,709          |
| 401K   | Beg  |                |                             | 761            | 782            | 803            | 824            | 847            | 870            | 896            | 922            | 951            |
|  | Inc. |                |                             | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.8%</b>    | <b>2.9%</b>    | <b>3.0%</b>    | <b>3.1%</b>    | <b>3.1%</b>    |
|  | End  | <b>761</b>     | <b>761</b>                  | 782            | 803            | 824            | 847            | 870            | 896            | 922            | 951            | 980            |
| Employee Taxes   | Beg  |                |                             | 2,128          | 2,184          | 2,244          | 2,305          | 2,367          | 2,434          | 2,504          | 2,579          | 2,659          |
|  | Inc. |                |                             | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.8%</b>    | <b>2.9%</b>    | <b>3.0%</b>    | <b>3.1%</b>    | <b>3.1%</b>    |
|  | End  | <b>2,040</b>   | <b>2,128</b>                | 2,184          | 2,244          | 2,305          | 2,367          | 2,434          | 2,504          | 2,579          | 2,659          | 2,742          |
| Misc. Benefits   | Beg  |                |                             | 381            | 387            | 395            | 404            | 412            | 421            | 431            | 440            | 450            |
|  | Inc. |                |                             | <b>1.6%</b>    | <b>2.0%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>372</b>     | <b>381</b>                  | 387            | 395            | 404            | 412            | 421            | 431            | 440            | 450            | 460            |
| Capitalized benefits   | Beg  |                |                             | (2,406)        | (2,491)        | (2,534)        | (2,602)        | (2,673)        | (2,748)        | (2,827)        | (2,912)        | (3,002)        |
|  | Inc. |                |                             | <b>3.5%</b>    | <b>1.7%</b>    | <b>2.7%</b>    | <b>2.7%</b>    | <b>2.8%</b>    | <b>2.9%</b>    | <b>3.0%</b>    | <b>3.1%</b>    | <b>3.1%</b>    |
|  | End  | <b>(2,079)</b> | <b>(2,406)</b>              | (2,491)        | (2,534)        | (2,602)        | (2,673)        | (2,748)        | (2,827)        | (2,912)        | (3,002)        | (3,095)        |
| Purchased Power  | Beg  | 2,764          | 2,620                       | 2,970          | 3,020          | 3,084          | 3,152          | 3,224          | 3,295          | 3,368          | 3,442          | 3,517          |
|  | Inc. |                |                             | <b>1.7%</b>    | <b>2.1%</b>    | <b>2.2%</b>    | <b>2.3%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>2,970</b>   | <b>2,970</b>                | 3,020          | 3,084          | 3,152          | 3,224          | 3,295          | 3,368          | 3,442          | 3,517          | 3,595          |
| Chemicals  | Beg  | 1,790          | 1,771                       | 1,877          | 1,909          | 1,949          | 1,992          | 2,038          | 2,083          | 2,128          | 2,175          | 2,223          |
|  | Inc. |                |                             | <b>1.7%</b>    | <b>2.1%</b>    | <b>2.2%</b>    | <b>2.3%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>1,855</b>   | <b>1,877</b>                | 1,909          | 1,949          | 1,992          | 2,038          | 2,083          | 2,128          | 2,175          | 2,223          | 2,272          |
| Utilities and Fuel   | Beg  |                |                             | 1,322          | 1,345          | 1,373          | 1,403          | 1,435          | 1,467          | 1,499          | 1,532          | 1,566          |
|  | Inc. |                |                             | <b>1.7%</b>    | <b>2.1%</b>    | <b>2.2%</b>    | <b>2.3%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>1,253</b>   | <b>1,322</b>                | 1,345          | 1,373          | 1,403          | 1,435          | 1,467          | 1,499          | 1,532          | 1,566          | 1,600          |
| Maint & Repairs  | Beg  |                |                             | 2,981          | 3,029          | 3,089          | 3,157          | 3,227          | 3,298          | 3,370          | 3,444          | 3,520          |
|  | Inc. |                |                             | <b>1.6%</b>    | <b>2.0%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>2,726</b>   | <b>2,981</b>                | 3,029          | 3,089          | 3,157          | 3,227          | 3,298          | 3,370          | 3,444          | 3,520          | 3,598          |
| Road Repairs   | Beg  |                |                             | 200            | 203            | 207            | 212            | 216            | 221            | 226            | 231            | 236            |
|  | Inc. |                |                             | <b>1.6%</b>    | <b>2.0%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>200</b>     | <b>200</b>                  | 203            | 207            | 212            | 216            | 221            | 226            | 231            | 236            | 241            |
| Central Lab/Water Quality  | Beg  |                |                             | 444            | 451            | 460            | 470            | 480            | 491            | 502            | 513            | 524            |
|  | Inc. |                |                             | <b>1.6%</b>    | <b>2.0%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>433</b>     | <b>444</b>                  | 451            | 460            | 470            | 480            | 491            | 502            | 513            | 524            | 535            |
| IT System Fees (non-labor)   | Beg  |                |                             | 2,433          | 2,472          | 2,522          | 2,577          | 2,634          | 2,692          | 2,751          | 2,812          | 2,873          |
|  | Inc. |                |                             | <b>1.6%</b>    | <b>2.0%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    | <b>2.2%</b>    |
|  | End  | <b>2,293</b>   | <b>2,433</b>                | 2,472          | 2,522          | 2,577          | 2,634          | 2,692          | 2,751          | 2,812          | 2,873          | 2,937          |

**South Central Connecticut Regional Water Authority**

| (in thousands of dollars)      |      | PROJ   | "Original Budget" | PROJ      | PROJ      | PROJ      | PROJ      | PROJ      | PROJ      | PROJ      | PROJ      | PROJ      |           |           |
|--------------------------------|------|--------|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                |      | FY2021 | FY2021            | FY2022    | FY2023    | FY2024    | FY2025    | FY2026    | FY2027    | FY2028    | FY2029    | FY2030    |           |           |
| Admin Building space           | Beg  |        |                   | 951       | 966       | 986       | 1,007     | 1,029     | 1,052     | 1,075     | 1,099     | 1,123     |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 928    | 951               | 966       | 986       | 1,007     | 1,029     | 1,052     | 1,075     | 1,099     | 1,123     | 1,148     |           |           |
| Training & Education           | Beg  |        |                   | 456       | 450       | 459       | 469       | 479       | 490       | 501       | 512       | 523       |           |           |
|                                | Inc. |        |                   | -1.2%     | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 240    | 456               | 450       | 459       | 469       | 479       | 490       | 501       | 512       | 523       | 535       |           |           |
| Business Improvement           | Beg  |        |                   | 402       | 408       | 417       | 426       | 435       | 445       | 454       | 464       | 475       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 366    | 402               | 408       | 417       | 426       | 435       | 445       | 454       | 464       | 475       | 485       |           |           |
| Collection Expense             | Beg  |        |                   | 994       | 1,010     | 1,031     | 1,053     | 1,076     | 1,100     | 1,124     | 1,149     | 1,174     |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 648    | 994               | 1,010     | 1,031     | 1,053     | 1,076     | 1,100     | 1,124     | 1,149     | 1,174     | 1,200     |           |           |
| Printing and Forms             | Beg  |        |                   | 76        | 78        | 79        | 81        | 83        | 85        | 86        | 88        | 90        |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 83     | 76                | 78        | 79        | 81        | 83        | 85        | 86        | 88        | 90        | 92        |           |           |
| Postage                        | Beg  |        |                   | 428       | 435       | 444       | 453       | 463       | 473       | 484       | 495       | 505       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 288    | 428               | 435       | 444       | 453       | 463       | 473       | 484       | 495       | 505       | 517       |           |           |
| Pub/Cust. Info/Donations       | Beg  |        |                   | 455       | 450       | 459       | 469       | 479       | 490       | 501       | 512       | 523       |           |           |
|                                | Inc. |        |                   | -1.1%     | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 307    | 455               | 450       | 459       | 469       | 479       | 490       | 501       | 512       | 523       | 535       |           |           |
| Insurance - Prop, GL & WC etc. | Beg  |        |                   | 1,646     | 1,672     | 1,706     | 1,743     | 1,781     | 1,821     | 1,861     | 1,902     | 1,943     |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 1,653  | 1,646             | 1,672     | 1,706     | 1,743     | 1,781     | 1,821     | 1,861     | 1,902     | 1,943     | 1,986     |           |           |
| Transportation                 | Beg  |        |                   | 756       | 768       | 784       | 801       | 819       | 837       | 855       | 874       | 893       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 673    | 756               | 768       | 784       | 801       | 819       | 837       | 855       | 874       | 893       | 913       |           |           |
| Outside Services               | Beg  |        |                   | 3,427     | 2,877     | 2,937     | 3,002     | 3,071     | 3,139     | 3,208     | 3,278     | 3,350     |           |           |
|                                | Inc. |        |                   | -16.0%    | 2.1%      | 2.2%      | 2.3%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 2,485  | 3,427             | 2,877     | 2,937     | 3,002     | 3,071     | 3,139     | 3,208     | 3,278     | 3,350     | 3,424     |           |           |
| Organizational Dues            | Beg  |        |                   | 102       | 103       | 105       | 108       | 110       | 113       | 115       | 118       | 120       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.1%      | 2.2%      | 2.3%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 102    | 102               | 103       | 105       | 108       | 110       | 113       | 115       | 118       | 120       | 123       |           |           |
| Authority/RPB/CC Fees          | Beg  |        |                   | 388       | 394       | 402       | 411       | 420       | 429       | 439       | 448       | 458       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 388    | 388               | 394       | 402       | 411       | 420       | 429       | 439       | 448       | 458       | 468       |           |           |
| Environmental affairs          | Beg  |        |                   | 97        | 98        | 100       | 103       | 105       | 107       | 109       | 112       | 114       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 93     | 97                | 98        | 100       | 103       | 105       | 107       | 109       | 112       | 114       | 117       |           |           |
| Materials from Inventory       | Beg  |        |                   | 347       | 352       | 359       | 367       | 375       | 384       | 392       | 401       | 409       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 213    | 347               | 352       | 359       | 367       | 375       | 384       | 392       | 401       | 409       | 418       |           |           |
| Tools & Stores                 | Beg  |        |                   | 313       | 318       | 324       | 331       | 338       | 346       | 353       | 361       | 369       |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 305    | 313               | 318       | 324       | 331       | 338       | 346       | 353       | 361       | 369       | 377       |           |           |
| General and Admin              | Beg  |        |                   | 1,476     | 1,499     | 1,529     | 1,563     | 1,597     | 1,632     | 1,668     | 1,705     | 1,743     |           |           |
|                                | Inc. |        |                   | 1.6%      | 2.0%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      | 2.2%      |           |           |
|                                | End  | 1,347  | 1,476             | 1,499     | 1,529     | 1,563     | 1,597     | 1,632     | 1,668     | 1,705     | 1,743     | 1,781     |           |           |
| Regulatory Asset Amortization  | Beg  |        |                   | 422       | 422       | 422       | 422       | 422       | 422       | 422       | 422       | 422       |           |           |
|                                | Inc. |        |                   | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      | 0.0%      |           |           |
|                                | End  | 422    | 422               | 422       | 422       | 422       | 422       | 422       | 422       | 422       | 422       | 422       |           |           |
| <b>TOTAL O&amp;M EXPENSES</b>  |      |        |                   | \$ 52,926 | \$ 61,050 | \$ 59,919 | \$ 63,109 | \$ 65,574 | \$ 66,963 | \$ 65,156 | \$ 67,589 | \$ 69,673 | \$ 71,872 | \$ 74,163 |

**South Central Connecticut Regional Water Authority**

| (in thousands of dollars)  |      | PROJ<br>FY2021 | "Original Budget"<br>FY2021 | PROJ<br>FY2022 | PROJ<br>FY2023 | PROJ<br>FY2024 | PROJ<br>FY2025 | PROJ<br>FY2026 | PROJ<br>FY2027 | PROJ<br>FY2028 | PROJ<br>FY2029 | PROJ<br>FY2030 |
|--|------|----------------|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  |      |                | 10.7%                       | -1.9%          | 5.3%           | 3.9%           | 2.1%           | -2.7%          | 3.7%           | 3.1%           | 3.2%           | 3.2%           |
|  |      | \$             | 5,907                       | \$ (1,132)     | \$ 3,190       | \$ 2,465       | \$ 1,389       | \$ (1,807)     | \$ 2,433       | \$ 2,084       | \$ 2,199       | \$ 2,291       |
| <b>All Other Expenses</b>  |      |                |                             |                |                |                |                |                |                |                |                |                |
|  |      |                | <u>FY2021</u>               | <u>FY2022</u>  | <u>FY2023</u>  | <u>FY2024</u>  | <u>FY2025</u>  | <u>FY2026</u>  | <u>FY2027</u>  | <u>FY2028</u>  | <u>FY2029</u>  | <u>FY2030</u>  |
| <b>Issuance Test</b>   |      |                |                             |                |                |                |                |                |                |                |                |                |
| <b>Depreciation</b>  | Beg  | \$             | 6,500                       | \$ 6,500       | \$ 7,500       | \$ 7,500       | \$ 8,500       | \$ 10,000      | \$ 10,000      | \$ 12,000      | \$ 13,000      | \$ 13,000      |
|  | Inc. |                | -                           | 1,000          | -              | 1,000          | 1,500          | -              | 2,000          | 1,000          | -              | 1,000          |
|  | End  | \$             | 6,500                       | \$ 7,500       | \$ 7,500       | \$ 8,500       | \$ 10,000      | \$ 10,000      | \$ 12,000      | \$ 13,000      | \$ 13,000      | \$ 14,000      |
| <b>Maintenance Test</b>  |      |                |                             |                |                |                |                |                |                |                |                |                |
| <b>Depreciation</b>  |      |                |                             |                |                |                |                |                |                |                |                |                |
| Rate effective May 2013  |      | \$             | 2,000                       | \$ 2,000       | \$ 2,000       | \$ 2,000       | \$ 2,000       | \$ 2,000       | \$ 2,000       | \$ 2,000       | \$ 2,000       | \$ 2,000       |
| Rate effective December 2014   |      |                | 1,000                       | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          |
| Rate effective June 2016   |      |                | 1,250                       | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          |
| Rate effective January 2018  |      |                | 1,250                       | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          | 1,250          |
| Rate effective July 2019   |      |                | 1,000                       | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          |
| Rate effective January 2022  |      |                |                             | 417            | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          |
| Rate effective July 2023   |      |                |                             |                |                | 917            | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          | 1,000          |
| Rate effective January 2025  |      |                |                             |                |                |                | 625            | 1,500          | 1,500          | 1,500          | 1,500          | 1,500          |
| Rate effective July 2026   |      |                |                             |                |                |                |                |                | 1,833          | 2,000          | 2,000          | 2,000          |
| Rate effective January 2028  |      |                |                             |                |                |                |                |                |                | 417            | 1,000          | 1,000          |
| Rate effective July 2029   |      |                |                             |                |                |                |                |                |                |                |                | 917            |
|  |      | \$             | 6,500                       | \$ 6,917       | \$ 7,500       | \$ 8,417       | \$ 9,125       | \$ 10,000      | \$ 11,833      | \$ 12,417      | \$ 13,000      | \$ 13,917      |
| <b>PILOT Payments</b>  | Beg  | \$             | 8,388                       | \$ 8,581       | \$ 8,924       | \$ 9,281       | \$ 9,652       | \$ 10,039      | \$ 10,440      | \$ 10,858      | \$ 11,292      | \$ 11,744      |
|  | Inc. |                | 2.3%                        | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           | 4.0%           |
|  | End  | \$             | 8,581                       | \$ 8,924       | \$ 9,281       | \$ 9,652       | \$ 10,039      | \$ 10,440      | \$ 10,858      | \$ 11,292      | \$ 11,744      | \$ 12,213      |
| <b>Coverage Requirement</b>  |      |                | 114.0%                      | 114.0%         | 114.0%         | 114.0%         | 114.0%         | 114.0%         | 114.0%         | 114.0%         | 114.0%         | 114.0%         |
| Interest Rate on New Bond Financings   |      |                | 3.75%                       | 4.00%          | 4.25%          | 4.50%          | 4.75%          | 5.00%          | 5.25%          | 5.50%          | 5.50%          | 5.50%          |
| Interest Rate on New DWSRF Financings  |      |                | 2.25%                       | 2.40%          | 2.55%          | 2.70%          | 2.85%          | 3.00%          | 3.15%          | 3.30%          | 3.30%          | 3.30%          |
| Interest Earnings Rate on CT STIF  |      |                | 0.08%                       | 0.08%          | 0.08%          | 0.13%          | 0.18%          | 0.23%          | 0.28%          | 0.33%          | 0.38%          | 0.43%          |
| Interest Earnings Rate on Treasury   |      |                | 2.09%                       | 2.09%          | 2.09%          | 2.14%          | 2.19%          | 2.24%          | 2.29%          | 2.34%          | 2.39%          | 2.44%          |
| <b>(1) Financing rates recommended by financial advisor, Acacia. 2021 at 3.75% with an increase of 25 basis points in each subsequent year to a maximum of 5.50%</b> |      |                |                             |                |                |                |                |                |                |                |                |                |



RECEIVED  
10/4/20

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OF COUNSEL

October 2, 2020

Jennifer Slubowski, Executive Administrator  
South Central Connecticut Regional Water District  
Representative Policy Board  
90 Sargent Drive  
New Haven, CT 06511-5966

**Re: Consumer Affairs Officer / Office of Consumer Affairs**

Dear Ms. Slubowski:

Enclosed herewith is our invoice for services rendered and out-of-pocket expenses incurred through and including September 30, 2020.

Please contact me with any questions. Thank you.

Very truly yours,

Jeffrey M. Donofrio

JMD:st

Enclosure

cc: Mario Ricoszi, RPB Chair  
Mark Levine  
Anthony P. Rescigno  
Stephen A. Mongillo  
Naomi Campbell  
Richard Smith  
Frank Pepe

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FEDERAL TAX I.D. 06-1465137

Invoice submitted to:  
South Central Connecticut Regional Water Authority  
90 Sargent Drive  
New Haven, CT 06511

October 1, 2020

In Reference To: Office of Consumer Affairs

Invoice #22332

## Professional Services

|           |     |  | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|-----|--|-------------------|---------------|
| 9/1/2020  | LJD | Exchange emails with customer regarding Clark Street (Milford); draft email to RWA regarding meeting   | 0.17<br>250.00/hr | 42.50         |
| 9/2/2020  | LJD | Exchange emails with RWA regarding Zoom Meeting with customer (Clark Street, Milford); draft email to customer   | 0.17<br>250.00/hr | 42.50         |
| 9/4/2020  | LJD | Exchange emails with customer regarding Clark Street (Milford) remote meeting  | 0.17<br>250.00/hr | 42.50         |
| 9/8/2020  | JMD | Review proposed criteria to be utilized by RPB Nominating Committee in recommending appointment of a candidate to the five member authority for the term beginning 12/31/2020  | 0.25<br>250.00/hr | 62.50         |
| 9/9/2020  | LJD | Plan and prepare for remote hearing with customer regarding Clark Street (Milford), including review of file documents consisting of multiple communications and documents   | 1.00<br>250.00/hr | 250.00        |
| 9/10/2020 | JMD | Conference with RWA and Mr. Mercado re pending consumer complaint  | 0.92<br>250.00/hr | 230.00        |
|           | LJD | Exchange emails with customer regarding Clark Street (Milford); receipt and review documents from customer; compare/contrast with documents previously received from customer regarding water usage; draft email to remote hearing participants regarding documents; attend remote meeting | 1.33<br>250.00/hr | 332.50        |
| 9/14/2020 | JMD | Review materials for and attend remote RPB Finance Committee meeting   | 1.00<br>250.00/hr | 250.00        |

|           |     |  | <u>Hrs/Rate</u>   | <u>Amount</u> |
|-----------|-----|--|-------------------|---------------|
| 9/16/2020 | LJD | Exchange emails with RWA regarding Clark Street (Milford); exchange emails with customer   | 0.17<br>250.00/hr | 42.50         |
| 9/17/2020 | JMD | Zoom meeting with Laura Gonzalez re Tom Mercaldo complaint; RPB meeting (remote)   | 1.00<br>250.00/hr | 250.00        |
|           | LJD | Exchange emails with RWA regarding meeting with customer in connection with Clark Street (Milford); exchange emails with customer; remote meeting with RWA | 0.25<br>250.00/hr | 62.50         |
| 9/18/2020 | JMD | Zoom meeting with RWA and Tom Mercaldo   | 0.21<br>250.00/hr | 52.50         |
|           | LJD | Remote meeting with customer and RWA regarding Clark Street (Milford); receipt and review emails and documents from RWA; exchange emails with customer     | 0.33<br>250.00/hr | 82.50         |
| 9/20/2020 | LJD | Exchange emails with customer regarding Clark Street (Milford)   | 0.17<br>250.00/hr | 42.50         |
| 9/21/2020 | LJD | Draft email to RWA regarding Clark Street (Milford); review file documents   | 0.25<br>250.00/hr | 62.50         |
|           | JMD | Correspondence from/to RWA and T. Mercaldo re proposed resolution of Clark Commons complaint; attend remote meeting of RPB CAC                             | 1.33<br>250.00/hr | 332.50        |
| 9/22/2020 | JMD | RPB Nominating Committee meeting (remote)  | 0.50<br>250.00/hr | 125.00        |
|           | JMD | Review RWA's Application for Land Use Plan Amendment: Renewable Energy Projects  | 1.00<br>250.00/hr | 250.00        |
| 9/25/2020 | LJD | Review communications with RWA regarding Clark Street (Milford)  | 0.17<br>250.00/hr | 42.50         |
| 9/28/2020 | JMD | Review and reply to correspondence from RWA re accord and satisfaction letter to Clark Commons   | 0.22<br>250.00/hr | 55.00         |
|           | LJD | Receipt and review email from customer regarding Clark Street (Milford); exchange emails with customer regarding same; review draft letter to customer     | 0.25<br>250.00/hr | 62.50         |
| 9/29/2020 | JMD | Review and reply to correspondence from Rochelle Kowalski  | 0.28<br>250.00/hr | 70.00         |
|           | LJD | Receipt and review email and signed letter from RWA regarding Clark Street (Milford); draft email to customer  | 0.17<br>250.00/hr | 42.50         |
| 9/30/2020 | JMD | Review correspondence from Rochelle Kowalski   | 0.17<br>250.00/hr | 42.50         |

|                                    | <u>Hours</u> | <u>Amount</u>            |
|------------------------------------|--------------|--------------------------|
| For professional services rendered | 11.48        | \$2,870.00               |
| Previous balance                   |              | \$2,037.50               |
| 9/28/2020 Payment - thank you      |              | <u>(\$2,037.50)</u>      |
| Total payments and adjustments     |              | <u>(\$2,037.50)</u>      |
| Balance due                        |              | <u><u>\$2,870.00</u></u> |