

**South Central Connecticut Regional Water Authority
Minutes of the October 15, 2020 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, October 15, 2020, via remote access. In Chair DiSalvo’s absence, Mr. Cermola, Vice Chair, presided.

Present: Authority Members Present – Messrs. Borowy, Cermola, Curseaden, and Ms. Sack
Authority Members Absent - Mr. DiSalvo
Management – Mss. Collins, Kowalski, Reckdenwald, Nesteriak, and Messrs. Bingaman, Norris, and Singh
RPB –Ms. Mowat Young
Staff – Mrs. Slubowski

Mr. Cermola called the meeting to order at 12:30 p.m.

Mr. Bingaman, RWA’s President and Chief Executive Officer, reviewed the Safety Moment distributed to members.

At 12:31 p.m., on motion made by Ms. Sack, seconded by Ms. Borowy, and unanimously carried, the Authority voted to recess the meeting to meet as the Pension & Benefit Committee.

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| Borowy | Aye |
| Cermola | Aye |
| Curseaden | Aye |
| DiSalvo | Absent |
| Sack | Aye |

At 1:10 p.m., the Authority reconvened.

Ms. Sack, Chair of the Pension & Benefit Committee, reported that the committee met earlier and recommended to the Authority a Sixth Amendment to the Authority Voluntary Investment Plan (401K). This amendment is to reflect the increase in the employer contribution for union employees from 3.5% to 4%. Mr. Curseaden moved for adoption of the following resolutions:

RESOLVED, that the Authority Voluntary Investment Plan be, and it hereby is, amended by the Sixth Amendment, effective as of July 16, 2019; and be it

FURTHER RESOLVED, that the Chairperson of the Authority is authorized, empowered and directed to execute the Sixth Amendment on behalf of the Authority, and the appropriate officers of the Authority are authorized, empowered and directed to take any and all additional action which they deem necessary or appropriate in order to implement the same.

Mr. Borowy seconded the motion. After discussion, the Chair called for the vote:

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| Borowy | Aye |
| Cermola | Aye |
| Curseaden | Aye |
| DiSalvo | Absent |
| Sack | Aye |

On motion made by Mr. Curseaden, seconded by Ms. Sack, and unanimously carried, the Authority:

1. Approved minutes of its September 17, 2020 meeting.
2. Approved the Capital Budget Authorization for November 2020.

RESOLVED, that the Vice President of Finance and Controller is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,000,000 for the month of November 2020 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2021 for all Capital Improvement Projects to be exceeded. In the absence of the Vice President of Financial Services, the Vice-President of Asset Management is authorized to sign in her place.

3. Received Capital Budget Transfer Notifications for November 2020.
4. Received Monthly Financial Report for September 30, 2020.
5. Received the Accounts Receivable update for the period ended September 30, 2020.
6. Received the Derby Tank Update.
7. Received the North Cheshire Update.

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| Borowy | Aye |
| Cermola | Aye |
| Curseaden | Aye |
| DiSalvo | Absent |
| Sack | Aye |

Mr. Bingaman, stated that the Ten-Year Model presentation would include input from Mr. Norris, the RWA's Vice President of Asset Management, and his team on capital items and assumptions which would affect the capital budget moving forward.

Ms. Kowalski, RWA's Vice President of Financial Services, presented the RWA's Budget Forecasting and Ten-Year Rate Modeling to the Authority. Ms. Kowalski reviewed the modified base case financial model including:

- Underlying assumptions
- Issuance Test
- Opportunities and Vulnerabilities
- Various scenarios and recommendations
- Key takeaways

Ms. Kowalski also reviewed the target scenario as well as other model scenarios.

Ms. Kowalski reviewed the proposed resolution for the execution of the issuance, sale and delivery of the \$5 million bond anticipation notes. Mr. Borowy moved for adoption of the following resolutions:

WHEREAS, Section 23 of Special Act 77-98, as amended, of the Connecticut General Assembly (the "Act") provides, in pertinent part, that the Authority shall have the power to issue bond anticipation notes in the same manner as the bonds; and

WHEREAS, Section 22 of the Act provides in pertinent part, that bonds shall be authorized by a resolution of the South Central Connecticut Regional Water Authority (the “Authority”) which shall provide for the terms and conditions of the bonds, including the interest rates on the bonds and may provide for any matter which in any way effects the security or protection on the bonds; and

WHEREAS, Section 9 of the Act provides that the Authority may delegate to one or more of its members, officers, agents or employees, such powers and duties as it may deem proper; and

WHEREAS, the Authority proposes to issue its Water System Revenue Bonds which may be issued as Project Loan Obligations (the “Bonds”) and delivered to the State of Connecticut (the “State”) and its bond anticipation notes in anticipation of the proceeds of the Bonds (the “Notes”) in accordance with the Act and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority and approved by the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) on July 31, 1980, as amended and supplemented (the “General Bond Resolution”); and

WHEREAS, on August 20, 2020, the Authority adopted and on September 17, 2020, the RPB approved the resolutions which established the general terms and provisions of the Authority’s Bonds in the aggregate principal amount not to exceed \$5,000,000 to finance or refinance the cost of certain capital improvements to the water system and which may be issued in one or more series (the “Projects”); and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of Notes to finance temporarily a portion of the Projects.

NOW THEREFORE, BE IT RESOLVED, that the Authority hereby approves the resolution authorizing the issuance of the Notes (the “Note Resolution”) in one or more series substantially in the form attached hereto as Exhibit A, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President / Chief Executive Officer or Vice President of Financial Services shall deem advisable and which shall be as set forth in a Certificate of Determination for the appropriate series of Notes attached thereto.

BE IT FURTHER RESOLVED, that the Chairperson or the Vice Chairperson and the President / Chief Executive Officer or Vice President of Financial Services be authorized (i) to issue, sell and deliver the Notes in an amount for each not to exceed \$5,000,000, and (ii) to determine the amount, date, date of maturity, interest rate, form and other details of each series of Notes, pursuant to the Act and the General Bond Resolution or any other provisions of law thereto enabling.

BE IT FURTHER RESOLVED, that the Chairperson, the Vice Chairperson, the President / Chief Executive Officer and the Vice President of Financial Services, or any one of them, are hereby authorized to execute and deliver such documents as may be necessary or desirable to issue, sell, secure and deliver the Notes, including but not limited to, an Official Statement if the Notes are publicly offered, a Contract of Purchase, a Tax Regulatory Agreement and a Continuing Disclosure Agreement and to take such actions or to designate other officials or employees of the Authority to take such actions and execute such documents in connection with the issuance, sale, security and delivery of the Notes as are determined necessary or advisable and in the best interests of the Authority and that the execution of such documents shall be conclusive evidence of such determination.

BE IT FURTHER RESOLVED, that the Chairperson, the Vice Chairperson, the President / Chief Executive Officer and the Vice President of Financial Services, or any one of them, are authorized to apply for and accept federal and state grants to finance the project and federal and state loans to finance the Project, and enter into any grant or loan agreement prescribed by a

federal agency or by the State, and that the Chairperson, the Vice Chairperson, the President / Chief Executive Officer and the Vice President of Financial Services, or any one of them, are authorized to take any other actions necessary to obtain such grants or loans or to implement such grant or loan agreements. Any grant proceeds may be used to pay project costs or principal and interest on bonds, notes, or temporary notes or obligations.

Mr. Curseaden seconded the motion. After discussion, the Chair called for the vote:

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| Borowy | Aye |
| Cermola | Aye |
| Curseaden | Aye |
| DiSalvo | Absent |
| Sack | Aye |

Authority members reported on recent meetings of the RPB committee meetings.

Ms. Nesteriak, RWA's Executive Vice President and Chief Operating Officer, reported on activities over the past month, which included:

- Status of COVID at RWA
- Cleaning and sanitization
- Office/Work from home status

Authority members discussed return to work status, productivity and connectivity.

Mr. Bingaman reported on the reorganization of the RWA's Customer Service Department to assist customers with past due balances. The goal of the department is to reduce collections to reach a target range of 25%.

Ms. Kowalski provided an update of cash receipts post- COVID. She reported that although cash receipts remain better than anticipated there is still uncertainty of what the impacts are going to be.

At 2:22 p.m., Ms. Gonzalez, the RWA's Director of Service, and Ms. Valentin, the RWA's Manager of Field Service entered the meeting. They provided an AMI Benefits update, which included:

- Key points and benefits
- Metersense reports and dashboard
- AMI installs and repairs
- Water Watch
- Reduced estimates and billing exceptions
- Reduction of work orders
- Future benefits

At 2:50 p.m., Mss. Gonzalez and Valentin withdrew from the meeting.

Mr. Bingaman highlighted key points of the RWA's strategic priorities for the month ended September 30, 2020. He reported on a Good to Great meeting in September to discuss the future of the RWA. The meeting included input from Authority members on issues such as RWA's future purpose, workplace culture, trends and opportunities for growth.

Mr. Bingaman commented on a cross function team put together to manage and review the potential acquisition of a Connecticut-based water testing laboratory. Mr. Bingaman also commented on a non-core strategy project involving Amane Advisors. The work includes analyzing target segments,

prioritizing non-core areas for emphasis and development of a high level strategic road map and timeline for priority initiatives.

Mr. Bingaman reported on efforts to offset rate increases and fund the capital program, which included engaging a professional grant writer for financing opportunities for the capital program.

He noted that the RWA recently received an award from the Association of Metropolitan Water Agencies for its 2020 Sustainable Management in honor of RWA's commitment to responsible management that achieves a balance of innovative and successful efforts in economic, social and environmental endeavors.

Mr. Norris, Vice President of Asset Management, provided an update on the North Cheshire Wellfield Diversion permit.

At 3:04 p.m., Ms. Mowat Young withdrew from the meeting and on motion made by Mr. Curseaden, seconded by Mr. Borowy, and unanimously carried, the Authority voted to go into executive session to discuss personnel matters and negotiations. Present in executive session were Authority members, Mss. Collins, Kowalski, Nesteriak, Reckdenwald, Slubowski and Messrs. Bingaman, Norris and Singh.

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| Borowy | Aye |
| Cermola | Aye |
| Curseaden | Aye |
| DiSalvo | Absent |
| Sack | Aye |

At 3:32 p.m., the Authority came out of executive session and on motion made by Ms. Sack, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

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| Borowy | Aye |
| Cermola | Aye |
| Curseaden | Aye |
| DiSalvo | Absent |
| Sack | Aye |

Respectfully submitted,

Kevin Curseaden, Secretary