

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

**AGENDA**

**Regular Meeting of Monday, January 11, 2021 at 5:00 p.m.**

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1. Safety Moment
2. Approval of Minutes of the December 14, 2020 special meeting
3. Consider and act on recommendation to the Representative Policy Board regarding completeness, mode and date of Public Hearing for the Authority's Application for the approval of a project to construct improvements at the West River Water Treatment Plant located in Woodbridge, Connecticut and associated financing
4. Finance Committee Members Attendance at Regional Water Authority Meetings on: Thursday, February 18; Thursday, March 18; Thursday, April 15; and Thursday, May 20
5. Review Quarterly Financial Report
6. RPB Dashboard Quarterly Report
7. Discussion and possible recommendation to the RPB re freeze of RPB member compensation increase, effective January 1, 2020
8. New Business
9. Adjourn

**Note:** As a reminder, the next meeting of the Finance Committee will be held on Monday, February 8, 2020 at 5:00 p.m. (regular meeting).

**\*\***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 meeting will be held remotely. 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 Finance Committee Meeting**

Time: Jan 11, 2021 05:00 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Dial by your location

+1 301 715 8592 US (Washington D.C.)

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Meeting ID: 895 4001 2766

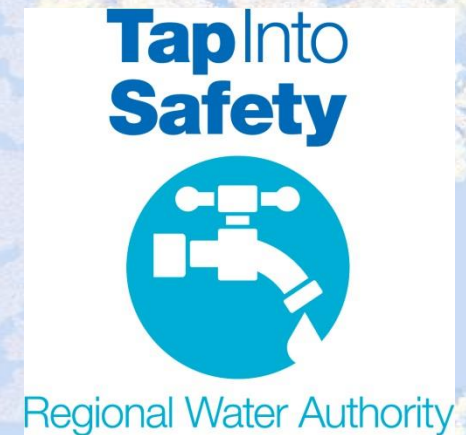
Passcode: 470234

Find your local number: <https://us02web.zoom.us/j/89540012766>

# SAFETY MOMENT

## BE PREPARED FOR WINTER DRIVING

Driving in the winter means changes in the way you drive. Snow, sleet and ice can lead to hazardous road conditions. Prepare your vehicle for the upcoming winter season with these helpful tips.



Prepare your car for winter: Have a mechanic check out:	Don't leave home without:
Ignition Brakes Wiring Hoses and fan belts Spark plugs Air, fuel and emissions filters PCV valve Distributor Battery Tire wear and air pressure Antifreeze	Properly inflated spare tire Shovel Jumper cables Windshield cleaner Ice scraper or snow brush Tool kit First aid kit Blankets, mittens, extra socks and hats Non perishable high energy food



Service – Teamwork – Accountability – Respect – Safety

Safety is a core company value at the Regional Water Authority .  
It is our goal to reduce workplace injuries to zero.

 Regional Water Authority

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

**MINUTES**

**Special Meeting of Monday, December 14, 2020 at 5:00 p.m.**

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**ATTENDEES:**     **Finance Committee Members:** Tom Clifford, Charles Havrda, Jay Jaser, Tim Slocum and Michelle Verderame

**RPB:** Brian Eitzer, Bob Harvey, Greg Malloy, Joe Oslander, Tony Rescigno, Mario Ricoszi and Jamie Mowat Young

**Authority:** Joe Cermola

**Management:** Larry Bingaman, Beth Nesteriak, Lisa Burns, Rochelle Kowalski, and Prem Lakshman Singh

**OCA:** Jeffrey Donofrio

**Staff:** Jennifer Slubowski

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

Ms. Nesteriak, RWA's Executive Vice President and Chief Operating Officer, introduced Ms. Burns, RWA's Director of Operations, who provided a Risk, Resiliency & Redundancy, Water Distribution Update, which included:

- System Overview
- Operating Strategy
- Near and long-term visions for risk, resiliency and redundancy
- Operations Summary

Discussion took place regarding pump station failures, causes, contingency plans, and projected costs.

At 5:40 p.m., Messrs. Eitzer, Oslander, Harvey, Malloy, Rescigno and Mss. Burns and Young withdrew from the meeting.

On motion made by Mr. Clifford, seconded by Mr. Jaser, and unanimously carried, the committee approved the minutes of its November 9, 2020 meeting.

Mr. Slocum confirmed the Finance Committee's special meeting to review management's proposed FY 2022 Budget is scheduled for Tuesday, April 20, 2021 at 5:00 p.m.

Mr. Bingaman, the RWA's President and Chief Executive Officer provided an overview of zero the interest billing that was approved by the RPB in June 2020.

Ms. Kowalski, the RWA's Vice President of Financial Services, stated that the COVID pandemic continues to have financial implications on RWA's customers and expects a potential impact on cash perspectives through March 31, 2021. Members of RWA's management stated that the right thing to do for the economic impact felt by customers would be to extend the zero interest billing from December 31, 2020 to March 31, 2021. On motion made by Mr. Jaser, seconded by Mr. Clifford, and

unanimously carried, the committee voted to recommend an extension on zero interest billing through March 31, 2021 to the Representative Policy Board at its next meeting on December 17, 2020.

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

- Ansonia-Derby Tank
- Brushy Plains Water System Improvements
- System-Wide Ratio Telemetry (RTU) Upgrades
- Branford Hill Service Area Improvements
- North Sleeping Giant Wellfield Improvements

At 5:50 p.m. on motion made by Mr. Clifford, seconded by Mr. Havrda, and unanimously carried, the meeting adjourned.

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Timothy Slocum, Chairman

**Note:** As a reminder, the next meeting of the Finance Committee is scheduled for January 11, 2021 at 5:00 p.m.

**South Central Connecticut Regional Water Authority**  
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020  
<http://www.rwater.com>

December, 14, 2020

### **An Important Note About Second -Quarter FY2021 Results**

The disruptions caused by COVID-19 are shaping a new financial reality for the world and for the RWA.

The uncertainty about the future – given all the unknowns – guided the Leadership Team's decision early on to plan and reduce our Fiscal Year 2021 capital and operating budgets, not pursue a rate increase filing until July 2021 (effective January 2022), take additional steps and implement shared sacrifices. These actions helped to preserve employment for RWA employees.

Our second-quarter Fiscal Year 2021 results show that through November 2020, we are seeing increased billed consumption and have not yet experienced significant erosion in cash receipts.


Despite this encouraging result, it's too soon to know for certain the full financial impact of the pandemic on our business. A lot will depend on what happens with employment levels, changes in government support such as enhanced unemployment payments, subsidies for businesses, vaccine availability, and if the virus continues the current resurgence coupled with the flu season that could cause additional business closures and unemployment.

What happens in the next few months is especially important as the revised and reduced Fiscal Year 2021 budget assumed a full back-to-normal as of January 2021 with strong cash flows in the latter part of this fiscal year. To that end, if the financial fallout of the pandemic is less than anticipated and we are projecting no or a minimal draw from discretionary funds, the Leadership Team is prepared to revisit the shared sacrifices and other deferred expenditures.

**South Central Connecticut Regional Water Authority**  
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020  
<http://www.rwater.com>

TO: RPB Finance Committee Members

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

FROM: Rochelle Kowalski   
Vice President of Financial Services

DATE: January 4, 2021

SUBJECT: Quarterly financial statements for fiscal year 2021 (ending May 31, 2021)

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Attached are the following financial reports regarding the second quarter of fiscal year 2021. i.e., the quarter ended November 30, 2020:

- Statements of net position as of November 30, 2020 and November 30, 2019;
- Schedule A-1 & A-2: Statements of revenues, expenses and changes in net position as of November 30, 2020, maintenance test, and commentary;
- Schedule B: Operating and maintenance expenses;
- Schedule C: Capital budget report;
- Schedule D: Investment earnings report - comparison of investment rates of return

The reports bulleted above incorporate the Authority's experience from June 2020 through November 2020. For the remainder of fiscal year 2021, the reports include the projections shown on schedules A-2 and B which use the assumptions explained below.



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

### Section of page entitled "Six months Ended November 30, 2020"

The figures shown present June to November 2020 as well as comparative budget vs. actual results for the six months ended November 30, 2020.

### Section of page entitled "Year Ending May 31, 2021"

The "budget" column is the budget for fiscal year 2021, as approved by the Five-Member Authority.

#### Assumption 1

The column labeled *Assumption 1* presents earned metered water revenues that reflect six months (June through November 2020) of consumption and six months of budgeted consumption for (December 2020 through May 2021).

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

#### Assumption 2

The column labeled *Assumption 2* projects consumption for the months of December 2020 through May 2021 at 4% above budget. Operating expenses for "pump power" and chemicals for these same months are adjusted to reflect the 4% increase.

#### Assumption 3

The column labeled *Assumption 3* projects consumption for the months of December 2020 through May 2021 at 2% below budget. Operating expenses for "pump power" and chemicals for these same months are adjusted to reflect the 2% decrease.

### Section of page entitled "Maintenance Test"

The maintenance test reflects the same three assumptions described above except that water sales are not accrued revenue, but cash collections from June through November 2020, plus projected cash collections for December 2020 through May 2021. Management projects cash collections by applying historical collection patterns to billings. Management assumes that the billings are collected over the course of the subsequent twelve months.



**Schedule B: Operating and Maintenance Expense**

This schedule provides details of the operating and maintenance expense for the second quarter of fiscal year 2021, as well as projections for December 2020 through May 2021 under the three assumptions presented above.

**Schedule C: Capital Budget Report**

This schedule shows capital expenditures for June through November 2020, as well as projections for the full fiscal year 2021.

**Schedule D: Interest Earned**

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

Attachments

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

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Attachments

**REGIONAL WATER AUTHORITY**  
**STATEMENTS OF NET POSITION**  
**AS OF NOVEMBER 30, 2020 AND 2019**

<b>Assets</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Y/Y Variance</b>
Utility plant			
Property, plant and equipment in service	\$ 892,096,243	\$ 875,291,867	\$ 16,804,376
Accumulated depreciation	(374,541,227)	(351,000,074)	(23,541,153)
Utility plant in service	517,555,016	524,291,794	(6,736,777)
Land	28,090,328	28,085,948	4,380
Construction work in progress	27,116,071	21,510,900	5,605,171
Total utility plant, net	572,761,415	573,888,641	(1,127,226)
Nonutility land, at cost	64,983,522	64,987,903	(4,380)
Goodwill	14,423,704	14,423,704	-
Current assets			
Cash and cash equivalents	52,811,008	40,114,471	12,696,537
Investments	-	-	-
Accounts receivable, less allowance for doubtful accounts	16,393,560	14,410,962	1,982,598
Accrued revenue	17,505,693	18,069,145	(563,452)
Accrued interest receivable	10,014	118,888	(108,874)
Materials and supplies	1,874,421	1,464,561	409,860
Prepaid expenses and other assets	2,235,589	2,316,281	(80,692)
Total current assets	90,830,285	76,494,308	14,335,977
Long-Term Note Receivable	500,000	500,000.0	-
Pension Assets	-	-	-
OPEB Assets	-	-	-
Restricted assets	103,533,360	114,248,831	(10,715,471)
Regulatory assets	10,205,549	10,914,247	(708,697)
Total assets	857,237,835	855,457,633	1,780,202
Deferred Outflows of Resources			
Deferred charge on refunding	17,878,258	17,409,069	469,189
Deferred charge on pension plans	4,359,065	3,494,171	864,895
Deferred charge on OPEB plans	1,048,118	1,227,510	(179,392)
Total	\$ 880,523,276	\$ 877,588,382	\$ 2,934,894

<b>Liabilities and Net Assets</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Y/Y Variance</b>
Liabilities			
Revenue bonds payable, less current portion	\$ 495,615,000	\$ 509,660,000	\$ (14,045,000)
Net premiums and discounts from revenue bonds payal	43,228,233	53,234,741	(10,006,507)
DWSRF loans payable, less current portion	20,600,934	21,634,552	(1,033,618)
Net pension liability	19,071,269	17,122,195	1,949,074
Net OPEB obligation	18,344,539	20,030,271	(1,685,732)
Total noncurrent liabilities	596,859,976	621,681,759	(24,821,783)
Current liabilities			
Current portion of revenue bonds payable	20,565,000	19,045,000	1,520,000
Current portion of DWSRF loans payable	1,033,618	1,028,467	5,151
Accounts payable	3,885,196	3,629,917	255,279
Notes payable	5,937,343	5,632,964	304,379
Customer deposits and advances	1,353,737	1,684,141	(330,404)
Other accrued liabilities	8,427,316	7,354,566	1,072,750
Total current liabilities	41,202,211	38,375,055	2,827,156
Liabilities payable from restricted assets			
Accounts payable for construction	1,340,287	1,015,300	324,987
Accrued interest payable	7,209,198	8,097,378	(888,181)
Customer deposits and advances	1,379,169	1,107,938	271,231
Total liabilities payable from restricted assets	9,928,654	10,220,617	(291,963)
Other liabilities	41,385	224,179	(182,794)
Total liabilities	648,032,226	670,501,611	(22,469,385)
Deferred inflows of resources			
Deferred inflows related to pensions	458,394	1,699,979	(1,241,585)
Deferred inflows related to OPEB	3,670,932	3,225,623	445,308
Net Assets			
Invested in capital assets, net of related debt	83,066,770	63,906,343	19,160,428
Restricted assets	94,104,706	101,095,463	(6,990,758)
Unrestricted assets	51,190,248	37,159,364	14,030,885
Total net assets	228,361,724	202,161,170	26,200,555
Total liabilities and net assets	\$ 880,523,276	\$ 877,588,382	\$ 2,934,894

**REGIONAL WATER AUTHORITY**  
**REVIEW OF FINANCIAL DATA**  
**November 30, 2020 (FY 2021)**

**SCHEDULE A-1 - COMMENTARY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**Operating Revenues**

FY21 revenue for water, including wholesale and fire service, is over budget by \$4,029 (approx. 6.6%) primarily due to higher than anticipated consumption. Metered water revenue is over budget by \$4,041k (approx. 7.4%)

Total net other revenue is \$649k above budget primarily due higher other water revenues . Other proprietary revenues are also contributing to this variance.

**Operating Expenses**

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

Payroll is under budget primarily due to head count under runs.	\$ (598,000)
Employee Benefits are under budget primarily due to lower medical and dental expense and payroll tax.	(545,000)
General & Admin is under budget primarily due to timing related to printer and replacement computer purchases.	(66,000)
Transportation is over budget primarily due to timing.	50,000
Utilities & Fuel is over budget primarily due to sewer use fees and timing.	81,000
Pump Power is under the budget primarily due to timing	(104,000)
Business Improvement is under budget. However, this under run is largely offset in other proprietary expenses.	(65,000)
Public/Customer Information is under budget primarily due to timing.	(51,000)
Outside Services are under budget in multiple areas.	(282,000)
Central Lab/Water Quality is under budget primarily due to timing.	(139,000)
All Other	(122,000)
	<u>\$ (1,841,000)</u>

**Interest Income**

Interest Income is under budget due to lower investment earnings.

**PROJECTED MAINTENANCE TEST**

The projected shortfall to meet 1.14 coverage is \$.6 million vs. a budgeted shortfall of \$12.045 million.

**REGIONAL WATER AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTHS ENDING NOVEMBER 30, 2020**

Schedule A-1

	<b>FY 2020 Actual</b>	<b>FY 2021 Budget</b>	<b>FY 2021 Actual</b>	<b>(Under)Over Budget</b>
<b>Operating revenues</b>				
Metered water revenues	\$ 55,036	\$ 54,540	\$ 58,581	\$ 4,041
Fire service	6,013	6,037	6,066	29
Wholesale	430	441	400	(41)
Other revenue - water	1,769	1,295	1,828	533
Other revenue - proprietary	5,122	4,539	4,932	393
Total operating revenues	<u>68,369</u>	<u>66,853</u>	<u>71,807</u>	<u>4,954</u>
<b>Operating expenses</b>				
Operating and maintenance expense	27,285	27,582	25,741	(1,841)
Expense associated with other revenue - water	842	941	952	12
Expense associated with other revenue - proprietary	1,580	1,734	1,999	265
Provision for uncollectible accounts	738	516	455	(61)
Depreciation	12,600	12,600	12,600	-
Payment in lieu of taxes	4,265	4,411	4,347	(64)
Amortization Pension Outflows/Inflows	185	798	798	(0)
Amortization OPEB Outflows/Inflows	(181)	(273)	(273)	0
Total operating expenses	<u>47,314</u>	<u>48,308</u>	<u>46,619</u>	<u>(1,689)</u>
Operating income	<u>21,056</u>	<u>18,544</u>	<u>25,188</u>	<u>6,645</u>
<b>Nonoperating income and (expense)</b>				
Interest income	2,355	604	147	(457)
(Loss) Gain on disposal of assets	(59)	-	-	-
Realized and unrealized (losses) gains on investments	-	-	-	-
Interest expense	(12,416)	(11,246)	(11,182)	63
Amortization of bond discount, premium, issuance cost and deferred losses	1,830	1,388	1,378	(10)
Intergovernmental revenue	180	-	-	-
Total nonoperating income and (expense)	<u>(8,109)</u>	<u>(9,253)</u>	<u>(9,658)</u>	<u>(405)</u>
Income (expense) before contributions	<u>12,946</u>	<u>\$ 9,291</u>	<u>15,530</u>	<u>\$ 6,240</u>
<b>Capital contributions</b>				
Change in net assets	13,831	-	16,773	-
Total net assets - beginning of fiscal year	<u>188,331</u>	-	<u>211,589</u>	-
Total net assets - end of reporting month	<u>\$ 202,161</u>	-	<u>\$ 228,362</u>	-

**FY 2021 MAINTENANCE TEST**  
**(Budget vs. Projected)**

	<b>Budget FY 2021 @114%</b>	<b>Projected FY 2021 @114%</b>	<b>(Under)Over FY 2021 @114%</b>	<b>(Under)Over FY 2021 Original Budget</b>
<b>Revenue Collected:</b>				
Water sales	101,381	112,881	\$ 11,500	(4,321)
Interest Income	986	232	(754)	(1,091)
BABs Subsidy	656	656	-	-
Other Net	6,302	6,772	470	(266)
Common Non-Core	(200)	(200)	-	-
Total	<u>109,124</u>	<u>120,341</u>	<u>11,217</u>	<u>(5,678)</u>
<b>Less:</b>				
Operating and maintenance expenses	(56,200)	(56,200)	-	4,851
Common Non-Core	100	50	(50)	(50)
Depreciation	(6,500)	(6,500)	-	-
PILOT (A)	(8,700)	(8,581)	119	119
Net Avail for Debt Service (B)	<u>\$ 37,824</u>	<u>\$ 49,110</u>	<u>\$ 11,286</u>	<u>\$ 4,920</u>
Debt Service Payments (C)	<u>\$ 43,745</u>	<u>43,605</u>	<u>\$ (140)</u>	<u>\$ (163)</u>
Debt Service @ 114% (D)	<u>\$ 49,869</u>	<u>49,710</u>	<u>\$ (160)</u>	<u>\$ (186)</u>
Difference (B-D)	<u>\$ (12,045)</u>	<u>\$ (600)</u>	-	-
RSF, Growth and/or General Fund (D)	<u>12,045</u>	<u>600</u>	-	-
Coverage (A+D/C)	<u>114%</u>	<u>114%</u>	-	-

REGIONAL WATER AUTHORITY  
May 31, 2021  
(\$000 Omitted)

SCHEDULE A-2

STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS

	Six Months Ending November 30				Twelve Months Ending May 31			
	FY 2020 Actual	FY 2021 Budget	FY 2021 Actual	(Under)Over Budget	Budget	Assumption 1	Assumption 2	Assumption 3
<b>Operating Revenues</b>								
Metered Water Revenues	\$ 55,036	\$ 54,540	\$ 58,581	\$ 4,041	\$ 102,888	\$ 106,929	\$ 108,191	\$ 106,282
Fire Service	6,013	6,037	6,066	29	12,074	12,103	12,103	12,103
Wholesale Water	430	441	400	(41)	846	805	805	805
Other revenue - water	1,769	1,295	1,828	533	2,889	3,336	3,336	3,336
Other revenue - proprietary	5,122	4,539	4,932	393	9,306	9,606	9,606	9,606
Total Operating Revenues	68,369	66,853	71,807	4,954	128,002	132,778	134,041	132,132
<b>Operating Expenses</b>								
Operating and Maintenance	27,285	27,582	25,741	(1,841)	56,200	56,200	56,285	56,157
Expenses associated with other revenue-water	842	941	952	12	1,900	1,911	1,911	1,911
Expenses associated with other revenue-proprietary	1,580	1,734	1,999	265	3,438	3,703	3,703	3,703
Provision for uncollectible accounts	738	516	455	(61)	975	975	975	975
Depreciation	12,600	12,600	12,600	-	25,200	25,200	25,200	25,200
Payment in lieu of taxes	4,265	4,411	4,347	(64)	8,700	8,581	8,581	8,581
Amortization Pension Outflows/Inflows	185	798	798	(0)	1,674	1,674	1,674	1,674
Amortization OPEB Outflows/Inflows	(181)	(273)	(273)	0	(546)	(546)	(546)	(546)
Total Operating Expenses	47,314	48,308	46,619	(1,689)	97,540	97,698	97,783	97,655
Operating Income	21,055	18,544	25,188	6,645	30,462	35,080	36,257	34,476
<b>Nonoperating income and (expense)</b>								
Interest Income	2,355	604	147	(457)	1,910	1,156	1,156	1,156
(Loss)/Gain on disposal of assets	(59)	-	-	-	-	(100)	(100)	(100)
Interest Expense	(12,416)	(11,246)	(11,182)	63	(22,370)	(22,319)	(22,319)	(22,319)
Amortization of bond discount, premium								
issuance cost and deferred losses	1,830	1,388	1,378	(10)	2,670	2,650	2,650	2,650
Intergovernmental revenue	180	-	-	-	-	800	800	800
Total nonoperating income & (expense)	(8,109)	(9,253)	(9,658)	(405)	\$ (17,789)	\$ (17,813)	\$ (17,813)	\$ (17,813)
(Expense) income before contributions	12,946	\$ 9,291	15,530	\$ 6,240	\$ 12,672	\$ 17,267	\$ 18,444	16,663
<b>Capital contributions</b>								
Change in net assets	884	-	1,242	-	-	-	-	-
Total net assets - beginning of fiscal year	13,830	-	16,773	-	-	-	-	-
Total net assets - end of reporting month	188,331	-	211,589	-	-	-	-	-
	\$202,161	-	\$228,362	-	-	-	-	-

MAINTENANCE TEST

Revenue Collected:

	Budget	Assumption 1	Assumption 2	Assumption 3
Water Sales	\$ 101,381	\$ 112,881	\$ 113,863	\$ 112,390
Interest Income	986	232	232	232
BABs Subsidy	656	656	656	656
Other Net	6,302	6,772	6,772	6,772
Common Non-Core	(200)	(200)	(200)	(200)
Total	109,124	120,341	121,323	119,850

Less:

	Budget	Assumption 1	Assumption 2	Assumption 3
Operating and Maintenance Expenses	(56,200)	(56,200)	(56,285)	(56,157)
Common Non-Core	100	50	50	50
Depreciation	(6,500)	(6,500)	(6,500)	(6,500)
PILOT (A)	(8,700)	(8,581)	(8,581)	(8,581)
Net Avail for Debt Service (B)	37,824	49,110	50,007	48,662
Debt service payments (C)	\$ 43,745	\$ 43,605	\$ 43,605	\$ 43,605
Debt Service @ 114% (D)	\$ 49,869	\$ 49,710	\$ 49,710	\$ 49,710
Difference (B-D)	\$ (12,045)	\$ (600)	\$ 297	\$ (1,048)
RSF, Growth and/or General Fund (D)	\$ 12,045	\$ 600	-	\$ 1,048
Coverage (A+D/C)	114%	114%	115%	114%
Required Coverage	114%	114%	114%	114%



REGIONAL WATER AUTHORITY  
OPERATING AND MAINTENANCE EXPENSES  
MAY 31, 2021 (FY 2021)  
(\$000 Omitted)

SCHEDULE B

	SIX MONTHS ENDING NOVEMBER 30			
	FY 2020 Actual	FY 2021 Budget	FY 2021 Actual	(Under) Over
1 Payroll	\$ 11,103	\$ 11,344	\$ 10,746	\$ (598)
2 Employee Benefits Allocation	3,910	4,095	3,550	(545)
Pension	1,966	1,330	1,330	-
3 Administrative Building Space Allo.	498	467	500	33
4 General & Administrative	705	624	558	(66)
5 Transportation Allocation	320	330	380	50
6 Tools & Stores Allocation	162	156	185	29
7 Utilities & Fuel	586	602	683	81
8 Material From Inventory	123	94	96	1
9 Pump Power Purchased	1,391	1,620	1,516	(104)
10 Chemicals	893	926	960	34
11 Road Repairs	90	100	62	(38)
14 Postage	132	144	106	(38)
15 Printing & Forms	42	48	40	(8)
17 Collection Expense	290	301	270	(31)
18 Business Improvement	84	97	32	(65)
19 Public/Customer Information	138	136	85	(51)
20 Outside Services	1,101	1,079	797	(282)
21 Insurance Premiums	595	761	760	(1)
22 Worker's Compensation, pre-Churc	157	28	8	(20)
23 Damages	19	30	47	17
24 Training & Cont. Education	118	86	46	(40)
25 Authority Fees	66	78	66	(13)
26 Consumer Counsel	9	31	12	(19)
27 RPB Fees	42	84	51	(34)
28 Organizational Dues	69	26	47	20
29 Donations	17	10	5	(5)
34 Central Lab/Water Quality	214	254	115	(139)
40 Environmental Affairs	33	45	49	4
44 Info. Technology Licensing & Maintenance Fees	1,020	1,127	1,090	(36)
45 Maintenance and Repairs	1,393	1,316	1,338	22
46 Regulatory Asset Amortization	-	211	211	0
	<u>\$ 27,286</u>	<u>\$ 27,371</u>	<u>\$ 25,531</u>	<u>\$ (1,841)</u>

YEAR ENDED MAY 31, 2021				
PROJECTED	ACTUAL			
	Budget	Assump 1	Assump 2	Assump 3
	23,088	22,913	22,913	22,913
	8,182	8,182	8,182	8,182
	2,661	2,661	2,661	2,661
	928	968	968	968
	1,347	1,347	1,347	1,347
	673	673	673	673
	305	345	345	345
	1,253	1,293	1,293	1,293
	239	239	239	239
	2,970	2,970	3,022	2,944
	1,855	1,890	1,923	1,873
	200	200	200	200
	288	288	288	288
	83	83	83	83
	648	648	648	648
	366	366	366	366
	289	289	289	289
	2,485	2,485	2,485	2,485
	1,540	1,540	1,540	1,540
	54	54	54	54
	60	60	60	60
	214	214	214	214
	157	157	157	157
	63	63	63	63
	169	169	169	169
	102	102	102	102
	19	19	19	19
	433	433	433	433
	93	93	93	93
	-	-	-	-
	2,293	2,293	2,293	2,293
	2,726	2,746	2,746	2,746
	422	422	422	422
	<u>\$ 56,200</u>	<u>\$ 56,200</u>	<u>\$ 56,285</u>	<u>\$ 56,157</u>

	Period Ending November 30, 2020			Period Ending May 31, 2021		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
<b>I. NATURAL RESOURCES</b>						
Hamden Middle School Remediation	54	79	25	120	120	-
Lake Whitney Dam & Spillway Improvements	210	140	(70)	450	490	40
Peat Swamp Dam Modifications Filtration Ponds	-	-	-	25	-	(25)
Tunnel Diversion Raw Water Main Rehabilitation Program	-	1	1	25	25	-
Miscellaneous Natural Resources	55	77	22	75	101	26
Prior Year	-	-	-	-	56	56
<b>TOTAL</b>	<b>319</b>	<b>296</b>	<b>(23)</b>	<b>695</b>	<b>792</b>	<b>97</b>
<b>II. PUMPING</b>						
Raynham Hill Pump Station Equipment & Generator Replacement	15	-	(15)	50	-	(50)
Burwell Hill Pump Station Equipment Replacement	249	571	322	819	800	(19)
Lake Gaillard Pump Station Improvements	495	354	(141)	778	778	-
MCC Replace/Improvements -Northwest Cheshire Pump Station	-	79	79	92	92	-
Sanford Street Pump Station Rehabilitation	100	82	(18)	270	270	-
Hill Street Pump Station Repairs	80	57	(23)	350	350	-
Miscellaneous Pumping	20	-	(20)	40	40	-
Prior Year	-	-	-	-	-	-
<b>TOTAL</b>	<b>959</b>	<b>1,143</b>	<b>184</b>	<b>2,399</b>	<b>2,330</b>	<b>(69)</b>
<b>III. TREATMENT</b>						
Filter Media Replacement	125	31	(94)	425	125	(300)
LGWTP - Process Valve Replacements	-	-	-	30	28	(2)
LGWTP - Chemical Feed Improvements	10	5	(5)	100	380	280
LGWTP - Backwash Polymer System	285	16	(269)	300	20	(280)
LGWTP -Roof Replacements	22	3	(19)	22	3	(19)
LGWTP -Electrical Upgrades	-	-	-	70	70	-
LGWTP -Structural Improvements	10	1	(9)	66	1	(65)
LGWTP -Clarifiers Recycle Pumps	17	4	(13)	80	80	-
LSWTP - Lagoon Discharge Pipe Replacement Footbridge Rehab	16	1	(14)	20	3	(17)
LSWTP -Hypochlorite System	150	41	(109)	165	45	(120)
LSWTP -Chemical Treatment System Improvements	105	89	(16)	120	120	-
LWWTP Improvements	15	10	(5)	30	30	-
West River WTP-Dissolved Air Flotation (DAF)	25	52	27	100	250	150
West River WTP-Effluent Pipe Injection	250	2	(248)	304	10	(294)
West River WTP-Chemical System Improvements	10	4	(6)	50	50	-
Seymour Wellfield Back-Up Well and Metering	30	43	13	70	61	(9)
Seymour Wellfield Treatment System Improvements	45	-	(45)	75	25	(50)
NSG Wellfield Facility Improvements	180	143	(37)	800	800	-
North Sleeping Giant Well 1B Pump & Motor Replacement	-	-	-	-	160	160
Well Rehabilitations	90	98	8	200	215	15
Well Replacements	30	3	(27)	75	5	(70)
Rocky Corner Satellite System	30	12	(18)	30	50	20
WRWTP Backwash & Surface Wash Pump Repl	350	35	(315)	700	700	-
Prior Year	-	4	4	-	4	4
<b>TOTAL</b>	<b>1,795</b>	<b>597</b>	<b>(1,197)</b>	<b>3,832</b>	<b>3,235</b>	<b>(597)</b>
<b>IV. TRANSMISSION AND DISTRIBUTION</b>						
Pipe	2,102	1,694	(408)	2,967	2,975	8
Ruden Street Cleaning Lining, West Haven	150	111	(39)	150	220	70
Valve Replacements	75	133	58	150	200	50
Service Connections	750	693	(57)	1,500	1,500	-
Capital Pipe Service Transfers	300	256	(44)	350	350	-
Meters	20	24	4	50	50	-
Hydrants and Connections	55	87	32	100	125	25
AMI Meters	135	9	(126)	230	100	(130)
Sanitary Survey Improvements-WRWTP Finished Water Reservoirs	10	3	(7)	200	200	-
East West Transmission System	-	-	-	200	200	-
West Johnson Ave Transmission Main Connector	75	9	(66)	75	9	(66)
Brushy Plains System Upgrade-Phase II	115	112	(3)	151	151	-
Grand Avenue Pipe Bridge & Main Replacement	-	1	1	6	7	1
Ansonia-Derby Tank	100	18	(82)	1,000	400	(600)
West Avenue Tank Painting	754	425	(329)	754	500	(254)
Water Quality Improvements	130	-	(130)	130	150	20
Lake Saltonstall WTP FWR Roof Improv Valve Replac	66	9	(57)	66	9	(57)
Western Service Area Bulk Fill Station, Ansonia	75	76	1	92	92	-
Miscellaneous Transmission and Distribution	-	259	259	-	550	550
Branford Gaskets	-	-	-	-	200	200
Prior Year	-	101	101	-	101	101
<b>TOTAL</b>	<b>4,912</b>	<b>4,021</b>	<b>(891)</b>	<b>8,171</b>	<b>8,089</b>	<b>(82)</b>
<b>V. GENERAL PLANT</b>						
SAP Business Enhancements	25	-	(25)	50	50	-
SAP SQL Upgrade	180	-	(180)	190	190	-
SAP Customer Channels Sales Marketing	-	-	-	150	150	-
Monthly Billing	410	31	(379)	900	550	(350)

	Period Ending November 30, 2020			Period Ending May 31, 2021		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
Cyber Security Enhancements	50	-	(50)	150	85	(65)
System-Wide Radio Telemetry Unit (RTU) Upgrade	250	123	(127)	1,000	600	(400)
SCADA Upgrades	40	66	26	100	100	-
LIMS Upgrades	596	754	158	860	1,260	400
Information Systems	227	5	(222)	400	315	(85)
Miscellaneous IT	3	-	(3)	3	3	-
Equipment	-	2	2	100	100	-
Miscellaneous Equipment	30	10	(20)	37	37	-
90 Sargent Drive	40	1	(39)	50	40	(10)
Miscellaneous 90 Sargent Drive	50	13	(37)	60	70	10
Prior Year	-	65	65	-	65	65
<b>TOTAL</b>	<b>1,901</b>	<b>1,069</b>	<b>(832)</b>	<b>4,050</b>	<b>3,614</b>	<b>(435)</b>
Project Acceleration/Move-up					321	321
<b>VII. CONTINGENCY</b>	<b>71</b>	<b>-</b>	<b>(71)</b>	<b>500</b>	<b>-</b>	<b>(500)</b>
<b>TOTAL</b>	<b>9,957</b>	<b>7,126</b>	<b>(2,830)</b>	<b>19,647</b>	<b>18,381</b>	<b>(1,265)</b>
<b>VIII. STATE &amp; REDEVELOPMENT PIPE</b>	<b>2,800</b>	<b>974</b>	<b>(1,826)</b>	<b>3,800</b>	<b>2,500</b>	<b>(1,300)</b>
<b>IX. NON-CORE BILLING</b>	<b>290</b>	<b>-</b>	<b>(290)</b>	<b>746</b>	<b>596</b>	<b>(150)</b>
<b>TOTAL</b>	<b>13,047</b>	<b>8,100</b>	<b>(4,947)</b>	<b>24,193</b>	<b>21,477</b>	<b>(2,715)</b>

Reflects anticipated amendments

Investment Earnings Report  
Comparison of Investment Rates of Return

<b>Fund Type</b>	<b>Balance @ November 30, 2020</b>	<b>Budgeted Return</b>	<b>Rate of Return November 30, 2020</b>	<b>Rate of Return Fiscal Year to Date</b>
<b><u>Less than Six Months</u></b>				
Revenue Investment (A)	\$ 23,828,806	1.01%	0.07%	0.15%
Revenue (B)	5,486,081	0.00%	0.00%	0.00%
Rate Stabilization (A)	10,000,000	1.01%	0.07%	0.15%
Operating Reserve (A)	8,435,679	1.01%	0.07%	0.15%
Capital Contingency (A)	6,005,834	1.01%	0.07%	0.15%
Debt Reserve (A)	20,377,697	1.01%	0.07%	0.15%
Debt Reserve (C)	11,493	0.25%	0.01%	0.01%
Debt Service (A)	16,877,242	1.01%	0.07%	0.15%
Debt Service (C)	22	0.25%	0.01%	0.01%
PILOT (A)	4,243,705	1.01%	0.07%	0.15%
General Fund (A)	16,126,128	1.01%	0.07%	0.15%
<b>Sub-Total</b>	<b>\$ 111,392,686</b>			
<b><u>Long Term Investments</u></b>				
<b><u>now less than Six Months</u></b>				
Operating Reserve	1,750,000	1.97%	1.79%	1.69%
Debt Reserve	299,914	2.12%	1.68%	1.32%
<b>Sub-Total</b>	<b>\$ 2,049,914</b>			
<b><u>Other</u></b>				
Construction (A)	\$ 33,892,781	1.01%	0.07%	0.15%
Construction (C)	50,786	0.25%	0.01%	0.01%
Growth Fund	6,451,495	0.00%	0.09%	0.15%
Interim Financing	897	0.00%	0.05%	0.08%
<b>Sub-Total</b>	<b>\$ 40,395,959</b>			
<b>Total</b>	<b>\$ 153,838,560</b>			

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

(B) Overnight investment sweep. Balances earn credits to offset bank fees.  
Alternative sweep product being reviewed.

(C) Investments are in the First American Government Obligation Fund.

<b>Fund</b>	<b>Budgeted Interest (Cash Basis) as of November 30, 2020</b>	<b>Interest Received (Cash Basis) as of November 30, 2020</b>	<b>(Under)/ Over</b>
Debt Reserve	141,840	67,985	(73,855)
Operating Reserve	70,149	39,363	(30,786)
Capital Contingency	35,109	16,034	(19,075)
PILOT	8,658	3,537	(5,121)
Debt Service	73,611	24,568	(49,043)
Revenue	36,313	12,657	(23,656)
Rate Stabilization	50,159	7,325	(42,834)
General	46,165	10,577	(35,588)
Sub Total	462,004	182,046	(279,958)
Construction	130,934	37,599	(93,335)
Growth Fund	-	4,859	4,859
Interim Financing	-	-	-
Total	592,938	224,504	(368,434)

**South Central Connecticut Regional Water Authority**  
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020  
<http://www.rwater.com>

December, 14, 2020

### **An Important Note About Second -Quarter FY2021 Results**

The disruptions caused by COVID-19 are shaping a new financial reality for the world and for the RWA.

The uncertainty about the future – given all the unknowns – guided the Leadership Team’s decision early on to plan and reduce our Fiscal Year 2021 capital and operating budgets, not pursue a rate increase filing until July 2021 (effective January 2022), take additional steps and implement shared sacrifices. These actions helped to preserve employment for RWA employees.

Our second-quarter Fiscal Year 2021 results show that through November 2020, we are seeing increased billed consumption and have not yet experienced significant erosion in cash receipts.

Despite this encouraging result, it’s too soon to know for certain the full financial impact of the pandemic on our business. A lot will depend on what happens with employment levels, changes in government support such as enhanced unemployment payments, subsidies for businesses, vaccine availability, and if the virus continues the current resurgence coupled with the flu season that could cause additional business closures and unemployment.

What happens in the next few months is especially important as the revised and reduced Fiscal Year 2021 budget assumed a full back-to-normal as of January 2021 with strong cash flows in the latter part of this fiscal year. To that end, if the financial fallout of the pandemic is less than anticipated and we are projecting no or a minimal draw from discretionary funds, the Leadership Team is prepared to revisit the shared sacrifices and other deferred expenditures.

Representative Policy Board  
Dashboard Metric - 2Q FY21

Metrics	Quarter ended 11/30/19 (2Q FY 2020)	Quarter ended 5/31/20 (4Q FY 2020)	Quarter ended 8/31/20 (1Q FY 2021)	Quarter ended 11/30/20 (2Q FY 2021)
<b>Customer/Stakeholders</b>				
<i>Combined Customer Satisfaction &amp; Reputation (Note 1)</i>	Target: 96% +/-2% Results: 96.2%* *Period ending September 2019, most recent available	Target: 96% +/-2% Results: 93.1%* *Period ending March 2020, most recent available	Target: 96% +/-2% Results: 93.1%* *Period ending March 2020, most recent available	Target: 96% +/-2% Results: 93.1%* *Period ending March 2020, most recent available
<i>Underlying Credit Rating</i>	S&P rating AA-, affirmed 10/2019  Moody's rating Aa3, affirmed 10/2019	S&P rating AA-, affirmed 10/2019  Moody's rating Aa3, affirmed 10/2019	S&P rating AA-, affirmed 10/2019  Moody's rating Aa3, affirmed 10/2019	S&P rating AA-, affirmed 10/2019  Moody's rating Aa3, affirmed 10/2019
<i>Water Rates</i>	Rates as of Sept. 2019, prepared for refinancing	Update to be provided with the next Official Statement	Update to be provided with the next Official Statement	Update to be provided with the next Official Statement
<b>Financial Metrics (Note 2)</b>				
<i>Accrued Metered Water Revenues to Budget (000 omitted)</i>	Budget: \$55.931 million Result: <b>\$55.036 million</b>	Budget: \$105.736 million Result: <b>\$103.686 million</b>	Budget: \$28.174 million Result: <b>\$30.429 million</b>	Budget: \$54.540 million Budget Org: \$56.028 million Result: <b>\$58.581 million</b>
<i>Other Net Revenues to Budget</i>	Budget: \$3.111 million Result: <b>\$3.550 million</b>	Budget: \$6.243 million Result: <b>\$6.196 million</b>	Budget: \$1.376 million Result: <b>\$1.555 million</b>	Budget: \$2.753 million Result: <b>\$2.932 million</b>
<i>O&amp;M Expenditures to Budget (Note 3)</i>	Budget: \$30.302 million Result: <b>\$27.285 million</b>	Budget: \$61.049 million Result: <b>\$55.585 million</b>	Budget: \$13.915 million Result: <b>\$12.772 million</b>	Budget: \$27.582 million Budget Org.: \$29.915 Result: <b>\$25.741 million</b>
<i>Capital Expenditures to Budget (Note 4)</i>	Budget: \$14.075 million Result: <b>\$12.211 million</b>	Budget: \$31.614 million Result: <b>\$26.001 million</b>	Budget: \$4.683 million Result: <b>\$3.355 million</b>	Budget: \$9.885 million Result: <b>\$7.126 million</b>
<i>Cash Collections (Water and Fire Service)</i>	Budget: \$60.317 million Result: <b>\$58.701 million</b>	Budget: \$116.16 million Result: <b>\$114.14 million</b>	Budget: \$22.60 million Result: <b>\$31.76 million</b>	Budget: \$43.30 million Budget Org: \$60.23 million Result: <b>\$61.80 million</b>
<i>Coverage</i>	Budget: 1.14 w/draw Projected: <b>1.14 w/o draw</b>	Budget: 1.14 w/draw Result: <b>1.30 w/o draw</b>	Budget: 1.14 w/draw Projected: <b>1.14 w/draw</b>	Budget: 1.14 w/draw Projected: <b>1.14 w/draw</b>
<i>Draw Requirement</i>	Budget: \$829,000 Projected: <b>\$0</b>	Budget: \$829,000 Result: <b>\$0</b>	Budget: \$12.045 million Projected: <b>\$4.961 million</b>	Budget: \$12.045 million Projected: <b>\$0.6 million</b>



Representative Policy Board  
Dashboard Metric - 2Q FY21

Metrics	Quarter ended 11/30/19 (2Q FY 2020)	Quarter ended 5/31/20 (4Q FY 2020)	Quarter ended 8/31/20 (1Q FY 2021)	Quarter ended 11/30/20 (2Q FY 2021)
<b>System Metrics</b>				
<i>Average Daily Production (Draft) to Budget (MG/D)/Prior Year (Note 5)</i>	Budget: 48,361 MGD Result: <b>47,106 MGD</b>	Budget: 43,598 MGD Result: <b>42,504 MGD</b>	Prior Year: 51.816 MGD Result: <b>56.883 MGD</b>	Prior Year: 47.106 MGD Result: <b>50.707 MGD</b>
<i>Disinfection By-products</i>	Target: 90% Result: <b>99%*</b> * As of Sep 30, 2019, updated quarterly based on calendar year	Target: 90% Result: <b>100%*</b> * As of Mar 31, 2020, updated quarterly based on calendar year	Target: 90% Result: <b>100%*</b> * As of June 30, 2020, updated quarterly based on calendar year	Target: 90% Result: <b>100%*</b> * As of Sept. 30, 2020, updated quarterly based on calendar year
<i>Net Unaccounted For Water (annualized)</i>	Target: 10.0% Result: <b>11.7%</b> as of 8/31/2019	Target: 10.0% Result: <b>10.58%</b> as of 2/29/2020	Target: 10.0% Result: <b>10.35%</b> for the annualized period of June 2019 to May 2020	Target: 10.0% Result: <b>10.97%</b> for the annualized period of Sept. 2019 to August 2020
<i>Reservoir Levels (% full)</i>	<b>79% vs. 66% LTA</b>	<b>96% vs. 93% LTA</b>	<b>75% vs. 74% LTA</b>	<b>67% vs. 66% LTA</b>

Notes:

Note 1: FY 2020 metric is Northeast Average for Customer Billing & Payment

Note 2: FY 2020 results have been updated to reflect final numbers

Note 3: Excludes impact of governmental accounting standards for pension and opeb and may include expenses from non-revenue fund sources

Note 4: Excludes State and Redevelopment and contingency. FY 2021 also excludes capital funded by Growth Fund

Note 5: FY 2020 is vs. budget and FY 2021 is vs. prior year