

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

AGENDA

Regular Meeting of Monday, April 12, 2021 at 5:00 p.m.

1. Safety Moment
2. Approval of Minutes – March 8, 2021
3. Review Quarterly Financial Statements
4. RPB Quarterly Dashboard Report
5. Reminder of special meetings to review FY 2022 Budget
 - a. CAC/LUC (joint meeting) – Monday, April 19, 2021 at 5:30 p.m.
 - b. Finance Committee – Tuesday, April 20, 2021 at 5:00 p.m.
6. Committee member attendance at Authority meetings
 - April 15, 2021 – C. Havrda
 - May 20, 2021 – V. Marino
7. Reschedule July 12, 2021 regular meeting
8. New Business
9. Adjourn

Note: As a reminder, the next meeting of the Finance Committee will be held on Monday, May 10, 2021 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=2021&category=1435&meettype=&page=>. For questions, contact the board office at 203-401-2515.

Topic: RPB Finance Committee Meeting

Time: Apr 12, 2021 05:00 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Join by your location

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Meeting ID: 845 2782 9856

Passcode: 432277

Find your local number: <https://us02web.zoom.us/j/84527829856>

SAFETY MOMENT

APRIL - DISTRACTED DRIVING AWARENESS MONTH

Every day, at least nine Americans die and 100 are injured in distracted driving crashes. Cell phones, dashboard touchscreens, voice commands and other in-vehicle technologies pose a threat to our safety. The consequences of those distractions are not worth the convenience they offer. Ignore the distractions and #justdrive to keep us all safer on the roads.

Take the Pledge:

I pledge to **Just Drive** for my own safety and for others with whom I share the roads. I choose to not drive distracted in any way – I will not:

- Have a phone conversation – handheld, hands-free, or via Bluetooth
- Text or send Snapchats
- Update Facebook, Twitter, Instagram, Vimeo or other social media
- Check or send emails
- Take selfies or film videos
- Input destinations into GPS (while the vehicle is in motion)
- Call or message someone else when I know they are driving

Service – Teamwork – Accountability – Respect – Safety

Tap Into
Safety



Regional Water Authority



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

 Regional Water Authority

UNAPPROVED DRAFT

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

MINUTES

Regular Meeting of Monday, March 8, 2021 at 5:00 p.m.

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

FMA Member: Suzanne Sack

Management: Larry Bingaman and Rochelle Kowalski

CliftonLarson Allen: Ron Nossek and Dan Smith

OCA: Atty. 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. Kowalski, the RWA's Vice President of Financial Services, introduced Messrs. Nossek and Smith of CliftonLarsonAllen (CLA), formerly BlumShapiro, RWA's external auditor, who reviewed the Authority's audit plan for FY 2021 and discussed current and future accounting standards. Their review included:

- Transition of engagement manager
- Acquisition by CLA
- Communications
- Scope of engagement

At 5:12 p.m., Messrs. Nossek and Smith withdrew from the meeting.

On motion made by Mr. Clifford, seconded by Mr. Havrda, the committee voted to approve the minutes of its February 8, 2021 meeting.

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

Chair Slocum reported on the committee member scheduled to attend the Authority meeting on Thursday, March 18, 2021.

Representative Policy Board
Finance Committee
March 8, 2021

UNAPPROVED DRAFT

There was no new business to report.

At 5:19 p.m., the meeting adjourned.

Timothy Slocum, Chairman

Note: The next meeting of the Finance Committee will take place on Monday, April 12, 2021 at 5:00 p.m. (regular meeting).

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020

<http://www.rwater.com>

March 12, 2021

An Important Note About Third -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 third-quarter Fiscal Year 2021 results show that through February 2021, we saw increased billed consumption and, while we are seeing impacts on cash receipts, the erosion is not as severe as anticipated. The revised fiscal 2021 budget assumed a full back to normal in January. A full back to normal over the remaining few months of the fiscal year no longer seems likely due to the lingering of the virus and the associated economic impacts.

What happens in the next few months is especially important. To that end, we continue to monitor the financial fallout of the pandemic and the Leadership Team is prepared to revisit prior decisions on remaining shared sacrifices and other deferred expenditures.

South Central Connecticut Regional Water Authority

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<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

DATE: April 5, 2021

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

Attached are the following financial reports regarding the third quarter of fiscal year 2021. i.e., the quarter ended February 28, 2021:

- Statements of net position as of February 28, 2021 and February 29, 2020;
- Schedule A-1 & A-2: Statements of revenues, expenses and changes in net position as of February 28, 2021, 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 February 2021. 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 "Nine months Ended February 28, 2021"

The figures shown present June to February 2021 as well as comparative budget vs. actual results for the nine months ended February 28, 2021.

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 nine months (June through February 2021) of consumption and three months of budgeted consumption for (March 2021 through May 2021).

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

Assumption 2

The column labeled *Assumption 2* projects consumption for the months of March 2021 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 March 2021 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 February 2021, plus projected cash collections for March 2021 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 third quarter of fiscal year 2021, as well as projections for March 2021 through May 2021 under the three assumptions presented above.

Schedule C: Capital Budget Report

This schedule shows capital expenditures for June through February 2021, 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

REGIONAL WATER AUTHORITY
STATEMENTS OF NET POSITION
AS OF FEBRUARY 28, 2021 AND 2020

Assets	FY 2021	FY 2020	Y/Y Variance
Utility plant			
Property, plant and equipment in service	\$ 897,071,970	\$ 877,065,933	\$ 20,006,037
Accumulated depreciation	(379,782,739)	(356,728,866)	(23,053,872)
Utility plant in service	517,289,231	520,337,067	(3,047,836)
Land	28,090,328	28,090,328	-
Construction work in progress	25,144,043	25,522,529	(378,487)
Total utility plant, net	570,523,602	573,949,924	(3,426,322)
Nonutility land, at cost	64,983,522	64,983,522	-
Goodwill	14,423,704	14,423,704	-
Current assets			
Cash and cash equivalents	58,122,359	49,364,205	8,758,154
Investments	-	100,000	(100,000)
Accounts receivable, less allowance for doubtful accounts	15,761,380	12,812,957	2,948,423
Accrued revenue	14,288,372	14,810,774	(522,402)
Accrued interest receivable	16,780	114,208	(97,428)
Materials and supplies	1,951,090	1,391,473	559,617
Prepaid expenses and other assets	5,633,943	3,705,954	1,927,989
Total current assets	95,773,924	82,299,570	13,474,354
Long-Term Note Receivable	500,000	500,000.0	-
Pension Assets			-
OPEB Assets	-	-	-
Restricted assets	97,006,164	104,718,565	(7,712,401)
Regulatory assets	10,000,413	10,703,911	(703,498)
Total assets	853,211,329	851,579,196	1,632,132
Deferred Outflows of Resources			
Deferred charge on refunding	17,539,414	18,870,004	(1,330,591)
Deferred charge on pension plans	3,754,685	2,923,318	831,367
Deferred charge on OPEB plans	963,146	1,151,455	(188,309)
Total	\$ 875,468,573	\$ 874,523,974	\$ 944,600

Liabilities and Net Assets	FY 2021	FY 2020	Y/Y Variance
Liabilities			
Revenue bonds payable, less current portion	\$ 495,615,000	\$ 516,180,000	\$ (20,565,000)
Net premiums and discounts from revenue bonds payable	42,139,221	46,643,624	(4,504,403)
DWSRF loans payable, less current portion	20,340,590	21,374,208	(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	595,510,619	621,350,298	(25,839,679)
Current liabilities			
Current portion of revenue bonds payable	20,565,000	19,765,000	800,000
Current portion of DWSRF loans payable	1,033,618	1,033,618	-
Accounts payable	4,168,533	3,721,795	446,738
Notes payable	5,937,343	5,745,476	191,868
Customer deposits and advances	2,357,909	2,708,649	(350,740)
Other accrued liabilities	8,350,536	7,425,160	925,376
Total current liabilities	42,412,939	40,399,697	2,013,242
Liabilities payable from restricted assets			
Accounts payable for construction	1,586,983	919,442	667,540
Accrued interest payable	1,802,299	1,864,921	(62,622)
Customer deposits and advances	1,277,443	1,000,703	276,740
Total liabilities payable from restricted assets	4,666,725	3,785,066	881,659
Other liabilities	17,365	185,257	(167,892)
Total liabilities	642,607,648	665,720,318	(23,112,670)
Deferred inflows of resources			
Deferred inflows related to pensions	289,674	1,221,466	(931,793)
Deferred inflows related to OPEB	3,449,470	3,059,186	390,284
Net Assets			
Invested in capital assets, net of related debt	81,839,469	61,485,229	20,354,240
Restricted assets	92,839,439	101,433,499	(8,594,060)
Unrestricted assets	54,442,874	41,604,275	12,838,599
Total net assets	229,121,782	204,523,003	24,598,779
Total liabilities and net assets	\$ 875,468,573	\$ 874,523,974	\$ 944,600

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
February 28, 2021 (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 \$3,234k (approx. 3.7%) primarily due to higher than anticipated consumption. Metered water revenue is over budget by \$3,220k (approx. 4.1%)

Total net other revenue is \$730k 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.	\$ (812,000)
Employee Benefits are under budget primarily due to lower medical and dental expense, payroll tax, and 401k.	(620,000)
Administrative Building is over budget primarily due to custodial services and timing.	63,000
General & Admin is under budget primarily due to the timing of replacement computer purchases.	(61,000)
Utilities & Fuel is over budget primarily due to electric service , communications, and sewer use fees.	146,000
Road Repairs is under budget primarily due to timing	(62,000)
Postage is under budget due to lower than anticipated costs and timing	(52,000)
Business Improvement is under budget. However, this under run is largely offset in other proprietary expenses.	(96,000)
Public/Customer Information is under budget due to timing and lower than anticipated expenses.	(76,000)
Outside Services are under budget in multiple areas.	(308,000)
Insurance Premiums are under budget primarily due to timing.	(93,000)
Worker's Compensation, Pre-Captive is under budget due to a reimbursement and reserve requirements.	(84,000)
Training and continued education is under budget primarily due to tuition reimbursement.	(56,000)
Central Lab/Water Quality is under budget primarily due to timing.	(118,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to timing and lower than anticipated costs.	(156,000)
Maintenance & Repairs are over budget due to tornado and COVID-19 expenditures and other higher than anticipated costs.	158,000
All Other	(165,000)
	<u>\$ (2,392,000)</u>

Interest Income

Interest Income is under budget due to lower investment earnings and interest in arrears.

PROJECTED MAINTENANCE TEST

The projected coverage is 1.17 without a shortfall. The budgeted shortfall is \$12.045 million.

REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING FEBRUARY 28, 2021

Schedule A-1

	FY 2020 Actual	FY 2021 Budget	FY 2021 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 78,643	\$ 78,567	\$ 81,787	\$ 3,220
Fire service	9,036	9,056	9,119	63
Wholesale	671	637	588	(49)
Other revenue - water	2,509	2,027	2,507	480
Other revenue - proprietary	7,742	6,875	7,314	439
Total operating revenues	98,602	97,162	101,315	4,154
Operating expenses				
Operating and maintenance expense	41,462	41,677	39,286	(2,392)
Expense associated with other revenue - water	1,235	1,407	1,306	(102)
Expense associated with other revenue - proprietary	2,410	2,584	2,874	291
Provision for uncollectible accounts	916	746	754	8
Depreciation	18,900	18,900	18,900	-
Payment in lieu of taxes	6,325	6,555	6,449	(106)
Amortization Pension Outflows/Inflows	277	1,235	1,234	(1)
Amortization OPEB Outflows/Inflows	(271)	(409)	(409)	-
Total operating expenses	71,253	72,695	70,393	(2,302)
Operating income	27,349	24,467	30,923	6,457
Nonoperating income and (expense)				
Interest income	3,445	1,182	214	(968)
(Loss) Gain on disposal of assets	133		(229)	(229)
Realized and unrealized (losses) gains on investments	-		-	-
Interest expense	(18,439)	(16,808)	(16,713)	95
Amortization of bond discount, premium, issuance cost and deferred losses	2,641	2,040	2,024	(15)
Intergovernmental revenue	180		25	25
Total nonoperating income and (expense)	(12,040)	(13,587)	(14,679)	(1,092)
Income (expense) before contributions	15,309	\$ 10,880	16,244	\$ 5,365
Capital contributions	884		1,289	
Change in net assets	16,193		17,533	
Total net assets - beginning of fiscal year	188,331		211,589	
Total net assets - end of reporting month	\$ 204,524		\$ 229,122	

	Budget	Projected	(Under)Over	(Under)Over
FY 2021 MAINTENANCE TEST	FY 2021	FY 2021	FY 2021	FY 2021
(Budget vs. Projected)	@114%	@114%	@114%	Original Budget
Revenue Collected:				
Water sales	101,381	114,281	\$ 12,900	(2,921)
Interest Income	986	265	(721)	(1,058)
BABs Subsidy	656	656		
Other Net	6,302	6,738	436	(300)
Common Non-Core	(200)	(225)	(25)	(25)
Total	109,124	121,715	12,590	(4,304)
Less:				
Operating and maintenance expenses	(56,200)	(56,200)	-	4,851
Common Non-Core	100		(100)	(100)
Depreciation	(6,500)	(6,500)	-	
PILOT (A)	(8,700)	(8,550)	150	150
Net Avail for Debt Service (B)	\$ 37,824	\$ 50,465	\$ 12,640	\$ 4,901
Debt Service Payments (C)	\$ 43,745	43,293	\$ (452)	\$ (475)
Debt Service @ 114% (D)	\$ 49,869	49,354	\$ (515)	\$ (542)
Difference (B-D)	\$ (12,045)	\$ 1,111		
RSF, Growth and/or General Fund (D)	12,045			
Coverage (A+D/C)	114%	117%		

REGIONAL WATER AUTHORITY
May 31, 2021
(S000 Omitted)

SCHEDULE A-2

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS**

	Nine Months Ending February 28				Twelve Months Ending May 31			
	FY 2020 Actual	FY 2021 Budget	FY 2021 Actual	(Under)Over Budget	Budget	Assumption 1	Assumption 2	Assumption 3
Operating Revenues								
Metered Water Revenues	\$ 78,643	\$ 78,567	\$ 81,787	\$ 3,220	\$ 102,888	\$ 106,108	\$ 106,737	\$ 105,778
Fire Service	9,036	9,056	9,119	63	12,074	12,138	12,138	12,138
Wholesale Water	671	637	588	(49)	846	797	797	797
Other revenue - water	2,509	2,027	2,507	480	2,889	4,015	4,015	4,015
Other revenue - proprietary	7,742	6,875	7,314	439	9,306	9,213	9,213	9,213
Total Operating Revenues	98,602	97,162	101,315	4,154	128,002	132,270	132,899	131,940
Operating Expenses								
Operating and Maintenance	41,462	41,677	39,286	(2,392)	56,200	56,200	56,244	56,179
Expenses associated with other revenue-water	1,235	1,407	1,306	(102)	1,900	2,639	2,639	2,639
Expenses associated with other revenue-proprietary	2,410	2,584	2,874	291	3,438	4,076	4,076	4,076
Provision for uncollectible accounts	916	746	754	8	975	975	975	975
Depreciation	18,900	18,900	18,900	-	25,200	25,200	25,200	25,200
Payment in lieu of taxes	6,325	6,555	6,449	(106)	8,700	8,550	8,550	8,550
Amortization Pension Outflows/Inflows	277	1,235	1,234	(1)	1,674	1,674	1,674	1,674
Amortization OPEB Outflows/Inflows	(271)	(409)	(409)	-	(546)	(546)	(546)	(546)
Total Operating Expenses	71,253	72,695	70,393	(2,302)	97,540	98,768	98,812	98,747
Operating Income	27,349	24,467	30,923	6,457	30,462	33,502	34,087	33,193
Nonoperating income and (expense)								
Interest Income	3,445	1,182	214	(968)	1,910	784	784	784
(Loss)/Gain on disposal of assets	133	-	(229)	(229)	-	(100)	(100)	(100)
Interest Expense	(18,439)	(16,808)	(16,713)	95	(22,370)	(22,237)	(22,237)	(22,237)
Amortization of bond discount, premium issuance cost and deferred losses	2,641	2,040	2,024	(15)	2,670	2,650	2,650	2,650
Intergovernmental revenue	180	-	25	25	-	825	825	825
Total nonoperating income & (expense)	(12,040)	(13,587)	(14,679)	(1,092)	\$ (17,789)	\$ (18,077)	\$ (18,077)	\$ (18,077)
(Expense) income before contributions	15,309	\$ 10,880	16,244	\$ 5,365	\$ 12,672	\$ 15,424	\$ 16,010	\$ 15,116
Capital contributions								
Change in net assets	884		1,289					
Total net assets - beginning of fiscal year	16,193		17,533					
Total net assets - end of reporting month	188,331		211,589					
	\$204,524		\$229,122					

MAINTENANCE TEST

	Twelve Months Ending May 31			
	Budget	Assumption 1	Assumption 2	Assumption 3
Revenue Collected:				
Water Sales	\$ 101,381	\$ 114,281	\$ 114,668	\$ 114,088
Interest Income	986	265	265	265
BABs Subsidy	656	656	656	656
Other Net	6,302	6,738	6,738	6,738
Common Non-Core	(200)	(225)	(225)	(225)
Total	109,124	121,715	122,102	121,522
Less:				
Operating and Maintenance Expenses	(56,200)	(56,200)	(56,244)	(56,179)
Common Non-Core	100	-	-	-
Depreciation	(6,500)	(6,500)	(6,500)	(6,500)
PILOT (A)	(8,700)	(8,550)	(8,550)	(8,550)
Net Avail for Debt Service (B)	37,824	50,465	50,808	50,293
Debt service payments (C)	\$ 43,745	\$ 43,293	\$ 43,293	\$ 43,293
Debt Service @ 114% (D)	\$ 49,869	\$ 49,354	\$ 49,354	\$ 49,354
Difference (B-D)	\$ (12,045)	\$ 1,110	\$ 1,453	\$ 938
RSF, Growth and/or General Fund (D)	\$ 12,045	\$ -		
Coverage (A+D/C)	114%	117%	117%	116%
Required Coverage	114%	114%	114%	114%

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

SCHEDULE B

	NINE MONTHS ENDING FEBRUARY 28				YEAR ENDED MAY 31, 2021			
	FY 2020 Actual	FY 2021 Budget	FY 2021 Actual	(Under) Over	PROJECTED ACTUAL Budget	Assump 1	Assump 2	Assump 3
1 Payroll	\$ 16,867	\$ 17,156	\$ 16,343	\$ (813)	23,088	22,135	22,135	22,135
2 Employee Benefits Allocation	6,044	6,131	5,511	(620)	8,182	7,817	7,817	7,817
Pension	2,949	1,996	1,996	-	2,661	3,625	3,625	3,625
3 Administrative Building Space Allo	802	703	766	63	928	915	915	915
4 General & Administrative	976	1,007	946	(61)	1,347	1,340	1,340	1,340
5 Transportation Allocation	453	498	533	35	673	684	684	684
6 Tools & Stores Allocation	246	228	260	32	305	295	295	295
7 Utilities & Fuel	963	935	1,081	146	1,253	1,395	1,395	1,395
8 Material From Inventory	185	177	144	(32)	239	268	268	268
9 Pump Power Purchased	1,945	2,240	2,198	(42)	2,970	3,000	3,027	2,987
10 Chemicals	1,331	1,389	1,397	8	1,855	1,940	1,957	1,932
11 Road Repairs	171	150	88	(62)	200	200	200	200
14 Postage	221	216	164	(52)	288	196	196	196
15 Printing & Forms	67	70	52	(18)	83	87	87	87
17 Collection Expense	468	454	410	(44)	648	602	602	602
18 Business Improvement	216	244	148	(96)	366	210	210	210
19 Public/Customer Information	194	203	126	(76)	289	247	247	247
20 Outside Services	1,727	1,717	1,409	(308)	2,485	2,920	2,920	2,920
21 Insurance Premiums	907	1,148	1,055	(93)	1,540	1,593	1,593	1,593
22 Worker's Compensation, pre-Churc	221	41	(43)	(84)	54	55	55	55
23 Damages	31	45	52	7	60	75	75	75
24 Training & Cont. Education	149	142	85	(56)	214	105	105	105
25 Authority Fees	99	117	99	(19)	157	132	132	132
26 Consumer Counsel	15	47	20	(27)	63	38	38	38
27 RPB Fees	65	127	78	(49)	169	116	116	116
28 Organizational Dues	138	86	66	(20)	102	114	114	114
29 Donations	19	14	15	1	19	19	19	19
34 Central Lab/Water Quality	324	344	226	(118)	433	433	433	433
40 Environmental Affairs	63	71	77	6	93	153	153	153
44 Info. Technology Licensing & Maintenance Fees	1,481	1,706	1,549	(156)	2,293	2,165	2,165	2,165
45 Maintenance and Repairs	2,127	1,962	2,120	158	2,726	2,906	2,906	2,906
46 Regulatory Asset Amortization	-	316	316	(0)	422	422	422	422
	<u>\$ 41,462</u>	<u>\$ 41,677</u>	<u>\$ 39,285</u>	<u>\$ (2,392)</u>	<u>\$ 56,200</u>	<u>\$ 56,200</u>	<u>\$ 56,244</u>	<u>\$ 56,179</u>

	Period Ending February 28, 2021			Period Ending May 31, 2021		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
I. NATURAL RESOURCES						
Hamden Middle School Remediation	91	103	12	120	120	-
Lake Whitney Dam & Spillway Improvements	330	309	(21)	450	490	40
Peat Swamp Dam Modifications Filtration Pond	-	1	1	25	1	(24)
Tunnel Diversion Raw Water Main Rehabilitation Program	5	2	(3)	25	25	-
Miscellaneous Natural Resources	81	13	(68)	91	96	5
Prior Year	-	56	56	-	56	56
TOTAL	507	484	(24)	711	788	77
II. PUMPING						
Raynham Hill Pump Station Equipment & Generator Replacement	28	-	(28)	50	-	(50)
Burwell Hill Pump Station Equipment Replacement	379	605	226	819	819	-
Lake Gaillard Pump Station Improvements	622	447	(175)	778	938	160
MCC Replace/Improvements -Northwest Cheshire Pump Station	37	105	69	92	105	14
Sanford Street Pump Station Rehabilitation	270	209	(61)	270	216	(54)
Hill Street Pump Station Repairs	80	81	1	350	350	-
Miscellaneous Pumping	89	39	(50)	119	149	30
Prior Year	-	-	-	-	-	-
TOTAL	1,504	1,485	(18)	2,478	2,577	100
III. TREATMENT						
Filter Media Replacement	425	32	(393)	481	481	-
LGWTP - Process Valve Replacements	30	28	(2)	30	28	(2)
LGWTP - Chemical Feed Improvements	180	176	(4)	380	550	170
LGWTP - Backwash Polymer System	160	18	(142)	20	20	-
LGWTP -Roof Replacements	22	3	(19)	22	3	(19)
LGWTP -Electrical Upgrades	20	10	(10)	70	70	-
LGWTP -Structural Improvements	30	1	(29)	66	1	(65)
LGWTP -Clarifiers Recycle Pumps	35	4	(30)	80	35	(45)
LSWTP - Lagoon Discharge Pipe Replacement Footbridge Rehab	20	1	(19)	20	1	(19)
LSWTP -Hypochlorite System	165	42	(123)	165	47	(118)
LSWTP -Chemical Treatment System Improvements	120	93	(27)	120	120	-
LWWTP Improvements	37	24	(14)	43	43	-
West River WTP-Dissolved Air Flotation (DAF)	60	219	159	100	500	400
West River WTP-Effluent Pipe Injection	304	4	(300)	304	304	-
West River WTP-Chemical System Improvements	25	4	(21)	50	4	(46)
Seymour Wellfield Back-Up Well and Metering	63	60	(2)	70	60	(10)
Seymour Wellfield Treatment System Improvements	67	-	(67)	75	-	(75)
NSG Wellfield Facility Improvements	450	697	247	800	1,100	300
Well Rehabilitations	130	130	(0)	200	235	35
Well Replacements	53	4	(49)	75	4	(71)
NSG Well 1B Pump Motor Replacement	80	13	(67)	160	275	115
Rocky Corner Satellite System	30	12	(18)	30	12	(18)
WRWTP Backwash & Surface Wash Pump Repl	500	119	(381)	700	550	(150)
Prior Year	-	103	103	-	103	103
TOTAL	3,004	1,796	(1,208)	4,061	4,546	485
IV. TRANSMISSION AND DISTRIBUTION						
Pipe	2,602	2,128	(474)	3,106	3,073	(33)
Ruden Street Cleaning Lining, West Haven	150	271	121	150	275	125
Valve Replacements	113	231	119	150	250	100
Service Connections	1,125	1,033	(92)	1,500	1,500	-
Capital Pipe Service Transfers	350	424	74	350	500	150
Meters	35	45	10	50	194	144
Hydrants and Connections	70	146	76	100	170	70
AMI Meters	180	9	(171)	230	30	(200)
Sanitary Survey Improvements-LGWTP Finished Water Reservoirs	50	12	(38)	200	200	-
East West Transmission System	50	86	36	200	200	-
West Johnson Ave Transmission Main Connection	75	9	(66)	75	9	(66)
Brushy Plains System Upgrade-Phase II	151	124	(27)	151	151	-
Grand Avenue Pipe Bridge & Main Replacement	-	1	1	6	7	1
Ansonia-Derby Tank	450	24	(426)	861	150	(711)
West Avenue Tank Painting	661	436	(225)	581	460	(121)
Water Quality Improvements	130	-	(130)	130	75	(55)
Lake Saltonstall WTP FWR Roof Improv Valve Replac	30	10	(20)	30	10	(20)
Western Service Area Bulk Fill Station, Ansonia	92	85	(7)	92	85	(7)
Miscellaneous Transmission and Distribution	-	274	274	-	285	285
Prior Year	-	107	107	-	107	107
TOTAL	6,313	5,454	(859)	7,961	7,730	(231)
V. GENERAL PLANT						
SAP Business Enhancements	40	13	(27)	50	50	-
SAP SQL Upgrade	190	-	(190)	190	-	(190)
SAP Customer Channels Sales Marketing	75	23	(52)	150	150	-
Monthly Billing	410	56	(354)	550	400	(150)
Cyber Security Enhancements	50	-	(50)	100	35	(65)

	Period Ending February 28, 2021			Period Ending May 31, 2021		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
System-Wide Radio Telemetry Unit (RTU) Upgrade	625	482	(143)	1,000	1,000	-
SCADA Upgrades	60	108	48	100	108	8
LIMS Upgrades	920	923	3	1,260	1,260	-
Information Systems	301	146	(155)	400	315	(85)
Miscellaneous IT	3	-	(3)	3	3	-
Equipment	100	3	(97)	100	100	-
Miscellaneous Equipment	51	10	(41)	57	57	-
90 Sargent Drive	50	33	(17)	50	5	(45)
Miscellaneous 90 Sargent Drive	60	30	(30)	60	70	10
Prior Year	-	87	87	-	87	87
TOTAL	2,935	1,914	(1,021)	4,070	3,639	(430)
 VII. CONTINGENCY	 246	 -	 (246)	 365	 365	 -
TOTAL	14,508	11,133	(3,375)	19,646	19,646	(0)
 VIII. STATE & REDEVELOPMENT PIPE	 3,350	 1,084	 (2,266)	 3,800	 2,500	 (1,300)
 IX. NON-CORE BILLING	 530	 45	 (485)	 746	 746	 -
TOTAL	18,388	12,262	(6,126)	24,192	22,892	(1,300)

Includes March Amendments

Investment Earnings Report
Comparison of Investment Rates of Return

Fund Type	Balance @ February 28, 2021	Budgeted Return	Rate of Return February 28, 2021	Rate of Return Fiscal Year to Date
<u>Less than Six Months</u>				
Revenue Investment (A)	\$ 30,243,768	1.01%	0.14%	0.14%
Revenue (B)	4,539,340	0.00%	0.01%	0.01%
Rate Stabilization (A)	10,000,000	1.01%	0.14%	0.14%
Operating Reserve (A)	8,435,679	1.01%	0.14%	0.14%
Operating Reserve (C)	250,000	0.25%	0.01%	0.01%
Capital Contingency (A)	6,005,834	1.01%	0.14%	0.14%
Debt Reserve (A)	20,644,930	1.01%	0.14%	0.14%
Debt Service (A)	16,558,484	1.01%	0.14%	0.14%
Debt Service (C)	2	0.25%	0.01%	0.01%
PILOT (A)	2,170,819	1.01%	0.14%	0.14%
General Fund (A)	16,126,128	1.01%	0.14%	0.14%
Sub-Total	\$ 114,974,984			
<u>Long Term Investments now less than Six Months</u>				
Operating Reserve	1,500,000	1.97%	1.75%	1.71%
Debt Reserve	44,174	2.12%	1.40%	1.34%
Sub-Total	\$ 1,544,174			
<u>Other</u>				
Construction (A)	\$ 30,003,820	1.01%	0.14%	0.14%
Construction (C)	3,711	0.25%	0.01%	0.01%
Growth Fund	6,446,437	0.00%	0.07%	0.12%
Interim Financing	897	0.00%	0.04%	0.07%
Sub-Total	\$ 36,454,865			
Total	\$ 152,974,022			

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

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

(C) Investments are in the First American Government Obligation Fund.
 Requested transfer of Operating Reserve balance to STIF.

Fund	Budgeted Interest (Cash Basis) as of February 28, 2021	Interest Received (Cash Basis) as of February 28, 2021	(Under)/ Over
Debt Reserve	204,680	75,507	(129,173)
Operating Reserve	99,375	43,574	(55,801)
Capital Contingency	58,004	17,501	(40,503)
PILOT	16,186	4,563	(11,623)
Debt Service	118,144	28,127	(90,017)
Revenue	71,467	20,304	(51,163)
Rate Stabilization	75,919	10,265	(65,654)
General	66,738	15,318	(51,420)
Sub Total	710,513	215,159	(495,354)
Construction	178,449	45,688	(132,761)
Growth Fund	-	5,932	5,932
Interim Financing	-	-	-
Total	888,962	266,779	(622,183)

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020

<http://www.rwater.com>

March 12, 2021

An Important Note About Third -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 third-quarter Fiscal Year 2021 results show that through February 2021, we saw increased billed consumption and, while we are seeing impacts on cash receipts, the erosion is not as severe as anticipated. The revised fiscal 2021 budget assumed a full back to normal in January. A full back to normal over the remaining few months of the fiscal year no longer seems likely due to the lingering of the virus and the associated economic impacts.

What happens in the next few months is especially important. To that end, we continue to monitor the financial fallout of the pandemic and the Leadership Team is prepared to revisit prior decisions on remaining shared sacrifices and other deferred expenditures.

Representative Policy Board
Dashboard Metric - 2Q FY21

Metrics	Quarter ended 8/31/20 (1Q FY 2021)	Quarter ended 11/30/20 (2Q FY 2021)	Quarter ended 2/28/21 (3Q FY 2021)
Customer/Stakeholders			
<i>Combined Customer Satisfaction & Reputation (Note 1)</i>	Target: 96% +/-2% Results: 93.1%* <small>*Period ending March 2020, most recent available</small>	Target: 96% +/-2% Results: 93.1%* <small>*Period ending March 2020, most recent available</small>	Target: 96% +/-2% Results: 93.1%* <small>*Period ending March 2020, most recent available</small>
<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
<i>Water Rates</i>	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
Financial Metrics (Note 2)			
<i>Accrued Metered Water Revenues to Budget (000 omitted)</i>	Budget: \$28.174 million Result: \$30.429 million	Budget: \$54.540 million Budget Org: \$56.028 million Result: \$58.581 million	Budget: \$78.567 million Budget Org: \$80.102 million Result: \$81.787 million
<i>Other Net Revenues to Budget</i>	Budget: \$1.376 million Result: \$1.555 million	Budget: \$2.753 million Result: \$2.932 million	Budget: \$4.208 million Result: \$4.402 million
<i>O&M Expenditures to Budget (Note 3)</i>	Budget: \$13.915 million Result: \$12.772 million	Budget: \$27.582 million Budget Org.: \$29.915 Result: \$25.741 million	Budget: \$41.677 million Budget Org.: \$45.268 Result: \$39.286 million
<i>Capital Expenditures to Budget (Note 4)</i>	Budget: \$4.683 million Result: \$3.355 million	Budget: \$9.885 million Result: \$7.126 million	Budget: \$14.263 million Result: \$11.133 million
<i>Cash Collections (Water and Fire Service)</i>	Budget: \$22.60 million Result: \$31.76 million	Budget: \$43.30 million Budget Org: \$60.23 million Result: \$61.80 million	Budget: \$74.896 million Budget Org: \$91.960 million Result: \$92.120 million
<i>Coverage</i>	Budget: 1.14 w/draw Projected: 1.14 w/draw	Budget: 1.14 w/draw Projected: 1.14 w/draw	Budget: 1.14 w/draw Projected: 1.17 w/0draw
<i>Draw Requirement</i>	Budget: \$12.045 million Projected: \$4.961 million	Budget: \$12.045 million Projected: \$0.6 million	Budget: \$12.045 million Projected: \$0 million

Representative Policy Board
Dashboard Metric - 2Q FY21

Metrics	Quarter ended 8/31/20 (1Q FY 2021)	Quarter ended 11/30/20 (2Q FY 2021)	Quarter ended 2/28/21 (3Q FY 2021)
System Metrics			
<i>Average Daily Production (Draft) to Budget (MG/D)/Prior Year (Note 5)</i>	Prior Year: 51.816 MGD Result: 56.883 MGD	Prior Year: 47.106 MGD Result: 50.707 MGD	Prior Year: 43.986 MGD Result: 46.413 MGD
<i>Disinfection By-products</i>	Target: 90% Result: 100%* * As of June 30, 2020, updated quarterly based on calendar year	Target: 90% Result: 100%* * As of Sept. 30, 2020, updated quarterly based on calendar year	Target: 90% Result: 100%* * As of Dec. 31, 2020, updated quarterly based on calendar year
<i>Net Unaccounted For Water (annualized)</i>	Target: 10.0% Result: 10.35% for the annualized period of June 2019 to May 2020	Target: 10.0% Result: 10.97% for the annualized period of Sept. 2019 to August 2020	Target: 10.0% Result: 12.28% for the annualized period of Dec. 2019 to Nov. 2020
<i>Reservoir Levels (% full)</i>	75% vs. 74% LTA	67% vs. 66% LTA	89% vs. 82% LTA

Notes:

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

Note 2: Excludes impact of governmental accounting standards for pension and opeb and may include expenses from non-revenue fund sources

Note 3: Excludes State and Redevelopment and contingency. FY 2021 also excludes capital funded by Growth Fund

Note 4 FY 2020 is vs. budget and FY 2021 is vs. prior year