

**South Central Connecticut Regional Water Authority
Minutes of the April 1, 2021 Special Meeting**

A special meeting of the South Central Connecticut Regional Water Authority took place on Thursday, April 1, 2021, via remote access. Chair Borowy presided.

Present: Authority – Messrs. Borowy, Cermola, Curseaden, DiSalvo and Ms. Sack
Management – Mss. Gaw, Kowalski, Nesteriak, Reckdenwald, Shah, and Messrs. Bingaman, Kelly, Moffat, Norris, and Singh
Staff – Mrs. Slubowski

The Chair called the meeting to order at 9:00 a.m.

Ms. Reckdenwald, the RWA’s Senior Vice President of Corporate Services, reviewed the safety moment distributed to members.

Mr. Bingaman, RWA’s President and Chief Executive Officer, reviewed the FY 2022 capital budget outline and summarized the key points of the capital budget history. He reviewed assumptions used to develop the proposed budget. He noted that the FY 2022 capital budget includes funding of 84 projects and programs in four categories: Natural Resources, Treatment, Transmission and Pumping, and General Plant. He reported that the total budget for capital projects would be approximately \$42.9 million and is within the recommended range of GHP’s expenditure forecast audit.

Mr. Norris, RWA’s Vice President of Asset Management, discussed the prioritization methodology and reviewed the capital project prioritization matrix with the Authority members.

Mr. Norris, Mr. Kelly, the RWA’s Capital Construction Lead, Ms. Nesteriak, the RWA’s Executive Vice President and Chief Operating Officer, and Mr. Singh, the RWA’s Chief Information Digital Officer & VP of Customer Care, provided a breakdown of costs and highlights of:

- Natural Resources
- Treatment
- Transmission & Pumping
- General Plant
- Five Year Plan Capital Improvements Plan

Mr. Bingaman discussed 5 new budget categories for FY 2023, which will include:

- Growth
- Long-Term Planning
- Regulatory Compliance
- Capital Renewal
- Technology

Mr. Bingaman summarized the FY 2022 proposed capital budget and stated that the organization would continue to pursue lower cost financing alternatives such as federal and state grants.

Discussion took place regarding regulatory changes, building maintenance, reduction in meter replacements, innovation savings, project prioritization, rate impacts, and industry standards.

At 10:25 a.m., Ms. Shah and Messrs. Kelly and Moffat withdrew from the meeting.

The Authority then reviewed the proposed FY 2022 operating budget. Mr. Bingaman provided an introduction of RWA's budget by reviewing its mitigating strategies due to COVID-19 uncertainties, reserve fund balances and FY 2021 capital sources.

Ms. Kowalski, RWA's Vice President of Financial Reporting & Analysis, provided the Authority with the FY 2022 Operating Budget financial summary. She stated that the proposed operating budget is \$59.7 million. She stated that the proposed budget assumes a "return to normal" business model compared to the FY 2021 budget, which was revised for the COVID pandemic. Ms. Kowalski also reviewed trends and revenue and expense assumptions, which included:

- Declining consumption trends
- Water and other revenues
- Payroll and employee benefits
- Outside/Professional Services
- Maintenance and repair
- Pump power
- Info tech and licensing & maintenance fees
- G&A
- PILOT, debt service and depreciation
- Opportunities and vulnerabilities

Discussion took place regarding PILOT increases, revenues, staffing, medical claims, pension contribution, and upcoming budgets.

Ms. Nesteriak stated that the FY 2022 capital budget takes into consideration an aging infrastructure with the focus on the most critical projects first and maintenance and renewal.

At the conclusion of the budget review, Mr. Curseaden moved for adoption of the following resolution:

RESOLVED, that copies of the proposed Capital Budget and Operating Budget for FY 2022 beginning on June 1, 2021 and ending on May 31, 2022, be distributed to members of the Representative Policy Board and the Office of Consumer Affairs.

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

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 11:33 p.m., on motion made by Mr. DiSalvo, seconded by Mr. Curseaden, the meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Kevin Curseaden, Secretary