

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

MINUTES

**Special Meeting of the Finance Committee
Tuesday, April 20, 2021 at 5:00 p.m.
via remote access**

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

RPB: Mario Ricozzi and Greg Malloy

FMA: David Borowy, Kevin Curseaden and Tony DiSalvo

Management: Larry Bingaman, Rochelle Kowalski, Miles Moffat, Beth Nesteriak, Ted Norris, Jeanine Reckdenwald, and Prem Singh

OCA: Jeffrey Donofrio

RPB Staff: Jennifer Slubowski

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

Chair Slocum stated that the meeting was taking place to review the proposed FY 2022 capital and operating budgets.

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, Ms. Nesteriak, RWA's Vice President and Chief Operating Officer, and Mr. Singh, RWA's Chief Information Digital Officer and VP of Customer Care, provided information, breakdown of costs, or highlights for the following:

- Prioritization methodology
- Natural resources
- Treatment
- General Plant
- 5-year Plan of Capital Improvements

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

- Growth
- Long-Term Planning

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- 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 contingency plan, debt service costs, Ansonia-Derby tank project status, Lake Whitney Dam duration and specialized firms for work, value engineering, and federal stimulus funding.

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. Ms. Kowalski also reviewed trends and revenue and expense assumptions, which included:

- Highlights
- Declining consumption trends
- Revenue and expense trends and assumptions
- Maintenance Test
- Opportunities and vulnerabilities

The committee acknowledged and thanked the RWA's management team for its preparation of the budgets and stated its appreciation for management's support of the organization during the pandemic.

Attorney Donofrio, Office of Consumer Affairs, reported that he has reviewed the FY 2022 proposed capital and operating budgets and will be preparing his letter for the RWA. He stated his appreciation of management's efforts commented on the RWA's challenges and adaptability for its FY 2021 budgets and deferment of the rate application due to the pandemic. The OCA's perspective of the FY 2022 budgets is that there is balance between the impact on customers while taking into consideration capital needs and deferred projects from FY 2021. His position is that he is satisfied with the proposed budgets.

At 5:48 p.m., the meeting adjourned.

Timothy Slocum, Chairman