

**South Central Connecticut Regional Water Authority
Minutes of the July 15, 2021 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority took place on Thursday, July 15, 2021, via remote access. Chairman Borowy presided.

Present: Authority Members Present – Messrs. Borowy and DiSalvo and Mss. LaMarr and Sack
Authority Members Absent – Mr. Curseaden
Management – Mss. Kowalski, Reckdenwald and Messrs. Bingaman, Courchaine, Norris and Singh
RPB – Ms. Campbell
Raftelis Financial Consultants, Inc. – Mr. Fox
Staff – Mrs. Slubowski

Chair Borowy called the meeting to order at 12:30 p.m.

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

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

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 1:18 p.m., the Authority reconvened.

On motion made by Ms. LaMarr, seconded by Ms. Sack, and unanimously carried, the Authority voted to approve, adopt, or receive, as appropriate the following items in the Consent Agenda:

1. Minutes of the June 17, 2021 meeting.
2. Capital budget authorization for August 2021.

RESOLVED, that the Vice President of Financial Reporting and Analysis is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$2,800,000 for the month of August 2021 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shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate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 FY 2022 for all Capital Improvement Projects to be exceeded.

3. Capital Budget Transfer Notifications.
4. Monthly Financial Report for June 2021.
5. Accounts Receivable Update for June 2021.
6. Deed Acceptance - Little City Road, Killingworth.

7. Bid Exemption – Lake Whitney WTP HVAC Controls.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. Singh, the RWA’s Chief Information Digital Officer and Vice President of Customer Care, reviewed proposed changes to RWA’s Rules and Regulations, which would be effective on or about January 5, 2022 and correspond with the launch of the RWA’s monthly billing program and, if approved, the potential effective date of the proposed rate application.

Ms. LaMarr moved for adoption of the following resolutions:

RESOLVED, that the proposed revisions to the Rules and Regulations for Water Service and the Rules, Regulations and Rates Governing the Extension of Water Mains be, and they hereby are approved, substantially in the form submitted to this meeting; and

RESOLVED, that the proposed revisions be submitted to the Representative Policy Board for consideration and approval.

Ms. Sack seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Authority members reported on recent Representative Policy Board committee meetings.

Mr. Bingaman, the RWA’s President and Chief Executive Officer (“CEO”):

- Provided an update on the RWA’s core business efforts and transformational growth, which included: refocusing organizational energy on core business, growing and diversifying commercial business initiatives, capitalize on new opportunities, pursuing strategic acquisitions and partnerships, attracting and retaining best talent, and developing members of the Leadership Team to lead and inspire the next chapter of RWA’s transformation and growth;
- Reported that the RWA has closed on its first commercial acquisition that specializes in plumbing, well services, water pumps and water treatments services to residential and business customers in Connecticut. This asset purchase sets the foundation for the RWA’s commercial services expansion and will operate under RWA Well Services, LLC, a subsidiary of RWA Commercial Enterprises, LLC.
- Updated the Authority on efforts to pursue funding under the proposed Infrastructure Legislation and other funding programs. This includes input from bond counsel on the language to help ensure water districts can participate. He is also working with Congresswoman Rose DeLauro’s office, lobbyists, and AWWA’s Legislative Director, to ensure that utility districts are included in the federal water infrastructure funding legislation; and

- Reported that letters were sent to municipal CEO's in the district encouraging them to allocate a portion of federal funds received from the American Rescue Plan Act for RWA's infrastructure projects. He is also working on scheduling a meeting with a city CEO to discuss a previously submitted proposal for funding.

At 1:32 p.m., Ms. Campbell withdrew from the meeting, and on motion made by Mr. DiSalvo, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to go into executive session to discuss financial strategy. Present in executive session were Authority members, Mss. Kowalski, Reckdenwald, Slubowski and Messrs. Bingaman, Courchaine, Norris and Singh.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 1:50 p.m., Mr. Fox entered the meeting for the executive session.

At 3:00 p.m., Mr. Fox withdrew from the meeting and the Authority reconvened.

Mr. Borowy stated his support and approval of the Water System Revenue bonds, which are necessary for keeping RWA's water system in good working condition to provide safe and reliable drinking water to water users in the district.

Ms. LaMarr concurred that continued investment in the RWA's infrastructure is critical.

Mr. DiSalvo moved for approval of the following resolutions:

RESOLVED, that the South Central Connecticut Regional Water Authority (the "Authority"), subject to the approval of the Representative Policy Board ("RPB") pursuant to Section 14 of Special Act 77-98, as amended, hereby establishes water rates and related charges as set forth in the issuance test rate application submitted for discussion at today's meeting (the "2021 Issuance Test Rate Application") and listed in its Section 6, "Notice of Public Hearing and Filing of Rates and Other Charges for Water and Related Services," which shall become effective upon the delivery of all or a portion of the Authority's Water System Revenue Bonds, as detailed in the resolutions found in Section 6 of the 2021 Issuance Test Rate Application and resolutions previously issued by the Authority; and

RESOLVED, that in light of the information contained in the 2021 Issuance Test Rate Application, the Authority hereby finds that the rates and charges adopted in the foregoing resolution will generate funds in amounts, which, together with other funds projected to be available, will suffice for and not be in excess of the amount of funds required as set forth in Section 14 of the Act; and

BE IT FURTHER RESOLVED, that the Authority hereby authorizes the submission of an application, substantially in the form of the 2021 Issuance Test Rate Application submitted to this meeting and filed with its records, to the RPB for its approval.

Ms. LaMarr seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye

LaMarr Aye
Sack Aye

Mr. DiSalvo moved for approval of the following resolution:

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) has previously and separately authorized financing for numerous projects expected to be financed through the State of Connecticut Drinking Water Fund; and

WHEREAS, the Authority wants to authorize bonds to finance additional water system capital projects.

NOW THEREFORE BE IT RESOLVED, that the Authority hereby establishes the general terms and provisions of the Authority’s Water System Revenue Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut (the “Bonds”) which are to be issued under its Water System Revenue Bond Resolution, General Bond Resolution adopted by the Authority and approved by the Representative Policy Board on July 31, 1980, as amended (the “General Bond Resolution”).

1. The Bonds shall not exceed Fifty-One Million Dollars (\$51,000,000) in aggregate principal amount.
2. The Bonds may be issued as obligations in one or more series pursuant to the General Bond Resolution and a Supplemental Resolution to be adopted by the Authority for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, and such other details of the Bonds as the Authority shall determine in accordance with the limits established by the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be to finance or refinance the cost of certain capital improvements to the water system of the Authority from approximately January 5, 2022 through June 30, 2023. in accordance with a certain capital improvement plan adopted by the Authority on June 17, 2021 as may be amended from time to time, to provide funds for deposit to the Capital Contingency Fund, Debt Reserve Fund, and Operating Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Code and to pay costs of issuance (the “Project”).
4. The Bonds may be sold by negotiation as serial or term bonds with stated maturities and may be sold in a private placement to the State of Connecticut or a purchaser approved by the Authority.
5. The form of this resolution entitled “Resolution Approving the Proposed Issuance of Water System Revenue Bonds,” a copy of which shall be filed with the records of the Authority, shall be submitted to the Representative Policy Board for its approval in accordance with Section 22 of Special Act No. 77-98, as amended.

BE IT FURTHER RESOLVED: That the Authority hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the “Regulations”), to reimburse expenditures paid sixty days prior to and any time after the date of passage of this resolution in the maximum amount authorized hereby and for the Project defined herein with

the proceeds of bonds, notes, or other obligations authorized to be issued by the Authority. Such bonds, notes or other obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Authority hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date.

Ms. LaMarr seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. Borowy stated for the record that the rate application is necessary to cover operating and maintenance expenses, PILOT, and other expenses and allows the RWA to issue bonds, which are necessary for investing in infrastructure improvements.

At 3:10 p.m., on motion made by Mr. DiSalvo, seconded by Ms. Sack, and unanimously carried, the Authority voted to meet as the Compensation Committee.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 4:50 p.m., the Authority reconvened.

Ms. Sack, Chair of the RWA's Pension & Benefit Committee, reported that at the committee meeting earlier in the day, the committee voted to recommend revisions to its Investment Policy Statement for the RWA's Salaried and Union Employees' Retirement Plans and its Retired Employees' Contributory Welfare Trust (VEBA), to revise the fully funded date from 2023 to 2025 and update Authority Chairman, as presented.

On motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to approve the Pension & Benefit Committee's recommendation for revisions to the RWA's Investment Policy Statement for its Salaried and Union Employees' Retirement Plans and its Retired Employees' Contributory Welfare Trust (VEBA), as presented.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. DiSalvo, Chair of the RWA's Compensation Committee, reported that at the committee meeting earlier in the day, the committee voted to recommend salary increases for RWA's CEO and its officers, effective August 1, 2021 and a FY 2021 bonus payouts for RWA's CEO and its officers, as discussed in executive session. He moved for adoption of the following resolutions:

RESOLVED, that the Authority authorizes management to implement salary increases for the CEO based on the Willis Tower Watson (WTW) data presented and the CEO's recommendations along with the WTW data for RWA's officers, effective August 1, 2021; and

FURTHER RESOLVED, that the Authority approves RWA's FY 2021 bonus payouts for the CEO based on performance, the WTW data presented, and the CEO's recommendations for RWA's officers, effective August 1, 2021.

Chair DiSalvo stated that it was the consensus of the committee to recommend a salary increase and FY 2021 bonus for the Chief Executive Officer ("CEO") based on performance and the Willis Tower Watson (WTW) data presented, and, based on the CEO's recommendations and WTW data, salary increases and FY 2021 bonus payouts for RWA's officers, as discussed in executive session, all effective August 1, 2021.

Ms. LaMarr seconded the motion, the Chair called for the vote:

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 4:55 p.m., the Authority came out of executive session and on motion made by Mr. DiSalvo, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to adjourn the meeting.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Respectfully submitted,

Kevin Curseaden, Secretary