

South Central Connecticut Regional Water Authority
Via Remote Access**

AGENDA

Regular Meeting of Thursday, May 26, 2022 at 12:30 p.m.

- A. Safety Moment

- B. Meet as Audit-Risk Committee: C. LaMarr
 - 1. Approve Minutes – February 24, 2022 meeting
 - 2. Risk Management Update: D. Verdisco and A. Schenkle
 - 3. 2023 Committee Work Plan

- C. Meet as Environmental, Health & Safety Committee: K. Curseaden
 - 1. Approve Minutes – March 31, 2022 meeting
 - 2. New Streamflow Standards: W. Henley
 - 3. Health & Safety Initiatives Update: D. Verdisco and A. Schenkle
 - 4. Environmental Compliance Update: D. Verdisco and A. Schenkle

- D. Act on matters arising from Committee meetings

- E. Consent Agenda
 - 1. Approve Minutes – April 28, 2022
 - 2. Capital Budget Authorization - June 2022
 - 3. Capital Budget Transfer Notifications (no action required) – June 2022
 - 4. Consider and act on exemptions from public bid for FY 2023
 - 5. Monthly Financial Report –April 2022
 - 6. Accounts Receivable Update – April 2022
 - 7. Derby Tank Update

- F. Finance: R. Kowalski
 - 1. Consider and act on resolution authorizing interim funding obligations and project loan obligations for the West River Water Treatment Plant Improvements

- G. Updates: L. Bingaman
 - 1. COVID Update: D. Verdisco
 - 2. Monthly Board Letter Highlights: L. Bingaman

- H. Reports on RPB Committee Meetings

- I. *RPB Project Application – Application for Approval to the Representative Policy Board for a Project to Implement a Comprehensive Customer Information System Solution: D. Bochan
 - 1. Presentation and discussion regarding Application – Including Executive Session
 - 2. Consider and act on Application approval for submission to Representative Policy Board (RPB)
 - 3. Affidavit of Mr. Singh regarding confidential information within said Application
 - 4. Motion for Protective Order for confidential information within said Application
 - 5. Protective Order concerning confidential information within said Application for submission to the RPB

- [RECESS AUTHORITY MEETING TO ATTEND RPB MEETING]

- J. Approve FY 2023 Budget and authorize filing with Trustee

**RPB Member (J. Jaser) will be excused at item I*

****** Members of the public may attend the meeting via remote access. For information on attending the meeting and to view meeting documents, please visit <https://tinyurl.com/3mp2h37x>. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

South Central Connecticut Regional Water Authority
(Including Audit-Risk and Environmental, Health & Safety Committee Meetings)
Regular Meeting
Thursday, May 26, 2022 at 12:30 p.m.

Call in (*audio only*)

[+1 469-965-2517,,775517640#](tel:+14699652517775517640) United States, Dallas

Phone Conference ID: 775 517 640#

For questions contact the board office at 203-401-2515 or by email at jslubowski@rwater.com

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SAFETY MOMENT

MAY IS NATIONAL WATER SAFETY MONTH!!!!

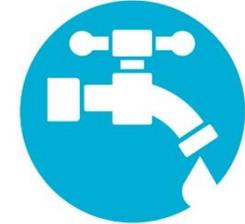
With the promise of summer comes more time spent near and in the water. Below are some tips from the American Red Cross to keep your family safe:

- Ensure members of your family learn to swim
- Use barriers to prevent access to water by young children
- Use life jackets
- Supervise children while swimming
- Know what to do when someone is struggling in the water

By working together to improve water competency including swimming skills, water smarts and helping others, water activities can be safer and just as much fun.

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

**South Central Connecticut Regional Water Authority
Audit-Risk Committee**

Minutes of the February 24, 2022 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority Audit-Risk Committee took place on Thursday, February 24, 2022, via remote access. Chairwoman LaMarr presided.

Present: Committee – Mss. LaMarr and Sack and Messrs. Borowy and Curseaden
Absent: Committee – Mr. DiSalvo
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Joseph, Lakshminarayanan, Schnaitmann, and Singh
Digital Executive Ltd. – Mr. Steinmetz
City of New Haven Emergency Management – Mr. Fontana
CliftonLarsonAllen – Messrs. Flint and Nossek
RPB –Mr. Havrda
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:31 p.m.

At 12:32 p.m., on motion made by Mr. Curseaden, seconded by Mr. Borowy, and unanimously carried, the Committee voted to go into executive session to discuss security matters. Present in executive session were Committee members, Mss. Kowalski, Slubowski, Verdisco and Messrs. Bingaman, Fontana, Lakshminarayanan, Schnaittman, Singh, Steinmetz.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 12:58 p.m., Mr. Joseph entered the meeting.

At 1:16 p.m., the Committee came out of executive session and Messrs. Schnaitmann and Steinmetz withdrew from the meeting and Messrs. Flint, Havrda, and Nossek entered the meeting.

Messrs. Flint and Nossek of CliftonLarsonAllen (CLA), RWA’s external auditor, reviewed the Authority’s audit plan and process for FY 2022 and discussed the firm’s scope of engagement and current and future accounting standards.

At 1:28 p.m., Messrs. Flint and Nossek withdrew from the meeting.

On motion made by Mr. Curseaden, seconded by Ms. Sack, and unanimously carried, the Committee approved the minutes of its meeting held on December 16, 2021.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 1:29 p.m., on motion made by Mr. Borowy, seconded by Ms. Sack, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye

DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Catherine LaMarr, Chairwoman

Regional Water Authority Board Audit Committee

Risk Update
May 26, 2022



Donna Verdisco
CHRO & Head of Corporate Services

Amanda Schenkle
Manager, Environmental Health, Safety & Risk

AGENDA

Overview of our Risk Strategy
FY2022 Strategic Goal Update
Top 10 Risks
Risk Commercial Update
Summary & Next steps

Overview of RWAs Risk Strategy

The Regional Water Authority has established a **Risk Committee** which strategically identifies risks impacting RWAs ability to deliver products and services to our customers and constituents.

Strategic Focus

Enhance RWA's enterprise risk management by reviewing and improving 50% of risk perspectives within the Risk Register with a focus on mitigating risk, improving redundancy and safeguarding resiliency

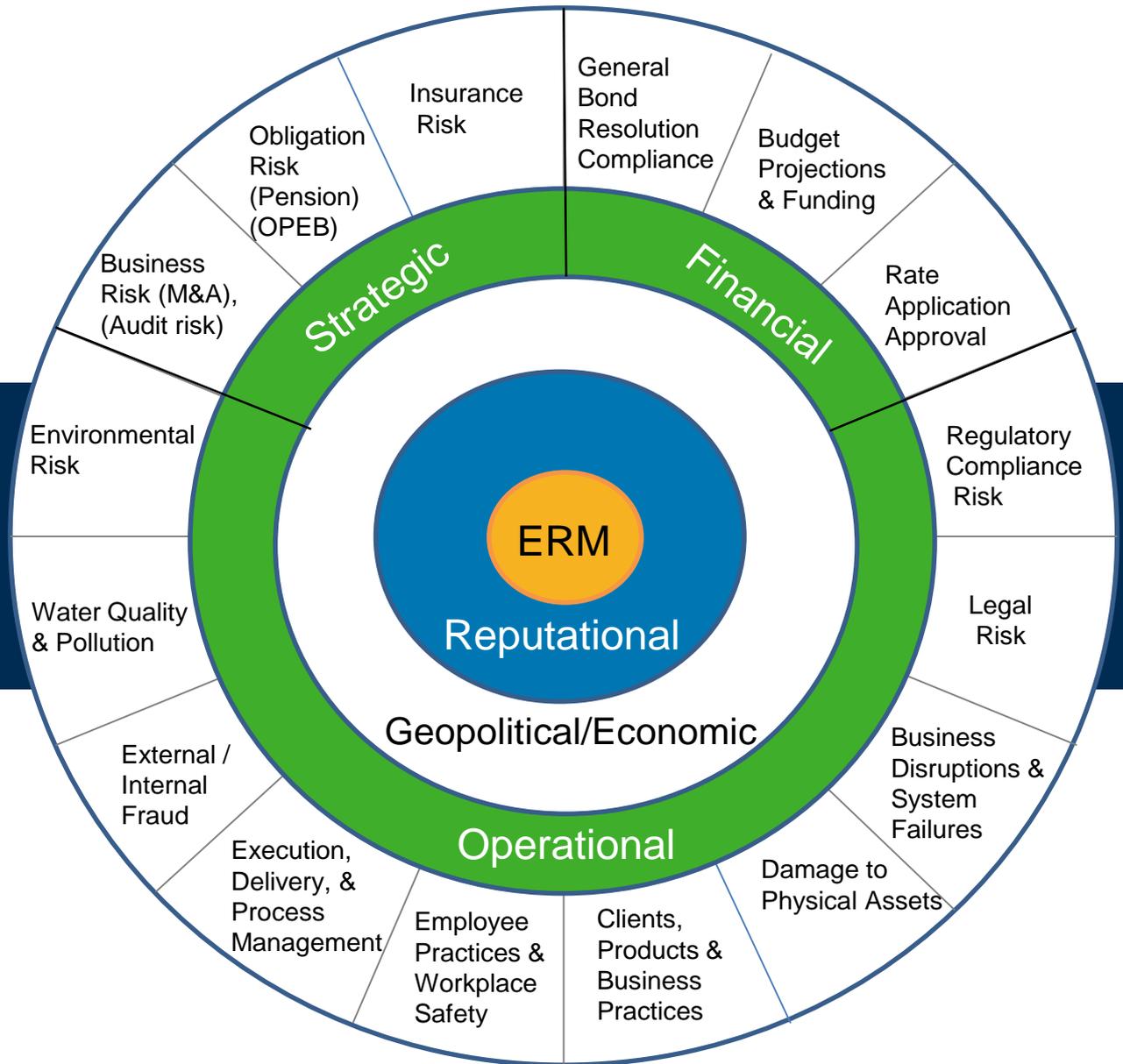
Team structure & rhythm

- Leadership Team Oversight: CHRO & VP Corporate Services (Risk & Compliance) & VP Finance
- Cross functional representation identifies risks and the mitigation of those risks
- Meets quarterly to discuss plans & tracks progress to address concerns

Methodology

- Risks are organized by each perspective: Customer/Constituents, Employee Learning & Growth, Financial and Internal Business
- Utilize the COSO Enterprise Risk Management (ERM) framework to rate each risk by gross, current and residual risk (impact & likelihood)
- Monitoring 47 risks regularly which are stored in the Risk Register:
 - Customer/Constituents: 8 risks
 - Employee Learning & Growth: 5 risks
 - Financial: 16 risks
 - Internal Business: 18 risks

ENTERPRISE RISK LANDSCAPE



RISK & COMPLIANCE MANAGEMENT

A standalone enabling function

Strategic Objectives

Aligning strategy and execution to stated risk appetites

Bring an objective and independent voice to the table

Drive basic risk values & norms

Improve risk mitigation execution

Near Term Tactical Objectives

Improve identification, assessment, control & acceptance of risk

Put out fires in Risk, Compliance, Safety, Security, BCP & EHS

Build risk control dashboards and early warning mechanisms

Improve risk mitigation tools, bolster internal controls

BUILDING A RISK CULTURE

BUILDING CREDIBILITY

HOW ARE WE DOING?

2022 Goals Update

Risk Strategic Goals

2025 Goal

Enhance RWA's enterprise risk management by reviewing and improving 50% of risk perspectives within the Risk Register with a focus on mitigating risk, improving redundancy and safeguarding resiliency.

FY22 Objectives

Reconstitute the **Risk Committee** and review top 10 enterprise risks and execute their associated mitigation and prevention plans.



Risk Assessments

- Total of 19 risk assessments conducted within the top 10 risks
- COSO Framework assessment guidelines were implemented in FY22
- Ranked by gross risk and current risk
- Overall risk profile impacted our rankings given COSO framework provides multiple layers of assessment vs previous rudimentary guidelines

#F08 – BUSINESS CONTINUITY (E.G. PANDEMIC, FIRE, FLOOD) Strategic Risk Evaluation	
Perspective: Financial Date: November 23, 2010 Revised: April 11, 2022	
Description of Risk	Loss of Business continuity (e.g. pandemic, fire, flood)
Potential Consequences	Inability to meet mission, vision, goals Inability to conduct core business processes
Owners	Primary: Environmental Health, Safety and Risk Manager, Amanda Schenkle Secondary: CHRO & VP Corp. Services, Donna Verdisco
Gross Risk: Impact Rating <u>4.0</u> Likelihood <u>5</u> Risk Level <u>20</u>	
Existing Controls/Actions	Annual Status Date
Developed Comprehensive Plan <ul style="list-style-type: none"> ▪ Business Impact Analysis ▪ Risk Mitigation Plan ▪ Developed ICS Structure ▪ Recovery Time Objectives ▪ Action Plans & Procedures ▪ Annual refresher training 	<ul style="list-style-type: none"> ▪ June 2008; updated 2019 ▪ Annual
Founding Member, CTWARN	2008 to present
Participate in Regional Exercises	2001-2017
Developed Incident Management Plan	2009; revised 2018; updated annually
IMP/BCP Rollout and Training	2012; refresher training as needed
Develop and Implement 5 Year BCP Roadmap	2015
Conduct test of current capabilities (Gaillard EOC)	2016
Develop RAMCAP Vulnerability Assessment	2016-17; 2020 AWIA
Conduct test of current capabilities (WR EOC)	2017
Update Training and Exercise Plan	Annual
Continue Routine Training and Exercise Program (including tabletop and functional exercises)	2018 and beyond

Top 10 Risks Update

Top 10 Risks	Risk Mitigation Activity	Change in Rank
Business Continuity Planning	<ul style="list-style-type: none"> RWA BCP department specific plans, Incident Management Plan, Water Supply Plan and Drought Contingency Plan updated in FY2022 	↑
Cyber Security	<ul style="list-style-type: none"> Cyber Assessment completed FY2022, penetration testing, Launched new user training, MFA Privileged accounts, planning BCP table top exercise on distribution system 	↓
Critical Component Failure resulting in Loss of Life, Property or Service	<ul style="list-style-type: none"> Critical Stock/Supply EPG, spare actuators at all WTPs, spare VFDs and spare PLC parts to reduce lead times on critical component parts, Whitney Dam project, new positions related to watershed and source water maintenance 	↔
Financial Risk	<ul style="list-style-type: none"> DWSRF agreement to modify verbiage, allowing us to participate in interim financing, Direct Funding (federal funding) Submissions, Structure of commercial transactions (e.g., asset purchase, earn-out, holdback), Reserves at or above requirement/target , Additional pension contribution made 	↓
Health and Safety of RWA Employee	<ul style="list-style-type: none"> Safety Starts with Me Training rolled out, updated Code of Safe Practices 	↓
Succession Planning and Recruitment	<ul style="list-style-type: none"> Developed framework for succession planning at the Leadership Team level with a focus on developing a mechanism to implement planning for critical positions, continued enhancements to the DE&I journey and creation of the TIDE council 	↑
Physical Security of RWA Property and Assets	<ul style="list-style-type: none"> Updated cameras at 2 critical facilities, vulnerability scans of camera and access control systems, additional access to SCADA at WTPs through RTU project 	↑
Failure to Manage Risks Causing Loss of Reputation	<ul style="list-style-type: none"> Utilizing regular outreach and relationship management to foster relationships with governmental partners 	↓
Loss of SCADA System	<ul style="list-style-type: none"> RTU Project, SCADA server upgrades at Gaillard WTP 	↑
Ineffective Supply Chain, Integrity of Procurement Materials	<ul style="list-style-type: none"> Centralized Procurement through improved forecasting and planning, participating in business transformation activities, engaging 	

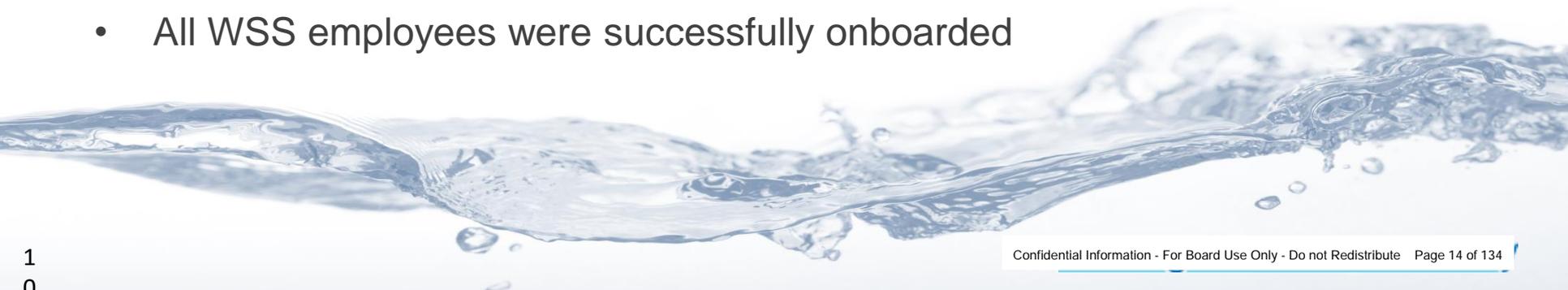
Risk Commercial Update

Insurance risk

- RWA was able to cover WSS (along with Roach Plumbing) by Churchill Casualty, LLC
- Through RWAs position as a member of the captive, we are able to cover all assets and claims at \$0 in premium due to exposures for the holding company falling below 10% of RWAs total exposure
- As RWA continues to acquire M&As, the insurance program will be reassessed for most strategic insurance placement

People risk

- All WSS employees were successfully onboarded



Summary & Next Steps

On track to deliver against strategic Goals and Objectives

Top Ten Risks remained consistent, with significant mitigation of gross risk

Continue momentum with **Risk Committee** to review the top 10 enterprise risks and execute their associated mitigation and prevention plans.

FY2023 plan: Introducing 5 new risk perspectives to Risk Register

- Insider Threat (Security and Cyber)
- Third Party Hosted Data Risk
- Lead and Copper Rule Compliance Risk
- Merger and Acquisition Risk
- Reservoir Water Quality Risk





Overview of our Top 10 Risks

1. Cyber Security



I01 – If allowed to degrade or if damaged, the infrastructure for information technology (e.g., data center facilities, equipment, networks, mas storage) may be unable to support business processes

I04 – System security is breached and unauthorized access is obtained

I05/05a – Electronic data management and discovery – Insure compliance with guidelines, best practices and standards.

2. Financial



F01 – Failure to take corrective actions to achieve financial performance against strategic plans and budgets.

F03 – RPB rejects a rate application.

3. Critical Component Failure Resulting in Loss of Life, Property or Service



F04/04a – Critical component failure, e.g., dam, water treatment, pump station, or water tank, resulting in loss of life, property, or service.

F11 – Failure to supply water adequate to meet system requirements and failure to supply high quality water in compliance with regulations, resulting in lawsuits, fines, penalties or service loss.

4. Health and Safety of RWA Employees



E01 – Lack of awareness regarding health & safety among employees, leading to accidents and/or breaches of compliance in health and safety.

E04 – Workplace violence.

5. Succession Planning/Recruitment/Retention



E02 – Inability to attract and retain technically qualified employees.

E03 – Retirement or turnover of long-term employees resulting in loss of institutional knowledge and experience.

6. Failure to Manage Risks Causing Loss of Reputation



C01 – Failure to manage risks properly and provide service (consistent with the Authority's mission, vision, and values), causing loss of reputation with stakeholders.

C03 – Failure to successfully influence the political and /or regulatory process involving governmental and non-governmental local, regional, and federal entities, resulting in an unfavorable operating environment.

C04 – Failure to respond appropriately to the media or other stakeholders through positive pro-active communication.

7. Ineffective Supply Chain, Integrity of Procurement of Materials.



I06 – Temporary inability to obtain critical and necessary materials to operate (pipe, meters, chemicals, fuel, etc.).

I07 – Defective materials received from significant supplier.

8. Physical Security of RWA Property/Assets



I03 – Sabotage of supply resulting in illness or death.

I10 – Loss of Control Room Operations at 90 Sargent Drive.

9. Business Continuity Planning



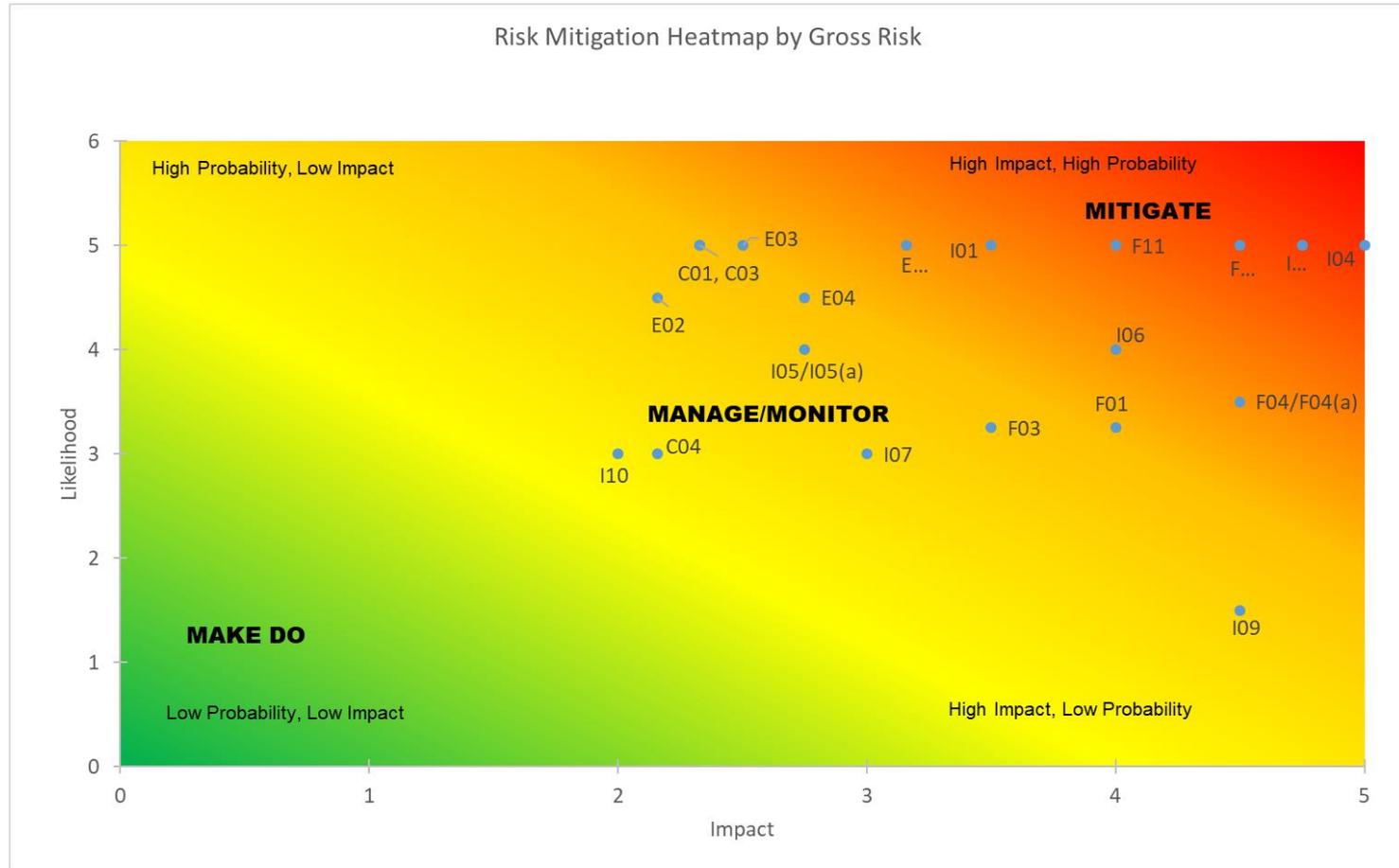
F08 – Inability to meet mission, vision, goals, inability to conduct core business processes.

10. Loss of Supervisory Control of Data Acquisition (SCADA) System

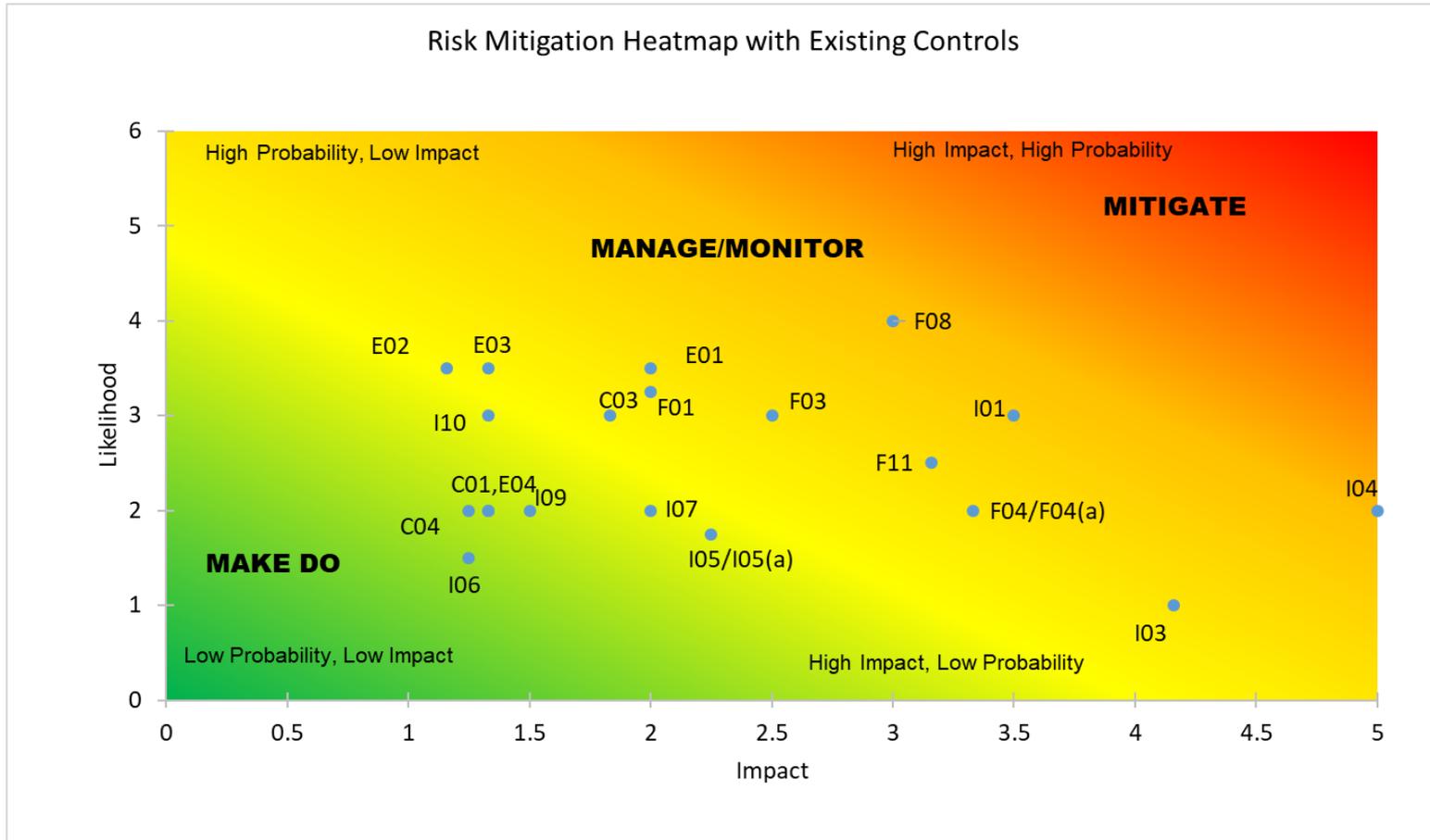


I09 – Failure of the Authority's SCADA system, affecting the organization's ability to operate the distribution system.

Appendix: Risk Heat Maps Gross Risk



Appendix: Risk Heat Map Current Risk



Appendix: Assessment Guidelines

Impact of Risks						
Scale	Legal	Financial	Operational (Potential Disruption)	Reputation (Image)	Health and Safety	Ability to Pursue Strategic Goals
1 Insignificant	In compliance	< \$1 million	< 1/2 day	No press exposure	No injuries	Little or no impact
2 Minor	Civil violation with little/no fines	\$1–\$5 million	< 1 day	Localized negative impact on reputation (such as a single large customer) but recoverable	First aid treatment	Minor impact
3 Serious	Significant civil fines/penalties	\$5–\$25 million	1 day–1 week	Negative media coverage in a specific U.S. region or a foreign country	Medical treatment	Major impact
4 Disastrous	Serious violation, criminal prosecution probable	\$25–\$100 million	1 week–1 month	Negative U.S. national or international media coverage (not front page)	Death or extensive injuries	Significant impact
5 Catastrophic	Significant violation, criminal conviction probable, loss of accreditation or licensure	> \$100 million	> 1 month	Sustained U.S. national (and international) negative media coverage (front page of business section)	Multiple deaths or several permanent disabilities	Loss of accreditation or license

Appendix: Assessment Guidelines

Likelihood of Occurrence		
Scale	Existing Controls	Frequency of Noncompliance
5 Almost Certain	<ul style="list-style-type: none"> No controls in place No policies or procedures, no responsible person(s) identified, no training, no management review 	<p>Expected to occur in most circumstances</p> <p>More than once per year</p>
4 Likely	<ul style="list-style-type: none"> Policies and procedures in place but neither mandated nor updated regularly Controls not tested or tested with unsatisfactory results Responsible person(s) identified Some formal and informal (on-the-job) training No management reviews 	<p>Will probably occur</p> <p>At least once per year</p>
3 Possible	<ul style="list-style-type: none"> Policies mandated, but not updated regularly Controls tested only occasionally, with mixed results Responsible person(s) identified Training is provided when needed Occasional management reviews are performed, but not documented 	<p>Might occur at some time</p> <p>At least once in 5 years</p>
2 Unlikely	<ul style="list-style-type: none"> Policies mandated and updated regularly Controls tested with mostly positive results Regular training provided to the identified responsible person(s), but not documented Regular management reviews are performed, but not documented 	<p>Could occur at some time</p> <p>At least once in 10 years</p>
1 Rare	<ul style="list-style-type: none"> Policies mandated and updated regularly Controls regularly tested with positive results Regular mandatory training is provided to the identified responsible person(s), and the training is documented Regular management reviews are performed and documented 	<p>May occur only in exceptional circumstances</p> <p>Less than once in 10 years</p>

Audit-Risk Committee

FY2023 Work Plan

The Audit-Risk Committee will review the financial reporting process, the system of internal control, the audit process, the Authority's process for monitoring compliance with laws and regulations, and with the code of conduct, and assess and manage the corporation's risks.

September 2022

- Review FY 2022 Audit Results (External Auditor)

December 2022

- Cyber/Technology Resiliency Update
- Controls/Risk Assessment ("Internal" Audit)

February 2023

- Plan of Audit, FY 2023 (External Auditor)

May 2023

- Risk Management Update
- Review Committee FY 2024 Work Plan

**South Central Connecticut Regional Water Authority
Environmental, Health & Safety Committee**

Minutes of the March 31, 2022 Special Meeting

A special meeting of the Environmental, Health & Safety Committee of the South Central Connecticut Regional Water Authority took place on Thursday, March 31, 2022, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chairman Curseaden presided.

Present: Committee – Messrs. Curseaden and Borowy, and Mss. LaMarr and Sack
Management – Mss. Kowalski, Smith, Verdisco and Vitagliano, and Messrs. Barger, Bingaman, Courchaine, and Singh
RPB – Mr. Slocum
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:40 p.m.

On motion made by Ms. Sack, seconded by Mr. Borowy, and unanimously carried, the Committee approved the minutes of its meeting held on November 18, 2021.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Mr. Barger, the RWA’s Water Quality Manager, provided a Lead & Copper update, which included current activities, next steps, and proposed timeline and discussed funding with Authority members.

Ms. Smith, the RWA’s Natural Resources Analyst, provided a Deer Management program summary for 2021. She reported that the RWA received 304 applications. Due to the level of interest, participants were selected randomly through a lottery. Interest is already high for the 2022 program. The hunt occurred over four properties. Totals reported 34 deer in all, with nine being does. The highest percentage of bucks were from the Lake Gaillard property. Ms. Smith also discussed the safety protocols and additional modification to add an emergency descent device for the 2022 program. At 12:50 p.m., Ms. Sack withdrew from the meeting.

Ms. Vitagliano, the RWA’s Government and Public Relations Specialist, provided an update of the 2022 Legislative Session outlook, which included:

- Legislative landscape
- Meeting format
- Executive summary and key topics
- RWA, relevant water utility, and other priority bills

At 1:21 p.m., Mss. Smith and Vitagliano, and Mr. Barger withdrew from the meeting.

The committee reviewed its FY 2023 work plan.

At 1:24 p.m., on motion made by Ms. LaMarr, seconded by Mr. Borowy, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Absent

Kevin Curseaden, Chairman

A close-up photograph of a person's hand holding a small, spotted fish, likely a trout or salmon, in a stream. The fish is held horizontally, with its head to the left. The fish has a brownish-gold body with numerous small, yellow and red spots. The background shows the water of the stream and some green foliage reflected on the surface.

New Streamflow Standards: DEEP Requirements & Path to Compliance

William Henley
Senior Aquatic Resource Scientist

Regulatory Goals

- Release water below dams to maintain downstream ecosystems
 - Oxygenate downstream areas
 - Maintain habitat availability
 - Critical for periods where reservoirs are not spilling
- Match flow characteristics of incoming watercourses



New Regulations



- Existing regulations implemented in 1979
- New regulations adopted 2011
 - Utilize scientific advances since 1979 to guide regulations
 - Protracted negotiations 2006-2011



New Regulations

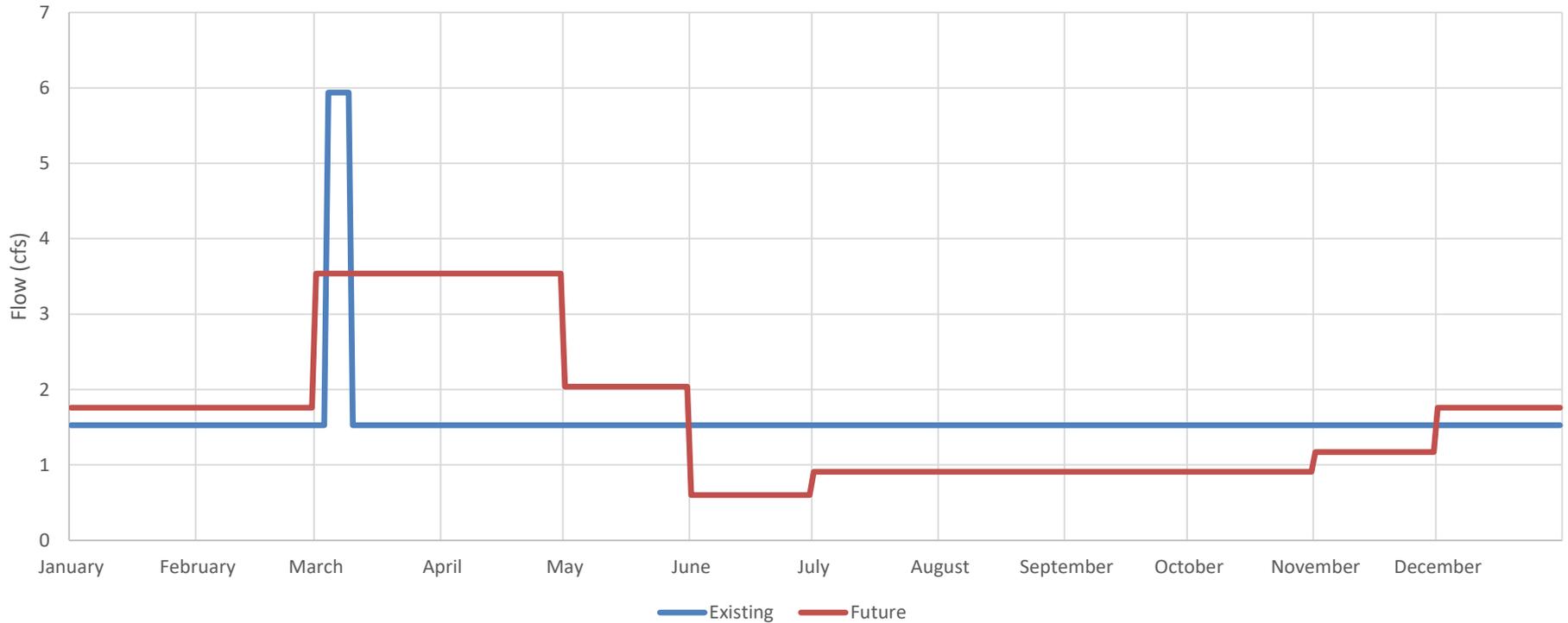


- New regulations designed to better balance human-ecosystem needs
 - Large Reservoirs: seasonal variability in release
 - Small reservoirs: consistent baseline release
 - Small impoundments: exception
 - Drought “off ramps”



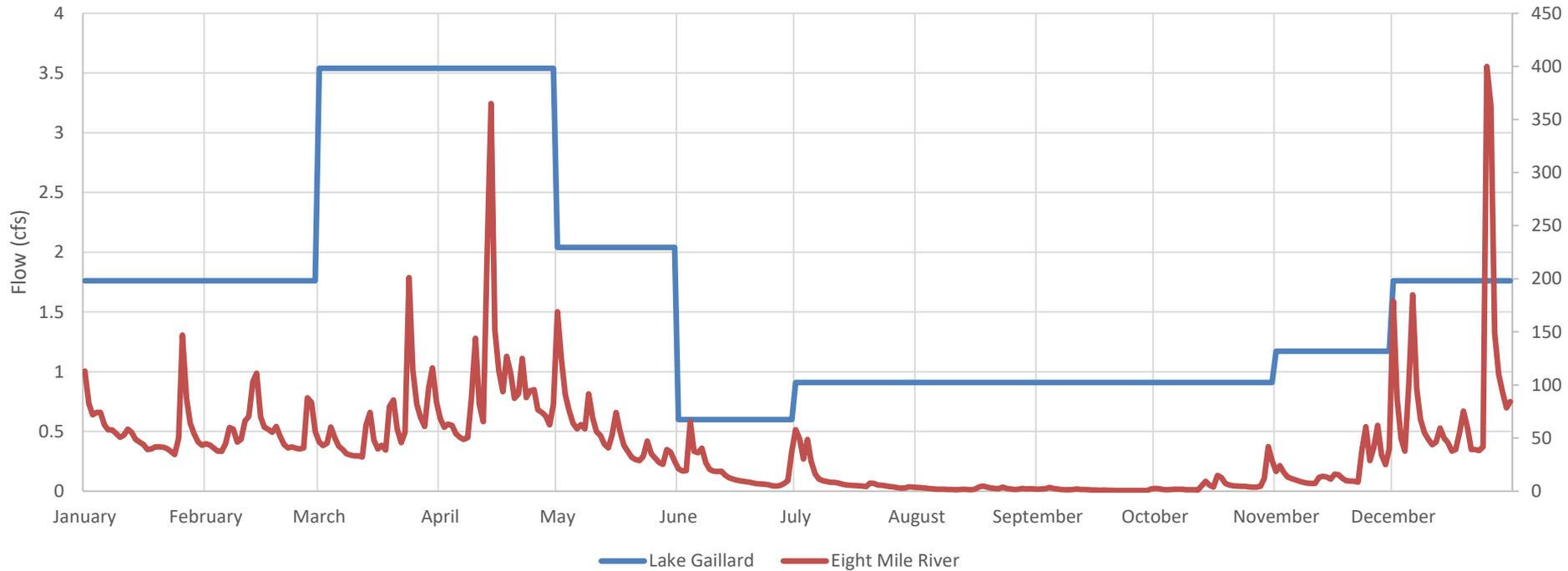
Purpose: Mimic Natural Flows

Lake Gaillard Downstream Release



Purpose: Mimic Natural Flows

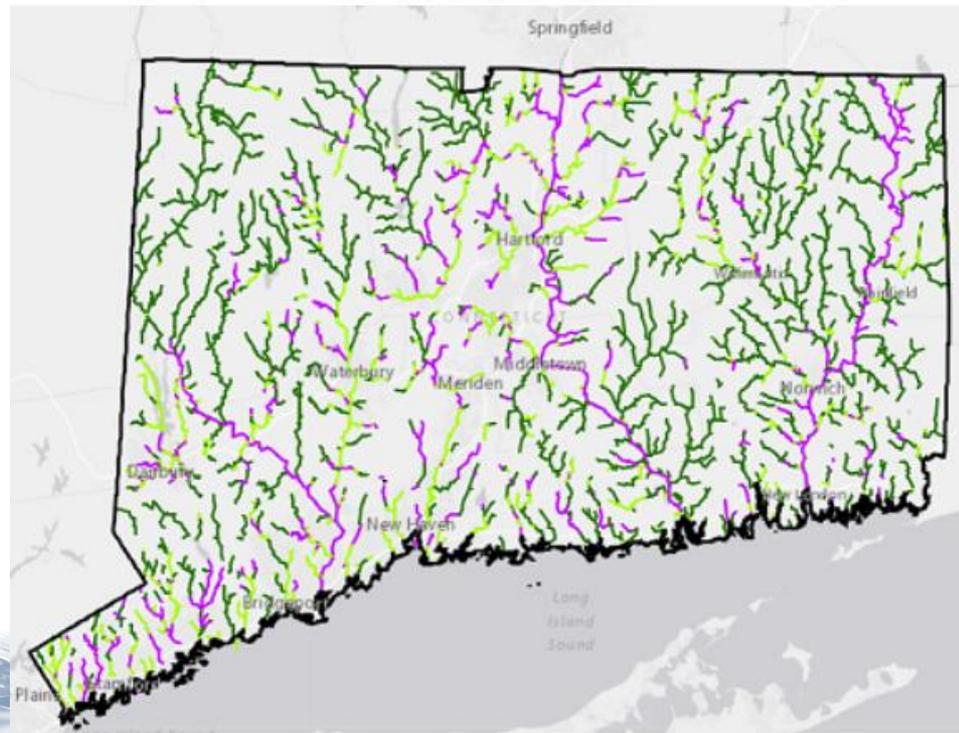
Comparison to Natural Flows



RWA Implementation

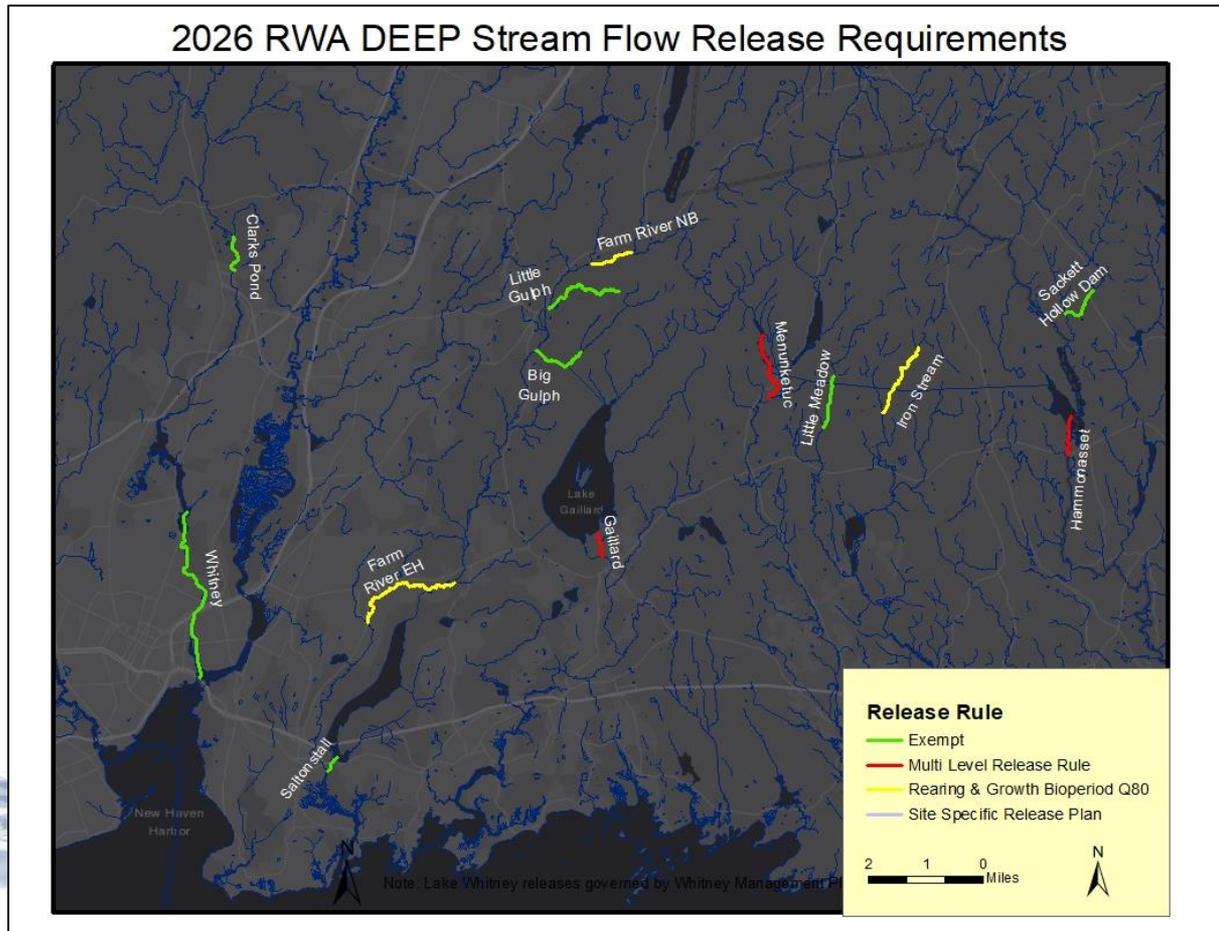
- Stream Classification in 2016
- Plan of release in 2025
- Begin new release regime in 2026

Connecticut Stream Flow Classifications

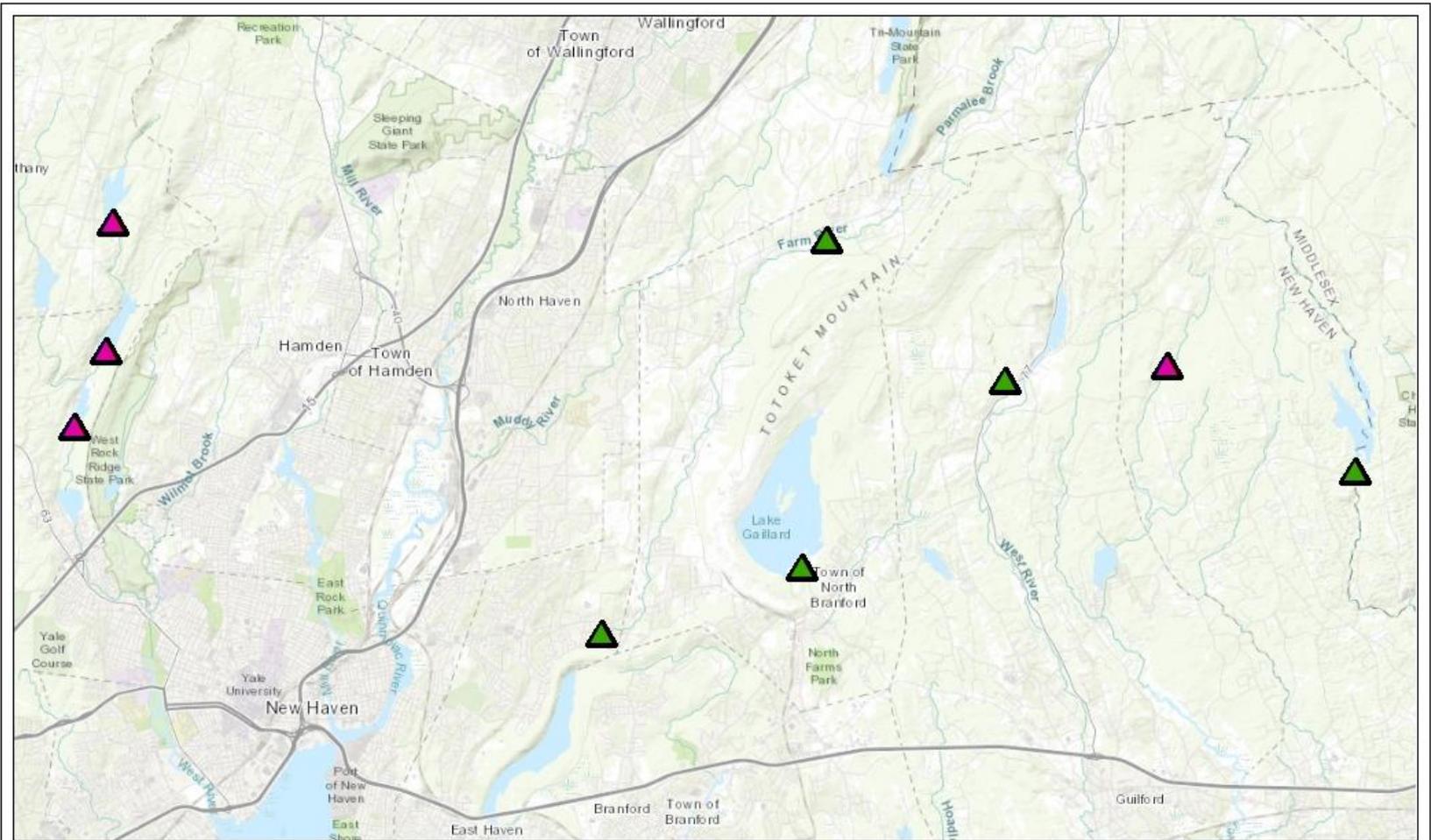


RWA Implementation

- 9 Dams requiring release in 2026
- 5 Dams currently making release under existing regulations



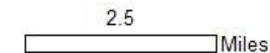
Downstream Release Sites



Location and Status of
SCCRWA Downstream
Release Sites

Status

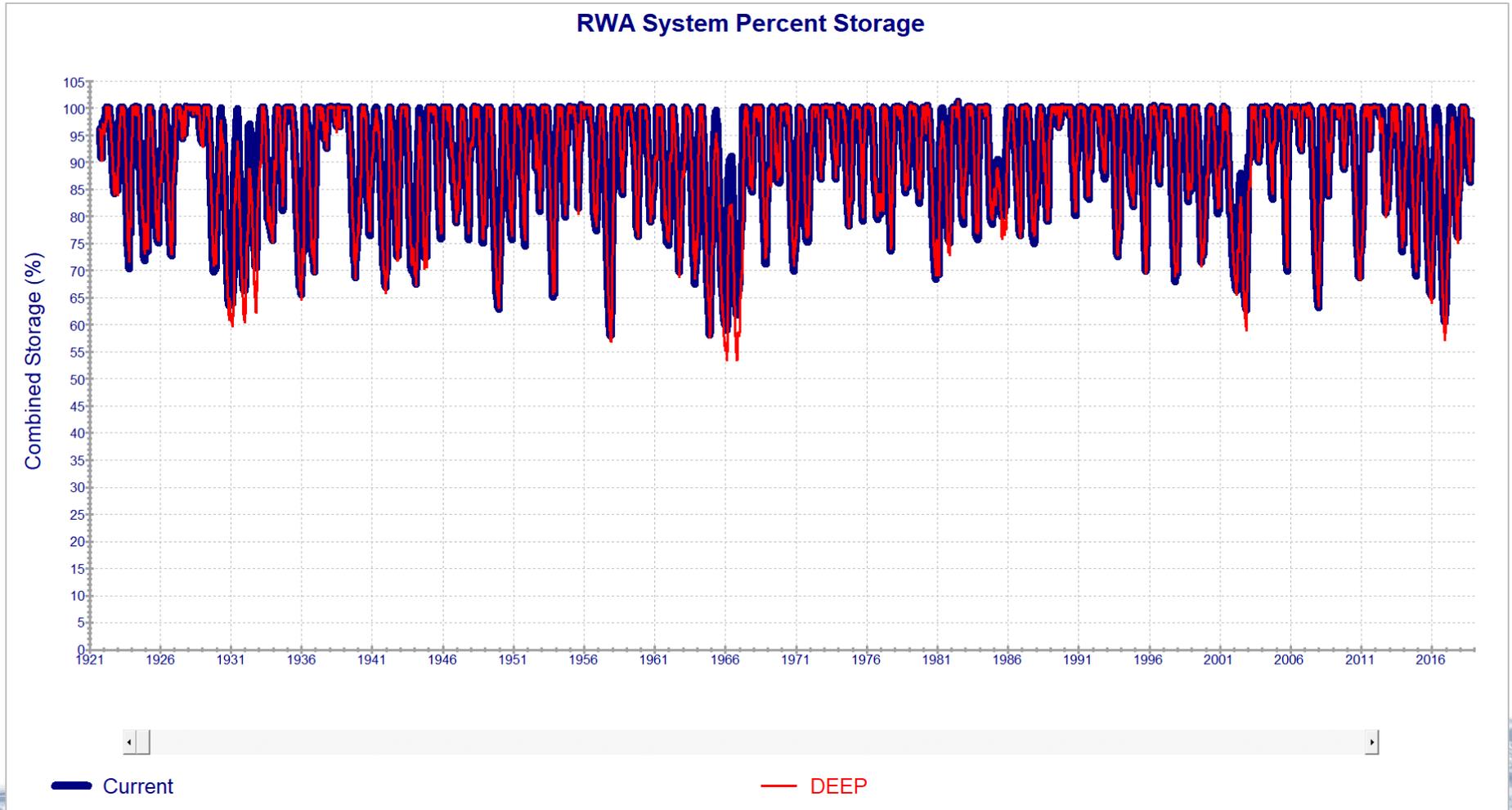
-  No Improvements
-  Capital Improvements



 Regional Water Authority

Utilizes USGS Topographic Base Layer. Map intended for planning purposes only. contains no authoritative data.

Study of Impact on System Reliability



Capital Improvements



Capital Improvements



Conclusions

- Full Implementation September 2026
- Capital improvements completed FY22
- Forward looking approach allows for significant lead time
- Adequate supply to meet future demands



Thanks!



Regional Water Authority Board Environmental, Health & Safety Committee

Health & Safety Update
May 26, 2022



Donna Verdisco
CHRO & Head of Corporate Services

Amanda Schenkle
Manager, Environmental Health, Safety & Risk

AGENDA

FY2022 Goals & Objectives Update

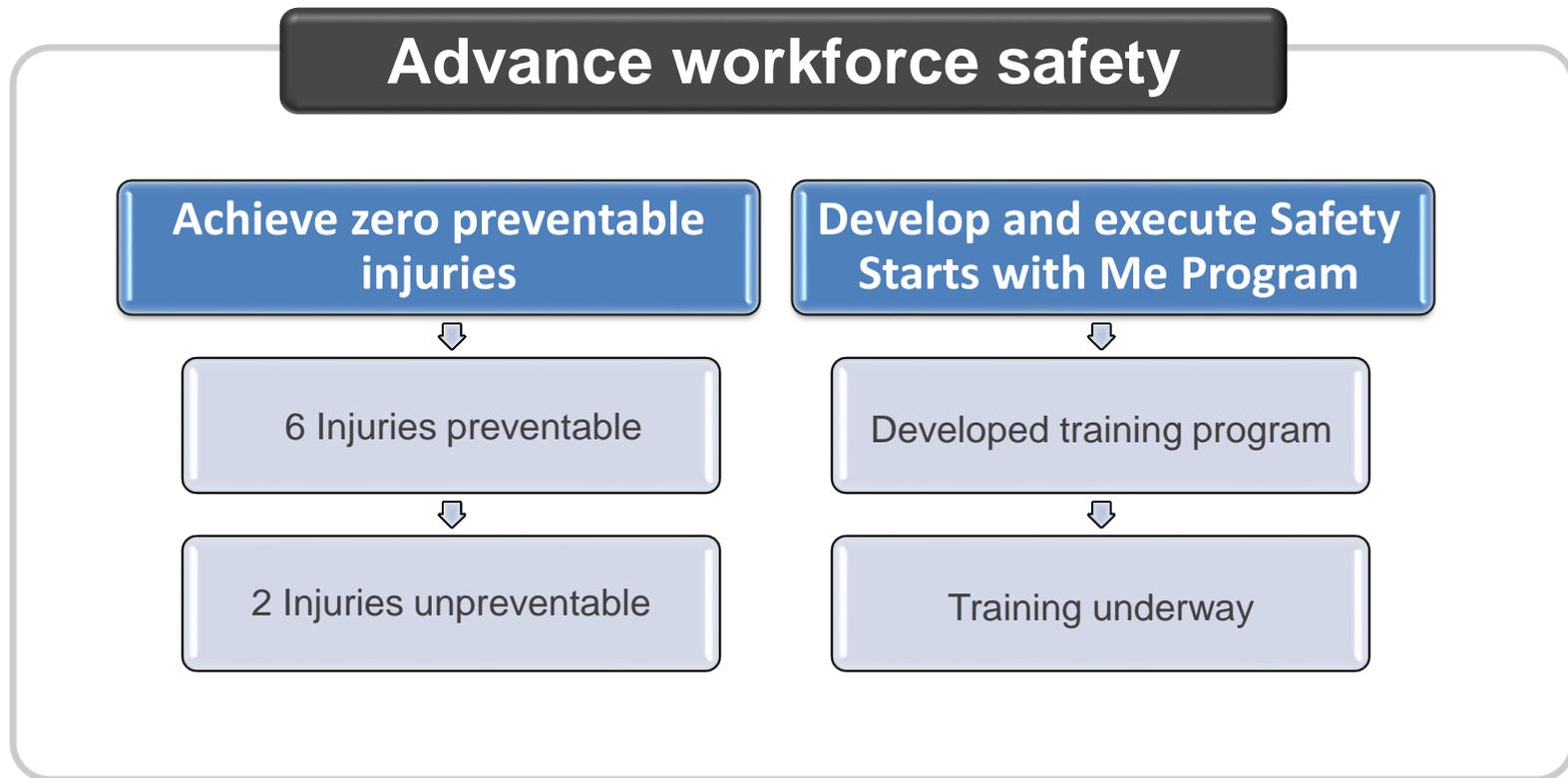
Overview of Safety Starts with Me

Zero Injury Goal & Injury Statistics

COVID-19 Update

Summary & Next steps

Goals & Objectives Update



Overview “Safety Starts with Me” Program

Safety Starts with Me provides practical training to help employees avoid injuries caused by human factors that are involved in the majority of incidents and injuries. This training has stressed that safety is everyone’s responsibility at the RWA and can be achieved by thinking about our own safety and the safety of those around us.

At the end of the training employees are able to

- Prevent workplace injuries and illnesses
- Improve compliance with OSHA
- Increase awareness of the importance of a “safety culture”
- Address workplace safety concerns

Key progress / deliverables

- Piloted training with Corporate Services Division March 2022
- Rolled out to all RWA employees in April with a goal of 100% participation
- Currently achieved 125 participation representing 48% completion

Zero Injury Goal

6 out of 8 Injuries Preventable in FY2022

Cause of Preventable Injuries:

- Strain/Sprain (3)
- Slip and Falls (2)
- Hand Tool Safety (1)

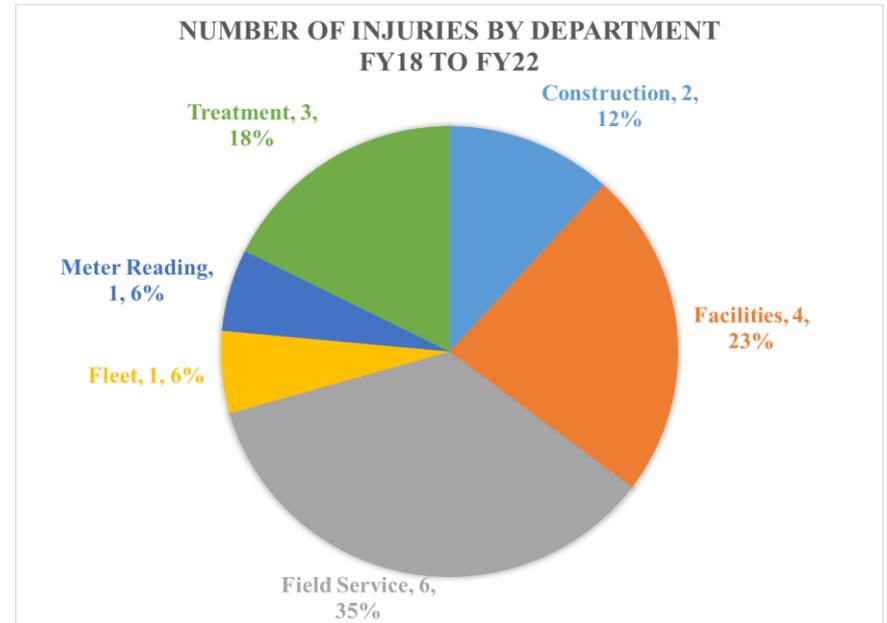
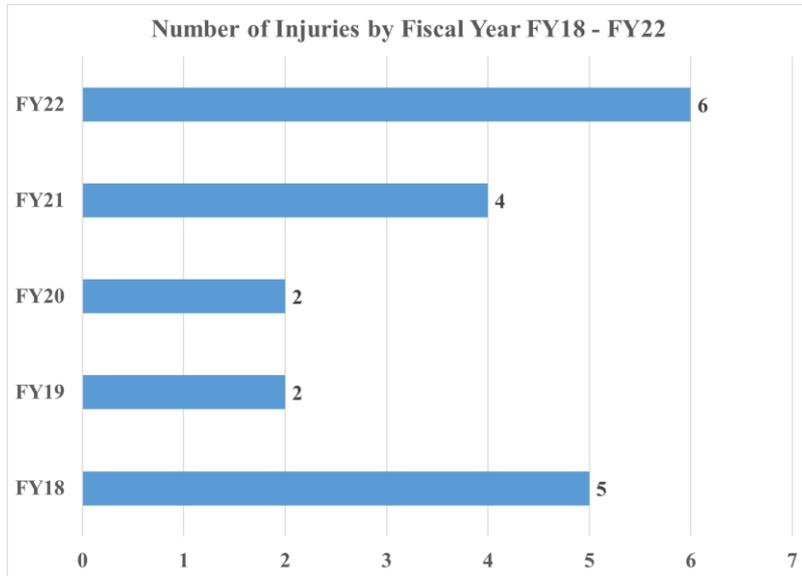
Cause of Non-Preventable Injuries:

- Strain (MVAs) (2)

Ongoing plans and correction actions

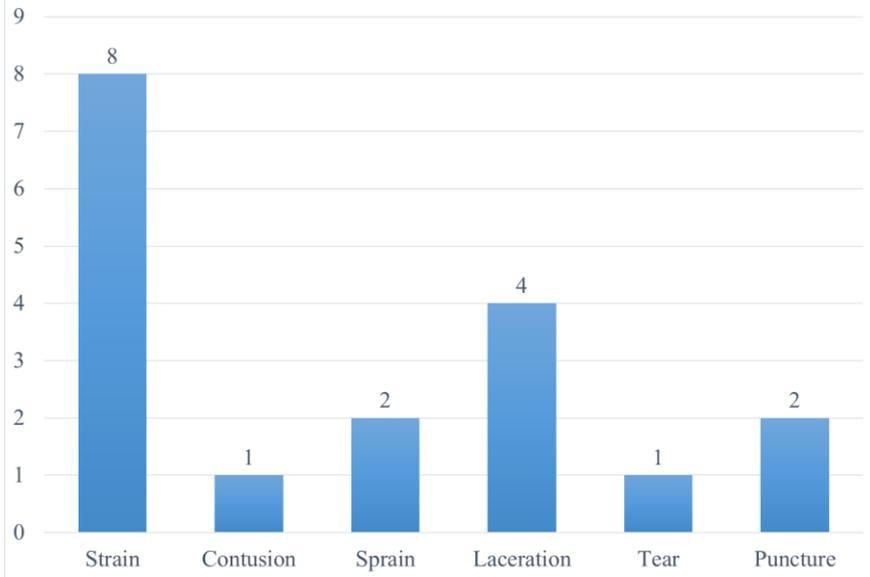
- Continue to deliver ongoing **Safety and Compliance training** curriculum
- Conducted **Winter walking safety training** to Water treatment & Facilities
- **Toolbox Talks** to all departments at risk
- Conducted **PPE** checks
- Developed SOPs for heated front walk ways

Injury Statistics FY 2018 - 2022

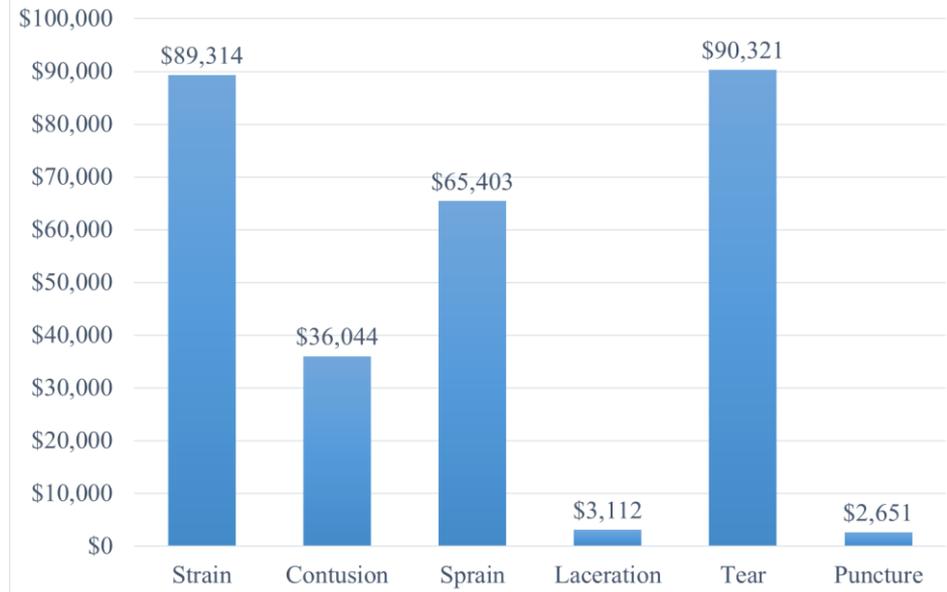


Injury Statistics FY 2018 - 2022

Number of Injuries by Type FY18 to FY22

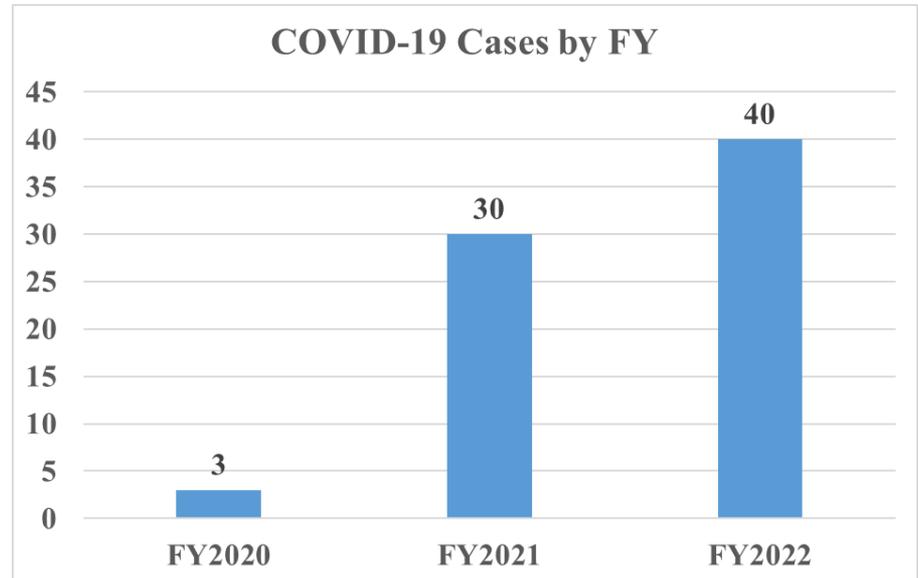


Costs Incurred by Injury Type
FY18 to FY22



COVID-19 Update

- Uptick in positive cases in workforce with most recent wave
- 1 customer impact case
- Work from home has aided in isolating exposures
- Sanitizing still priority in facilities
- Vaccination rate 85%
- Hybrid Model 3-2 as of 2/7/22
- Masks removed as of 3/7/22



Summary & Next Steps

On track to complete Safety Starts with Me Training for FY2022

Continuing prevention measures to reach zero preventable injuries goal for 2025

FY2023 plan: Introducing Near Miss reporting program improvement

- Providing access to digital reporting
- Increasing communication of Near Miss reports
- Corrective Action improvement

QUESTIONS?



Regional Water Authority Board Environmental, Health & Safety Committee

Environmental Compliance Update
May 26, 2022



Donna Verdisco
CHRO & Head of Corporate Services

Amanda Schenkle
Manager, Environmental Health, Safety & Risk

AGENDA

Overview of RWAs Environmental Compliance

Significant Industrial User Permit

Beneficial Use Determination Permit

Ozone Monitoring Whitney WTP

Summary & Next steps

Overview of RWAs Environmental Compliance

Keep the company safe through strong Risk and Compliance controls

- **Chemical storage reporting** is provided to the state on a monthly basis
- **Site remediation plans** to clean up spills and remediate contaminations in the ground
- Ensure correct permitting for **wastewater discharges** and reporting to DEEP
- **Ozone notification** adhering to DEEP requirements
- Ongoing planning, testing, notification and disposal of **hazardous building materials**
- Comply with Resource Conservation and Recovery Act (RCRA) in recording **hazardous waste management**
- **Compliance with new regulations** such as DEEPs “Salt Applicator Training and Commercial Applicator Registration Program”
- Ongoing review of **RWA projects** for all environmental compliance concerns

Significant Industrial User Permit

The Significant Industrial User GP (SIU GP) authorizes discharges of metal finishing wastewater, process wastewater, or non-process wastewater to a Publicly Owned Treatment Works. CT DEEP made changes to the permitting process in 2020 which effected Gaillard Water Treatment Plant.

- Site Visits for application process completed April 2021
- Submitted permit application in May 2021
- Pending DEEP approval

Discharge updates

- Sewer flows have been increasing at Gaillard due to the conditions of the clarifiers
- Requested an increase in our sewer discharge limit from North Branford WPCA



Beneficial Use Determination Permit

Beneficial use means using a solid waste from a manufacturing process as an effective substitute for a commercial product.

- RWA has had a Beneficial Use Determination (BUD) from DEEP since 2012
- BUD allows us to distribute alum residuals to local landscapers to be blended with soil or compost as a topsoil amendment
- RWA has received tentative approval for renewal of our BUD (currently in comment period, no comments expected)
- BUD saves RWA from paying for disposal of this material which would cost over \$100,000 per year



Ozone Monitoring Whitney WTP

In March 2021, an ozone leak was detected at Whitney WTP. The leak was detected early on preventing any exposures or injuries to employees or suppliers. Corrective actions were implemented and the ozone system was returned to service on April 22, 2022.

Corrective Actions

- Adding ambient monitors and portable monitors for ozone detection
- Sealing hatches to DAF room deck
- Increasing vacuum pressure in ozone contactors (per Tighe & Bond approval)
- Rebalancing HVAC to create less pull on ozone contactors

EHS&R Actions

- Upon return to service, a small leak was detected in one of the valves and immediate repairs were made
- Portable monitors were used throughout plant in case of additional leaks
- Air Quality testing completed 5/5/22
- Safety Audit of WTP and ozone system completed 5/5/22

QUESTIONS?



**South Central Connecticut Regional Water Authority
Minutes of the April 28, 2022 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, April 28, 2022, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chairman Borowy presided.

Present: Authority – Messrs. Borowy, Curseaden, and Mss. LaMarr and Sack
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Courchaine, Donovan, Lakshminarayanan, and Singh
RPB – Mr. Slocum
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:30 p.m. He reviewed the Safety Moment distributed to members.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 2:47 p.m., the Authority reconvened.

Ms. Sack moved for approval of the following resolutions, as recommended by the Pension & Benefit Committee:

RESOLVED, that the Authority approves a contribution of \$912,974 to the South Central Connecticut Regional Water Authority’s Union Employees’ Retirement Plan, effective for the actuarial valuation of January 1, 2022; and

FURTHER RESOLVED, that the South Central Connecticut Regional Water Authority’s Union Employees’ Retirement Plan be changed from the PubG-2010 Total Employee and Annuitant with Scale MP-2020 generational improvements (M/F) to the PubG-2010 Total Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2022.

RESOLVED, that the Authority approves a contribution of \$2,264,867 to the South Central Connecticut Regional Water Authority’s Salaried Employees’ Retirement Plan, effective for the actuarial valuation of January 1, 2022; and

FURTHER RESOLVED, that the South Central Connecticut Regional Water Authority’s Salaried Employees’ Retirement Plan be changed from the PubG-2010 Above Median Employee and Annuitant with Scale MP-2020 generational improvements (M/F) to the PubG-2010 Above Median Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2022.

RESOLVED, that the Authority approves a contribution of \$1,737,894 to the South Central Connecticut Regional Water Authority’s Retired Employees’ Contributory Welfare Trust, effective for the actuarial valuation of January 1, 2022; and

FURTHER RESOLVED, that the South Central Connecticut Regional Water Authority's Retired Employees' Contributory Welfare Trust be changed from the PubG.H.-2010 Employee, Healthy Annuitant, and Contingent Survivor with Scale MP-2020 generational improvements (M/F) to the PubG.H.-2010 Employee, Healthy Annuitant, and Contingent Survivor with Scale MP-2021 generational improvements (M/F), effective as of the actuarial valuation of January 1, 2022.

RESOLVED, that the Authority approves an increase of \$1,133,903 as a combined contribution to the pension plan during fiscal year 2022.

Ms. LaMarr seconded the motion. The Chair called for the vote and the resolutions were adopted unanimously.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

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, as amended:

1. Minutes March 31, 2022 and April 13, 2022 meetings
2. Capital budget authorization for May 2022

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 \$11,000,000 for the month of May 2022 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 Fiscal Year 2022 for all Capital Improvement Projects to be exceeded.

3. Capital Budget Transfer Notifications for May 2022
4. Monthly Financial Report – March 2022
5. Accounts Receivable Update - March 2022

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Ms. Kowalski, the RWA's Vice President of Financial Reporting and Analysis, reported on a Type B3 Amendment to transfer \$510,000 from the South Sleeping Giant Wellfield Improvements project to the reserve due to the supply chain impact. This will allow the monies to be held in reserve for this project in FY 2023. Ms. Sack moved for approval of the following resolution:

RESOLVED, that the Authority approved the transfer of \$510,000 from the South Sleeping Giant Wellfield Improvements capital budget account to the overall capital budget contingency account.

Mr. Curseaden seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Ms. Verdisco, the RWA's Chief Human Resources Officer & Vice President of Corporate Services, provided an update on the status of COVID at the RWA.

Authority members discussed remote procedures and the status of call center operations.

Mr. Bingaman:

- Reported on communications with the owner of a possible acquisition related to a regional environmental laboratory. The owner has agreed to a term sheet and the RWA is working on agreements based on the outlined terms and conditions.
- Stated that he and Mr. Donovan met with two strategic consultants to discuss increasing deal flow by contacting existing companies to investigate interest in selling. Highlighted that since last month he has attended six field visits to view major project underway, which included the West River Water Treatment Plant dissolved air flotation project, the North Sleeping Giant Well Field new treatment system and well redevelopment, the installation of a 2,200 feet of water main in Milford, a water storage tank on the border of Cheshire and Wallingford and an elevator replacement project at the Lake Saltonstall Water Treatment Plant. He also joined Mr. Vitko, the RWA's Sr. Environmental Analyst, to better understand what kind of work he does and how his work protects water quality, including the work being done to keep diversions clear.
- Noted that as part of the RWA's Diversity, Equity and Inclusion program, training opportunities were initiated as part of an organization wide training program.
- Reported that six applications were submitted related to infrastructure investment for RWA's water treatment and infrastructure improvements. Up to 80% of project costs can be requested. .
- Communicated that management has been working with bond counsel and the Drinking Water State Revolving Fund on language that would allow RWA to participate in the program's interim financing, which will allow the RWA to receive money as the project progresses.
- Stated that he welcomed more than 60 utility leaders who attended the bi-annual meeting of utility leaders to advise about the public utility management degree program and improve and formalize outreach.
- Reported that next week the RWA will hold their first community meeting on the Whitney Dam project. A video presentation about the history of the dam will be shown at the meeting and the Whitney Dam video was played.

Authority members reported on recent Representative Policy Board committee meetings.

At 3:42 p.m., Mr. Slocum withdrew from the meeting.

Authority members reviewed the upcoming FY 2022/2023 capital project application schedule.

At 3:49 p.m., on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to go into executive session to discuss strategy and negotiation. Present in executive session were Authority members, Mss. Kowalski, Verdisco and Slubowski, and Messrs. Bingaman, Courchaine, Donovan, Lakshminarayanan and Singh.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 3:58 p.m., the Authority came out of executive session. Chair Borowy noted that there would be a need for a special meeting on May 16, 2022 for the Authority's regarding the Lake Whitney Dam Application. For reasons discussed in executive session, this application is following the expedited approval process.

Chair Borowy disclosed that a family member has contacted him about being hired by a company that is associated with work expected to be conducted on the Lake Whitney Dam. It is unknown whether the family member will be directly involved with the project. Authority members and management acknowledged the disclosure and found no need to investigate further.

At 4:00 p.m., on motion made by Mr. Curseaden, seconded by Ms. LaMarr, and unanimously carried, the meeting adjourned.

Respectfully submitted,

Catherine E. LaMarr, Secretary

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

MEMORANDUM

TO: David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine LaMarr
Suzanne C. Sack

FROM:  Rochelle Kowalski
Vice-President of Financial Reporting and Analysis

DATE: May 20, 2022

SUBJECT: Capital budget authorization request for June 2022

Attached for your meeting on May 26, 2022 is a copy of the resolution authorizing expenditures against the capital improvement budget for June 2022. The amount of the requested authorization, for funds held by the trustee, is \$1,950,000.

This would result in projected expenditures through June 2022 of \$1,950,000 or 3.5% of the total 2023 fiscal year capital budget, including State and Redevelopment.

Attachment

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 \$1,950,000 for the month of June 2022 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 fiscal year 2023 for all Capital Improvement Projects to be exceeded.

South Central Connecticut Regional Water Authority
 90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

TO:

David J. Borowy
 Kevin J. Curseaden
 Anthony DiSalvo
 Catherine LaMarr
 Suzanne C. Sack

FROM:

Rochelle Kowalski

DATE:

May 20, 2022

SUBJECT: Capital Budget Transfers

The status of all capital projects are reviewed on a monthly basis. In an effort to obtain efficiencies in our capital program, any anticipated unspent funds are reallocated to support reprioritized projects or existing projects. Below is a summary of the attached capital budget transfers and amendments.

	Available Funds	Reallocation of Project/Funds
Lake Gaillard Water Treatment Plant Clarifiers & Recycle Building	\$55,000	Well Rehabilitations
Good of Service Pipe	\$200,000	Sherwood Drive, North Haven, Capital Water Main Replacement
Spring Street Pump Station Replacement	\$130,000	Sherwood Drive, North Haven, Capital Water Main Replacement
Rabbit Rock Pump Station Generator Replacement	\$70,000	Water Wagon
Filter Media Replacement	\$140,000	90 Sargent Drive Building Alternatives
Lake Gaillard Raw Water Flow Control Valve Replacement	\$390,000	Contingency/Reserve
Beach Avenue ROW Capital Water Main Replacement	\$426,000	Contingency/Reserve
Lake Whitney Water Treatment Plant Partial Green Roof Replacement	\$79,000	Contingency/Reserve
Treatment Facility Roof Replacements	\$113,000	Contingency/Reserve

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/6/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	22-54	May/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-116116
Project Description:	Lake Gaillard Water Treatment Plant Clarifiers & Recycle Building Improvements
A) Original Budget	306,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	55,000
D) Revised Budget (A+/-B-C)	251,000
E) Estimated Project Costs	205,000
F) Remaining Funds Available for Transfer, if any (D-E)	46,000
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	001-000-107132-062701
Project Description:	Well Rehabilitations
A) Original Budget	230,000
B) Previous Transfers (In or Out)	108,000
C) Revised Budget (A+/-B)	338,000
D) Amount to be Transferred	55,000
E) Proposed Revised Budget (C+D)	393,000
Explanation why funds are needed: During rehabilitation work, it was found that the pumps required replacement at Seymour Well No.7 and North Cheshire Well No. 1. This amendment will fund the replacement of those pumps. Total cost associated with this work is \$55,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		5/6/22
2) Donor Vice President/Director		5/6/22
3) Vice President - Finance		5/10/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-55	May/22
Requested By:	Tom Adamo			

Transfer From:	
Account Number:	001-000-107144-51XXXX
Project Description:	Good of Service Pipe
A) Original Budget	\$ 425,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 200,000
D) Revised Budget (A+/-B-C)	\$ 225,000
E) Estimated Project Costs	\$ 215,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 10,000
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	To be Created 001-000-107143-120009
Project Description:	Sherwood Drive, North Haven 8" Capital Water Main Replacement
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ -
D) Amount to be Transferred	\$ 200,000
E) Proposed Revised Budget (C+D)	\$ 200,000
Explanation why funds are needed: Amendment 1 of 2: This amendment will initiate the replacement of 1,200 feet of 8" water main in Sherwood Drive, North Haven. This project is a planned replacement as the result of the number of breaks experienced. It is being accelerated from FY 2024 as a result of notification from the Town of North Haven of their intention to make drainage improvements and pave the road in the fall of 2023. Total estimated cost associated with this work is \$480,000. Remaining funding for the project will be obtained in FY 2024.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	5/19/22
2) Donor Vice President/Director	<i>LM</i>	5/19/22
3) Vice President - Finance	<i>White Knol</i>	5/19/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bingham</i>	5/19/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-56	May/22
Requested By:	Tom Adamo			

Transfer From:	
Account Number:	001-000-107125-150065
Project Description:	Spring Street Pump Station Replacement
A) Original Budget	\$ 305,000
B) Total Previous Transfers (In or Out)	\$ 155,000
C) This Transfer	\$ 130,000
D) Revised Budget (A+/-B-C)	\$ 20,000
E) Estimated Project Costs	\$ 5,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 15,000
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	To be Created 001-000-107143-120009
Project Description:	Sherwood Drive, North Haven 8" Capital Water Main Replacement
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ 200,000
C) Revised Budget (A+/-B)	\$ 200,000
D) Amount to be Transferred	\$ 130,000
E) Proposed Revised Budget (C+D)	\$ 330,000
Explanation why funds are needed: Amendment 2 of 2: This amendment will initiate the replacement of 1,200 feet of 8" water main in Sherwood Drive, North Haven. This project is a planned replacement as the result of the number of breaks experienced. It is being accelerated from FY 2024 as a result of notification from the Town of North Haven of their intention to make drainage improvements and pave the road in the fall of 2023. Total estimated cost associated with this work is \$480,000. Remaining funding for the project will be obtained in FY 2024.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	5/19/22
2) Donor Vice President/Director	<i>LM</i>	5/19/22
3) Vice President - Finance	<i>Polle Kim</i>	5/19/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bineman</i>	5/19/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B1	22-57	May/22
Requested By:	Jim Hill			

Transfer From:	
Account Number:	001-000-107121-040068
Project Description:	Rabbit Rock Pump Station Generator Replacement
A) Original Budget	\$ 100,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 70,000
D) Revised Budget (A+/-B-C)	\$ 30,000
E) Estimated Project Costs	\$ -
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 30,000
Explanation why funds are available: This project has been deferred pending determination of replacement generator type.	

Transfer To:	
Account Number:	001-000-107198-100436
Project Description:	Water Wagon
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ -
D) Amount to be Transferred	\$ 70,000
E) Proposed Revised Budget (C+D)	\$ 70,000
Explanation why funds are needed: This amendment will fund the replacement of the existing water wagon, and the purchase of an additional unit. The existing water wagon was originally purchased in 2015, and is currently unusable as a result of corrosion issues inside the tank, which results in water quality degradation. Total cost for the two units is estimated at \$70,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>James Courchane</i>	5/19/22
2) Donor Vice President/Director	<i>James Courchane</i>	5/19/22
3) Vice President - Finance	<i>Halley F</i>	5/19/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-58	May/22
Requested By:	Sunny Lakshminarayanan			

Transfer From:	
Account Number:	001-000-107132-116080
Project Description:	Filter Media Replacement
A) Original Budget	\$ 500,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 140,000
D) Revised Budget (A+/-B-C)	\$ 360,000
E) Estimated Project Costs	\$ 310,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 50,000
Explanation why funds are available: Project work for FY 2023 will complete under budget.	

Transfer To:	
Account Number:	001-000-107190-100093
Project Description:	90 Sargent Drive Building Alternatives
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ -
D) Amount to be Transferred	\$ 140,000
E) Proposed Revised Budget (C+D)	\$ 140,000
Explanation why funds are needed: This amendment is to fund expenditures associated with project development incurred in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		5/19/22
2) Donor Vice President/Director		5/19/22
3) Vice President - Finance		5/19/22
4) Executive Vice President & Chief Operating Officer		5/19/2022
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-59	May/22
Requested By:	Sunny Lakshminarayanan			

Transfer From:	
Account Number:	001-000-107132-116120
Project Description:	Lake Gaillard Water Treatment Plant Raw Water Flow Control Valve Replacement
A) Original Budget	\$ 700,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 390,000
D) Revised Budget (A+/-B-C)	\$ 310,000
E) Estimated Project Costs	\$ 310,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ -
Explanation why funds are available: Supply chain issues due to the pandemic have caused severely extended lead times for equipment. As a result, planned project expenditures for FY 2022 will be significantly under budget. The project will now continue into FY 2023.	

Transfer To:	
Account Number:	
Project Description:	Contingency
A) Original Budget	\$ 500,000
B) Previous Transfers (In or Out)	\$ 8,007,000
C) Revised Budget (A+/-B)	\$ 8,507,000
D) Amount to be Transferred	\$ 390,000
E) Proposed Revised Budget (C+D)	\$ 8,897,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the Lake Gaillard Water Treatment Plant Raw Water Flow Control Valve Replacement project, and will be transferred into the project account in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	5/19/22
2) Donor Vice President/Director	<i>LM</i>	5/19/22
3) Vice President - Finance	<i>Freddie Beale</i>	5/19/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Engeman</i>	5/19/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-60	May/22
Requested By:	Sunny Lakshminarayanan			

Transfer From:	
Account Number:	001-000-107143-040007
Project Description:	Beach Avenue ROW, East Haven, Capital Water Main Replacement
A) Original Budget	\$ -
B) Total Previous Transfers (In or Out)	\$ 430,000
C) This Transfer	\$ 426,000
D) Revised Budget (A+/-B-C)	\$ 4,000
E) Estimated Project Costs	\$ 4,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ -
Explanation why funds are available: This project has been delayed due to permitting delays on the project. Permits are expected to be received in FY 2024.	

Transfer To:	
Account Number:	
Project Description:	Contingency
A) Original Budget	\$ 500,000
B) Previous Transfers (In or Out)	\$ 8,397,000
C) Revised Budget (A+/-B)	\$ 8,897,000
D) Amount to be Transferred	\$ 426,000
E) Proposed Revised Budget (C+D)	\$ 9,323,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the Beach Avenue ROW, East Haven, capital water main replacement project, and will be transferred into the project account in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>L.M.</i>	5/19/22
2) Donor Vice President/Director	<i>L.M.</i>	5/19/22
3) Vice President - Finance	<i>Fuller</i>	5/19/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	DocuSigned by: <i>Larry Piusaman</i>	5/19/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B1	22-61	May/22
Requested By:	Jim Courchaine			

Transfer From:	
Account Number:	001-000-107132-066021
Project Description:	Lake Whitney Water Treatment Plant Partial Green Roof Replacement
A) Original Budget	\$ -
B) Total Previous Transfers (In or Out)	\$ 108,000
C) This Transfer	\$ 79,000
D) Revised Budget (A+/-B-C)	\$ 29,000
E) Estimated Project Costs	\$ 29,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ -
Explanation why funds are available: Supply chain issues due to the pandemic have caused severely extended lead times for materials. As a result, planned project expenditures for FY 2022 will be significantly under budget. The project will now continue into FY 2023.	

Transfer To:	
Account Number:	
Project Description:	Contingency
A) Original Budget	\$ 500,000
B) Previous Transfers (In or Out)	\$ 8,823,000
C) Revised Budget (A+/-B)	\$ 9,323,000
D) Amount to be Transferred	\$ 79,000
E) Proposed Revised Budget (C+D)	\$ 9,402,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the Lake Whitney Water Treatment Plant Partial Green Roof Replacement project, and will be transferred into the project account in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>James Courchaine</i>	5/19/22
2) Donor Vice President/Director	<i>James Courchaine</i>	5/19/22
3) Vice President - Finance	<i>Michelle Fren</i>	5/19/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	5/18/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B2	22-62	May/22
Requested By:	Jim Courchaine			

Transfer From:	
Account Number:	001-000-107190-030025
Project Description:	Treatment Facility Roof Replacements
A) Original Budget	\$ 75,000
B) Total Previous Transfers (In or Out)	\$ 188,000
C) This Transfer	\$ 113,000
D) Revised Budget (A+/-B-C)	\$ 150,000
E) Estimated Project Costs	\$ 150,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ -
Explanation why funds are available: Supply chain issues due to the pandemic have caused severely extended lead times for materials. As a result, planned project expenditures for FY 2022 will be significantly under budget. The project will now continue into FY 2023.	

Transfer To:	
Account Number:	
Project Description:	Contingency
A) Original Budget	\$ 500,000
B) Previous Transfers (In or Out)	\$ 8,902,000
C) Revised Budget (A+/-B)	\$ 9,402,000
D) Amount to be Transferred	\$ 113,000
E) Proposed Revised Budget (C+D)	\$ 9,515,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the Treatment Facility Roof Replacements project, and will be transferred into the project account in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>James Courchaine</i>	5/19/22
2) Donor Vice President/Director	<i>James Courchaine</i>	5/19/22
3) Vice President - Finance	<i>John F. ...</i>	5/19/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bingham</i>	5/19/2022
6) Authority Members	Copy of minutes attached if required	

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

To: David J. Borowy
Kevin J. Curseaden
Anthony DiSalvo
Catherine E LaMarr
Suzanne C. Sack

From:  Rochelle Kowalski
Vice President Financial Reporting & Analysis

Date: May 20, 2022

Subject: Exemption from Public Bidding

Attached are requests for the approval of exemptions from the public bidding requirement of Section 16 of Special Act No. 77-98 as amended.

- Programmable Logic Controllers
- John Deere Equipment
- Variable Frequency Drives
- Pick Up of Patch, Sand, Gravel, Stone and Topsoil
- Polymers
- Fire Hydrants
- GHP Media Inc.
- Cla-Val Hydraulic Control Valves
- Associated Electro-Mechanics (AEM)
- Val Matic Air and Water Valves
- Johnson Controls HVAC Software and Hardware
- Charter Oak Enterprises
- Ductile Iron Pipe
- WellJet
- F.J. Dahill

Attachments

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

PROGRAMMABLE LOGIC CONTROLLERS

AS REQUESTED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract. (Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

This is for a request for exemption from competitive bidding for the purchase of programmable logic controllers (PLC) for FY 2023.

REASON FOR REQUEST

PLC equipment from different manufacturers is not interchangeable and requires different programming software and interfaces in order to communicate with each other. To improve efficiency, limit training and spare parts inventory the Authority has standardized on PLC's manufactured by the Allen-Bradley Company. As a result of our commitment to this vendor and our local distributor, Hartford Electric Supply Company (HESCO) we have received pricing that is very competitive with other manufacturers of programmable logic controllers along with unlimited technical support. HESCO is the only authorized Allen-Bradley supplier in Connecticut.

SUMMARY

The result of this exemption would benefit the Authority by reduced capital and operating costs thorough the continued standardization of PLC equipment.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

JOHN DEERE EQUIPMENT

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This is a continued request in effect since 2005 for an exemption from competitive bidding for the purchase of John Deere equipment for FY 2023

HISTORY OF EQUIPMENT PURCHASES

Since formation of the South Central Connecticut Regional Water Authority the SCCRWA purchased its construction and lake equipment through the public bidding process. During that time, the primary equipment bidders were John Deere, Volvo and JCB.

REASON FOR REQUEST

In recent years it has become increasingly difficult to obtain multiple bids for equipment. This is because many construction equipment businesses have either downsized or moved their operations out of state. The two manufacturers used in recent years are John Deere and Volvo/JCB. Tyler Equipment (Volvo/JCB) has restructured its organization and as a result has moved its repair facility out of state. Other equipment manufacturers have not been competitive and for a number of years their vendors have not bid on SCCRWA equipment.

Due to the fact that Clark has consistently been the low bidder and with the move out of state of Tyler Equipment, 95% of SCCRWA equipment is presently John Deere. As a result, it seems logical and cost effective to standardize on one manufacturer. All John Deere equipment can be purchased under the State bid and this would be the procurement method in FY 2023 if this exemption is approved. John Deere supplies training for SCCRWA mechanics and due to the mechanics' familiarity with the equipment there are both reduced labor costs and a proven history of low downtime of equipment for repairs.

Finally, John Deere equipment stands out in terms of its safety features. All John Deere equipment is set up ergonomically, and all of their machines operate with the same style equipment operators control/joy sticks. Due to standardization on one type of equipment, moreover, employees have the benefit of the continued experience of operating the same types of equipment, controls, buckets, and attachments. This familiarity helps to create a safer working environment.

SUMMARY

A bid exemption for John Deere equipment would enable the SCCRWA to continue the trend of standardizing on John Deere equipment for the reasons noted above.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

VARIABLE FREQUENCY DRIVES

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for the purchase of variable frequency drives (VFD) for the fiscal year 2023.

REASON FOR REQUEST

The Authority has been upgrading pumping facilities, utilizing variable frequency drives with check valves instead of traditional starters and electric control valves. This modernization minimizes the risk of damaging hydraulic surges during the starting and stopping of pumps. Variable frequency drives also reduce electrical and mechanical stresses placed on equipment, reduce maintenance requirements and provide improved pumping output control. Variable frequency drives, as manufactured by Allen-Bradley, a world wide leader in the manufacture of VFD's, have been used exclusively over the previous fifteen years pumping control upgrades. The Allen-Bradley VFD's, regardless of their size, utilize the same operating devices which are programmed in similar fashion. This uniformity reduces training requirements, making troubleshooting problems standard. The cost of this variable frequency drive is competitive to that of other manufactures. Our local distributor, Hartford Electric Supply Company (HESCO) is the only Allen-Bradley supplier in Connecticut and has provided favorable pricing over the years. Additionally their technical support has been excellent.

SUMMARY

The results of this exemption would benefit the Authority by reduced capital and operating costs through the standardization of equipment.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

PICK UP OF PATCH, GRAVEL AND STONE

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract. (Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for the purchase of hot and cold patch, gravel, stone and processed aggregate necessary for maintenance and construction of the Authority's distribution system and sources of supply for Fiscal Year 2023.

REASON FOR REQUEST

In the course of its daily business, the SCCRWA performs excavation work in a variety of locations within the twenty towns comprising the Regional Water District. This work consists of repairing, maintaining, installing and reconstructing water mains, water services, fire hydrants and other distribution appurtenances as well as other excavation work at our sources of supply. The nature of the work requires use of a variety of materials to backfill excavations and restore suitable surfaces.

Prices of a variety of vendors for these materials have been compared to insure that the Authority is paying a fair price. Although there is a difference in price between materials from different vendor sites, it has remained fairly constant over the years and is dependent upon how far the material is transported to the vendors stockpile site. The major suppliers of the aforementioned material are located throughout the District. Processed aggregate is a product that is presently available from five vendors within the district. The Authority uses processed aggregate whenever possible on projects requiring the backfilling of an excavation.

At a rate of approximately \$129.61 an hour for the Authority's dump truck and driver, it would not be practical or cost effective to limit the Authority to one vendor.

SUMMARY

The result of this exemption would benefit the Authority, its customers and its contributory developers and contractors by reduced capital, operating and reimbursable costs through reducing the time and expense required to pick up these materials from a single vendor.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

POLYMERS

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO.77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

Management requests an exemption from competitive bidding for the purchase of polymers (polyelectrolytes) for the West River Water Treatment Plant (WTP), Lake Gaillard WTP, Lake Saltonstall WTP and Lake Whitney WTP for the fiscal year 2023.

REASON FOR REQUEST

The four WTPs utilize polymer in the water treatment process as either a coagulant aid, filter aid or floc settling aid. The polymers improve turbidity and organics removal, while reducing the production of alum residuals. In addition, polymers are also applied to our WTP residuals in order to thicken the solids. Numerous polymers are available for water treatment, however, due to the many variations in chemical composition and proprietary blends, only specific polymers react as desired in a given water supply. Only through extensive laboratory, pilot scale and full-scale in-plant testing can the effectiveness of the specific polymers be evaluated. The latest full-scale pilot study RWA performed cost in excess of \$180,000.00.

Treatment Staff continue ongoing evaluations of polymers that have led to several changes in the manufacturer's used at our various WTPs. These changes have provided improvements in the quality of water produced while controlling chemical cost.

Future evaluations are anticipated as different polymer blends become available. Since Polymers are proprietary, competitive bidding on an exact product equivalent comparison is not possible. In addition, providing the highest water quality can require a product that has a higher price/lb. The bid exemption will give RWA the flexibility to test and pilot new products as they become available and change products seasonally if needed to maintain adequate water quality while controlling cost.

Projected Polymer Costs for FY2023:

All Treatment Facilities

\$537,000.00

SUMMARY

Management recommends that purchases of polymers be negotiated directly with the suppliers of products that have been proven effective based upon pilot tests or full-scale in-plant use tests for our specific applications.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

FIRE HYDRANTS

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

We currently have an agreement with Ferguson Water Works for fiscal year 2022. The purpose for this request is to continue the exemption through fiscal year 2023.

REASON FOR REQUEST

The Authority maintains fire hydrants in seven municipalities. The remaining municipalities own and maintain their own fire hydrants. The Authority installs and replaces hydrants in all the communities in our service territory.

The standardization of one style fire hydrant within the Authority's service territory results in the reduction of the number of parts required in inventory as well as reducing training and maintenance costs. The cost of this hydrant is competitive to that of other manufacturers

Throughout its history, the Regional Water Authority, (previously the New Haven Water Company) standardized the purchase of fire hydrants through one manufacturer. Over the previous 70 years the Manufacturer has changed only two times, once in 1960, due to a business failure and in 1997 due to product discontinuation.

The Metropolitan 250 fire hydrant, manufactured by the U. S. Pipe & Foundry Company and is now owned by the Mueller Company, was the standard selected in 1997 and remains the hydrant of choice today. Since 2012, hydrants have been purchased through an existing materials agreement that is with the Ferguson Water Works Company.

Fire Hydrants
Exemption Request

Since 2012 we have been able to maintain the same pricing on our hydrant stock. Ferguson Water Works has agreed to hold pricing through FY23. Bidding this out would give the Distributors the opportunity to increase their price and delay the deliveries due to market conditions and long lead times.

The value of fire hydrants purchased for fiscal year 2022 will be approximately \$275,000. In fiscal year 2023 we anticipate hydrant purchases to increase as a result of the City of New Haven implementing a hydrant repair and replace program.

SUMMARY

This exemption, through the continued standardization on one fire hydrant will benefit the Authority by reducing our inventory and, capital and operating costs.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

GHP Media, Inc.

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This is an FY2023 request for an exemption from competitive bidding for the purchase of printing and mailing from West Haven-based GHP Media, Inc. In FY2021, Harty Integrated Solutions, which had been the printing and mailing vendor used by the Communications and Outreach Department, merged with GHP Media, Inc. After this merger, the RWA continued to receive the same pricing and high level of quality and service from GHP that we relied on from Harty.

HISTORY OF EQUIPMENT PURCHASES

For several years, printing was acquired through the public quote process. As we are printing more collateral, the amount of printing has risen to the public bid process. When seeking quotes for individual print jobs, GHP Media, Inc. has consistently come in as the lowest.

REASON FOR REQUEST

There are six chief reasons why Communications and Outreach would like an exemption to the public bid process:

1. GHP works very closely with our primary graphic designer, Paul Kazmercyk, making the process of design to print seamless. This is especially important when collateral needs to be mailed. As a printer and mailing house, GHP helps our designer create pieces that keep the cost of mailing as low as possible for both corporate and PipeSafe work.
2. GHP knows our strict requirements for sourcing sustainable paper for the many different projects we print, and can order in bulk, thus saving money, rather than having to purchase paper for each

project as it comes up.

3. When we put out projects for quotes, GHP consistently comes in with the lowest cost except when a new company takes a loss to get our business. That usually results in an inferior product and a lot more work for us as we have to work through a learning curve and other issues.
4. GHP is able to meet strict deadlines that are sometimes unavoidably tight. Their turnaround on projects is very fast, and the quality does not suffer when we need to get something out in a relatively short period of time.
5. During the COVID-19 crisis, GHP was on call for the RWA and worked with us as an essential business to ensure business continuity and the printing of our consumer billing newsletters and the distribution of regularly scheduled PipeSafe mailings.
6. As the RWA Comms team has experienced personnel changes, GHP has been helpful, patient, and conscientious in guiding our new Director and Sr. Comms Specialist through established processes and deadlines.

SUMMARY

A bid exemption for GHP Media, Inc. would enable the RWA to continue to save some money by having paper for printing centrally purchased in bulk and provide the Communications and Outreach department with the knowledge and comfort that we can maintain meeting tight deadlines in printing and mailing.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

CLA-VAL HYDRAULIC CONTROL VALVES

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract. (Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for the purchase of Hydraulic Control Valves for FY 2023.

REASON FOR REQUEST

The Authority has been replacing control valves in key areas for many years now, utilizing diaphragm designed valves increases durability, longevity, and accuracy. Standardizing on a single proven manufacturer such as Cla-Val allows us to reduce the inventory of replacement parts and improve the response time for repairs. The unique design of the valve allows for much smoother operation reducing pressure spikes and increasing the responsiveness of the valve. All Cla-Val basic valves are identical in design with only one moving part, the diaphragm, this advantage to a traditional hydraulic control valve that has many and some very heavy moving parts that tend to wear out more frequently hence making repairs more difficult and expensive.. Additionally their technical support is local and always has been excellent.

SUMMARY

The results of this exemption would benefit the Authority by reduced capital and operating costs through the standardization of equipment.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

Associated Electro-Mechanics (AEM)

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for the purchase or repairs of pumps, motors, and appurtenances from Associated Electro-Mechanics (AEM) for FY 2023.

REASON FOR REQUEST

The Authority uses AEM for pump and motor repairs and replacement for pump stations and water treatment facilities. When these services were previously bid, AEM was the sole bidder. They are the only local (Springfield, MA) service shop is able to provide factory certification of repairs by the manufacturers; emergency services; and full-service rigging, installation, laser-aligning, master electrical troubleshooting, and recondition/repair. AEM is ISO9001 compliant and adheres to the highest safety standards including OSHA 10 & 30 Hour and UL. Additionally, their services are available 24/7 which is very important during emergency situations.

SUMMARY

The results of this exemption would benefit the Authority by increasing ability to more quickly repair critical mechanical and electrical water system infrastructure.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

VAL MATIC Air and Water Valves

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for the purchase of Val Matic brand valves for the fiscal year 2023.

REASON FOR REQUEST

The Authority has been specifying and purchasing Val Matic brand valves for many years and we have these valves in all of our Treatment Plants and Pump Stations. The Val Matic Company has been in business for over fifty years and is the leading supplier of air release valves in North America. While the RWA has received many years of reliable service from these products, we do occasionally need to purchase repair parts or complete new valves. The local distributor for Val Matic is A & N Valves and Controls, in New Windsor, New York. They have provided reliable service and technical support.

SUMMARY

The results of this exemption would benefit the Authority by reduced capital and operating costs through the standardization of equipment.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR
JOHNSON CONTROLS HVAC SOFTWARE AND HARDWARE
AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract. (Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for the purchase of Johnson Controls HVAC Software and Hardware (Systems) for FY 2023.

REASON FOR REQUEST

The Authority has Johnson Control Systems for HVAC installed in all our buildings and Treatment Plants with the exception of the Lake Whitney Treatment Plant which is run by a Siemens system (which will be converted to Johnson Controls). Standardizing on a single proven manufacturer such as Johnson Controls allows us to reduce the inventory of replacement parts and improve the response time for repairs. Most of the existing software and equipment has been in place for many years and has reached the end of its useful life. By standardizing on Johnson Controls much of the existing hardware can be reused thus reducing costs and time, as opposed replacing every component in the buildings. Additionally their technical support is local and always has been excellent.

SUMMARY

The results of this exemption would benefit the Authority by reduced capital and operating costs through the standardization of equipment.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

Charter Oak Enterprises LLC

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for land management work including land clearing and grading, tree/brush/invasive plant removals, and mowing woods road sides from Charter Oak Enterprises LLC for FY 2023.

REASON FOR REQUEST

The Authority uses Charter Oak primarily for vegetation management across its properties. This includes work on the watersheds to remove hazardous trees, invasive plants, and vegetative overgrowth. It also includes nuisance vegetation at facilities such as dams, water treatment plants, pump stations, and tanks. When these services were previously bid, only two companies submitted bids - a firm from Massachusetts and Charter Oak. The Massachusetts firm backed out of the bid immediately once they saw the actual logistics needed to address our jobs. That left Charter Oak as the only, and lowest, bidder. Charter Oak has been very responsive to Authority requests for service and adheres to the highest safety standards. Additionally, their services are available 24/7 which is very important during emergency situations. Charter Oak has recently applied for a Small Business Enterprise (SBE) certification from the State of Connecticut. The work they have performed on the watersheds has been of the highest caliber. They have consistently protected and improved the public water supply.

SUMMARY

The results of this exemption would benefit the Authority by improving the management of land from remote watershed areas to facilities critical to the treatment and distribution of our water.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

Ductile Iron Pipe

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for the purchase of Ductile Iron Pipe for the FY 2023. Our current agreement is with Ferguson Water Works through December 31, 2022. The purpose for this request is to exempt the purchase of Ductile Iron Pipe in order to mitigate industry price increases and lengthy lead times.

REASON FOR REQUEST

The Authority has entered into agreements in the past for Ductile Iron Pipe through our public bidding process. Our current agreement has fixed pricing through calendar year end 2022. Large price increase and long lead times for product has created a shortage of product in the market. Working under an existing fixed pricing contract and advanced procurement of product has had minimal effect on the Regional Water Authority.

In order to minimize price increases and ensure product availability for FY 2023, the Regional Water Authority must have options to procure ductile iron pipe from other sources upon availability without the delay of following the public bidding process.

Back in 2018 we strategically bid out our ductile iron pipe in which we received a bid from McWane Pipe that was 12% lower than the other two Manufacturer's. We negotiated the extension of this price in 2019 that would take us through 3/31/2020. As a result of this agreement the RWA had positioned itself with pricing that was 12% lower than the other Water Utilities in Connecticut and possibly the lowest price at that time.

The McWane Pipe Company implemented a plan to bring our pricing back in line in Connecticut and then promote a significant price increase in the market. There are only three Pipe Manufacturers in the United

States, McWane Pipe Company, who is are current Pipe Manufacturer, and the other two Pipe Manufacturer's, U.S. Pipe and American Pipe. With the other two Pipe Manufacturer's not wavering on their pricing, the increases that had been implemented have held firm.

To mitigate these increases, we have implemented a strategic plan for stocking additional pipe in our Stockyard. As a result, we have positioned ourselves to minimize market increases for FY22 Capital projects. Lead times from the Pipe Manufacturer's are now one year out from time of order. In order to provide pipe for FY23 & FY24, pipe orders and delivery times must be negotiated in FY23. The RWA must have the ability to negotiate pipe from other sources in order to meet capital program requirements for FY23 and FY24.

In order to implement additional savings we would like to avoid the bid process at this time and negotiate pricing directly with the Distributor's for each project or until we feel the market has softened so we can publically bid the pipe out.

SUMMARY

This exemption, would enable the Authority to negotiate directly with Distributor's to strategically offset the market price increases.

Prepared by: Peter Bocciarelli
Director of Purchasing

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

Groundwater Well Redevelopment Technology - WellJet

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO.77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

Management requests an exemption from bidding for the use of WellJet high pressure well redevelopment services for groundwater well redevelopment for the fiscal year 2023.

REASON FOR REQUEST

RWA has been maintaining our wells and using traditional industry standard methods for redevelopment. As RWA's wells age, they have been losing capacity, even with maintenance and periodic redevelopment. The capacity of any given well exponentially decreases over time, therefore it is important to perform routine preventative maintenance. We have replaced North Sleeping Giant Well #1 and North Sleeping Giant Well #2N because of the loss of production capacity (specific capacity) and they are at the end of their useful life. WellJet's proprietary high pressure redevelopment technology is a new process that does not use chemicals for redevelopment but jets of high pressure water (1,000 to 20,000 psi). In support of our vision to be an innovative environmental services organization we would like to pilot this new technology on up to three (3) wells that are at the end of their use full life. The high pressure jetting has the potential to return production capacity to levels near or above the original capacity. This will help extend the useful life of our groundwater sources by extending the timeline between well replacements and reducing life cycle cost. The project will be completed under an existing contract, using WellJet as a subcontractor.

Projected cost for the redevelopment of three of RWA's wells using WellJet's technology in FY2023:

\$220,000.00

SUMMARY

Management recommends that we enter into contract for the Well Rehabilitation project with WellJet, the source for high pressure jetting redevelopment technology for \$220,000.00.

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR

MILL ROCK BASINS ENCLOSURE REPAIRS

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

MAY 2022

SPECIFIC STATUTORY PROVISIONS

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REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for repairs required for the Mill Rock Basins enclosures. The Authority relies on the storage capacity of the Mill Rock Basins to provide pressure equalization, fire protection and reserve storage for the New Haven Service Area. The existing enclosures over the basins were installed in 1988 to protect the water in these 7.6 million gallon potable water storage basins (3.8 million gallons of usable storage). Since that time, repairs are needed to make the enclosures more water tight and to continue to protect the potable water stored there. In its 2021 Sanitary Survey, the State of Connecticut Department of Public Health (CTDPH) noted certain deficiencies with the enclosures, and has requested the Authority take measures to make improvements. The Authority then hired Tata & Howard consulting engineers to perform an evaluation of the enclosure. This project is to address the repairs that have been identified, including sealing and coating portions of the enclosure roof, and install flashing at the base of the enclosure walls to direct rain water away from the base of the enclosure and the basins. This request is to use the services of F.J. Dahill, a local contractor who has previously worked on the enclosures, to make the repairs. The cost of the project is estimated to be approximately \$125,000.

REASON FOR REQUEST

The Authority wishes to ensure the basins remain protected with the existing enclosure, and wishes to address the related outstanding notifications from the CTDPH in a timely fashion. F.J. Dahill is local, a proven contractor who has worked on the existing enclosures in the past, is

knowledgeable of the site, and is able for these reasons to respond in a timely fashion to make the repairs that have been identified as necessary.

SUMMARY

The result of this exemption would benefit the Authority by responding in a timely manner to the needs at the Mill Rock Basin site, and meet the requirements of the CTDPH.

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
Apr 30, 2022 (FY 2022)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY22 revenue for water, including wholesale and fire service, is over budget by \$2,279k (approx. 2.1%).
 Metered water revenue is over budget by \$1,881k (approx. 2.0%). The fiscal 2022 budget does not reflect the January rate increase.

Total net other revenue is \$558k under budget primarily due to other water field collection charges and other water and other proprietary expenses.

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.	\$ (926,000)
Employee Benefits are under budget primarily due to lower medical and dental expense, payroll tax, and 401k.	(888,000)
General & Admin is under budget primarily due to the reclassification of computer purchases from expense to capital.	(117,000)
Transportation is under budget primarily due to insurance and diesel fuel.	(71,000)
Utilities & Fuel is over budget primarily related to telecommunication services.	88,000
Material From Inventory is under budget due to lower than anticipated costs.	(151,000)
Pump Power is under budget primarily due to lower than anticipated costs.	(261,000)
Chemicals Expense is over budget primarily due to price increases.	90,000
Road Repairs are over budget due to higher than anticipated costs.	130,000
Collection Expense is under budget due to lower year-to-date collections related expenses and affordability fund contributions.	(330,000)
Public/Customer Information is under budget primarily due to lower than anticipated expenditures in advertising and consumer affairs.	(238,000)
Outside Services are under budget in multiple areas.	(443,000)
Insurance is over budget due to premiums and timing.	116,000
Training and continued education is under budget across multiple areas.	(104,000)
RPB Fees are under budget due to lower than anticipated consulting and meeting fees.	(68,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services.	(290,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to timing in system software maintenance and upgrades.	(156,000)
Maintenance & Repairs are under budget primarily in the areas of dam repair, pipe bridge maintenance, and pump and valve repair.	(366,000)
All Other	(105,000)
	<u>\$ (4,090,000)</u>

Interest Income

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

PROJECTED MAINTENANCE TEST

The projected coverage is 1.29 with no shortfall. The budgeted shortfall is \$922k.

**REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING APR 30, 2022**

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	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 98,376	\$ 95,434	\$ 97,315	\$ 1,881
Fire service	11,141	11,182	11,476	295
Wholesale	708	701	804	104
Other revenue - water	3,064	3,396	3,344	(52)
Other revenue - proprietary	8,929	8,786	8,850	64
Total operating revenues	<u>122,217</u>	<u>119,498</u>	<u>121,790</u>	<u>2,291</u>
Operating expenses				
Operating and maintenance expense	49,964	54,663	50,573	(4,090)
Expense associated with other revenue - water	1,556	1,798	1,875	77
Expense associated with other revenue - proprietary	3,592	3,494	3,989	495
Provision for uncollectible accounts	905	871	367	(504)
Depreciation	23,104	22,550	22,551	1
Payment in lieu of taxes	7,827	8,205	7,858	(346)
Amortization Pension Outflows/Inflows	1,526	794	480	(314)
Amortization OPEB Outflows/Inflows	(500)	(574)	(574)	(0)
Total operating expenses	<u>87,973</u>	<u>91,800</u>	<u>87,119</u>	<u>(4,682)</u>
Operating income	<u>34,244</u>	<u>27,698</u>	<u>34,671</u>	<u>6,974</u>
Nonoperating income and (expense)				
Interest income	249	1,825	1,382	(442)
(Loss) Gain on disposal of assets	(303)		(1,642)	(1,642)
Realized and unrealized (losses) gains on investments			-	-
Interest expense	(20,402)	(19,783)	(20,334)	(551)
Amortization of bond discount, premium, issuance cost and deferred losses		2,236	2,346	110
Intergovernmental revenue	2,441		-	-
Contributions to related entities	825		(950)	(950)
Total nonoperating income and (expense) before capital contributions	<u>(17,190)</u>	<u>(15,722)</u>	<u>(19,197)</u>	<u>(3,475)</u>
Income (expense) before contributions	<u>17,054</u>	<u>\$ 11,976</u>	<u>15,474</u>	<u>\$ 3,499</u>
Capital contributions				
Change in net assets	1,693		1,154	
Total net assets - beginning of fiscal year	211,589		236,696	
Total net assets - end of reporting month	<u>\$ 230,336</u>		<u>\$ 253,323</u>	

	Budget FY 2022 @114%	Projected FY 2022 @114%	(Under)Over FY 2022 @114%
FY 2022 MAINTENANCE TEST (Budget vs. Projected)			
Revenue Collected:			
Water sales	116,629	124,091	\$ 7,462
Interest Income	150	150	-
BABs Subsidy	657	657	-
Other Net	7,154	6,493	(661)
Common Non-Core	(250)	(300)	(50)
Total	<u>124,340</u>	<u>131,091</u>	<u>6,751</u>
Less:			
Operating and maintenance expenses	(59,741)	(59,590)	151
Common Non-Core	-	-	-
Depreciation	(6,500)	(6,917)	(417)
PILOT (A)	(8,950)	(8,575)	375
Net Avail for Debt Service (B)	<u>\$ 49,149</u>	<u>\$ 56,009</u>	<u>\$ 6,860</u>
Debt Service Payments (C)	<u>\$ 43,922</u>	<u>43,474</u>	<u>\$ (448)</u>
Debt Service @ 114% (D)	<u>\$ 50,071</u>	<u>49,560</u>	<u>\$ (511)</u>
Difference (B-D)	<u>\$ (922)</u>	<u>\$ 6,449</u>	
RSF, Growth and/or General Fund (D)	922		
Coverage	<u>114%</u>	<u>129%</u>	

**REGIONAL WATER AUTHORITY
OPERATING AND MAINTENANCE EXPENSE
APR 30, 2022**

Pg 3

PERIOD ENDING APR 30, 2022

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	(Under) Over
1 Payroll	\$ 20,273	\$ 21,561	\$ 20,635	\$ (926)
2 Employee Benefits	6,600	7,328	6,440	(888)
Pension Contributions	3,325	2,477	2,477	0
3 Administrative Building	978	859	908	49
4 General & Administrative	1,194	1,390	1,273	(117)
5 Transportation	619	664	593	(71)
6 Tools & Stores	300	273	284	11
7 Utilities & Fuel	1,356	1,298	1,387	88
8 Material From Inventory	207	348	197	(151)
9 Pump Power Purchased	2,620	2,800	2,539	(261)
10 Chemicals	1,688	1,814	1,904	90
11 Road Repairs	88	145	275	130
14 Postage	194	370	345	(26)
15 Printing & Forms	64	73	48	(25)
17 Collection Expense	524	1,023	694	(330)
18 Business Improvement	155	114	148	35
19 Public/Customer Information	202	392	154	(238)
20 Outside Services	2,190	3,341	2,898	(443)
21 Insurance Premiums	1,413	1,502	1,618	116
22 Worker's Compensation, pre-Churchill	14	42	19	(23)
23 Damages	67	60	34	(26)
24 Training & Cont. Education	106	233	129	(104)
25 Authority Fees	121	143	125	(18)
26 Consumer Counsel	24	55	25	(30)
27 RPB Fees	91	155	87	(68)
28 Organizational Dues	78	99	112	13
29 Donations	23	33	7	(26)
34 Central Lab/Water Quality	318	404	114	(290)
40 Environmental Affairs	102	101	61	(40)
44 Info. Technology Licensing & Maintenance Fees	1,913	2,248	2,092	(156)
45 Maintenance and Repairs	2,729	2,931	2,565	(366)
46 Regulatory Asset Amortization	386	387	388	1
	<u>\$ 49,964</u>	<u>\$ 54,663</u>	<u>\$ 50,573</u>	<u>\$ (4,090)</u>

South Central Regional Water Authority

Analysis of Accounts Receivable ("A/R")

(\$000 omitted)

Denotes City of New Haven Invoicing

Total Accounts Receivable Aging (in days)

	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021	April 2021
Under 30	\$ 6,441	\$ 4,820	\$ 6,617	\$ 10,706	\$ 6,974	\$ 8,276	\$ 7,638	\$ 8,164	\$ 6,789	\$ 8,080	\$ 6,782	\$ 5,664	\$ 6,227
31-60	1,493	1,855	3,164	2,930	3,312	2,042	2,743	1,990	2,081	2,546	1,548	1,987	2,185
61-90	1,002	1,573	1,501	919	1,093	1,436	686	842	1,465	887	966	1,344	891
91-180	1,965	1,756	1,589	1,561	1,652	1,775	1,881	1,946	1,705	2,023	2,095	2,063	2,016
181-360	1,644	1,918	1,891	2,179	2,145	2,071	2,120	2,149	2,212	2,284	2,404	2,197	2,331
More than 1 year	5,311	5,368	5,217	5,255	5,238	5,111	5,341	5,388	5,134	5,150	5,102	4,964	4,998
Sub Total	17,856	17,290	19,979	23,550	20,414	20,711	20,409	20,479	19,386	20,970	18,897	18,219	18,648
Interest due	1,430	1,433	1,388	1,337	1,224	1,112	1,014	1,026	1,055	1,067	1,088	1,130	1,171
Total Gross A/R plus interest	\$ 19,286	\$ 18,723	\$ 21,367	\$ 24,887	\$ 21,638	\$ 21,823	\$ 21,423	\$ 21,505	\$ 20,441	\$ 22,037	\$ 19,985	\$ 19,349	\$ 19,819

Aged Accounts Receivable Focus of Collection Efforts

	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021	April 2021
Greater than 60 days:													
A/R	\$ 11,067	\$ 11,724	\$ 11,281	\$ 10,927	\$ 11,093	\$ 11,360	\$ 11,012	\$ 11,334	\$ 11,554	\$ 11,393	\$ 11,640	\$ 11,683	\$ 11,386
Less: Multi-Tenants	(2,694)	(2,640)	(3,052)	(2,799)	(2,981)	(3,104)	(2,569)	(2,831)	(2,941)	(2,765)	(3,095)	(3,124)	(2,641)
Receiverships	(1,704)	(1,983)	(1,992)	(2,029)	(1,995)	(1,971)	(1,985)	(2,008)	(1,961)	(2,125)	(1,966)	(1,995)	(2,048)
Liens	(2,545)	(2,469)	(2,370)	(2,212)	(2,220)	(2,189)	(2,196)	(2,281)	(2,472)	(2,112)	(2,274)	(2,236)	(2,304)
Total	\$ 4,124	\$ 4,632	\$ 3,867	\$ 3,887	\$ 3,897	\$ 4,096	\$ 4,262	\$ 4,214	\$ 4,180	\$ 4,391	\$ 4,305	\$ 4,328	\$ 4,393
	37%	40%	34%	36%	35%	36%	39%	37%	36%	39%	37%	37%	39%

Collection Efforts

	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021	April 2021
Shuts *	\$ -	\$ -	\$ -	\$ -	\$ 76	\$ 113	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Red Tags **	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	22	14	27	12	35	8	33	6	5	5	12	5	9
Top 100 Collection Calls	726	649	588	98	78	38	257	334	142	237	318	250	242
Other ⁽¹⁾	1,496	1,082	1,310	1,573	1,091	1,576	1,404	1,217	1,344	878	1,345	1,028	1,222
Total	\$ 2,244	\$ 1,745	\$ 1,925	\$ 1,683	\$ 1,280	\$ 1,735	\$ 1,709	\$ 1,557	\$ 1,491	\$ 1,120	\$ 1,675	\$ 1,283	\$ 1,473

* Number of shuts

0 0 0 0 155 211 24

** Number of Red tags

⁽¹⁾ Includes: Notices and letters and legal initiatives.

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

TO: David J. Borowy, Chair
Kevin J. Curseaden
Anthony DiSalvo
Catherine LaMarr
Suzanne C. Sack

FROM: Sunny Lakshminarayanan

DATE: May 26, 2022

SUBJECT: Derby Tank Update

This memo is written to provide the Authority with an update on the Derby Tank Project and the land purchases associated with it.

Background Summary:

Bids for this project opened on March 3, 2020 with Guerrero Construction being the low bidder at \$3,250,000. The bid was not awarded until the court ruled on the appeals, which occurred in late May, 2021.

In order to keep Guerrero’s bid open we extended the time of award from the 180 day specified award period. Guerrero agreed to three extensions over the past year. Guerrero’s agreement to extend was based on our agreement to grant two cost escalations to Guerrero, one for \$116K and the second for approximately \$227K. We agreed to the price increases after review with Guerrero and Tighe & Bond. CTDPH DWSRF also concurred with the two changes. The most significant factors necessitating the increases are price escalations for steel and concrete since the bid opening.

The bids included an alternate for the construction of a parking lot that Derby required us to include in the project. Guerrero’s amount for the alternate was \$290k. Derby subsequently informed us that they did not need the parking lot. When we execute the contract with Guerrero, a change order will be included increasing the contract price per the cost escalations, totaling approximately \$343k, and deducting the \$290k for removal of the parking lot work.

Murtha-Cullina and Derby’s attorney completed review of the documents associated with the two properties that we will fund the purchase and the land lease from Derby upon which the tank will be sited. The lease of the tank site must be approved by CTDEEP as the land was determined to be a part of the parcel that received CTDEEP funds in the past for improvements. The lease has been submitted by Derby to CTDEEP Commissioner Dykes for their review.

May 26, 2022

Derby approved the MOU between RWA and the City during a meeting held on May 4, 2022. Pursuant to the meeting, the closing of the tank lease has also been completed. Also, the construction contract has been awarded to Guerrero Construction Company, Oxford, CT. Construction is anticipated to begin during the first quarter of Fiscal Year 2023.

**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
RESOLUTION REGARDING INTERIM FUNDING OBLIGATIONS AND PROJECT
LOAN OBLIGATIONS FOR WEST RIVER WATER TREATMENT PLANT PROJECT**

WHEREAS, on December 17, 2020, the Authority adopted (the “Authority Resolution”) and on March 18, 2021, the Representative Policy Board (the “RPB”) approved the resolutions which established the general terms and provisions of the Authority’s bonds, which may be issued as project loan obligations in one or more series delivered to the State of Connecticut, in the aggregate principal amount not to exceed \$17,500,000 (I) to finance or refinance the cost of certain capital improvements to the water system of the Authority including improvements to the West River Water Treatment Plant consisting of (a) the construction of three new dissolved air floatation (DAF) basins within a new DAF building to the south of the existing filter building; (b) the replacement of the hypochlorite system with an on-site hypochlorite generation system with a brine or salt silo, day tank, metering pumps, and two on-site sodium hypochlorite generators; and (c) electrical service upgrades including new utility service, new transformer (furnished by UI), new exterior switchgear and automatic transfer switch with walk-in enclosure and new emergency stand-by generator; (II) to provide funds for deposit to the Capital Contingency Fund and the Debt Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and (III) to pay costs of issuance (the “Project”); and

WHEREAS, the Authority Resolution also provided that temporary notes of the Authority, which may be issued as Interim Funding Obligations delivered to the State of Connecticut, may be issued by the Authority in the amount of \$17,500,000 in anticipation of the receipt of the proceeds from the sale of such bonds or project loan obligations; and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s one or more interim funding obligations (the “IFO”) and project loan obligations for the Project (the “PLO”) in one or more series and approve the Project Loan and Subsidy Agreement by and between the State of Connecticut and the Authority related to the Project (the “Loan Agreement”).

NOW THEREFORE,

BE IT RESOLVED, that the President/Chief Executive Officer and the Vice President of Financial Reporting and Analysis or any one of them may apply to the State Department of Public Health for eligibility and funding of the Project and sign such applications and any other documents which may be necessary or desirable to apply for eligibility of and to apply for and obtain financial assistance for the Project from the State’s Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

BE IT FURTHER RESOLVED, that the Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis be authorized (i) to issue, sell and deliver the IFO and the PLO in a total amount not to exceed \$17,500,000, and (ii)

to determine the principal amount, date, date of maturity, interest rate, form and other details of the IFO and PLO, pursuant to the Act and the Water System Revenue Bond Resolution, General Bond Resolution as amended and supplemented (the “General Bond Resolution”) or any other provisions of law thereto enabling.

BE IT FURTHER RESOLVED, that the Authority hereby approves the supplemental resolution authorizing the issuance of the IFO (the “IFO Supplemental Resolution”) in one or more series substantially in the form attached hereto as Exhibit A, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President / Chief Executive Officer or Vice President of Financial Reporting and Analysis shall deem advisable and which shall be as set forth in one or more Certificates of Determination attached thereto.

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the PLO (the “PLO Supplemental Resolution”) in one or more series substantially in the form attached hereto as Exhibit B, with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis shall deem advisable and which shall be as set forth in one or more Certificates of Determination attached thereto.

BE IT FURTHER RESOLVED, that for the purposes of providing to the Authority the loan and grant from the State, the Authority hereby approves the Loan Agreement substantially in the form as the President/Chief Executive Officer or Vice President of Financial Reporting and Analysis shall deem advisable and the approval of the Authority shall conclusively be determined from any of their signatures thereon.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer and Vice President of Financial Reporting and Analysis, or any one of them, are hereby authorized to execute and deliver such documents as may be necessary or desirable to issue and deliver the IFO or the PLO, as the case may be, including but not limited to, the Loan Agreement, and to take such actions or to designate other officials or employees of the Authority to take such actions and execute such documents in connection with the issuance, sale and delivery of the IFO or the PLO, as the case may be, as are determined necessary or advisable and in the best interests of the Authority and that the execution of such documents shall be conclusive evidence of such determination.

BE IT FURTHER RESOLVED, that the Chairperson, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis or any one of them are hereby authorized to accept such grants from the State for the Project as set forth in the Loan Agreement and to apply the proceeds of the grant to the Project, as applicable.

EXHIBIT A

IFO SUPPLEMENTAL RESOLUTION

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

WATER SYSTEM REVENUE BOND RESOLUTION
GENERAL BOND RESOLUTION

INTERIM FUNDING OBLIGATION
SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of

\$17,500,000 WATER SYSTEM REVENUE INTERIM FUNDING OBLIGATIONS

FOR THE WEST RIVER WATER TREATMENT PLANT PROJECT

Approved _____

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RECITALS:

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) is authorized pursuant to Connecticut Special Act No. 77-98, as amended (the “Act”), and the Water System Revenue Bond Resolution, General Bond Resolution, adopted July 31, 1980 as amended and supplemented (the “Resolution”), to borrow money and to issue bonds of the Authority from time to time; and

WHEREAS, under the Resolution bonds are defined to mean, inter alia, any bond or bonds, notes or other obligations, including but not limited to, project loan obligations delivered to evidence the Authority’s obligation to repay the financing of a loan from the State of Connecticut under its Drinking Water State Revolving Fund Program, authenticated and delivered under and pursuant to the Resolution; and

WHEREAS, the Authority and the Representative Policy Board have approved the issuance of an amount not to exceed \$17,500,000 of its general obligation bonds (the “Bonds”) which may be issued as project loan obligations delivered to the State of Connecticut (the “State”) (I) to finance or refinance the cost of certain capital improvements to the water system of the Authority including improvements to the West River Water Treatment Plant consisting of (a) the construction of three new dissolved air floatation (DAF) basins within a new DAF building to the south of the existing filter building; (b) the replacement of the hypochlorite system with an on-site hypochlorite generation system with a brine or salt silo, day tank, metering pumps, and two on-site sodium hypochlorite generators; and (c) electrical service upgrades including new utility service, new transformer (furnished by UI), new exterior switchgear and automatic transfer switch with walk-in enclosure and new emergency stand-by generator; (II) to provide funds for deposit to the Capital Contingency Fund and the Debt Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and (III) to pay costs of issuance (the “Project”); and

WHEREAS, the Authority also approved the issuance of temporary notes of the Authority, which may be issued as interim funding obligations (the “IFO”) delivered to the State of Connecticut by the Authority in the amount of \$17,500,000 in anticipation of the receipt of the proceeds from the sale of such bonds or project loan obligations; and

WHEREAS, the Authority has determined that it is in its best interest to temporarily finance a portion of the Project through the issuance of one or more IFOs;

NOW, THEREFORE, BE IT RESOLVED by the South Central Connecticut Regional Water Authority as follows:

ARTICLE I
AUTHORITY AND DEFINITIONS

Section I.1. Short Title.

This resolution may be hereafter cited and is sometimes herein referred to as the “IFO Resolution.”

Section I.2. Definitions.

Unless a different meaning applies from the context or as set forth in this Section 1.02, capitalized terms used in this IFO Resolution shall have the same meaning as used in the General Bond Resolution.

“Certificate of Determination” means a certificate or certificates of determination signed by the Chairperson or the Vice Chairperson and the President / Chief Executive Officer or the Vice President of Financial Reporting and Analysis of the Authority required by Section 5.01 hereof, setting forth the terms of the IFO, and attached hereto as **Exhibit A** and made a part hereof

“IFO” mean the IFO of the Authority authorized to be issued herein in anticipation of the project loan obligations.

ARTICLE II
AUTHORIZATION AND ISSUANCE OF THE IFO

Section II.1. Authority for this IFO Resolution.

This IFO Resolution in substantially the form presented at this meeting with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis shall deem advisable and as set forth in the Certificate or Certificates of Determination is adopted in accordance with the provisions of the Resolution and pursuant to the authority contained in the Act.

Section II.2. Principal Amount, Designation and Series.

One or more series of IFOs entitled to the benefit, protection and security of the Resolution are hereby authorized in the maximum amount not to exceed \$17,500,000. Each such series of IFOs shall be designated as, and shall be distinguished from, the obligations of all other series by the title of Interim Funding Obligation with the number assigned to it by the State. The principal amount of the IFO shall be as set forth in the Certificate of Determination.

Section II.3. Purpose.

The purposes for which the IFOs are being issued are to temporarily finance or refinance (I) the cost of certain capital improvements to the water system of the Authority including improvements to the West River Water Treatment Plant consisting of (a) the construction of three new dissolved air floatation (DAF) basins within a new DAF building to the south of the existing filter building; (b) the replacement of the hypochlorite system with an on-site hypochlorite generation system with a brine or salt silo, day tank, metering pumps, and two on-site sodium hypochlorite generators; and (c) electrical service upgrades including new utility service, new transformer (furnished by UI), new exterior switchgear and automatic transfer switch with walk-in enclosure and new emergency stand-by generator; (II) deposits to the Capital Contingency Fund and the Debt Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and (III) the costs of issuance related to the IFO.

Section II.4. Date, Maturity and Interest Rates.

The IFO shall be dated the Date of Delivery as set forth in the Certificate of Determination.

The IFO shall be issued as a draw down bond and term bond which shall mature in the aggregate principal amount as established by the Certificate of Determination. The IFO shall bear interest at a rate of 2% per year on the unpaid principal balance calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section II.5. Interest Payment Dates.

The IFO shall bear interest on the draw down amount from the date of such draw down, as set forth in the Certificate of Determination.

Section II.6. Reserved.

Section II.7. Method of Payments.

The principal of, premium, if any, and interest on the IFO shall be payable by check, draft or wire transfer payable to the Treasurer, State of Connecticut at: State of Connecticut, Office of the Treasurer, 165 Capitol Avenue, Hartford, CT 06106, Attn: DWSRF Financial Administrator, or to such other place as the State shall designate in writing to the Authority. Such payments to the Treasurer are in lieu of payments to the Trustee required by Section 404 C1 and Section 404 C2 of the Resolution for the principal and interest payments due on the IFO.

Section II.8. Redemption.

A. The IFO shall be subject to optional redemption as set forth in the Certificate of Determination.

B. The IFO shall be subject to mandatory sinking fund redemption at 100% of the principal amount thereof plus accrued interest to the date of redemption, from sinking fund payments in the amounts as established by the Certificate of Determination.

C. The IFO is subject to mandatory redemption in whole at 100% of the principal amount thereof plus accrued interest to the date of redemption if all or substantially all of the Water System is taken by the State or any municipality in the State with general governmental powers and duties as more particularly described in Section 507 of the Resolution.

Section II.9. Delivery of IFO.

The IFO shall be delivered to the State to evidence the Authority's obligation to repay the financing of a loan from the State's DWSRF.

Section II.10. IFO Resolution to Constitute a Contract.

In consideration of the purchase and acceptance of the IFO by those who shall hold (the " Holders") the same from time to time, the IFO Resolution shall constitute a contract between the Authority and the Holders from time to time of the IFO, and the pledge made in this IFO Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the IFO, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the IFO over any other IFO, PLO or bonds issued pursuant to the General Bond Resolution.

ARTICLE III
DISPOSITION OF PROCEEDS OF IFO

Section III.1. Construction Fund

The IFO proceeds shall be deposited in the Construction Fund as set forth in the Certificate of Determination.

Section III.2. Other Funds

The IFO proceeds shall be deposited in such other funds held by the Trustee as set forth in the Certificate of Determination.

Section III.3. Other Corporate Purposes.

No proceeds of the IFO shall be used for Other Corporate Purposes.

ARTICLE IV
FORM AND EXECUTION OF IFO

Section IV.1. Form of IFO and Trustee's Certificate of Authentication.

Subject to the provisions of the Resolution, the IFO and the Trustee's certificate of authentication shall be in substantially the form as set forth in **Exhibit B** to this supplemental resolution, with such insertions or omissions, endorsements and variations as may be required or permitted by the Resolution.

Section IV.2. Execution of IFO.

The Chairperson, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them is hereby authorized and directed to execute the IFO and the Secretary, Chairman, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them is hereby authorized to sign and attest the Authority's seal on the IFO, each by their manual or facsimile signatures.

Section IV.3. Continued Exemption from Federal Income Taxation.

The Authority hereby agrees and covenants that it shall at all times perform all acts and things necessary or appropriate under any valid provision of law or in order to ensure that interest or amounts treated as interest, as applicable, paid on the IFO shall not be includable in the gross income of the owners thereof for Federal income tax purposes under the Code. Further, the Chairman, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them are hereby authorized to execute all instruments and documents necessary to take such action.

Section IV.4. No Recourse on IFO.

No recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest or amounts treated as interest, as applicable, on the IFO or for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing the IFO and neither any member or officer of the Authority nor any person executing the IFO shall be liable personally on the IFO by reason of the issuance thereof.

ARTICLE V
MISCELLANEOUS

Section V.1. Delegation of Authority to Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis.

The Chairperson or the Vice Chairperson and the President/Chief Executive Officer or the Vice President of Financial Reporting and Analysis of the Authority are hereby delegated the authority to (i) determine with respect to the IFO the amount, series, issue date, date of maturity, denominations, redemption provisions, interest rate and mode, and other details of the IFO, (ii) determine whether the IFO shall be sold by competitive or negotiated sale or by direct placement and if such sale is negotiated or sold by direct placement, the purchaser of the IFO, and (iii) accept and incorporate into this IFO Resolution any terms or provisions required by the State or the purchaser of the IFO which they deem necessary or appropriate, all in accordance with the Act, the Resolution and any other provision of law applicable thereto. The Chairperson or the Vice Chairperson and the President / Chief Executive Officer or the Vice President of Financial Reporting and Analysis shall prepare a Certificate of Determination prior to the date of delivery of each series of the IFO to be attached hereto and incorporated in this IFO Resolution setting forth such details and particulars of the IFO and provisions, if any, as determined in accordance with this delegation.

Section 5.02. Effective Date.

This IFO Resolution shall take effect immediately upon its adoption.

Exhibit A
Certificate of Determination

EXHIBIT B

Form of Interim Funding Obligation

UNITED STATES OF AMERICA
STATE OF CONNECTICUT

Interim Funding Obligation

The ***** , Connecticut, (the "Municipality"), for value received, hereby unconditionally promises to pay to the State of Connecticut (the "State"), pursuant to the terms and conditions of a Project Loan and Subsidy Agreement dated _____ between the Municipality and the State (the "Agreement") up to the principal sum of \$ _____, or the aggregate unpaid principal amount of all Project Loan Advances made by the State to the Municipality pursuant to the Agreement, whichever is less, together with interest on the aggregate unpaid principal balance thereof. Unless otherwise required by law, the aggregate unpaid principal amount of all Project Loan Advances and the interest thereon shall be payable on or before _____ at which time the obligation to pay such principal and interest shall be transferred to the Project Loan Obligation attached hereto. At the option of the Municipality, the Municipality may pay the principal and interest on the Interim Funding Obligation on _____. Interest on the aggregate unpaid principal amount of all Project Loan Advances shall be payable at the rate of two percent (**2.0%**) per annum from the date of each Project Loan Advance. Interest on this Interim Funding Obligation shall be computed on the basis of a year of three hundred sixty (360) days and the actual number of days elapsed.

The State will endorse on Schedule 1 to this Interim Funding Obligation an appropriate notation evidencing each Project Loan Advance, the date of such Project Loan Advance, the amount of principal prepaid as of the date of such Project Loan Advance, if any, and the principal balance remaining unpaid as of the date of such Project Loan Advance on account of the principal thereof and the Municipality agrees that the amount of the principal balance remaining unpaid as shown on said Schedule 1 from time to time shall constitute the principal amount owing to the State pursuant to this Interim Funding Obligation, absent manifest error.

The Municipality agrees to make all payments in lawful money of the United States , to pay interest at the rate specified above and to pay all costs including reasonable attorneys' fees, incurred by the State in the collection of this Interim Funding Obligation. Both the principal of and interest on this Interim Funding Obligation shall be payable in lawful money of the United States of America to the Treasurer, State of Connecticut, at: State of Connecticut, Office of the Treasurer, 165 Capitol Avenue, 2nd Floor, Hartford, Connecticut 06106, Attn: CWF/DWF Financial Administrator or to such other place as the State shall designate in writing to the Municipality.

This Interim Funding Obligation has been executed and delivered subject to the terms and conditions of the Agreement to which reference is hereby made for the terms and conditions upon which it shall be and may be prepaid in whole or in part without premium or penalty and generally

as to the rights and duties of the State and as to the rights and duties of the Municipality.

Any capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Interim Funding Obligation is within every debt and other limit prescribed by law or by the Municipality. This Interim Funding Obligation is a special, limited obligation of the Municipality and the Revenues, as defined in the Agreement, are pledged to the payment of the principal of and interest on this Interim Funding Obligation as the same may become due.

IN WITNESS WHEREOF, the _____ of _____, Connecticut, has caused its seal to be affixed hereto and this Interim Funding Obligation to be signed in its name by the manual signatures of its _____ and _____, all as of the ____ day of _____, _____.

(SEAL)

By: _____
Its:

CERTIFICATION OF BANK

This is to certify that the within Interim Funding Obligation is one of the particular issue described therein; that the signatures and seal thereto affixed are genuine; and that an opinion approving the legality of this issue has been rendered by _____, Attorney-at-Law, of _____, Connecticut.

By _____
(Bank Officer)

SCHEDULE 1

<u>Date</u>	Amount of Project Loan Advance Made <u>This Date</u>	Amount of Principal Repaid <u>This Date</u>	Principal Balance Remaining <u>Unpaid</u>	Notation Made by
-------------	--	---	---	---------------------

Advances and payments of Principal pursuant to an Interim Funding Obligation dated as of _____, between the State of Connecticut and the _____.

EXHIBIT B

PLO SUPPLEMENTAL RESOLUTION

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

WATER SYSTEM REVENUE BOND RESOLUTION
GENERAL BOND RESOLUTION

PROJECT LOAN OBLIGATION
SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of

\$17,500,000 PROJECT LOAN OBLIGATIONS
FOR THE WEST RIVER WATER TREATMENT PLANT PROJECT

Approved _____

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
PROJECT LOAN OBLIGATIONS FOR THE WEST RIVER WATER TREATMENT PLANT
PROJECT

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Continued Exemption from Federal Income Taxation

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No Recourse on PLO

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ARTICLE V

MISCELLANEOUS

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Section 501.

Delegation of Authority to Chairperson or Vice Chairperson and
President and Chief Executive Officer or Vice President of Financial
Reporting and Analysis

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Section 502.

Effective Date

6

SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of the
Project Loan Obligations for the West River Water Treatment Plant Project

RECITALS

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) is authorized pursuant to Connecticut Special Act No. 77-98, as amended (the “Act”), and the Water System Revenue Bond Resolution, General Bond Resolution, adopted July 31, 1980 as amended and supplemented (the “Resolution”), to borrow money and to issue bonds of the Authority from time to time; and

WHEREAS, the Resolution provides that bonds shall be issued subject to the terms, conditions and limitations established by the Resolution and one or more supplemental resolutions authorizing each series of bonds; and

WHEREAS, under the Resolution bonds are defined to mean, inter alia, project loan obligations delivered to evidence the Authority’s obligation to repay the financing of a loan from the State of Connecticut (the “State”) under its Drinking Water State Revolving Fund Program (“DWSRF”); and

WHEREAS, the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) approved the issuance of bonds or project loan obligations on _____ in the maximum principal amount of \$17,500,000 (I) to finance or refinance the cost of certain capital improvements to the water system of the Authority including improvements to the West River Water Treatment Plant consisting of (a) the construction of three new dissolved air floatation (DAF) basins within a new DAF building to the south of the existing filter building; (b) the replacement of the hypochlorite system with an on-site hypochlorite generation system with a brine or salt silo, day tank, metering pumps, and two on-site sodium hypochlorite generators; and (c) electrical service upgrades including new utility service, new transformer (furnished by UI), new exterior switchgear and automatic transfer switch with walk-in enclosure and new emergency stand-by generator; (II) to provide funds for deposit to the Capital Contingency Fund and the Debt Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and (III) to pay costs of issuance (the “Project”); and

WHEREAS, the Authority hereby determines that it is necessary and desirable that the Authority issue one or more Project Loan Obligations (the “PLO”) to permanently finance the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY AS FOLLOWS:

ARTICLE I

AUTHORITY AND DEFINITIONS

Section I1. Authority for Supplemental Resolution.

This supplemental resolution (the “Supplemental Resolution”) to the Resolution in substantially the form presented at this meeting with such changes, omissions, insertions and revisions as the Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis shall deem advisable and as set forth in the Certificate or Certificates of Determination (as hereinafter defined) is adopted in accordance with the provisions of Article II and Article IX of the Resolution and pursuant to the authority contained in the Act.

Section I2. Definitions.

A. All terms defined in Section 102 of the Resolution shall have the same meanings, respectively, in this Supplemental Resolution.

B. In addition, as used in this Supplemental Resolution, unless the context otherwise requires, the following term shall have the following meaning:

“Certificate of Determination” means one or more certificates of determination required by Section 501 hereof, signed by the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Vice President of Financial Reporting and Analysis setting forth the terms of the PLO and attached hereto as **Exhibit A** and made a part hereof.

C. Unless the context otherwise requires, in this Supplemental Resolution words of the masculine gender shall mean and include correlative words of the feminine and neuter genders; words importing the singular number shall mean and include the plural number and vice versa; words importing persons shall include firms, associations and corporations; and the terms, “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Supplemental Resolution.

ARTICLE II

AUTHORIZATION OF PLO

Section II1. Principal Amount, Designation and Series.

One or more series of bonds entitled to the benefit, protection and security of the Resolution is hereby authorized in the maximum amount not to exceed \$17,500,000. Each such series of bonds shall be designated as, and shall be distinguished from, the bonds of all other series by the title of Project Loan Obligation with the number assigned to it by the State. The principal amount of the PLO shall be as set forth in the Certificate of Determination.

Section II2. Purpose.

The purposes for which the PLO are being issued are to permanently finance or refinance (I) the cost of certain capital improvements to the water system of the Authority including improvements to the West River Water Treatment Plant consisting of (a) the construction of three new dissolved air floatation (DAF) basins within a new DAF building to the south of the existing filter building; (b) the replacement of the hypochlorite system with an on-site hypochlorite generation system with a brine or salt silo, day tank, metering pumps, and two on-site sodium hypochlorite generators; and (c) electrical service upgrades including new utility service, new transformer (furnished by UI), new exterior switchgear and automatic transfer switch with walk-in enclosure and new emergency stand-by generator; (II) deposits to the Capital Contingency Fund and the Debt Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and (III) the costs of issuance related to the PLO.

Section II3. Date, Maturity and Interest Rates.

The PLO shall be dated the Date of Delivery as set forth in the Certificate of Determination.

The PLO shall be issued as a term bond which shall mature in the aggregate principal amount as established by the Certificate of Determination. The PLO shall bear interest at a rate of 2% per year on the unpaid principal balance calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section II4. Interest Payment Dates.

The PLO shall bear interest from its dated date, payable monthly as set forth in the Certificate of Determination.

Section II5. Reserved.

Section II6. Method of Payments.

The principal of, premium, if any, and interest on the PLO shall be payable by check, draft or wire transfer payable to the Treasurer, State of Connecticut at: State of Connecticut, Office of the Treasurer, 165 Capitol Avenue, Hartford, CT 06106, Attn: DWSRF Financial Administrator, or to such other place as the State shall designate in writing to the Authority. Such payments to the Treasurer are in lieu of payments to the Trustee required by Section 404 C1 and Section 404 C2 of the Resolution for the principal and interest payments due on the PLO.

Section II7. Redemption.

A. The PLO shall be subject to optional redemption as set forth in the Certificate of Determination.

B. The PLO shall be subject to mandatory sinking fund redemption at 100% of the principal amount thereof plus accrued interest to the date of redemption, from sinking fund payments in the amounts as established by the Certificate of Determination.

C. The PLO is subject to mandatory redemption in whole at 100% of the principal amount thereof plus accrued interest to the date of redemption if all or substantially all of the Water System is taken by the State or any municipality in the State with general governmental powers and duties as more particularly described in Section 507 of the Resolution.

Section II8. Delivery of PLO.

The PLO shall be delivered to the State to evidence the Authority's obligation to repay the financing of a loan from the State's DWSRF.

ARTICLE III

DISPOSITION OF PROCEEDS OF PLO

Section III1. Refunding.

Upon delivery of the PLO and receipt of payment therefor, the Authority shall pay from the net proceeds thereof, after the payment of certain Costs of Issuance, the amounts necessary to reimburse the Construction Fund for moneys used to pay the costs of the Project or any Interim Funding Obligations issued in anticipation of the PLO as established by the Certificate of Determination.

Section III2. Other Funds.

The Trustee or the Authority shall deposit such other proceeds in such other funds as set forth in the Certificate of Determination.

ARTICLE IV

FORM AND EXECUTION OF PLO

Section IV1. Form of PLO and Trustee's Certificate of Authentication.

Subject to the provisions of the Resolution, the PLO and the Trustee's certificate of authentication shall be, respectively, in substantially the form as set forth in **Exhibit B** to this supplemental resolution, with such insertions or omissions, endorsements and variations as may be required or permitted by the Resolution.

Section IV2. Execution of PLO.

The Chairperson, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them is hereby authorized and directed to execute the PLO and the Secretary, Chairman, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them is hereby authorized to sign and attest the Authority's seal on the PLO, each by their manual or facsimile signatures.

Section IV3. Continued Exemption from Federal Income Taxation.

The Authority hereby agrees and covenants that it shall at all times perform all acts and things necessary or appropriate under any valid provision of law or in order to ensure that interest or amounts treated as interest, as applicable, paid on the PLO shall not be includable in the gross income of the owners thereof for Federal income tax purposes under the Code. Further, the Chairman, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them are hereby authorized to execute all instruments and documents necessary to take such action.

Section IV4. No Recourse on PLO.

No recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest or amounts treated as interest, as applicable, on the PLO or for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing the PLO and neither any member or officer of the Authority nor any person executing the PLO shall be liable personally on the PLO by reason of the issuance thereof.

ARTICLE V

MISCELLANEOUS

Section V1. Delegation of Authority to Chairperson or Vice Chairperson and President and Chief Executive Officer or Vice President of Financial Reporting and Analysis

The Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis are hereby delegated the authority to (i) determine with respect to the PLO the amount, issue date, date of maturity, denominations, redemption provisions, interest rate and mode, and other details of the PLO, (ii) determine whether the PLO shall be sold by competitive or negotiated sale and if such sale is negotiated, the purchaser of the PLO, and (iii) accept and incorporate into the PLO Supplemental Resolution any terms or

provisions which they deem necessary or appropriate, all in accordance with the Act, the Resolution and any other provision of law applicable thereto. The Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis shall prepare a Certificate of Determination for each such PLO prior to the date of delivery of the PLO to be attached hereto as **Exhibit A** and incorporated in this PLO Supplemental Resolution setting forth such details and particulars of each PLO as determined in accordance with this delegation. Should the details and particulars of a PLO conflict with such details and particulars set forth in this PLO Supplemental Resolution, the Certificate of Determination shall control.

Section V2. Effective Date.

This Supplemental Resolution shall take effect immediately.

EXHIBIT A

CERTIFICATE OF DETERMINATION

EXHIBIT B

FORM OF PROJECT LOAN OBLIGATION

U.S. \$ _____, 20 _____

**UNITED STATES OF AMERICA
STATE OF CONNECTICUT
SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY**

Project Loan Obligation

The South Central Connecticut Regional Water Authority, New Haven, Connecticut (the "Municipality"), for value received, hereby unconditionally promises to pay to the STATE OF CONNECTICUT (the "State") pursuant to the terms and conditions of a _____ and Project Loan and Subsidy Agreement dated __, 20__ between the Municipality and the State, (the "Agreement"), the principal sum of:

(\$ _____)

together with interest on the aggregate unpaid principal balance thereof. Unless otherwise required by law, the aggregate unpaid principal amount of this Project Loan Obligation and the interest thereon shall be payable in the amount of

_____ , with final payment due and owing on _____. Such installments shall be comprised of principal and interest as shown on the Schedule of Payments attached hereto, subject to the Municipality's rights to prepay this Project Loan Obligation in whole or in part without premium or penalty as set forth in the Agreement. If the Municipality should exercise such right of prepayment, the schedule of remaining principal and interest payments, if any, shall be adjusted accordingly by the State.

Interest on the aggregate unpaid principal amount of this Project Loan Obligation shall be payable at the rate of two percent (2%) per annum. Interest on this Project Loan Obligation shall be computed on the basis of a year of three hundred sixty (360) days and twelve 30-day months.

The Municipality agrees to make all payments in lawful money of the United States, to pay interest at the rate specified above and to pay all costs including reasonable attorneys' fees incurred by the State in the collection of this Project Loan Obligation. Both the principal of and interest on this Project Loan Obligation shall be payable in lawful money of the United States of

America to the Treasurer, State of Connecticut, at: State of Connecticut, Office of the Treasurer
165 Capitol Avenue, Hartford, Connecticut 06106, Attn: Clean Water Fund Financial
Administrator or to such other place as the State shall designate in writing to the Municipality.

This Project Loan Obligation has been executed and delivered subject to the terms and conditions of the Agreement to which reference is hereby made for the terms and conditions upon which it shall be and may be prepaid in whole or in part without premium or penalty and generally as to the rights and duties of the State and as to the rights and duties of the Municipality.

Any capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Project Loan Obligation is within every debt and other limit prescribed by law or by the Municipality. **This Project Loan Obligation is a special obligation of the Municipality issued pursuant to and secured by its Water System Revenue Bond Resolution, General Bond Resolution adopted on July 31, 1980 as amended and supplemented to date including as supplemented by its _____ Supplemental Resolution (collectively, the “General Bond Resolution”) and payable solely from the revenues derived from the Water System as that term is defined in the General Bond Resolution, and the full faith and credit of the Municipality is pledged to the payment of the principal of and interest on this Project Loan Obligation as the same may become due.**

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the _____, Connecticut, has caused the seal of the _____ to be affixed hereto and this Project Loan Obligation to be signed in its name by the manual signature of the _____ of _____ and the seal of the Authority to be attested by the manual signature of the _____ of the Authority as of the ____ day of _____, 20__.

**SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY**

By: _____

Its

(SEAL)

Attested

By: _____

CERTIFICATION OF BANK

This is to certify that the within Project Loan Obligation is one of the particular issues described therein; that the signatures and seal thereto affixed are genuine; and that an opinion approving the legality of this issue has been rendered by _____ Attorney-at-Law, of _____, Connecticut.

By: _____
(Bank Officer)

SCHEDULE OF PAYMENTS

RPB COMMITTEE MEETINGS

Month	Meeting	Will Attend
April 2022	<i>Finance Committee</i> Monday, April 11 at 5:00 p.m.	Catherine
	<i>Land Use Committee</i> Wednesday, April 13 at 5:30 p.m.	Kevin
	<i>Consumer Affairs Committee/Land Use Committee (Joint Meeting)</i> Monday, April 18 at 5:30 p.m.	Suzanne/David
	<i>Finance Committee (Special Meeting)</i> Wednesday, April 20 at 5:00 p.m.	David
May 2022	<i>Finance Committee</i> Monday, May 9 at 5:00 p.m.	Suzanne
	<i>Land Use Committee</i> Wednesday, May 11 at 4:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, May 16 at 5:30 p.m.	Kevin
June 2022	<i>Finance Committee</i> Monday, June 13 at 5:00 p.m.	Kevin
	<i>Land Use Committee</i> Wednesday, June 8 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, June 27 at 5:30 p.m.	Suzanne

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

PROPOSED RESOLUTIONS

MAY 26, 2022

(Adopt FY 2023 Capital and Operating Budgets and Authorize filing with Trustee)

RESOLVED, that the Authority's Capital Improvements budget for Fiscal Year ("FY") 2023 from June 1, 2022 – May 31, 2023, including a plan of capital improvements for the FY 2023 through FY 2027 and the additional information required by Section 614 of the *General Bond Resolution*, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 614 of the *General Bond Resolution*; and

FURTHER RESOLVED, that the Authority's Operating budget for FY 2023 from June 1, 2022 – May 31, 2023, showing on a monthly basis projected Operating Expenses and deposits and withdrawals from the several Funds required by the *General Bond Resolution*, is hereby adopted and ordered to be filed with US Bank, Trustee, pursuant to Section 613 of the *General Bond Resolution*.