

South Central Connecticut Regional Water Authority
Via Remote Access**

AGENDA

Regular Meeting of Thursday, June 23, 2022 at 12:30 p.m.

- A. Safety Moment

- B. Meet as Commercial Business Committee: K. Curseaden
 - 1. Approve Minutes – March 31, 2022 meeting
 - 2. Commercial Business strategy, goals & updates – Including possible executive session
 - 3. Acquisition update & approval – Including possible executive session: D. Donovan

- C. Meet as Strategic Planning Committee: D. Borowy
 - 1. Approve Minutes – February 24, 2022 meeting
 - 2. Review FY 2022 Year-end Strategic Action Plan Update & Global Metrics
 - 3. Review FY 2023 Strategic Action Plan & Global Metrics

- D. Act on matters arising from Committee meetings

- E. Consent Agenda
 - 1. Approve Minutes – May 16, 2022 and May 26, 2022 meetings
 - 2. Capital Budget Authorization - July 2022
 - 3. Capital Budget Transfer Notifications (no action required) – July 2022
 - 4. Key Performance Indicators – FY 2022 Q4
 - 5. Accounts Receivable Update – May 2022
 - 6. FY 2023 RPB Weighted Vote Calculation
 - 7. RPB Dashboard Report

- F. Finance: R. Kowalski
 - 1. Fiscal Year-end financial report
 - 2. Allocation of Year-end revenue balance
 - 3. Proposed revisions to FY 2023 capital budget projects and release of project reserves

- G. RPB Committee meeting assignments and reports on RPB Committee Meetings

- H. Business Updates: L. Bingaman
 - 1. COVID Update: D. Verdisco
 - 2. Derby Tank Update
 - 3. *Monthly Board Letter Highlights – Including Executive Session: L. Bingaman

**RPB Member (A. Rescigno) will be excused at item H.3*

** 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 Commercial Business Committee and Strategic
Planning Committee meetings)
June 23, 2022 at 12:30 p.m.

Call in (*audio only*)

[+1 469-965-2517,,586644711#](tel:+14699652517586644711) United States, Dallas

Phone Conference ID: 586 644 711#

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

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SAFETY MOMENT

SUN EXPOSURE PREVENTION

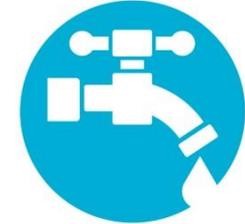
You are at an increased risk of harmful ultraviolet rays during the summer months, at high altitudes, between 10 am and 4 pm, and even on cloudy days.

PROTECT YOURSELF FROM THE SUN:

- Stay in the shade during midday hours
- Wear protective clothing
- Wear a hat
- Drink plenty of water
- Wear sunglasses
- Use sunscreen of 15 SPF or higher

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
Commercial Business Committee
Minutes of the March 31, 2021 Special Meeting**

The special meeting of the South Central Connecticut Regional Water Authority Commercial Business Committee 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
Absent: Committee – Mr. DiSalvo
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Courchaine, Donovan, Lakshminarayanan, and Singh
Murtha Cullina – Atty. McLaughlin
Staff – Mrs. Slubowski

The Chair called the meeting to order at 1:46 p.m.

The committee reviewed its FY 2023 work plan.

On motion made by Mr. Borowy, seconded by Ms. Sack, and unanimously carried, the committee voted to approve the minutes of its December 16, 2021 meeting.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

On motion made by Mr. Borowy, seconded by Ms. LaMarr, and unanimously carried, the Committee voted to go into executive session to discuss proprietary information and negotiations. Present in executive session were Committee members, Mss. Kowalski, Verdisco, Slubowski, Atty. McLaughlin, and Messrs. Bingaman, Courchaine, Lakshminarayanan, Donovan and Singh.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 2:25 p.m., Attorney McLaughlin withdrew from the meeting.

At 2:45 p.m., the Committee came out of executive session.

After discussion, it was determined to hold a special meeting to consider the proposed asset purchase agreement.

At 2:45 p.m., on motion made by Ms. LaMarr, seconded by Ms. Sack, and unanimously carried, the meeting adjourned.

Kevin Curseaden, Chairman

**South Central Connecticut Regional Water Authority
Strategic Planning Committee**

Minutes of the February 24, 2022 Meeting

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, February 24, 2022, via remote access. Chair Borowy presided.

Present: Committee Members Present– Messrs. Borowy, Curseaden, and Mss. LaMarr and Sack
Committee Members Absent – Mr. DiSalvo
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Joseph, Lakshminarayanan, and Singh
RPB – Mr. Havrda
City of New Haven Emergency Management – Chief Fontana
Staff – Mrs. Slubowski

The Chair called the meeting to order at 1:55 p.m.

On motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Strategic Planning Committee voted to approve the minutes of its November 18, 2021 meeting.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

The Committee reviewed its FY 2023 Work Plan.

Mr. Bingaman, the RWA’s President and Chief Executive Officer, introduced Ms. Verdisco, the RWA’s new Vice President & Chief Human Resources Officer.

He provided the themes coming from the FY 2023 Strategic Planning Sessions held with employees.

At 2:09 p.m., on motion made by Ms. Sack, seconded by Mr. Curseaden, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

David Borowy, Chairman



FY22 Year-End Strategic Plan Update

June 23, 2022

 Regional **Water** Authority

Tapping the Possibilities™

Today's Agenda

- Fiscal 2022 Strategic Plan Overview
- Fiscal 2022 Actions Update YTD
- Fiscal 2022 Points of Pride YTD
- Fiscal 2022 Metrics YTD
- Q&A

Perspective & Strategy	FY22 Action Plans
Customers/Constituents: Improve Customer Satisfaction	✓ Establish baseline for first-contact resolution satisfaction and develop an improvement plan for FY23.
Customers/Constituents: Utilize Technology to Enhance the Customer Experience	<ul style="list-style-type: none"> ✓ 30% of customers utilizing self-service for e-billing. ✓ Implement monthly, commercial billing on time and on budget.
Customers/Constituents: Increase Constituent Support of the RWA	✓ Utilize the community liaison program to conduct at least five outreach sessions with municipal officials throughout our service area.
Employee Learning & Growth: Advance Workforce Safety	✓ Develop and execute “Safety Starts with Me” program across the entire organization.
Employee Learning & Growth: Develop Employees by Improving Knowledge, Skills and Abilities	✓ Develop the framework for succession planning across the organization and with a FY22 focus on developing a mechanism to implement planning for critical positions within the RWA.
Employee Learning & Growth: Foster a Diverse, Inclusive and Engaged Workforce	<ul style="list-style-type: none"> ✓ Develop an action plan based on the results of the FY21 DE&I survey and identify one key area of opportunity to focus improvement around. ✓ Develop a sustainable strategy for employee engagement and deploy one new program to bolster enterprise-wide engagement and one new program specific to fostering better relations with the USW union leadership. ✓ Improve the diversity of two underrepresented job groups.
Financial: Expand Commercial Revenue Sources to Mitigate Rate Increases	<ul style="list-style-type: none"> ✓ Design and stand up the structure of RWA Commercial Enterprises by January 2022. ✓ Complete two profitable strategic acquisitions to support mitigation of customer water rates. ✓ Introduce at least one additional non-regulated service offering.
Financial: Improve the Financial Operating Performance of the RWA	<ul style="list-style-type: none"> ✓ Alternative financing will represent 10% of the capital budget. ✓ Develop a plan to track and monitor unplanned expenditures with a goal of those expenditures representing no more than 5% of the FY22 capital budget.
Financial: Strengthen Pension and Retirement Funding	✓ Evaluate year-end assessment of additional pension contribution.
Internal Business Process: Effectively Manage and Maintain Our Core Business	<ul style="list-style-type: none"> ✓ Reconstitute the Risk Mitigation Team and review the top 10 enterprise risks and execute their associated mitigation and prevention plans. ✓ Develop a strategy and implementation plan to address the EPA’s Lead and Copper Rule revisions by May 2022 including establishing a Steering Committee. ✓ Systematically execute against the asset management roadmap to improve the foundational structure of horizontal and vertical asset categories and implement two proposed critical initiatives.
Internal Business Process: Sustainably Manage our Natural Resources to Deliver Reliable, Clean, Safe Water	<ul style="list-style-type: none"> ✓ Establish an internal Water Resources Management Group to develop and implement at least three watershed management policies and strategies by May 2022. ✓ Dedicate at least one of our functional business continuity exercises to address and improve the RWA’s climate and water-quality resiliency.
Internal Business Process: Embrace Innovation and New Technology	<ul style="list-style-type: none"> ✓ Implement at least four process improvements by May 2022 (Four pillars include: meter to cash; procure to pay; recruit to retire; watershed to tap). ✓ Complete external cybersecurity SCADA assessment and implement critical recommendations by May 2022. ✓ Eliminate and/or initiate replacement of at least two obsolete technologies by May 2022.

Customers & Constituents Perspective

STRATEGY	FY22 ACTIONS UPDATE
Improve Customer Satisfaction	<ul style="list-style-type: none">✓ First-call resolution baseline established and in progress✓ Transactional IVR customer survey launch in June✓ Customer escalation dashboard completed and rolled out to LT and all stakeholders
Utilize Technology to Enhance the Customer Experience	<ul style="list-style-type: none">✓ Exceeded e-bill target goal of 30% by achieving 31.5% adoption rate✓ Launched RWA customer portal/mobile-app; 3,353 downloads; ongoing targeted marketing campaign✓ Customer Information System (CIS) RPB application as planned for replacement is underway✓ Launched commercial business solution✓ Completed monthly billing on-time and under budget
Increase Constituent Support of the RWA	<ul style="list-style-type: none">✓ Public Affairs completed 20 outreach meetings with municipal officials by Q3 FY22 and ongoing quarterly✓ Established new relationships with the federal congressional delegation based on infrastructure projects and Investment Infrastructure and Jobs Act (IIJA) funding✓ Launched Whitney Dam revitalization community outreach plan by partnering with local government and members of the active community

Employee Learning & Growth Perspective

STRATEGY	FY22 ACTIONS UPDATE
<p>Advance Workforce Safety</p>	<ul style="list-style-type: none"> ✓ Launched Safety Starts With Me program; training 87% of the organization (223 employees) ✓ Reinvigorated safety trainings; increasing training hours by 200% YoY for a total of 1094 hours in FY22 ✓ Participated in OSHA Safe and Sound Week by planning daily safety events with an annual safety cookout ✓ Identified 6 nears misses with corrective action plans implemented to avoid a more serious incident
<p>Develop Employees by Improving Knowledge, Skills and Abilities</p>	<ul style="list-style-type: none"> ✓ Developed succession planning framework and templates for VPs; developed succession plans and identified talent gaps for management positions ✓ Focusing on individual development plans for critical positions and training 50% of managers to conduct enterprise-wide talent assessments
<p>Foster a Diverse, Inclusive and Engaged Workforce</p>	<ul style="list-style-type: none"> ✓ Conducted DE&I survey with a 38% response rate (105 employees) and 4 focus groups ✓ Successfully launched TIDE council engaging 20 employees ✓ Developed a DE&I roadmap and project planning focused on 3 priorities 1) leadership; 2) engagement 3) well being ✓ Conducted 2 community conversation employee trainings (105) focused on 1) Identity & Privilege 2) Trust for Impact ✓ Conducted two Leadership Re-Center manager training 70% (42) with a focus on driving effective DEI change ✓ Increased diversity in 5 job groups 1) exec/sr. level mgrs; 2) professionals 3) administrative staff 4) craft workers 5) laborers and helpers ✓ Launched regular monthly mtgs with USW leadership to foster partnership & engagement with union & management

Financial Perspective

STRATEGY

FY22 ACTIONS UPDATE

Expand Commercial Revenue Sources to Mitigate Rate Increases

- ✓ Established several Commercial LLC's entities; general ledger system, banking & controls and staff augmentation
- ✓ Acquired Roach Plumbing; developed functional staffing plan; secured office building, performed network integration and set up transactional protocol; exceeding earnings target
- ✓ Acquired Water Systems Specialties; successfully on-boarded 100% of staff and integration efforts on target
- ✓ Valuation and acquisition draft agreements completed and discussions underway to acquire environmental testing lab and associated building
- ✓ Developed internally indicative valuation & bid model for target acquisition activity
- ✓ WellSafe protection program developed; marketing deployed; pilot to test & learn; FY23 focus on expansion
- ✓ Secured 2 PipeSafe territory partners launching Q1'23 1) Town of Wolcott; 2) Southeastern CT Water Authority

Improve the Financial Operating Performance of the RWA

- ✓ Held Talks Event to increase financial acumen on rate application and year-end protocols with 50 employees
- ✓ Met FY22 capital expenditure target of 96%
- ✓ Unplanned emergency capital expenses for FY22 were less than 5%
- ✓ Exceeded 114% coverage requirement
- ✓ Pursuing alternative financing opportunities (e.g., WIFIA, DWSRF, \$2M congressional directed spending approved and multiple applications submitted for upcoming year, targeted grants)

Strengthen Pension and Retirement Funding

- ✓ Additional pension contribution of > \$1.1M, making FY22 the 7th consecutive year of contributing above the ARC

Internal Business Process Perspective

STRATEGY

FY22 ACTIONS UPDATE

Effectively Manage and Maintain Our Core Business

- ✓ Risk Team reviewed 10 enterprise risks and formulated mitigation and prevention plans such as cybersecurity, critical component failure, financial, talent, health & safety, reputation, integrity, SCADA and BCP
- ✓ Lead & Copper Rule Revisions (LCRR) project planning underway; governance committee and communication plans in progress; outreach to local health groups and DWSRF application updated and on-going funding discussions
- ✓ Two critical asset management roadmap initiatives completed 1) integration of asset data into GIS 2) evaluated technologies for condition assessment of buried infrastructure and conducted inspection using an ROV from Lake Menunkatuck to Gaillard in the Sugarloaf tunnel

Sustainably Manage Our Natural Resources to Deliver Reliable, Safe Water

- ✓ Established 4 Water Resource Group strategies to sustainably manage natural resources: 1) identify non-Chloride based de-icing products to eliminate salt from wells 2) developed utility tech roles and filled 3) completed trespassing cost benefit analysis 4) Roses Brook draft report for improving water quality under review
- ✓ Completed functional business continuity exercise for North Cheshire Wellfield to address climate change and water quality resiliency

Embrace Innovation and New Technology

- ✓ Implemented 5 process improvements 1) automated continuous consumption alerts 2) piloted No-Des flushing innovation and vehicle purchase 3) Customer Escalation Dashboard 4) Purchasing improvement on Meter vault assemblies for customers 5) Capital planning and budgeting improvements
- ✓ Completed cybersecurity assessment as well as all critical recommendations
- ✓ Completed 3 upgrades to replace obsolete technology 1) SAP SQL 2) Customer Care IVR 3) Risk Master system

Fiscal 2022 Global Metrics Summary

as of May 31, 2022

Measure	Result	
<ul style="list-style-type: none"> Ensure that 30% of customers are on E-Billing 	<ul style="list-style-type: none"> Exceeded target; 31.5% e-Billing adoption rate to date 	
<ul style="list-style-type: none"> Achieve zero preventable injuries 	<ul style="list-style-type: none"> Did not achieve; six preventable injuries 	
<ul style="list-style-type: none"> Implement four process improvements 	<ul style="list-style-type: none"> Exceeded target; five process improvements achieved 	
<ul style="list-style-type: none"> 100% compliance with drinking water standards 	<ul style="list-style-type: none"> Met target 	
<ul style="list-style-type: none"> Unplanned capital expenditures represent no more than 5% of Fiscal 2022 capital budget 	<ul style="list-style-type: none"> Met target 	
<ul style="list-style-type: none"> Certify 114% coverage 	<ul style="list-style-type: none"> Exceeded target 	
<ul style="list-style-type: none"> Ensure 96% of Fiscal 2022 capital budget benefits customers 	<ul style="list-style-type: none"> Met target 	
<ul style="list-style-type: none"> Acquire two profitable companies to contribute to mitigating rate increases and investing in utility 	<ul style="list-style-type: none"> Met target: Roach Plumbing & WSS 	





Regional **Water** Authority
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FY23 Strategic Action Plan

June 23, 2022

 Regional **Water** Authority

Tapping the Possibilities™

Today's Agenda

- 2020-2025 Strategic Plan Overview
- Fiscal 2023 Strategy & Objectives
- Fiscal 2023 Metrics
- Q&A

2020-2025 Strategic Plan

The Leadership Team took the five year 2020-2025 Strategic Plan, assessed the progress made to date against the strategies and goals the organization needs to successfully advance the RWA over the coming years, and engaged employees to help develop our FY2023 Strategic Action Plan and Metrics.

Five Year Strategic Plan

- Developed five year strategy in FY2020
- Five-year strategic plan updated June 2021
- Adjusted periodically to address customer expectations & needs; technology advancements; external and competitive environment; employee progress/concerns and economy and other factors

FY23 Strategic Planning

- Ensured our FY23 objectives are aligned with the 5 year strategic plan
- Conducted subject matter experts interviews and engaged throughout the process
- Incorporated employee input in the strategic planning process from DE&I focus groups and DE&I survey
- Leadership Team took all input from teams and finalized KPI recommendations and engaged employees throughout the process

4 Perspectives

Customers/Constituents

Employee Learning & Growth

Financial

Internal Business Process

Five-Year Strategic Plan
Fiscal Years 2020-2025

Updated June 2021



Strategic Teams

Team Leader designee of leadership team

4 teams each aligned to a perspective

Cross-functional team of 20 employees

We have a solid strategy that will continue to evolve

Our vision: To be an innovative water utility that sustains life, strengthens our communities and protects natural resources for future generations.

PERSPECTIVE	SUMMARY OF FIVE-YEAR STRATEGIES
Customers & Constituents	<ul style="list-style-type: none">• Improve customer satisfaction• Utilize technology to enhance the customer experience• Increase constituent support of the RWA
Employee Learning & Growth	<ul style="list-style-type: none">• Advance workforce safety• Develop employees by improving knowledge, skills and abilities• Foster a diverse, inclusive and engaged workforce
Financial	<ul style="list-style-type: none">• Expand commercial revenue sources to mitigate rate increases• Improve the financial operating performance of the RWA• Strengthen pension and retirement funding
Internal Business Process	<ul style="list-style-type: none">• Effectively manage and maintain our core business• Sustainably manage our natural resources to deliver reliable, safe water• Embrace innovation and new technology

Key Elements of Our Strategic Plan

Higher Purpose

- *“To make life better for people”*
- Reason for existence **“the why”**

Mission

- *“To provide customers with high-quality water and services at a reasonable cost while promoting the preservation of watershed lands and aquifers”*
- Guides the primary objectives of the organization – clear measures of success
- **What we do**

Vision

- *“To be an innovative water utility and environmental services company that sustains life, strengthens our communities and protects natural resources for future generations”*
- Timeless, impervious to strategy changes
- **Where are we going?**

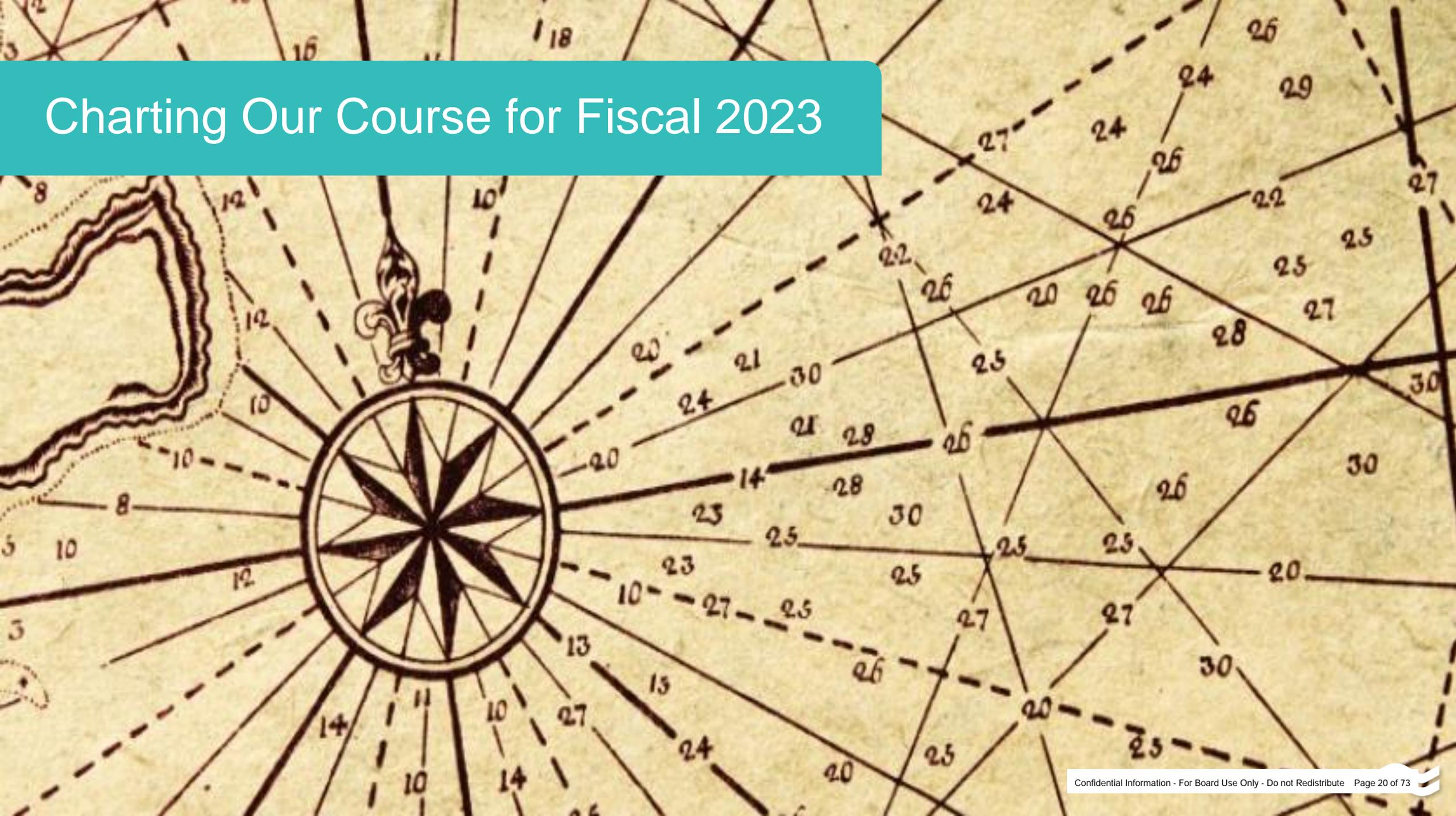
Strategy, Goals and Objectives

- Short- and long-term plan
- Designed to achieve our higher purpose, mission, vision
- How are we going to get there and what we have to do **“the what”**

STARS Values (*Service, Teamwork, Accountability, Respect, Safety*)

- How we work together and with other stakeholders
- How we treat one another **“the how”**

Charting Our Course for Fiscal 2023



Customer & Constituents Perspective

STRATEGY

FY23 OBJECTIVES

Improve Customer Satisfaction

- Develop a six-point **Customer Service Standards training program** and budget with a focus on external and internal customers; deploy to all employees in FY24

Utilize Technology to Enhance the Customer Experience

- Introduce two **innovative digital solutions** to bolster the customer experience and foster more customer self-service options and capabilities for water and solutions customers
- Execute **CIS project** and deliver on key deliverables (pre-configuration; analysis of key business processes; data cleansing; approval of contract execution) on time and on budget

Increase Constituent Support of the RWA

- Address four areas for improvement identified in 2019 **customer satisfaction survey** by developing and deploying cross-departmental plans and programs
- **Benchmark customer satisfaction survey** instrument and current fielding trends with Great Blue Research in advance of resuming a customer satisfaction survey in FY24 to develop the optimum approach
- Aggregate results from **customer transaction surveys** launched in FY22 and create and deploy plans and programs that address at least two areas of improvement

Employee Learning & Growth Perspective

STRATEGY

FY23 OBJECTIVES

Advance Workforce Safety

- Develop a **near miss reporting policy**, deploy, train employees and create a baseline for continuous improvement
- Implement **Safety Ambassador program** with 100% training completed

Develop Employees by Improving Knowledge, Skills and Abilities

- Develop **Talent Review** framework for critical roles and ensure 50% of managers are trained on the process
- Develop a **Cultural Transformation** strategy and plan to ensure 50% of managers are trained

Foster a Diverse, Inclusive and Engaged Workforce

- Increase **DE&I representation** in two underrepresented job categories
- Develop and deploy **employee engagement plans** to address at least two areas of improvement in response to recent surveys

Financial Perspective

STRATEGY

FY23 OBJECTIVES

Expand Commercial Revenue Sources to Mitigate Rate Increases

- Fully commercialize **Well Services** organic growth with 1,000 new customers through deployment of a dispatch program and marketing and hiring plans
- Fully commercialize a **PipeSafe expansion** with 1,000 new customers in neighboring service area communities
- Continue to deploy **product, partnership, organic growth and acquisition strategies** to increase commercial net revenue to ~\$7 million in FY23

Improve the Financial Operating Performance of the RWA

- Identify two innovative viable **funding solutions** to help fund the capital improvement program
- Track and monitor **unplanned expenditures** to represent not more than 5% of the capital budget
- Develop a **critical-component stocking program** to offset supply chain and unplanned asset expenditures; deploy in FY24

Strengthen Pension and Retirement Funding

- Continue to adjust **pension contribution** to achieve 100% funding by end of FY25

Internal Business Process Perspective

STRATEGY

FY23 OBJECTIVES

Effectively Manage and Maintain Our Core Business

- Utilize the **Risk Team** to target five new risk perspectives and deploy action plans
- Using a cross-functional team, finalize the **Asset Management** roadmap to develop a comprehensive plan for operational, financial, resources, planning and services; implement two critical initiatives
- Mobilize **Lead Service Line** project planning team and successfully achieve key milestones including a shared governance model, and communications and operational plans

Sustainably Manage Our Natural Resources to Deliver Reliable, Safe Water

- Utilize established **Water Resources Management Group** to enhance water system operations and water-quality optimization of our natural resources with a focus on diversion structures so that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds
- Develop and deploy a program to reduce **unaccounted-for-water** leakage by at least 18 million gallons

Embrace Innovation and New Technology

- Continue development of technical road maps and plan for single points of failure for two **obsolete technologies**
- Implement at least four **process improvements** to bolster efficiency and productivity across the enterprise

Fiscal 2023 Metrics

KPI	Description	Target	Level
Customer Satisfaction	Address four areas for improvement identified in 2019 Customer Satisfaction survey by developing and deploying cross-departmental plans and programs	4 Areas of Improvement	Global
Safety	Continue the safety journey toward achieving zero preventable injuries	0 Preventable Injuries	Global
DE&I and Employee Engagement	Address two areas of improvement in response to recent employee surveys about DE&I and employee engagement	2 Opportunities for Improvement	Global
Cybersecurity	Achieve 100% compliance with four phishing campaigns supported by real time training to keep network and critical data secure	100% Compliance	Global
Process Improvements	Implement at least four process improvements to bolster efficiency and productivity across the enterprise	4 Process Improvements	Global
Discretionary Funds	Achieve in excess of 114% coverage without a draw from discretionary funds	> 114% Coverage	Global
Capital Efficiencies	Certify 96% of capital budget is put to work efficiently for the benefit of our customers	96% of Capital Budget	Global
Commercial Services Revenue	Achieve commercial net revenues of \$7.0M in Fiscal 2023 to support overall target of \$9.2M for Fiscal 2025	\$7.0M in Revenue	Executive
Manage and Maintain Core Utility	Utilize the Risk Mitigation Team to target five new risk perspectives and deploy action plans	5 Action Plans	Executive
Water Quality	Maintain 100% compliance with drinking water standards by ensuring that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds	100% Compliance	Executive
Customer Self Service	Increase the number of customers who receive their bill electronically		Executive





Regional **Water** Authority
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**South Central Connecticut Regional Water Authority
Minutes of the May 16, 2022 Special Meeting**

A special meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Monday, May 16, 2022, via remote access. Chairman Borowy presided.

Present: Authority Members Present – Messrs. Borowy Curseaden and DiSalvo, and Mss. LaMarr and Sack
Management – Mss. Kowalski and Verdisco and Messrs. Bingaman, Lakshminarayanan, Marcik, and Singh
Staff – Mrs. Slubowski

Chair Borowy called the meeting to order at 8:30 a.m. He reviewed the Safety Moment distributed to members.

Messrs. Lakshminarayanan, the RWA’s Vice President of Engineering and Environmental Services, and Mr. Marcik, the RWA’s Capital Program Lead, provided a presentation on the Application for the Lake Whitney Dam and Spillway Improvements Project – Initial Design (Phase I), located in Hamden, Connecticut, which included:

- Background
- Need for proposed action
- Initial Design
- Early contractor involvement and onboarding process
- Estimated Cost
- Phase I schedule
- Summary of alternatives

Committee members discussed design alternatives and the decision-making process, flexibility, increased costs and supply chain issues, similar projects, grouting trial cost, contingency, and other considerations.

After discussion, Mr. DiSalvo moved for approval of the following resolutions:

1. Resolutions to approve the recommendation of the Application to the RPB:

RESOLVED, that the Authority hereby accepts the new Application, dated May 16, 2022, for a Project of the Lake Whitney Dam and Spillway Improvements Project – Phase I, located in Hamden, Connecticut, as a completed Application, substantially in the form submitted to this meeting, and Authorizes filing said Application with the Representative Policy Board (“RPB”); and

FURTHER RESOLVED, if approved by the RPB, the President and CEO, the Vice President of Operations and Business Practices or the Vice President of Engineering and Environmental Services, are authorized to take any and all actions necessary to complete the design of the Lake Whitney Dam and Spillway in Hamden, Connecticut.

2. Resolution to approve the recommendation of the issuance of a Protective Order for the Application’s confidential information to the RPB:

RESOLVED, that the Authority authorizes its President and Chief Executive Officer, the Vice President of Operations and Business Practices, or the Vice President of Engineering and Environmental Services, to file a motion and related materials with the RPB to request issuance of a protective order to maintain confidential the information to be contained in Appendices C, E, H, and J, “Confidential Information,” of the Application.

3. *Resolutions to approve the recommendation of proposed issuance of bonds for the Project Application financing to the RPB:*

RESOLVED: That the Authority hereby establishes the general terms and provisions of the Authority’s Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut or as obligations issued pursuant to the federal Water Infrastructure Finance and Innovation Act (“WIFIA”) (the “Bonds”) which are to be issued under its Water System Revenue Bond Resolution, General Bond Resolution adopted by the Authority and approved by the Representative Policy Board on July 31, 1980, as amended (the “General Bond Resolution”).

1. The Bonds shall not exceed Six Million Twenty Thousand Dollars (\$6,020,000) in aggregate principal amount.
2. The Bonds may be issued as obligations in one or more series pursuant to the General Bond Resolution and a supplemental resolution which may be adopted by the Authority for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions and such other details of the Bonds as the Authority shall determine in accordance with the limits established by the General Bond Resolution and hereby.
3. The purposes of the Bonds shall be to finance or refinance the cost of the design of the Lake Whitney Dam and Spillway Improvements (the “Project”) to provide funds for deposit to the Capital Contingency Fund, Debt Reserve Fund, and Operating Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and to pay costs of issuance.
4. The Bonds may be sold by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement to a bank, the State of Connecticut or the United States of America.
5. The Authority reasonably expects to incur expenditures (the “Expenditures”) in connection with the Project of which a general functional description is contained above. The Authority reasonably expects to reimburse itself for the cost of Expenditures with respect to the Project with the proceeds of tax-exempt debt to be issued by the Authority within eighteen (18) months after the date of any Expenditure or the date the Project is placed in service or abandoned, whichever is later. The maximum principal amount of such debt with respect to the Project is not expected to exceed \$6,020,000.
6. The form of this resolution entitled “Resolution Approving the Proposed Issuance of Bonds” a copy of which shall be filed with the records of the Authority, shall be submitted

to the Representative Policy Board for its approval in accordance with Section 22 of Special Act No. 77-98, as amended.

BE IT FURTHER RESOLVED:

1. Temporary notes of the Authority which may be issued as Interim Funding Obligations delivered to the State of Connecticut or obligations issued to the United States of America may be issued by the Authority in the amount of \$6,020,000 in anticipation of the receipt of the proceeds from the sale of such Bonds.
2. The President / Chief Executive Officer, the Vice President of Financial Reporting & Analysis or any one of them may apply to the State Department of Public Health or the U.S. Environmental Protection Agency for eligibility and funding of the Project and sign such application 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 or the U.S. WIFIA program and that any such action taken prior hereto is hereby ratified and confirmed.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Sack stated for the record that the Authority has reviewed the Application extensively and held in depth discussions the reasons for the project need. The board agreed that the project funding is prudent for this type of complicated project and its key stakeholders.

At 9:45 a.m., the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Respectfully submitted,

Catherine E. LaMarr, Secretary

**South Central Connecticut Regional Water Authority
Minutes of the May 26, 2022 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, May 26, 2022, via remote access.

Present: **Authority** – Messrs. Borowy, Curseaden, DiSalvo, and Mss. LaMarr and Sack
 Management – Mss. Bochan, Bradley, DelVasto, Gonzalez, Hill, Kowalski, Lynn, Lufkin, Valentin, Verdisco, and Messrs. Bingaman, Courchaine, Donovan, Jansen, Henley, Lakshminarayanan, Perugini, Prathigadapa, Singh, and Woodward
 RPB – Mr. Jaser
 AAC Utility Partners – Mr. Wenke
 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 Mr. DiSalvo, and unanimously carried, the Authority voted to recess the meeting to meet as the Audit-Risk Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 1:19 p.m., on motion made by Mr. Borowy, seconded by Ms. Sack, and unanimously carried, the Authority voted to meet as the Environmental, Health & Safety Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 2:10 p.m., the Authority reconvened.

On motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the board:

1. Approved the minutes of the April 28, 2022 meeting.
2. Approved capital budget authorization for June 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 \$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 2022 for all Capital Improvement Projects to be exceeded.

3. Received capital budget transfer notifications detailed in Ms. Kowalski's memorandum dated May 20, 2022.
4. Adopt resolutions authorizing exemptions from public bidding:

RESOLVED, that the Authority authorizes Management to negotiate the purchase of the following items for the fiscal year June 1, 2022 to May 31, 2023 without public bidding and such purchases without public bidding are hereby determined to be in the best interest of the Regional Water Authority for the reasons set forth in Ms. Kowalski's memorandum of May 20, 2022, a copy of which is to be filed with the records:

- 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

5. Received monthly financial report for April 2022.
6. Received accounts receivable update for April 2022.
7. Received a Derby Tank Update dated May 26, 2022.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski, the RWA's Vice President of Financial Reporting and Analysis, provided information on changes to the Drinking Water State Revolving Fund's interim loan agreement and loan obligations with the RWA and opportunities for interim financing for the West River Water Treatment Plant improvements. After discussion, on motion made by Ms. LaMarr, seconded by Ms. Sack, and unanimously carried, the Authority voted to approve the following resolution:

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; and

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; and

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; and

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; and

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; and

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; and

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.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

From 2:15 to 2:25 p.m., the Authority recessed for a break.

At 2:25 p.m., Ms. Sack withdrew from the meeting and the Authority reconvened.

Mr. Bingaman, RWA’s President and Chief Executive Officer reported that a COVID update was provided at the Health and Safety Update presented to the RWA’s Audit-Risk Committee earlier in the day.

He stated the RWA is preparing to send a real estate sale and purchase agreement and asset purchase agreement to the owner of an environmental testing lab. The topic is expected to be presented to the board at its June meeting. He acknowledged Mr. Donovan and Ms. Kowalski for their work in developing a tool to assist with indicative value for potential acquisitions, which will reduce the need for outsourcing.

Mr. Bingaman commented on his field visits during May.

He highlighted two town hall meetings held in May at the Whitney Water Center to discuss the Application for the Lake Whitney Dam and Spillway Initial Design project, which provided an opportunity for the RWA to share information with the public, review the timeline, provide opportunities for the public to speak and address concerns. Questions addressed will be distributed to Authority members. Mr. Mongillo, the Representative Policy Board Hamden Representative, attended both meetings, was a great contributor, and helped to address concerns. Another meeting will be scheduled for the summer. The RWA's Director of Public Affairs is also contacting municipal officials and community influencers.

Four work teams, comprising of 21 cross-functional employees, examined the 2025 Plan strategies and goals, brainstormed with internal subject-matter experts, prioritized strategic initiatives for FY 2023 based on the four perspectives of the balanced scorecard. Recommendations were presented to the Leadership team who will present the strategic initiatives with members of the work team, who will co-present with management at the Strategic Planning Committee meeting in June.

As Co-Chair of the Advisory Council of Southern Connecticut State University's Utility Management Degree Program, Mr. Bingaman had the honor of introducing the keynote speaker Raj Sisodia, the Co-founder and Chair Emeritus of Conscious Capitalism, Inc., who spoke about the importance of stakeholder integration.

Mr. Bingaman reported that as part of the RPB Public hearing this evening for the Lake Gaillard Water Treatment Plant Filter Influent Valve Project a video presentation that may be of interest would be shown to the RPB. Members of the Authority previewed the video presentation.

Finally, he stated that issues are resolved with the Derby Tank, but under the RPB Rules of Practice, costs that exceed 10% of the original approved price require RPB approval. Since the costs now exceed 10%, the RWA will need to advise the RPB Finance Committee who will provide their recommendations to the RPB. However, cost escalation clause is still in compliance.

Authority members reported on recent Representative Policy Board ("RPB") committee meetings.

At 2:46 p.m., Mr. Jaser withdrew from the meeting.

Mr. Bingaman and Mr. Singh, the RWA's Chief Information Digital Officer & VP of Customer Care, provided opening comments for the Customer Information System Solution.

At 2:51 p.m., on motion made by Mr. Curseaden, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to go into executive session to discuss strategy and negotiations. Present in executive session were Authority members, Mss. Bochan, Bradley, DelVasto, Gonzalez, Hill, Kowalski, Lynn, Lufkin, Slubowski, Valentin, Verdisco, and Messrs. Bingaman, Courchaine, Donovan, Jansen, Henley, Lakshminarayanan, Perugini, Prathigadapa, Singh, Wenke, and Woodward.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Absent

At 2:57 p.m., Ms. Sack entered the meeting.

At 4:17 p.m., the Authority came out of executive session.

Ms. LaMarr moved for approval of the following resolutions as discussed in executive session:

1. Resolutions to approve the recommendation of the Application to the RPB:

RESOLVED, that the Authority hereby accepts the new Application, dated May 26, 2022, for a Customer Information System Solution Project as a completed Application, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board (“RPB”); and

FURTHER RESOLVED, if approved by the RPB, the President and CEO, the Chief Information Digital Officer and Vice President Customer care, or the Vice President of Financial Reporting & Analysis, are authorized to take any and all actions necessary to complete the Customer Information System Solution Project.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

2. Resolution to approve the recommendation of the issuance of a Protective Order for the Application’s confidential information to the RPB:

RESOLVED, that the Authority authorizes its President and Chief Executive Officer, the Vice President of Operations and Business Practices, or the Vice President of Engineering and Environmental Services, to file a motion and related materials with the RPB to request issuance of a protective order to maintain confidential the information to be contained in Appendices D, F, I, K, and L, “Confidential Information,” of the Application.

Ms. Sack stated the team that provided the rationale, due diligence, and explanation of the financial impact and were highly prepared. They set the groundwork to be successful.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 4:20 p.m., the Authority voted to recess the meeting to attend the RPB meeting. Chair Borowy announced the Authority would reconvene immediately following the RPB meeting.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 7:40 p.m., the Authority reconvened. Present were Authority members, Messrs. Bingaman, Courchaine, Eitzer, Harvey, Lakshminarayanan, Singh, and Ms. Slubowski.

Chair Borowy requested approval of the budgets for the fiscal year June 1, 2022 – May 31, 2023 and authorization to file the budgets with the trustee, as required by the *General Bond Resolution*.

Mr. DiSalvo moved for adoption of the following resolutions:

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*.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 7:41 p.m., on motion made by Ms. Sack, seconded by Ms. LaMarr, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Catherine E. LaMarr, Secretary

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 203.562.4020
<http://www.nwater.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: June 17, 2022

SUBJECT: Capital budget authorization request for July 2022

Attached for your meeting on June 23, 2022 is a copy of the resolution authorizing expenditures against the capital improvement budget for July 2022. The amount of the requested authorization, for funds held by the trustee, is \$3,600,000.

This would result in projected expenditures through July 2022 of \$5,139,000 or 9.3% 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 \$3,600,000 for the month of July 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:

June 17, 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
Brentwood Drive, Orange, Capital Water Main Replacement	\$150,000	Sherwood Drive, North Haven, Capital Water Main Replacement

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	6/13/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	23-01	Jun/22
Requested By:	Tom Adamo			

Transfer From:	
Account Number:	001-000-107143-130006
Project Description:	Brentwood Drive, Orange, Capital Water Main Replacement
A) Original Budget	\$ 375,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 150,000
D) Revised Budget (A+/-B-C)	\$ 225,000
E) Estimated Project Costs	\$ 10,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 215,000
Explanation why funds are available: Project work anticipated for FY 2023 was completed ahead of schedule during FY 2022.	

Transfer To:	
Account Number:	001-000-107143-120009
Project Description:	Sherwood Drive, North Haven 8" Capital Water Main Replacement
A) Original Budget	\$ 330,000
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ 330,000
D) Amount to be Transferred	\$ 150,000
E) Proposed Revised Budget (C+D)	\$ 480,000
Explanation why funds are needed: This amendment will provide the remaining required funding required for the replacement of 1,200 feet of 8" water main in Sherwood Drive, North Haven. This project was initiated as a shovel-ready in May for inclusion in the FY 2023 budget, and 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.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		6/13/22
2) Donor Vice President/Director		6/13/22
3) Vice President - Finance		6/13/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	Larry L. Bingaman	Approved at CMC 6/10/22
6) Authority Members	Copy of minutes attached if required	

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)

	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021
Under 30	\$ 5,880	\$ 6,441	\$ 4,820	\$ 6,617	\$ 10,706	\$ 6,974	\$ 8,276	\$ 7,638	\$ 8,164	\$ 6,789	\$ 8,080	\$ 6,782	\$ 5,664
31-60	1,819	1,493	1,855	3,164	2,930	3,312	2,042	2,743	1,990	2,081	2,546	1,548	1,987
61-90	737	1,002	1,573	1,501	919	1,093	1,436	686	842	1,465	887	966	1,344
91-180	2,062	1,965	1,756	1,589	1,561	1,652	1,775	1,881	1,946	1,705	2,023	2,095	2,063
181-360	1,531	1,644	1,918	1,891	2,179	2,145	2,071	2,120	2,149	2,212	2,284	2,404	2,197
More than 1 year	5,123	5,311	5,368	5,217	5,255	5,238	5,111	5,341	5,388	5,134	5,150	5,102	4,964
Sub Total	17,152	17,856	17,290	19,979	23,550	20,414	20,711	20,409	20,479	19,386	20,970	18,897	18,219
Interest due	1,464	1,430	1,433	1,388	1,337	1,224	1,112	1,014	1,026	1,055	1,067	1,088	1,130
Total Gross A/R plus interest	\$ 18,616	\$ 19,286	\$ 18,723	\$ 21,367	\$ 24,887	\$ 21,638	\$ 21,823	\$ 21,423	\$ 21,505	\$ 20,441	\$ 22,037	\$ 19,985	\$ 19,349

Aged Accounts Receivable Focus of Collection Efforts

	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021
Greater than 60 days:													
A/R	\$ 10,643	\$ 11,067	\$ 11,724	\$ 11,281	\$ 10,927	\$ 11,093	\$ 11,360	\$ 11,012	\$ 11,334	\$ 11,554	\$ 11,393	\$ 11,640	\$ 11,683
Less: Multi-Tenants	(2,508)	(2,694)	(2,640)	(3,052)	(2,799)	(2,981)	(3,104)	(2,569)	(2,831)	(2,941)	(2,765)	(3,095)	(3,124)
Receiverships	(1,962)	(1,704)	(1,983)	(1,992)	(2,029)	(1,995)	(1,971)	(1,985)	(2,008)	(1,961)	(2,125)	(1,966)	(1,995)
Liens	(2,435)	(2,545)	(2,469)	(2,370)	(2,212)	(2,220)	(2,189)	(2,196)	(2,281)	(2,472)	(2,112)	(2,274)	(2,236)
Total	\$ 3,738	\$ 4,124	\$ 4,632	\$ 3,867	\$ 3,887	\$ 3,897	\$ 4,096	\$ 4,262	\$ 4,214	\$ 4,180	\$ 4,391	\$ 4,305	\$ 4,328
	35%	37%	40%	34%	36%	35%	36%	39%	37%	36%	39%	37%	37%

Collection Efforts

	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021
Shuts *	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 76	\$ 113	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -
Red Tags **	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	41	22	14	27	12	35	8	33	6	5	5	12	5
Top 100 Collection Calls	496	726	649	588	98	78	38	257	334	142	237	318	250
Other ⁽¹⁾	1,204	1,496	1,082	1,310	1,573	1,091	1,576	1,404	1,217	1,344	878	1,345	1,028
Total	\$ 1,743	\$ 2,244	\$ 1,745	\$ 1,925	\$ 1,683	\$ 1,280	\$ 1,735	\$ 1,709	\$ 1,557	\$ 1,491	\$ 1,120	\$ 1,675	\$ 1,283

* Number of shuts

** Number of Red tags

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

MEMORANDUM

TO: Sunny Lakshminarayanan
FROM: Tiffany Lufkin
CC: Hetal Shah
SUBJECT: FY 2023 Representative Policy Board Weighted Vote Count
DATE: June 8, 2022

Attached please find the calculations for the Representative Policy Board (RPB) weighted vote count for Fiscal Year (FY) 2023, covering the period from June 1, 2022 through May 31, 2023. This calculation was performed according to the method prescribed in the enabling legislation of the South Central Connecticut Regional Water Authority (Authority). The FY 2023 vote calculations reflect the best available information, and have been reviewed and confirmed by Hetal Shah, Manager of Planning and New Services.

The enabling legislation does not define the total number of votes, therefore, based on the particular spread of population and land, the total number of votes may vary from year to year. The FY 2023 total number of votes has been calculated to be 101.

Included with this memo is the following documentation associated with the vote calculation:

- Summary table of weighted votes per member Town, entitled "Computation of FY 2023 Weighted Votes for the Representative Policy Board", dated June 8, 2022.
- The Real Estate Department's report, entitled "Summary of Land by Town", dated May 31, 2022.
- Summary table of customers per member town, entitled "SAP - Number of Customers Supplied", dated June 8, 2022¹.

The individual town votes in FY 2023 compared to FY 2022 will remain the same. Therefore, the total weighted vote count remains at 101. Votes are rounded to the nearest whole number, and the Authority's enabling legislation does not require that each town have a minimum number of votes. Therefore, similar to FY 2022, Beacon Falls will have a weighted vote of zero in FY 2023. In a November 28, 2007 legal opinion, our attorneys, Murtha Cullina LLP, determined that a weighted vote of zero is a possible and allowable outcome of the weighted vote procedure outlined in the enabling legislation.

¹ The number of customers for this vote calculation was obtained by a report from the SAP system for all customers titled "Billing Analysis: Number of Active Water Accounts by Town".

COMPUTATION OF FY 2023 WEIGHTED VOTES FOR THE REPRESENTATIVE POLICY BOARD
June 8, 2022

TOWN	(1) VOTES FY 2022	(2) CUSTOMERS AS OF 5/31/2022	(3) QUOTIENT	(4) 2X QUOTIENT	(5) ACRES AS OF 5/31/2022	(6) QUOTIENT	(7) COLUMN 4+6	(8) COLUMN (4+6)/3	(9) COLUMN (4+6)/3 X 100	(10) VOTES FY 2023
ANSONIA	3	5,427	0.04652	0.09304	96	0.00350	0.09654	0.03218	3.21816	3
BEACON FALLS	0	0	0.00000	0.00000	22	0.00080	0.00080	0.00027	0.02676	0
BETHANY	5	6	0.00005	0.00010	3,947	0.14405	0.14415	0.04805	4.80513	5
BRANFORD	6	8,648	0.07413	0.14826	1,175	0.04288	0.19115	0.06372	6.37152	6
CHESHIRE	4	6,830	0.05855	0.11709	149	0.00544	0.12253	0.04084	4.08441	4
DERBY	2	3,240	0.02777	0.05555	2	0.00007	0.05562	0.01854	1.85400	2
EAST HAVEN	6	8,565	0.07342	0.14684	860	0.03139	0.17823	0.05941	5.94088	6
GUILFORD	4	1	0.00001	0.00002	3,294	0.12022	0.12024	0.04008	4.00787	4
HAMDEN	10	15,072	0.12920	0.25840	1,321	0.04821	0.30661	0.10220	10.22027	10
KILLINGWORTH	2	0	0.00000	0.00000	1,381	0.05040	0.05040	0.01680	1.68005	2
MADISON	6	0	0.00000	0.00000	4,716	0.17212	0.17212	0.05737	5.73723	6
MILFORD	10	18,340	0.15721	0.31442	4	0.00015	0.31457	0.10486	10.48564	10
NEW HAVEN	13	22,733	0.19487	0.38974	24	0.00088	0.39061	0.13020	13.02045	13
NO. BRANFORD	8	1,568	0.01344	0.02688	6,069	0.22150	0.24838	0.08279	8.27928	8
NO. HAVEN	5	7,928	0.06796	0.13592	54	0.00197	0.13789	0.04596	4.59632	5
ORANGE	3	4,064	0.03484	0.06967	587	0.02142	0.09110	0.03037	3.03657	3
PROSPECT	1	0	0.00000	0.00000	822	0.03000	0.03000	0.01000	1.00000	1
SEYMOUR	1	334	0.00286	0.00573	706	0.02577	0.03149	0.01050	1.04975	1
WEST HAVEN	8	13,424	0.11507	0.23014	275	0.01004	0.24018	0.08006	8.00598	8
WOODBIDGE	3	478	0.00410	0.00819	1,896	0.06920	0.07739	0.02580	2.57973	3
GOV. REP.	1	-	-	-	-	-	-	-	-	1
TOTALS	101	116,658	1	2	27,400	1	3	1	100	101

**RPB Weighted Vote Calculation
SUMMARY OF LAND BY TOWN
May 31, 2022**

Town	FY2019	FY2020	FY2021	FY2022	FY2023
ANSONIA	96	96	96	96	96
BEACON FALLS	22	22	22	22	22
BETHANY	3,946	3,944	3,945	3,945	3,947
BRANFORD	1,175	1,175	1,175	1,175	1,175
CHESHIRE	149	149	149	149	149
DERBY	2	2	2	2	2
EAST HAVEN	859	859	860	860	860
GUILFORD	3,295	3,295	3,295	3,294	3,294
HAMDEN	1,301	1,303	1,322	1,322	1,321
KILLINGWORTH	1,377	1,377	1,377	1,377	1,381
MADISON	4,718	4,716	4,716	4,716	4,716
MILFORD	4	4	4	4	4
NEW HAVEN	24	24	24	24	24
NO. BRANFORD	6,069	6,069	6,069	6,069	6,069
NO. HAVEN	54	54	54	54	54
ORANGE	587	587	587	587	587
PROSPECT	822	822	822	822	822
SEYMOUR	708	708	708	706	706
WEST HAVEN	275	275	275	275	275
WOODBIDGE	1,897	1,897	1,897	1,897	1,896
Total	27,380	27,378	27,399	27,396	27,400

(1) All values in acres. Beginning with the FY17 calculation, land values are based on GIS data. This data continues to be updated as newer and better information is collected on boundaries; therefore the reported total land by town may change although no acquisitions or dispositions have necessarily been made. This data is for informational purposes only.

(2) There was one disposition of land during FY22, in Hamden. There was one acquisition of land in FY22, in Killingworth.

RPB Weighted Vote Calculation
SAP - NUMBER OF CUSTOMERS SUPPLIED⁽¹⁾
June 8, 2022

Town	FY2019 Customers	FY2020 Customers	FY2021 Customers	FY2022 Customers	FY2023 Customers
ANSONIA	5,380	5,420	5,418	5,426	5,427
BEACON FALLS					
BETHANY	5	5	5	6	6
BRANFORD	8,586	8,605	8,622	8,631	8,648
CHESHIRE	6,735	6,759	6,776	6,803	6,830
DERBY	3,237	3,241	3,245	3,240	3,240
EAST HAVEN	8,503	8,519	8,547	8,567	8,565
GUILFORD	1	1	1	1	1
HAMDEN	15,066	15,067	15,061	15,062	15,072
KILLINGWORTH					
MADISON					
MILFORD	18,210	18,262	18,305	18,322	18,340
NEW HAVEN	22,624	22,637	22,665	22,734	22,733
NORTH BRANFORD	1,513	1,521	1,522	1,557	1,568
NORTH HAVEN	7,792	7,824	7,859	7,882	7,928
ORANGE	3,948	3,977	4,004	4,039	4,064
PROSPECT					
SEYMOUR	332	331	334	333	334
WEST HAVEN	13,434	13,436	13,432	13,427	13,424
WOODBIDGE	468	470	472	471	478
Overall Result	115,834	116,075	116,268	116,501	116,658

(1) Beginning in FY17, this calculation uses the SAP Report "Billing Analysis: Number of Active Water Accounts by Town" for the snapshot month of May. This report was chosen to improve consistency in reporting with the Annual Report.

**Representative Policy Board
Dashboard Metric - 4Q FY22**

Metrics	Quarter ended 5/31/21 (4Q FY 2021)	Quarter ended 2/28/22 (3Q FY 2022)	Quarter ended 5/31/22 (4Q FY 2022)
Customer/Stakeholders			
<i>Combined Customer Satisfaction & Reputation (Note 1)</i>	Target: 96% +/-2%	Target: 96% +/-2%	Target: 96% +/-2%
	Results: 93.1%*	Results: 93.1%*	Results: 93.1%*
	*Period ending March 2020, most recent available	*Period ending March 2020, most recent available	*Period ending March 2020, most recent available
<i>Underlying Credit Rating</i>	S&P rating AA- , affirmed 10/2019	S&P rating AA- , affirmed 12/2021	S&P rating AA- , affirmed 12/2021
	Moody's rating Aa3 , affirmed 10/2019	Moody's rating Aa3 , affirmed 12/2021	Moody's rating Aa3 , affirmed 12/2021
<i>Water Rates</i>	Update to be provided with the next Official Statement	Update to be provided with the next Official Statement	Update to be provided with the next Official Statement
Financial Metrics (Note 2)			
<i>Accrued Metered Water Revenues to Budget (000 omitted)</i>	Budget: \$102.878 million	Budget: \$79.933 million	Budget: \$104.060 million
	Result: \$108.012 million	Result: \$79.910 million	Result: \$106.964 million
<i>Other Net Revenues to Budget</i>	Budget: \$5.734 million	Budget: \$4.327 million	Budget: \$5.445 million
	Result: \$5.667 million	Result: \$4.200 million	Result: \$5.916 million
<i>O&M Expenditures to Budget (Note 2)</i>	Budget: \$56.200 million	Budget: \$44.620 million	Budget: \$59.741 million
	Result: \$55.054 million	Result: \$40.844 million	Result: \$57.490 million
<i>Capital Expenditures to Budget (Note 3)</i>	Budget: \$19.281 million	Budget: \$17.919 million	Budget: \$30.792 million
	Result: \$18.550 million	Result: \$15.208 million	Result: \$29.581 million
<i>Cash Collections (Water and Fire Service)</i>	Budget: \$101.381 million	Budget: \$92.166 million	Budget: \$116.629 million
	Result: \$117.333 million	Result: \$96.316 million	Result: \$125.810 million
<i>Coverage</i>	Budget: 1.14 w/draw	Budget: 1.14 w/draw	Budget: 1.14 w/draw
	Projected: 1.28 w/o draw	Projected: 1.25 w/o draw	Projected: 1.38 w/o draw

**Representative Policy Board
Dashboard Metric - 4Q FY22**

Metrics	Quarter ended 5/31/21 (4Q FY 2021)	Quarter ended 2/28/22 (3Q FY 2022)	Quarter ended 5/31/22 (4Q FY 2022)
<i>Draw Requirement</i>	Budget: \$12.045 million	Budget: \$922 thousand	Budget: \$922 thousand
	Projected: \$0 million	Projected: \$0 million	Projected: \$0 million
System Metrics			
<i>Average Daily Production (Draft) to Budget (MG/D)/Prior Year (Note 4)</i>	Prior Year: 42.504 MGD	Prior Year: 46.413 MGD	Prior Year: 45.181 MGD
	Result: 45.209 MGD	Result: 44.734 MGD	Result: 43.329 MGD
<i>Disinfection By-products (5)</i>	Target: 90%	Target: 100%	Target: 100%
	Result: 100%*	Result: 100%*	Result: 100%*
	* As of Mar. 31, 2021, updated	* As of December 31, 2021, updated	* As of March 31, 2022, updated
	quarterly based on calendar year	quarterly based on calendar year	quarterly based on calendar year
<i>Net Unaccounted For Water (annualized)</i>	Target: 10.0%	Target: 10.0%	Target: 10.0%
	Result: 11.88% for the annualized	Result: 11.82% for the annualized	Result: 13.52% for the annualized
	period of April 2020 to March 2021	period of December 2020 to November 2021	period of March 2021 to February 2022
<i>Reservoir Levels (% full)</i>	97% vs. 93% LTA	97% vs. 82% LTA	96% vs. 93% LTA

Notes:

Note 1: Metric is Northeast Average for Customer Billing & Payment

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

Note 3: Excludes State and Redevelopment and contingency. FY 2021 and FY 2022 also excludes capital funded by Growth Fund

Note 4: FY 2021 and FY 2022 is vs. prior year

Note 5: Fiscal 2022 target is 100% representing being at least 10% below the maximum drinking water thresholds on annual rolling average

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 of Financial Reporting & Analysis

DATE: June 17, 2022

SUBJECT: Quarterly financial statements for fiscal year 2022 (ending May 31, 2022)

Attached are the following preliminary financial reports regarding the fiscal year ended May 31, 2022, (“FY 2022”) including the following:

- Statement of net position as of May 31, 2022 and May 31, 2021;
- Schedule A: Statements of revenues, expenses and changes in net position as of May 31, 2022, maintenance test, and commentry;
- Schedule B: Operating and maintenance expenses;
- Schedule C: Capital budget report;
- Schedule D: Investment earnings report-comparison of investment rates of return

Please recall that management will refine these figures as we proceed to close out FY 2022 and as we go through the Authority’s annual audit with CliftonLarsenAllen, LLP (CLA).

**REGIONAL WATER AUTHORITY
STATEMENTS OF NET POSITION
AS OF MAY 31, 2022 AND 2021**

	FY 2022	FY 2021	Y/Y Variance	Liabilities and Net Assets	FY 2022	FY 2021	Y/Y Variance
Assets				Liabilities			
Utility plant				Revenue bonds payable, less current portion	\$ 511,930,000	\$ 495,615,000	\$ 16,315,000
Property, plant and equipment in serv	\$ 939,306,453	\$ 904,362,604	\$ 34,943,849	Net premiums and discounts from revenue bonds pay	47,004,000	41,092,304	5,911,696
Accumulated depreciation	(405,202,486)	(384,522,361)	(20,680,125)	DWSRF loans payable, less current portion	24,024,350	25,330,874	(1,306,524)
Utility plant in service	534,103,967	519,840,243	14,263,724	Net pension liability	9,651,739	9,651,739	-
Land	27,993,743	27,993,989	(246)	Net OPEB obligation	17,772,589	17,772,589	-
Construction work in progress	16,108,511	24,611,000	(8,502,489)	Total noncurrent liabilities	610,382,678	589,462,506	20,920,172
Total utility plant, net	578,206,220	572,445,232	5,760,988				
Nonutility land, at cost	64,983,522	64,983,522	-	Current liabilities			
Goodwill	14,423,704	14,423,704	-	Current portion of revenue bonds payable	21,475,000	20,565,000	910,000
Current assets				Current portion of DWSRF loans payable	1,306,514	1,287,078	19,435
Cash and cash equivalents	57,271,200	34,020,218	23,250,982	Accounts payable	4,391,178	3,950,576	440,603
Investments	-	-	-	Notes payable	50,500	50,500	-
Accounts receivable, less allowance for doubtful accounts	13,773,352	14,748,304	(974,953)	Customer deposits and advances	1,564,037	1,570,542	(6,505)
Accrued revenue	12,024,514	18,590,817	(6,566,302)	Other accrued liabilities	7,672,404	7,802,524	(130,119)
Accrued interest receivable	49,580	6,374	43,207	Total current liabilities	36,459,633	35,226,220	1,233,414
Materials and supplies	2,231,626	1,898,220	333,406				
Prepaid expenses and other assets	4,008,100	4,003,817	4,283	Liabilities payable from restricted assets			
Total current assets	89,358,373	73,267,751	16,090,622	Accounts payable for construction	1,805,207	1,519,934	285,273
Note receivable	500,000	500,000	-	Accrued interest payable	7,498,055	7,209,198	288,857
Pension Assets	-	-	-	Customer deposits and advances	1,437,866	988,108	449,759
OPEB Assets	-	-	-	Total liabilities payable from restricted assets	10,741,128	9,717,239	1,023,889
Restricted assets	143,812,718	124,397,152	19,415,565	Other liabilities	9,313,116	45,000	(35,687)
Regulatory assets	9,637,061	9,876,593	(239,532)	Total liabilities	657,592,753	634,450,965	23,141,787
Total assets	900,921,597	859,893,953	41,027,644				
Deferred Outflows of Resources				Deferred inflows of resources	5,037,635	6,462,027	(1,424,392)
Deferred charge on refunding	15,121,102	17,200,567	(2,079,465)	Deferred inflows related to pensions	3,567,902	4,764,299	(1,196,397)
Deferred charge on pension plans	1,053,756	2,985,327	(1,931,571)	Deferred inflows related to OPEB	-	-	-
Deferred charge on OPEB plans	1,723,141	2,293,040	(569,899)	Net Position			
Total	\$ 918,819,596	\$ 882,372,887	\$ 36,446,709	Invested in capital assets, net of related debt	81,406,500	69,168,630	12,237,870
				Restricted assets	104,685,569	116,699,848	(12,014,278)
				Unrestricted assets	66,529,236	50,827,118	15,702,119
				Total net assets	252,621,306	236,695,596	15,925,710
				Total liabilities and net assets	\$ 918,819,596	\$ 882,372,887	\$ 36,446,709

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
May 31, 2022 (FY 2022)

SCHEDULE A-1 - COMMENTARY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY22 revenue for water, including wholesale and fire service, is over budget by \$3,391k (approx. 2.9%).
 Metered water revenue is over budget by \$2,904k (approx. 2.8%). The fiscal 2022 budget does not reflect the January rate increase.

Total net other revenue is \$676k 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.	\$ (1,015,000)
Employee Benefits are over budget primarily due to increased pension benefits offset by lower medical and dental expense, payroll tax, and 401k.	329,000
General & Admin is under budget primarily due to the reclassification of computer purchases from expense to capital.	(189,000)
Transportation is under budget primarily due to insurance and diesel fuel.	(57,000)
Utilities & Fuel is over budget primarily related to telecommunication services.	123,000
Material From Inventory is under budget due to lower than anticipated costs.	(178,000)
Pump Power is under budget primarily due to lower than anticipated costs.	(255,000)
Chemicals Expense is over budget primarily due to price increases.	194,000
Road Repairs are over budget due to higher than anticipated costs.	121,000
Collection Expense is under budget due to lower year-to-date collections related expenses and affordability fund contributions.	(368,000)
Business Improvement is over budget primarily due to accelerating certain expenses into fiscal 2022	236,000
Public/Customer Information is under budget primarily due to lower than anticipated expenditures in advertising and consumer affairs.	(171,000)
Outside Services are under budget in multiple areas.	(360,000)
Insurance is over budget due to premiums.	90,000
Training and continued education is under budget across multiple areas.	(114,000)
RPB Fees are under budget due to lower than anticipated consulting and meeting fees.	(70,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services.	(295,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to system software maintenance and upgrades.	(123,000)
All Other	(149,000)
	<u>\$ (2,251,000)</u>

Interest Income

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

PROJECTED MAINTENANCE TEST

The projected coverage is 1.38 with no shortfall. The budgeted shortfall is \$922k.

**REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING MAY 31, 2022**

Schedule A-1

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 108,012	\$ 104,060	\$ 106,964	\$ 2,904
Fire service	12,158	12,207	12,582	376
Wholesale	927	760	872	112
Other revenue - water	3,789	3,713	3,602	(111)
Other revenue - proprietary	9,683	9,623	9,603	(20)
Total operating revenues	<u>134,568</u>	<u>130,363</u>	<u>133,623</u>	<u>3,260</u>
Operating expenses				
Operating and maintenance expense	55,053	59,741	57,490	(2,251)
Pension Expense	(2,918)	-	-	-
OPEB Expense	(451)	-	-	-
Expense associated with other revenue - water	1,685	1,966	1,970	3
Expense associated with other revenue - proprietary	4,045	3,809	4,350	542
Provision for uncollectible accounts	1,188	950	285	(665)
Depreciation	24,115	24,600	24,603	3
Payment in lieu of taxes	8,528	8,950	8,554	(397)
Amortization Pension Outflows/Inflows	1,674	868	507	(361)
Amortization OPEB Outflows/Inflows	(546)	(626)	(626)	(0)
Total operating expenses	<u>92,374</u>	<u>100,258</u>	<u>97,133</u>	<u>(3,126)</u>
Operating income	<u>42,194</u>	<u>30,105</u>	<u>36,490</u>	<u>6,387</u>
Nonoperating income and (expense)				
Interest income	254	1,986	1,710	(275)
(Loss) Gain on disposal of assets	(773)	-	(1,644)	(1,644)
Realized and unrealized (losses) gains on investments	(30)	-	(350)	(350)
Interest expense	(22,253)	(21,568)	(22,170)	(601)
Amortization of bond discount, premium, issuance cost and deferred losses	2,634	2,428	2,509	82
Intergovernmental revenue	845	-	-	-
Contributions to related entities	-	-	(1,775)	(1,775)
Total nonoperating income and (expense) before captial contributions	<u>(19,324)</u>	<u>(17,155)</u>	<u>(21,719)</u>	<u>(4,564)</u>
Income (expense) before contributions	<u>22,870</u>	<u>\$ 12,950</u>	<u>14,772</u>	<u>\$ 1,823</u>
Capital contributions	<u>2,310</u>		<u>1,154</u>	
Change in net assets	25,180		15,925	
Total net assets - beginning of fiscal year	<u>211,515</u>		<u>236,696</u>	
Total net assets - end of reporting month	<u>\$ 236,696</u>		<u>\$ 252,621</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	125,810	\$ 9,181
Interest Income	150	204	54
BABs Subsidy	657	657	(0)
Other Net	7,154	6,588	(566)
Common Non-Core	(250)	(335)	(85)
Total	<u>124,340</u>	<u>132,923</u>	<u>8,583</u>
Less:			
Operating and maintenance expenses	(59,741)	(57,490)	2,251
Depreciation	(6,500)	(6,917)	(417)
PILOT (A)	(8,950)	(8,575)	375
Net Avail for Debt Service (B)	<u>\$ 49,149</u>	<u>\$ 59,942</u>	<u>\$ 10,793</u>
Debt Service Payments (C)	<u>\$ 43,922</u>	<u>43,467</u>	<u>(455)</u>
Debt Service @ 114% (D)	<u>\$ 50,071</u>	<u>49,553</u>	<u>\$ (519)</u>
Difference (B-D)	<u>\$ (922)</u>	<u>\$ 10,389</u>	
RSF, Growth and/or General Fund (D)	922		
Coverage	<u>114%</u>	<u>138%</u>	

**REGIONAL WATER AUTHORITY
OPERATING AND MAINTENANCE EXPENSE
MAY 31, 2022**

Schedule B

PERIOD ENDING MAY 31, 2022

	FY 2021 Actual	FY 2022 Budget	FY 2022 Projected	(Under) Over
1 Payroll	\$ 21,929	\$ 23,577	\$ 22,562	\$ (1,015)
2 Employee Benefits	7,305	8,007	7,202	(805)
Pension Contributions	3,547	2,702	3,836	1,134
3 Administrative Building	1,058	944	984	41
4 General & Administrative	1,192	1,513	1,324	(189)
5 Transportation	654	728	671	(57)
6 Tools & Stores	326	295	310	16
7 Utilities & Fuel	1,499	1,405	1,529	123
8 Material From Inventory	246	376	198	(178)
9 Pump Power Purchased	2,889	3,050	2,795	(255)
10 Chemicals	1,774	1,997	2,191	194
11 Road Repairs	160	162	282	121
14 Postage	224	421	386	(35)
15 Printing & Forms	62	77	52	(25)
17 Collection Expense	581	1,175	807	(368)
18 Business Improvement	155	129	364	236
19 Public/Customer Information	246	409	238	(171)
20 Outside Services	2,742	3,601	3,242	(360)
21 Insurance Premiums	1,550	1,643	1,733	90
22 Worker's Compensation, pre-Churchill	(21)	46	23	(23)
23 Damages	68	65	34	(31)
24 Training & Cont. Education	120	269	155	(114)
25 Authority Fees	131	157	136	(20)
26 Consumer Counsel	26	60	26	(34)
27 RPB Fees	103	169	99	(70)
28 Organizational Dues	100	102	122	21
29 Donations	23	37	19	(18)
34 Central Lab/Water Quality	367	447	152	(295)
40 Environmental Affairs	140	115	71	(44)
44 Info. Technology Licensing & Maintenance Fees	2,117	2,465	2,343	(123)
45 Maintenance and Repairs	3,317	3,179	3,182	3
46 Regulatory Asset Amortization	421	422	423	2
	<u>\$ 55,053</u>	<u>\$ 59,741</u>	<u>\$ 57,490</u>	<u>\$ (2,251)</u>

	Period Ending May 31, 2022		
	Budget	Expenditures	(Under)/Over
I. NATURAL RESOURCES			
Watershed Protection	64	26	(38)
Land Management	20	18	(2)
Hamden Middle School Remediation	48	37	(12)
Lake Whitney Dam & Spillway Improvements	600	437	(163)
Lake Menunketuc Dam Intake Valves Stem Replacement	175	169	(6)
Prospect Dam Subsurface Investigation	200	179	(21)
Stream Flow Regulations Improvements	150	148	(2)
Tunnel Diversion Raw Water Main Rehabilitation Program	480	427	(53)
Lake Saltonstall Raw Water Bldg. Compressor Replacement	11	7	(4)
Fence & Guardrail Replacements	100	89	(11)
Roses Brook Water Quality Evaluation	62	52	(10)
Natural Resources Access Roads Improvements	115	134	19
Miscellaneous Natural Resources	30	66	36
Prior Year	-	-	-
TOTAL	2,055	1,789	(267)
II. TREATMENT			
Filter Media Replacement	360	307	(53)
Water Treatment Plant Valve Replacement Program	110	45	(65)
Water Treatment Plant Critical Spare Parts	165	175	10
LGWTP - Chemical Feed Improvements	312	233	(79)
LGWTP - Backwash Polymer System Upgrades	205	225	20
LGWTP Local Control Console Upgrade	75	26	(49)
LGWTP -Clarifiers Recycle & Building Improvements	251	189	(62)
LGWTP-Raw Water Flow Control Valve Replacement	310	340	30
LGWTP-HVAC Upgrades	235	222	(13)
LGWTP Sodium Hypochlorite Tanks Replacement	500	574	74
LSWTP-Electrical Upgrades	138	31	(107)
LSWTP -Chemical Treatment System Improvements	250	466	216
LSWTP -Elevator Improvement	530	475	(55)
LWWTP Plant Improvements	765	783	18
LWWTP Partial Green Roof Replacement	29	29	0
WRWTP Improvements (Dissolved Air Flotation, Electrical, Chemical)	2,805	3,301	496
West River WTP-Effluent Pipe Injection	90	88	(2)
WRWTP Backwash Lagoon Diversion Vault Valves	100	77	(23)
Treatment Plant Graphics Upgrades	200	120	(80)
NSG Wellfield Facility Improvements	580	531	(49)
SSG Wellfield Facility Improvements	390	375	(15)
NSG Well 1B Pump Motor Replacement	144	153	9
Well Rehabilitations	393	328	(65)
Well Replacements	2	1	(1)
NSG Well No. 4 Motor Control Center (MCC) Replacement	100	13	(87)
Treatment Plant Driveway Replacement Program	100	65	(35)
WRWTP Backwash & Surface Wash Pump Repl	40	36	(4)
LSWTP -Hypochlorite System	5	7	2
Miscellaneous Treatment	150	151	1
Prior Year	-	(21)	(21)
TOTAL	9,334	9,347	13

	Period Ending May 31, 2022		
	Budget	Expenditures	(Under)/Over
III. TRANSMISSION AND DISTRIBUTION			
Pipe	5,677	5,833	156
Valve Replacements	300	268	(32)
Service Connections	1,500	1,731	231
Capital Pipe Service Connections	500	656	156
Meters	485	495	10
AMI Meters	230	266	36
Hydrants and Connections	125	88	(37)
Northern Service Area Expansion	1,800	1,694	(106)
Service Area Improvements - East West Transmission System	295	285	(10)
State Street Pipe Bridge	350	288	(62)
Ansonia-Derby Tank	50	235	185
WRWTP Finished Water Reservoirs Improvements	688	614	(74)
LGWTP Finished Water Reservoirs Concrete Improvements	650	502	(148)
West Avenue Tank Painting	24	24	(0)
Variable Frequency Drive Replacement Program	150	260	110
Raynham Hill Pump Station Improvements	50	22	(28)
Burwell Hill Pump Station Equipment Replacement	647	582	(64)
Rabbit Rock Pump Station Generator Replacement	30	-	(30)
Critical Pump Station & Transmission Facilities Upgrades	235	145	(90)
Spring Street Pump Station Replacement	20	7	(13)
Lake Gaillard Pump Station Improvements	33	32	(1)
Hill Street Pump Station Repairs	165	109	(57)
Sanford Street Pump Station Rehabilitation	3	4	0
Skiff Street Bridge Betterment, Hamden	10	10	0
Brushy Plains System Upgrade-Phase II	18	20	2
Water Quality Improvements	150	97	(53)
Miscellaneous Transmission & Pumping	75	48	(27)
Main Breaks 10' or Longer	-	38	38
Prior Year	-	14	14
TOTAL	14,261	14,366	104
IV. GENERAL PLANT			
SAP Business Enhancements	50	12	(38)
SAP Work Management	50	-	(50)
LIMS Business Enhancements	105	105	0
Infor Business Enhancements	-	-	-
AMI Software Business Enhancements	10	-	(10)
SAP Enhancement Pack/HANA Upgrades	250	1	(249)
Innovation			
Business Analytics Platform	75	-	(75)
SAP Customer Channels Sales Marketing	225	171	(54)
Robotic Process Automation/Machine Learning/AI	100	-	(100)
SAP SQL Upgrade	70	13	(57)
SAP Monthly Billing	718	587	(131)
Cyber Security Enhancements	100	81	(19)
System-Wide Radio Telemetry Unit (RTU) Upgrade	700	932	232
SCADA	120	93	(27)

	Period Ending May 31, 2022		
	Budget	Expenditures	(Under)/Over
Information Systems	905	724	(181)
Miscellaneous Information Systems	273	40	(233)
Equipment	536	516	(20)
Miscellaneous Equipment	640	575	(65)
90 Sargent Drive	140	133	(7)
Miscellaneous 90 Sargent Drive	75	93	18
Prior Year	-	5	5
TOTAL	5,142	4,080	(1,062)
V. CONTINGENCY	9,515	-	(9,515)
TOTAL	40,307	29,581	(10,726)
VI. STATE & REDEVELOPMENT PIPE	3,000	1,333	(1,667)
VII. NON-CORE BILLING	745	728	(17)
TOTAL	44,052	31,643	(12,409)

Investment Earnings Report
Comparison of Investment Rates of Return

Fund Type	Balance @ May 31, 2022	Budgeted Return	Rate of Return May 31, 2022	Rate of Return Fiscal Year to Date
Less than Six Months				
Revenue Investment (A)	\$ 35,831,033	0.15%	0.83%	0.20%
Revenue (B)	2,803,160	0.00%	0.12%	0.08%
Rate Stabilization (A)	10,000,000	0.15%	0.83%	0.20%
Operating Reserve (A)	9,685,679	0.15%	0.83%	0.20%
Capital Contingency (A)	5,561,075	0.15%	0.83%	0.20%
Debt Reserve (A)	12,005,105	0.15%	0.83%	0.20%
Debt Reserve (C)	6,706	0.15%	0.16%	0.02%
Debt Service (A)	30,398,876	0.15%	0.83%	0.20%
PILOT (A)	3,726,553	0.15%	0.83%	0.20%
General Fund (A)	13,126,128	0.15%	0.83%	0.20%
Sub-Total	\$ 123,144,314			
Long Term Investments				
Operating Reserve	\$ 500,000	0.15%	0.51%	0.51%
Capital Contingency	500,000	0.15%	0.38%	0.38%
Debt Reserve	9,015,130	0.15%	0.75%	0.61%
Sub-Total	\$ 10,015,130			
Other				
Construction (A)	\$ 62,144,930	0.15%	0.83%	0.20%
Construction (C)	36,101	0.15%	0.16%	0.02%
Construction (D)	67,831	0.00%	0.00%	0.00%
Growth Fund	4,299,944	0.00%	0.11%	0.06%
Interim Financing	898	0.00%	0.08%	0.03%
Sub-Total	\$ 66,549,704			
Total	\$ 199,709,149			

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

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

(C) Investment is in the First American Government Obligation Fund.

(D) Cash Balance as of May 31, 2022.

Fund	Budgeted Interest (Cash Basis) as of May 31, 2022	Interest Received (Cash Basis) as of May 31, 2022	(Under)/ Over
Debt Reserve	31,357	49,806	18,449
Operating Reserve	15,715	13,251	(2,464)
Capital Contingency	9,267	9,080	(187)
PILOT	3,492	3,079	(413)
Debt Service	26,198	24,159	(2,039)
Revenue	23,057	59,714	36,657
Rate Stabilization	15,462	19,624	4,162
General	25,707	25,763	56
Sub Total	<u>150,255</u>	<u>204,475</u>	<u>54,220</u>
Construction	67,654	78,123	10,469
Growth Fund	-	3,188	3,188
Interim Financing	-	-	-
Total	<u>217,909</u>	<u>285,786</u>	<u>67,877</u>

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

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

FROM:  Rochelle Kowalski

DATE: June 17, 2022

SUBJECT: Distribution of Fiscal Year 2022 Revenue Fund Balance and General Fund Balance per Section 404D of the *General Bond Resolution*

REVENUE FUND

The Revenue Fund balance available for disposition at May 31, 2022, was \$24,590,261.

You will recall that the *General Bond Resolution* (Section 404D) requires the Authority to distribute any balance at year-end in the Revenue Fund as follows:

1. To the Capital Contingency Fund, if necessary.
2. To the Operating Reserve Fund, if necessary.
3. To the Rate Stabilization Fund, if desirable.
4. To the General Fund.

Since the balance of \$6,043,645 in the Capital Contingency Fund meets the requirement of the *General Bond Resolution*, no transfer is necessary.

Since the balance of \$10,160,014 in the Operating Reserve meets the requirement of the *General Bond Resolution*, no transfer is necessary.

Therefore, the amount of \$24,168,327 will be transferred to the General Fund prior to the last day of this month in accordance with the *General Bond Resolution* associated with the Year End Distribution. Of the \$24,168,327 management proposes to transfer \$2,259,000 to the Growth Fund and \$21,909,327 from the General Fund to the Construction Fund as part of the Year-End Distribution. This year management is also proposing to transfer \$1,398,000 in the existing General Fund balance to the Growth Fund.

There also will be an additional transfer of funds from Commercial Enterprises to the Construction Fund.

Summary of Proposed Revenue Fund Transfers:

Operating Reserve Fund	\$ 421,934
General Fund	<u>\$24,168,327</u>
	<u>\$24,590,261</u>

Summary of Proposed General Fund transfers for Year-End Distribution:

Growth Fund	\$ 2,259,000
Construction Fund	<u>\$ 21,909,327</u>
	<u>\$ 24,168,327</u>

Additional Transfer from General Fund:

General Fund Balance After Above Transfers:	\$ 13,148,000
General Fund to Growth Fund	<u>\$ 1,398,000</u>
	<u>\$11,750,000</u>

The attached schedules further detail the proposed transfers.

PROPOSED RESOLUTION FOR AUTHORITY MEETING

June 17, 2022

Resolution Authorizing the Transfer of **\$24,168,327** from the Revenue Fund to the General Fund

Whereas, The Vice President of Financial Reporting & Analysis has and will make certain transfers from the Revenue Fund as required by Section 404D of the General Bond Resolution;

Whereas, the balance remaining in the Revenue Fund after taking into account such transfers as of year-end is approximately **\$24,168,327** and pursuant to the General Bond Resolution will be deposited to the General Fund;

Now, therefore, be it hereby resolved, that after such transfer is made to the General Fund, the balance of the General Fund is approximately **\$37,316,327**.

PROPOSED RESOLUTION FOR AUTHORITY MEETING

June 17, 2022

Resolution Authorizing the Transfer of **\$21,909,327** from the General Fund to the Construction Fund.

Whereas, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority;

Now, therefore, be it hereby resolved by the Regional Water Authority;

The Vice President of Financial Reporting & Analysis is hereby authorized and directed to transfer and pay over from the General Fund, **\$21,909,327** to the Construction Fund.

PROPOSED RESOLUTION FOR AUTHORITY MEETING

June 17, 2022

Resolution Authorizing the Transfer of **\$2,259,000** from the General Fund
To the Growth Fund.

Whereas, pursuant to section 410 of the General Bond Resolution, the Authority may apply any moneys in the General Fund to any lawful purpose of the Authority;

Now, therefore, be it hereby resolved by the Regional Water Authority;

The Vice President of Financial Reporting & Analysis is hereby authorized and directed to transfer from the General Fund **\$2,259,000** to the Growth Fund.

Additionally, the Vice President of Financial Reporting & Analysis is hereby authorized and directed to transfer and pay from the General Fund **\$1,398,000** from the existing General Fund balance to the Growth Fund.

Summary FY 2022		(\$000 omitted)
Total Available Disposition	24,590	
Operating Reserve Fund	(422)	
Total Available Less Op. Fund	24,168	
Rate Stabilization Fund	(2,259)	
General Fund	(21,909)	
Growth Fund	(24,168)	
Construction Fund		

(\$000 omitted)	FY2017	FY2018	FY2019	FY2020	FY2021	FY 2022 Proposed
General Fund						
Beginning Balance	10,000	10,500	10,648	10,648	16,148	13,148
Draws/Transfers		(202)	(575)	-	(3,000)	(1,398)
Adds	500	350	575	5,500	-	(1,398)
Ending Balance	10,500	10,648	10,648	16,148	13,148	11,750

Not Part of Rev Fund
Disposition

(\$000 omitted)	FY2017	FY 2018	FY 2019	FY 2020	FY2021	FY 2022 Proposed
Growth Fund						
Beginning Balance	2,465	3,500	5,000	5,500	6,250	6,620
Draws			(500)	-	(629)	(2,527)
Adds	1,035	1,500	1,000	750	1,000	3,657
Ending Balance	3,500	5,000	5,500	6,250	6,620	7,750

Note: The transfer into the Growth Fund includes \$1,398 million from the General Fund and \$2,259 million from the Revenue Fund

(\$000 omitted)	FY2017	FY 2018	FY2019	FY2020	FY2021	FY2022 Proposed
Construction Fund - Internally Generated						
Beginning Balance	16,422	24,625	28,729	30,146	29,279	30,421
Reimbursement	409	1,585	3,262	553		
Capital Program Funding	(5,296)	(8,307)	(14,300)	(9,991)	(18,550)	(12,183)
Adds from Disp.	13,090	10,825	12,455	8,571	16,692	21,909
Adds from General Fund					3,000	
Ending Balance	24,625	28,729	30,146	29,279	30,421	40,148

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

MEMORANDUM

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

FROM:  Rochelle Kowalski

DATE: June 17, 2022

SUBJECT: Proposed revisions (carry over) to 2023 fiscal year capital budget

Enclosed for your review and approval is a summary of the proposed revisions to the 2023 fiscal year capital budget.

If you have any questions, please do not hesitate to contact me.

cc: L. Bingaman
R. Kowalski

PROPOSED RESOLUTION FOR AUTHORITY MEETING

JUNE 23, 2022

RESOLVED: That the proposed revisions to the capital Budget for the Authority for the 2023 fiscal year presented to this meeting, including a revised plan of capital improvements for the 2023 through 2027 fiscal years, is hereby adopted and ordered to be filed with the records and the U.S. Bank National Association pursuant to Section 614 for the General Bond Resolution.

**South Central Connecticut Regional Water Authority
Proposed Revisions To Fiscal Year 2023 Capital Budget**

FY22 TO FY23 Proposed Revisions

Timing Related

Hamden Middle School Remediation	\$	11,531
Rose's Brook Water Quality Improvements		6,000
Well Rehabilitations		64,649
Burwell Hill Pump Station Equipment Replacement		64,477
Water Quality Improvements		4,400
Business Analytics Platform		65,000
Robotic Process Automation/Machine Learning/AI		75,000
GIS Upgrades and Enhancements		75,000
Watershed Application Replacement		75,000
Document Management		22,660
Police Equipment		37,000
Natural Resources Equipment		12,000
Subtotal Timing Related	\$	<u>512,717</u>

Planned

Sherwood Drive, North Haven, 8" Capital Water Main Replacement	330,000
Water Wagon	70,000
90 Sargent Drive Building Alternatives	7,211
Subtotal Planned	\$ <u>407,211</u>

Retainage

Streamflow Regulations Improvements	1,886
Tunnel/Diversion/Raw Water Main Program	15,000
Lake Gaillard Water Treatment Plant Chemical Feed Improvements	14,000
Lake Saltonstall Water Treatment Plant Elevator Improvements	9,486
West River Water Treatment Plant Effluent Pipe Injection Chamber	2,066
North Sleeping Giant Wellfield Facility Improvements	29,000
West River Water Treatment Plant Backwash & Surface Wash Pumps	3,738
West River Water Treatment Plant Finished Water Reservoirs	15,000
Lake Gaillard Water Treatment Plant Finished Water Reservoirs	9,400
Subtotal Retainage	\$ <u>99,576</u>

Subtotal Project Revisions \$ 1,019,504

Project Reserve Carryover Related to Supply Chain Issues (prior-approved by Board)

West River Water Treatment Plant Improvements	\$	315,000
Ansonia-Derby Tank		150,000
South Sleeping Giant Wellfield Improvements		510,000
Treatment Facility Roof Replacements		113,000
Lake Whitney Water Treatment Plant Partial Green Roof Replacement		79,000
Beach Avenue ROW Capital Water Main		426,000
Lake Gaillard Water Treatment Plant Raw Water Flow Control Valves		390,000

Subtotal Contingency \$ 1,983,000

TOTAL PROPOSED BUDGET REVISIONS \$ 3,002,504

-CAUTION-

THE DISCLOSURE OF CERTAIN INFORMATION ON PAGES, MAPS OR OTHER MATERIALS STAMPED HEREIN MAY POSE A SAFETY AND SECURITY RISK TO PERSONS AND/OR PROPERTY. THE DETERMINATION TO DISCLOSE THIS INFORMATION SHALL ONLY BE MADE PURSUANT TO C.G.S. SECTION 1-210.

**South Central Connecticut Regional Water Authority
5-Year Plan of Capital Improvements
(000's omitted)**

	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	TOTAL
NATURAL RESOURCES (1)						
Land Management	\$ 20	\$ 20	\$ 20	\$ 50	\$ 50	\$ 160
Watershed Protection	100	100	100	100	100	500
Improvements to Reservoir Intakes	2	-	100	30	500	632
Improvements to Reservoir Dams & Spillways	2,305	9,312	14,671	2,900	6,863	36,051
Bridge Refurbishments	-	300	-	300	-	600
Tunnel Repairs & Improvements	433	400	50	500	50	1,433
Miscellaneous	83	180	265	2,088	65	2,681
	<u>2,942</u>	<u>10,312</u>	<u>15,206</u>	<u>5,968</u>	<u>7,628</u>	<u>42,056</u>
TREATMENT (2)						
Lake Saltonstall WTP Process Improvements	1,776	2,771	2,662	200	200	7,609
Lake Gaillard WTP Process Improvements	7,679	9,761	1,510	2,020	1,900	22,870
West River WTP Process Improvements	10,221	2,930	350	850	250	14,601
Lake Whitney WTP Process Improvements	329	925	1,500	450	200	3,404
Improvements to Groundwater Treatment Facilities	3,129	1,210	1,314	1,300	2,000	8,953
Filter Media Replacement	500	500	600	600	600	2,800
Miscellaneous	988	500	2,050	2,100	250	5,888
	<u>24,622</u>	<u>18,597</u>	<u>9,986</u>	<u>7,520</u>	<u>5,400</u>	<u>66,125</u>
TRANSMISSION & PUMPING (3)						
Pipe and Transmission Main	6,092	7,325	6,650	12,725	7,275	40,067
Cleaning and Lining	-	-	-	-	1,000	1,000
Lead Service Line Replacements	500	750	1,000	5,000	5,000	12,250
Valve Replacements	250	250	250	400	400	1,550
Service Connections & Hydrants	2,425	2,425	2,525	2,525	2,825	12,725
Meters	50	50	50	50	50	250
AMI Meters	-	-	-	-	-	-
Tank Painting & Improvements	250	60	1,150	2,050	1,930	5,440
Tank Construction/Replacement	4,530	550	300	850	5,100	11,330
New Haven Service Area Improvements - Phase I	-	-	-	-	250	250
Motor Control Center Replacements/Electrical Improvements	-	-	350	350	350	1,050
Critical Pump Station & Transmission Facilities Upgrades	100	100	100	100	100	500
Variable Frequency Drive Replacements	150	150	150	200	150	800
Pump Station Generator Replacements	750	100	500	100	650	2,100
Burwell Hill Pump Station Equipment Replacement	64	-	-	-	-	64
Raynham Hill Pump Station Improvements	350	1,800	-	-	-	2,150
Spring Street Pump Station Replacement	200	5,100	3,300	-	-	8,600
Lake Gaillard Pump Station Improvements	-	-	200	1,000	3,000	4,200
Miscellaneous	1,024	2,995	1,785	1,725	3,915	11,444
	<u>16,735</u>	<u>21,655</u>	<u>18,310</u>	<u>27,075</u>	<u>31,995</u>	<u>115,770</u>
GENERAL PLANT (4)						
Information Systems	6,711	5,734	5,473	2,362	2,998	23,277
SAP Customer Channels Sales & Marketing	150	100	200	175	100	725
Data Center Life Cycle Replacements	650	650	650	650	650	3,250
Equipment	1,781	937	1,065	920	883	5,586
90 Sargent Drive	727	5,725	9,850	7,765	420	24,487
	<u>10,019</u>	<u>13,146</u>	<u>17,238</u>	<u>11,872</u>	<u>5,051</u>	<u>57,325</u>
CONTINGENCY						
	<u>450</u>	<u>657</u>	<u>634</u>	<u>485</u>	<u>533</u>	<u>2,759</u>
TOTAL	<u>\$ 54,769</u>	<u>\$ 64,367</u>	<u>\$ 61,374</u>	<u>52,920</u>	<u>50,607</u>	<u>\$ 284,036</u>
ESCALATED TOTAL (5)						
	<u>\$ 54,769</u>	<u>\$ 66,298</u>	<u>\$ 65,112</u>	<u>57,827</u>	<u>56,958</u>	<u>\$ 300,964</u>
CONSTR. FUND STATE & REDEV REVOLV. ACCT	\$ 3,000	\$ 3,000	\$ 3,000	3,000	3,000	\$ 15,000
COMMERCIAL BILLING, PSW, PSS, HP, MIGRATION (6)	\$ 100	\$ 325	\$ 360	40	40	\$ 865
NORTHERN SERVICE AREA EXPANSION	\$ -	\$ 1,500	\$ 1,500	-	-	

- (1) Projects required to provide for present and future water requirements as well as protection of existing water supplies.
- (2) Projects which are necessary to maintain compliance with all Federal and State regulations as well as provide an adequate supply for future expansion of water demand.
- (3) Projects necessary to correct deficiencies in the system and provide for current and future demands needed for both consumption and fire protection, as well as modify and upgrade pumping facilities.
- (4) Expenditures for specific items including information systems, equipment, vehicles and plant modifications.
- (5) Escalated at 3% per year.
- (6) To be funded out of the Growth Fund

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

RPB COMMITTEE MEETINGS

Month	Meeting	Will Attend
July 2022	<i>Finance Committee (Special Meeting)</i> Tuesday, July 12 at 5:00 p.m.	
	<i>Land Use Committee</i> Wednesday, July 13 at 5:30 p.m.	
	<i>Consumer Affairs Committee</i> Monday, July 18 at 5:30 p.m.	
August 2022	<i>Finance Committee</i> Monday, August 8 at 5:00 p.m.	
	<i>Land Use Committee</i> Wednesday, August 10 at 5:30 p.m.	
	<i>Consumer Affairs Committee</i> Monday, August 15 at 5:30 p.m.	
September 2022	<i>Finance Committee</i> Monday, Sept 12 at 5:00 p.m.	
	<i>Land Use Committee</i> Wednesday, Sept 14 at 4:30 p.m.	
	<i>Consumer Affairs Committee</i> Monday, Sept 19 at 5:30 p.m.	

MEMORANDUM

TO: FINANCE COMMITTEE
FROM: SUNNY LAKSHMINARAYANAN/ROCHELLE KOWALSKI
SUBJECT: DERBY TANK PROJECT COST UPDATE
DATE: 6/7/2022

This memo is written to provide the Finance Committee with an update on the Derby Tank Project and budget cost escalation.

Status Summary:

Bids for this project were originally opened on March 3, 2020 with Guerrero Construction being the low bidder at \$3,250,000. As you are aware, there were many delays to moving forward with the project due to various legal challenges.

The RWA was notified in August 2021 that the lease of the tank site must be approved by CTDEEP as they felt this area was enclosed within the parcel of land that CTDEEP had funded for improvements. The City of Derby submitted initial and additional documents to CTDEEP. In March 2022, after their review of the documents/information CT DEEP issued a giving approval/clearance to move forward with the tank lease as they determined that the proposed tank site was not under the restriction granted from the City of Derby receiving State funding and was not encumbered.

During this timeframe between March 2020 and March 2022, in order to keep Guerrero's bid open RWA had extended the time of award from the 180 day specified award period till now. Guerrero agreed to three extensions over the past two years. Guerrero's agreement to extend was based on our agreement to grant two cost escalations to Guerrero, one for \$116,000 and the second for approximately \$227,000. These cost escalations were for extending their bid price validity till October 2021. The original bid also included an alternate for the construction of a parking lot that Derby required RWA to fund. Guerrero's amount for this alternate option was \$290,000. During the course of this two year period, Derby informed us that they no longer needed the parking lot; therefore, creating a credit change order.

RWA agreed to the price increases with Guerrero after our internal review and input from RWA's consulting engineers Tighe & Bond. CTDPH DWSRF also concurred with the determination and approved the two change orders. The most significant cost escalations were a result of increases in the price of steel and concrete since the bid opening. RWA received a third escalation for \$404,150 from Guerrero and was processed. This change order has also been approved by the CTDPH.

The original RPB approved amount for the project is \$5.1MM. The estimated total project cost including Guerrero's bid, with the three escalations and appropriate deductions for parking lot, RWA's internal engineering cost, consultant fees, and including contingency is now calculated to be \$5.824 MM, which is roughly approximates to 14.1% over the RPB approved amount. Per the RPB's Rules of Practice General Provisions –Scope and Construction of Rules Section 2(c) (ii) states "*if the*

application related thereto as approved includes a cost index adjustment, then the greater of 110% of the amount originally approved by the Board, or the approved amount adjusted by the cost index”.

At the time of budgeting and seeking RPB approval the construction ENR Index was used in the application for escalation. The application was submitted in 2018 and the ENR Index was 11,170 and currently for May 2022 the ENR Index is 13,004.47 which equates to an increase of 16.4%. The original RPB Authorized amount \$5.1 MM with 110% of the approved amount works out to \$5.61MM and using the cost index adjustment the amount works out to 16.4% of \$5.1 MM or \$5.937MM. The updated project cost now is \$5.824 MM, which is above the 110% but less than the 116.4% cost index adjustment allowable.

As mentioned above, we wanted to provide you this update and appreciate your continued interest and support of this important project.

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

PROPOSED RESOLUTIONS

(FY 2023 proposed carryovers)

June 23, 2022

RESOLVED, that the proposed revisions to the Capital Budget for the Authority for the 2023 fiscal year presented to this meeting, including a revised plan of capital improvements for the 2023 through 2027 fiscal years, is hereby adopted and ordered to be filed with the records and the U.S. Bank National Association pursuant to Section 614 for the General Bond Resolution.