

**South Central Connecticut Regional Water Authority
Minutes of the June 23, 2022 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, June 23, 2022, via remote access.

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

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

At 12:32 p.m., on motion made by Mr. Curseaden, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the meeting to meet as the Commercial Business Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 1:24 p.m., the Authority reconvened and Mr. Mongillo entered the meeting. On motion made by Ms. Sack, seconded by Mr. DiSalvo, and unanimously carried, the Authority voted to meet as the Strategic Planning Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 3:12 p.m., the Authority reconvened and Ms. Sack withdrew from the meeting.

Mr. Curseaden moved for conditional approval of the following resolutions as recommended by the Commercial Business Committee for the transactions as discussed in executive session:

WHEREAS, the Board deems it to be advisable and in the best interests of the Authority to authorize RWA Environmental and Lab Services, LLC, a Connecticut limited liability company (the “**Acquisition Sub**”) that is an indirect wholly-owned subsidiary of the Authority to enter into each of (i) a Purchase and Sale Agreement by and between Acquisition Sub and a Connecticut limited liability company, as more fully discussed in executive session (the “**Real Estate Seller**”) with respect to the purchase of that certain parcel of land (the “**Real Estate Purchase**”) and substantially in the form provided to the Board on or about June 17, 2022 (the “**Real Estate Purchase Agreement**”) and (ii) an associated Asset Purchase Agreement by and between Acquisition Sub and a Connecticut corporation, as more fully discussed in executive session (the “**Asset Seller**”) for the purchase of the assets of the Asset Seller’s environmental and analytical laboratory testing services business (the “**Asset Purchase**”) substantially in the form provided to the Board on or about June 17, 2022

(the “**Asset Purchase Agreement**”), in each case as more fully discussed, including discussion of the conditions to closing set forth in the Real Estate Purchase Agreement, in executive session of the Authority held on June 23, 2022.

NOW THEREFORE LET IT BE:

RESOLVED, that the form, terms and provisions of each of the Real Estate Purchase Agreement and Asset Purchase Agreement, including all exhibits and schedules attached thereto, be, and each of them hereby is, determined to be fair, advisable, and in the best interest of the Authority and Acquisition Sub; and that each of the Real Estate Purchase Agreement and the Asset Purchase Agreement be, and each of them hereby is, adopted and approved;

RESOLVED, that each of Larry L. Bingaman, the President and Chief Executive Officer of the Authority and a manager of Acquisition Sub, and Rochelle Kowalski, the Vice President of Financial Reporting and Analysis of the Authority and a manager of Acquisition Sub (each such person, an "**Authorized Officer**") be, and each of them hereby is, authorized and empowered, to execute and deliver the Real Estate Purchase Agreement, and, upon the satisfaction of all the conditions to the closing of the Real Estate Purchase Agreement, the Asset Purchase Agreement, including all exhibits and schedules attached thereto, in the name and on behalf of Acquisition Sub with such additions, deletions, or changes therein (including, without limitation, any additions, deletions, or changes to any schedules or exhibits thereto) as the Authorized Officer executing the same shall approve (the execution and delivery thereof by any such Authorized Officer to be conclusive evidence of his or her approval of any such additions, deletions, or changes);

RESOLVED, that Acquisition Sub be, and hereby is, authorized and empowered to perform all of its obligations under each of the Real Estate Purchase Agreement and, upon the satisfaction of all the conditions to the closing of the Real Estate Purchase Agreement, the Asset Purchase Agreement and Real Estate Purchase Agreement, including but not limited to, the Real Estate Purchase and the Asset Purchase;

GENERAL AUTHORIZATION

RESOLVED, that each of the Authorized Officers be, and each of them hereby is, authorized and empowered to take all such further action and to execute and deliver all such further agreements, certificates, instruments, and documents, in the name and on behalf of Acquisition Sub, to pay or cause to be paid all expenses; to take all such other actions as they or any one of them shall deem necessary, desirable, advisable, or appropriate to consummate, effectuate, carry out, or further the transactions contemplated by and the intent and purposes of the foregoing resolutions;

RESOLVED, that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements or instruments described in the foregoing resolutions or any action to be taken in accordance with any requirements of any of the agreements or instruments described in the foregoing resolutions shall in no manner derogate from the authority of the Authorized Officers to take all actions necessary, desirable, advisable, or appropriate to consummate, effectuate, carry out, or further the transactions contemplated by and the intent and purposes of the foregoing resolutions.

Mr. Curseaden stated that he is approving the resolutions based on the presentation, discussion and comments that took place in executive session as well as comments from legal counsel.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Absent

Mr. Borowy stated that the Strategic Planning Committee voted to recommend the RWA's FY 2023 Strategic Plan for adoption by the Authority. On motion made by Mr. DiSalvo, and seconded by Ms. LaMarr, the Authority voted to adopt the RWA's FY 2023 Strategic Plan.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Absent

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

1. Minutes of the May 16, 2022 and May 26, 2022 meetings.
2. Capital budget authorization for July 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 \$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.

3. Capital budget transfer notifications detailed in Ms. Kowalski's memorandum dated June 17, 2022.
4. Key Performance Indicators for 4th Quarter of FY 2022.
5. Accounts receivable update for May 2022.
6. FY 2023 RPB Weighted Vote Calculation.
7. RPB Dashboard Report for 4th Quarter of FY 2022.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye

Sack Absent

Ms. Kowalski, RWA's Vice President of Financial Reporting & Analysis, reviewed the Year-end Financial Report for the fiscal year ended May 31, 2022, which included:

- Balance sheet
- Statement of revenues, expenses, and changes in net position
- Maintenance test year-end projections
- Operating and maintenance key variances
- Capital budget
- Investment earnings report

At 3:33 p.m., Ms. Sack entered the meeting.

Ms. Kowalski distributed to Authority members a memorandum dated June 17, 2022, regarding "Distribution of Fiscal Year 2022 Revenue Fund Balance and General Fund Balance per Section 404D of the *General Bond Resolution*." She reported on funds available for allocation from the Revenue Fund and the General Fund.

Ms. Sack moved for adoption of the following three resolutions:

1. **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; and

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 RESOLVED, that after such transfer is made to the General Fund, the balance of the General Fund is approximately \$37,316,327.

2. **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 RESOLVED BY THE REGIONAL WATER AUTHORITY, that 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.

3. **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 IS RESOLVED BY THE REGIONAL WATER AUTHORITY, that 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; and

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.

Ms. Sack expressed her gratitude to members of the RWA for all the work to achieve results, while focusing on the organization’s strategic plan, and keeping employees safe.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski described proposed revisions to the fiscal year 2023 Capital Budget totaling \$3,002,504 resulting in an amended capital budget totaling \$54,769,000 (excluding state and redevelopment and the growth fund). She also reviewed the release of project funds that were held in reserve. Mr. DiSalvo moved for adoption of the following resolutions:

Resolved: that the Authority approves the release of \$390,000 from the contingency project reserve to the Lake Gaillard Water Treatment Plant Raw Water Flow Control Valve Replacement project account; \$992,000 from the contingency project reserve to the Lake Saltonstall Water Treatment Plant Chemical Systems Improvements project account; \$3,315,000 from the contingency project reserve to the West River Water Treatment Plant Improvements project account; \$1,310,000 from the contingency project reserve to the South Sleeping Giant Wellfield Improvements project account; \$79,000 from the contingency project reserve to the Lake Whitney Water Treatment Plant Partial Green Roof Replacement project account; \$113,000 from the contingency project reserve to the Treatment Facility Roof Replacements project account; \$426,000 from the contingency project reserve to the Beach Avenue ROW Capital Water Main project account; and \$2,780,000 from the contingency project reserve to the Ansonia-Derby Tank project account.

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.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Authority members reported on recent RPB committee meetings and assignments were made for attendance at the third quarter 2022 RPB committee meetings.

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

Mr. Lakshminarayanan, the RWA’s Vice President of Engineering and Environmental Services, provided an update of costs associated with the Derby Tank Project. He stated

that the Finance Committee received notification at its June meeting of an increase to the cost index of 16.4%, which drives the project cost up but remains less than the cost increase allowable, due to the inclusion of a cost index in the RPB application for the project, allowable under the RPB Rules of Practice. The RPB also received the information.

Mr. Bingaman, RWA's President and Chief Executive Officer reported:

- That as part of his monthly field visits he joined Mr. Hill, the RWA's Director of Operations, to observe a number of projects underway to improve the water system. These included visiting the Seymour wellfield, surveying the progress of a water service transfer in Milford, touring the West River Water Treatment Plant Dissolved Air Floatation project, viewing the progress of the installation of new Sodium Hypochlorite bulk tanks at the Lake Gaillard Water Treatment Plant and witnessing a repair of a water main break in Cheshire.
- The RWA is again partnering with WTNH-TV Channel 8 and WCTX-TV Channel 59 to air Water Wise Ways. They will be airing 10 15 second messages to customers to offer ways to reduce water use to ensure water supply needs, fire protection and the environment. The commercials will direct customers to the RWA website for additional ways to conserve water. Water Wise Ways is also part of the rain barrel sale, which took place earlier in the month.

At 4:17 p.m., Mss. Kowalski and Slubowski and Messrs. Donovan, Lakshminarayanan, Mongillo, and Singh withdrew from the meeting and on motion made by Mr. DiSalvo, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to go into executive session to discuss personnel matters. Present in executive session were Authority members, Mr. Bingaman and Ms. Verdisco.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 4:49 p.m., the Authority came out of executive session and the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Catherine E. LaMarr, Secretary