

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, CT 06511
or Via Remote Access**

AGENDA

Regular Meeting of Thursday, February 23, 2023 at 12:30 p.m.

- A. Moment of Silence for Anthony DiSalvo
- B. Safety Moment
- C. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
- D. Meet as Audit-Risk Committee: C. LaMarr
 - 1. Approve Minutes – December 15, 2022 meeting
 - 2. Plan of Audit – FY 2023: D. Flint and R. Nossek
- E. Consent Agenda
 - 1. Approve Minutes – January 26, 2023 meeting
 - 2. Capital Budget Authorization – March 2023
 - 3. Capital Budget Transfer Notifications (no action required) – March 2023
 - 4. Monthly Financial Report – January 2023
 - 5. Accounts Receivable Update – January 2023
 - 6. Report on Code of Ethics Compliance for period ended November 30, 2022
 - 7. Beekeeper Activities Update Memorandum – Environmental, Health & Safety
- F. Finance: R. Kowalski
 - 1. Type B Amendment
- G. The Claire C. Bennitt Watershed Fund – Authority Appointment
- H. Reports on RPB Committee meetings
- I. Updates: L. Bingaman
 - 1. COVID Update: E. Calo
 - 2. Monthly Board Letter Highlights: L. Bingaman
- J. Meet as Strategic Planning Committee: D. Borowy
 - 1. Approve Minutes – November 17, 2022 meeting
 - 2. FY 2024 Work Plan
 - 3. *Six-month Progress Review – FY 23 Strategic Action Plan Update & Global Metrics - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210 subsection b #5(B) concerning commercial or financial information*
- K. Act on matters arising from Committee meetings

** Members of the public may attend the meeting in person or via conference call. For information on attending the meeting and to view meeting documents, please visit <https://tinyurl.com/ysu5fy3e>. For questions, contact the board office at jslubowski@rwater.com or by calling 203-401-2515.

**RPB Member (C. Havrda) is excused at J.3*

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
(Including Audit-Risk Committee and Strategic Planning Committee meetings)

FEBRUARY 23, 2023 AT 12:30 P.M.

REMOTE MEETING INSTRUCTIONS

Call in *(audio only)*

[+1 469-965-2517,,956392978#](tel:+14699652517956392978) United States, Dallas

Phone Conference ID: 956 392 978#

Members of the public may join the meeting in-person at 90 Sargent Drive, New Haven, Connecticut, or by conference call. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com

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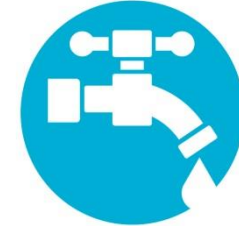
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SAFETY MOMENT

Flu Prevention

Flu season occurs in the fall and winter, peaking between late November and early March, and it's an epidemic every year. The makeup of flu viruses can change from year to year, making it difficult to predict.

Tap Into
Safety



Regional Water Authority

Ways to Prevent the Flu:

- CDC recommends getting the annual flu vaccine as soon as it becomes available; October is the ideal time to get vaccinated, but it's never too late
- If you don't like needles, ask your doctor if a nasal flu spray is available
- Avoid being around sick people if possible
- Wash your hands frequently with soap and water, or use hand sanitizer
- Cover your mouth when coughing or sneezing, preferably with the inside of your arm rather than your hand
- Avoid touching your face
- Disinfect surfaces that may be contaminated

Service – Teamwork – Accountability – Respect – Safety

Safety is a core company value at the Regional Water Authority .
It is our goal to reduce workplace injuries to zero.

 Regional Water Authority

South Central Connecticut Regional Water Authority
Audit-Risk Committee

Minutes of the December 15, 2022 Meeting

The regular meeting of the South Central Connecticut Regional Water Authority Audit-Risk Committee took place on Thursday, December 15, 2022, via remote access. Chairwoman LaMarr presided.

Present: **Committee Members Present**– Mss. LaMarr and Sack, and Messrs. Borowy and DiSalvo
Committee Members Absent – Mr. Curseaden
Management – Mss. Kowalski and Calo, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, Schnaitmann, and Singh
RPB – Mr. Betkoski
Staff – Mrs. Slubowski

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

On motion made by Mr. DiSalvo, seconded by Ms. Sack, the Committee approved the minutes of its meeting held on September 22, 2022, as presented.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 12:32 p.m., on motion made by Mr. DiSalvo, seconded by Ms. Sack, and unanimously carried, the Authority voted to convene in executive session pursuant to C.G.S. Section 1-200(6)(C) to receive a briefing and discuss security strategies and implementation. Present in executive session were the Authority members, Mss. Kowalski, Calo, and Slubowski, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, and Singh.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 12:44 p.m., the committee came out of executive session and Mr. Schnaitmann entered the meeting. No votes were taken in, or as a result of, executive session.

Mr. Singh, the RWA’s Chief Information Digital Officer & Vice President of Customer Care, and Mr. Schnaitmann, RWA’s Head of Enterprise Security, provided a Cyber/Technology Resiliency Update, which included:

- Cybersecurity Focus Areas
- Updated Cyber Roadmap
- Fountain Lake Functional Exercise
- Phishing Campaigns
- Cybersecurity Infrastructure Security Agency Quarterly Dashboard

At 12:53 p.m., Mr. Betkoski entered the meeting.

Discussion ensued regarding RWA cyber governance, threat detection, controls, and insurance.

At 1:03 p.m., on motion made by Mr. Borowy, seconded by Mr. DiSalvo, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
Curseaden	Absent
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Catherine E. LaMarr, Chairwoman



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February 8, 2023

Regional Water Authority
South Central Connecticut Regional Water Authority
New Haven, CT 06511-5966

We are engaged to audit the financial statements of the business-type activities and the aggregate remaining fund information of the South Central Connecticut Regional Water Authority as of and for the year ended May 31, 2023. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

Our responsibility under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards, and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Connecticut State Single Audit Act

Financial statements, internal control, and compliance

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Connecticut State Single Audit Act (State Single Audit). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Those standards also require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under U.S. GAAS and *Government Auditing Standards*.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial

statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.
- Form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- Plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
- Perform, as part of obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, tests of the entity's compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our tests is not to provide an opinion on compliance with such provisions and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.
- Provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control over compliance that we identify during the audit that are required to be communicated.
- Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Act will always detect material noncompliance when it exists. Material noncompliance can arise from fraud or

error and is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report.

- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal or state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit.
- Consider internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit.
- Perform tests of transactions and other applicable procedures described in the “OMB Compliance Supplement” and the “Compliance Supplement to the State Single Audit” for the types of compliance requirements that could have a direct and material effect on each of the entity’s major programs. The purpose of these procedures will be to express an opinion on the entity’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity’s compliance with those requirements.
- Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of federal or state awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance and the State Single Audit.
- Communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
- Communicate circumstances that affect the form and content of the auditors’ report.

Our audit of the financial statements does not relieve you or management of your responsibilities.

Supplementary information in relation to the financial statements as a whole

Our responsibility for the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA in relation to the financial statements as a whole and to report on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA to determine whether the SEFA complies with the requirements of the Uniform Guidance, the method of preparing the schedule has not changed from the prior period, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We will

compare and reconcile the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we will make certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We will compare the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we will not express an opinion or provide any assurance on the RSI.

Use of financial statements

Our auditors’ opinions, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document. You are responsible to provide us the opportunity to review such documents before issuance.

Other information included in annual reports

It is our understanding that our auditors’ report will be included in your annual report and that your annual report will be issued after the audit. Management is responsible for the preparation of other information included in your annual report and for providing such information to us in a timely manner, and if possible, prior to the date of our auditors’ report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinions on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors’ report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If management refuses to correct a material misstatement of the other information, professional standards require us to communicate the matter to you. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Planned scope and timing of the audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from

(1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risks of material misstatement as part of our audit planning:

- Management override of controls
- Revenue Recognition

As a result of unexpected events, changes in conditions, or the audit evidence obtained from the results of audit procedures performed, we may need to modify the overall audit strategy and audit plan and, thereby, the resulting planned nature, timing, and extent of further audit procedures, based on the revised consideration of assessed risks.

We expect to begin our audit in the April/May timeframe and issue our report on approximately September 15, 2023.

* * *

This communication is intended solely for the information and use of Regional Water Authority and management of the South Central Connecticut Regional Water Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CliftonLarsonAllen LLP



David Flint, CPA
Principal
860-570-6379
David.Flint@CLAconnect.com



Statement of Work - Audit Services

February 6, 2023

This document constitutes a statement of work ("SOW") under the master service agreement ("MSA") dated February 6, 2023, or superseding MSA, made by and between CliftonLarsonAllen LLP ("CLA," "we," "us," and "our") and South Central Connecticut Regional Water Authority ("you," "your," or "the entity"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services CLA will provide for the entity as of and for the year ended May 31, 2023.

David Flint is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the business-type activities and the aggregate remaining fund information, which collectively comprise the basic financial statements of South Central Connecticut Regional Water Authority, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements.

The following RSI will be subjected to certain limited procedures, but will not be audited.

- Management's discussion and analysis.
- GASB-required supplementary pension and OPEB information.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements and the related notes.
- Preparation of the required supplementary information (RSI).
- Preparation of the supplementary information.
- Preparation of schedule of federal awards.

- Preparation and submission of the electronic Data Collection Form SF-SAC

Audit objectives

The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports.

We will perform procedures on the financial information of the Watershed Fund (or request other auditors to perform procedures on the financial information of the Watershed Fund) to enable us to express our opinions.

We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

- Reporting on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Reporting on internal control over compliance related to major programs and expressing an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We will issue written reports upon completion of our audit of your financial statements and compliance with requirements applicable to major programs.

Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from the engagement. If our opinions on the financial statements or compliance are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements or material noncompliance caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements or an opinion on compliance, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue reports, or withdrawing from the engagement.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, and the Uniform Guidance.

Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have

identified during the audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls

There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements or noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, Government Auditing Standards, and the Uniform Guidance. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected. Because the determination of waste and abuse is subjective, Government Auditing Standards do not require auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major program. However, our

tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify deficiencies, significant deficiencies, or material weaknesses in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under AICPA professional standards, Government Auditing Standards, and the Uniform Guidance.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the entity's compliance with the provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

We will include in our report on internal control over financial reporting and on compliance relevant information about any identified or suspected instances of fraud and any identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements that may have occurred that are required to be communicated under Government Auditing Standards.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of the entity's major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

We will evaluate the presentation of the schedule of expenditures of federal awards accompanying the financial statements in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the schedule to determine whether the information complies with U.S. GAAP and the Uniform Guidance, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the schedule to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management responsibilities

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements, RSI, and the schedule of expenditures of federal awards in accordance with U.S. GAAP. Management is also responsible for identifying all federal awards received, understanding and complying with the compliance requirements, and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for 12 months beyond the financial statement date.

Management is responsible for compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs. Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are responsible for the design, implementation, and maintenance of effective internal control, including internal control over compliance, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities and safeguarding assets to help ensure that appropriate goals and objectives are met; and that there is reasonable assurance that government programs are administered in compliance with compliance requirements.

You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for implementing systems designed to achieve compliance with applicable laws and regulations and the provisions of contracts and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud; noncompliance with

provisions of laws, regulations, contracts, or grant agreements; or abuse that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including amounts and disclosures, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters, and for the accuracy and completeness of that information (including information from within and outside of the general and subsidiary ledgers), and for ensuring management information and financial information is reliable and properly reported; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for providing us with, or making arrangements to facilitate (1) unrestricted communication between us and the component auditor(s) to the extent permitted by law or regulation; (2) communications between the component auditor(s), those charged with governance of the component(s), and component management, including communications of significant deficiencies and material weaknesses in internal control; (3) communications between regulatory authorities and the component(s) related to financial reporting matters; (4) access to component information, those charged with governance of the component(s), component management, and the component auditor(s) (including relevant audit documentation requested by us); and (5) permission to perform work, or request a component auditor to perform work, on the financial information of the component(s).

You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the

schedule of expenditures of federal awards.

Management is responsible for the preparation and fair presentation of other supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies to us of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the "Audit objectives" section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Responsibilities and limitations related to nonaudit services

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. Management is also responsible for ensuring that your data and records are complete and that you have received sufficient information to oversee the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a draft of your financial statements, schedule of expenditures of federal awards, related

notes, and RSI in conformity with U.S. GAAP and the Uniform Guidance based on information provided by you. Since the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and RSI is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and RSI and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, related notes, and RSI prior to their issuance and have accepted responsibility for them. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements, schedule of expenditures of federal awards and RSI.

- We will prepare a draft of your supplementary information. Since the preparation of the supplementary information in accordance with the applicable criteria is your responsibility, you will be required to review, approve, and accept responsibility for the supplementary information prior to its issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on the supplementary information.

- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

- We will prepare the Data Collection Form. Management is responsible to review for completeness and accuracy before submitting to the Federal Audit Clearing House.

These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards.

Use of financial statements

Should you decide to include or incorporate by reference these financial statements and our auditors' report(s) thereon in a future private placement or other offering of equity or debt securities, you agree that we are under no obligation to re-issue our report or provide consent for the use of our report in such a registration or offering document. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have performed the procedures we consider necessary in the circumstances. If we decide to re-issue our report or consent to the use of our report, we will be required to perform certain procedures including, but not limited to, (a) reading other information incorporated by reference in the registration statement or other offering document and (b) subsequent event procedures. These procedures will be considered an engagement separate and distinct from our audit engagement, and we will bill you separately. If we decide to re-issue our report or consent to the use of our report, you agree that we will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to re-issue our report or decide to withhold our consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our workpapers for those periods, we are under no obligation to permit such access.

If the parties (i.e., you and CLA) agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements

addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Engagement administration and other matters

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

At the conclusion of the engagement, we will complete the auditor sections of the electronic Data Collection Form SF-SAC and perform the steps to certify the Form SF-SAC and single audit reporting package. It is management's responsibility to complete the auditee sections of the Data Collection Form. We will create the single audit reporting package PDF file for submission; however, it is management's responsibility to review for completeness and accuracy and electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be electronically submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the entity; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing confidential or sensitive information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the sole and exclusive property of CLA and constitutes confidential and proprietary information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to State of Connecticut, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CLA personnel. Furthermore, upon request, we may provide copies or electronic versions of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report

release date or for any additional period requested by the State of Connecticut. If we are aware that a federal or state awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our audit engagement ends on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific SOW for that service.

Government Auditing Standards require that we make our most recent external peer review report publicly available. The report is posted on our website at www.CLAconnect.com/Aboutus/.

Fees

Our professional fees will not exceed \$113,500 (\$101,500 for the audit and \$12,000 for the Federal Single Audit). We will also bill for expenses including travel and internal and administrative charges. This estimate is based on anticipated cooperation from your personnel and their assistance with locating requested documents and preparing requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation.

Unexpected circumstances

We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Changes in accounting and audit standards

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the SOW increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Agreement

We appreciate the opportunity to provide to you the services described in this SOW under the MSA and believe this SOW accurately summarizes the significant terms of our audit engagement. This SOW and the MSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA related to audit services. If you have any questions, please let us know. Please sign, date, and return this SOW to us to

indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP

Response:

This letter correctly sets forth the understanding of South Central Connecticut Regional Water Authority.

CLA

CLA (CliftonLarsonAllen LLP)

David Flint, CPA

David Flint, CPA, Principal

SIGNED 2/14/2023, 11:42:21 AM EST

Client

South Central Connecticut Regional Water
Authority

Rochelle Kowalski

Rochelle Kowalski, Vice President & Chief
Financial Officer

SIGNED 2/14/2023, 12:05:41 PM EST

**South Central Connecticut Regional Water Authority
Minutes of the January 26, 2023 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 26, 2023, via remote access. Chairman Borowy presided.

Present: Authority Members Present – Messrs. Borowy, Curseaden, DiSalvo, LaMarr and Ms. Sack
Management – Mss. Kowalski and Calo, and Messrs. Bingaman, Donovan, Hill, Lakshminarayanan, and Singh
RPB – Mr. Malloy
Staff – Mrs. Slubowski

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

Ms. Calo, RWA’s Sr. Director of Employee Relations & HR Operations, reviewed the Safety Moment distributed to members.

Chair Borowy offered the opportunity for members of the public to comment. There were no members of the public present at the meeting.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 12:35 p.m., Mr. DiSalvo entered the meeting

At 1:07 p.m., the Authority reconvened.

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

1. Minutes of the December 15, 2022 meeting.
2. Capital Budget Authorization for February 2023.

RESOLVED, the Vice-President & Chief Financial Officer is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$4,600,000 for the month of February 2023 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 – February 2023
4. Monthly Financial Report – December 2022
5. Accounts Receivable - December 2022
6. Deer Hunt Update Memorandum – EH&S Committee

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski reported on a Type B3 Amendments for approval of the proposed transfer of funds from capital projects impacted by external factors to other capital projects or the RWA’s reserve account. She reviewed proposed amendments for transfer from the Ansonia-Derby Tank project to the Water Treatment Plant Valve Replacement program. She also requested approval for the proposed transfer funds from the Lake Whitney Dam & Spillway Improvements, Lake Gaillard Water Treatment Plant Clarifiers & Recycle Building Improvements, Seymour Wellfield Generator Replacement, Lake Gaillard Water Treatment Plant HVAC Improvements, Ansonia-Derby Tank, and the Pump Station Generator Replacements projects to be held in reserve. After discussion, Ms. Sack moved for approval of the following resolutions:

RESOLVED, that the Authority approves the transfer of 1,195,000 from the Ansonia-Derby Tank capital budget account to the Water Treatment Plant Valve Replacement Program capital budget account; and

FURTHER RESOLVED, that the Authority approves the transfer of \$700,000 from the Lake Whitney Dam & Spillway Improvements capital budget account, \$2,600,000 from the Lake Gaillard Water Treatment Plant Clarifiers & Recycle Building Improvements capital budget account, \$550,000 from the Seymour Wellfield Generator Replacement capital budget account, \$1,800,000 from the Lake Gaillard Water Treatment Plant HVAC Improvements capital budget account, \$1,185,000 from the Ansonia-Derby Tank capital budget account, and \$525,000 from the Pump Station Generator Replacements capital budget account to the overall capital budget contingency account.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Calo provided an update on the status of COVID at the RWA.

Chair Borowy reported that he met with Mr. Ricoszi, Chair of the Representative Policy Board (RPB), to discuss logistics for future meetings. It was the consensus that the Authority and RPB begin in February with meetings being in-person with the option to attend remote if necessary.

Mr. Bingaman:

- Reported on the progress of RWA's commercial business. Two plumbing companies have accepted RWA's term sheets and, as a result, the RWA will begin its due diligence process and will report to the board in the next few months. If the acquisitions move forward, RPB approval will be required in both cases.
- Highlighted an employee meeting that took place at the New Haven Lawn Club. Management provided employees with the year in review, major accomplishments, and a presentation by keynote speaker and futurist, Michael Rogers. Mr. Roger's presented his predictions for RWA and the water industry in 2030.

Authority members reported on recent Representative Policy Board committee meetings.

[Break from 1:32 p.m. to 1:45 p.m.]

At 1:45 p.m., on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the meeting to meet as the Compensation Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 3:06 p.m., the Authority reconvened and on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, 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
90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
<http://www.rwater.com>

MEMORANDUM

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

FROM:  Rochelle Kowalski
Vice President & Chief Financial Officer

DATE: February 17, 2023

SUBJECT: Capital budget authorization request for March 2023

Attached for your meeting on February 23, 2023 is a copy of the resolution authorizing expenditures against the capital improvement budget for March 2023. The amount of the requested authorization, for funds held by the trustee, is \$5,400,000.

In addition, from the Growth Fund, nothing is expected to be used for the Commercial Billing (Non-Core) project this month.

This would result in projected expenditures through March 2023 of \$30,837,433 or 53.3% of the total 2023 fiscal year capital budget, including State and Redevelopment.

Attachment

RESOLVED That the Vice President & Chief Financial Officer is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$5,400,000 for the month of March 2023 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
 Catherine E. LaMarr
 Suzanne C. Sack

FROM: *Rochelle* Rochelle Kowalski

DATE: February 17, 2023

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.

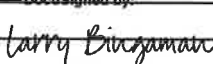
	Available Funds	Reallocation of Project/Funds
Beach Avenue ROW, East Haven	\$100,000	Contingency/Project Reserve
Work & Asset Management	102,000	Lake Gaillard Water Treatment Plant Flow Control Valve Replacement
Work & Asset Management	100,000	Well Rehabilitations
Work & Asset Management	30,000	Whitney Water Center Window Replacement

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2023	Type	Log	Mo/Yr
Requesting Division:	Asset Management	B2	23-31	Feb 23
Requested By:	Thomas Adamo			

Transfer From:	
Account Number:	001-000-107143-040007
Project Description:	Beach Avenue ROW, East Haven
A) Original Budget	\$ 426,000
B) Total Previous Transfers (In or Out)	\$ 320,000
C) This Transfer	\$ 100,000
D) Revised Budget (A+/-B-C)	\$ 6,000
E) Estimated Project Costs	\$ 6,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ -
Explanation why funds are available: This project has experienced delays related to legal and permitting approvals. Funds were initially moved to reserve in December of 2022; \$100,000 was held in the budget in the event the permit was received in early spring. Receipt of the permit during this fiscal year is now unlikely.	

Transfer To:	
Account Number:	N/A
Project Description:	Contingency
A) Original Budget	\$ 450,000
B) Previous Transfers (In or Out)	\$ 7,531,000
C) Revised Budget (A+/-B)	\$ 7,981,000
D) Amount to be Transferred	\$ 100,000
E) Proposed Revised Budget (C+D)	\$ 8,081,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the Beach Avenue ROW project. The project schedule was impacted by a legal dispute between a resident and the Town, and has been further delayed by the need for an Army Corps of Engineers permit. These funds will be held until FY 2024, at which time this funding will be transferred into the project budget.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	approved at CMC	2/9/2023
2) Donor Vice President/Director	approved at CMC	2/9/2023
3) Vice President - Finance	approved at CMC	2/9/2023
4) Executive Vice President & Chief Operating Officer		2/15/2023
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2023	Type	Log	Mo/Yr
Requesting Division:	Asset Management	B2	23-33	Feb 23
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107181-100313
Project Description:	Work & Asset Management
A) Original Budget	\$ 350,000
B) Total Previous Transfers (In or Out)	\$ 62,000
C) This Transfer	\$ 102,000
D) Revised Budget (A+/-B-C)	\$ 186,000
E) Estimated Project Costs	\$ -
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 186,000
Explanation why funds are available: Work on the project has been deferred while direction and scope of work is reevaluated.	

Transfer To:	
Account Number:	001-000-107132-116120
Project Description:	Lake Gaillard Water Treatment Plant Raw Water Flow Control Valve Replacement
A) Original Budget	\$ 390,000
B) Previous Transfers (In or Out)	\$ 90,000
C) Revised Budget (A+/-B)	\$ 480,000
D) Amount to be Transferred	\$ 102,000
E) Proposed Revised Budget (C+D)	\$ 582,000
Explanation why funds are needed: This amendment will cover expenditures related to an increase in the scope of the project, as well as retainage due to the contractor (\$11,843), to be carried over and paid in FY 2024.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	approved at CMC	2/9/2023
2) Donor Vice President/Director	approved at CMC	2/9/2023
3) Vice President - Finance	approved at CMC	2/9/2023
4) Executive Vice President & Chief Operating Officer	<i>Larry Dingaman</i>	
5) Chief Executive Officer	<i>Larry Dingaman</i>	2/15/2023
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2023	Type	Log	Mo/Yr
Requesting Division:	Asset Management	B2	23-34	Feb 23
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107181-100313
Project Description:	Work & Asset Management
A) Original Budget	\$ 350,000
B) Total Previous Transfers (In or Out)	\$ 164,000
C) This Transfer	\$ 100,000
D) Revised Budget (A+/-B-C)	\$ 86,000
E) Estimated Project Costs	\$ -
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 86,000
Explanation why funds are available: Work on the project has been deferred while direction and scope of work is reevaluated.	

Transfer To:	
Account Number:	001-000-107132-062701
Project Description:	Well Rehabilitations
A) Original Budget	\$ 264,649
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ 264,649
D) Amount to be Transferred	\$ 100,000
E) Proposed Revised Budget (C+D)	\$ 364,649
Explanation why funds are needed: This amendment will fund additional work required as a result of the need for pump rehabilitation and additional chemical rehabilitation of Mount Carmel Well No. 2 due to water quality issues. Total cost of the additional work is estimated at \$100,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	approved at CMC	2/9/2023
2) Donor Vice President/Director	approved at CMC	2/9/2023
3) Vice President - Finance	approved at CMC	2/9/2023
4) Executive Vice President & Chief Operating Officer	<i>Larry Binzaman</i>	2/15/2023
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2023	Type	Log	Mo/Yr
Requesting Division:	Operations	B1	23-35	Feb 23
Requested By:	Charles Gaura			

Transfer From:	
Account Number:	001-000-107181-100313
Project Description:	Work & Asset Management
A) Original Budget	\$ 350,000
B) Total Previous Transfers (In or Out)	\$ 264,000
C) This Transfer	\$ 30,000
D) Revised Budget (A+/-B-C)	\$ 56,000
E) Estimated Project Costs	\$ -
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 56,000
Explanation why funds are available: Work on the project has been deferred while direction and scope of work is reevaluated.	

Transfer To:	
Account Number:	To be created
Project Description:	Whitney Water Center Window Replacement
A) Original Budget	\$ -
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ -
D) Amount to be Transferred	\$ 30,000
E) Proposed Revised Budget (C+D)	\$ 30,000
Explanation why funds are needed: This amendment will fund the replacement of six windows at the Whitney Water Center. These windows are single-paned glass and coated with lead paint. Abatement of the lead paint is included as part of the project. The RWA leases the Water Center building from the Eli Whitney Museum. As part of the lease agreement, RWA is responsible for the maintenance and upkeep of the building.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>approved at CMC</i>	2/9/2023
2) Donor Vice President/Director	<i>approved at CMC</i>	2/9/2023
3) Vice President - Finance	<i>approved at CMC</i>	2/9/2023
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
January 31, 2023 (FY 2023)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY23 revenue for water, including wholesale and fire service, is over budget by \$3,176k (approx. 3.7%).
 Metered water revenue is over budget by \$2,642k (approx. 3.5%).

Total net other revenue is \$266k over budget due to both other water and other proprietary revenues being higher than budget and expenses for other water being under budget.

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.	\$ (546,000)
Employee Benefits are under budget primarily due to lower medical expense	(627,000)
Transportation is under budget primarily due to insurance.	(143,000)
Material From Inventory is under budget primarily due to lower than anticipated costs.	(61,000)
Pump Power is under budget due to lower usage and timing.	(188,000)
Postage is under budget primarily due to timing and lower than anticipated expense.	(169,000)
Collection Expense is under budget primarily due to lower year-to-date bank fees.	(542,000)
Business Improvement is under budget primarily due to accelerating certain expenses into fiscal 2022 and timing within fiscal 2023.	(240,000)
Public/Customer Information is under budget primarily due to timing and lower than anticipated costs.	(166,000)
Outside Services are under budget across multiple areas.	(543,000)
Insurance is under budget primarily due to reserve requirements.	(157,000)
Training and continued education is under budget across multiple areas, including tuition assistance.	(85,000)
RPB Fees are under budget primarily due to lower consulting and meeting fees.	(50,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services and timing.	(98,000)
Info. Technology Licensing & Maintenance Fees are under budget due to timing and lower than anticipated costs.	(364,000)
Maintenance & Repairs are under budget due to the timing of certain expenses budgeted early in the fiscal year.	(369,000)
All Other	<u>(190,000)</u>
<u>Interest Income</u>	(4,538,000)
Interest Income is above budget due to higher investment earnings.	

PROJECTED MAINTENANCE TEST

The projected coverage is 1.24 with no shortfall.

**REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING JANUARY 31, 2023**

Pg 2

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 72,748	\$ 76,048	\$ 78,690	\$ 2,642
Fire service	8,114	8,604	8,666	62
Wholesale	515	565	1,037	472
Other revenue - water	2,544	2,499	2,660	161
Other revenue - proprietary	6,587	6,223	6,400	176
Total operating revenues	<u>90,508</u>	<u>93,939</u>	<u>97,453</u>	<u>3,514</u>
Operating expenses				
Operating and maintenance expense	36,364	42,750	38,212	(4,538)
Expense associated with other revenue - water	1,456	1,473	1,422	(52)
Expense associated with other revenue - proprietary	2,927	2,571	2,695	124
Provision for uncollectible accounts	294	400	84	(316)
Depreciation	16,402	15,487	15,487	0
Payment in lieu of taxes	5,755	5,949	5,743	(206)
Amortization Pension Outflows/Inflows	571	1,430	1,430	(0)
Amortization OPEB Outflows/Inflows	(418)	(399)	(399)	0
Total operating expenses	<u>63,352</u>	<u>69,661</u>	<u>64,674</u>	<u>(4,988)</u>
Operating income	<u>27,155</u>	<u>24,278</u>	<u>32,779</u>	<u>8,502</u>
Nonoperating income and (expense)				
Interest income	683	1,442	4,681	3,239
(Loss) Gain on disposal of assets	(1,625)	(667)	(1,365)	(698)
Realized and unrealized (losses) gains on investments	-	-	-	-
Interest expense	(14,449)	(14,926)	(14,864)	62
Amortization of bond discount, premium, issuance cost and deferred losses	1,643	2,090	2,066	(24)
Amortization of Goodwill	-	-	-	-
Intergovernmental revenue	-	-	490	490
Contributions to related entities	(950)	-	-	-
Total nonoperating income and (expense) before capital contributions	<u>(14,698)</u>	<u>(12,060)</u>	<u>(8,992)</u>	<u>3,068</u>
Income (expense) before contributions	<u>12,457</u>	<u>\$ 12,218</u>	<u>23,787</u>	<u>\$ 11,570</u>
Capital contributions				
Change in net assets	740	-	1,149	-
Total net assets - beginning of fiscal year	13,197	-	24,936	-
Total net assets - end of reporting month	<u>\$ 233,214</u>	<u>\$ 246,411</u>	<u>\$ 252,019</u>	<u>\$ 276,955</u>

	Budget FY 2023 @114%	Projected FY 2023 @114%	(Under)Over FY 2023 @114%
FY 2023 MAINTENANCE TEST (Budget vs. Projected)			
Revenue Collected:			
Water sales	124,093	125,353	1,260
Interest Income	213	2,950	2,737
BABs Subsidy	657	657	-
Other Net	6,946	7,196	250
Common Non-Core	(300)	(350)	(50)
Total	<u>131,609</u>	<u>135,806</u>	<u>4,197</u>
Less:			
Operating and maintenance expenses	(63,492)	(63,492)	-
Depreciation	(7,500)	(7,500)	-
PILOT (A)	(8,901)	(8,549)	352
Net Avail for Debt Service (B)	<u>\$ 51,718</u>	<u>\$ 56,265</u>	<u>\$ 4,548</u>
Debt Service Payments (C)	<u>\$ 45,366</u>	<u>45,288</u>	<u>(78)</u>
Debt Service @ 114% (D)	<u>\$ 51,717</u>	<u>51,628</u>	<u>(89)</u>
Difference (B-D)	<u>\$ 0</u>	<u>\$ 4,637</u>	
RSF, Growth and/or General Fund (D)	-	-	-
Coverage	<u>114%</u>	<u>124%</u>	

**REGIONAL WATER AUTHORITY
OPERATING AND MAINTENANCE EXPENSE
JANUARY 31, 2023**

Pg 3

PERIOD ENDING JANUARY 31, 2023

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	(Under) Over
1 Payroll	\$ 14,958	\$ 16,398	\$ 15,852	\$ (546)
2 Employee Benefits	4,694	5,172	4,545	(627)
Pension Contributions	1,801	1,777	1,777	0
3 Administrative Building	658	686	638	(48)
4 General & Administrative	951	1,060	1,037	(23)
5 Transportation	414	573	430	(143)
6 Tools & Stores	213	208	239	32
7 Utilities & Fuel	952	989	975	(14)
8 Material From Inventory	126	203	142	(61)
9 Pump Power Purchased	1,891	2,057	1,870	(188)
10 Chemicals	1,310	1,844	1,826	(17)
11 Road Repairs	230	224	199	(25)
14 Postage	116	316	147	(169)
15 Printing & Forms	32	46	26	(20)
17 Collection Expense	432	1,121	578	(542)
18 Business Improvement	64	281	40	(240)
19 Public/Customer Information	129	299	133	(166)
20 Outside Services	1,943	2,537	1,994	(543)
21 Insurance Premiums	1,177	1,158	1,002	(157)
22 Worker's Compensation, pre-Churchill	17	31	1	(30)
23 Damages	28	43	48	5
24 Training & Cont. Education	81	210	125	(85)
25 Authority Fees	91	110	93	(17)
26 Consumer Counsel	11	40	29	(11)
27 RPB Fees	64	113	62	(50)
28 Organizational Dues	83	62	62	(0)
29 Donations	7	24	13	(11)
34 Central Lab/Water Quality	93	295	197	(98)
40 Environmental Affairs	39	58	49	(9)
44 Info. Technology Licensing & Maintenance Fees	1,721	1,925	1,560	(364)
45 Maintenance and Repairs	1,757	2,708	2,339	(369)
46 Regulatory Asset Amortization	282	183	183	0
	<u>\$ 36,364</u>	<u>\$ 42,750</u>	<u>\$ 38,212</u>	<u>\$ (4,538)</u>

South Central Regional Water Authority

Analysis of Accounts Receivable ("A/R")

(\$000 omitted)

Denotes City of New Haven Invoicing (pre-monthly billing)

Total Accounts Receivable Aging (in days)

	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sept 2022	Aug 2022	July 2022	June 2022	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021
Under 30	\$ 6,550	\$ 6,158	\$ 6,197	\$ 7,228	\$ 8,082	\$ 7,220	\$ 8,465	\$ 6,543	\$ 5,880	\$ 6,441	\$ 4,820	\$ 6,617	\$ 10,706	\$ 6,974
31-60	1,621	1,910	2,267	2,454	2,403	2,481	2,216	1,620	1,819	1,493	1,855	3,164	2,930	3,312
61-90	1,070	1,053	966	868	1,222	882	731	1,002	737	1,002	1,573	1,501	919	1,093
91-180	1,558	1,516	1,382	1,492	1,603	1,476	1,714	1,737	2,062	1,965	1,756	1,589	1,561	1,652
181-360	1,890	1,828	2,159	2,083	2,014	2,201	1,889	1,606	1,531	1,644	1,918	1,891	2,179	2,145
More than 1 year	5,239	5,085	4,950	5,090	5,181	4,991	5,085	5,169	5,123	5,311	5,368	5,217	5,255	5,238
Sub Total	17,928	17,550	17,921	19,215	20,505	19,251	20,100	17,677	17,152	17,856	17,290	19,979	23,550	20,414
Interest due	1,674	1,651	1,648	1,624	1,629	1,561	1,502	1,458	1,464	1,430	1,433	1,388	1,337	1,224
Total Gross A/R plus interest	\$ 19,602	\$ 19,201	\$ 19,569	\$ 20,839	\$ 22,134	\$ 20,812	\$ 21,602	\$ 19,135	\$ 18,616	\$ 19,286	\$ 18,723	\$ 21,367	\$ 24,887	\$ 21,638

Aged Accounts Receivable Focus of Collection Efforts

	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sept 2022	Aug 2022	July 2022	June 2022	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021
Greater than 60 days:														
A/R	\$ 11,172	\$ 10,864	\$ 10,820	\$ 10,879	\$ 11,378	\$ 10,956	\$ 10,666	\$ 10,702	\$ 10,643	\$ 11,067	\$ 11,724	\$ 11,281	\$ 10,927	\$ 11,093
Less: Multi-Tenants	(2,923)	(2,831)	(2,900)	(2,931)	(2,812)	(2,762)	(2,690)	(2,496)	(2,508)	(2,694)	(2,640)	(3,052)	(2,799)	(2,981)
Receiverships	(1,996)	(1,981)	(1,975)	(1,957)	(1,976)	(1,952)	(1,962)	(1,900)	(1,962)	(1,704)	(1,983)	(1,992)	(2,029)	(1,995)
Liens	(1,835)	(1,867)	(1,808)	(1,803)	(2,069)	(2,105)	(2,210)	(2,455)	(2,435)	(2,545)	(2,469)	(2,370)	(2,212)	(2,220)
Total	\$ 4,418	\$ 4,185	\$ 4,137	\$ 4,188	\$ 4,521	\$ 4,137	\$ 3,804	\$ 3,851	\$ 3,738	\$ 4,124	\$ 4,632	\$ 3,867	\$ 3,887	\$ 3,897
	40%	39%	38%	38%	40%	38%	36%	36%	35%	37%	40%	34%	36%	35%

Collection Efforts

	Jan 2023	Dec 2022	Nov 2022	Oct 2022	Sept 2022	Aug 2022	July 2022	June 2022	May 2022	April 2022	March 2022	Feb 2022	Jan 2022	Dec 2021
Shuts *	\$ 51	\$ 61	\$ 80	\$ 143	\$ 1	\$ 2	\$ 1	\$ 6	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 76
Red Tags **	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	2	44	64	34	47	27	17	30	41	22	14	27	12	35
Top 100 Collection Calls	216	-	-	39	119	834	385	683	496	726	649	588	98	78
Other ⁽¹⁾	1,346	1,550	1,665	1,890	1,227	576	1,441	922	1,204	1,496	1,082	1,310	1,573	1,091
Total	\$ 1,615	\$ 1,655	\$ 1,809	\$ 2,106	\$ 1,394	\$ 1,439	\$ 1,844	\$ 1,641	\$ 1,743	\$ 2,244	\$ 1,745	\$ 1,925	\$ 1,683	\$ 1,280

* Number of shuts

134	150	198	295	3	1	1	3	4	-	-	-	-	-	155
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** Number of Red tags

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

South Central Connecticut Regional Water Authority

90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020

<http://www.rwater.com>

DATE: February 1, 2023

TO: Larry L. Bingaman

FROM: Elizabeth Calo

CC: David Borowy
Mario Ricozzi

SUBJECT: Code of Ethics Compliance

As required by the 2009 Regional Water Authority Code of Ethics (Code) and acting as the Ethics Official, I am providing this memorandum to certify that we did not receive any employee reports of a violation of the Code for the 12-month reporting period ending November 30, 2022, with no exceptions.

The documentation completed by board members and employees will be kept on file in the Office of the Authority at 90 Sargent Drive for a period of one year. If you have any questions, please let me know.

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

To: Authority Environmental, Health & Safety Committee
David J. Borowy
Kevin J. Curseaden
Catherine E. LaMarr
Suzanne C. Sack

Cc: Larry Bingaman, President & CEO

From: Sunny Lakshminarayanan, VP, EES

Date: February 8, 2023

Subject: Update on Beekeeping Activities

Mr. Vincent Kay is a lifelong resident of CT has been involved in this business for over 40 years. He has kept honeybees and now manages and owns the largest beekeeping operation in Connecticut.

Mr. Kay runs an enterprise called 'Swords into Plowshares Honey'. The honey market runs into billions of dollars from honeybee crop pollination. Besides honey production, 'Swords into Plowshares Honey' rents bees for pollination to some of the largest farms and orchards in the state of Connecticut.

The company produces the wild flower honey and a top grade beeswax, which are used for industry and candle production. They also raise and sell honeybees to other beekeepers, including the Connecticut Agricultural Experiment Station.

The company keeps bees at over twenty locations around the state, out of which seven bee yards (Prospect, LWWTP (Hamden), near Lake Hudak (Hamden), Lake Dawson, Lake Watrous, Peat Swamp (Seymour), and Cedar Swamp (Madison).are located on RWA property.

Generally, for a bee yard, a source of clean water is ideally required along with adequate, if not abundant sources of nectar and pollen. Since most of State's honey comes from forests and shrubs, RWA property provides an ideal food spot for the bees. In addition, RWA also benefits from the bees as they aid in pollination of RWA's forests. Some of these are managed for the purposes of timber harvesting. RWA owns and operates some of the most remote areas in the State thereby allowing the bees to thrive with minimal contact from people, livestock, pesticides and herbicides. Hence, RWA's locations are ideally suited for beekeeping operations.

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
Catherine E. LaMarr
Suzanne C. Sack

FROM:  Rochelle Kowalski

DATE: February 17, 2023

SUBJECT: Capital Budget Transfer – Type B3 Amendment

As prescribed in the Capital Budget Manual, Exhibit 12, Capital Budget Amendment Procedure, Part 1, Type B Amendment, Item 3, Authority approval is required for a transfer of funds from an existing capital account to either another capital account or a newly created capital account if the value is greater than \$500,000.

Lake Gaillard Water Treatment Plant Clarifiers & Recycle Building Improvements: Under the current project schedule, there is an opportunity to accelerate the purchase of the clarifier mechanism into FY 2023. Amendment No. 23-32 will transfer \$550,000 from the West River Water Treatment Plant Improvements project to allow for this schedule acceleration.

The following resolution will be necessary to carry out the foregoing:

Resolved: that the Authority approves the transfer of \$550,000 from the West River Water Treatment Plant Improvements capital budget account to the Lake Gaillard Water Treatment Plant Clarifiers & Recycle Building Improvements capital budget account.

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2023	Type	Log	Mo/Yr
Requesting Division:	Asset Management	B3	23-32	Feb 23
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-163599
Project Description:	West River Water Treatment Plant Improvements
A) Original Budget	\$ 10,215,000
B) Total Previous Transfers (In or Out)	\$ -
C) This Transfer	\$ 550,000
D) Revised Budget (A+/-B-C)	\$ 9,665,000
E) Estimated Project Costs	\$ 9,500,000
F) Remaining Funds Available for Transfer, if any (D-E)	\$ 165,000
Explanation why funds are available: Due to delays in construction resulting from the discovery of unsuitable material on-site, project expenditures are anticipated to be under budget in FY 2024.	

Transfer To:	
Account Number:	001-000-107132-116116
Project Description:	Lake Gaillard Water Treatment Plant Clarifiers & Recycle Building Upgrades
A) Original Budget	\$ 3,000,000
B) Previous Transfers (In or Out)	\$ (2,600,000)
C) Revised Budget (A+/-B)	\$ 400,000
D) Amount to be Transferred	\$ 550,000
E) Proposed Revised Budget (C+D)	\$ 950,000
Explanation why funds are needed: Funds were initially transferred into contingency to be held in reserve for FY 2024 based on the contractor's initial schedule. Based on revisions to the original schedule, more work can be completed in FY 2023 than originally anticipated. The funds utilized from the West River Water Treatment Plant Improvements budget will be restored from the FY 2024 budget for the Lake Gaillard Water Treatment Plant Clarifiers and Recycle Building project during the FY 2024 budgeting process.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	approved at CMC	2/9/2023
2) Donor Vice President/Director	approved at CMC	2/9/2023
3) Vice President - Finance	approved at CMC	2/9/2023
4) Executive Vice President & Chief Operating Officer	<i>Larry Binzaman</i>	2/15/2023
5) Chief Executive Officer		
6) Authority Members	Copy of minutes attached if required	

RPB COMMITTEE MEETINGS

Month	Meeting	Will Attend
January 2023	<i>Finance Committee</i> Monday, Jan. 9 at 5:00 p.m.	Tony
	<i>Land Use Committee</i> Wednesday, Jan. 11 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, Jan. 23 at 5:30 p.m.	Suzanne
February 2023	<i>Finance Committee</i> Monday, Feb. 13 at 5:00 p.m.	Kevin
	<i>Land Use Committee</i> Wednesday, Feb. 8 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, Feb. 27 at 5:30 p.m.	Catherine
March 2023	<i>Finance Committee</i> Monday, Mar. 13 at 5:00 p.m.	Suzanne
	<i>Land Use Committee</i> Wednesday, Mar. 8 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, Mar. 20 at 5:30 p.m.	Kevin

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

Minutes of the November 17, 2022 Meeting

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, November 17, 2022, via remote access. Chair Borowy presided.

Present: Committee Members Present– Messrs. Borowy, DiSalvo, Curseaden, LaMarr and Ms. Sack
Management – Mss. Kowalski, Calo, and Augur, and Messrs. Bingaman, Donovan, Lakshminarayanan, and Singh
RPB – Mr. Oslander
Staff – Mrs. Slubowski

The Chair called the meeting to order at 1:19 p.m.

On motion made by Mr. Curseaden, seconded by Ms. Sack, and unanimously carried, the committee approved the minutes of its August 25, 2022 meeting.

Mr. Singh, the RWA’s Chief Information Digital Officer & Vice President of Customer Service, provided an overview of the RWA’s FY 2023 second quarter business improvements update, which included:

- Intranet improvements
- Commercial business field implementation
- Construction and jobbing improvements
- Capital Planning Improvements
- Improvements to the RWA’s Integrated Voice Response system
- Lab/Laboratory Information Management System improvements

Committee members discussed cost/benefit analysis, opportunities, industry best practice and standards, prioritization approach, process areas, and performance metrics.

At 1:45 p.m., on motion made by Mr. DiSalvo, seconded by Ms. LaMarr, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

David Borowy, Chairman

Strategic Planning Committee

FY2024 Work Plan

The Strategic Planning Committee, in collaboration with the CEO and management team, develops and recommends the overall strategic direction for the enterprise, monitors progress, reviews results as a basis for setting new strategy, and recommends actions to the Regional Water Authority (RWA) consistent with the Strategic Plan.

June 2023

- Review FY23 Year-End Strategic Action Plan Update & Global Metrics
- Review FY24 Strategic Action Plan & Global Metrics
- Special Topic (Customers & Constituents): Customer Service Experience & Collections Strategy*

August 2023

- Succession Planning Update
- Special Topic (Employee Learning & Growth): Employee Engagement & Diversity, Equity & Inclusion*

November 2023

- Internal Business Process Improvements Update
- Special Topic (Financial): Utility & Commercial Business Financial Health*

February 2024

- Review FY24 Six-Month (June-November 2023) Strategic Action Plan Update & Global Metrics
- Special Topic (Internal Business Process): Technology Roadmap & Cybersecurity*

**Topic and timing subject to change*