

**Representative Policy Board  
Finance Committee  
South Central Connecticut Regional Water District**  
[Click here to join the meeting](#)  
Meeting ID: 211 308 883 224  
Passcode: dZz9v2  
**Or call in (audio only)**  
[+1 469-965-2517](tel:+14699652517), [.771901373#](tel:+171901373) United States, Dallas

**AGENDA**

**Regular Meeting of Monday, April 10, 2023 at 5:00 p.m.**

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1. Safety Moment
2. Approval of Minutes – March 13, 2023
3. Consider and act on recommendation to the Representative Policy Board regarding completeness, mode, and date of public hearing for the Authority’s Application for the Purchase of Assets, Building, and Land of Target One, a Confidential Plumbing Company.
4. Review Quarterly Financial Statements
5. RPB Quarterly Dashboard Report
6. Discussion re FY 2024 External Auditor
7. Discussion re future meeting logistics
8. Reminder of special meetings to review FY 2024 Budget
  - a. Finance Committee/Consumer Affairs joint meeting – Monday, April 17, 2023 at 5:00 p.m. *-(Hybrid)*
  - b. Land Use Committee regular meeting – Wednesday, April 19, 2023 at 5:30 p.m. – *(In Person)*
9. Committee member attendance at Authority meetings
  - a. April 27, 2023 – T. Slocum
  - b. May 25, 2023 – J. Jaser
10. New Business
11. Adjourn

**Note:** As a reminder, the next regular meeting of the Finance Committee will be held on Monday, May 8, 2023 at 5:00 p.m.

<p><b>**</b>Members of the public may attend the meeting via remote access using instructions at the top of the agenda. To view meeting documents, please visit <a href="https://tinyurl.com/8rmtann3">https://tinyurl.com/8rmtann3</a>. For questions, contact the board office at 203-401-2515 or by email at <a href="mailto:jslubowski@rwater.com">jslubowski@rwater.com</a></p>
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# SAFETY MOMENT

## The Three C's of Safety

In order to better ensure safety and awareness in the face of crisis, follow the three C's:

1. Check
2. Call
3. Care

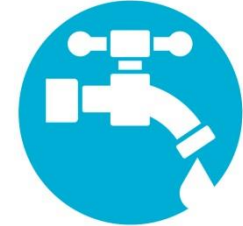
**Check** for anything that may be unsafe. Fully assess the situation and check your environment before making unsafe decisions that may potentially cause more harm.

**Call** emergency personnel or local authorities regardless of the situation. Gather information that will be helpful.

**Care** to the best of your ability. Deploying even basic treatment can benefit the long-term wellbeing of victims.

Service – Teamwork – Accountability – Respect – Safety

Tap Into  
Safety



Regional Water Authority



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

 Regional Water Authority

**UNAPPROVED**

**Representative Policy Board  
Finance Committee  
South Central Connecticut Regional Water District  
Via Remote Access**

**MINUTES**

**Regular Meeting of Monday, March 13, 2023 at 5:00 p.m.**

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**Members Present:** Tim Slocum, Tom Clifford, Charles Havrda, and Michelle Verderame

**Members Absent:** Jay Jaser and Vincent Marino

**RPB Member:** Mario Ricozzi

**FMA Member:** Suzanne Sack

**Management:** Larry Bingaman, Rochelle Kowalski, and Jim Hill

**CliftonLarsonAllen:** Ron Nossek and David Flint

**OCA:** Atty. Jeffrey Donofrio

**Staff:** Jennifer Slubowski

In Chair Slocum's absence, Mr. Havrda called the meeting to order at 5:00 p.m. He reviewed the Safety Moment distributed to members.

Messrs. Nossek and Flint of CliftonLarsonAllen (CLA), the RWA's external auditor, reviewed the Authority's audit plan and process for FY 2023 and discussed the firm's scope of engagement and current and future accounting standards. The audit is scheduled to begin July 17, 2023 and end on July 24, 2023, with an expected completion date of September 15, 2023. No discussion ensued.

At 5:06 p.m., Messrs. Nossek and Flint withdrew from the meeting.

On motion made by Mr. Clifford, seconded by Mr. Ricozzi, the committee voted to approve the minutes of its February 13, 2023 meeting, with Mr. Clifford abstaining.

Mr. Havrda proposed moving agenda item #4, *Possible consideration and action re Authority member compensation*, after Item #7, *New Business*. On motion made by Mr. Ricozzi, seconded by Mr. Clifford, the committee voted to move Item #4 to the end of the meeting.

Ms. Kowalski, the RWA's Vice President & Chief Financial Officer, reviewed the Quarterly Report on RPB Approved Projects and related financing, which included:

- Ansonia-Derby Tank
- West River Water Treatment Plant Improvements
- Lake Gaillard Water Treatment Plant Clarifier, Recycle Pump Station & Concrete Restoration
- Lake Gaillard Water Treatment Plant HVAC and Electrical Improvements

- Water Treatment Plant Valve Replacement Program - Lake Gaillard Water Treatment Plant Filter Influent Valve Replacement
- Lake Whitney Dam & Spillway Improvements Phase I – Initial Design Project
- Customer Information System

At 5:12 p.m., Chair Slocum entered the meeting.

Committee members discussed Ansonia-Derby Tank project pending litigation, Drinking Water State Revolving Fund, and contractor status of Lake Gaillard Projects.

Chair Slocum reviewed the meeting attendance for the March 23, 2023 and April 27, 2023 Authority meetings.

There was no new business to report.

At 5:20 p.m., Mss. Kowalski and Sack, and Messrs. Bingaman and Hill withdrew from the meeting, and on motion made by Mr. Havrda, seconded by Mr. Clifford, and unanimously carried, the committee voted to convene in executive session to pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210 subsection b #2 concerning personnel. Present in executive session were committee members, Mr. Ricoszi, Atty. Donofrio, and Ms. Slubowski.

At 5:28 p.m., the committee reconvened. It was the consensus of the committee to make no changes to the Authority compensation for FY 2024 for reasons discussed in executive session.

The next regular meeting of the Finance Committee will take place on Monday, April 10, 2023 at 5:00 p.m.

The joint meeting of the Finance Committee and Consumer Affairs Committee to review the FY 2024 Budget with management is Monday, April 17, 2023 at 5:00 p.m.

At 5:30 p.m., on motion made by Mr. Clifford, seconded by Mr. Havrda, and unanimously carried, the meeting adjourned.

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Timothy Slocum, Chairman

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

TO: RPB Finance Committee Members

Timothy Slocum  
Thomas P. Clifford III  
Charles Havrda  
Jasper J. Jaser  
Vincent Marino  
Michelle Verderame

FROM:  Rochelle Kowalski

DATE: April 6, 2023

SUBJECT: Quarterly financial statements for fiscal year 2023 (ending May 31, 2023)

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Attached are the following financial reports regarding the third quarter of fiscal year 2023. i.e., the quarter ended February 28, 2023:

- Statements of net position as of February 28, 2023 and February 28, 2022;
- Schedule A-1 & A-2: Statements of revenues, expenses and changes in net position as of February 28, 2023, maintenance test, and commentary;
- Schedule B: Operating and maintenance expenses;
- Schedule C: Capital budget report;
- Schedule D: Investment earnings report - comparison of investment rates of return

The reports bulleted above incorporate the Authority's experience from June 2022 through February 2023. For the remainder of fiscal year 2023, the reports include the projections shown on schedules A-2 and B which use the assumptions explained below.

## **Schedule A-2: Statements of Revenues, Expenses and Changes in Net Position**

### Section of page entitled "Nine months Ended February 28, 2023"

The figures shown present June to February 2023 as well as comparative budget vs. actual results for the nine months ended February 28, 2023.

### Section of page entitled "Year Ending May 31, 2023"

The "budget" column is the budget for fiscal year 2023, as approved by the Five-Member Authority.

#### Assumption 1

The column labeled *Assumption 1* presents earned metered water revenues that reflect nine months (June through February 2023) of consumption and three months of budgeted consumption for (March 2023 through May 2023).

Other revenues and expenses shown in this column reflect nine months of results and three months, as projected.

#### Assumption 2

The column labeled *Assumption 2* projects consumption for the months of March 2023 through May 2023 at 4% above budget. Operating expenses for "pump power" and chemicals for these same months are adjusted to reflect the 4% increase.

#### Assumption 3

The column labeled *Assumption 3* projects consumption for the months of March 2023 through May 2023 at 4% below budget. Operating expenses for "pump power" and chemicals for these same months are adjusted to reflect the 4% decrease.

### Section of page entitled "Maintenance Test"

The maintenance test reflects the same three assumptions described above except that water sales are not accrued revenue, but cash collections from June through February 2023, plus projected cash collections for March 2023 through May 2023. Management projects cash collections by applying historical collection patterns to billings. Management assumes that the billings are collected over the course of the subsequent twelve months.

**Schedule B: Operating and Maintenance Expense**

This schedule provides details of the operating and maintenance expense for the third quarter of fiscal year 2023, as well as projections for March 2023 through May 2023 under the three assumptions presented above.

**Schedule C: Capital Budget Report**

This schedule shows capital expenditures for June through February 2023, as well as projections for the full fiscal year 2023.

**Schedule D: Interest Earned**

Compared here are “budgeted” versus “actual” interest rates earned on the Authority’s invested funds.

Attachments

**REGIONAL WATER AUTHORITY  
STATEMENTS OF NET POSITION  
AS OF FEBRUARY 28, 2023 AND 2022**

Assets	FY 2023	FY 2022	Y/Y Variance
Utility plant			
Property, plant and equipment in service	\$ 941,586,774	\$ 910,063,072	\$ 31,523,702
Accumulated depreciation	(419,953,375)	(399,328,828)	(20,624,547)
Utility plant in service	521,633,399	510,734,244	10,899,155
Land	27,993,743	27,993,988	(245)
Construction work in progress	38,344,541	30,666,940	7,677,601
Total utility plant, net	587,971,683	569,395,172	18,576,510
Nonutility land, at cost	64,983,522	64,983,522	-
Goodwill	10,693,435	10,942,120	(248,685)
Current assets			
Cash and cash equivalents	61,481,229	57,780,368	3,700,861
Investments	-	-	-
Accounts receivable, less allowance for doubtful accounts	14,070,030	17,103,591	(3,033,561)
Accrued revenue	8,448,779	7,977,497	471,282
Accrued interest receivable	195,188	16,409	178,779
Materials and supplies	2,726,706	2,189,036	537,670
Prepaid expenses and other assets	5,438,327	4,728,949	709,377
Total current assets	92,360,259	89,795,851	2,564,408
Note Receivable	500,000	500,000	-
Pension Assets			
OPEB Assets			
Restricted assets	130,806,824	143,621,449	(12,814,625)
Regulatory assets	9,255,497	9,741,440	(485,943)
Total assets	896,571,221	888,979,555	7,591,666
Deferred Outflows of Resources			
Deferred charge on refunding	14,326,660	16,282,797	(1,956,137)
Deferred charge on pension plans	1,950,394	1,264,929	685,465
Deferred charge on OPEB plans	1,509,878	1,865,616	(355,738)
<b>Total</b>	<b>\$ 914,358,152</b>	<b>\$ 908,392,897</b>	<b>\$ 5,965,255</b>

Liabilities and Net Assets	FY 2023	FY 2022	Y/Y Variance
Liabilities			
Revenue bonds payable, less current portion	\$ 489,365,000	\$ 513,775,000	\$ (24,410,000)
Net premiums and discounts from revenue bonds paya	43,437,876	46,853,669	(3,415,793)
DWSRF loans payable, less current portion	24,398,980	24,348,545	50,435
Net pension liability	16,601,369	9,651,739	6,949,630
Net OPEB obligation	17,176,905	17,772,589	(595,684)
Total noncurrent liabilities	590,980,130	612,401,543	(21,421,413)
Current liabilities			
Current portion of revenue bonds payable	22,565,000	21,475,000	1,090,000
Current portion of DWSRF loans payable	1,395,417	1,306,514	88,904
Accounts payable	3,976,423	3,586,325	390,097
Notes payable	50,500	50,500	-
Customer deposits and advances	1,591,293	1,287,826	303,468
Other accrued liabilities	7,718,360	7,355,097	363,263
Total current liabilities	37,296,993	35,061,261	2,235,732
Liabilities payable from restricted assets			
Accounts payable for construction	2,034,311	1,478,471	555,840
Accrued interest payable	1,789,452	2,049,596	(260,144)
Customer deposits and advances	1,368,607	1,331,530	37,077
Total liabilities payable from restricted assets	5,192,370	4,859,597	332,774
Other liabilities	5,647.64	25,757	(20,109)
Total liabilities	633,475,141	652,348,158	(18,873,016)
Deferred inflows of resources			
Deferred inflows related to pensions	0	5,386,573	(5,386,573)
Deferred inflows related to OPEB	3,172,430	3,867,000	(694,570)
Net Position			
Invested in capital assets, net of related debt	92,523,906	86,412,204	6,111,702
Restricted assets	119,659,639	95,701,911	23,957,728
Unrestricted assets	65,527,035	64,677,051	849,985
Total net assets	277,710,581	246,791,166	30,919,415
<b>Total liabilities and net assets</b>	<b>\$ 914,358,152</b>	<b>\$ 908,392,897</b>	<b>\$ 5,965,255</b>



**REGIONAL WATER AUTHORITY**  
**REVIEW OF FINANCIAL DATA**  
**February 28, 2023 (FY 2023)**

**SCHEDULE A-1 - COMMENTARY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**Operating Revenues**

FY23 revenue for water, including wholesale and fire service, is over budget by \$2,282k (approx. 2.4%).  
 Metered water revenue is over budget by \$1,951k (approx. 2.3%).

Total net other revenue is \$82k 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.	\$ (682,000)
Employee Benefits are under budget primarily due to lower medical expense	(757,000)
Transportation is under budget primarily due to insurance.	(102,000)
Material From Inventory is under budget primarily due to lower than anticipated costs.	(83,000)
Pump Power is under budget due to lower usage and timing.	(205,000)
Postage is under budget primarily due to timing and lower than anticipated expense.	(209,000)
Collection Expense is under budget primarily due to lower year-to-date bank fees.	(568,000)
Business Improvement is under budget primarily due to accelerating certain expenses into fiscal 2022 and timing within fiscal 2023.	(253,000)
Public/Customer Information is under budget primarily due to timing and lower than anticipated costs.	(165,000)
Outside Services are under budget across multiple areas.	(544,000)
Insurance is under budget primarily due to reserve requirements.	(138,000)
Worker's Compensation, Pre-Captive is under budget primarily due to a reimbursement.	(60,000)
Training and continued education is under budget across multiple areas, including tuition assistance.	(99,000)
RPB Fees are under budget primarily due to lower consulting and meeting fees.	(52,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services and timing.	(102,000)
Info. Technology Licensing & Maintenance Fees are under budget due to timing and lower than anticipated costs.	(304,000)
Maintenance & Repairs are under budget due to the timing of certain expenses and lower than anticipated costs.	(378,000)
All Other	<u>(77,000)</u>
<b><u>Interest Income</u></b>	<b>(4,778,000)</b>

Interest Income is above budget primarily due to higher investment earnings.

**PROJECTED MAINTENANCE TEST**

The projected coverage is 1.26 with no shortfall.

**REGIONAL WATER AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE MONTHS ENDING FEBRUARY 28, 2023**

Schedule A-1

	<b>FY 2022 Actual</b>	<b>FY 2023 Budget</b>	<b>FY 2023 Actual</b>	<b>(Under)Over Budget</b>
<b>Operating revenues</b>				
Metered water revenues	\$ 79,910	\$ 84,520	\$ 86,471	\$ 1,951
Fire service	9,194	9,679	9,725	45
Wholesale	606	623	909	286
Other revenue - water	2,802	2,789	2,886	97
Other revenue - proprietary	7,310	6,979	7,134	155
Total operating revenues	<u>99,823</u>	<u>104,590</u>	<u>107,124</u>	<u>2,534</u>
<b>Operating expenses</b>				
Operating and maintenance expense	40,844	47,747	42,969	(4,778)
Expense associated with other revenue - water	1,564	1,643	1,558	(84)
Expense associated with other revenue - proprietary	3,255	2,845	3,099	254
Provision for uncollectible accounts	340	450	337	(114)
Depreciation	18,454	17,423	17,423	0
Payment in lieu of taxes	6,454	6,689	6,442	(247)
Amortization Pension Outflows/Inflows	645	1,566	1,566	0
Amortization OPEB Outflows/Inflows	(470)	(449)	(449)	0
Total operating expenses	<u>71,086</u>	<u>77,913</u>	<u>72,945</u>	<u>(4,968)</u>
Operating income	<u>28,737</u>	<u>26,677</u>	<u>34,179</u>	<u>7,503</u>
<b>Nonoperating income and (expense)</b>				
Interest income	883	1,619	5,456	3,837
(Loss) Gain on disposal of assets	(1,633)	(750)	(1,337)	(587)
Realized and unrealized (losses) gains on investments	-	-	-	-
Interest expense	(16,411)	(16,771)	(16,653)	118
Amortization of bond discount, premium, issuance cost and deferred losses	1,878	2,342	2,311	(31)
Amortization of Goodwill	-	-	-	-
Intergovernmental revenue	-	-	490	490
Contributions to related entities	(950)	-	-	-
Total nonoperating income and (expense) before capital contributions	<u>(16,233)</u>	<u>(13,560)</u>	<u>(9,733)</u>	<u>3,826</u>
Income (expense) before contributions	<u>12,504</u>	<u>\$ 13,117</u>	<u>24,446</u>	<u>\$ 11,329</u>
<b>Capital contributions</b>	<u>1,073</u>		<u>1,246</u>	
Change in net assets	13,577		25,691	
Total net assets - beginning of fiscal year	233,214		252,019	
Total net assets - end of reporting month	<u>\$ 246,791</u>		<u>\$ 277,711</u>	

	<b>Budget</b>	<b>Projected</b>	<b>(Under)Over</b>
	<b>@114%</b>	<b>@114%</b>	<b>@114%</b>
<b>FY 2023 MAINTENANCE TEST</b>			
<b>(Budget vs. Projected)</b>			
Revenue Collected:			
Water sales	124,093	125,663	1,570
Interest Income	213	3,100	2,887
BABs Subsidy	657	657	-
Other Net	6,946	7,065	119
Common Non-Core	(300)	(375)	(75)
Total	<u>131,609</u>	<u>136,110</u>	<u>4,501</u>
Less:			
Operating and maintenance expenses	(63,492)	(62,955)	536
Depreciation	(7,500)	(7,500)	-
PILOT (A)	(8,901)	(8,549)	352
Net Avail for Debt Service (B)	<u>\$ 51,718</u>	<u>\$ 57,106</u>	<u>\$ 5,388</u>
Debt Service Payments (C)	<u>\$ 45,366</u>	<u>45,278</u>	<u>\$ (88)</u>
Debt Service @ 114% (D)	<u>\$ 51,717</u>	<u>51,617</u>	<u>\$ (100)</u>
Difference (B-D)	<u>\$ 0</u>	<u>\$ 5,489</u>	
RSF, Growth and/or General Fund (D)			
Coverage			

REGIONAL WATER AUTHORITY  
Fiscal Year 2023  
(\$000 Omltted)

SCHEDULE A-2

STATEMENTS OF REVENUES, EXPENSES

AND CHANGES IN NET ASSETS

	Nine Months Ending February 28				Twelve Months Ending May 31			
	FY 2022	FY 2023	FY 2023	(Under)Over	Budget	Projection	Projection -	Projection -
	Actual	Budget	Actual	Budget		Assumption 1	Consumption 4% Above	Consumption 4% Below
						Assumption 2	Assumption 3	
<b>Operating Revenues</b>								
Metered Water Revenues	\$ 79,910	\$ 84,520	\$ 86,471	\$ 1,951	\$ 108,610	\$ 110,180	\$ 110,819	\$ 109,541
Fire Service	9,194	9,679	9,725	45	12,906	12,951	12,951	12,951
Wholesale Water	606	623	909	286	802	1,088	1,088	1,088
Other revenue - water	2,802	2,789	2,886	97	3,703	3,803	3,803	3,803
Other revenue - proprietary	7,310	6,979	7,134	155	9,465	9,976	9,976	9,976
Total Operating Revenues	99,823	104,590	107,124	2,534	135,486	137,998	138,637	137,358
<b>Operating Expenses</b>								
Operating and Maintenance	40,844	47,747	42,969	(4,778)	63,491	62,955	63,007	62,903
Expenses associated with other revenue-water	1,564	1,643	1,558	(84)	2,206	2,222	2,222	2,222
Expenses associated with other revenue-proprietary	3,255	2,845	3,099	254	3,359	4,209	4,209	4,209
Provision for uncollectible accounts	340	450	337	(114)	500	500	500	500
Depreciation	18,454	17,423	17,423	0	23,200	23,200	23,200	23,200
Payment in lieu of taxes	6,454	6,689	6,442	(247)	8,910	8,612	8,612	8,612
Amortization Pension Outflows/Inflows	645	1,566	1,566	0	1,882	1,882	1,882	1,882
Amortization OPEB Outflows/Inflows	(470)	(449)	(449)	0	(598)	(598)	(598)	(598)
Total Operating Expenses	71,086	77,913	72,945	(4,968)	102,951	102,983	103,035	102,931
Operating Income	28,737	26,677	34,179	7,503	32,536	35,015	35,602	34,428
<b>Nonoperating income and (expense)</b>								
Interest Income	883	1,619	5,456	3,837	2,155	6,426	6,426	6,426
(Loss)/Gain on disposal of assets	(1,633)	(750)	(1,337)	(587)	(1,000)	(1,500)	(1,500)	(1,500)
Interest Expense	(16,411)	(16,771)	(16,653)	118	(22,307)	(22,169)	(22,169)	(22,169)
Amortization of bond discount, premium issuance cost and deferred losses	1,878	2,342	2,311	(31)	3,093	3,062	3,062	3,062
Amortization of Goodwill	-	-	490	490	(249)	(249)	(249)	(249)
Intergovernmental revenue	-	-	-	-	-	490	490	490
Contributions to/from related entities	(950)	-	-	-	-	-	-	-
Total nonoperating income & (expense)	(16,233)	(13,560)	(9,733)	3,826	\$ (18,308)	\$ (13,941)	\$ (13,941)	\$ (13,941)
(Expense) income before contributions	12,504	\$ 13,117	24,446	\$ 11,329	\$ 14,228	\$ 21,074	\$ 21,661	\$ 20,487
Capital contributions	1,073	-	1,246	-	-	-	-	-
Change in net assets	13,577	-	25,691	-	-	-	-	-
Total net assets - beginning of fiscal year	233,214	-	252,019	-	-	-	-	-
Total net assets - end of reporting month	\$ 246,791	-	\$ 277,711	-	-	-	-	-

MAINTENANCE TEST

	Twelve Months Ending May 31			
	Budget	Projection Assumption 1	Projection - Consumption 4% Above Assumption 2	Projection - Consumption 4% Below Assumption 3
<b>Revenue Collected:</b>				
Water Sales	\$ 124,093	\$ 125,663	\$ 126,100	\$ 125,227
Interest Income	213	3,100	3,100	3,100
BABs Subsidy	657	657	657	657
Other Net	6,946	7,065	7,065	7,065
Common Non-Core	(300)	(375)	(375)	(375)
Total	131,609	136,110	136,547	135,673
<b>Less:</b>				
Operating and Maintenance Expenses	(63,492)	(62,955)	(63,007)	(62,903)
Depreciation	(7,500)	(7,500)	(7,500)	(7,500)
PILOT (A)	(8,901)	(8,549)	(8,549)	(8,549)
Net Avail for Debt Service (B)	51,717	57,106	57,491	56,721
Debt service payments (C)	\$ 45,366	\$ 45,278	\$ 45,278	\$ 45,278
Debt Service @ 114% (D)	\$ 51,717	\$ 51,617	\$ 51,617	\$ 51,617
Difference (B-D)	\$ (0)	\$ 5,489	\$ 5,874	\$ 5,104
RSF, Growth and/or General Fund (D)	\$ -	\$ -	\$ -	\$ -
Coverage	114%	126%	127%	125%
Required Coverage	114%	114%	114%	114%

REGIONAL WATER AUTHORITY  
 OPERATING AND MAINTENANCE EXPENSES  
 Fiscal Year 2023  
 (\$000 Omitted)

SCHEDULE B

	NINE MONTHS ENDING FEBRUARY 28				YEAR ENDED MAY 31, 2023			
	FY 2022	FY 2023	FY 2023	(Under)	Budget	Assump 1	Assump 2	Assump 3
	Actual	Budget	Actual	Over				
1 Payroll	\$ 16,837	\$ 18,349	\$ 17,667	\$ (682)	24,531	23,675	23,675	23,675
2 Employee Benefits Allocation	5,328	5,819	5,063	(757)	7,793	7,427	7,427	7,427
Pension	2,026	2,000	2,000	-	2,632	4,632	4,632	4,632
3 Administrative Building Space Allo	736	772	728	(44)	1,033	1,015	1,015	1,015
4 General & Administrative	1,013	1,181	1,174	(7)	1,537	1,513	1,513	1,513
5 Transportation Allocation	454	644	542	(102)	854	914	914	914
6 Tools & Stores Allocation	242	229	270	40	308	338	338	338
7 Utilities & Fuel	1,076	1,124	1,120	(4)	1,506	1,523	1,523	1,523
8 Material From Inventory	139	228	145	(83)	302	223	223	223
9 Pump Power Purchased	2,125	2,263	2,058	(205)	2,939	2,683	2,710	2,656
10 Chemicals	1,551	2,039	2,082	43	2,695	2,924	2,949	2,899
11 Road Repairs	274	224	200	(24)	299	299	299	299
14 Postage	116	356	146	(209)	474	474	474	474
15 Printing & Forms	35	53	26	(27)	71	58	58	58
17 Collection Expense	506	1,273	704	(568)	1,702	1,148	1,148	1,148
18 Business Improvement	108	302	49	(253)	346	451	451	451
19 Public/Customer Information	135	319	154	(165)	417	309	309	309
20 Outside Services	2,232	2,894	2,350	(544)	3,935	3,860	3,860	3,860
21 Insurance Premiums	1,316	1,301	1,164	(138)	1,747	1,671	1,671	1,671
22 Worker's Compensation, pre-Chur	24	34	(26)	(60)	45	48	48	48
23 Damages	28	49	50	1	65	95	95	95
24 Training & Cont. Education	86	243	144	(99)	337	285	285	285
25 Authority Fees	102	123	105	(19)	164	170	170	170
26 Consumer Counsel	12	45	31	(14)	60	60	60	60
27 RPB Fees	76	127	74	(52)	169	169	169	169
28 Organizational Dues	80	72	69	(3)	108	140	140	140
29 Donations	7	27	15	(13)	36	41	41	41
34 Central Lab/Water Quality	119	329	228	(102)	441	385	385	385
40 Environmental Affairs	43	64	57	(8)	100	71	71	71
44 Info. Technology Licensing & Maintenance Fees	1,760	2,110	1,807	(304)	2,696	2,596	2,596	2,596
45 Maintenance and Repairs	1,940	2,947	2,569	(378)	3,872	3,484	3,484	3,484
46 Regulatory Asset Amortization	318	206	206	0	274	274	274	274
	<u>\$ 40,844</u>	<u>\$ 47,747</u>	<u>\$ 42,969</u>	<u>\$ (4,778)</u>	<u>\$ 63,492</u>	<u>\$ 62,955</u>	<u>\$ 63,007</u>	<u>\$ 62,903</u>

	Period Ending February 28, 2023			Period Ending May 31, 2023		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
<b>I. NATURAL RESOURCES</b>						
Watershed Protection	76	24	(52)	300	300	-
Land Management	18	2	(16)	20	20	-
Lake Whitney Dam & Spillway Improvements	115	65	(50)	308	308	-
Prospect Dam Improvements	146	106	(40)	250	150	(100)
Tunnel Diversion Raw Water Main Rehabilitation Program	170	191	21	415	435	20
Furnace Pond Water Quality Improvements	-	-	-	27	27	-
Miscellaneous Natural Resources	95	60	(34)	102	102	-
Prior Year	-	1	1	-	1	1
<b>TOTAL</b>	<b>620</b>	<b>448</b>	<b>(171)</b>	<b>1,422</b>	<b>1,343</b>	<b>(79)</b>
<b>II. TREATMENT</b>						
Filter Media Replacement	202	511	309	500	511	11
Surface Water In-Line Turbidimeters	136	135	(1)	136	135	(1)
Treatment Plant Graphics Upgrades	325	95	(230)	650	600	(50)
LGWTP Local Control Console Upgrade	105	49	(56)	375	250	(125)
LGWTP -Clarifiers Recycle & Building Improvements	350	161	(189)	950	950	-
LGWTP-Raw Water Flow Control Valve Replacement	470	571	101	582	571	(11)
LGWTP Sodium Hypochlorite Tanks Replacement	305	280	(25)	360	300	(60)
LGWTP Improvements	51	70	19	200	200	-
LSWTP Electrical Upgrades	140	81	(59)	375	325	(50)
LGWTP Electrical Upgrades	140	191	51	200	250	50
LSWTP -Chemical Treatment System Improvements	561	325	(236)	992	800	(192)
LSWTP Improvements	75	63	(12)	200	200	-
LWWTP Ozone and DAF Controls	36	29	(7)	250	250	-
LWWTP HVAC Upgrades	-	-	-	-	122	122
WRWTP Improvements (Dissolved Air Flotation, Electrical, Chemical)	8,035	6,336	(1,699)	9,665	9,665	-
SSG Wellfield Facility Improvements	817	516	(301)	1,310	1,310	-
Seymour Wellfield Generator Replacement	180	23	(157)	250	175	(75)
Wellfield Facility Improvements - Derby	57	131	74	150	160	10
Well Rehabilitation Program	47	285	238	365	444	79
Well Equipment Replace Rehab Hamden and Seymour	350	190	(160)	450	383	(67)
Derby Wellfield Electrical Upgrade	80	6	(74)	125	6	(119)
<b>Green Bond Projects - Treatment</b>						
Water Treatment Plant Valve Replacement Program	132	1,536	1,404	2,295	2,295	-
LGWTP-HVAC Upgrades	200	155	(45)	200	200	-
Miscellaneous Treatment	381	351	(30)	385	389	4
Prior Year	-	35	35	-	35	35
<b>TOTAL</b>	<b>13,175</b>	<b>12,125</b>	<b>(1,050)</b>	<b>20,965</b>	<b>20,526</b>	<b>(439)</b>
<b>III. TRANSMISSION AND DISTRIBUTION</b>						
Pipe	5,292	4,634	(658)	5,842	5,872	30
Valve Replacements	172	182	10	250	250	-
Service Connections	1,355	1,449	94	1,800	1,800	-
Capital Pipe Service Connections	275	682	407	500	700	200
Meters	142	329	187	485	485	-
Hydrants and Connections	90	49	(41)	125	125	-
Lead Service Line Replacements	280	5	(275)	500	500	-
Sanitary Survey Improvements	200	101	(99)	200	150	(50)
Northern Service Area Expansion	60	32	(28)	100	100	-
Service Area Improvements - East West Transmission System	145	0	(145)	160	160	-
State Street Pipe Bridge	400	389	(11)	400	389	(11)
Pipe Bridge Rehabilitation Program	19	37	18	25	37	12
Ansonia-Derby Tank	1,105	877	(228)	2,000	2,000	-
Saltonstall Ridge Tank Power Vent	2	22	20	250	22	(228)
North Branford Tank Structural Improvements & Additional Tank	23	1	(22)	150	75	(75)
Variable Frequency Drive Replacement Program	100	143	43	150	150	-
Raynham Hill Pump Station Improvements	8	59	51	47	60	13
Critical Pump Station & Transmission Facilities Upgrades	150	155	5	170	364	194
Spring Street Pump Station Replacement	75	36	(39)	200	100	(100)
Burwell Hill Pump Station Equipment Replacement	344	42	(303)	344	344	-
Pump Station Generator Replacements	255	31	(224)	225	225	-
Pump Station Roof Replacements	100	10	(90)	100	100	-
Route 80 Throttling Valve Relocation	20	7	(13)	160	50	(110)
Water Quality Improvements Program	6	14	7	154	100	(54)
Miscellaneous Transmission & Pumping	35	57	22	69	95	25
Prior Year	-	13	13	-	13	13
<b>TOTAL</b>	<b>10,654</b>	<b>9,356</b>	<b>(1,298)</b>	<b>14,407</b>	<b>14,266</b>	<b>(142)</b>
<b>IV. GENERAL PLANT</b>						
Work & Asset Management Solutions (Formerly InforEAM GIS Data Integ)	175	-	(175)	56	-	(56)
SAP Work Management	10	-	(10)	10	10	-
LIMS Business Enhancements	140	19	(121)	140	140	-
Security Upgrades	-	-	-	-	47	47
AMI Software Business Enhancements	10	11	1	10	11	1

	Period Ending February 28, 2023			Period Ending May 31, 2023		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
CIS (Customer Information Services)	2,320	832	(1,488)	3,279	3,279	-
Innovation						
Business Analytics Platform	80	-	(80)	85	85	-
Customer Channels Sales Marketing	150	45	(105)	150	150	-
Robotic Process Automation/Machine Learning/AI	100	-	(100)	125	63	(63)
SAP SQL Upgrade	100	6	(94)	100	6	(94)
Cyber Security Enhancements	110	23	(87)	110	110	-
SCADA	90	66	(24)	120	120	-
Information Systems	476	292	(184)	750	699	(51)
Miscellaneous Information Systems	270	26	(244)	428	278	(150)
Equipment	1,264	788	(476)	2,019	1,559	(460)
Miscellaneous Equipment	435	206	(229)	487	534	47
90 Sargent Drive	472	117	(355)	157	153	(4)
Miscellaneous 90 Sargent Drive	110	86	(24)	120	176	56
Prior Year	-	10	10	-	10	10
<b>TOTAL</b>	<b>6,312</b>	<b>2,526</b>	<b>(3,786)</b>	<b>8,146</b>	<b>7,429</b>	<b>(717)</b>
V. CONTINGENCY	151	-	(151)	9,855	9,855	-
<b>TOTAL</b>	<b>30,911</b>	<b>24,455</b>	<b>(6,456)</b>	<b>54,796</b>	<b>53,419</b>	<b>(1,377)</b>
VI. STATE & REDEVELOPMENT PIPE	1,500	1,190	(310)	3,000	2,000	(1,000)
VII. NON-CORE BILLING	100	111	11	100	111	11
<b>TOTAL</b>	<b>32,511</b>	<b>25,756</b>	<b>(6,755)</b>	<b>57,896</b>	<b>55,530</b>	<b>(2,366)</b>

Note: Includes amendments pending Authority approval

SCHEDULE D

Investment Earnings Report  
Comparison of Investment Rates of Return

Fund Type	Balance @ February 28, 2023	Budgeted Return	Rate of Return February 28, 2023	Rate of Return Fiscal Year to Date
<b>Less than Six Months</b>				
Revenue Investment (A)	\$ 35,745,443	0.15%	4.61%	3.09%
Revenue (B)	4,689,650	0.00%	0.34%	0.29%
Rate Stabilization (A)	10,000,000	0.15%	4.61%	3.09%
Operating Reserve (A)	10,157,613	0.15%	4.61%	3.09%
Capital Contingency (A)	5,575,835	0.15%	4.61%	3.09%
Debt Reserve (A)	5,845,781	0.15%	4.61%	3.09%
Debt Reserve (C)	14,771	0.00%	3.88%	2.44%
Debt Service (A)	17,988,418	0.15%	4.61%	3.09%
PILOT (A)	1,659,346	0.15%	4.61%	3.09%
General Fund (A)	11,728,128	0.15%	4.61%	3.09%
<b>Sub-Total</b>	<b>\$ 103,404,985</b>			
<b>Long Term Investments</b>				
Operating Reserve	\$ 500,000	0.67%	0.51%	0.51%
Capital Contingency	500,000	0.57%	0.38%	0.38%
Debt Reserve (D)	15,256,656	0.72%	2.21%	1.79%
<b>Sub-Total</b>	<b>\$ 16,256,656</b>			
<b>Other</b>				
Construction (A)	\$ 62,283,785	0.15%	4.61%	3.09%
Growth Fund (E)	7,940,138	0.00%	2.10%	1.47%
Interim Financing	907	0.00%	2.07%	1.40%
<b>Sub-Total</b>	<b>\$ 70,224,830</b>			
<b>Total</b>	<b>\$ 189,886,471</b>			

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

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

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

(D) Current fiscal year investment purchases (approx. \$6.25M) are earning between 3.0% - 5.2%.

(E) Balance includes interest earnings.

<b>Fund</b>	<b>Budgeted Interest (Cash Basis) as of February 28, 2023</b>	<b>Interest Received (Cash Basis) as of February 28, 2023</b>	<b>(Under)/ Over</b>
Debt Reserve	54,324	279,294	224,970
Operating Reserve	14,932	205,604	190,672
Capital Contingency	8,779	113,615	104,836
PILOT	2,676	58,883	56,207
Debt Service	20,213	329,345	309,132
Revenue	18,828	609,449	590,621
Rate Stabilization	11,375	230,561	219,186
General	14,931	271,524	256,593
Sub Total	<u>146,058</u>	<u>2,098,275</u>	<u>1,952,217</u>
Construction	77,880	1,482,847	1,404,967
Growth Fund	-	84,365	84,365
Interim Financing	-	10	10
Total	<u>223,938</u>	<u>3,665,497</u>	<u>3,441,559</u>



**Representative Policy Board  
Dashboard Metric - 3Q FY23**

Metrics	Quarter ended 02/28/22 (3Q FY 2022)	Quarter ended 8/31/22 (1Q FY 2023)	Quarter ended 11/30/22 (2Q FY 2023)	Quarter ended 02/28/23 (3Q FY 2023)
<b>Financial Metrics</b>				
Coverage	Budget: 1.14 w/o draw	Budget: 1.14 w/o draw	Budget: 1.14 w/o draw	Budget: 1.14 w/o draw
	Projected: <b>1.25 w/o draw</b>	Projected: <b>1.16 w/o draw</b>	Projected: <b>1.23 w/o draw</b>	Projected: <b>1.26 w/o draw</b>
Draw Requirement	Budget: \$922k	Budget: \$0 million	Budget: \$0 million	Budget: \$0 million
	Projected: <b>\$0 million</b>	Projected: <b>\$0 million</b>	Projected: <b>\$0 million</b>	Projected: <b>\$0 million</b>
Capital Expenditures to Budget (Note 1)	Budget: \$17.919 million	Budget: \$7.246 million	Budget: \$20.726 million	Budget: \$30.755 million
	Result: <b>\$15.206 million/37.7% of total fiscal year budget</b>	Result: <b>\$5.616 million/10.3% of total fiscal year budget</b>	Result: <b>\$14.232 million/26.0% of total fiscal year budget</b>	Result: <b>\$24.455 million/54.4% of total fiscal year budget</b>
Aged Account Receivables - Total Water (Note 2)	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551	Feb 2020: \$6,659,551
	Feb. 2022 : <b>\$9,108,429 (+36.8%)</b>	Aug. 2022 : <b>\$8,951,804 (+34.4%)</b>	Nov. 2022 : <b>\$8,799,889 (+32.1%)</b>	Nov. 2022 : <b>\$8,682,202 (+30.4%)</b>
Aged Account Receivables - Residential (Note 2)	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160	Feb 2020: \$5,833,160
	Feb. 2022 : <b>\$8,630,280 (+48.0%)</b>	Aug. 2022 : <b>\$8,449,516 (+44.9%)</b>	Nov. 2022 : <b>\$8,236,243 (+41.2%)</b>	Nov. 2022 : <b>\$8,135,230 (+39.5%)</b>
Pension Market Values (Note 3)	Feb. Mkt Value: <b>\$69,252,207</b>	Aug. Mkt Value: <b>\$66,527,775</b>	Oct. Mkt Value: <b>\$62,396,715</b>	Feb. Mkt Value: <b>\$64,571,575</b>
	Dec 2022 Mkt. Value: <b>\$74,033,090</b>	June 2022 Mkt. Value: <b>\$63,189,971</b>	Sept 2022 Mkt. Value: <b>\$60,072,550</b>	Dec 2022 Mkt. Value: <b>\$63,735,939</b>
	Dec Return: <b>4.45%</b>	June Return: <b>Negative 10.6%</b>	Sept Return: <b>Negative 9.8%</b>	Dec Return: <b>Negative 12.85%</b>
	Actuarial Return Assumption: <b>6.75%</b>	Actuarial Return Assumption: <b>6.75%</b>	Actuarial Return Assumption: <b>6.75%</b>	Actuarial Return Assumption: <b>6.75%</b>

**Representative Policy Board**  
**Dashboard Metric - 3Q FY23**

Metrics	Quarter ended 02/28/22 (3Q FY 2022)	Quarter ended 8/31/22 (1Q FY 2023)	Quarter ended 11/30/22 (2Q FY 2023)	Quarter ended 02/28/23 (3Q FY 2023)
<b>System Metrics</b>				
<i>Average Daily Production (Draft) to Budget (MGD)/Prior Year (MGD)</i>	Prior Year: 46.413 MGD	Prior Year: 53.416 MGD	Prior Year: 48.344 MGD	Prior Year: 44.734 MGD
	Result: <b>44.734 MGD</b>	Result: <b>55.730 MGD</b>	Result: <b>48.863 MGD</b>	Result: <b>44.788 MGD</b>
<i>Disinfection By-products</i>	Target: 100%	Target: 100%	Target: 100%	Target: 100%
	Result: <b>100%*</b>	Result: <b>100%*</b>	Result: <b>100%*</b>	Result: <b>100%*</b>
	* As of Dec. 31, 2021, updated	* As of June 30, 2022, updated	* As of Sept. 30, 2022, updated	* As of Dec. 31, 2022, updated
<i>Net Unaccounted For Water (annualized)</i>	Target: 10.0%	Target: 10.0%	Target: 10.0%	Target: 10.0%
	Result: <b>11.82%</b> for the annualized period of Dec. 2020 to Nov. 2021	Result: <b>13.85%</b> for the annualized period of June 2021 to May 2022	Result: <b>12.04%</b> for the annualized period of Sept. 2021 to August 2022	Result: <b>11.72%</b> for the annualized period of Dec. 2021 to Nov. 2022
<i>Service Disruptions (Notes 4 and 5): Due to Main Breaks</i>				
<i>Number of Disruptions</i>	Result: 30	Result: 11	Result: 6	Result: 22
<i>Number of Customers Impacted</i>	Result: 464	Result: 217	Result: 48	Result: 241
<i>Avg. Period Customers are w/o Water</i>	Target: 6	Target: 6	Target: 6	Target: 6
	Result: 3.3	Result: 3.9	Result: 3.1	Result: 3.7
<i>Water Quality (Notes 5 and 6): Discolored Water - System/Hydraulics</i>				
<i>Number of Complaints</i>	Result: 112	Result: 133	Result: 91	Result: 92

- Notes:
- Note 1: Excludes State and Redevelopment, Growth Fund, and contingency/reserve. Percentage is of fiscal year budget. 3Q 2023 reflects amendments, pending Authority approval
  - Note 2: Reflects aged receivables over 90 days - total water and total residential. Comparison is to pre-pandemic level
  - Note 3: Fiscal year-end based on audited financials. Other quarters based on latest available reports and net returns
  - Note 4: This metric may be later expanded to other types of service disruptions with the same statistics
  - Note 5: For fiscal 2023 reflect quarterly information. In fiscal 2024, can be adjusted to reflect fiscal year-to-date
  - Note 6: This metric may be later expanded to include time to resolve and time to respond w/associated targets