



**Regional Water Authority  
Regional Water Authority  
Regional Water Authority June 23 2022 Regular Meeting  
June 23, 2022, 12:30 pm - 4:30 pm  
Via teams**

**AGENDA and DOCUMENTS**

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## AGENDA

**Regional Water Authority  
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Regional Water Authority June 23 2022 Regular Meeting  
Thursday, June 23, 2022, 12:30 pm - 4:30 pm  
Via teams**

- A. Safety Moment** Kevin Curseaden
- B. Meet as Commercial Business Committee** Kevin Curseaden
1. Approve Minutes - March 31, 2022 meeting
  2. Commercial Business strategy, goals & updates - Including possible executive session
  3. Acquisition update & approval - Including possible executive session Dennis
- C. Meet as Strategic Planning Committee** David Borowy
1. Approve Minutes - February 24, 2022 meeting
  2. Review FY 2022 Year-end Strategic Action Plan Update & Global Metrics
  3. Review FY 2023 Strategic Action Plan & Global Metrics
- D. Act on matters arising from Committee meetings**
- E. Consent Agenda**
1. Approve Minutes - May 16, 2022 and May 26, 2022 meetings
  2. Capital Budget Authorization - July 2022
  3. Capital Budget Transfer Notifications (no action required) - July 2022
  4. Key Performance Indicators - FY 2022 Q4
  5. Accounts Receivable Update - May 2022
  6. FY 2023 RPB Weighted Vote Calculation
  7. RPB Dashboard Report
- F. Finance** Rochelle Kowalski
1. Fiscal Year-end financial report
  2. Allocation of Year-end revenue balance
  3. Proposed revisions to FY 2023 capital budget projects and release of project reserves
- G. RPB Committee meeting assignments and reports on RPB Committee Meetings**
- H. Business Updates** Larry Bingaman
1. COVID Update Donna
  2. Derby Tank Update
  3. Monthly Board Letter Highlights - Including Executive Session Larry Bingaman

# SAFETY MOMENT

## SUN EXPOSURE PREVENTION

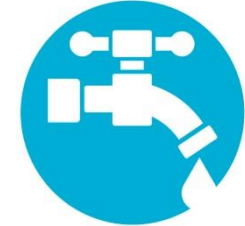
You are at an increased risk of harmful ultraviolet rays during the summer months, at high altitudes, between 10 am and 4 pm, and even on cloudy days.

### PROTECT YOURSELF FROM THE SUN:

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

Service – Teamwork – Accountability – Respect – Safety

Tap Into  
Safety



Regional Water Authority



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

 Regional Water Authority

**South Central Connecticut Regional Water Authority  
Commercial Business Committee  
Minutes of the March 31, 2021 Special Meeting**

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

Present: Committee – Messrs. Curseaden and Borowy, and Mss. LaMarr and Sack  
Absent: Committee – Mr. DiSalvo  
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Courchaine, Donovan, Lakshminarayanan, and Singh  
Murtha Cullina – Atty. McLaughlin  
Staff – Mrs. Slubowski

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

The committee reviewed its FY 2023 work plan.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

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

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

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

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

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Kevin Curseaden, Chairman



**Business Update**

# **RWA Commercial Enterprises**

June 23<sup>rd</sup> , 2022

# RWA Commercial Enterprises

**Goal:** Increase RWA Commercial Enterprise revenue sources to help mitigate future rate increases for our customers

**Objective:** Build 2022 framework to support net revenue growth to \$9.2M by 2025

**Strategy:** Execute against four key growth initiatives; *shift to scale and organic expansion.*

Plumbing & Well Services

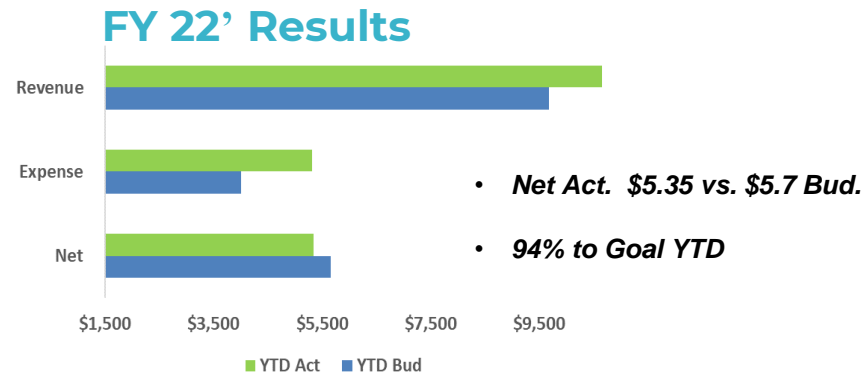
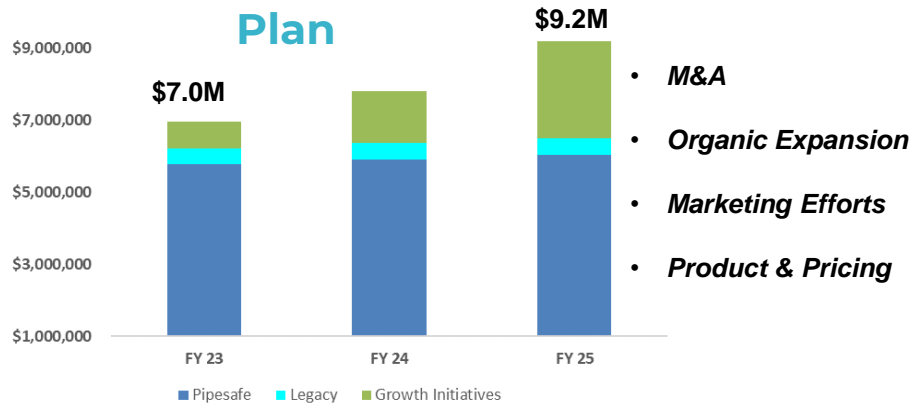
Environmental & Lab Services

Pipesafe & Product Expansion

Water Filtration & Purification

In parallel with maintaining operational and business management best practices.

# Commercial Enterprises Overview



## Actions

### M&A



- ✓ Closed WSS 5/3 – Integration Going Well
- ✓ APA with ECL Lab – Conditional Approval
- ✓ Pipeline- Several Scale Opportunities

### New Products



- ✓ WellSafe Expansion
- ✓ Water Heater Product Next on Roadmap
- ✓ Talking with M&A Targets to Fullfill Need

### New Markets



- ✓ Wolcott & SCWA kickoff
- ✓ DTC Planning Underway
- ✓ Initial Markets - Meriden & Wallingford

### Organic Expansion



- ✓ Standing up Marketing
- ✓ Dispatch Solution – June Launch
- ✓ Infrastructure Efforts Continue



# Key Insights & Takeaways

- *Need to target larger scale acquisition that requires potential debt financing*
- *Need to optimize existing and new businesses thru organic expansion efforts*
- *Growth will require building internal marketing capability*
- *Cost pressure requires pricing discipline*

## Highlights & Learning FY22'

- ✓ 2-2-1 (2 Acquisition, 2 Partners, 1 New Product)
- ✓ Solid, M&A, Territory Expansion and Product Development Foundation
- ✓ Cost Pressures Require Pricing Discipline, Key to Margin Performance
- ✓ Need to continue to in source and standardize M&A support functions

## Key to Success FY 23'

- ✓ Scale Acquisitions – Potential Debt Financing
- ✓ Organic Expansion - Well Services, WellSafe, PipeSafe OOT, Lab Sales
- ✓ Building of Marketing Muscle
- ✓ Continue Lab Margin Enhancement Efforts - Pricing, Service & Client Contracts, Personnel Shifts and Tech Sales



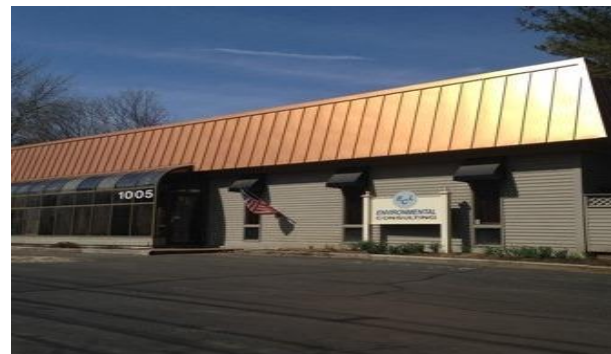
## Acquisition update & approval

June 23<sup>rd</sup>, 2022

# Environmental Consulting Lab: Conditional Approval

## Profile:

Company Structure	Environmental Consulting Laboratories, Inc.
Location	Madison, Connecticut
Year	1985
Ownership Structure	51% Dave Barris / 49% Shawn Barris
Product & Services	Water & Waste Water Lab Services
Building	4,125 Square Feet / .51 Acre



**Strategic Fit :** ① Expansion of PipeSafe ② **Lab Services** ③ Well Services ④ *Water Filtration & Purification*

## Deal Structure: Indicative - Subject to Diligence

Deal : At APA and P&S Stage <sup>a.)</sup> **DCF Valuation:** \$750K – \$1,120K<sup>b)</sup>

\$	Structure	Term
\$600K	Real-estate <sup>c.)</sup>	Purchase Commercial Building
\$380K	Asset Purchase	At close with 10% 12-month holdback
	Employment Arrangements	2X Employment i.) Co-Lab Director ii.) Back Office Lead 1X – Consulting Agreement

a.) *Legal services performed by Murtha Cullina*

b.) *Valuation services performed by CitrinCooperman*

c.) *2x Appraisal performed; DiMarco & Associates and Marc D. Nadeau*

## Next Steps & Open Items :

### Conditions to Close – Dependencies

- ✓ Asset Purchase Agreement
- ✓ Purchase and Sale Agreement
- ✓ Employment Agreements / Arrangements

### Next Steps

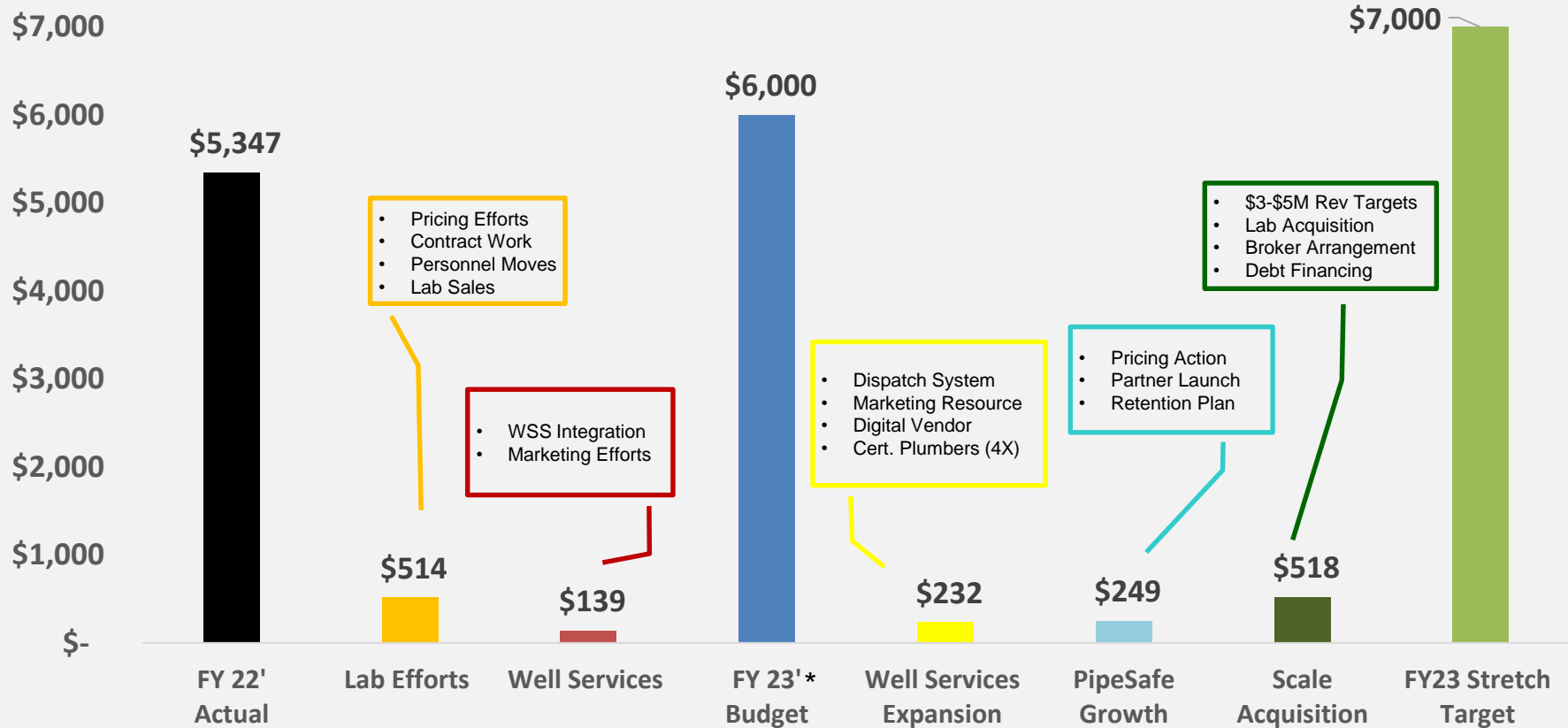
- ✓ Conditional Approval for P&S Agreement
- ✓ Site Access

### Open Items

- ✓ Env Confidential Information - For Board Use Only - Do not Redistribute Page 11 of 147
- ✓ Contract Language – With ECL’s Counsel

# Appendix

# Commercial Enterprises FY23' Key Actions



## **ASSET PURCHASE AGREEMENT**

This Asset Purchase Agreement (this “**Agreement**”), dated as of [DATE], 2022, is entered into among Environmental Consulting Laboratories, Inc., a Connecticut corporation (“**Seller**”), RWA Environmental and Lab Services, LLC, a Connecticut limited liability company (“**Buyer**”); and, solely for purposes of Section 5.02, each of the stockholders of the Seller party to this Agreement (each, an “**Owner**” and together the “**Owners**”). Capitalized terms used in this Agreement have the meanings given to such terms herein, as such definitions are identified by the cross-references set forth in Exhibit A attached hereto.

### **RECITALS**

**WHEREAS**, Seller is engaged in the business of [analytical lab testing services business] (the “**Business**”); and

**WHEREAS**, Seller wishes to sell and assign to Buyer, and Buyer wishes to purchase and assume from Seller, substantially all the assets, and certain specified liabilities, of the Business, subject to the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### **ARTICLE I PURCHASE AND SALE**

**Section 1.01 Purchase and Sale of Assets.** Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell, convey, assign, transfer, and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title, and interest in, to, and under all of the tangible and intangible assets, properties, and rights of every kind and nature and wherever located (other than the Excluded Assets), which relate to, or are used or held for use in connection with, the Business (collectively, the “**Purchased Assets**”), including the following:

- (a) all laboratory equipment, other equipment, machinery, tools, vehicles, fixtures, furniture, office equipment, supplies, computers, telephones, and other tangible personal property (the “**Tangible Personal Property**”);
- (b) all Contracts (the “**Assigned Contracts**”)<sup>1</sup> that Buyer and Seller have agreed that Buyer shall assume, and which are set forth on Section 1.01(b) of the disclosure schedules attached hereto (the “**Disclosure Schedules**”);
- (c) originals or, where not available, copies, of all books and records, including financial and accounting records, machinery and equipment maintenance files, customer lists, customer purchasing histories, supplier lists, quality control records and

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<sup>1</sup> RWA Note to Draft: RWA will assume any equipment service contract. RWA understands that Seller has indicated no other contracts are involved in the Business.

procedures, customer complaints and inquiry files, research and development files, and all correspondence with any Governmental Authority (“**Books and Records**”); and

(d) all goodwill and the going concern value of the Purchased Assets and the Business.

**Section 1.02 Excluded Assets.** Notwithstanding the foregoing, the Purchased Assets shall not include the following assets (collectively, the “**Excluded Assets**”):

- (a) all cash and cash equivalents;
- (b) all accounts receivable held by Seller; and
- (c) any loan receivables held by Seller.

**Section 1.03 No Assumed Liabilities.** Buyer shall not assume and shall not be responsible to pay, perform or discharge any liabilities, obligations, or commitments of any nature whatsoever, whether asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, or otherwise (“**Liabilities**”) of Seller or any of its Affiliates of any kind or nature whatsoever, other than with respect to any Assigned Contract. Seller shall, and shall cause each of its Affiliates to, pay in due course all Liabilities that they are obliged to pay and satisfy, but in no event later than thirty (30) days after the Closing.

**Section 1.04** The consideration to be paid by the Buyer to the Seller for the Purchased Assets is Three Hundred Eighty Thousand Dollars (\$380,000.00) (the “**Purchase Price**”), payable as follows:

- (a) a cash payment in the amount equal to (i) Three Hundred Forty Two Thousand Dollars (\$342,000.00) *less* (ii) an amount in cash equal to the respective, aggregate amount of Debt outstanding under such Credit Documents at Closing (the “**Payoff Amount**”), as set forth in payoff letters from each “holder” or “lender” as applicable under each such Credit Document (such amount, the “**Closing Cash Payment**”), to be paid by the Buyer in cash by wire transfer of immediately available funds to the Seller, or via certified or bank check, or in accordance with the ACH or wire transfer instructions set forth on Schedule I
- (b) cash payments in the respective aggregate amount of the Payoff Amount to the respective “holders” or “lenders”, as applicable, under each Credit Document, to be paid by wire transfer of immediately available funds as set forth in each payoff letter referenced in Section 1.04(a);
- (c) the amount of Thirty Eight Thousand Dollars (\$38,000.00) (the “**Holdback Amount**”) to be held by the Buyer in an interest-bearing account, and which Holdback Amount, plus any accrued interest thereon, shall be used to satisfy any claims made by any Buyer Indemnitees against the Seller pursuant to Section 6.02. The Holdback Amount shall be released to the Seller on the date that is twelve (12) months after the Closing Date.

## ARTICLE II CLOSING

**Section 2.01 Closing.** The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall take place on the date hereof (the “**Closing Date**”), subsequent to the execution of this Agreement via electronic exchange of documents, to be effective as of the date hereof. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. on the Closing Date.

### **Section 2.02 Closing Deliverables.**

- (a) At the Closing, Seller shall deliver to Buyer the following:
- (i) a bill of sale in form and substance satisfactory to Buyer (the “**Bill of Sale**”) and duly executed by Seller, transferring the Tangible Personal Property included in the Purchased Assets to Buyer;
  - (ii) an assignment and assumption agreement in form and substance satisfactory to Buyer (the “**Assignment and Assumption Agreement**”) and duly executed by Seller, effecting the assignment to and assumption by Buyer of the Purchased Assets;
  - (iii) the Consulting Agreement by and between Buyer and David Barris (the “**Consulting Agreement**”) and duly executed by David Barris;
  - (iv) the [employment/transition services<sup>2</sup>] agreement by and between Buyer and Michael Barris (the “**M. Barris Employment Agreement**”) and duly executed by Michael Barris;
  - (v) the employment agreement by and between Buyer and [CO-LAB DIRECTOR] (the “[**CO-LAB DIRECTOR**] **Employment Agreement**”) and duly executed by [CO-LAB DIRECTOR];
  - (vi)
  - (vii) payoff letters, UCC-3 termination statements and other customary releases, if any, duly executed by the secured party, terminating any Encumbrances on the Purchased Assets;
  - (viii) a certificate of the Secretary (or equivalent officer) of Seller certifying as to (A) the resolutions of the board of directors and the shareholders of Seller, which authorize the execution, delivery, and performance of this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, and the other agreements, instruments, and documents required to be delivered in

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<sup>2</sup> Note to Draft: Parties to discuss form of agreement under which M. Barris would provide services to Buyer.



connection with this Agreement or at the Closing and the consummation of the transactions contemplated hereby and thereby, and (B) the names and signatures of the officers of Seller authorized to sign this Agreement and the other Transaction Documents to which the Seller is a party;

(ix) such other customary instruments of transfer or assumption, filings, or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to the transactions contemplated by this Agreement; and

(x) [OTHER SELLER DELIVERABLES].

(b) At the Closing, Buyer shall deliver to Seller the following:

(i) the Closing Cash Payment (less any amounts which may be withheld for outstanding Tax Liabilities);

(ii) the Consulting Agreement;

(iii) the M. Barris Employment Agreement;

(iv) the [CO-LAB DIRECTOR] Employment Agreement;

(v) a certificate of the Secretary (or equivalent officer) of Buyer certifying as to (A) the resolutions of the board of directors of Buyer, which authorize the execution, delivery, and performance of this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Consulting Agreement, the M. Barris Employment Agreement, the [CO-LAB DIRECTOR] Employment Agreement and the other agreements, instruments, and documents required to be delivered in connection with this Agreement or at the Closing (collectively, the “**Transaction Documents**”) and the consummation of the transactions contemplated hereby and thereby, and (B) the names and signatures of the officers of Buyer authorized to sign this Agreement and the other Transaction Documents; and

(vi) [OTHER BUYER DELIVERABLES].

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Buyer that the statements contained in this ARTICLE III are true and correct as of the date hereof.

**Section 3.01 Organization and Authority of Seller.** Seller is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Connecticut. Seller has full corporate power and authority to enter into this Agreement and the other Transaction Documents to which Seller is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution

and delivery by Seller of this Agreement and any other Transaction Document to which Seller is a party, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate, board, and shareholder action on the part of Seller. This Agreement and the Transaction Documents constitute legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms.

**Section 3.02 No Conflicts or Consents.** The execution, delivery, and performance by Seller of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with any provision of the certificate of incorporation, by-laws, or other governing documents of Seller; (b) violate or conflict with any provision of any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, other requirement, or rule of law (collectively, “**Law**”) of any federal, state, local, or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction (collectively, “**Governmental Authority**”) or any order, writ, judgment, injunction, decree, stipulation, determination, penalty, or award entered by or with any Governmental Authority (“**Governmental Order**”) applicable to Seller, the Business, or the Purchased Assets; (c) require the consent, notice, declaration, or filing with or other action by any individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity (“**Person**”) or require any permit, license, or Governmental Order; (d) violate or conflict with, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel any Contract to which Seller is a party or by which Seller or the Business is bound or to which any of the Purchased Assets are subject (including any Assigned Contract); or (e) result in the creation or imposition of any charge, claim, pledge, equitable interest, lien, security interest, restriction of any kind, or other encumbrance (“**Encumbrance**”) on the Purchased Assets. The term “**Contracts**” means all contracts, leases, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures, and all other agreements, commitments, and legally binding arrangements, whether written or oral.

**Section 3.03 Title to Purchased Assets.** Seller has good and valid title to all of the Purchased Assets, free and clear of Encumbrances.

**Section 3.04 Taxes.** All Taxes due and owing by Seller have been, or will be, timely paid. No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of Seller. All returns, declarations, reports, information returns and statements, and other documents relating to Taxes (including amended returns and claims for refund) (“**Tax Returns**”) with respect to the Business required to be filed by Seller for any tax periods prior to Closing have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete, and correct in all respects. The term “**Taxes**” means all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, withholding, payroll, employment, unemployment, excise, severance, stamp, occupation, premium, property (real or personal), customs, duties, or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest, additions, or penalties with respect thereto.

**Section 3.05 Brokers.** No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Seller.

## **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Seller that the statements contained in this ARTICLE IV are true and correct as of the date hereof.

**Section 4.01 Organization and Authority of Buyer.** Buyer is a limited liability company duly organized, validly existing, and in good standing under the Laws of the State of Connecticut. Buyer has full limited liability company power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement and the Transaction Documents constitute legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

**Section 4.02 No Conflicts; Consents.** The execution, delivery, and performance by Buyer of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with any provision of the certificate of organization, operating agreement, or other organizational documents of Buyer; (b) violate or conflict with any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice, declaration, or filing with or other action by any Person or require any permit, license, or Governmental Order.

## **ARTICLE V COVENANTS**

**Section 5.01 Confidentiality.** From and after the Closing, Seller shall, and shall cause its Affiliates to, hold, and shall use its reasonable best efforts to cause its or their respective directors, officers, employees, consultants, counsel, accountants, and other agents (“**Representatives**”) to hold, in confidence any and all information, whether written or oral, concerning the Business, except to the extent that Seller can show that such information: (a) is generally available to and known by the public through no fault of Seller, any of its Affiliates, or their respective Representatives; or (b) is lawfully acquired by Seller, any of its Affiliates, or their respective Representatives from and after the Closing from sources that are not prohibited from disclosing such information by a legal, contractual, or fiduciary obligation. If Seller or any of its Affiliates or their respective Representatives are compelled to disclose any information by Governmental Order or Law, Seller shall promptly notify Buyer in writing and shall disclose only that portion of such information that is legally required to be disclosed, *provided that* Seller

shall use reasonable best efforts to obtain as promptly as possible an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

For purposes of this Agreement: (i) “**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person; and (ii) the term “**control**” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

### **Section 5.02 Non-Competition; Non-Solicitation.**

(a) Each of the Owners and Seller acknowledges the competitive nature of the Business and accordingly agrees, in connection with the sale of the Purchased Assets, including the goodwill of the Business, which Buyer considers to be a valuable asset, and in exchange for good and valuable consideration, that for a period of five (5) years commencing on the Closing Date (the “**Restricted Period**”), neither the Owners nor Seller shall, and shall not permit any of their respective Affiliates to, directly or indirectly, (i) engage in or assist others in engaging in [analytical lab testing services business] (the “**Restricted Business**”) in the State of Connecticut (the “**Territory**”); (ii) have an interest in any Person that engages directly or indirectly in the Restricted Business in the Territory in any capacity, including as a partner, shareholder, director, member, manager, employee, principal, agent, trustee, or consultant; or (iii) cause, induce, or encourage any material actual or prospective client, customer, supplier, or licensor of the Business (including any existing or former client or customer of Seller and any Person that becomes a client or customer of the Business after the Closing), or any other Person who has a material business relationship with the Business, to terminate or modify any such actual or prospective relationship. Notwithstanding the foregoing, Seller may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if neither Seller nor any Owner is a controlling Person of, or a member of a group that controls, such Person and does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Person.

(b) During the Restricted Period, each Owner and Seller shall not, and shall not permit any of their respective Affiliates to, directly or indirectly, hire or solicit any person who is or was employed in the Business during the Restricted Period, or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant to a general solicitation that is not directed specifically to any such employees; *provided that* nothing in this Section 5.02(b) shall prevent either Owner or Seller or any of their respective Affiliates from hiring (i) any employee whose employment has been terminated by Buyer; or (ii) after one hundred eighty (180) days from the date of termination of employment, any employee whose employment has been terminated by the employee.

(c) Each of the Owners and Seller acknowledges that a breach or threatened breach of this Section 5.02 would give rise to irreparable harm to Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event

of a breach or a threatened breach by either Owner or Seller of any such obligations, Buyer shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

(d) Each of the Owners and Seller acknowledges that the restrictions contained in this Section 5.02 are reasonable and necessary to protect the legitimate interests of Buyer and constitute a material inducement to Buyer to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Section 5.02 should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Law in any jurisdiction or any Governmental Order, then any court is expressly empowered to reform such covenant in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Law or such Governmental Order. The covenants contained in this Section 5.02 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

**Section 5.03 Public Announcements.** Unless otherwise required by applicable Law, no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

**Section 5.04 Bulk Sales Laws.** The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer, or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Purchased Assets to Buyer. Any Liabilities arising out of the failure of Seller to comply with the requirements and provisions of any bulk sales, bulk transfer, or similar Laws of any jurisdiction shall be treated as Liabilities of the Seller.

**Section 5.05 Transfer Taxes.** All sales, use, registration, and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents, if any, shall be borne and paid by Seller when due. Seller shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

**Section 5.06 Further Assurances.** Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances, and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

## ARTICLE VI INDEMNIFICATION

**Section 6.01 Survival.** All representations, warranties, covenants, and agreements contained herein and all related rights to indemnification shall survive the Closing.

**Section 6.02 Indemnification by Seller.** Subject to the other terms and conditions of this ARTICLE VI, Seller shall indemnify and defend each of Buyer and its Affiliates and their respective Representatives (collectively, the “**Buyer Indemnitees**”) against, and shall hold each of them harmless from and against, any and all losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees (collectively, “**Losses**”), incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, or with respect to:

- (a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);
- (b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Seller pursuant to this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto;
- (c) any Excluded Asset or any Liability; or
- (d) any Third Party Claim based upon, resulting from, or arising out of the business, operations, properties, assets, or obligations of Seller or any of its Affiliates (other than the Purchased Assets) conducted, existing, or arising on or prior to the Closing Date. For purposes of this Agreement, “**Third Party Claim**” means notice of the assertion or commencement of any claims, actions, causes of action, demands, lawsuits, arbitrations, inquiries, audits, notices of violation, proceedings, litigation, citations, summons, subpoenas, or investigations of any nature, whether at law or in equity (collectively, “**Actions**”) made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing.

**Section 6.03 Indemnification by Buyer.** Subject to the other terms and conditions of this ARTICLE VI, Buyer shall indemnify and defend each of Seller and its Affiliates and their respective Representatives (collectively, the “**Seller Indemnitees**”) against, and shall hold each of them harmless from and against any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, or with respect to:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement, any other Transaction Document, or any schedule, certificate, or exhibit related thereto, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date

(except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement.

**Section 6.04 Indemnification Procedures.** Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the “**Indemnified Party**”) shall promptly provide written notice of such claim to the other party (the “**Indemnifying Party**”). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

**Section 6.05 Cumulative Remedies.** The rights and remedies provided in this ARTICLE VI are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

## **ARTICLE VII MISCELLANEOUS**

**Section 7.01 Expenses.** All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

**Section 7.02 Notices.** All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7.02):

**If to Seller or Owners:** [SELLER ADDRESS]  
[SELLER EMAIL ADDRESS]  
Attention: David Barris

with a copy to: Winnick Ruben Hoffnung Peabody & Mendel, LLC  
110 Whitney Avenue  
New Haven, CT 06510  
Email: dan.hoffnung@winnicklaw.com  
Attention: Daniel N. Hoffnung, Esq.

**If to Buyer:** c/o South Central Connecticut Regional Water Authority  
90 Sargent Drive  
New Haven, CT 06511-5966  
Email: rkowalski@rwater.com  
Attention: Vice President, Financial Reporting and Analysis

with a copy to: Murtha Cullina LLP  
265 Church Street  
New Haven, CT 06510  
Email: jmclaughlin@murthalaw.com  
Attention: James W. McLaughlin, Esq.

**Section 7.03 Interpretation; Headings.** This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

**Section 7.04 Severability.** If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement.

**Section 7.05 Entire Agreement.** This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, the Exhibits, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

**Section 7.06 Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Any purported assignment in violation of this Section shall be null and void. No assignment shall relieve the assigning party of any of its obligations hereunder.



**Section 7.07 Amendment and Modification; Waiver.** This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

**Section 7.08 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.**

(a) All matters arising out of or relating to this/This] Agreement shall be governed by and construed in accordance with the internal laws of the State of Connecticut without giving effect to any choice or conflict of law provision or rule (whether of the State of Connecticut or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction Documents, or the transactions contemplated hereby or thereby may be instituted in the federal courts of the United States of America or the courts of the State of Connecticut in each case located in the city and county of New Haven, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (II) EACH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) EACH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY; AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**Section 7.09 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

*[Signature page follows.]*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:  
ENVIRONMENTAL CONSULTING  
LABORATORIES, INC.

By \_\_\_\_\_  
David Barris, President

OWNERS (solely for purposes of Section  
5.02):

\_\_\_\_\_  
David Barris

\_\_\_\_\_  
[OWNER]

BUYER:  
RWA ENVIRONMENTAL AND LAB  
SERVICES, LLC

By \_\_\_\_\_  
Name: Larry L. Bingaman  
Title: Manager

## EXHIBIT A

### DEFINITIONS CROSS-REFERENCE TABLE

The following terms have the meanings set forth in the location in this Agreement referenced below:

<u>Term</u>	<u>Section</u>
Actions	Section 6.02(d)
Affiliate	Section 5.01
Agreement	Preamble
Assigned Contracts	Section 1.01(a)
Assignment and Assumption Agreement	Section 2.02(a)(ii)
Bill of Sale	Section 2.02(a)(i)
Books and Records	Section 1.01(c)
Business	Recitals
Buyer	Preamble
Buyer Indemnitees	Section 6.02
Closing	Section 2.01
Closing Date	Section 2.01
Closing Cash Payment	Section 1.04(a)
[Co-Lab Director] Employment Agreement	Section 2.02(a)(v)
Consulting Agreement	Section 2.02(a)(iii)
Contracts	Section 3.02
Control	Section 5.01
Disclosure Schedules	Section 1.01(a)
Encumbrance	Section 3.02
Excluded Assets	Section 1.02
Governmental Authority	Section 3.02
Governmental Order	Section 3.02
Holdback Amount	Section 1.04(c)
Indemnified Party	Section 6.04
Indemnifying Party	Section 6.04
Law	Section 3.02

Liabilities	Section 1.03
Losses	Section 6.02
M. Barris Employment Agreement	Section 2.02(a)(iv)
Owner	Preamble
Payoff Amount	Section 1.04(a)
Person	Section 3.02
Purchased Assets	Section 1.01
Purchase Price	Section 1.04
Representatives	Section 5.01
Restricted Business	Section 5.02(a)
Restricted Period	Section 5.02(a)
Seller	Preamble
Seller Indemnitees	Section 6.03
Tangible Personal Property	Section 1.01(a)
Taxes	Section 3.04
Tax Returns	<b>Error! Reference source not found.</b>
Territory	Section 5.02(a)
Third Party Claim	Section 6.02(d)
Transaction Documents	Section 2.02(a)(v)

**CONFIDENTIAL**

**PURCHASE AND SALE AGREEMENT**

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) is entered into as of \_\_\_\_\_, 2022 (the “Effective Date”) by and between **THE BARRIS COMPANY, LLC**, a limited liability company, organized and existing under the laws of the State of Connecticut having a usual place of business at 25 Stanton Court, Madison, Connecticut 06443 (“Seller”), and [**PURCHASER ENTITY TO BE FORMED BY RWA**, a \_\_\_\_\_, having a usual place of business at \_\_\_\_\_] (“Purchaser”) (collectively, the “Parties”).

**WITNESSETH:**

WHEREAS, Seller owns the fee simple title to a certain parcel of land having an address of 1005 Boston Post Road located in the Town of Madison, County of New Haven and State of Connecticut as more specifically described on **Exhibit A** attached hereto and made a part hereof (the “Real Property”); and

WHEREAS, Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, the Real Property and the entire Premises (as defined below), all in the manner and upon and subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, the parties hereto agree as follows:

**1. AGREEMENT TO SELL AND PURCHASE; DESCRIPTION OF PROPERTY.** The Seller agrees to sell and convey to the Purchaser, and the Purchaser agrees to purchase from the Seller, all in the manner and upon and subject to the terms and conditions set forth in this Agreement, the Premises, subject only to the Permitted Encumbrances (as defined in Section 2 hereof), together with the following property and/or rights adjacent or pertaining thereto:

TOGETHER ALSO with all right, title and interest of Seller, if any, in and to (i) all improvements, buildings and structures or similar items located upon the Real Property (collectively, the “Improvements”); (ii) the land in the bed of any public street, road or avenue, open or proposed, in front of or adjoining the Real Property, to the center line thereof, (iii) any rights of way, easements, appurtenances, alleys, gores and strips of land adjoining or appurtenant to the Real Property and used in conjunction therewith, (iv) any award made or to be made in lieu of any of the foregoing and any unpaid award for damage to the Real Property or the Improvements by reason of change of grade of any street, road or avenue, (v) all leases, contracts, leasehold interests or any other property, property right or interest pertaining and belonging to the Real Property or Improvements and presently owned by Seller; and (vi) such other rights, interests and properties as may be specified in this Agreement to be sold, transferred, assigned or conveyed by Seller to Purchaser.

All of the above enumerated property, rights and interests to be sold pursuant to this Agreement are hereinafter sometimes collectively called the “Premises”. For the avoidance of

doubt, no laboratory equipment shall be included in the definition of “Premises” or subject to the transaction contemplated hereby, and all laboratory equipment located on the Premises will be transferred as part of the Asset Purchase (as defined below).

**2. DEED AND TITLE.** The Premises are to be conveyed to Purchaser, or to such nominee as Purchaser designates, by a Connecticut full warranty deed (the “Deed”), and said Deed shall convey marketable fee simple title thereto, insurable in the amount of the Purchase Price (at Purchaser’s expense) by a recognized national title insurance company acceptable to Purchaser, free from encumbrances, except (collectively, the “Permitted Encumbrances”):

(a) Provisions of existing building, zoning, and subdivision laws, restrictions and regulations of all governmental authorities having jurisdiction thereof, but not violations thereof, and all zoning variances and special exceptions, if any;

(b) Purchaser’s pro rata share of Real Estate taxes for the current fiscal year as are not yet due and payable on the date of the delivery of the Deed;<sup>1</sup>

(c) Any liens for municipal betterments assessed but not due as of the date of the Closing;

(d) All recorded covenants, conditions, easements, restrictions or reservations which do not render title unmarketable or prohibit the current use of the Premises; and

(e) Any state of facts which an accurate and up to date survey would disclose provided the same do not render title unmarketable or show any material encroachments affecting the current use of the Premises.

**3. PURCHASE PRICE AND PAYMENT.** The agreed purchase price for the Premises is **SIX HUNDRED THOUSAND AND 00/100 DOLLARS (\$600,000.00)** (the “Purchase Price”), which shall be payable as follows:

(a) Upon execution of this Agreement by Purchaser, Purchaser shall deposit the sum of [Twelve Thousand and 00/100 Dollars (\$12,000.00)] (the “Deposit”) to be held in escrow by a nationally recognized title insurance company acceptable to Purchaser, in its sole discretion (the “Escrow Agent”) in accordance with this Agreement in a non-interest bearing account. The Deposit shall be applicable towards the Purchase Price at Closing (as such term is defined below). The Deposit shall be refundable during the Investigations Period (defined below) in the event that Purchaser terminates this Agreement in accordance with Section 4; and

(b) At Closing, by cash, wire transfer, bank check or certified check, in the amount of the Purchase Price less the Deposit and any applicable adjustments.

**4. INVESTIGATIONS; CONDITION OF PREMISES AT CLOSING; PROPERTY DOCUMENTS AND APPROVALS CONDITIONS.**

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<sup>1</sup> Note to Draft: This Section may need revision to reflect that RWA makes payments in lieu of taxes (PILOT) rather than real estate taxes.

(a) Purchaser shall have a period commencing on the Effective Date and ending at 5:00 PM on the date that is seventy-five (75) business days after the Effective Date (the “Investigations Period”) within which Purchaser shall have the right, personally or through its environmental, structural, geotechnical and other engineers, consultants, surveyors, architects, and other parties as Purchaser shall designate, to enter the Premises to inspect, examine and conduct such tests, examinations, surveys, and evaluations, including, but not limited to, a “Phase 1” and/or “Phase 2” environmental site assessment, (collectively, the “Investigations”). In the event such Investigations are being diligently conducted by Purchaser but cannot be completed within the Investigations Period, Seller shall allow the Investigations Period to be extended by such time as is reasonably necessary for Purchaser to complete such Investigations. Seller shall allow Purchaser and such inspectors reasonable access to the Premises upon at least 24 hours advance notice to conduct such Investigations. All costs associated with due diligence shall be borne solely by Purchaser. Purchaser may terminate this Agreement at any time during the Investigations Period for any reason.

(b) Purchaser agrees that, in making any Investigations, Purchaser or Purchaser’s agents (a) will carry not less than One Million Dollars (\$1,000,000) comprehensive general liability insurance with contractual liability endorsement which insures Purchaser’s indemnity obligations hereunder, and, upon request of Seller, Purchaser will provide Seller with written evidence of same noting Seller as an additional insured, and (b) will restore promptly any physical damage caused by the Investigations. Purchaser shall give Seller reasonable prior notice of its intention to conduct any such Investigations, and Seller reserves the right to have a representative present provided such rights shall not unreasonably delay or interfere with any said Investigations. Any Investigations shall be at Purchaser’s sole expense.

(c) In the event that Purchaser, after performing any Investigations, is not fully satisfied with the condition or any aspect of the Premises, in its sole discretion, then Purchaser shall have the right to terminate this Agreement by written notice to the Seller, received by Seller (by facsimile transmission, electronic mail, or otherwise) at any time prior to the expiration of the Investigations Period, and thereupon this Agreement shall be void with no recourse to the parties except for those provisions which expressly survive termination of this Agreement. Should Purchaser terminate the Agreement as set forth in this Section, Purchaser agrees to provide Seller with copies of all written reports that Purchaser receives regarding the Premises during the Investigations Period.

[(d) Should Purchaser terminate this agreement pursuant to Section 4(c), then the APA (as defined herein) shall automatically terminate.]

(e) Seller shall deliver to Purchaser within five (5) business days after the date hereof the documents listed on **Exhibit B** attached hereto (collectively, the “Property Documents”) to the extent any are actually possessed and available for delivery by Seller.

**5. CLOSING DATE.** Payment of the Purchase Price and the closing hereunder (the “Closing”) shall take place pursuant to a Closing on or before the date that is fifteen (15) days after the expiration of the Investigations Period (the “Closing Date”) at the offices of Murtha Cullina LLP in New Haven, Connecticut at 10:00 A.M. local time or at such other time and place as may



be agreed upon in writing by Seller and Purchaser, including by electronic mail. Purchaser may elect to accelerate the Closing to any earlier date upon at least ten (10) days' prior written notice to the Seller. Notwithstanding the foregoing, if the Closing does not occur by the Closing Date for reasons other than a default by Seller, then Seller may by notice to Purchaser terminate this Agreement in accordance with the terms of Section 8(a) of this Agreement. Notwithstanding anything contained herein to the contrary, Purchaser shall have a one-time right to delay the Closing Date up to ten (10) days upon prior written notice to the Seller.

## **6. TITLE.**

(a) Title to the Premises at the Closing shall be good, marketable, fee simple title free and clear of all liens, encumbrances and easements affecting title except for the Permitted Encumbrances and those which are permitted as provided in this Section, each of which shall be deemed a Permitted Encumbrance hereunder.

(b) Purchaser shall obtain a commitment for title insurance from a nationally recognized title insurance company acceptable to Purchaser, in its sole discretion, relating to the Premises (the "Title Commitment"). Purchaser shall have until 5:00 PM EST on the fifth (5th) day after the expiration of the Due Diligence Period (the "Title Date") to notify Seller, in writing, setting forth the unsatisfactory conditions in title, including but not limited to noncompliance with applicable municipal zoning regulations, and the manner in which Seller would have to cure such conditions in order to satisfy Purchaser (the "Purchaser's Title Notice"). The Purchaser's Title Notice shall also include a copy of any title report indicating such conditions. Seller shall have the right, but shall not be obligated, to cure such unsatisfactory title conditions within fifteen (15) days after receiving Purchaser's Title Notice, in which event the Closing Date shall be extended as set forth below. Seller shall give Purchaser written notice on or before ten (10) days after receiving Purchaser's Title Notice, indicating whether Seller intends to cure such title conditions. If Seller elects not to cure such unsatisfactory title conditions, or fails to provide written notice of Seller's intention to cure to Purchaser within ten (10) days after receiving Purchaser's Title Notice, Purchaser shall have the right to terminate this Agreement by giving Seller written notice thereof. If Seller elects to cure such title conditions and fails to cure the same within fifteen (15) days after receiving Purchaser's Title Notice, Purchaser shall have the right to terminate this Agreement by giving Seller written notice thereof. If Seller cures such title conditions within fifteen (15) days after receiving Purchaser's Title Notice, Seller shall promptly give written notice of the completion of such cure to Purchaser, and the Closing shall be extended by mutual agreement of the parties to a new date on or about fifteen (15) days after Purchaser's receipt of such notice.

(c) Seller shall not voluntarily encumber the Premises between the Effective Date and Closing (any such nonpermitted voluntary encumbrance made between the Effective Date and Closing herein called a "Voluntary Encumbrance"). Purchaser shall notify Seller in writing (the "Second Title Notice") on or before the date of Closing of any items which encumber the Real Property and which became of record after the earlier of (i) the date Purchaser delivered a Title Notice to Seller or (ii) the Title Date. If Purchaser delivers a Second Title Notice to Seller, Seller shall have the right to delay the Closing for up to thirty (30) days to cure any objections set forth in the Second Title Notice; provided, however, Seller shall have no obligation whatsoever to cure any such encumbrances set forth in the Second Title Notice other than Voluntary Encumbrances not consented to in writing by Purchaser and any mechanics liens encumbering the

Real Property relating to work performed at the Real Property by or on behalf of the Seller (collectively, "Seller's Mechanics Liens") all of which Seller shall be obligated to cure.

(d) If at the Closing (as the same may be extended as provided for herein) Seller is unable to convey the Real Property free and clear of the title defects set forth in the Second Title Notice, then (i) Purchaser may thereupon elect to terminate this Agreement by giving written notice to Seller; (ii) Purchaser may accept such title as Seller is able to convey without the reduction of the Purchase Price, subject to the remaining terms of this Agreement; or (iii) if Seller is unable to convey title to the Premises as required hereby due to the existence of a Voluntary Encumbrance, any Seller's Mechanics Liens or any Seller's Title Matter, then Purchaser shall be entitled to the remedies available to Purchaser for a default by Seller. If Purchaser terminates this Agreement in accordance with this Section, then, all further rights and obligations of the parties shall cease and terminate without any further liability of either party to the other (except those obligations which are specifically provided in this Agreement to survive such termination) and Seller shall promptly refund the Deposit to Purchaser.

**7. ADJUSTMENTS.** (a) To the extent that Seller has paid or is required to pay personal property taxes, installment payments of special assessment liens, vault charges, sewer charges, utility charges and customarily prorated operating expenses actually collected, billed or paid as of the Closing Date, if any, shall be prorated as of the Closing Date and be adjusted against the Purchase Price due at the Closing, provided that within sixty (60) days after the Closing, Purchaser and Seller will make a further adjustment for such charges which may have accrued or been incurred prior to the Closing, but not billed or paid at that date. All prorations shall be made on a 365-day calendar year basis.

(b) Taxes. To the extent that Seller has paid or is required to pay general real estate taxes and special assessments relating to the Premises payable during the year in which the Closing occurs shall be prorated as of the Closing Date. If the Closing shall occur before the actual taxes and special assessments payable during such year are known, the apportionment of taxes shall be upon the basis of taxes for the Premises payable during the immediately preceding year, provided that, if the taxes and special assessments payable during the year in which the Closing occurs are thereafter determined to be more or less than the taxes payable during the preceding year (after any appeal of the assessed valuation thereof is concluded), Seller and Purchaser promptly shall adjust the proration of such taxes and special assessments and Seller or Purchaser, as the case may be, shall pay to the other within 30 days after issuance of a final bill therefore any amount required as a result of such adjustment and this covenant shall not merge with the Deed delivered hereunder but shall survive the Closing.<sup>2</sup>

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<sup>2</sup> Note to Draft: This Section may need revision to reflect that RWA makes payments in lieu of taxes (PILOT) rather than real estate taxes.

(c) Except as expressly provided herein, the purpose and intent as to the provisions of prorations and apportionments set forth in this Section and elsewhere in this Agreement is that Seller shall bear all expenses of ownership and operation of the Premises accruing through midnight at the end of the day preceding the Closing and Purchaser shall bear all such expenses accruing thereafter. All prorations shall be made in accordance with the prevailing practices of the Connecticut Bar for real estate transactions in the County of New Haven.

(d) Closing Costs. Purchaser shall pay all fees and costs of the title company and any survey, title commitment or title insurance policy obtained by Purchaser in connection with this Agreement, all recording costs and any and all costs of any survey, approvals, reports or investigations commissioned by Purchaser. Seller shall pay all transfer, conveyance, sales or use taxes relating to the transfer of the Premises. Notwithstanding anything above to the contrary, each party shall bear its own legal fees and costs arising in connection with the preparation and execution of this Agreement and consummation of the sale.

## **8. DEFAULT AND DAMAGES.**

(a) The Purchaser shall be in default under this Agreement in the event that the Purchaser shall fail to perform and comply with the agreements and conditions which are required to be performed or complied with by the Purchaser pursuant to this Agreement. If the Purchaser shall be in default under this Agreement beyond reasonable notice of and opportunity to cure such default, the Seller shall be entitled to retain the Deposit (with any interest) as liquidated damages, and all other rights and liabilities of the parties hereto by reason of this Agreement shall be deemed at an end except for those obligations that specifically survive a termination of this Agreement. Seller and Purchaser agree that the Deposit is a fair and reasonable amount to be retained by Seller as agreed and liquidated damages in light of Seller's removal of the Premises from the market and the costs incurred by Seller and shall not constitute a penalty or forfeiture.

(b) If Seller shall refuse or fail to convey the Premises as herein provided for any reason other than (i) a default by Purchaser beyond any applicable grace or cure period, or (ii) any other provision of this Agreement which permits Seller to terminate this Agreement or otherwise relieves Seller of the obligation to convey the Premises, or any other reason beyond the reasonable control of Seller, Purchaser may elect either to enforce Seller's obligations to convey the Premises by an action for specific performance, or, in the event that specific performance is reasonably determined by Purchaser to be impossible or impractical, to terminate this Agreement, obtain the return of the Deposit and any reasonable, direct and actual, documented, third party costs incurred by Purchaser in connection with this Agreement, including reasonable fees paid to third party consultants and advisors collectively, shall be paid to the Purchaser without interest thereto, and upon Purchaser's receipt of payment of such fees and expenses neither Seller nor Purchaser shall have any further rights or obligations under this Agreement, except for those obligations that specifically survive a termination of this Agreement.

**9. REPRESENTATIONS OF SELLER.** The Seller hereby represents and warrants to Purchaser that to the best of Seller's actual knowledge:

(a) Seller holds legal title to the fee simple interest in the Premises and has full right, power and authority to execute, deliver and perform this Agreement and to sell and convey the Premises to Purchaser as provided herein and to carry out its obligations hereunder;

(b) There are no parties in possession of any portion of the Premises. There are no leases, licenses or other occupancy agreements in effect as of the date hereof affecting the Premises or any part thereof to which Seller is party or by which Seller is bound;

(c) There are no service contracts affecting the Premises or any part thereof. For the avoidance of doubt this Section 9(c) shall only apply to those service contracts affecting the Premises and not those service contracts that are part of the Asset Purchase;

(d) At the Closing, there will be no outstanding contracts, leases or agreements affecting the Premises to which Purchaser will be subject. From the Effective Date to the Closing Date, Seller agrees not to enter into any leases or third-party contracts affecting the Premises. If Seller enters into such third-party contracts, Seller shall cause such third-party contracts to be terminated on or prior to the Closing Date. For the avoidance of doubt this Section 9(d) shall only apply to those contracts, leases or agreements affecting the Premises and not those contracts, leases or agreements that are part of the Asset Purchase;

(e) There is no action, proceeding or investigation pending, or to the best of Seller's knowledge, threatened against the Premises or Seller before any court or governmental agency or instrumentality which, if adversely concluded, would adversely affect the Seller's ability to perform its obligations hereunder or would adversely affect the Premises in any material respect;

(f) There is no pending or threatened condemnation or similar proceeding or special assessment affecting the Premises, or any part thereof, nor, to the best of Seller's knowledge, is any such proceeding or assessment contemplated by any governmental authority;

(g) Seller has paid, through the current year, all taxes, charges, debts and other assessments due by Seller with respect to the Premises and Seller has not received any notice from any governmental authority as to any unpaid assessments or installments regarding the Premises except for sewer use assessments or real estate taxes not yet due and payable;

(h) There will be no unrecorded or recorded liens against the Premises that will not be satisfied out of the proceeds received by Seller at the Closing, with proper evidence of such satisfaction furnished to Purchaser at the Closing;

(i) Between the date hereof and the Closing, except with Purchaser's prior written consent to be granted or withheld in Purchaser's sole judgment, Seller shall not voluntarily or involuntarily encumber the Premises or grant any easements, licenses or other rights or restrictions affecting all or any part of the Premises other than customary utility easements;

(j) Seller has no knowledge of any pending or contemplated change in any statute, ordinance, rule or other governmental regulation applicable to the Premises or of any action pending or threatened by any governmental body, adjacent landowners or other persons, or of any

condition upon or affecting the Premises, in any way limit the use of the Premises, including but not limited to ECL's current use and Purchaser's intended use of the Premises, or in any other way have a substantial adverse effect on the Premises;

(k) Seller has not received any notice from any insurance company or other third party requesting the performance of any work regarding the Premises or relating to an increase in the insurance premiums applicable to the Premises;

(l) Until the Closing, Seller shall maintain insurance on the Premises against fire and other hazards covered by extended coverage endorsement and comprehensive public liability insurance against claims for bodily injury, death and property damage in, on or about the Premises in amounts and under policies now maintained until the Closing Date;

(m) Seller shall not, without the prior written consent of Purchaser, to be granted or withheld in Purchaser's sole judgment, change or attempt to the change (or consent to any change in) the zoning or other legal requirements or existing entitlements applicable to the Premises;

(n) To Seller's knowledge, the Premises and the current use thereof does not violate any governmental law or regulation or any private covenants or restrictions encumbering the Premises;

(o) Seller has not (a) made a general assignment for the benefit of creditors, (b) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition of Seller's creditors, (c) suffered the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (e) admitted in writing its inability to pay its debts as they come due, or (f) made an offer of settlement, extension or composition to its creditors generally;

(p) Neither the execution, delivery or performance of this Agreement nor compliance herewith (a) conflicts or will conflict with or will result in a breach of or constitutes or will constitute a default under (i) to the best of Seller's knowledge, any law or any order, writ, injunction or decree of any court or governmental authority, or (ii) any agreement or instrument to which Seller is a party or by which it is bound, or (b) results in the creation or imposition of any lien, charge or encumbrance upon the Premises or any part thereof;

(q) Seller is not a foreign person and is not in any manner controlled by a foreign person within the meaning of Section 1445 of the Internal Revenue Code;

(r) To Seller's knowledge, Seller has not caused or permitted a Release of Hazardous Materials (as such term is defined in Exhibit C hereof) on the Premises and there are no underground storage tanks located on the Premises;

(s) The Premises is not in violation of, or requiring remediation of pursuant to, applicable Environmental Laws (as such term is defined in Exhibit C hereof) and no Hazardous

Materials are located on, in, under, or about the Real Property except: in amounts necessary for Seller's operations and in compliance with all applicable Environmental Laws; and

(t) To Seller's knowledge, except for one hundred sixty five (165) gallons of Hazardous Waste (as defined by the Connecticut Transfer Act, Conn. Gen. Stat. § 22a-134 et seq. ("Transfer Act")) identified on a waste manifest dated June 7, 2016, (i) it does not have in its possession any waste manifests associated with the disposal of Hazardous Waste and (ii) it has no knowledge of the generation of hazardous waste in excess of 100 kilograms in any one month or of any of the following activities ever occurring on the premises: dry cleaning, autobody repair, furniture stripping, or the storage, disposal, or treatment of Hazardous Waste generated elsewhere; and

(u) The Seller has not entered into any other agreements for the sale of the Premises which remain effective, nor are there any known rights of first refusal or first offer, or options to purchase or otherwise acquire, any direct or indirect interest in the Premises (or any portion thereof, or any interest therein), or, to Seller's actual knowledge, any other rights of others, that might prevent the consummation of this Agreement.

The foregoing representations and warranties made by Seller in this Section are true and correct as of the date hereof, and shall be repeated as true and correct as of the date of Closing, and such representations and warranties shall survive the Closing. If, for any reason, Seller cannot repeat any of said representations and warranties as of the date of Closing, or if Seller is in default hereunder because of the breach of any one or more of said representations and warranties, then, notwithstanding anything herein to the contract, Purchaser may terminate the Agreement and be entitled to the rights and remedies set forth in Section 8(b) hereof for a default under this Agreement by Seller and Seller shall promptly return the Deposit to Purchaser.

## **11. ENVIRONMENTAL MATTERS.**

(a) Should the Real Property, during the course of the Investigations, be determined to be an "Establishment", as defined by the Transfer Act, then Purchaser and Seller shall be required to comply with the following:

(i) Purchaser shall determine which Transfer Act form is appropriate for filing with the Connecticut Department of Energy and Environmental Protection ("DEEP") (e.g., a Form I, Form II, Form III, or Form IV, as such terms are defined by the Transfer Act) (the "Transfer Act Form"). Purchaser shall prepare and deliver to Seller prior to Closing, at Purchaser's sole cost and expense, the appropriate Transfer Act Form and, if required by the Transfer Act, an Environmental Conditions Assessment Form (as such term is defined by the Transfer Act) ("ECAF").

(ii) Seller shall execute the Transfer Act Form as transferor and Purchaser shall execute the Transfer Act Form and ECAF as transferee and, if applicable, Certifying Party.

(iii) Within ten (10) days after Closing, Purchaser shall deliver to DEEP the Transfer Act Form, ECAF (if required to be submitted), and any other documents required under the Transfer Act and shall provide Seller with a copy of such submittal.

(iv) Purchaser shall be solely responsible for any and all costs and fees associated with the submittal or otherwise required by the Transfer Act. Purchaser shall complete all obligations of a Certifying Party in compliance with the Transfer Act (all such obligations being referred to herein as “Purchaser’s Transfer Act Obligations”).

(b) Regardless of which Transfer Act Form is filed, Purchaser and Seller shall enter into an escrow agreement the terms of which will be negotiated by the Parties and which shall be funded by Seller in an amount to be agreed upon by the Parties (the “Escrowed Funds”). Purchaser shall be permitted to use such Escrowed Funds to complete any and all of Purchaser’s Transfer Act Obligations. Such escrow agreement shall be referred to herein as the Environmental Escrow Agreement. The Environmental Escrow Agreement shall terminate, and all remaining Escrowed Funds (if any) returned to Seller upon the occurrence of the Final Action as defined below. If the Parties are unable to agree upon either the terms of the Environmental Escrow Agreement or the amount of the Escrowed Funds prior to Closing, Purchaser, in Purchaser’s sole discretion, shall have the right to terminate this Agreement without penalty.

(c) Purchaser’s and Seller’s obligations under this Section 11 shall survive Closing and shall terminate upon the first to occur of:

(i) In the case of the filing of a Form I or Form II, DEEP has confirmed in writing that the Form I or Form II has been accepted and is substantively complete such that no further work will be required at the Real Property; or

(ii) If DEEP does not respond to the initial filing of a Form I or Form II, twelve (12) months after the date of the filing of the Form I or Form II; or

(iii) In the case where a Form III or Form IV filing was made and DEEP has delegated oversight of the remediation to a Licensed Environmental Professional (“LEP”) (as such term is used in Conn. Gen. Stat. § 22a-133v), a final Verification (as such term is defined by the Transfer Act) has been submitted to DEEP and: (1) the applicable audit period has expired (currently one (1) year); (2) DEEP has indicated in writing that it does not intend to audit the Verification; or (3) in the event DEEP does audit the Verification, DEEP has indicated in writing that no deficiencies were identified or any identified deficiencies have been resolved to DEEP’s satisfaction; or

(iv) In the case where a Form III or Form IV filing was made and DEEP has retained oversight of Purchaser’s Transfer Act Obligations (pursuant to Conn. Gen. Stat. § 22a-134a) instead of delegating oversight to an LEP, the date where the investigation and remediation of the Property has been approved in writing by the Commissioner.

The first to occur of these events (i.e., (i)-(iv) in this subsection) shall be referred to as the “Final Action”.

(c) Should Purchaser become aware of any environmental issues affecting the Real Property, prior to the expiration of the Investigations Period (including any extension thereof), including but not limited to any actual or alleged violations of Environmental Laws, the presence of Hazardous Materials or a Release on, under, over, across, or about the Real Property, Purchaser may exercise its full right to terminate this Agreement pursuant to Section 4(c) herein.

**11. CONDEMNATION.** If, prior to the Closing, ten percent (10%) or more of the Premises or any material access to the Premises is taken under power of eminent domain, notice of which shall be provided to Purchaser, Purchaser may elect to terminate this Agreement by giving written notice of its election to Seller within fourteen (14) days after receiving notice of such taking. If Purchaser does not give such written notice within such fourteen (14) day period, this transaction shall be consummated as set forth in this Agreement, and Seller shall assign to Purchaser the Seller's portion of any condemnation award up to the amount of the Purchase Price. If, prior to the Closing, less than ten percent (10%) of the Premises is taken under power of eminent domain, Purchaser shall close this transaction as set forth in this Agreement, and Seller shall assign to Purchaser Seller's portion of any condemnation award up to the amount of the Purchase Price.

**12. DOCUMENTS TO BE DELIVERED BY SELLER AT CLOSING.** At the Closing, Seller shall deliver the following documents to Purchaser:

- (a) The Deed, subject only to the Permitted Encumbrances;
- (b) Affidavits customarily required by title insurance companies in the State of Connecticut for the issuing of title insurance protecting against, *inter alia*, mechanics liens and parties in possession;
- (c) An affidavit of the Seller stating that the Seller is not a "Foreign Person" as defined in Section 1445 (B)(2) of the Internal Revenue Code of 1986, as amended; and
- (d) A settlement statement (the "Settlement Statement") in accordance with the terms hereof;
- (e) a certification of the Seller certifying that all representations and warranties made by the Seller in this Agreement are true and correct as of the Closing, and that all of the Seller's covenants contained in this Agreement have been complied with; and
- (f) Such other and further documents customary for commercial real estate closings as may be reasonably requested by Purchaser to effect the transactions contemplated by this Agreement.

**13. PURCHASER'S CONTINGENCIES.** Purchaser's obligation to purchase the Premises is contingent upon each of the following conditions precedent being satisfied (or waived in writing by Purchaser) and otherwise being true and correct as of the Closing Date:

- (a) Purchaser and Environmental Consulting Labs, Inc. ("ECL") shall have



mutually agreed upon the terms and conditions of Purchaser's acquisition of all of the tangible and intangible assets of the business of ECL (the "Asset Purchase"), and such terms and conditions shall be memorialized in an Asset Purchase Agreement by and between ECL and Purchaser, executed and delivered as of the date hereof (the "APA"). For the avoidance of doubt, Purchaser's obligation to purchase the Premises is conditioned in all respects upon the Asset Purchase taking place. The Closing hereunder is contingent upon closing under the APA, and the Closing hereunder and the closing under the APA must occur simultaneously.

(b) Seller shall provide Purchaser with evidence reasonably satisfactory to Purchaser that ECL's current use of the Premises is in compliance with all applicable municipal laws and regulations, including but not limited to zoning regulations, and Seller shall cooperate with and assist Purchaser in obtaining all necessary municipal approvals in connection with Purchaser's intended use of the Premises. Notwithstanding the foregoing, Purchaser shall have the right, but not the obligation, to conduct its own reasonable investigations with regard to ECL's compliance with Environmental Laws as well as such applicable municipal laws and regulations, including but not limited to zoning regulations;

(c) Seller shall convey title to the Premises free and clear of all encumbrances or defects other than the Permitted Encumbrances;

(d) Purchaser must be satisfied with the result of all Investigations as set forth in Section 4 and with the condition of the Premises as set forth in Section 4;

(e) The Premises must be vacated prior to the Closing. Notwithstanding the foregoing, all property to be transferred as part of the Asset Purchase, including but not limited to laboratory equipment and vehicles, shall remain on the Premises;

(f) All of Seller's representations and warranties must be true and correct in all material respects; and

(g) Seller must have performed all of its covenants, agreements and obligations pursuant to this Agreement.

**14. BROKER.** Seller and Purchaser represent and warrant to each other that they have dealt with no broker or other real estate agent with respect to the transactions contemplated by this Agreement. Each party hereto (the "indemnifying party") agrees to indemnify, defend and hold the other harmless from any claim for a commission made by any party by virtue of dealings had with the indemnifying party, said indemnity to include attorney's fees.

**15. NOTICES.** All notices permitted or required to be given hereunder (other than notices indicating the time for access to the Premises) shall be in writing and sent by e-mail or overnight courier, addressed as follows:

If to Seller:                      The Barris Company, LLC  
   25 Stanton Court  
   Madison, CT 06443

With Copies to: Winnick Ruben Hoffnung Peabody & Mendel, LLC  
110 Whitney Avenue  
New Haven, CT 06510  
Attention: Daniel N. Hoffnung, Esq.  
Phone: (203) 772-4400 ext. 304  
E-mail: dan.hoffnung@winnicklaw.com

If to Purchaser: [ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]  
[ \_\_\_\_\_ ]

With a Copy to: Murtha Cullina LLP  
265 Church Street  
New Haven, Connecticut 06510  
Attention: Jodie L. Driscoll, Esq.  
Phone: (203) 772-7748  
E-mail: jdriscoll@murthalaw.com

or to such other address or addresses as the parties may designate from time to time by notice given in accordance with this clause. Any such notice shall be deemed given on the date of receipt or refusal, as the case may be.

**16. COUNTERPARTS; CAPTIONS.** This Agreement may be executed and delivered in any number of counterparts, each of which so executed and delivered shall be deemed to be an original, and all of which shall constitute but one and the same instrument. Facsimile and e-mailed (.pdf) signatures shall be afforded the full force and effect of any original signatures. The captions are for convenience of reference only and shall not affect the construction to be given any of the provisions hereof.

**17. GOVERNING LAW.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with, the laws of the State of Connecticut applicable to agreements made and to be performed wholly within the State of Connecticut.

**18. CONFIDENTIALITY.** Purchaser and Seller shall hold all information concerning the Premises, including all information provided to Purchaser by Seller and information discovered during Purchaser's Investigations, strictly confidential until the Closing and Seller and Purchaser further agree to hold in confidence until the Closing the terms and conditions of this Agreement, except that the Parties may disclose such information to their respective owners, officers, directors, employees, insurance companies, legal counsel and other third parties who need to review the same in connection with the transaction proposed hereby. The foregoing restrictions shall not apply to disclosures of information required by law or court order, or if Seller reasonably determines disclosure of this transaction is necessary under applicable securities regulations, or to information concerning the Premises that is available to the general public other than through disclosure in violation of this Agreement. Notwithstanding the foregoing, prior to any disclosure by Purchaser required by law or court order, Purchaser shall first inform Seller and provide Seller

with reasonable time within which to object to the disclosure by application to such court or any other administrative agency. The terms of this Section shall survive the termination of this Agreement.

**19. EXCLUSIVITY.** In consideration of the time and effort which the Purchaser will be committing to this undertaking and in recognition of the time necessary to successfully consummate the transaction, the Seller agrees that it will not (and will not permit any agent, principal or other affiliate to) directly or indirectly enter into (or participate in any negotiations or discussions to enter into or solicit or accept an offer to enter into) any acquisition of the Premises or similar transaction, whether in the form of equity, debt or otherwise, in connection with the purchase of the Premises, so long as the Purchaser is proceeding in good faith to consummate the transaction.

**20. ENTIRE AGREEMENT.** This Agreement (including all exhibits annexed hereto) contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all other prior understandings, if any, with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the parties hereto or by their agents duly authorized in writing or as otherwise expressly permitted herein.

**21. WAIVERS; EXTENSIONS.** No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other or succeeding obligations or acts.

**22. BINDING EFFECT.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their heirs, successors or assigns.

**23. WAIVER OF NOTICE AND HEARING PRIOR TO PRE-JUDGMENT REMEDY.** PURCHASER AND SELLER ACKNOWLEDGE THAT THIS AGREEMENT CONSTITUTES A COMMERCIAL TRANSACTION AND EACH HEREBY WAIVES ALL RIGHTS TO NOTICE AND PRIOR COURT HEARING OR COURT ORDER UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, AS AMENDED, OR AS OTHERWISE ALLOWED BY THE LAW OF ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY AND ALL PREJUDGMENT REMEDIES EITHER PARTY MAY DESIRE TO EMPLOY TO ENFORCE ITS RIGHTS AND REMEDIES UNDER THIS AGREEMENT.

**24. WAIVER OF RIGHT TO JURY TRIAL.** PURCHASER AND SELLER HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ANY RIGHT SUCH PARTY MAY HAVE TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE, IN ANY COURT IN WHICH AN ACTION MAY BE COMMENCED, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND/OR THE PREMISES, OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN SELLER AND PURCHASER OF ANY KIND OR NATURE.

**25. MISCELLANEOUS.**

(a) Severability. If any provision of this Agreement or application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

(b) Captions. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions.

(c) Attorneys' Fees. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

(d) No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest.

(e) No shareholder, director, officer, employee or agent of or consultant to Seller or Purchaser shall be held to any personal liability hereunder, and no resort shall be had to their property or assets.

(f) As used in this Agreement, "Business Day" shall be deemed to be any day other than a day on which banks in the State of Connecticut shall be permitted or required to close. If the final date of any period which is set out in any provision of this Agreement falls on a Saturday, Sunday or legal holiday under the laws of the United States or the State of Connecticut, then the time of such period shall be extended to the next date which is not a Saturday, Sunday or legal holiday.

**26. ESCROW PROVISIONS**

(a) If there is any dispute as to whether Escrow Agent is obligated to deliver the Deposit or as to whom the Deposit is to be delivered, Escrow Agent shall not make any delivery, but shall hold the Deposit until receipt by Escrow Agent of an authorization in writing, signed by all the parties having an interest in the dispute, directing the disposition of the Deposit, or, in the absence of authorization, Escrow Agent shall hold the Deposit until the final determination of the rights of the parties in an appropriate proceeding.

(b) Seller and Purchaser may remove Escrow Agent as escrow agent at any time upon five (5) days written notice to Escrow Agent, signed by both Seller and Purchaser. In the event of Escrow Agent's removal, Escrow Agent's only duty until a successor escrow agent is appointed shall be to hold and dispose of the Deposit, together with all interest earned thereon, and any documents delivered to Escrow Agent by Seller or Purchaser, in accordance with the provisions of this Agreement existing at the time of such removal.

(c) Any other deposits held by other parties shall immediately be forwarded to Escrow Agent to be held under the same conditions.

**[REMAINDER OF PAGE BLANK; SIGNATURES ON FOLLOWING PAGE]**

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IN WITNESS WHEREOF, the parties have duly executed this Agreement under seal as of the day and year provided for below each executing party's signature.

Witnessed by:

**SELLER:**  
THE BARRIS COMPANY, LLC

\_\_\_\_\_  
Name:

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Name:

STATE OF CONNECTICUT )

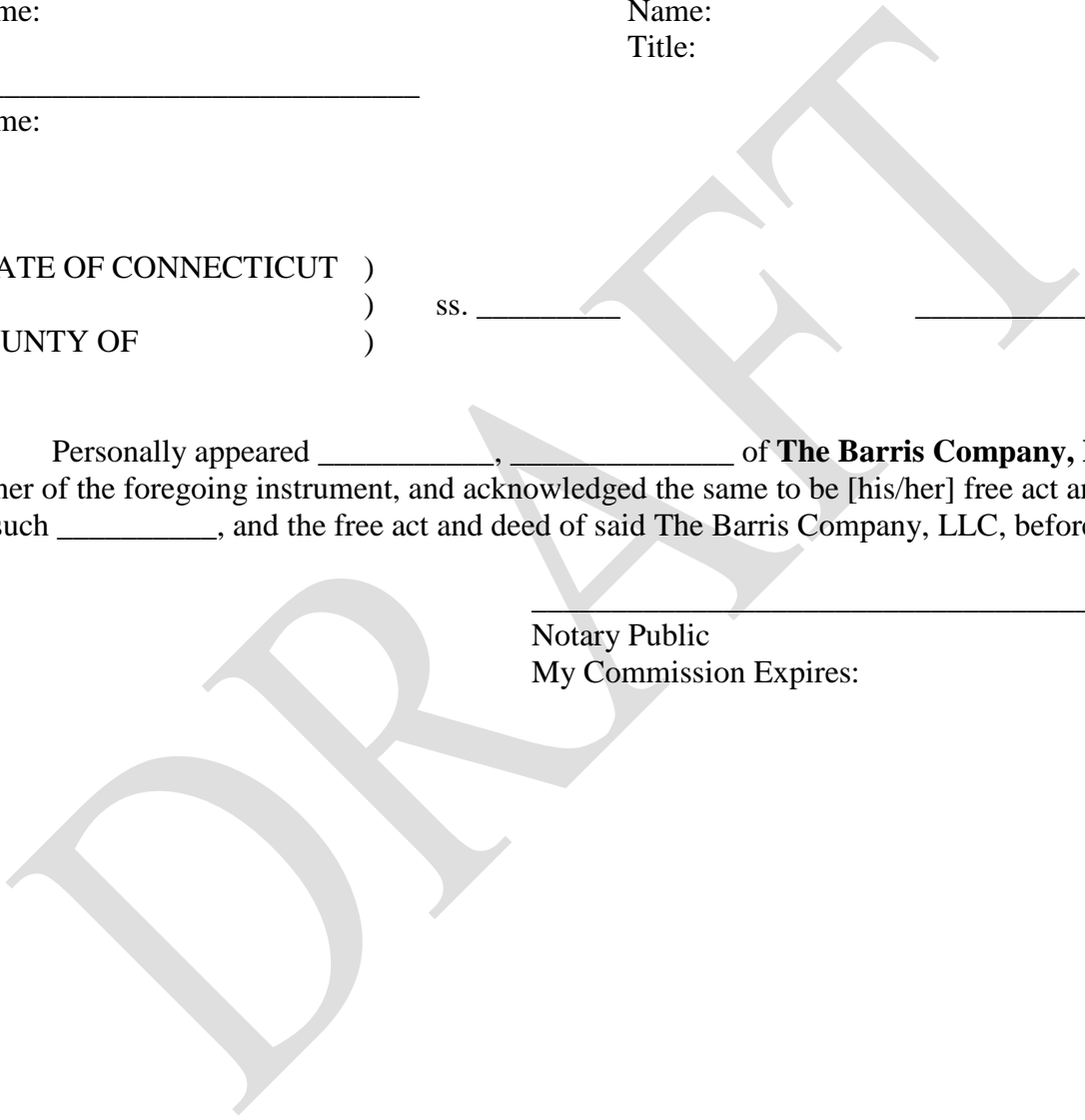
COUNTY OF )

ss. \_\_\_\_\_, 2022

Personally appeared \_\_\_\_\_, \_\_\_\_\_ of **The Barris Company, LLC**, signer of the foregoing instrument, and acknowledged the same to be [his/her] free act and deed as such \_\_\_\_\_, and the free act and deed of said The Barris Company, LLC, before me.

\_\_\_\_\_  
Notary Public

My Commission Expires:



**PURCHASER:**

[ \_\_\_\_\_ ]

\_\_\_\_\_  
Name:

By: \_\_\_\_\_

Name:

Title:

\_\_\_\_\_  
Name:

STATE OF CONNECTICUT )

)

ss. \_\_\_\_\_

\_\_\_\_\_, 2022

COUNTY OF )

)

Personally appeared \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_ signer of the foregoing instrument, and acknowledged the same to be his free act and deed as such \_\_\_\_\_, and the free act and deed of said \_\_\_\_\_, before me.

\_\_\_\_\_  
Notary Public

My Commission Expires:

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EXHIBIT A

DESCRIPTION OF PREMISES

[To be Inserted]

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EXHIBIT B

PROPERTY DOCUMENTS

1. Access to copies of all available licenses, permits, maps, approvals, conditions and restrictions with respect to the Premises.
2. Copies of any environmental or engineering data and reports, if any.
3. Copies of any existing surveys, if any.
4. Copies of any existing appraisals, if any.
5. Copies of any leases, insurance policies, title reports, site plans, architectural drawings, correspondence and agreements with governmental authorities, governmental approvals, and agreements with any third party relating to the Premises.
6. Any other information and data with respect to the Premises.

## EXHIBIT C

### ENVIRONMENTAL DEFINITIONS

(i) “Environmental Laws” means all federal, state and local statutes, regulations, ordinances, rules, regulations and policies, all court orders and decrees and arbitration awards, and the common law, which pertain to protection of the human health or the environment, Hazardous Materials, environmental matters or contamination of any type whatsoever. Environmental Laws are all laws relating to: manufacture, processing, use, distribution, treatment, storage, disposal, generation or transportation of Hazardous Materials; indoor or ambient air, surface or ground water or noise pollution; Releases; protection of wildlife, endangered species, wetlands or natural resources; containers; health and safety of employees and other persons; and notification requirements relating to the foregoing; including, without limiting the generality of the foregoing, any of the following (as well as any state or local analogs): the Clean Air Act, 42 U.S.C. 7401 et seq.; Clean Water Act, 33 U.S.C. 1251 et seq.; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 et seq. (“CERCLA”); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq. (“RCRA”); the Occupational Safety and Health Act of 1970, 29 U.S.C. § 651 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq. (“FIFRA”); Title 22a of the Connecticut General Statutes (“Title 22a”); and Title 19a of the Connecticut General Statutes (“Title 19a”); as any of them may be or have been amended from time to time, together with all regulations promulgated thereunder. “Environmental Laws” shall also include: any orders issued by any governmental authority with jurisdiction (including without limitation, any state or federal court, the United States Environmental Protection Agency (“EPA”), the Occupational Safety and Health Administration (“OSHA”), the Connecticut Department of Energy & Environmental Protection (“DEEP”), and the Connecticut Department of Public Health) as well as any permits, licenses, or other approvals issued by any such governmental authority. In the event any Environmental Law is amended to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment.

(ii) “Hazardous Materials” means: pollutants; contaminants; pesticides; radioactive substances; or solid, hazardous, extremely hazardous, special, dangerous, or toxic: wastes, substances, chemicals, or materials within the meaning of or regulated by any Environmental Law, including without limitation any “hazardous substance” as defined in CERCLA, any solid waste or “hazardous waste” as defined in RCRA or Title 22a; oil or petroleum products or byproducts; chemical liquids; solid, liquid, or gaseous products (as those terms are used in Title 22a); asbestos; lead paint; polychlorinated biphenyls (“PCBs”); explosives; radioactive materials; per- or polyfluoroalkyl substances (“PFAS”), or any other substance determined by any agency with jurisdiction to pose a present or potential hazard to human health or environment.

(iii) “Release” means (i) any spill, discharge, leak, emission, escape, injection, dumping, or other release or threatened release of any Hazardous Materials into the environment, whether or not notification or reporting to any governmental agency was or is, required, including without limitation any Release which is subject to CERCLA, or (ii) a “spill” as defined in Section

22a-452c of the Connecticut General Statutes. In the event of any conflict in meanings, “Release” shall be given its broadest meaning.

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**OPERATING AGREEMENT  
OF  
RWA ENVIRONMENTAL AND LAB SERVICES, LLC**

This **OPERATING AGREEMENT** (this “**Agreement**”) is entered into as of the \_\_\_\_\_ day of June, 2022, by RWA Commercial Enterprises, LLC, a Connecticut limited liability company (the “**Member**”) and a wholly-owned subsidiary of the Authority; and RWA Environmental and Lab Services, LLC, a Connecticut limited liability company (the “**Company**”), on the following terms and conditions:

**ARTICLE I  
DEFINED TERMS**

The following capitalized terms shall have the meanings specified in this Article I. Other terms are defined in the text of this Agreement, and throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

“**Act**” means the Connecticut Uniform Limited Liability Company Act, as amended from time to time.

“**Affiliate**” means, with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “**control**,” when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership, membership, or other ownership interests, by contract or otherwise; and the terms “**controlling**” and “**controlled**” shall have correlative meanings.

“**Agreement**” means this Operating Agreement, as amended or restated from time to time.

“**Authority**” means the South Central Connecticut Regional Water Authority, a public corporation constituting a public instrumentality and political subdivision of the State of Connecticut, the sole member of the Member, and which is exempt from taxation under § 115(1) of the Code.

“**Board**” or “**Board of Managers**” shall mean a committee of Managers comprised in accordance with this Agreement and having the powers set forth herein.

“**Capital Contribution**” means the total amount of cash and the fair market value of any other assets contributed to the Company by the Member, net of liabilities assumed or to which the assets are subject.

“**Cash Flow**” means all cash funds derived from operations of the Company, without reduction for any non-cash charges, but less cash funds used to pay current

operating expenses and to pay or establish reserves for future expenses, debt payments, capital improvements, and replacements as determined by the Board of Managers.

**“Certificate”** means the certificate of organization of the Company, as amended or restated from time to time.

**“Code”** means the Internal Revenue Code of 1986, as the same may be amended and in force from time to time.

**“Company”** has the meaning stated above.

**“Economic Interest”** means the Member’s share of the net profits and net losses of the Company and distributions of the Company’s assets, but does not include any right to participate in the management or affairs of the Company, or the right to vote on, consent to or otherwise participate in any decision of the Member or the right to become or exercise any other right of the Member.

**“Five-Member Board”** means the five-person board that constitutes the Authority and which is referenced in Section 5 of the Authority’s enabling legislation, Connecticut Special Act 77-98, as amended.

**“Interest”** means a Person’s right to receive distributions from the Company.

**“Involuntary Withdrawal”** means, with respect to the Member, the Member is dissociated as a Member pursuant to the Act or this Agreement, other than a dissociation by Voluntary Withdrawal.

**“Managers”** shall have the meaning set forth in Section 5.1. For all purposes hereunder, the term **“Manager”** shall have the same meaning as is provided for that term in the Act. The initial Managers of the Company shall be Larry L. Bingaman and Rochelle Kowalski.

**“Member”** means the RWA Commercial Enterprises, LLC, or any Affiliate of the Authority that the Authority designates as a substitute Member.

**“Membership Interest”** means all of the rights of the Member in the Company, including the Member’s: (i) Interest; (ii) Economic Interest; (iii) right to inspect the Company’s books and records; (iv) right to participate in the management of and vote on matters coming before the Company; and (v), unless this Agreement provides to the contrary, right to act as an agent of the Company.

**“Person”** means an individual, business corporation, nonprofit corporation, partnership, limited partnership, limited liability company, estate, trust, or any other domestic or foreign legal or commercial entity.

**“Transfer”** means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

**“Voluntary Withdrawal”** means the Member is dissociated as a Member by a voluntary withdrawal of the Member.

## **ARTICLE II FORMATION AND NAME; OFFICE; PURPOSE; TERM**

**2.1 Formation.** The Company has been formed as a limited liability company pursuant to the Act. The Member shall from time to time execute or cause to be executed all such certificates or other documents as may be necessary or appropriate to comply with the requirements for the formation and the operation of a limited liability company under the laws of the State of Connecticut and all other jurisdictions in which the Company may conduct business.

**2.2 Name of the Company.** The name of the Company shall be the name stated in the Certificate.

**2.3 Purpose.** The Company is organized to engage in any lawful act or activity permitted under the Act which acts or activities generate income derived from an exercise of an essential government function, such income accrues to the Authority, and no Company income shall inure to the benefit or profit of any private interest, entitling the Company to exemption from taxation under Section 115(l) of the Code, including more particularly, those purposes set forth in the Certificate.

**2.4 Principal Office.** The principal office of the Company shall be located at the principal office address stated in the Certificate or at any other place designated by the Member from time to time.

**2.5 Registered Agent.** The name of the Company’s registered agent in the State of Connecticut shall be the Person designated in the Certificate or such other Person as is designated by the Member from time to time.

**2.6 Services Agreement.** Effective as of the Effective Date, and consistent with the terms of this Agreement, the Company is entering into a certain Services Agreement with the Authority (the **“Services Agreement”**).

## **ARTICLE III MEMBER; CAPITAL; CAPITAL ACCOUNTS**

**3.1 Capital Contributions.** The Member shall contribute to the Company cash or property in such amounts and at such times as the Member shall determine in the Member’s sole discretion.

**3.2 No Liability.** The Member shall not be liable, solely by reason of being a member of the Company, for any debt, expense, liability or other obligation of the Company, whether arising in contract, tort, or otherwise, or for any court order or judgment against the Company.

**3.3 Loans.** The Member may, at any time, make or cause a loan to be made to the Company in any amount and on such terms as the Company and the Member agree.

**3.4 Title to Property.** All property owned by the Company shall be owned by the Company as an entity. The Member shall not have any ownership interest in such property individually. The transferable interest of the Member in the Company shall be personal property.

#### **ARTICLE IV DISTRIBUTIONS**

**4.1 Distributions of Cash Flow.** Cash Flow for each taxable year of the Company shall be distributed to the Member in such amounts and at such times as the Member shall determine in the Member's sole discretion.

#### **ARTICLE V MANAGEMENT; MANAGERS; OFFICERS**

**5.1 General Powers.** Subject to the rights expressly granted to the Member under Section 5.2 and the other provisions of this Agreement, the business, property and affairs of the Company shall be managed by the Board of Managers. The members of the Board of Managers (the "**Managers**") shall be "**managers**" within the meaning of the Act. Except as set forth in Section 5.2 and as otherwise expressly set forth in this Agreement to the contrary, the Board of Managers shall have power and authority, on behalf of the Company, to take any and all lawful acts that the Board of Managers considers necessary, advisable, or in the best interests of the Company in connection with any business of the Company.

**5.2 Actions Requiring Approval of the Five Member Board** Without the written approval of the Five Member Board, the Company shall not, and shall not enter into any commitment to: Amend, modify, or waive any provisions of the Certificate or this Agreement, in whole or in part;

- (b) Issue additional Membership Interests, or other securities;
- (c) Change the purpose of the Company;
- (d) Enter into or effect any transaction or series of related transactions involving the sale, lease, license, exchange, or other disposition (including by merger, consolidation, sale of stock, or sale of assets) by the Company of any assets or equity

interests, other than sales of inventory in the ordinary course of business consistent with past practice;

- (e) Create any subsidiary; or
- (f) Dissolve, wind up, or liquidate the Company.

**5.3 Number and Term of Office.** The number of Managers constituting the Board of Managers shall be such number, not to exceed five (5), as may be fixed from time to time by resolution adopted by the Authority. A Manager shall continue to serve as such until a successor is duly appointed or the Manager resigns or is otherwise removed from office.

#### **5.4 Resignation, Removal and Vacancies.**

(a) Any Manager may resign at any time by giving written notice of his or her resignation to the Company. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, when accepted by action of the Board of Managers. Except as aforesaid, the acceptance of such resignation shall not be necessary to make it effective.

(b) Any Manager may be removed, and/or any vacancy created by the removal or resignation of such Manager may be filled, by the Authority.

#### **5.5 Meetings.**

(a) Regular Meetings. Regular meetings of the Board of Managers shall be held at such times as the Board of Managers shall from time to time determine.

(b) Special Meetings. Special meetings of the Board of Managers shall be held whenever called by the Chief Executive Officer or any Manager at the time in office. Any and all business may be transacted at a special meeting that may be transacted at a regular meeting of the Board of Managers.

(c) Place of Meeting. The Board of Managers may hold its meetings at such place or places as the Board of Managers may from time to time by resolution determine or as shall be designated in the respective notices or waivers of notice thereof.

(d) Notice of Meetings. Notice of any special meeting of the Board of Managers shall be mailed or sent by facsimile, email, registered or certified mail, overnight delivery or other form of recorded communication or delivered via messenger by the Company to each Manager, addressed to such Manager at such Manager's residence or usual place of business, so as to be received at least two (2) Business Days before the day on which such meeting is to be held. Such notice shall include the time and place of such meeting. However, notice of any such meeting need not be given to any Manager if waived in writing or by facsimile, email or other form of recorded communication, whether before or after such meeting shall be held or if such Manager shall be present at such meeting.



(e) Quorum and Manner of Acting. Except as otherwise provided by law or this Agreement, at least a majority of the total number of Managers shall be present at any meeting of the Board of Managers in order to constitute a quorum for the transaction of business at such meeting. In the absence of a quorum for any such meeting, a majority of the Managers present thereat may adjourn such meeting from time to time until a quorum shall be present thereat. Except as otherwise required by law, all actions taken and decisions made by the Board of Managers shall require the approval of a majority of the Managers.

(f) Action by Communication Equipment. The Managers may participate in a meeting of the Board of Managers and members of a committee of the Board of Managers may participate in a meeting of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

(g) Action by Consent. Any action required or permitted to be taken by the Board of Managers or members of a committee of the Board of Managers, as the case may be, may be taken without a meeting if all of the Managers or members of such committee, as the case may be, consent thereto in writing and such writing is filed with the minutes of the proceedings of the Board of Managers or of the committee, as the case may be.

(h) Organization. At each meeting of the Board of Managers, the Chief Executive Officer, or, in the absence of the Chief Executive Officer, any Manager chosen by a majority of the Managers present, shall act as the chairman at such meeting. The Secretary or, in case of the Secretary's absence, any person whom the chairman shall appoint, shall act as secretary of such meeting and keep the minutes thereof.

## **5.6 Compensation; Expenses.**

(a) Managers, as such, shall not receive any stated salary for their services, but by resolution of the Board of Managers may receive a fixed sum for expenses incurred in performing the functions of Manager, provided, however, that any Manager that is not an employee or contractor of the Authority or its Affiliates, other than in such Manager's capacity as such, may receive reasonable compensation as the Board of Managers may award from time to time. For the avoidance of doubt, the Board of Managers may not grant any compensation to any Manager in such Manager's capacity as such if such Manager is otherwise an employee or contractor of the Authority or any Affiliate, other than expense reimbursement as provided in this Section. Nothing herein contained shall be construed so as to preclude any Manager from serving the Company in any other capacity and receiving compensation therefor.

(b) The Company shall (subject to the receipt of appropriate supporting documentation) be responsible for paying directly out of Company funds, all ordinary and necessary costs and expenses incurred in connection with the business of the Company, including, without limitation, any such reasonable and customary expenses incurred by

the Managers in the performance of their duties, liability and other insurance premiums, expenses in the preparation of reports to the Member and legal, accounting and other professional fees and expenses.

**5.7 Duties of Managers.** Each Manager shall perform his or her duties as a Manager in good faith and with that degree of care that an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, each Manager shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more agents or employees of the Company; (ii) counsel, public accountants or other persons as to matters that such Manager reasonably believes to be within such person's professional or expert competence; or (iii) any other Manager duly designated in accordance with this Agreement, as to matters within his or her designated authority, which the Manager believes to merit confidence, so long as in so relying he or she shall be acting in good faith and with such degree of care that an ordinarily prudent person in a like position would use under similar circumstances. The provisions of this Agreement, to the extent they restrict the duties and liabilities of a Manager otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties and liabilities of such Manager.

**5.8 Officers.** The Board of Managers may designate one or more individuals to serve as officers of the Company. The Board of Managers will designate the titles, duties, authority and salary or other compensation payable to each officer; provided that the salary or other compensation, if any, paid to the chief executive officer shall be subject to the prior approval of the Authority. Further, no officer of the Company shall be eligible to receive compensation for serving in such capacity unless such officer is not otherwise an employee or contractor of the Authority or its Affiliates. Unless the Board of Managers determines otherwise, any officer will have the same duties and authority as would the officer of a corporation organized under the laws of Connecticut holding the same title. Each officer may be removed at any time, with or without notice, hearing or cause, in the sole discretion of the Authority, but without prejudice to any contract rights the officer may have.

## **ARTICLE VI SOLE MEMBER**

**6.1 Membership Interests; Sole Member.** Membership in the Company shall be represented by Membership Interests. The initial Member is the sole Member of the Company, and the business address of the initial Member is 90 Sargent Drive, New Haven, Connecticut 06511.

**6.2 Limitation of Liability.** A Member's liability as a Member for the debts, obligations and liabilities of the Company shall be limited to the fullest extent provided by the Act. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or the management of its business or affairs under this

Agreement or the Act shall not be grounds for imposing personal liability on a Member for liabilities of the Company.

**6.3 Voting.** Any action permitted or required to be taken by an affirmative vote of the Authority shall be taken by the affirmative vote of the Five Member Board unless otherwise provided by the Act, the Certificate, the Services Agreement, or this Agreement.

**6.4 Written Consent.** Any action permitted or required by the Act, the Certificate, the Services Agreement, or this Agreement to be taken by the Member may be taken without a meeting if a consent describing the action to be taken in writing is signed by the Member and delivered to the Company for inclusion in the minutes. Such consent shall have the same force and effect as the vote of the Member at a meeting and may be stated as such in any document or instrument filed with the Connecticut Secretary of the State or delivered to any person or entity.

## **ARTICLE VII LIMITATION ON TRANSFER OF MEMBERSHIP INTERESTS, ECONOMIC INTERESTS AND WITHDRAWAL**

**7.1 Liabilities of Member.** The income and the assets of the Company, while in the possession of the Company, shall not be liable for or subject to, in any manner, any debts, contracts, liabilities, obligations or torts of the Member.

**7.2 Limitation on Transfer as Membership Interest.** Neither a Membership Interest in the Company (including any rights attendant thereto such as voting rights or any portion thereof, or an Economic Interest or portion thereof), nor any proceeds from any disposition of any of the forgoing, may be sold, transferred, exercised, pledged, received, held, used, expended, or assigned, as the case may be, in any manner whatsoever, either voluntarily or involuntarily, whether by operation of law or otherwise, other than by, to, or for the benefit of an Affiliate of the Member.

**7.3 Provisions Relative to Voting Rights.** The voting rights attendant to a Membership Interest may not be exercised by proxy, or under a voting agreement, power of attorney or any other form of agreement or arrangement; provided, however, that a Member may appoint by resolution of its governing body an officer of the Member as its designee to execute governance and related documents of the Company which require the signature and/or the approval of the “member” of the Company under the Act.

**7.4 Voluntary Withdrawal.** The Member shall have the right and power to withdraw by Voluntary Withdrawal.

**7.5 Involuntary Withdrawal.** Upon the occurrence of an Involuntary Withdrawal of the Member, the Company shall be dissolved pursuant to Article VIII.

**ARTICLE VIII  
DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE COMPANY**

**8.1 Events of Dissolution.** The Company shall be dissolved upon the happening of any of the following events:

- (i) upon the Involuntary Withdrawal of the Member;
- (ii) upon the Voluntary Withdrawal of the Member; or
- (iii) upon the written consent of the Authority.

**8.2 Winding Up and Distribution Upon Liquidation.** If the Company is dissolved, its affairs shall be wound up. Upon the winding up of the Company, the assets of the Company shall be distributed, first, to creditors of the Company, in satisfaction of the debts, expenses, liabilities and other obligations of the Company, and then pursuant to the Act, subject to and consistent with the Code, to the Member.

**ARTICLE IX  
BOOKS, RECORDS, ACCOUNTING, AND TAX ELECTIONS**

**9.1 Fiscal Year.** The fiscal year of the Company shall at all times be the same fiscal year as that of the Member.

**9.2 Bank Accounts.** All records required to be maintained by the Company pursuant to the Act shall be maintained at the Company's principal place of business. The books and records shall be open to the inspection of the Member at reasonable times and managed in compliance with the Member's policies and procedures set forth in the Services Agreement or as otherwise in place from time to time.

**9.3 Books and Records.** The Company shall keep or cause to be kept books and records of the Company and supporting documentation of transactions with respect to the conduct of the Company's business. The books and records shall be maintained at the Company's principal office. The books and records shall be open to the inspection of the Member at reasonable times and managed in compliance with the Member's policies and procedures set forth in the Services Agreement or as otherwise in place from time to time.

**9.4 Reimbursement for Services.** The Company may enter into an agreement or agreements with the Member, including, but not limited to, the Services Agreement, as to the provision of services by the Member to the Company, and nothing in this Agreement shall prohibit or preclude the Company from reimbursing the Member or otherwise paying the Member for services provided the Company as set forth in such Agreement(s).

**9.5 Taxation.** As long as the Company has only one Member, it is the intent of the Company and the Member that the Company be disregarded as an entity separate from the Member for federal income tax purposes and for purposes of any tax imposed by the Connecticut or any political subdivision thereof. In furtherance of the foregoing, it is the intent of the Company and the Member that the Company be organized and operated as an organization recognized as exempt from taxation under Section 115(1) of the Code. Any interpretation of the terms and conditions of this Agreement, any ambiguity within this Agreement, and any conflict between this Agreement and the Act shall be resolved so as to maintain such classification.

**9.6 Standing of the Member and the Authority.** Each of the Member and the Authority shall have standing to enforce any provisions of this Agreement or the Certificate, which grant to or recognize any rights or authority of the Member or the Authority with respect to or under this Agreement or the Certificate.

## **ARTICLE X GENERAL PROVISIONS**

**10.1 Amendment.** This Agreement may be amended at any time by and in the discretion of the Member; provided, however, that the terms and provisions of any such amendment must be approved in writing in advance by the Authority; and provided further no change shall be made this Agreement if it will negatively affect the exempt status of the Company, the Member or the Authority under § 115(1) of the Code.

**10.2 Entire Agreement.** This Agreement constitutes the entire agreement of the Company and the Member, and supersedes any other agreement with respect to the subject matter hereof.

**10.3 Binding Effect.** This Agreement shall be binding upon the Company, the Member and their respective heirs, executors, administrators, successors and permitted assignees.

**10.4 Assignment Prohibited.** This Agreement and the rights and obligations of the parties hereto are not assignable without the written consent of the Company and the Member.

**10.5 Third Parties.** This Agreement is entered into by the Company and the Member for the exclusive benefit of the Company, the Member and their respective heirs, executors, administrators, successors and permitted assigns. Other than the Authority, no third party shall have any rights under this Agreement.

**10.6 Notices.** Any notice required or which may be given under this Agreement shall be in writing and either delivered personally, telecopied, sent by overnight courier or mailed by certified mail, return receipt requested, to the addressee. Such notice shall be deemed given when so delivered personally or telecopied, or if sent by overnight courier, one (1) business day after the date so sent, or if mailed by certified mail, three (3) business days after the date of mailing.

**10.7 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall comprise one and the same instrument. Delivery of a copy of this Agreement or such other document bearing an original signature by facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

**10.8 Headings.** Titles or captions contained in this Agreement are used as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope or intent of any provision of this Agreement.

**10.9 Waiver.** No delay by the Company, the Authority or the Member in exercising any right under this Agreement shall operate as a waiver of any such right. Any waiver of a right must be in writing, and any waiver granted on one occasion shall not operate as a waiver in the event of any subsequent breach of the same or any other provision of this Agreement.

**10.10 Venue.** Each party hereby designates the Connecticut Superior Courts or the United States District Court for the District of Connecticut, as the exclusive courts of proper jurisdiction and venue of and for any and all lawsuits or other legal proceedings relating to this Agreement; hereby irrevocably consents to such designation, jurisdiction and venue; and hereby waives any objection or defense relating to jurisdiction or venue with respect to any lawsuit or other legal proceeding initiated in or transferred to the Connecticut Superior Courts or the United States District Court for the District of Connecticut.

**10.11 Applicable Law.** This Agreement is made in and shall be construed under and governed by the laws of the State of Connecticut without reference to the conflict of laws provisions thereof.

*[Remainder of page left intentionally blank.]*

**IN WITNESS WHEREOF**, the undersigned have executed this Operating Agreement as of the date set forth above.

**MEMBER:**

**RWA COMMERCIAL ENTERPRISES, LLC**

By: South Central Connecticut Regional Water Authority, Its Sole Member

By: \_\_\_\_\_  
Name: Larry L. Bingaman  
Title: Manager

**COMPANY:**

**RWA ENVIRONMENTAL AND LAB SERVICES, LLC**

By: RWA Commercial Enterprises, LLC, Its Sole Member

By: \_\_\_\_\_  
Name: Larry L. Bingaman  
Title: Manager

*[Signature page to Operating Agreement]*

**WHEREAS**, the Board deems it to be advisable and in the best interests of the Authority to authorize RWA Environmental and Lab Services, LLC, a Connecticut limited liability company (the “**Acquisition Sub**”) that is an indirect wholly-owned subsidiary of the Authority to enter into each of (i) a Purchase and Sale Agreement by and between Acquisition Sub and a Connecticut limited liability company, as more fully discussed in executive session (the “**Real Estate Seller**”) with respect to the purchase of that certain parcel of land (the “**Real Estate Purchase**”) and substantially in the form provided to the Board on or about June 17, 2022 (the “**Real Estate Purchase Agreement**”) and (ii) an associated Asset Purchase Agreement by and between Acquisition Sub and a Connecticut corporation, as more fully discussed in executive session (the “**Asset Seller**”) for the purchase of the assets of the Asset Seller’s environmental and analytical laboratory testing services business (the “**Asset Purchase**”) substantially in the form provided to the Board on or about June 17, 2022 (the “**Asset Purchase Agreement**”), in each case as more fully discussed, including discussion of the conditions to closing set forth in the Real Estate Purchase Agreement, in executive session of the Authority held on June 23, 2022.

**NOW THEREFORE LET IT BE:**

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

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

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

**GENERAL AUTHORIZATION**

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



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

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

**Minutes of the February 24, 2022 Meeting**

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

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

The Committee reviewed its FY 2023 Work Plan.

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

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David Borowy, Chairman



# FY22 Year-End Strategic Plan Update

June 23, 2022

 Regional **Water** Authority

Tapping the Possibilities™

# Today's Agenda

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

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

# Customers & Constituents Perspective

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

# Employee Learning & Growth Perspective

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

# Financial Perspective

STRATEGY	FY22 ACTIONS UPDATE
<b>Expand Commercial Revenue Sources to Mitigate Rate Increases</b>	<ul style="list-style-type: none"><li>✓ Established several Commercial LLC's entities; general ledger system, banking &amp; controls and staff augmentation</li><li>✓ Acquired Roach Plumbing; developed functional staffing plan; secured office building, performed network integration and set up transactional protocol; exceeding earnings target</li><li>✓ Acquired Water Systems Specialties; successfully on-boarded 100% of staff and integration efforts on target</li><li>✓ Valuation and acquisition draft agreements completed and discussions underway to acquire environmental testing lab and associated building</li><li>✓ Developed internally indicative valuation &amp; bid model for target acquisition activity</li><li>✓ WellSafe protection program developed; marketing deployed; pilot to test &amp; learn; FY23 focus on expansion</li><li>✓ Secured 2 PipeSafe territory partners launching Q1'23 1) Town of Wolcott; 2) Southeastern CT Water Authority</li></ul>
<b>Improve the Financial Operating Performance of the RWA</b>	<ul style="list-style-type: none"><li>✓ Held Talks Event to increase financial acumen on rate application and year-end protocols with 50 employees</li><li>✓ Met FY22 capital expenditure target of 96%</li><li>✓ Unplanned emergency capital expenses for FY22 were less than 5%</li><li>✓ Exceeded 114% coverage requirement</li><li>✓ Pursuing alternative financing opportunities (e.g., WIFIA, DWSRF, \$2M congressional directed spending approved and multiple applications submitted for upcoming year, targeted grants)</li></ul>
<b>Strengthen Pension and Retirement Funding</b>	<ul style="list-style-type: none"><li>✓ Additional pension contribution of &gt; \$1.1M, making FY22 the 7th consecutive year of contributing above the ARC</li></ul>



# Internal Business Process Perspective

## STRATEGY

## FY22 ACTIONS UPDATE

### Effectively Manage and Maintain Our Core Business

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

### Sustainably Manage Our Natural Resources to Deliver Reliable, Safe Water









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

### Embrace Innovation and New Technology

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

# Fiscal 2022 Global Metrics Summary

as of May 31, 2022

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





Regional **Water** Authority  
Tapping the Possibilities™



# FY23 Strategic Action Plan

June 23, 2022

 Regional **Water** Authority

Tapping the Possibilities™

# Today's Agenda

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

# 2020-2025 Strategic Plan

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

## Five Year Strategic Plan

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

## FY23 Strategic Planning

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

**4 Perspectives**

Customers/Constituents

Employee Learning & Growth

Financial

Internal Business Process

**Five-Year Strategic Plan**  
Fiscal Years 2020-2025

Updated June 2021



**Strategic Teams**

Team Leader designee of leadership team

4 teams each aligned to a perspective

Cross-functional team of 20 employees

# Key Elements of Our Strategic Plan

## Higher Purpose

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

## Mission

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

## Vision

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

## Strategy, Goals and Objectives

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

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

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

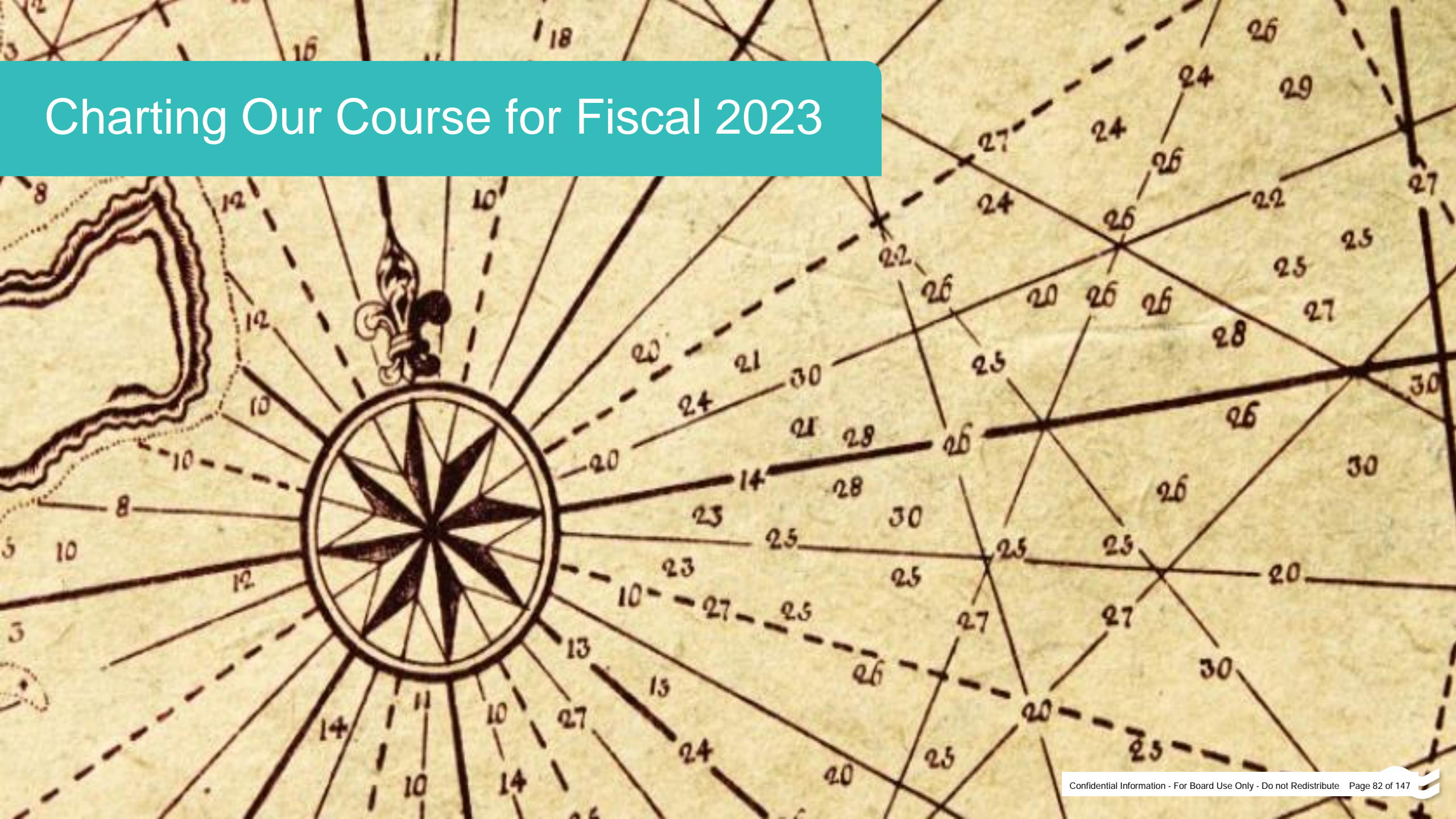


# We have a solid strategy that will continue to evolve

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

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

# Charting Our Course for Fiscal 2023



# Customer & Constituents Perspective

## STRATEGY

## FY23 OBJECTIVES

### Improve Customer Satisfaction

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

### Utilize Technology to Enhance the Customer Experience

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

### Increase Constituent Support of the RWA

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

# Employee Learning & Growth Perspective

## STRATEGY

## FY23 OBJECTIVES

### Advance Workforce Safety

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

### Develop Employees by Improving Knowledge, Skills and Abilities

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

### Foster a Diverse, Inclusive and Engaged Workforce

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

# Financial Perspective

## STRATEGY

## FY23 OBJECTIVES

### Expand Commercial Revenue Sources to Mitigate Rate Increases

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

### Improve the Financial Operating Performance of the RWA

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

### Strengthen Pension and Retirement Funding

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

# Internal Business Process Perspective

## STRATEGY

## FY23 OBJECTIVES

### Effectively Manage and Maintain Our Core Business

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

### Sustainably Manage Our Natural Resources to Deliver Reliable, Safe Water

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

### Embrace Innovation and New Technology

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

# Fiscal 2023 Metrics

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







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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**BE IT FURTHER RESOLVED:**

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Respectfully submitted,

---

Catherine E. LaMarr, Secretary

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

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

**Present:**       **Authority** – Messrs. Borowy, Curseaden, DiSalvo, and Mss. LaMarr and Sack  
                  **Management** – Mss. Bochan, Bradley, DelVasto, Gonzalez, Hill, Kowalski, Lynn, Lufkin, Valentin, Verdisco, and Messrs. Bingaman, Courchaine, Donovan, Jansen, Henley, Lakshminarayanan, Perugini, Prathigadapa, Singh, and Woodward  
                  **RPB** – Mr. Jaser  
                  **AAC Utility Partners** – Mr. Wenke  
                  **Staff** – Mrs. Slubowski

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

At 12:31 p.m., on motion made by Mr. Curseaden, seconded by Mr. DiSalvo, and unanimously carried, the Authority voted to recess the meeting to meet as the Audit-Risk Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

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

1. Approved the minutes of the April 28, 2022 meeting.
2. Approved capital budget authorization for June 2022.

**RESOLVED**, that the Vice President of Financial Reporting and Analysis is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$1,950,000 for the month of June 2022 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn, pursuant to such requisition, is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate

amount budgeted for fiscal year 2022 for all Capital Improvement Projects to be exceeded.

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

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

**WHEREAS**, on December 17, 2020, the Authority adopted (the "Authority Resolution") and on March 18, 2021, the Representative Policy Board (the "RPB") approved the resolutions which established the general terms and provisions of the Authority's bonds, which may be issued as project loan obligations in one or more series delivered to the

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

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

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

**NOW THEREFORE**,

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

**BE IT FURTHER RESOLVED**, that the Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis be authorized (i) to issue, sell and deliver the IFO and the PLO in a total amount not to exceed \$17,500,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the IFO and PLO, pursuant to the Act and the Water System Revenue Bond Resolution, General Bond Resolution as amended and supplemented (the "General Bond Resolution") or any other provisions of law thereto enabling; and

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

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

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

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

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

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



Mr. Bingaman commented on his field visits during May.

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

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

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

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

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

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

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Absent

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

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

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

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

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

Mr. DiSalvo moved for adoption of the following resolutions:

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

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

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye


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Catherine E. LaMarr, Secretary

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

**MEMORANDUM**

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

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

**DATE:** June 17, 2022

**SUBJECT:** Capital budget authorization request for July 2022

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

This would result in projected expenditures through July 2022 of \$5,139,000 or 9.3% of the total 2023 fiscal year capital budget, including State and Redevelopment.

Attachment

**RESOLVED**

That the Vice-President of Financial Reporting and Analysis is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,600,000 for the month of July 2022 for transfer from the Construction Fund for capital expenditures. Each such requisition shall contain or be accompanied by a certificate identifying such requisition and stating that the amount to be withdrawn pursuant to such requisition is a proper charge to the Construction Fund. Such requisitions are approved notwithstanding the fact that amounts to be withdrawn for a particular project may exceed the amount indicated for such month and year in the current Capital Improvement Budget but will not cause the aggregate amount budgeted for fiscal year 2023 for all Capital Improvement Projects to be exceeded.

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

TO:

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

FROM:

Rochelle Kowalski

DATE:

June 17, 2022

SUBJECT:

Capital Budget Transfers

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

	Available Funds	Reallocation of Project/Funds
Brentwood Drive, Orange, Capital Water Main Replacement	\$150,000	Sherwood Drive, North Haven, Capital Water Main Replacement

CAPITAL BUDGET AMENDMENT REQUEST

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

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

<b>Transfer To:</b>	
Account Number:	001-000-107143-120009
Project Description:	Sherwood Drive, North Haven 8" Capital Water Main Replacement
A) Original Budget	\$ 330,000
B) Previous Transfers (In or Out)	\$ -
C) Revised Budget (A+/-B)	\$ 330,000
D) Amount to be Transferred	\$ 150,000
E) Proposed Revised Budget (C+D)	\$ 480,000
Explanation why funds are needed: This amendment will provide the remaining required funding required for the replacement of 1,200 feet of 8" water main in Sherwood Drive, North Haven. This project was initiated as a shovel-ready in May for inclusion in the FY 2023 budget, and is a planned replacement as the result of the number of breaks experienced. It is being accelerated from FY 2024 as a result of notification from the Town of North Haven of their intention to make drainage improvements and pave the road in the fall of 2023. Total estimated cost associated with this work is \$480,000.	

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

KPI Name	Level	Description	GAR	Target	Actual	Period Commentary
Electronic Bill Delivery	Global	Increase the number of residential, commercial and industrial customers who receive their RWA bill electronically		30.0%	31.5%	We exceeded our target with a result of 31.5%; over 36,000 customers enrolled in electronic billing
Safety	Global	Achieve zero preventable injuries and lead safety initiatives to promote a culture of prevention		0	6	With 6 preventable injuries, we did not meet this target. Safety Starts with Me training was delivered in May to further work on our goal of zero preventable injuries
Capital Planning Management	Global	Unplanned capital expenditures will represent no more than 5% of the FY22 capital budget		5.0%	3.9%	Target achieved
Water System Needs	Exec	Review five existing Effective Practice Guidelines (EPG) for efficacy and develop three new EPGs in both Treatment and Operations to maintain top performance of business practices		3	4	Developed EPG's on critical customer contact procedures, loading water mains, preparing the water buggy for use and water treatment on-call response
Disinfection By-products	Global	Maintain 100% compliance with drinking water standards by ensuring that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds		100%	Met Metric	We remain in compliance with our stringent water quality standards. While there has been 1 near-miss for THMs and 0 near-misses for HAAs through the last compliance period in March, we remained 10% below the regulatory requirement which is based on a locational running annual average, which allows for seasonal variability. DBP research and management activities are on-going. Analysis of the June 2022 sampling is being completed and the next sampling period will be September 2022.
Process Improvement	Global	Implement four process improvements to achieve efficiencies		4	5	We exceeded this target by implementing five process improvements: 1) capital planning and budgeting enhancements including form standardization, schedule modifications where appropriate, and adjusted equipment and materials ordering to address increasing lead times 2) an automated continuous consumption alert using AMI data to identify and notify customers of a possible leak at their location 3) introduced a customer escalation Dashboard that streamlines the tracking and reporting of customer concerns 4) changed our process for providing meter vault assemblies to our customers by offering them the opportunity to purchase components directly from our distributors to eliminate supply chain issues and reduce liability; and 5) successfully piloted the NoDes flushing equipment and given the effectiveness in reducing customer's discolored water concerns and preserving the water within our distribution system during flushing activities, will purchase this innovative flushing equipment in Fiscal 2023
Cybersecurity	Exec	Complete external cybersecurity SCADA assessment and implement four critical recommendations for improvement		4	4	Target Achieved. Improved upon cyber security counter measures 1) honey pot workstation behind firewall with IPS and AV alerts set to watch for insider threats 2) install new firewalls to assist in network segmentation 3) full rollout of multifactor authentication across IT and SCADA Network 4) working directly with DHS for reporting of cyber threats and ongoing network penetration testing
Coverage	Global	Meet 114% coverage without a draw from discretionary funds		114% Coverage \$0 Draw	114% Coverage Exceeded	We have exceeded this financial target.
Commercial Enterprise Growth	Global	Acquire two profitable acquisitions to contribute to mitigating rates		2	2	Acquired Roach in July 1st of 2021. Acquired Water Systems Specialties in May of 2022. In final stages of a Lab Acquisition.
Commercial Services Revenue	Exec	Achieve commercial net revenues of \$6.0M in FY22 to support overall target of \$9.2M for FY25		\$6.00	\$5.35	Although we worked towards the stretch goal reflected in the KPI, the results are below the \$6 million goal and are approximately 94% of the fiscal 2022 official budget. PipeSafe remained above budget and Well Services exceeded expectations. Outside lab services net revenue was under budget; however, this was partially offset by lower utility O&M expense and pricing actions are being taken. Common expenses are reflective of the high level of activity and in fiscal 2023 will be transitioning to do more internally (e.g., indicative valuation model)
Capital Budget Management	Global	Ensure that at least 96% of the FY22 capital budget is put to work efficiently for the benefit of our customers		96.0%	96.1%	Target achieved



**South Central Regional Water Authority**

**Analysis of Accounts Receivable ("A/R")**

(\$000 omitted)

Denotes City of New Haven Invoicing

**Total Accounts Receivable Aging (in days)**

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

**Aged Accounts Receivable Focus of Collection Efforts**

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

**Collection Efforts**

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

\* Number of shuts

\*\* Number of Red tags

<sup>(1)</sup> Includes: Notices and letters and legal initiatives.

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**MEMORANDUM**

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

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

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

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

- Summary table of weighted votes per member Town, entitled "Computation of FY 2023 Weighted Votes for the Representative Policy Board", dated June 8, 2022.
- The Real Estate Department's report, entitled "Summary of Land by Town", dated May 31, 2022.
- Summary table of customers per member town, entitled "SAP - Number of Customers Supplied", dated June 8, 2022<sup>1</sup>.

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

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

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

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

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

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

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

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

**RPB Weighted Vote Calculation**  
**SAP - NUMBER OF CUSTOMERS SUPPLIED<sup>(1)</sup>**  
**June 8, 2022**

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

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

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

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

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

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

**Notes:**

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

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


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

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

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

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

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

FROM:  Rochelle Kowalski  
Vice President of Financial Reporting & Analysis

DATE: June 17, 2022

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

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

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

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



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

Assets	<u>FY 2022</u>	<u>FY 2021</u>	<u>Y/Y Variance</u>
Utility plant			
Property, plant and equipment in serv	\$ 939,306,453	\$ 904,362,604	\$ 34,943,849
Accumulated depreciation	(405,202,486)	(384,522,361)	(20,680,125)
Utility plant in service	534,103,967	519,840,243	14,263,724
Land	27,993,743	27,993,989	(246)
Construction work in progress	16,108,511	24,611,000	(8,502,489)
Total utility plant, net	<u>578,206,220</u>	<u>572,445,232</u>	<u>5,760,988</u>
Nonutility land, at cost	64,983,522	64,983,522	-
Goodwill	14,423,704	14,423,704	-
Current assets			
Cash and cash equivalents	57,271,200	34,020,218	23,250,982
Investments	-	-	-
Accounts receivable, less allowance for doubtful accounts	13,773,352	14,748,304	(974,953)
Accrued revenue	12,024,514	18,590,817	(6,566,302)
Accrued interest receivable	49,580	6,374	43,207
Materials and supplies	2,231,626	1,898,220	333,406
Prepaid expenses and other assets	4,008,100	4,003,817	4,283
Total current assets	<u>89,358,373</u>	<u>73,267,751</u>	<u>16,090,622</u>
Note Receivable	500,000	500,000	-
Pension Assets	-	-	-
OPEB Assets	-	-	-
Restricted assets	143,812,718	124,397,152	19,415,565
Regulatory assets	9,637,061	9,876,593	(239,532)
Total assets	<u>900,921,597</u>	<u>859,893,953</u>	<u>41,027,644</u>
Deferred Outflows of Resources			
Deferred charge on refunding	15,121,102	17,200,567	(2,079,465)
Deferred charge on pension plans	1,053,756	2,985,327	(1,931,571)
Deferred charge on OPEB plans	1,723,141	2,293,040	(569,899)
Total	<u>\$ 918,819,596</u>	<u>\$ 882,372,887</u>	<u>\$ 36,446,709</u>

Liabilities and Net Assets	<u>FY 2022</u>	<u>FY 2021</u>	<u>Y/Y Variance</u>
Liabilities			
Revenue bonds payable, less current portion	\$ 511,930,000	\$ 495,615,000	\$ 16,315,000
Net premiums and discounts from revenue bonds pay	47,004,000	41,092,304	5,911,696
DWSRF loans payable, less current portion	24,024,350	25,330,874	(1,306,524)
Net pension liability	9,651,739	9,651,739	-
Net OPEB obligation	17,772,589	17,772,589	-
Total noncurrent liabilities	<u>610,382,678</u>	<u>589,462,506</u>	<u>20,920,172</u>
Current liabilities			
Current portion of revenue bonds payable	21,475,000	20,565,000	910,000
Current portion of DWSRF loans payable	1,306,514	1,287,078	19,435
Accounts payable	4,391,178	3,950,576	440,603
Notes payable	50,500	50,500	-
Customer deposits and advances	1,564,037	1,570,542	(6,505)
Other accrued liabilities	7,672,404	7,802,524	(130,119)
Total current liabilities	<u>36,459,633</u>	<u>35,226,220</u>	<u>1,233,414</u>
Liabilities payable from restricted assets			
Accounts payable for construction	1,805,207	1,519,934	285,273
Accrued interest payable	7,498,055	7,209,198	288,857
Customer deposits and advances	1,437,866	988,108	449,759
Total liabilities payable from restricted assets	<u>10,741,128</u>	<u>9,717,239</u>	<u>1,023,889</u>
Other liabilities	9,313,16	45,000	(35,687)
Total liabilities	<u>657,592,753</u>	<u>634,450,965</u>	<u>23,141,787</u>
Deferred inflows of resources			
Deferred inflows related to pensions	5,037,635	6,462,027	(1,424,392)
Deferred inflows related to OPEB	3,567,902	4,764,299	(1,196,397)
Net Position			
Invested in capital assets, net of related debt	81,406,500	69,168,630	12,237,870
Restricted assets	104,685,569	116,699,848	(12,014,278)
Unrestricted assets	66,529,236	50,827,118	15,702,119
Total net assets	<u>252,621,306</u>	<u>236,695,596</u>	<u>15,925,710</u>
Total liabilities and net assets	<u>\$ 918,819,596</u>	<u>\$ 882,372,887</u>	<u>\$ 36,446,709</u>

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

**SCHEDULE A-1 - COMMENTARY**

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

**Operating Revenues**

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

Total net other revenue is \$676k under budget primarily due to other water field collection charges and other water and other proprietary expenses.

**Operating Expenses**

Operating and Maintenance Expenses are currently under budget due to the following:

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

**Interest Income**

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

**PROJECTED MAINTENANCE TEST**

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

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

Schedule A-1

	<u>FY 2021 Actual</u>	<u>FY 2022 Budget</u>	<u>FY 2022 Projected</u>	<u>(Under)Over Budget</u>
<b>Operating revenues</b>				
Metered water revenues	\$ 108,012	\$ 104,060	\$ 106,964	\$ 2,904
Fire service	12,158	12,207	12,582	376
Wholesale	927	760	872	112
Other revenue - water	3,789	3,713	3,602	(111)
Other revenue - proprietary	9,683	9,623	9,603	(20)
Total operating revenues	<u>134,568</u>	<u>130,363</u>	<u>133,623</u>	<u>3,260</u>
<b>Operating expenses</b>				
Operating and maintenance expense	55,053	59,741	57,490	(2,251)
Pension Expense	(2,918)	-	-	-
OPEB Expense	(451)	-	-	-
Expense associated with other revenue - water	1,685	1,966	1,970	3
Expense associated with other revenue - proprietary	4,045	3,809	4,350	542
Provision for uncollectible accounts	1,188	950	285	(665)
Depreciation	24,115	24,600	24,603	3
Payment in lieu of taxes	8,528	8,950	8,554	(397)
Amortization Pension Outflows/Inflows	1,674	868	507	(361)
Amortization OPEB Outflows/Inflows	(546)	(626)	(626)	(0)
Total operating expenses	<u>92,374</u>	<u>100,258</u>	<u>97,133</u>	<u>(3,126)</u>
Operating income	<u>42,194</u>	<u>30,105</u>	<u>36,490</u>	<u>6,387</u>
<b>Nonoperating income and (expense)</b>				
Interest income	254	1,986	1,710	(275)
(Loss) Gain on disposal of assets	(773)	-	(1,644)	(1,644)
Realized and unrealized (losses) gains on investments	(30)	-	(350)	(350)
Interest expense	(22,253)	(21,568)	(22,170)	(601)
Amortization of bond discount, premium, issuance cost and deferred losses	2,634	2,428	2,509	82
Intergovernmental revenue	845	-	-	-
Contributions to related entities	-	-	(1,775)	(1,775)
Total nonoperating income and (expense) before captial contributions	<u>(19,324)</u>	<u>(17,155)</u>	<u>(21,719)</u>	<u>(4,564)</u>
Income (expense) before contributions	<u>22,870</u>	<u>\$ 12,950</u>	<u>14,772</u>	<u>\$ 1,823</u>
<b>Capital contributions</b>	<u>2,310</u>		<u>1,154</u>	
Change in net assets	25,180		15,925	
Total net assets - beginning of fiscal year	<u>211,515</u>		<u>236,696</u>	
Total net assets - end of reporting month	<u>\$ 236,696</u>		<u>\$ 252,621</u>	

	<u>Budget FY 2022 @114%</u>	<u>Projected FY 2022 @114%</u>	<u>(Under)Over FY 2022 @114%</u>
<b>FY 2022 MAINTENANCE TEST (Budget vs. Projected)</b>			
Revenue Collected:			
Water sales	116,629	125,810	\$ 9,181
Interest Income	150	204	54
BABs Subsidy	657	657	(0)
Other Net	7,154	6,588	(566)
Common Non-Core	(250)	(335)	(85)
Total	<u>124,340</u>	<u>132,923</u>	<u>8,583</u>
Less:			
Operating and maintenance expenses	(59,741)	(57,490)	2,251
Depreciation	(6,500)	(6,917)	(417)
PILOT (A)	(8,950)	(8,575)	375
Net Avail for Debt Service (B)	<u>\$ 49,149</u>	<u>\$ 59,942</u>	<u>\$ 10,793</u>
Debt Service Payments (C)	<u>\$ 43,922</u>	<u>43,467</u>	<u>(455)</u>
Debt Service @ 114% (D)	<u>\$ 50,071</u>	<u>49,553</u>	<u>\$ (519)</u>
Difference (B-D)	<u>\$ (922)</u>	<u>\$ 10,389</u>	
RSF, Growth and/or General Fund (D)	922		
Coverage	<u>114%</u>	<u>138%</u>	

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

**Schedule B**

**PERIOD ENDING MAY 31, 2022**

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

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

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

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

Investment Earnings Report  
Comparison of Investment Rates of Return

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



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

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

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

FROM:  Rochelle Kowalski

DATE: June 17, 2022

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

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#### REVENUE FUND

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

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

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

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

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

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

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

Summary of Proposed Revenue Fund Transfers:

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

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

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

Additional Transfer from General Fund:

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

The attached schedules further detail the proposed transfers.

PROPOSED RESOLUTION FOR AUTHORITY MEETING

June 17, 2022

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

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

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

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

PROPOSED RESOLUTION FOR AUTHORITY MEETING

June 17, 2022

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

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

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

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

PROPOSED RESOLUTION FOR AUTHORITY MEETING

June 17, 2022

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

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

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

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

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

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

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

Not Part of Rev Fund Disposition

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

Note: The transfer into the Growth Fund includes \$1.398 million from the General Fund and \$2.259 million from the Revenue Fund

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

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

**MEMORANDUM**

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

**FROM:**  Rochelle Kowalski

**DATE:** June 17, 2022

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

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

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

cc: L. Bingaman  
R. Kowalski



PROPOSED RESOLUTION FOR AUTHORITY MEETING

JUNE 23, 2022

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

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

**FY22 TO FY23 Proposed Revisions**

**Timing Related**

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

**Planned**

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

**Retainage**

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

**Subtotal Project Revisions \$ 1,019,504**

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

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

**Subtotal Contingency \$ 1,983,000**

**TOTAL PROPOSED BUDGET REVISIONS \$ 3,002,504**

-CAUTION-

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

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

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

## RPB COMMITTEE MEETINGS

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

## RPB COMMITTEE MEETINGS

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

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**MEMORANDUM**

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

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

**Status Summary:**

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

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

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

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

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

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

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

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

To the Five Member Authority Board:

June 23, 2022

I am pleased to provide you with the June 2022 Board report. The below updates support some of my strategic priorities for Fiscal Years 2022-2023, and align with the goals and objectives in the 2020-2025 Strategic Plan.

### **Fiscal 2023 Action Plans and Global Metrics**

As reported last month, in April, the RWA put together employee-work groups focused on strategic initiatives the organization should pursue in Fiscal 2023 to advance the 2025 Strategic Plan. This was to ensure we involved more colleagues in the planning process, obtained diverse perspectives and shared authority by giving employees a voice. Leaders from the employee work teams will join members of the Leadership Team at the June Strategic Planning Committee meeting to share the RWA's Fiscal Year 2023 action initiatives and Global Metrics.

### **Commercial Business Update**

On the heels of the successful Water Systems Specialties acquisition, progress continues with a purchase of an environmental lab to enhance the RWA's commercial services growth and to offer a broader suite of services to more customers. We will provide you with an update during executive session at the Commercial Business Committee meeting at the June board meeting.

In addition, we are in preliminary discussions with acquisition targets in the water heater space, which represents an expansion of our product portfolio.

### **Engaging With More Employees in the Field**

As part of my monthly visits in the field engaging with employees, this month I joined our Director of Operations, Jim Hill, and observed a number of major projects underway to improve the water system. These site stopovers included:

- visiting the Seymour wellfield and watching staff run well #7 to waste to ensure the main was clean after jetting was completed weeks earlier; well jetting is a very fast method of drilling water supply wells in certain types of soils;
- surveying the progress on a water service transfer in Milford from an old main to a new 2,200-foot main;
- touring the West River Water Treatment Plant Dissolved Air Flootation project, which is the process of removing suspended solids and other contaminants via the use of air bubble floatation;
- viewing progress on the installation of new Sodium Hypochlorite bulk tanks at the Lake Gaillard Water Treatment Plant; and
- witnessing repair work on a 12-inch water main break in Cheshire.

### **Water Wise Ways**

As part of the RWA's continuous commitment to educate our customers on how to use water wisely, we are once again partnering with WTNH-TV Channel 8 and its sister station WCTX-TV Channel 59, to air "Water Wise Ways." This on-air and on-line RWA public service campaign features 10 15-second messages that offer simple outdoor and indoor ways people can reduce their water use to help ensure we are able to meet public water supply needs for customers, fire protection and the environment. This year,



we added two new spots focused on doing laundry and chilling tap water. All of the TV commercials have a call to action to visit [rwater.com](http://rwater.com) for more ways to conserve water and reduce non-essential use.

Water Wise Ways is part of a broader program to help our customers use water wisely and includes our annual rain barrel sale, which concluded earlier this month with 89 individuals purchasing 133 water barrels.

What follows are important developments and updates organized by the four perspectives of the Balanced Scorecard: Customers & Constituents, Employee Learning & Growth, Financial and Internal Business Process.

I look forward to our June meeting.

Sincerely,

A handwritten signature in blue ink that reads "Larry". The signature is written in a cursive, flowing style.



## FINANCIAL PERSPECTIVE

### Maintenance Test

Cash collections of approximately \$9.0 million for the month of May were approximately \$1.5 million above budget. This variance is primarily due to higher-than-budgeted billings and the timing of cash receipts for metered water. We are continuing to monitor billing-to-cash conversion patterns in the post monthly billing environment.

The current projection for Fiscal 2022 is 138% coverage with no shortfall. The budgeted shortfall is \$922,000. The year-end projection incorporates the January rate increase. The budget does not reflect the rate increase.

As we conclude Fiscal 2022 and begin Fiscal 2023, there is still uncertainty regarding the financial impacts of the pandemic, including on employment levels and customers' ability to pay.

### Water Revenues

Total water revenues (including metered, wholesale and fire) were above budget by approximately \$3.4 million (approximately 2.9%) through May (fiscal year to date).

### Water Production

The average daily draft in May was 43.1 MG, which compares to 47.0 MG in May 2021. The peak day draft for the month occurred on May 30, 2022 when 51.2 MG of water was delivered to the system. The peak day draft in May 2021 occurred on May 26, 2021 when 60.0 MG was delivered to the system. Wholesale water to other utilities totaled 91.8 MG in May 2022 as compared to 105.5 MG in May 2021.

### Capital Program

#### Summary: Capital Expenditures as of May 31, 2022

000's Omitted

	Revised Budget	Fiscal YTD Expenditures	Over/(Under)
1. Natural Resources	2,055	1,789	(267)
2. Treatment	9,334	9,347	13
3. Transmission & Distribution	14,261	14,366	104
4. General Plant	5,142	4,080	(1,062)
5. Contingency	9,515	-	(9,515)
Sub-Total	40,307	29,581	(10,726)
6. State & Redevelopment	3,000	1,333	(1,667)
7. Non-Core Billing	745	728	(17)
Total	44,052	31,643	(12,409)

## Collection Activity

Accounts receivable over 60 days, net of liens, receiverships and multi-family balances, is at \$3.7 million compared to \$4.3 million for the same month last year. In May 2022, net past-due accounts, excluding multi-family tenants, properties that are in receivership, or on which we have placed liens, were 35% of total accounts receivable 60 days past due compared to 37% in May 2021.

A top 100 delinquent account review was performed by a dedicated RWA resource in May. The aging reports are divided by Commercial, Industrial, Residential and Public Authority accounts, and outbound collection calls resulted in recoveries of \$496,000 in May.

## Commercial Services

### PipeSafe Protection

As of May 31, 2022, total subscribers by the program were as follows:

Program	April	May
PipeSafe Water Repair	56,113	56,047
PipeSafe Sewer Repair	41,280	41,283
PipeSafe Septic Repair	838	843
PipeSafe Complete (Home Plumbing Repair)	6,654	6,768
Total Subscribers	104,885	104,941

Total repairs by type of service were as follows:

Program	May Repairs		FY22 Repairs	
	Number	Cost	Number	Cost
Water	2	\$8,613	51	\$213,541
Sewer	138	\$38,660	1,755	\$636,004
Septic	0	\$0	6	\$6,100
Interior Home Plumbing	66	\$20,140	556	\$171,998
Total Repairs	206	\$67,413	2,368	\$1,027,643

Cancellations result from property closings, foreclosures, bankruptcies and receivership, while new entrants were associated with marketing and advertising initiatives.

### Laboratory Testing

The laboratory performed analyses for both internal and external customers. The total number of samples analyzed was 2,307. The number of parameters that resulted from these samples was 8,211.

The 53% of analyses conducted were for external fee service customers.

Approximately 47% of the work was for internal customers and regulatory requirements. The analyses conducted included compliance samples, raw water monitoring, distribution requests, customer complaints and research.

Outside Fleet

	May 2022	FY 2022 YTD	FY 2021 YTD
April Revenue	\$116	\$89,510	\$68,595

*Note: Fleet reports private repair financial statistics for one month in arrears.*

Forestry Revenue

	FY 2022	FY 2021
May Revenue	\$4,317	\$1,185
FYTD	\$80,769	\$60,206

We received no timber sale payments in May 2022.

**Other Revenue Programs**

Cross-Connection Testing Revenue

The primary focus of cross-connection testing during May was in Cheshire, Hamden, Orange, Ansonia, Derby, Seymour and Milford.

	FY22	FY21
May - Revenue	\$31,610	\$39,436
FYTD	\$435,311	\$463,399

This revenue stream is a result of fees charged for testing services provided by our staff to customers.

Devices tested in May 2022 totaled 634 as compared to 757 in May 2021.

FYTD Comparison Inspections and Device Testing:

	FYTD22
Inspections	3,410
Device Tests	8,616

Recreation

	May		April	
	2022	2021	2022	2021
Permit Holders	5,676	6,337	5,792	6,502

- Completed reblazing trails at Genesee.
- Held a kids' Fishing Derby at Maltby Lakes with eight participants.
- Installed new picnic tables at Maltby Lakes and Lake Saltonstall.
- Corresponded with UCONN staff about adding our trail data to a UCONN website.



## CUSTOMERS & CONSTITUENTS PERSPECTIVE

In May, the Customer Care Center received 7,329 calls and our staff handled 6,507 of those calls; our answering service handled the remaining calls. Call volume continued to be up this month due to customer inquiries about the monthly billing conversion. The staff's adherence to schedules and call-handling guidelines resulted in an average answer speed of 2 minutes and an abandonment rate of 9%. The team processed 618 property closings in May.

### **Meter Reading & Field Service**

The AMI system over the last 30 days had a successful read rate of 99.42%.

Periodic meter changes continued during the month of May with 120 meters being changed out.

### **Public Affairs & Communications**

- Followed up on Whitney Dam community outreach meetings and drafted a meeting summary to formulate FAQs for the project webpage.
- Began drafting Lead Service Line Replacement public communication materials to include a general brochure and FAQs.
- Continued RWA Connect App advertising and communications support with 790 new customer downloads.
- During this legislative session, seven pieces of legislation passed that the RWA supported. Most notably, HB 5142: An Act Concerning Extended Producer Responsibility for Certain Common Consumer Gas Cylinders, which took several years of stakeholder collaboration to achieve passage. This legislation will create a new free and convenient stewardship recycling program for gas cylinders, helping our HazWaste Central program and its member communities. Also, a bill that increases pathways for high school students to learn about the Public Utility Management Degree (PUM) programs passed. This is particularly important because it builds upon PUM legislation that passed into law in 2019, which the RWA initiated.
- Project WATER classes were delivered to 569 students and we conducted 8 field trips, which were presented to 175 students.

### **Sustainable Solutions**

#### Former Hamden Middle School Remediation Status

New items this month regarding our obligation to remediate the former Hamden Middle School site and adjoining properties under a DEEP consent order included the following: 1) DEEP sent us the final unsigned Environmental Land Use Restriction (ELUR) for the former Community Center/current small business incubator property (496 Newhall Street, Hamden). We have 60 days to obtain the property owner's signatures on the ELUR and the property owner affidavit, and return the documents to DEEP. From there it is anticipated DEEP will sign and return the ELUR to us for recording on the Hamden town land records; and 2) completed a draft groundwater monitoring and closure report for the remediation of the four properties included in the 2003 DEEP Consent Order. The report will be finalized and submitted to DEEP following the aforementioned ELUR is recorded on the town land records.

### Mill River Debris Removal, 2200 Whitney Avenue, Hamden

In 2021, the Hamden Inland Wetlands Commission raised concerns about the RWA’s removal of tree debris from the Mill River that disturbed a stream bank. Environmental Planning has been in communications with the Commission and the Hamden Inlands Wetlands Enforcement Officer and we recently agreed on a remedy. This month, staff planted a variety of shrub species on the stream bank to enhance stability and wildlife habitat.

### Public Utilities Regulatory Authority (PURA) Emergency Response Plan Exemption Form

Environmental Planning filed a biennial exemption status form with PURA indicating the RWA is exempt from the requirement under Section 16-32e (b) CGS to file an emergency plan for restoration of service. The RWA is exempt due to its filing of a Water Supply Plan under Section 25-32d CGS.

### Invasive Plants

Staff documented and treated invasive populations in North Branford, Woodbridge, Seymour, Orange, and West Haven, while knotweed was cut at the Davis Street sediment basin in Hamden. The Branford Land Trust staff reported that water chestnuts were removed from the property they recently acquired on Todds Hill Road.

### Mill River Stream Flows

Environmental Planning continues to monitor flows in the Mill River basin in collaboration with USGS. Data is collected continuously at the Mill River Mount Carmel Avenue gauge. Flows were below average for the month of May at the USGS gauging site. RWA gauging site values were also below average for the month. As of June 3, stream flow at the Mount Carmel gauge was 26.8 cfs, compared to a 25<sup>th</sup> percentile flow of 22.0 cfs for the same day over the gauge period of record.

### Diversion Monitoring

Routine source water monitoring for the company DBP reduction initiative was conducted as scheduled in May. Sites throughout the Gaillard system were monitored for *in situ* parameters, with a focus on sources directly impacting the Gaillard reservoir. Samples for laboratory analysis of nutrients, total organic carbon (TOC), and dissolved organic carbon (DOC) were also collected at each site. Additionally, samples were collected in the Saltonstall system at the Farm River East Haven Diversion, Beaver Swamp Brook at Hosley Avenue, and the Furnace Pond/Saltonstall railroad culvert.

### Downstream Release Requirements (DSR)

Lake Gaillard remained below spillway during the month of May. Hammonasset, Dawson and Menunketuc all dropped below spillway during the month. Weir levels were monitored at all lakes to ensure sufficient water was being released to meet DSR thresholds and to maintain critical downstream ecosystems. Lake Gaillard downstream release was temporarily reduced for 1-2 days due to a blockage in the intake structure, which was flushed in early May. No other issues maintaining satisfactory DSR were encountered during the month of May.

### Rainfall (Inches)

	Current Year	Previous Year	Historical Average
May 2022	2.24	5.08	3.92
Fiscal YTD (6/1/21 – 5/31/22)	46.81	42.26	46.54

### Reservoir Levels (Percent Full)

	Current Year	Previous Year	Historical Average	Drought Status
May 2022	96	97	9	None

### Unaccounted-for-Water

The net unaccounted-for-water (UAW) calculated for the period of March 2021 through February 2022 is 13.52%.

Calculations for UAW include a three-month lag in order to account for all billing within a quarter, and use a 12-month average of production and consumption data.

A summary of the net unaccounted-for-water results are in the following table:

Values Jan 2021 - Dec 2021	Values Feb 2021 – Jan 2022	Values Mar 2021 – Feb 2022
11.88%	13.54%	13.52%
1,881 Million Gallons	2,145 Million Gallons	2,138 Million Gallons



## **EMPLOYEE LEARNING & GROWTH PERSPECTIVE**

### **Safety**

There were no OSHA recordable injuries in May. Total injuries for FY22 is eight with six of those being preventable. To date, there are 19 open Workman Compensation claims.

### **Employee Relations**

There are currently no outstanding union grievances filed.

### **COVID-19**

As of May 2022, we have had a total of 86 confirmed cases of COVID-19 since we started tracking in 2020. This month, we had 13 employees test positive for COVID-19. We continue to track and monitor cases as well as watch the positivity rate in the state and region.

### **Insurance Claims**

There are currently two large customer liability claims filed. The RWA's insurance carrier denied both claims. One claim is currently scheduled for trial in July with a continuance filed, and the other is going to mediation in June for potential settlement.

## Personnel Updates

The total number of RWA full-time equivalents (FTEs) as of May 31 is 260 compared to the budget of 280 FTEs for FY22. Of this number, 141.5 are Non-Union, one employee belongs to the UPSEU Union, and 117.5 are in the United Steelworkers Union (USW).

In May, we had three new hires, three promotions, one retirement and one resignation:

- New Hires:
  - Henry Forte, PMO Integration Manager, IT
  - Eduardo Vazquez, Utility Technician, Water Mains, Operations
  - Scott McLean, Utility Technician, Water Mains, Operations
- Promotions:
  - Dana Bochan promoted to Director of Customer Care, IT
  - Ronald Bonenfant promoted to Utility Technician III Distribution, Operations
  - Ryan Burns promoted to Field Service/Meter Reading Representative, Operations
- Retirements:
  - Jose Torres, Field Service Representative, Operations
- Resignations:
  - Melanie Garatoni, Talent Acquisition Manager, HR

## Safety Training

For FY22, a total of 1094.5 hours of Safety training has been conducted. In May, 162 employees received 301.5 hours of training, which included *Safety Starts With Me* (effective safety practice guidelines to foster a safe workplace) and HAZWOPER (HazWaste Central) refresher training.

## Security Activity

The RWA Police received a total of 211 calls for service in May with law enforcement actions resulting in three individuals being arrested. In addition, the Police handled 47 recreation permit and 183 patrol checks, conducted 14 background investigations and responded to seven burglar alarms that occurred at our facilities. Both of our police officers attended the annual HAZWOPER recertification training and our Captain attended annual firearms training with the North Branford Police Department.



## INTERNAL BUSINESS PROCESS PERSPECTIVE

### Operations

#### Water Treatment

Major maintenance projects and activities underway at the Lake Gaillard Water Treatment Plant included: Kovacs Construction installed the new Sodium Hypochlorite bulk tanks #1, #2, and associated piping, while the old Sodium Hypochlorite bulk tanks #3 and #4, and related piping was removed. Chemical coating of the bulk tank pads and flooring has begun. The filtered water reservoir tank project continues, with



contractors installing access steps and railings on each of the reservoir tanks. Staff completed painting the flocculation basin mixer pedestals. Actuators have been installed on recycle clarifiers 1, 2 and 3.

Major maintenance projects underway at the Lake Saltonstall Water Treatment Plant included: Kone Elevator completed their work on the elevator project, pending state inspection. Associated Electrical Mechanical removed backwash pump #1 for repairs. Bi-annual maintenance of both sedimentation basins was completed. Drained and cleaned lagoon #2. Installed a new sedimentation basin turbid meter. Staff initiated relocating the post-chlorine injection point.

Major maintenance projects underway at the Lake Whitney Water Treatment Plant included: Whitney Water Treatment Plant began 24 hours a day operations. The capital project to improve the Building Management System and HVAC controls continues. A roof repair project has commenced.

Major maintenance projects underway at the West River Water Treatment Plant included: Site work continues for the Dissolved Air Floatation (DAF) capital project. Approximately two-thirds of the new DAF building's foundation have been poured and portions of the walls, which will become part of the DAF chambers and the effluent trough, are being formed. The temporary Sodium Hypochlorite feed system is on-line. New underdrains, media and surface wash arm nozzles have been installed in filter #3 and this filter has been placed back into service. All four filters are in service.

## **Field Operations**

### CBYD Markings

Through the Call Before You Dig (CBYD) clearing house, the RWA performed 2,885 markings in May with an FYTD total of 27,878. Markings for the month of May 2022 were 2% more than in May 2021.

### Distribution System Flushing

Seasonal flushing started this month, continuing in downtown New Haven. To date, we have completed 160.18 miles. Our crews flushed an additional 6.2 miles of main for DPH compliance reporting.

### Main Breaks

In May, we experienced two main breaks and six unplanned system repair/replacements (contractor damaged main repair, gate replacement, etc.).

### Fire Flow Tests

Fire hydrant flow tests are conducted at the applicant's request; there were six tests performed during May. The purpose of the test is to determine the hydraulic characteristics of the water distribution system at the location of the project site.

### Derby Water Storage Tank

During the month of May, the City of Derby Board of Alders voted to grant the Mayor approval to sign the MOUs to lease tank site land and additional properties. The Department of Public Health (DPH) approved the proposed change order from the contractor and gave authorization approval to award the contract. The contract was executed between the RWA and Guerrero Construction with a preconstruction meeting scheduled for June.

## **Contracts & New Services**

In May, there were 10 applications received for large services, as compared to two in May 2021. This month, there were 315 feet of main extension contracts executed, compared to 75 feet of main extension contracts executed in May 2021. There were 6,860 feet of main extensions contracted in Fiscal Year 2022.

## **Information Technology and Transformational Activities**

Several Business Strategy team members participated in the American Water Works Association (AWWA) 3rd annual WE Walk! Fundraiser to support water professionals and future leaders. It's an eight-week virtual walk that raises funds for water and wastewater operator continuing education, young professional leadership programs, and youth STEAM education programs. The team, "Regional Water Walkers," raised over \$500 for youth education programs.

Final AMI letters were sent to 1,300 customer locations that do not have a Flexnet device installed. These certified letters request that the customer contact the RWA and schedule an appointment for installation of a Flexnet device at their property. Customers are being notified that the \$49 manual meter reading fee will be placed on their account if they do not set an appointment date by June 30.

**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY**

**PROPOSED RESOLUTIONS**

*(FY 2023 proposed carryovers)*

June 23, 2022

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