

South Central Connecticut Regional Water Authority

Via Remote Access**

AGENDA

Regular Meeting of Thursday, February 24, 2022 at 12:30 p.m.

- A. Safety Moment
- B. Meet as Audit-Risk Committee: C. LaMarr
 - 1. Cyber Security Update – Including Executive Session: M. Steinmetz, R. Fontana, and K. Schnaitmann
 - 2. Plan of Audit – FY 2022: D. Flint and R. Nossek
 - 3. Approve Minutes – December 16, 2021 meeting
- C. Consent Agenda
 - 1. Approve Minutes – January 27, 2022 meeting
 - 2. Capital Budget Authorization – March 2022
 - 3. Capital Budget Transfer Notification (no action required) – March 2022
 - 4. Monthly Financial Report – January 2022
 - 5. Accounts Receivable Update – January 2022
 - 6. Derby Tank Update
 - 7. North Cheshire Update
 - 8. Bid Exemption – Sodium Hypochlorite Storage and Day Tanks
 - 9. Report on Code of Ethics Compliance for period ended November 30, 2021
- D. Finance: R. Kowalski
 - 1. Type B Amendment – LGWTP Sodium Hypochlorite Tank Replacement
 - 2. Type B Amendment – Contingency
 - 3. Consider and act on resolutions authorizing the project loan obligation and subsidy for the Brushy Plains and Seymour Well projects
- E. Reports on RPB Committee meetings
- F. Meet as Strategic Planning Committee: D. Borowy
 - 1. Approve Minutes – November 18, 2021 meeting
 - 2. FY 2023 Work Plan
 - 3. FY Strategic Plan Initiatives – Preview of employee meetings
- G. Act on matters arising from Committee meetings
- H. Updates: L. Bingaman
 - 1. COVID Update: P. Joseph
 - 2. *Monthly Board Letter Highlights – Including Executive Session: L. Bingaman
- I. Executive Session to discuss personnel matters

** Members of the public may attend the meeting via conference call. For information on attending the meeting and to view meeting documents, please visit [https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2022&category=1422&meettype=7605&page=.](https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2022&category=1422&meettype=7605&page=)
For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

**RPB Member (C. Havrda) is excused at I*

Topic: Authority Regular Meeting

Time: Feb 24, 2022 12:30 PM Eastern Time (US and Canada)

Join Meeting (*via conference call*)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington DC)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

Meeting ID: 838 8573 9092

Passcode: 834665

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

Table of Contents

Table of Contents	1
Safety Moment	2
Audit Engagement Letter	3
Governance Communication Letter	16
12 16 2021 RWA Audit Minutes DRAFT	21
01 27 2022 RWA Minutes DRAFT	23
Capital budget authorization - March 2022	27
Capital Budget Transfers	29
Monthly Financials - January 2022	33
Aging Accounts Receivable	36
Derby Tank Update	37
North Cheshire Development Update	39
Bid Exemption	40
Code of Ethics Report - 2021	43
B3 Amendments - LGWTP Sodium Hypochlorite Tank Replacements	44
B3 Amendments West River contingency	52
PLO Supplemental Resolution - 2022	57
PLO Resolution - 2022	71
RPB Comm Mtgs Jan to Mar 2022	74
11 18 2021 RWA Strategic Minutes DRAFT	75
Strategic Planning FY 2023 Work Plan	76
FY 2023 Strategic Action Plan Summary	77

SAFETY MOMENT

DRIVING IN SUN GLARE

Account for time of day

Sun glare tends to be the worst in the early morning and late afternoon. Drivers should be mindful of the potential for glare.

Use polarized sunglasses

Polarized glasses have been popular for years among boaters and fishermen who need to reduce the glare from the water. They offer less eye strain and strong protection from both UVA and UVB rays.

Use the sun visor

It sounds basic, but you can block out the harshest rays of the sun by using your car's sun visor. Be aware that a visor can also reduce overall vision.

Slow down and leave more room

Your visibility and reaction time will decrease due to glare, so it's important to give yourself a greater gap to react.

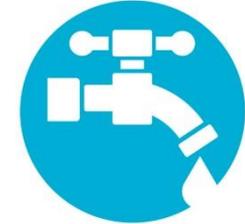
Use your headlights

This makes you more visible to other drivers.

Clean your windshield

Spots and debris on your windshields can make it even more difficult to see in sun glare situations.

Tap Into
Safety



Regional Water Authority



Service – Teamwork – Accountability – Respect – Safety

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

Regional Water Authority



CliftonLarsonAllen LLP
29 South Main Street, 4th Floor
West Hartford, CT 06107

phone 860-561-4000 fax 860-521-9241
CLAAconnect.com

February 1, 2022

Ms. Rochelle Kowalski
Vice President of Reporting and Analysis
South Central Connecticut Regional Water Authority
90 Sargent Drive
New Haven, CT 06511-5966

Dear Ms. Kowalski:

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for the South Central Connecticut Regional Water Authority (“you,” “your,” or “the entity”) for the year ended May 31, 2022.

Ronald Nossek is responsible for the performance of the audit engagement.

Scope of audit services

We will audit the financial statements of the business-type activities and the aggregate remaining fund information, which collectively comprise the basic financial statements of the South Central Connecticut Regional Water Authority, as of and for the year ended May 31, 2022, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity’s basic financial statements. The RSI will be subjected to certain limited procedures, but will not be audited. The following RSI will be subjected to certain limited procedures, but will not be audited.

1. Management’s discussion and analysis.
2. GASB-required supplementary pension and OPEB

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

The supplementary information other than RSI accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditors’ report will not provide an opinion or any assurance on that information.

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

1. Schedule of expenditures of federal awards



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.

Nonaudit services

We will also provide the following nonaudit services:

- Preparation of your financial statements, schedule of expenditures of federal awards, related notes, and RSI.
- Preparation of and submission of the federal data collection form.

Audit objectives

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

Our audit will be conducted in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Our audit will include tests of your accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express opinions and render the required reports. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information (as identified above) other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

The objectives of our audit also include:

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

federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

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

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

It is our understanding that our auditors' report will be included in your annual report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinions on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Auditor responsibilities, procedures, and limitations

We will conduct our audit in accordance with U.S. GAAS, the standards for financial audits contained in *Government Auditing Standards*, and the Uniform Guidance. Those standards require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinions on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements, including the amounts and disclosures, and whether the basic financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

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

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

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting fraud or errors that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. Our tests, if performed, will be less in scope

than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

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

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

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

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

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

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

Management responsibilities

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

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

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

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

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

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

with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; identifying and ensuring that the entity complies with applicable laws, regulations, contracts, and grant agreements, including compliance with federal statutes, regulations, and the terms and conditions of federal awards applicable to the entity's federal programs; and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we may report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; and to follow up and take prompt corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

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

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

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and

otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

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

Responsibilities and limitations related to nonaudit services

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

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

- We will prepare a draft of your financial statements, schedule of expenditures of federal awards, and related notes in conformity with U.S. GAAP and the Uniform Guidance based on information provided by you. Since the preparation and fair presentation of the financial statements and schedule of expenditures of federal awards is your responsibility, you will be required to acknowledge in the representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements and schedule of expenditures of federal awards.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.
- We will prepare the Data Collection Form. Management is responsible to review for completeness and accuracy before submitting to the Federal Audit Clearing House.

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

Use of financial statements

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

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

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

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

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

Engagement administration and other matters

The audit will be scheduled and will progress according to a mutually agreed upon schedule.

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

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

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

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

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by a cognizant or oversight agency for the South Central Connecticut Regional Water Authority. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

2

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

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

Mediation

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

Time limitation

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

Fees

We estimate that our professional fees will be \$100,400 for the audit and \$11,500 for the federal single audit, entering the information in the Data Collection Form SF-SAC and creating the single audit reporting package. We will also bill for expenses (including travel, other costs such as report production, word processing, postage, etc., and internal and administrative charges) plus a technology and client support fee of five percent (5%) of all professional fees billed. These estimates are based on anticipated cooperation from your personnel and their assistance with preparing confirmations and requested schedules. If the requested items are not available on the dates required or are not accurate, the fees and expenses will likely be higher. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require a substantial increase in the fee and expense estimates. Our invoices, including applicable state and local taxes, will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and related fees and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our invoices, including applicable state and local taxes, will be rendered in accordance with the following schedule and are payable on presentation. In accordance with our firm policies, work may be suspended if your account become 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our reports. You will be obligated to compensate us for all time expended and related fees and to reimburse us for all out-of-pocket expenditures through the date of termination.

Changes in accounting and audit standards

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

Changes related to COVID-19

COVID-19 continues to have significant direct and indirect impacts on financial reporting, disclosure requirements, and the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in this letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

Other fees

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

Finance charges and collection expenses

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

Consent

Consent to use information for benchmarking analysis

In an effort to better serve the needs of our clients, we develop a variety of benchmark, performance indicator, and predictive analysis reports, using anonymized client data obtained from our audit, tax, and other engagements. Business and financial information that you provide to us may be combined with information from other clients and included within the aggregated data that we use in these reports. While some of these analytical reports will be published and released publicly, please be assured that the separate information that we obtain from you will remain confidential, as required by the AICPA Code of Professional Conduct.

Subcontractors

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions

between you and CLA. If you have any questions, please let us know. Please sign, date, and return this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

CliftonLarsonAllen LLP



Ronald Nossek, CPA
Principal
401-330-2743
Ronald.Nossek@CLAconnect.com

Response:

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

Authorized governance signature: Rochelle Kowalski

Title: Vice President of Financial Reporting & Analysis

Date: 2/7/2022



CliftonLarsonAllen LLP
29 South Main Street, 4th Floor
West Hartford, CT 06107

phone 860-561-4000 fax 860-521-9241
CLAconnect.com

February 1, 2022

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

We are engaged to audit the financial statements of the business-type activities and the aggregate remaining fund information of the South Central Connecticut Regional Water Authority as of and for the year ended May 31, 2022. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

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

Financial statements, internal control, and compliance

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

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



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details.

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

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

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

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

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

Supplementary information in relation to the financial statements as a whole

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

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

Required supplementary information

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

Use of financial statements

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

Other information included in annual reports

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

Planned scope and timing of the audit

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

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

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

We expect to begin our audit on approximately April 11, 2022 and issue our report on approximately September 1, 2022.

* * *

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

Sincerely,

CliftonLarsonAllen LLP



Ronald Nossek, CPA
Principal
401-330-2743
Ronald.Nossek@CLAconnect.com

**South Central Connecticut Regional Water Authority
Audit-Risk Committee**

Minutes of the December 16, 2021 Meeting

The regular meeting of the South Central Connecticut Regional Water Authority Audit-Risk Committee took place on Thursday, December 16, 2021, via remote access. Chairwoman LaMarr presided.

Present: **Committee** – Mss. LaMarr and Sack and Messrs. DiSalvo, Borowy, and Curseaden
Management – Mss. Kowalski, Reckdenwald, Schenkle and Messrs. Bingaman, Courchaine, Lakshminarayanan, Norris, Schnaitmann, and Singh
RPB – Ms. Young
Staff – Mrs. Slubowski

Chair LaMarr called the meeting to order at 12:55 p.m.

On motion made by Mr. Borowy, seconded by Mr. Curseaden, the Committee approved the minutes of its meeting held on September 23, 2021, as presented.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Abstain
Sack	Absent

At 12:56 p.m., on motion made by Mr. Curseaden, seconded by Mr. Borowy, and unanimously carried, the Authority voted to go into executive session to discuss a matter of security, cybersecurity resiliency. Present in executive session were the Authority members present, Messrs. Bingaman, Courchaine, Lakshminarayanan, Norris, Schnaitman, and Singh, Mss. Kowalski, Reckdenwald, and Slubowski.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Absent

At 1:02 p.m., Ms. Sack entered the meeting.

At 1:27 p.m., the committee came out of executive session and Mr. Schnaitman withdrew from the meeting, and Mss. Schenkle and Young entered the meeting.

Ms. Schenkle, the RWA’s Manager of Environmental, Health, Safety & Risk, and Ms. Kowalski, the RWA’s Vice President of Financial Reporting & Analysis, provided a Risk Management Update, which included:

- Risk Mitigation Team’s FY 2022 goals
- Methodology for risk ranking
- Committee of Sponsoring Organizations of the Treadway Commission framework
- Insurance updates

At 1:48 p.m., on motion made by Ms. Sack, seconded by Mr. Borowy, and unanimously carried, the committee meeting adjourned.

South Central Connecticut Regional Water Authority
Audit-Risk Committee
December 16, 2021

UNAPPROVED DRAFT

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Catherine E. LaMarr, Chairwoman

**South Central Connecticut Regional Water Authority
Minutes of the January 27, 2022 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, January 27, 2022, via remote access. Chairman Borowy presided.

Present: Authority Members Present – Messrs. Borowy, Curseaden, DiSalvo, LaMarr and Ms. Sack
Management – Ms. Kowalski and Messrs. Bingaman, Courchaine, Joseph, Lakshminarayanan, and Singh
Claire C. Bennett Watershed Fund – Atty. Stone
RPB – Mr. Eitzer
Staff – Mrs. Slubowski

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

Mr. Joseph, RWA’s Interim Human Resources Vice President, reviewed the Safety Moment distributed to members.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 1:17 p.m., the Authority reconvened and Mr. Stone entered the meeting.

Atty. Stone, Chair of the Claire C. Bennett Watershed Fund (“Fund”), discussed the appointment of Ms. Capone to the board of directors of the Fund. He stated that she employed as the Director of Public Affairs at the RWA. Based on her skillset and qualifications, the Fund is recommending her appointment as a director of the Claire C. Bennett Watershed Fund. Mr. Curseaden motioned for approval of the following resolution:

RESOLVED, that April Capone, be and hereby is, elected as a Director of the Claire C. Bennett Watershed Fund, Inc., to serve in such capacity until the annual meeting of the sole member in 2024, or until she otherwise lawfully ceases to hold such office.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 1:21 p.m., Atty. Stone withdrew from the meeting.

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

1. Minutes of the December 16, 2021 meeting.
2. Capital Budget Authorization for February 2022.

RESOLVED, the Vice-President of Financial Reporting & Analysis is authorized to submit to the Trustee one or more requisitions in an aggregate amount not to exceed \$3,000,000 for the month of February 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. Capital Budget Transfer Notifications – February 2022
4. Monthly Financial Report – December 2021
5. Accounts Receivable - December 2021
6. Bid Exemption – Gate Truck/No Des
7. RPB Presentation – Solar Savings Program Update

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Ms. Kowalski reported on a Type B Amendment for the transfer of funds from the West River Water Treatment Plant Improvement account to the Lake Gaillard Water Treatment Plant Finished Water Reservoirs Concrete Improvements project. Ms. LaMarr moved for approval of the following resolution:

RESOLVED, that the Authority approves the transfer of \$650,000 from the West River Treatment Plant Improvements capital budget account to the Lake Gaillard Water Treatment Plan Finished Water Reservoirs Concrete Improvements capital budget account.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Mr. Joseph provided an update on the status of COVID at the RWA.

Mr. Bingaman:

- Updated the Authority on the RWA’s efforts to pursue the acquisition of a regional environmental lab as well as another well services company. In addition, the RWA recently entered into a partnership agreement with the Town of Wolcott Sewer & Water division in an effort to offer PipeSafe to homeowners outside of the RWA service territory.
- Reported on a recent meeting with the President & CEO of Tighe & Bond (“T&B”) to discuss the progression of the professional services agreement with the RWA. The strategic partnership is working as designed. As part of the agreement, T&B offers support services to the RWA’s Capital Planning & Delivery team at no additional cost.

Authority members reported on recent Representative Policy Board committee meetings.

At 1:41 p.m., on motion made by Mr. DiSalvo, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the meeting to meet as the Compensation Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 2:10 p.m. – 2:25 p.m., committee break.

At 3:23 p.m., the Authority reconvened.

Ms. Sack moved for approval of the following resolution, as recommended by the Pension & Benefit Committee:

WHEREAS, on July 18, 2013 the Pension Review Committee, consisting of members of senior management with Human Resources and Finance responsibilities, was authorized and empowered to act on routine matters related to the Authority’s Salaried Employees’ Retirement Plan and Retirement Plan (Union), with instructions to defer final action on non-routine matters until they have consulted with, what is now, the Pension & Benefit Committee of the Authority board.

NOW THEREFORE LET IT BE RESOLVED, that the Pension Review Committee’s responsibilities be officially expanded to include routine matters related to the Authority Voluntary Investment Plan, with amendments and non-routine matters requiring the recommendation of the Pension & Benefit Committee and authorization by the Authority board.

BE IT FURTHER RESOLVED, that the Pension & Benefit Committee of the Authority board will receive an annual report of the Authority Voluntary Investment Plan.

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

Borowy	Aye
--------	-----

Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

At 3:25 p.m., on motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

Respectfully submitted,

Catherine E. LaMarr, Secretary

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

MEMORANDUM

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

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

DATE: February 18, 2022

SUBJECT: Capital budget authorization request for March 2022

Attached for your meeting on February 24, 2022 is a copy of the resolution authorizing expenditures against the capital improvement budget for March 2022. The amount of the requested authorization, for funds held by the trustee, is \$4,500,000.

In addition, from the Growth Fund, approximately \$6,500 is expected to be used for the Non-Core Billing project.

This would result in projected expenditures through March 2022 of \$22,051,680 or 50.1% of the total 2022 fiscal year capital budget, including State and Redevelopment and Growth Fund.

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 \$4,500,000 for the month of March 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.

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* Rochelle Kowalski

DATE: February 18, 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
Spring Street Pump Station Replacement	\$155,000	Brentwood Road, Orange, Capital Water Main Replacement
Critical Pump Station & Transmission Facilities Upgrades	\$115,000	Brentwood Road, Orange, Capital Water Main Replacement
Well Replacements	\$108,000	Well Rehabilitations

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-34	Feb/22
Requested By:	Tom Adamo			

Transfer From:	
Account Number:	001-000-107125-000045
Project Description:	Critical Pump Station & Transmission Facilities Upgrades
A) Original Budget	350,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	115,000
D) Revised Budget (A+/-B-C)	200,000
E) Estimated Project Costs	150,000
F) Remaining Funds Available for Transfer, if any (D-E)	50,000
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	to be created
Project Description:	Brentwood Road, Orange - 8" Capital Water Main Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	155,000
C) Revised Budget (A+/-B)	155,000
D) Amount to be Transferred	115,000
E) Proposed Revised Budget (C+D)	270,000
Explanation why funds are needed: Amendment 2 of 2: This amendment will fund the replacement of 1,700 feet of 8-inch water main in Brentwood Road in Orange. In early 2022, the RWA was notified by the Town of Orange of their intent to pave the road in the summer of 2022. This project was planned for replacement in a future budget year. In February, a break was experienced on the main in this roadway. As a result of this break, and the Town's intention to pave the roadway, this project has been accelerated. Work will begin in FY 2022, and continue into FY 2023. The total estimated cost of work to be completed in FY 2022 is \$270,000; total estimated multi-year cost of the main replacement is \$645,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	2/14/2002
2) Donor Vice President/Director	<i>Rochelle Kowalski</i>	2/16/2022
3) Vice President - Finance	<i>Jim Conchaire</i>	2/14/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Buzeman</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-35	Feb/22
Requested By:	Hetal Shah			

Transfer From:	
Account Number:	001-000-107132-170009
Project Description:	Well Replacements
A) Original Budget	110,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	108,000
D) Revised Budget (A+/-B-C)	2,000
E) Estimated Project Costs	2,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	001-000-107132-062701
Project Description:	Well Rehabilitations
A) Original Budget	230,000
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	230,000
D) Amount to be Transferred	108,000
E) Proposed Revised Budget (C+D)	338,000
Explanation why funds are needed: This amendment will fund the addition of the rehabilitation of two additional wells (North Sleeping Giant Well #4 and North Cheshire Well #1) during FY 2022. Based on recent input and discussions with Operations, rehabilitation of these two wells prior to the peak demand season is critical. Total cost of the rehabilitation of these two wells is estimated at \$108,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>L M</i>	2/14/2022
2) Donor Vice President/Director	<i>L M</i>	2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Puzeman</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-33	Feb/22
Requested By:	Tom Adamo			

Transfer From:	
Account Number:	001-000-107125-150065
Project Description:	Spring Street Pump Station Replacement
A) Original Budget	305,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	155,000
D) Revised Budget (A+/-B-C)	150,000
E) Estimated Project Costs	150,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: Design work on this planned multi-year project is expected to complete under budget. Project will continue in FY 2023.	

Transfer To:	
Account Number:	to be created
Project Description:	Brentwood Road, Orange - 8" Capital Water Main Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	0
D) Amount to be Transferred	155,000
E) Proposed Revised Budget (C+D)	155,000
Explanation why funds are needed: Amendment 1 of 2: This amendment will fund the replacement of 1,700 feet of 8-inch water main in Brentwood Road in Orange. In early 2022, the RWA was notified by the Town of Orange of their intent to pave the road in the summer of 2022. This project was planned for replacement in a future budget year. In February, a break was experienced on the main in this roadway. As a result of this break, and the Town's intention to pave the roadway, this project has been accelerated. Work will begin in FY 2022, and continue into FY 2023. The total estimated cost of work to be completed in FY 2022 is \$270,000; total estimated multi-year cost of the main replacement is \$645,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	2/14/2022
2) Donor Vice President/Director	<i>LM</i>	2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/18/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bingham</i>	2/18/2022
6) Authority Members	Copy of minutes attached if required	

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY22 revenue for water, including wholesale and fire service, is over budget by \$669k (approx. 0.8%).
 Metered water revenue is over budget by \$672k (approx. 0.9%)

Total net other revenue is \$244k under budget primarily due other water field collection charges 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.	\$ (679,000)
Employee Benefits are under budget primarily due to lower medical and dental expense, payroll tax, and 401k.	(643,000)
Administrative Building is over budget primarily due to custodial services.	54,000
General & Admin is under budget primarily due to the timing and classification of computer purchases.	(91,000)
Transportation is under budget primarily due to diesel fuel and insurance.	(59,000)
Material From Inventory is under budget due to lower than anticipated costs and timing.	(127,000)
Pump Power is under budget primarily due to lower than anticipated costs and timing.	(209,000)
Road Repairs are over budget due to higher than anticipated costs.	135,000
Postage is under budget primarily due to timing.	(102,000)
Collection Expense is under budget due to lower year-to-date collections related expenses and affordability fund contributions.	(153,000)
Public/Customer Information is under budget primarily due to timing.	(145,000)
Outside Services are under budget in multiple areas.	(521,000)
Insurance Premiums are over budget primarily due to timing.	91,000
Training and continued education is under budget across multiple areas.	(82,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services.	(213,000)
Info. Technology Licensing & Maintenance Fees are over budget due to timing.	68,000
Maintenance & Repairs are under budget primarily due to timing.	(442,000)
All Other	(224,000)
	<u>\$ (3,342,000)</u>

Interest Income

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

PROJECTED MAINTENANCE TEST

The projected coverage is 1.17 with no shortfall. The budgeted shortfall is \$922k.

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

Pg 2

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 74,474	\$ 72,076	\$ 72,748	\$ 672
Fire service	8,090	8,107	8,114	7
Wholesale	527	525	515	(10)
Other revenue - water	2,296	2,520	2,544	24
Other revenue - proprietary	6,597	6,330	6,587	257
Total operating revenues	91,984	89,558	90,508	950
Operating expenses				
Operating and maintenance expense	34,981	39,706	36,364	(3,342)
Expense associated with other revenue - water	1,234	1,307	1,456	149
Expense associated with other revenue - proprietary	2,652	2,551	2,927	376
Provision for uncollectible accounts	567	633	294	(339)
Depreciation	16,800	16,400	16,402	2
Payment in lieu of taxes	5,752	5,967	5,755	(212)
Amortization Pension Outflows/Inflows	1,089	571	571	0
Amortization OPEB Outflows/Inflows	(364)	(418)	(418)	(0)
Total operating expenses	62,710	66,717	63,352	(3,365)
Operating income	29,274	22,841	27,155	4,316
Nonoperating income and (expense)				
Interest income	195	1,340	683	(657)
(Loss) Gain on disposal of assets	(229)	-	(1,625)	(1,625)
Realized and unrealized (losses) gains on investments	-	-	-	-
Interest expense	(14,859)	(14,426)	(14,449)	(23)
Amortization of bond discount, premium, issuance cost and deferred losses	1,816	1,659	1,643	(16)
Intergovernmental revenue	25	-	-	-
Contributions to related entities	-	-	(950)	(950)
Total nonoperating income and (expense) before capital contributions	(13,052)	(11,427)	(14,698)	(3,272)
Income (expense) before contributions	16,222	\$ 11,414	12,457	\$ 1,044
Capital contributions				
Change in net assets	1,242	-	740	-
Total net assets - beginning of fiscal year	211,589	-	236,696	-
Total net assets - end of reporting month	\$ 229,054	-	\$ 249,893	-

	Budget FY 2022 @114%	Projected FY 2022 @114%	(Under)Over FY 2022 @114%
FY 2022 MAINTENANCE TEST (Budget vs. Projected)			
Revenue Collected:			
Water sales	116,629	118,829	\$ 2,200
Interest Income	150	150	-
BABs Subsidy	657	657	-
Other Net	7,154	7,054	(100)
Common Non-Core	(250)	(290)	(40)
Total	124,340	126,400	2,060
Less:			
Operating and maintenance expenses	(59,741)	(59,741)	-
Common Non-Core	-	-	-
Depreciation	(6,500)	(6,917)	(417)
PILOT (A)	(8,950)	(8,575)	375
Net Avail for Debt Service (B)	\$ 49,149	\$ 51,167	\$ 2,018
Debt Service Payments (C)	\$ 43,922	43,606	\$ (316)
Debt Service @ 114% (D)	\$ 50,071	49,710	\$ (361)
Difference (B-D)	\$ (922)	\$ 1,457	
RSF, Growth and/or General Fund (D)	922		
Coverage	114%	117%	

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

Pg 3

PERIOD ENDING JAN 31, 2022

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	(Under) Over
1 Payroll	\$ 14,540	\$ 15,637	\$ 14,958	\$ (679)
2 Employee Benefits	5,012	5,337	4,694	(643)
Pension Contributions	1,774	1,801	1,801	0
3 Administrative Building	727	604	658	54
4 General & Administrative	810	1,042	951	(91)
5 Transportation	493	473	414	(59)
6 Tools & Stores	236	206	213	7
7 Utilities & Fuel	942	942	952	11
8 Material From Inventory	136	253	126	(127)
9 Pump Power Purchased	1,941	2,100	1,891	(209)
10 Chemicals	1,267	1,333	1,310	(23)
11 Road Repairs	84	95	230	135
14 Postage	152	219	116	(102)
15 Printing & Forms	45	56	32	(24)
17 Collection Expense	365	585	432	(153)
18 Business Improvement	148	82	64	(17)
19 Public/Customer Information	108	274	129	(145)
20 Outside Services	1,140	2,463	1,943	(521)
21 Insurance Premiums	939	1,085	1,177	91
22 Worker's Compensation, pre-Churchill	(36)	31	17	(15)
23 Damages	51	43	28	(16)
24 Training & Cont. Education	72	162	81	(82)
25 Authority Fees	88	104	91	(13)
26 Consumer Counsel	15	40	11	(29)
27 RPB Fees	66	113	64	(49)
28 Organizational Dues	59	83	83	0
29 Donations	9	24	7	(18)
34 Central Lab/Water Quality	133	307	93	(213)
40 Environmental Affairs	68	78	39	(39)
44 Info. Technology Licensing & Maintenance Fees	1,426	1,653	1,721	68
45 Maintenance and Repairs	1,893	2,199	1,757	(442)
46 Regulatory Asset Amortization	281	281	282	1
	<u>\$ 34,981</u>	<u>\$ 39,706</u>	<u>\$ 36,364</u>	<u>\$ (3,342)</u>

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)

	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021	April 2021	March 2021	Feb 2021	Jan 2021
Under 30	\$ 10,706	\$ 6,974	\$ 8,276	\$ 7,638	\$ 8,164	\$ 6,789	\$ 8,080	\$ 6,782	\$ 5,664	\$ 6,227	\$ 6,251	\$ 5,782	\$ 6,802
31-60	2,930	3,312	2,042	2,743	1,990	2,081	2,546	1,548	1,987	2,185	1,433	2,112	2,527
61-90	919	1,093	1,436	686	842	1,465	887	966	1,344	891	990	1,666	972
91-180	1,561	1,652	1,775	1,881	1,946	1,705	2,023	2,095	2,063	2,016	2,112	2,195	2,118
181-360	2,179	2,145	2,071	2,120	2,149	2,212	2,284	2,404	2,197	2,331	2,443	2,353	2,286
More than 1 year	5,255	5,238	5,111	5,341	5,388	5,134	5,150	5,102	4,964	4,998	4,969	4,720	4,621
Sub Total	23,550	20,414	20,711	20,409	20,479	19,386	20,970	18,897	18,219	18,648	18,198	18,828	19,326
Interest due	1,337	1,224	1,112	1,014	1,026	1,055	1,067	1,088	1,130	1,171	1,216	1,229	1,265
Total Gross A/R plus interest	\$ 24,887	\$ 21,638	\$ 21,823	\$ 21,423	\$ 21,505	\$ 20,441	\$ 22,037	\$ 19,985	\$ 19,349	\$ 19,819	\$ 19,414	\$ 20,057	\$ 20,591

Aged Accounts Receivable Focus of Collection Efforts

	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021	April 2021	March 2021	Feb 2021	Jan 2021
Greater than 60 days:													
A/R	\$ 10,927	\$ 11,093	\$ 11,360	\$ 11,012	\$ 11,334	\$ 11,554	\$ 11,393	\$ 11,640	\$ 11,683	\$ 11,386	\$ 11,710	\$ 12,143	\$ 11,242
Less: Multi-Tenants	(2,799)	(2,981)	(3,104)	(2,569)	(2,831)	(2,941)	(2,765)	(3,095)	(3,124)	(2,641)	(2,847)	(3,127)	(2,676)
Receiverships	(2,029)	(1,995)	(1,971)	(1,985)	(2,008)	(1,961)	(2,125)	(1,966)	(1,995)	(2,048)	(2,023)	(2,018)	(1,976)
Liens	(2,212)	(2,220)	(2,189)	(2,196)	(2,281)	(2,472)	(2,112)	(2,274)	(2,236)	(2,304)	(2,410)	(2,296)	(2,165)
Total	\$ 3,887	\$ 3,897	\$ 4,096	\$ 4,262	\$ 4,214	\$ 4,180	\$ 4,391	\$ 4,305	\$ 4,328	\$ 4,393	\$ 4,430	\$ 4,702	\$ 4,425
	36%	35%	36%	39%	37%	36%	39%	37%	37%	39%	38%	39%	39%

Collection Efforts

	Jan 2022	Dec 2021	Nov 2021	Oct 2021	Sept 2021	Aug 2021	July 2021	June 2021	May 2021	April 2021	March 2021	Feb 2021	Jan 2021
Shuts *	\$ -	\$ 76	\$ 113	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Red Tags **	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	12	35	8	33	6	5	5	12	5	9	5	6	13
Top 100 Collection Calls	98	78	38	257	334	142	237	318	250	242	108	191	99
Other ⁽¹⁾	1,573	1,091	1,576	1,404	1,217	1,344	878	1,345	1,028	1,222	1,104	1,093	1,425
Total	\$ 1,683	\$ 1,280	\$ 1,735	\$ 1,709	\$ 1,557	\$ 1,491	\$ 1,120	\$ 1,675	\$ 1,283	\$ 1,473	\$ 1,217	\$ 1,290	\$ 1,537

* Number of shuts

0 155 211 24

** Number of Red tags

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

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

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

FROM: Sunny Lakshminarayanan

DATE: February 24, 2022

SUBJECT: Derby Tank Update

This memo is written to provide the Authority with an update on the Derby Tank Project and the land purchases associated with it.

Background Summary:

Bids for this project opened on March 3, 2020 with Guerrero Construction being the low bidder at \$3,250,000. The bid was not awarded until the court ruled on the appeals, which occurred in late May, 2021.

In order to keep Guerrero’s bid open we extended the time of award from the 180 day specified award period. Guerrero agreed to three extensions over the past year. Guerrero’s agreement to extend was based on our agreement to grant two cost escalations to Guerrero, one for \$116K and the second for approximately \$227K. We agreed to the price increases after review with Guerrero and Tighe & Bond. CTDPH DWSRF also concurred with the two changes. The most significant factors necessitating the increases are price escalations for steel and concrete since the bid opening.

The bids included an alternate for the construction of a parking lot that Derby required us to include in the project. Guerrero’s amount for the alternate was \$290k. Derby subsequently informed us that they did not need the parking lot. When we execute the contract with Guerrero, a change order will be included increasing the contract price per the cost escalations, totaling approximately \$343k, and deducting the \$290k for removal of the parking lot work.

The RPB approved amount for the project is \$5.1MM. The estimated total project cost including Guerrero’s bid, the escalations, deduct and contingency is now \$5.54MM, which is 8.6% above the RPB approved amount. The RPB Authorized amount is 110% above the approved amount or \$5.61MM. The updated project cost is noted on the RPB Quarterly Report.

Murtha-Cullina and Derby’s attorney completed review of the documents associated with the two properties and that we will fund the purchase of and the land lease from Derby upon which the tank will be sited. The lease of the tank site must be approved by CTDEEP as the land was determined to be a part of the parcel that received CTDEEP funds in the past for improvements. The lease has been submitted by Derby to CTDEEP Commissioner Dykes for their review.

February 24, 2022 update

CT DEEP had earlier received the set of documents submitted by Murtha-Cullina and Derby's attorney. During the last quarter of 2021, personnel changes within the DEEP affected the review process leading to increased review time. In January 2022, a new CTDEEP representative was assigned the lease review. The representative has requested further information to determine whether the tank site falls within the City of Derby High School sport complex project limits that had received State funding.

RWA, Murtha-Cullina and Derby's attorney have responded to the additional information request with maps showing the project limits and how they relate to the proposed tank lease property. Discussions are on-going between Murtha-Cullina and Derby's attorney with the CTDEEP representative to facilitate and expedite the review process. Pursuant to these discussions, it appears there is an increased likelihood that CTDEEP will make a determination soon.

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. Chair
Kevin J. Curseaden
Anthony DiSalvo
Catherine LaMarr
Suzanne C. Sack

FROM: Sunny Lakshminarayanan

DATE: February 24, 2022

SUBJECT: North Cheshire Development Update

The following is an update on the status of the discussions with the Developer, Town of Cheshire, and Town of Southington Water Department (SWD) regarding the Stone Bridge Crossing development at the northwest quadrant of the intersection of Routes 10 and I-691.

Construction of the transmission water main along Route 10 portion of the project was started in early October and approximately 2,000 feet of 18-inch water main was completed in late November. From December 2020 through January 2021 work related to locating, inspecting, and repairing the existing 18-inch ductile iron sleeve under I-691 was finished. This sleeve was installed for the Cheshire Water Pollution Control Authority in the 1980's when the highway was built. RWA executed the sale agreement in January, purchased the sleeve from Cheshire for \$18,000, and installed a new 12-inch High Density Polyethylene Pipe (HDPE) water main pipe through the sleeve. The remaining work on this project consists of connecting the two ends of the HDPE pipe to the newly installed roadway water main and repaving a portion of the roadway that was disturbed during the water main installation. It is anticipated all work will be complete by the end of April 2022, including testing and disinfection.

Based on the latest schedules submitted by the developer, the water main in Southington is estimated to be complete by March 2022 while the cross-country main is estimated to be complete by July 2022.

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

Date: February 18, 2022

Subject: Exemption from Public Bidding

Attached is a request for the approval of exemption from the public bidding requirement of Section 16 of Special Act No. 77-98, as amended.

- Sodium Hypochlorite Bulk Storage Tank Replacement

Attachment

REQUEST FOR EXEMPTION FROM PUBLIC BIDDING FOR
LGWTP SODIUM HYPOCHLORITE BULK STORAGE TANK REPLACEMENT

AS REQUIRED BY CONNECTICUT SPECIAL ACT NO. 77-98 AS AMENDED

FEBRUARY 2022

SPECIFIC STATUTORY PROVISIONS

All contracts in excess of fifty thousand dollars for any supplies, materials, equipment, construction work or other contractual services shall be in writing and shall be awarded upon sealed bids or proposals made in compliance with a public notice duly advertised by publication in one or more newspapers of general circulation or, if there are no such newspapers, in appropriate electronic media, including, without limitation, the authority's Internet web site, as are likely to reach a broad segment of potential vendors, at least ten days before the time fixed for opening said bids or proposals, except for (1) contracts for professional services, (2) when the supplies, materials, equipment or work can only be furnished by a single party, (3) when the authority determines by a two-thirds vote of the entire authority that the award of such contract by negotiation without public bidding will be in the best interest of the authority, or (4) when the procurement is made as a result of participation in a procurement group, alliance or consortium made up of other state or federal government entities in which the state of Connecticut is authorized to participate. The authority may in its sole discretion reject all such bids or proposals or any bids received from a person, firm or corporation the authority finds to be unqualified to perform the contract, and shall award such contract to the lowest responsible bidder qualified to perform the contract. (Section 16, Special Act 77-98 as amended).

REQUEST FOR EXEMPTION

This request is for an exemption from competitive bidding for contracting with Kovacs Construction Corporation (Kovacs) in the amount of \$740,000 (including 5% contingency amounting to \$777,000) for the installation of the Sodium Hypochlorite (Hypochlorite) Bulk Storage and Day Tank Chemical System at the Lake Gaillard Water Treatment Plant (LGWTP).

REASON FOR REQUEST

In 2006 the RWA converted the chlorine gas system to liquid Hypochlorite. At the time of installation, the industry standard design life on these hypochlorite bulk storage tanks was stated between 15-20 years. Over the last 16+years, the RWA have completed upgrades and improvements on all the chemical systems at the LGWTP and thus the hypochlorite bulk tanks were next in-line for replacement in the 5-year capital budget for Fiscal Year 25 and 26.

The LGWTP is the RWA's largest surface water plant that provides approximately 65% of the total water for the distribution system. RWA Staff identified leakage on the day tank and one bulk storage tank and further inspection uncover delamination of tank internal liner. This chemical is the primary disinfectant at our largest facility, with no alternatives and disinfection using hypochlorite is a regulatory requirement to provide a free chlorine residual in the Distribution system. This project is necessary to maintain adequate disinfection of the finished water at the LGWTP. The project includes replacing four bulk storage tanks, one day tank, chemical containment coating, associated piping and electrical appurtenances. Because the LGWTP cannot be shut down to complete this project, temporary bulk chemical storage is required as well as temporary chemical feed pumps. Kovacs is very knowledgeable in this field.

SUMMARY

The results of this exemption would benefit the Authority in expediting the procurement and installation of the primary disinfectant to meet regulatory requirements and provide a free chlorine residual in the Distribution system. The exemption is required to complete the work in an expedited timeframe prior to the RWA's high demand summer flow period and the plant cannot be shut down for more than a few hours. Kovacs has successfully completed multiple chemical improvements projects for the Authority in the past with an exceptional safety record and has provided competitive estimates for work done in the past as well. Therefore, the management respectfully requests a bid exemption in the amount up to \$777,000 in order to complete the installation of the Hypochlorite bulk storage and day tank at the LGWTP.

South Central Connecticut Regional Water Authority

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

<http://www.rwater.com>

DATE: February 7, 2022

TO: Larry L. Bingaman

FROM: Paul Joseph

CC: David Borowy
Mario Ricozzi

SUBJECT: Code of Ethics Compliance

As required by the 2009 Regional Water Authority Code of Ethics (Code) and acting as the Ethics Official, I am providing this memorandum to certify that we did not receive any employee reports of a violation of the Code for the 12-month reporting period ending November 30, 2021. Two employees have not submitted their Conflict of Interest Disclosure Report forms. One employee has been on medical leave, and the other employee has retired. Letters, the Conflict of Interest Disclosure Report forms, and self-addressed, stamped envelopes were sent to their homes, and they did not respond.

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

South Central Connecticut Regional Water Authority
90 Sargent Drive, New Haven, Connecticut 06511-5966 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

DATE: February 18, 2022

SUBJECT: Capital Budget Transfer – Type B3 Amendments

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

Lake Gaillard Water Treatment Plant Backwash Polymer System Upgrades: This project will complete under budget in FY 2022. Amendment No. 22-36 will transfer \$95,000 from the Lake Gaillard Water Treatment Plant Backwash Polymer System Upgrades account into the newly created Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement account.

Lake Saltonstall Water Treatment Plant Electrical Upgrades: Project work for FY 2022 will complete under budget in FY 2022. This project will continue in FY 2023. Amendment No. 22-37 will transfer \$100,000 from the Lake Saltonstall Water Treatment Plant Electrical Upgrades account into the newly created Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement account.

West River Water Treatment Plant Effluent Pipe Injection Chamber Improvements: This project will complete under budget in FY 2022. Amendment No. 22-38 will transfer \$125,000 from the West River Water Treatment Plant Effluent Pipe Injection Chamber Improvements account into the newly created Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement account.

North Sleeping Giant Wellfield Facility Improvements: This project will complete under budget in FY 2022. Amendment No. 22-39 will transfer \$80,000 from the North Sleeping Giant Wellfield Facility Improvements account into the newly created Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement account.

Contracts Database Replacement: Work on this project has been deferred until FY 2023. Amendment No. 22-40 will transfer \$75,000 from the Contracts Database Replacement account into the newly created Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement account.

GIS Lead & Copper Layer Development: Work on this project has been deferred. Amendment No. 22-41 will transfer \$25,000 from the GIS Lead & Copper Layer Development account into the newly created Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement account.

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

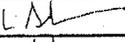
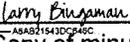
Resolved: that the Authority approves the transfer of \$95,000 from the Lake Gaillard Water Treatment Plant Backwash Polymer Upgrades project account, \$100,000 from the Lake Saltonstall Water Treatment Plant Electrical Upgrades project account, \$125,000 from the West River Water Treatment Plant Effluent Pipe Injection Chamber Improvements project account, \$80,000 from the North Sleeping Giant Wellfield Facility Improvements project account, \$75,000 from the Contracts Database Replacement project account, and \$25,000 from the GIS Lead & Copper Layer Development project account into the Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement project account.

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	22-36	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-116111
Project Description:	Lake Gaillard Water Treatment Plant Backwash Polymer System Upgrades
A) Original Budget	300,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	95,000
D) Revised Budget (A+/-B-C)	205,000
E) Estimated Project Costs	200,000
F) Remaining Funds Available for Transfer, if any (D-E)	5,000
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	To be created
Project Description:	Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	0
D) Amount to be Transferred	95,000
E) Proposed Revised Budget (C+D)	95,000
Explanation why funds are needed: Amendment 1 of 6: This amendment will fund the replacement of leaking sodium hypochlorite storage tanks at the Lake Gaillard Water Treatment Plant. Replacement of the tanks appears in the current five-year capital plan in fiscal years 2024/2025. The tanks were originally installed in 2006 when the RWA converted from chlorine gas to liquid sodium hypochlorite as the primary disinfectant in order to provide chlorine-free residuals in the distribution system. Leakage was identified on the day tank and one bulk storage tank; further investigation revealed delamination of the internal tank liner. It is critical that these tanks be replaced prior to the peak summer demand period. Work will begin in FY 2022, and complete early in FY 2023. The estimate for work to be completed in FY 2022 is \$500,000; the total project cost is estimated at \$1,100,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		2/14/2022
2) Donor Vice President/Director		2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	 Larry Engeman AKAS154100240C	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-37	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-046136
Project Description:	Lake Saltonstall Water Treatment Plant Electrical Upgrades
A) Original Budget	300,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	100,000
D) Revised Budget (A+/-B-C)	200,000
E) Estimated Project Costs	200,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	To be created
Project Description:	Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	95,000
C) Revised Budget (A+/-B)	95,000
D) Amount to be Transferred	100,000
E) Proposed Revised Budget (C+D)	195,000
Explanation why funds are needed: Amendment 2 of 6: This amendment will fund the replacement of leaking sodium hypochlorite storage tanks at the Lake Gaillard Water Treatment Plant. Replacement of the tanks appears in the current five-year capital plan in fiscal years 2024/2025. The tanks were originally installed in 2006 when the RWA converted from chlorine gas to liquid sodium hypochlorite as the primary disinfectant in order to provide chlorine-free residuals in the distribution system. Leakage was identified on the day tank and one bulk storage tank; further investigation revealed delamination of the internal tank liner. It is critical that these tanks be replaced prior to the peak summer demand period. Work will begin in FY 2022, and complete early in FY 2023. The estimate for work to be completed in FY 2022 is \$500,000; the total project cost is estimated at \$1,100,000.	

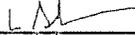
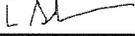
Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	2/14/22
2) Donor Vice President/Director	<i>Jim Czerwinski</i>	2/14/22
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Fitzgerald</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-38	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-166028
Project Description:	West River Water Treatment Plant Effluent Pipe Injection Chamber Improvements
A) Original Budget	380,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	125,000
D) Revised Budget (A+/-B-C)	255,000
E) Estimated Project Costs	200,000
F) Remaining Funds Available for Transfer, if any (D-E)	55,000
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	To be created
Project Description:	Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	195,000
C) Revised Budget (A+/-B)	195,000
D) Amount to be Transferred	125,000
E) Proposed Revised Budget (C+D)	320,000
Explanation why funds are needed: Amendment 3 of 6: This amendment will fund the replacement of leaking sodium hypochlorite storage tanks at the Lake Gaillard Water Treatment Plant. Replacement of the tanks appears in the current five-year capital plan in fiscal years 2024/2025. The tanks were originally installed in 2006 when the RWA converted from chlorine gas to liquid sodium hypochlorite as the primary disinfectant in order to provide chlorine-free residuals in the distribution system. Leakage was identified on the day tank and one bulk storage tank; further investigation revealed delamination of the internal tank liner. It is critical that these tanks be replaced prior to the peak summer demand period. Work will begin in FY 2022, and complete early in FY 2023. The estimate for work to be completed in FY 2022 is \$500,000; the total project cost is estimated at \$1,100,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		2/17/2022
2) Donor Vice President/Director		2/17/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/17/2002
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	Larry L. Bingaman	02/18/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	22-39	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-066014
Project Description:	North Sleeping Giant Wellfield Facility Improvements
A) Original Budget	1,100,000
B) Total Previous Transfers (In or Out)	440,000
C) This Transfer	80,000
D) Revised Budget (A+/-B-C)	580,000
E) Estimated Project Costs	550,000
F) Remaining Funds Available for Transfer, if any (D-E)	30,000
Explanation why funds are available: Project work for FY 2022 is expected to complete under budget.	

Transfer To:	
Account Number:	To be created
Project Description:	Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	320,000
C) Revised Budget (A+/-B)	320,000
D) Amount to be Transferred	80,000
E) Proposed Revised Budget (C+D)	400,000
Explanation why funds are needed: Amendment 4 of 6: This amendment will fund the replacement of leaking sodium hypochlorite storage tanks at the Lake Gaillard Water Treatment Plant. Replacement of the tanks appears in the current five-year capital plan in fiscal years 2024/2025. The tanks were originally installed in 2006 when the RWA converted from chlorine gas to liquid sodium hypochlorite as the primary disinfectant in order to provide chlorine-free residuals in the distribution system. Leakage was identified on the day tank and one bulk storage tank; further investigation revealed delamination of the internal tank liner. It is critical that these tanks be replaced prior to the peak summer demand period. Work will begin in FY 2022, and complete early in FY 2023. The estimate for work to be completed in FY 2022 is \$500,000; the total project cost is estimated at \$1,100,000.	

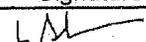
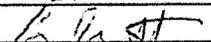
Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>L.M.</i>	2/14/2022
2) Donor Vice President/Director	<i>L.M.</i>	2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Binaman</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	22-40	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107181-100428
Project Description:	Contracts Database Replacement
A) Original Budget	75,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	75,000
D) Revised Budget (A+/-B-C)	0
E) Estimated Project Costs	0
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: Project has been deferred to FY 2023.	

Transfer To:	
Account Number:	To be created
Project Description:	Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	400,000
C) Revised Budget (A+/-B)	400,000
D) Amount to be Transferred	75,000
E) Proposed Revised Budget (C+D)	475,000
Explanation why funds are needed: Amendment 5 of 6: This amendment will fund the replacement of leaking sodium hypochlorite storage tanks at the Lake Gaillard Water Treatment Plant. Replacement of the tanks appears in the current five-year capital plan in fiscal years 2024/2025. The tanks were originally installed in 2006 when the RWA converted from chlorine gas to liquid sodium hypochlorite as the primary disinfectant in order to provide chlorine-free residuals in the distribution system. Leakage was identified on the day tank and one bulk storage tank; further investigation revealed delamination of the internal tank liner. It is critical that these tanks be replaced prior to the peak summer demand period. Work will begin in FY 2022, and complete early in FY 2023. The estimate for work to be completed in FY 2022 is \$500,000; the total project cost is estimated at \$1,100,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		2/14/2022
2) Donor Vice President/Director		2/14/2022
3) Vice President - Finance		2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	22-40	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107181-100433
Project Description:	GIS Lead & Copper Layer Development
A) Original Budget	35,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	25,000
D) Revised Budget (A+/-B-C)	10,000
E) Estimated Project Costs	0
F) Remaining Funds Available for Transfer, if any (D-E)	10,000
Explanation why funds are available: Project has been deferred.	

Transfer To:	
Account Number:	To be created
Project Description:	Lake Gaillard Water Treatment Plant Sodium Hypochlorite Tanks Replacement
A) Original Budget	0
B) Previous Transfers (In or Out)	475,000
C) Revised Budget (A+/-B)	475,000
D) Amount to be Transferred	25,000
E) Proposed Revised Budget (C+D)	500,000
Explanation why funds are needed: Amendment 6 of 6: This amendment will fund the replacement of leaking sodium hypochlorite storage tanks at the Lake Gaillard Water Treatment Plant. Replacement of the tanks appears in the current five-year capital plan in fiscal years 2024/2025. The tanks were originally installed in 2006 when the RWA converted from chlorine gas to liquid sodium hypochlorite as the primary disinfectant in order to provide chlorine-free residuals in the distribution system. Leakage was identified on the day tank and one bulk storage tank; further investigation revealed delamination of the internal tank liner. It is critical that these tanks be replaced prior to the peak summer demand period. Work will begin in FY 2022, and complete early in FY 2023. The estimate for work to be completed in FY 2022 is \$500,000; the total project cost is estimated at \$1,100,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	2/14/2022
2) Donor Vice President/Director	<i>R. Kowalski</i>	2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Binzaman</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

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

DATE: February 18, 2022

SUBJECT: Capital Budget Transfer – Type B3 Amendments

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

West River Water Treatment Plant Improvements: This project is anticipated to complete under budget in FY 2022 as a result of material delivery delays related to global supply chain issues. Amendment No. 22-29 will transfer \$3,000,000 from the West River Water Treatment Plant Improvements account into the overall capital budget contingency to be held in reserve for FY 2023 for the West River Water Treatment Plant Improvements project.

Ansonia-Derby Tank: This project is anticipated to complete under budget in FY 2022 as a result of legal and property issues that have delayed the commencement of construction. Amendment No. 22-30 will transfer \$2,630,000 from the Ansonia-Derby Tank project into the overall budget contingency to be held in reserve for FY 2023 for the Ansonia-Derby Tank project.

Lake Saltonstall Water Treatment Plant Chemical Systems Improvements: This project is anticipated to complete under budget in FY 2022 as a result of material delivery delays related to global supply chain issues. Amendment No. 22-31 will transfer \$992,000 from the Lake Saltonstall Water Treatment Plant Chemical Systems Improvement account into the overall capital budget contingency to be held in reserve for FY 2023 for the Lake Saltonstall Water Treatment Plant Chemical Systems Improvements project.

South Sleeping Giant Wellfield Improvements: This project is anticipated to complete under budget in FY 2022 as a result of material delivery delays related to global supply chain issues. Amendment No. 22-32 will transfer \$800,000 from the South Sleeping Giant Wellfield Improvements account into the overall capital budget contingency to be held in reserve for FY 2023 for the South Sleeping Giant Wellfield Improvements project.

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

Resolved: that the Authority approves the transfer of \$3,000,000 from the West River Water Treatment Plant Improvements capital budget account, \$2,630,000 from the Ansonia-Derby Tank capital budget account, \$992,000 from the Lake Saltonstall Water Treatment Plant Chemical Systems Improvement capital budget account, and \$800,000 from the South Sleeping Giant Wellfield Improvements capital budget account to the overall capital budget contingency account.

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B3	22-29	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-163599
Project Description:	West River Water Treatment Plant Improvements (DAF, Chemical, Electrical)
A) Original Budget	7,000,000
B) Total Previous Transfers (In or Out)	880,000
C) This Transfer	3,000,000
D) Revised Budget (A+/-B-C)	3,120,000
E) Estimated Project Costs	3,120,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: Supply chain issues due to the pandemic have caused severely extended lead times for equipment. As a result, planned project expenditures for FY 2022 will be significantly under budget.	

Transfer To:	
Account Number:	N/A
Project Description:	Contingency
A) Original Budget	500,000
B) Previous Transfers (In or Out)	(390,000)
C) Revised Budget (A+/-B)	110,000
D) Amount to be Transferred	3,000,000
E) Proposed Revised Budget (C+D)	3,110,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the West River Water Treatment Plant Improvements project. We anticipate that these funds will be required, in addition to funds budgeted, in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	2/14/2022
2) Donor Vice President/Director	<i>LM</i>	2/14/2022
3) Vice President - Finance	<i>Rochella Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Binzaman</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B3	22-30	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107142-170301
Project Description:	Ansonia Derby Tank
A) Original Budget	2,830,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	2,630,000
D) Revised Budget (A+/-B-C)	200,000
E) Estimated Project Costs	200,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: As a result of legal and property issues, the project has been on hold for an extended period. It is unlikely these issues will be resolved during FY 2022, preventing any major work on the project from commencing.	

Transfer To:	
Account Number:	N/A
Project Description:	Contingency
A) Original Budget	500,000
B) Previous Transfers (In or Out)	2,610,000
C) Revised Budget (A+/-B)	3,110,000
D) Amount to be Transferred	2,630,000
E) Proposed Revised Budget (C+D)	5,740,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the Ansonia Derby Tank project. Resolution of outstanding project issues is anticipated in FY 2023, at which time this funding will be transferred into the project budget.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	2/14/2022
2) Donor Vice President/Director	<i>LM</i>	2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bringham</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B3	22-31	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-046139
Project Description:	Lake Saltonstall Water Treatment Plant Chemical Systems Improvements
A) Original Budget	1,155,000
B) Total Previous Transfers (In or Out)	87,000
C) This Transfer	992,000
D) Revised Budget (A+/-B-C)	250,000
E) Estimated Project Costs	250,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: Supply chain issues due to the pandemic have caused severely extended lead times for equipment. As a result, planned project expenditures for FY 2022 will be significantly under budget. The project will now continue into FY 2023.	

Transfer To:	
Account Number:	N/A
Project Description:	Contingency
A) Original Budget	500,000
B) Previous Transfers (In or Out)	5,240,000
C) Revised Budget (A+/-B)	5,740,000
D) Amount to be Transferred	992,000
E) Proposed Revised Budget (C+D)	6,732,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the Lake Saltonstall Water Treatment Plant Chemical Systems Improvement project, and will be transferred into the project account in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>L.M.</i>	2/14/2022
2) Donor Vice President/Director	<i>L.M.</i>	2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<small>DocuSigned by:</small> <i>Larry Benjamin</i> <small>4EAD7543X2C846C</small>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	2/10/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B3	22-32	Feb/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107132-066015
Project Description:	South Sleeping Giant Wellfield Facility Improvements
A) Original Budget	1,700,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	800,000
D) Revised Budget (A+/-B-C)	900,000
E) Estimated Project Costs	900,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
Explanation why funds are available: Supply chain issues due to the pandemic have caused severely extended lead times for equipment. As a result, planned project expenditures for FY 2022 will be significantly under budget. The project will now continue into FY 2023.	

Transfer To:	
Account Number:	N/A
Project Description:	Contingency
A) Original Budget	500,000
B) Previous Transfers (In or Out)	6,232,000
C) Revised Budget (A+/-B)	6,732,000
D) Amount to be Transferred	800,000
E) Proposed Revised Budget (C+D)	7,532,000
Explanation why funds are needed: These funds are being transferred into the overall contingency to be held in reserve for the South Sleeping Giant Wellfield Facility Improvements project, and will be transferred into the project account in FY 2023.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>LM</i>	2/14/2022
2) Donor Vice President/Director	<i>LM</i>	2/14/2022
3) Vice President - Finance	<i>Rochelle Kowalski</i>	2/16/2022
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	DocuSigned by: <i>Larry Engeman</i>	2/16/2022
6) Authority Members	Copy of minutes attached if required	

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

WATER SYSTEM REVENUE BOND RESOLUTION
GENERAL BOND RESOLUTION

PROJECT LOAN OBLIGATION
SUPPLEMENTAL RESOLUTION

Authorizing the Issue of

PROJECT LOAN OBLIGATIONS FOR VARIOUS WATER SYSTEM PROJECTS
Approved _____

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
PROJECT LOAN OBLIGATIONS FOR THE VARIOUS WATER SYSTEM PROJECTS

TABLE OF CONTENTS

ARTICLE I AUTHORITY AND DEFINITIONS2

 Section 101. Authority for Supplemental Resolution......2

 Section 102. Definitions.....2

ARTICLE II AUTHORIZATION OF PLO3

 Section 201. Principal Amount, Designation and Series.3

 Section 202. Purpose......3

 Section 203. Date, Maturity and Interest Rates.3

 Section 204. Interest Payment Dates.3

 Section 205. Reserved......3

 Section 206. Method of Payments.3

 Section 207. Redemption.4

 Section 208. Delivery of PLO......4

ARTICLE III DISPOSITION OF PROCEEDS OF PLO4

 Section 301. Refunding......4

 Section 302. Other Funds.....4

ARTICLE IV FORM AND EXECUTION OF PLO4

 Section 401. Form of PLO and Trustee’s Certificate of Authentication.4

 Section 402. Execution of PLO.5

 Section 403. Continued Exemption from Federal Income Taxation.5

 Section 404. No Recourse on PLO.5

ARTICLE V MISCELLANEOUS5

 Section 501. Delegation of Authority to Chairperson or Vice Chairperson and
President and Chief Executive Officer or Vice President of Financial
Reporting and Analysis.....5

 Section 502. Effective Date.6

SUPPLEMENTAL RESOLUTION

Authorizing the Issuance of the Project Loan Obligations for Various Water System Projects

RECITALS

WHEREAS, the South Central Connecticut Regional Water Authority (the “Authority”) is authorized pursuant to Connecticut Special Act No. 77-98, as amended (the “Act”), and the Water System Revenue Bond Resolution, General Bond Resolution, adopted July 31, 1980 as amended and supplemented (the “Resolution”), to issue bonds of the Authority from time to time; and

WHEREAS, the Resolution provides that such bonds shall be issued subject to the terms, conditions and limitations established by the Resolution and one or more supplemental resolutions authorizing each series of bonds; and

WHEREAS, under the Resolution bonds are defined to mean, inter alia, project loan obligations delivered to evidence the Authority’s obligation to repay the financing of a loan from the State of Connecticut (the “State”) under its Drinking Water State Revolving Fund Program (“DWSRF”); and

WHEREAS, the Representative Policy Board of the South Central Connecticut Regional Water District (the “RPB”) approved the issuance of bonds or project loan obligations on June 15, 2017 in the maximum principal amount of \$1,700,000 to finance or refinance the cost of upgrades to the Cherry Hill Pump Station and associated appurtenances, and the removal and demolition of the Brushy Plains Standpipe each located in Branford, Connecticut; and to pay costs of issuance of the Bonds (the “Cherry Hill / Brushy Plains Water Quality Project”); and

WHEREAS, the RPB approved the issuance of bonds or project loan obligations on January 17, 2019 in the maximum principal amount of \$1,300,000 to finance or refinance the cost of permitting, placement, design and construction of a well at the Seymour Wellfield to replace one of the four failing wells at such site, the deposit to certain reserve funds held under the General Bond Resolution and the payment of costs of issuance of the Bonds (the “Seymour Wellfield Project” and together with the Cherry Hill / Brushy Plains Water Quality Project, the “Various Water System Projects”); and

WHEREAS, the Authority hereby determines that it is necessary and desirable that the Authority issue one or more Project Loan Obligations (the “PLO”) to permanently finance the Various Water System Projects.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY AS FOLLOWS:

ARTICLE I

AUTHORITY AND DEFINITIONS

Section 101. Authority for Supplemental Resolution.

This supplemental resolution (the “Supplemental Resolution”) to the Resolution in substantially the form presented at this meeting 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 as set forth in the Certificate or Certificates of Determination (as hereinafter defined) is adopted in accordance with the provisions of Article II and Article IX of the Resolution and pursuant to the authority contained in the Act.

Section 102. Definitions.

A. All terms defined in Section 102 of the Resolution shall have the same meanings, respectively, in this Supplemental Resolution.

B. In addition, as used in this Supplemental Resolution, unless the context otherwise requires, the following term shall have the following meaning:

“Certificate of Determination” means one or more certificates of determination required by Section 701 hereof, signed by the Chairperson or Vice Chairperson and the President/Chief Executive Officer or Vice President of Financial Reporting and Analysis setting forth the terms of the PLO and attached hereto as **Exhibit A** and made a part hereof.

C. Unless the context otherwise requires, in this Supplemental Resolution words of the masculine gender shall mean and include correlative words of the feminine and neuter genders; words importing the singular number shall mean and include the plural number and vice versa; words importing persons shall include firms, associations and corporations; and the terms, “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms refer to this Supplemental Resolution.

ARTICLE II

AUTHORIZATION OF PLO

Section 201. Principal Amount, Designation and Series.

One or more series of bonds entitled to the benefit, protection and security of the Resolution is hereby authorized in the maximum amount not to exceed \$3,000,000. Each such series of bonds shall be designated as, and shall be distinguished from, the Bonds of all other series by the title of Project Loan Obligation with the number assigned to it by the State. The principal amount of the PLO shall be as set forth in the Certificate of Determination.

Section 202. Purpose.

The purposes for which the PLO are being issued are to permanently finance (i) the costs of certain capital improvements to the water system of the Authority specifically, the Various Water System Projects or any one of them (ii) funds for deposit to the Capital Contingency Fund, the Debt Reserve Fund and the Operating Reserve Fund, as necessary and (iii) the costs of issuance related to the PLO. The amount of the PLO being issued for Other Corporate Purposes is as set forth in the Certificate of Determination.

Section 203. Date, Maturity and Interest Rates.

The PLO shall be dated the Date of Delivery as set forth in the Certificate of Determination.

The PLO shall be issued as a term bond which shall mature in the aggregate principal amount as established by the Certificate of Determination. The PLO shall bear interest at a rate of 2% per year on the unpaid principal balance calculated on the basis of a 360-day year consisting of twelve 30-day months.

Section 204. Interest Payment Dates.

The PLO shall bear interest from its dated date, payable monthly as set forth in the Certificate of Determination.

Section 205. Reserved.

Section 206. Method of Payments.

The principal of, premium, if any, and interest on the PLO shall be payable by check, draft or wire transfer payable to the Treasurer, State of Connecticut at: State of Connecticut, Office of the Treasurer, 165 Capitol Avenue, Hartford, CT 06106, Attn: DWSRF Financial Administrator, or to such other place as the State shall designate in writing to the Authority. Such payments to the Treasurer are in lieu of payments to the Trustee required by Section 404 C1 and Section 404 C2 of the Resolution for the principal and interest payments due on the PLO.

Section 207. Redemption.

A. The PLO shall be subject to optional redemption as set forth in the Certificate of Determination.

B. The PLO shall be subject to mandatory sinking fund redemption at 100% of the principal amount thereof plus accrued interest to the date of redemption, from sinking fund payments in the amounts as established by the Certificate of Determination.

C. The PLO is subject to mandatory redemption in whole at 100% of the principal amount thereof plus accrued interest to the date of redemption if all or substantially all of the Water System is taken by the State or any municipality in the State with general governmental powers and duties as more particularly described in Section 507 of the Resolution.

Section 208. Delivery of PLO.

The PLO shall be delivered to the State to evidence the Authority's obligation to repay the financing of a loan from the State's DWSRF.

ARTICLE III

DISPOSITION OF PROCEEDS OF PLO

Section 301. Refunding.

Upon delivery of the PLO and receipt of payment therefor, the Authority shall pay from the net proceeds thereof, after the payment of certain Costs of Issuance, the amounts necessary to reimburse the Construction Fund for moneys used to pay the costs of the Various Water System Project or any one of them as established by the Certificate of Determination.

Section 302. Other Funds.

The Trustee or the Authority shall deposit such other proceeds in such other funds as set forth in the Certificate of Determination.

ARTICLE IV

FORM AND EXECUTION OF PLO

Section 401. Form of PLO and Trustee's Certificate of Authentication.

Subject to the provisions of the Resolution, the PLO and the Trustee's certificate of authentication shall be, respectively, in substantially the form as set forth in **Exhibit B** to this supplemental resolution, with such insertions or omissions, endorsements and variations as may be required or permitted by the Resolution.

Section 402. Execution of PLO.

The Chairperson, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them is hereby authorized and directed to execute the PLO and the Secretary, Chairman, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them is hereby authorized to sign and attest the Authority's seal on the PLO, each by their manual or facsimile signatures.

Section 403. Continued Exemption from Federal Income Taxation.

The Authority hereby agrees and covenants that it shall at all times perform all acts and things necessary or appropriate under any valid provision of law or in order to ensure that interest or amounts treated as interest, as applicable, paid on the PLO shall not be includable in the gross income of the owners thereof for Federal income tax purposes under the Code. Further, the Chairman, Vice Chairperson, President/Chief Executive Officer or Vice President of Financial Reporting and Analysis, or any one of them are hereby authorized to execute all instruments and documents necessary to take such action.

Section 404. No Recourse on PLO.

No recourse shall be had for the payment of the principal or Redemption Price, if any, of or interest or amounts treated as interest, as applicable, on the PLO or for any claim based thereon or on the Resolution against any member or officer of the Authority or any person executing the PLO and neither any member or officer of the Authority nor any person executing the PLO shall be liable personally on the PLO by reason of the issuance thereof.

ARTICLE V

MISCELLANEOUS

Section 501. Delegation of Authority to Chairperson or Vice Chairperson and President and Chief Executive Officer or Vice President of Financial Reporting and Analysis

The Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis are hereby delegated the authority to (i) determine with respect to the PLO the amount, issue date, date of maturity, denominations, redemption provisions, interest rate and mode, and other details of the PLO, (ii) determine whether the PLO shall be sold by competitive or negotiated sale and if such sale is negotiated, the purchaser of the PLO, and (iii) accept and incorporate into the PLO Supplemental Resolution any terms or provisions which they deem necessary or appropriate, all in accordance with the Act, the Resolution and any other provision of law applicable thereto. The Chairperson or Vice Chairperson and President/Chief Executive Officer or Vice President of Financial Reporting and Analysis shall prepare a Certificate of Determination for each such PLO prior to the date of delivery of the PLO to be attached hereto as **Exhibit A** and incorporated in this PLO Supplemental Resolution setting forth such details and particulars of each PLO as determined in accordance with this delegation. Should the details and particulars of a PLO conflict with such

details and particulars set forth in this PLO Supplemental Resolution, the Certificate of Determination shall control.

Section 502. Effective Date.

This Supplemental Resolution shall take effect immediately.

EXHIBIT A

CERTIFICATE OF DETERMINATION

SEE ITEM __

EXHIBIT B

FORM OF PROJECT LOAN OBLIGATION

U.S. \$ _____, 20 _____

**UNITED STATES OF AMERICA
STATE OF CONNECTICUT
SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY**

Project Loan Obligation

The South Central Connecticut Regional Water Authority, New Haven, Connecticut (the "Municipality"), for value received, hereby unconditionally promises to pay to the STATE OF CONNECTICUT (the "State") pursuant to the terms and conditions of a _____ and Project Loan and Subsidy Agreement dated __, 20____ between the Municipality and the State, (the "Agreement"), the principal sum of:

(\$ _____)

together with interest on the aggregate unpaid principal balance thereof. Unless otherwise required by law, the aggregate unpaid principal amount of this Project Loan Obligation and the interest thereon shall be payable in the amount of _____, with final payment due and owing on _____. Such installments shall be comprised of principal and interest as shown on the Schedule of Payments attached hereto, subject to the Municipality's rights to prepay this Project Loan Obligation in whole or in part without premium or penalty as set forth in the Agreement. If the Municipality should exercise such right of prepayment, the schedule of remaining principal and interest payments, if any, shall be adjusted accordingly by the State.

Interest on the aggregate unpaid principal amount of this Project Loan Obligation shall be payable at the rate of two percent (2%) per annum. Interest on this Project Loan Obligation shall be computed on the basis of a year of three hundred sixty (360) days and twelve 30-day months.

The Municipality agrees to make all payments in lawful money of the United States, to pay interest at the rate specified above and to pay all costs including reasonable attorneys' fees incurred by the State in the collection of this Project Loan Obligation. Both the principal of and interest on this Project Loan Obligation shall be payable in lawful money of the United States of America to the Treasurer, State of Connecticut, at: State of Connecticut, Office of the Treasurer 165 Capitol Avenue, Hartford, Connecticut 06106, Attn: Clean Water Fund Financial Administrator or to such other place as the State shall designate in writing to the Municipality.

This Project Loan Obligation has been executed and delivered subject to the terms and conditions of the Agreement to which reference is hereby made for the terms and conditions upon which it shall be and may be prepaid in whole or in part without premium or penalty and generally as to the rights and duties of the State and as to the rights and duties of the Municipality.

Any capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

It is hereby certified that every requirement of law relating to the issue hereof has been duly complied with and that this Project Loan Obligation is within every debt and other limit prescribed by law or by the Municipality. **This Project Loan Obligation is a special obligation of the Municipality issued pursuant to and secured by its Water System Revenue Bond Resolution, General Bond Resolution adopted on July 31, 1980 as amended and supplemented to date including as supplemented by its _____ Supplemental Resolution (collectively, the “General Bond Resolution”) and payable solely from the revenues derived from the Water System as that term is defined in the General Bond Resolution, and the full faith and credit of the Municipality is pledged to the payment of the principal of and interest on this Project Loan Obligation as the same may become due.**

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the _____, Connecticut, has caused the seal of the _____ to be affixed hereto and this Project Loan Obligation to be signed in its name by the manual signature of the _____ of _____ and the seal of the Authority to be attested by the manual signature of the _____ of the Authority as of the _____ day of _____, 20__.

**SOUTH CENTRAL CONNECTICUT
REGIONAL WATER AUTHORITY**

By: _____

Its

(SEAL)

Attested

By: _____

CERTIFICATION OF BANK

This is to certify that the within Project Loan Obligation is one of the particular issues described therein; that the signatures and seal thereto affixed are genuine; and that an opinion approving the legality of this issue has been rendered by _____ Attorney-at-Law, of _____, Connecticut.

By: _____

(Bank Officer)

SCHEDULE OF PAYMENTS

**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY
RESOLUTION REGARDING PROJECT LOAN OBLIGATION FOR VARIOUS
WATER SYSTEM PROJECTS**

WHEREAS, on May 18, 2017, the Authority adopted and on June 15, 2017, 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 \$1,700,000 to finance, or refinance the cost of upgrades to the Cherry Hill Pump Station and associated appurtenances, and the removal and demolition of the Brushy Plains Standpipe each located in Branford, Connecticut; and to pay costs of issuance of the Bonds (the Cherry Hill / Brushy Plains Water Quality Project ”); and

WHEREAS, on December 20, 2018, the Authority adopted and on January 17, 2019, 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 \$1,300,000 to finance, or refinance the cost of permitting, placement, design and construction of a well at the Seymour Wellfield to replace one of the four failing wells at such site, the deposit to certain reserve funds held under the General Bond Resolution and the payment of costs of issuance of the Bonds (the “Seymour Wellfield Project” and together with the Cherry Hill / Brushy Plains Water Quality Project, the “Various Water System Projects”); and

WHEREAS, the Authority wishes to provide for the issuance, sale and delivery of the Authority’s one or more Project Loan Obligations for the Various Water System Projects (the “PLO”) in one or more series and approve the Project Loan and Subsidy Agreement or Agreements by and between the State of Connecticut and the Authority related to the Various Water System Projects (the “Loan Agreements”).

NOW THEREFORE,

BE IT RESOLVED, that the President/Chief Executive Officer and the Vice President of Financial Reporting and Analysis and any Vice President or any one of them may apply to the State Department of Public Health for eligibility and funding of the Various Water System Projects 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 Various Water System Projects from the State’s Drinking Water Fund Program and that any such action taken prior hereto is hereby ratified and confirmed.

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 PLO in a total amount not to exceed \$3,000,000, and (ii) to determine the principal amount, date, date of maturity, interest rate, form and other details of the 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.

BE IT FURTHER RESOLVED, that the Authority hereby approves the Supplemental Resolution authorizing the issuance of the PLO 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.

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 Agreements 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.

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 PLO, including but not limited to, the Loan Agreements, 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 PLO 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.

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 Various Water System Projects as set forth in the Loan Agreements and to apply the proceeds of the grant to the Various Water System Projects, as applicable.

EXHIBIT A

SUPPLEMENTAL RESOLUTION

RPB COMMITTEE MEETINGS

Month	Meeting	Will Attend
January 2022	<i>Finance Committee</i> Monday, Jan 10 at 5:00 p.m.	Catherine
	<i>Land Use Committee</i> Wednesday, Jan 12 at 5:30 p.m.	Kevin
	<i>Consumer Affairs Committee</i> Monday, Jan 24 at 5:30 p.m.	Suzanne
February 2022	<i>Finance Committee</i> Monday, Feb 14 at 5:00 p.m.	Tony
	<i>Land Use Committee</i> Wednesday, Feb 9 at 5:30 p.m.	Catherine
	<i>Consumer Affairs Committee</i> Monday, Feb 28 at 5:30 p.m.	Kevin
March 2022	<i>Finance Committee</i> Monday, Mar 14 at 5:00 p.m.	Suzanne
	<i>Land Use Committee</i> Wednesday, Mar 9 at 5:30 p.m.	Kevin
	<i>Consumer Affairs Committee</i> Monday, Mar 21 at 5:30 p.m.	Catherine

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

Minutes of the November 18, 2021 Meeting

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, November 18, 2021, via remote access. Chair Borowy presided.

Present: Committee Members Present– Messrs. Borowy, DiSalvo, Curseaden, LaMarr and Ms. Sack
Management – Mss. Kowalski and Reckdenwald, and Messrs. Bingaman, Courchaine, Norris, and Singh
RPB – Mr. Oslander
Staff – Mrs. Slubowski

The Chair called the meeting to order at 1:30 p.m.

On motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the committee approved the minutes of its August 19, 2021 meeting.

Mr. Bingaman, the RWA’s President and Chief Executive Officer, provided an executive summary of key items of the internal business process improvements presentation. He also provided a high-level review of Key Performance Indicators (KPIs) and reported on two new KPIs, which included water system needs and cybersecurity.

Mr. Singh, RWA’s Chief Information Digital Officer and Vice President of Customer Care, provided an internal business process improvements update, which included improvements to the customer and employee experience and highlights of critical customer projects/initiatives, including the commercial billing project launch.

At 1:53 p.m., on motion made by Mr. Curseaden, seconded by Ms. LaMarr, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Aye
LaMarr	Aye
Sack	Aye

David Borowy, Chairman

Strategic Planning Committee

FY2023 Work Plan

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

June 2022

- Review FY22 Year-End Strategic Action Plan Update & Global Metrics
- Review FY23 Strategic Action Plan & Global Metrics

August 2022

- Succession Planning Efforts Update

November 2022

- Internal Business Process Improvements Update

February 2023

- 6-Month Progress Review - FY23 Strategic Action Plan Update & Global Metrics

LET YOUR VOICE BE HEARD!

FISCAL 2023

STRATEGIC ACTION PLANNING



As part of Fiscal 2023 strategic planning, the Leadership Team is looking for your input on Fiscal 2023 action initiatives to help advance the RWA's 2020-2025 Strategic Plan.

Sign up for one of the following Employee Action Planning focus groups, co-facilitated by your RWA colleagues and our friends at Leading Culture Solutions (LCS). This is your opportunity to provide direct input into the strategic initiatives the RWA will pursue in Fiscal 2023!

Thursday, February 3, 10-11am via Teams; co-led by Prem Singh, VP Customer Care & CIDO, and LCS

Thursday, February 3, 2-3pm via Teams; co-led by Rochelle Kowalski, VP Financial Reporting & Analysis, and LCS

Thursday, February 10, 10:30-11:30am via Teams; co-led by Laura Gonzalez, Director of Customer Care, and LCS

Thursday, February 10, 2:30-3:30pm via Teams; co-led by Dennis Donovan, Director of Business Development, and LCS

Thursday, February 17, 7-8am in the Welch Room; co-led by Jim Hill, Director of Operations, and LCS

Thursday, February 17, 2-3pm in the Welch Room; co-led by Sunny Lakshminarayanan, VP Engineering & Environmental Services, and LCS

Thursday, February 24, 1-2pm in the Welch Room; co-led by Peter Bocciarelli, Director of Procurement, and LCS

Thursday, February 24, 3-4pm in the Welch Room; co-led by April Capone, Director of Public Affairs, and LCS

[CLICK HERE](#)

to register for a session

Your input is vital and we want to hear from you! Please get your supervisor's OK to attend one of the sessions and sign up today.



Fiscal 2023 Strategic Action Themes

PERSPECTIVE	TOP THEMES/ACTIONS
Customers/Constituents	<ul style="list-style-type: none">• External/internal customer experience• Self-service options for customers• Key stakeholder outreach
Employee Learning & Growth	<ul style="list-style-type: none">• Succession planning, cross training and knowledge transfer• Workplace flexibility for attraction and retention• Professional training and development
Financial	<ul style="list-style-type: none">• Commercial enterprises in support of the utility• Financial and capital management of resources• Alternative employment incentives for retirement
Internal Business Process	<ul style="list-style-type: none">• Process and project management• Resource planning and timing to fully complete transformative projects• Sharing of key information across functional areas; breakdown silos