

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

AGENDA

Special Meeting of Thursday, March 31, 2022 at 8:30 a.m.

- A. Safety Moment
- B. FY 2023 Special Budget Review: R. Kowalski
 - 1. Review and discuss proposed Capital and Operating Budget for Fiscal Year 2023 (June 1, 2022 – May 31, 2023) – Including Executive Session to discuss strategy, negotiations, and real estate matters
 - 2. Consider and act on distribution of proposed Fiscal Year 2023 Capital and Operating Budget to members of the Representative Policy Board
- C. Meet as Commercial Business Committee: K. Curseaden
 - 1. Commercial Business Update – Including Executive Session: R. Kowalski and D. Donovan
 - 2. *Approve Minutes – December 16, 2021 meeting
 - 3. Review Committee Work Plan – FY 2023
- D. Meet as Environmental, Health & Safety Committee: K. Curseaden
 - 1. Approve Minutes – November 18, 2021 meeting
 - 2. Lead and Copper Rule Update: T. Barger
 - 3. Deer Management Program Update: N. Smith
 - 4. 2022 Legislative Session Outlook: L. Vitagliano
 - 5. Review Committee Work Plan – FY 2023
- E. Act on matters arising from Committee meetings
- F. Consent Agenda
 - 1. Approve Minutes – February 24, 2022 meeting
 - 2. Capital Budget Authorization – April 2022
 - 3. Capital Budget Transfer Notifications (no action required) – April 2022
 - 4. Accounts Receivable Update – February 2022
 - 5. Key Performance Indicators
 - 6. RPB Quarterly Dashboard Report
 - 7. Derby Tank Update
 - 8. Quarterly Financial Report (*year-end projections to be discussed in Item B.1, FY 2023 Special Budget Review*)
- G. Updates: L. Bingaman
 - 1. COVID Update: D. Verdisco
 - 2. Monthly Board Letter Highlights: L. Bingaman
- H. RPB Committee assignments and reports on RPB committee meetings
- I. *RPB Project Application – Lake Gaillard Water Treatment Plant Filter Influent Valve Replacement Project (Application): J. Hill and O. Kelly
 - 1. Discussion regarding Application
 - 2. Consider and act on Application approval for submission to Representative Policy Board (RPB)
 - 3. Affidavit of Mr. Lakshminarayanan regarding confidential information within said Application
 - 4. Motion for Protective Order for confidential information within said Application
 - 5. Protective Order concerning confidential information within said Application for submission to the RPB

<p>** Members of the public may attend the meeting in person or via remote access. For information on attending the meeting via remote access, and to view meeting documents, please visit https://tinyurl.com/3mp2h37x. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.</p>

**RPB Member (T. Slocum) will join at Item C.2 and be excused at Item I. The FY 2023 proposed budget presentation will be provided to members of the RPB at special meetings of the Finance, Land Use, and Consumer Affairs Committee on April 18th and April 20th, 2022.*

The meeting is being held at 90 Sargent Drive, New Haven, CT and also via remote access. To attend via remote access, please follow the call in instructions below:

Call in (audio only)

[+1 469-965-2517,,901452568#](tel:+14699652517901452568) United States, Dallas

Phone Conference ID: 901 452 568#

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

SAFETY MOMENT

MARCH THAW – FLUCTUATING TEMPS

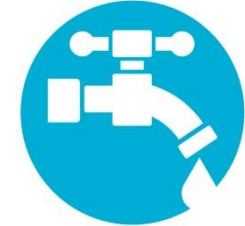
With spring around the corner, temperatures can fluctuate between above and below freezing temperatures, this can result in freezing rain, black ice, and icy roads and sidewalks. It is important to keep these hazardous travel conditions in mind and to check local television or radio stations for weather advisories and warnings.

When possible, avoid driving and walking outside during icy conditions. When travel is absolutely necessary:

- Drive slowly
- Stick to major routes
- Keep a safe distance between vehicles
- If on foot, use salt or sanded paths

Service – Teamwork – Accountability – Respect – Safety

TapInto
Safety



Regional Water Authority



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

 Regional Water Authority

Preliminary FY 2023 Capital Budget

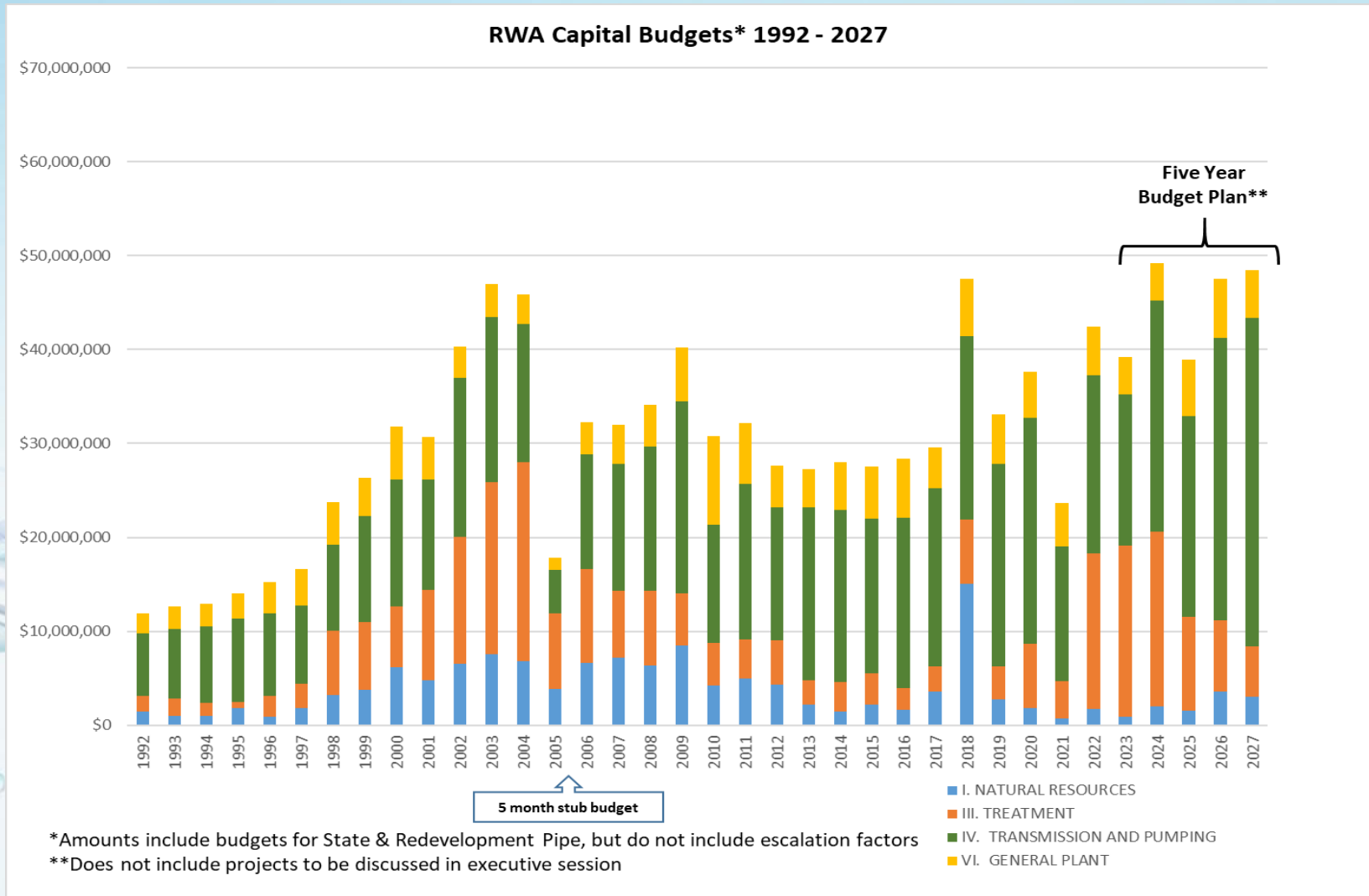
Presentation to the
Regional Water Authority
March 31, 2022



FY 2023 Capital Budget Topics

1. History
2. Assumptions
3. Introduction
4. Budget Prioritization
5. Natural Resources
6. Treatment
7. Transmission & Pumping
8. General Plant
9. Five-Year Capital Improvements Plan
10. Summary

Capital Budget History



FY 2023 Capital Budget - Assumptions

- Total budget will be approximately \$47.1 million, excluding projects to be discussed in executive session
- The FY 2023 budget, and future budgets, take into consideration recommendations from GHD's expenditure forecast audit
- RPB project approvals will be successfully obtained where needed
- Capital budget contingency has been budgeted at \$7,872,000. \$7,422,000 is reserved for four projects (Lake Saltonstall Chemical Systems Improvements, West River Water Treatment Plant Improvements, South Sleeping Giant Wellfield Facility Improvements, and Ansonia-Derby Tank). Overall budget contingency has been budgeted at \$450,000 (1.2%).
- CDOT pipe will continue to be self-funded and is estimated at \$3.0 million
- Municipal redevelopment pipe/non-reimbursable CDOT is a funded item, at an increased level

FY 2023 Introduction

Funds 84 projects and programs in four categories:

• Natural Resources	\$ 0.9 M*
• Treatment	\$18.3 M**
• Transmission & Pumping	\$13.1 M**
• General Plant	<u>\$ 3.9 M*</u>
Subtotal	\$36.2 M (rounded)
• Contingency	\$ 7.9 M
• State & Redevelopment (CDOT)	\$ 3.0 M
• Non-Core Billing	<u>\$ 0.1M</u>
Total	\$47.1 M* (rounded)

*Does not include projects to be discussed in executive session

**Does not include funding for projects being held in contingency

FY 2023 Introduction

- Pandemic effects – inclusion of projects deferred in FY 2021
- Impacts to project schedules due to supply chain challenges
- Drinking Water State Revolving Fund projects
- Asset Management – FY 2023 focus on business practices and operational actions
- Risk, Resiliency, and Redundancy considerations

FY 2023 Prioritization Methodology

- 43 On-Going Projects and Programs
- Prioritization process for FY 2023
 - Update to October 2021 Ten-Year Capital Plan
 - Infrastructure and Technology projects prioritized separately
 - Review by CPCT, Project Managers and Leadership Team

Natural Resources - Highlights

- Approximately \$0.8 million*, eight projects and programs
- Prospect Dam Improvements - \$250,000; \$2.4 million total; – rehabilitation of dam to correct seepage issues. FY 2023 includes, final design, VE, RPB approval, permitting, bidding and award.
- Tunnel/Diversion/Raw Water Main Rehabilitation - \$400,000; \$1.48 million total – inventory mapping, planning, evaluation, inspection, condition assessments, prioritization and rehabilitation/improvement.
- Fence & Guardrail Replacements - \$30,000 – Program to replace damaged or missing fencing on RWA property

*Does not include funding for project to be discussed in executive session

Treatment - Highlights

Proposed spending per treatment facility:

Treatment Facility	Proposed Expenditures
Lake Gaillard WTP*, **, ****	\$7,975,000
West River WTP ***, ****	\$7,100,000
Lake Saltonstall WTP***, ****	\$975,000
Lake Whitney WTP****	\$450,000
Wellfields***	\$1,800,000
	Total \$18,300,000

* Proposed expenditures include Filter Media Replacement

** Proposed expenditures include Water Treatment Plant Valve Replacement Program

*** Amounts shown do not include funding held in contingency for select projects

**** Proposed expenditures include Treatment Plant Graphics Upgrades

Treatment - Highlights

- Approximately \$18.3 million*, 20 projects and programs
- Filter Media Replacement at Lake Gaillard - \$500,000
 - Annual program initiated in FY 2016
- Water Treatment Plant Valve Replacement Program - \$1,100,000; \$2.6 million total
 - Work in FY 2023 will focus on influent & process isolation valves at Lake Gaillard
- Lake Gaillard Water Treatment Plant
 - Clarifiers & Recycle Building Improvements (FY 2021 – FY 2024) - \$3,000,000; \$8.7 million total
 - HVAC Upgrades (FY 2022 – FY 2025) - \$2,000,000; \$6.1 million total
 - Sodium Hypochlorite Tanks Replacement (FY 2022 – FY 2023) - \$600,000
 - Local Control Console Upgrade (FY 2022 – FY 2023) - \$375,000
 - Electrical Upgrades (FY 2020 – FY 2025) - \$575,000; \$5.2 million total
 - Miscellaneous Treatment Plant Improvements (annual program) - \$200,000

*excludes funding for LSWTP Chemical Systems Improvements & South Sleeping Giant Wellfield Facility Improvements held in contingency

Treatment - Highlights

- Lake Saltonstall Water Treatment Plant
 - Electrical Upgrades (FY 2021 – FY 2025) – combined with Lake Gaillard WTP Electrical
 - Chemical Treatment System Improvements (FY 2020 – FY 2023)*
 - Miscellaneous Treatment Plant Improvements (annual program) - \$200,000
- Lake Whitney Water Treatment Plant - \$250,000; \$750,000 total
 - Ozone and DAF Controls (FY 2023 – FY 2024)
- West River Water Treatment Plant - \$6,900,000**; \$16.9 million total
 - Improvements to electrical and chemical treatment systems, installation of dissolved air flotation (DAF) (FY 2016 – FY 2024)

*\$992,000 in project funding is being held in contingency

**Does not include \$3,000,000 of funding held in contingency

Treatment - Highlights

- Wellfield Facility Improvements - \$150,000
 - South Sleeping Giant Wellfield Improvements (FY 2020 – FY 2023) *
 - Seymour Wellfield Generator Replacement - \$800,000
 - Wellfield Facility Improvements – Derby Wellfield (FY 2023 – FY 2025) - \$150,000; \$1.9 million total
- Well Rehabilitation Program - \$200,000
 - Rehabilitation of two wells – Seymour Wellfield No. 6 and South Cheshire Wellfield No. 2 through mechanical and chemical means. Replacement of well screens, pumps and motors as necessary.
- Well Equipment Replacement & Rehabilitation - \$450,000
 - Rehabilitation of three wells – North Sleeping Giant Well Nos. 1 and 2, and Seymour Well No. 5 through high pressure jetting technology and replacement of screens.
- Derby Wellfield Electrical Upgrades - \$125,000
 - Replacement of existing electrical switchgear.

*\$800,000 of project funding being held in contingency

Treatment - Highlights

- Treatment Plant Graphics Upgrades - \$800,000
 - Upgrade of graphics systems at water treatment facilities for uniformity with graphics systems at non-treatment facilities.
- Treatment Facility Roof Replacements - \$75,000
 - Roof replacement at South Cheshire Wellfield

Transmission & Pumping - Highlights

- Approximately \$13.1 million*, 27 projects and programs
- Capital Pipe: Approximately \$3.5 million; 2.2 miles in 4 towns
- Municipal Redevelopment Pipe: \$1.0 million, five identified projects
- State (CDOT) Pipe: revolving fund, not bonded funds. Four active projects
- Capital Pipe Service Connections: \$500,000 for connections related to capital pipe replacements
- Service Connections: \$1.8 million; replacement of existing service connections
- Valve Replacements: \$250,000; program to replace broken distribution valves in system
- Meters: \$50,000; replacements and new installations

*excludes funding for Ansonia Derby Tank held in contingency

Transmission & Pumping - Highlights

- Hydrants & Connections: \$125,000; installation/replacement of hydrants and laterals where we own the hydrants
- Good of Service Pipe: \$200,000; for pipe installed at RWA's expense.
- Lead Service Line Replacements: \$500,000; \$49.7 million total
 - Required by EPA regulations; submitted for DWSRF funding
- Northern Service Area Expansion (FY 2020 – FY 2027): \$100,000; \$12 million total
 - Multi-year project to be completed in phases.
 - RPB Application in FY 2023
 - Will be partially funded by growth fund
- Service Area Improvements – East West Transmission Main: \$160,000
 - Multi-year project to address distribution system limitations in the east-west corridor that supplies water from Lake Gaillard to Milford.
- State Street Pipe Bridge (FY 2022 – FY 2023): \$250,000
 - Multi-year project to structurally rehabilitate 36" transmission main crossing on State Street over the Mill River in New Haven.

Transmission & Pumping - Highlights

- Pipe Bridge Rehabilitation: \$25,000; \$375,000 total
 - Annual program to address structural deficiencies identified during inspection.
- Ansonia-Derby Tank (FY 2009 – FY 2023): \$1,600,000*; \$5.1 million total
 - Construction of water storage tank
- Saltonstall Ridge Tank Power Vent: \$250,000
 - Installation of power vent to address water quality issues.
- North Branford Tank Structural Improvements & Additional Tank (FY 2023 – FY 2029): \$150,000; \$10.1 million total
 - Rehabilitation of previously identified structural deficiencies in existing tank, and proposed construction of a second tank.
- Variable Frequency Drive (VFD) Program: \$150,000
 - Replacement of VFD's throughout the distribution at end of life cycle.
 - FY 2023 work at North Cheshire Wellfield, Sanford Street Pump Station, and North Sleeping Giant Wellfield

*Does not include \$2,630,000 funding held in contingency

Transmission & Pumping - Highlights

- Critical Pump Station & Transmission Facilities Upgrades Program: \$100,000; \$10.1 million total
 - Evaluation and replacement of essential components at critical facilities
 - Includes valves, motors, pumps, and electrical equipment
- Spring Street Pump Station Replacement (FY 2022 – FY 2025): \$200,000; \$9.4 million total
 - Design and construction of new pump station at alternate location
- Raynham Hill Pump Station Improvements (FY 2023 – FY 2024): \$350,000; \$1.9 million total
 - Replacement of pumps, existing piping, electrical service upgrade, installation of stand-by generator.
- Water Quality Improvements Program: \$150,000
 - Installation of chemical treatment, mixing and monitoring equipment at treatment plants and in the distribution system

General Plant - Highlights

- Approximately \$3.9 million*
- Work & Asset Management Solutions: \$350,000; \$1.2 million total
 - Validation of vertical equipment data, create foundation for functional work and asset management system
- Business enhancements for SAP: \$10,000, LIMS: \$140,000, AMI: \$10,000
- Innovation
 - Business Analytics Platform (FY 2022 – FY 2027): \$20,000; \$700,000 total
 - Customer Channels, Sales & Marketing (FY 2021 – FY 2027): \$150,000; \$1.5 million total
 - Robotic Process Automation/Machine Learning/AI (FY 2022 – FY 2030): \$50,000; \$550,000 total
- SAP SQL Upgrade (FY 2022 – FY 2023): \$100,000; \$170,000 total
- Cyber Security Enhancements (FY 2021 – FY 2033): \$110,000
- Data Center Life Cycle Replacements – annual program: \$650,000
- Commercial (a.k.a. Non-Core) Billing (FY 2021 – FY 2025): \$100,000; \$1.6 million total – growth fund, not bonded funds

*Does not include projects to be discussed in executive session

General Plant – Highlights

- SCADA Upgrades: \$120,000 – annual program
- Fleet: \$885,000
 - Replacement of one 10-wheel dump truck, one small dump truck, five vans, two heavy/medium duty trucks.
 - Purchase of No-Des Flushing Truck and Wachs Gate Truck: \$725,000

Introduction to Five-Year Plan

- Average annual un-escalated projected budgets of \$43.7 million* including contingency. It does not including projects to be discussed in executive session.
- Compares to \$39.4 million* average for 5-year plan originally proposed for FY 2022
- Funds projects and programs in 4 categories:

	<u>5-Year Average</u>	<u>Total</u>
Natural Resources*	\$ 2.2 M	\$ 11.0 M
Treatment	\$12.9 M	\$ 64.6 M
Transmission & Pumping	\$23.0 M	\$114.8 M
General Plant*	\$ 5.1 M	\$ 25.3 M
Contingency	<u>\$ 0.6 M</u>	<u>\$ 2.8 M</u>
	\$43.7 M	\$218.5 M

*Does not include projects to be discussed in executive session

Five-Year Capital Improvements Plan

- Dams & Intakes
 - Prospect Dam, Peat Swamp Dam, Lake Chamberlain Dam, Lake Bethany Dam
- Treatment
 - West River Improvements (DAF, Electrical, Chemical); LGWTP/LSWTP Electrical Upgrades; LGWTP Clarifiers & Recycle Building Upgrades; Water Treatment Plant Valve Replacement Program
- Transmission and Pumping
 - Capital Pipe funded at an average of \$3.5 million
 - Municipal pipe funded at an average of \$850,000
 - Lead Service Line Replacements
 - Spring Street Pump Station Replacement
 - Northern Service Area Expansion
 - North Branford Tank Structural Rehabilitation & Additional Tank
- General Plant
 - Non-Core Billing
 - Innovation
 - Vehicle Replacements

Five-Year Capital Improvements Plan

With Executive Session projects FY 2023 CIP is above 10-Year Model

	FY 2023		FY 2022		October 2021
	<u>Five-Year CIP</u>		<u>Five-Year CIP</u>		<u>10-Year Model</u>
Natural Resources*	\$	11.0	\$	9.5	\$ 15.1
Treatment	\$	64.6	\$	59.1	\$ 64.3
Transmission & Pumping	\$	114.8	\$	107.5	\$ 117.5
General Plant*	\$	25.3	\$	19.5	\$ 24.3
Contingency		2.8		2.5	2.7
TOTALS	\$	218.5	\$	198.1	\$ 223.9

* Does not include projects to be discussed in executive session

Summary

- Budget incorporates efficient and essential funding of infrastructure
- Inclusion and timing of large projects thoroughly vetted
- Continued pursuit of financing alternatives – DWSRF, WIFIA, and other financing alternatives
- GHD report recommendations taken into consideration
- Continued development and implementation of Asset Management Plan

**RWA
FY 2023
OPERATING BUDGET**

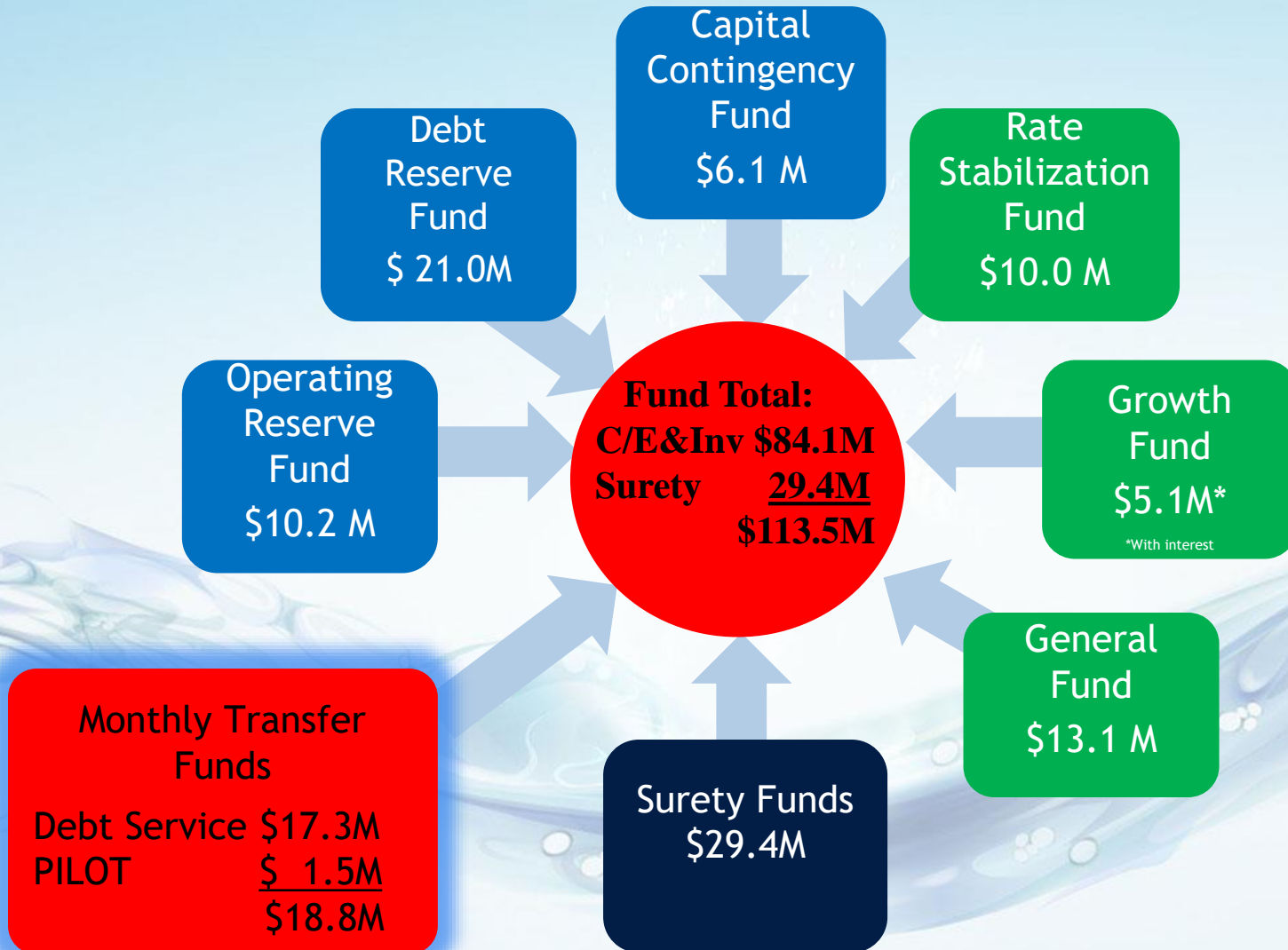


Agenda

- Recap – Financial Position
 - Reserve Balances
 - Capital Funding Sources
- FY 2023 Operating Budget at a Glance
- Revenue & Expense Trends and Assumptions
- Maintenance Test
- Opportunities/Vulnerabilities
- Summary
- Appendix A - Revenues
- Appendix B - Major Operating and Maintenance Expenditures

Reserve Fund Balances – Discretionary

Key Takeaway: Prudent YE Fund Transfers



FY 2023 Operating Budget At a Glance

Key Takeaway: No shortfall in FY2023 budget

	FY2023 Budget	FY2022 Budget	% Change	FY2022 Projection
Revenues				
Water Revenue	\$ 124,093	\$ 116,629	6.4%	\$ 122,591
All Other	7,516	7,711	-2.5%	7,025
Total Revenue	\$ 131,609	\$ 124,340	5.8%	\$ 129,616
Expenses				
O&M	\$ 63,492	\$ 59,741	6.3%	\$ 59,590
Other Expenses	16,400	15,450	6.2%	15,492
Debt Service 114%	51,717	50,071	3.3%	49,560
Total Expenses	\$ 131,609	\$ 125,262	5.1%	\$ 124,642
Shortfall	\$ (0)	\$ 922	-100.0%	\$ (0)

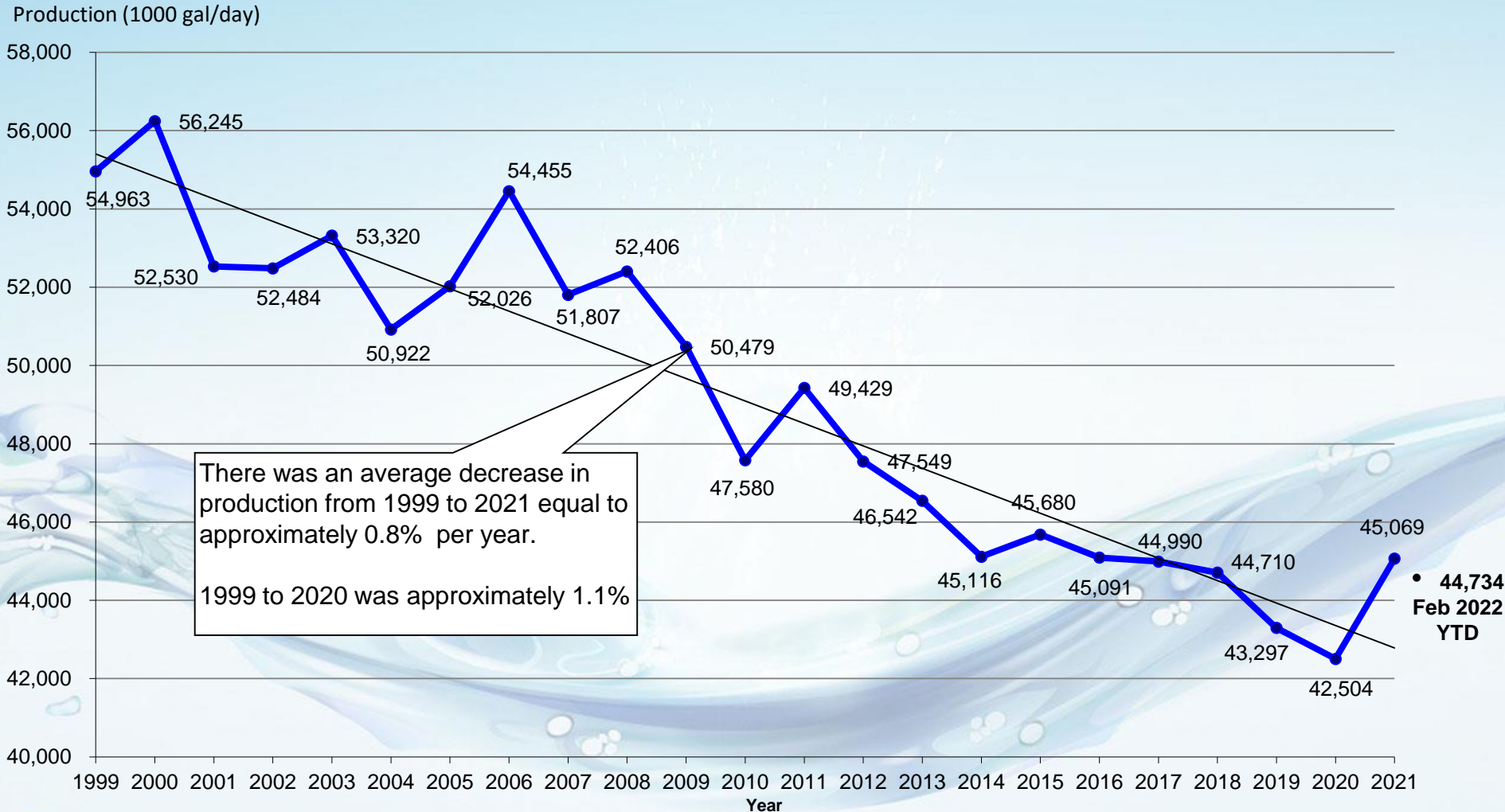
Revenue Trends & Assumptions



Declining Consumption Trend Continues

Key Takeaway: FY21 impacted by Covid

Average Daily Production Trend



FY 2023 Revenue Assumptions

Water Revenues Assumptions:

- FY 2023 revenue based on billed consumption and conversion to cash receipts.
- Adjustments were made for anomalies, including the “big bang” conversion to monthly billing and higher than anticipated consumption due to COVID-19.
- Billed water consumption after adjusting for anomalies, excluding Wholesale minimum commitments, based on year-over-year 1% decline.
- No increase assumed in the number of customers.
- FY 2023 revenues are based on rates and charges that became effective starting in January 2022.
- Uncollectible factor remains at 2.25% - with outside a year increased to \$1.4 million.
- Wholesale revenue, with a minimum commitment, is based on the contract.

Water Revenue Attribution

Key Takeaway: Primary driver is annualized rate increase

FY2022 Budget	\$116,629
2022 Rate Increase	7,539
Billed Consumption - 1% decline	(781)
Outside One Year	136
Fire Service	632
Other Net Changes	(62)
FY2023 Budget	\$124,093
FY2023 to FY2022 Change	\$7,464

Other Revenue Attribution

Key Takeaway: Decrease in revenue primarily driven by other water revenue.

FY 2022 Other Revenues Budget	\$7,154
Other Water:	(166)
- Recreation	(94)
- Miscellaneous	(72)
Forestry	(70)
PipeSafe Suite	125
Outside Lab Services	(67)
Other Net Changes	(30)
FY 2023 Revenues	\$6,946
FY 2023 to FY 2022 Change	-\$208

Expense Trends And Assumptions



FY 2023 O&M Expense Assumptions

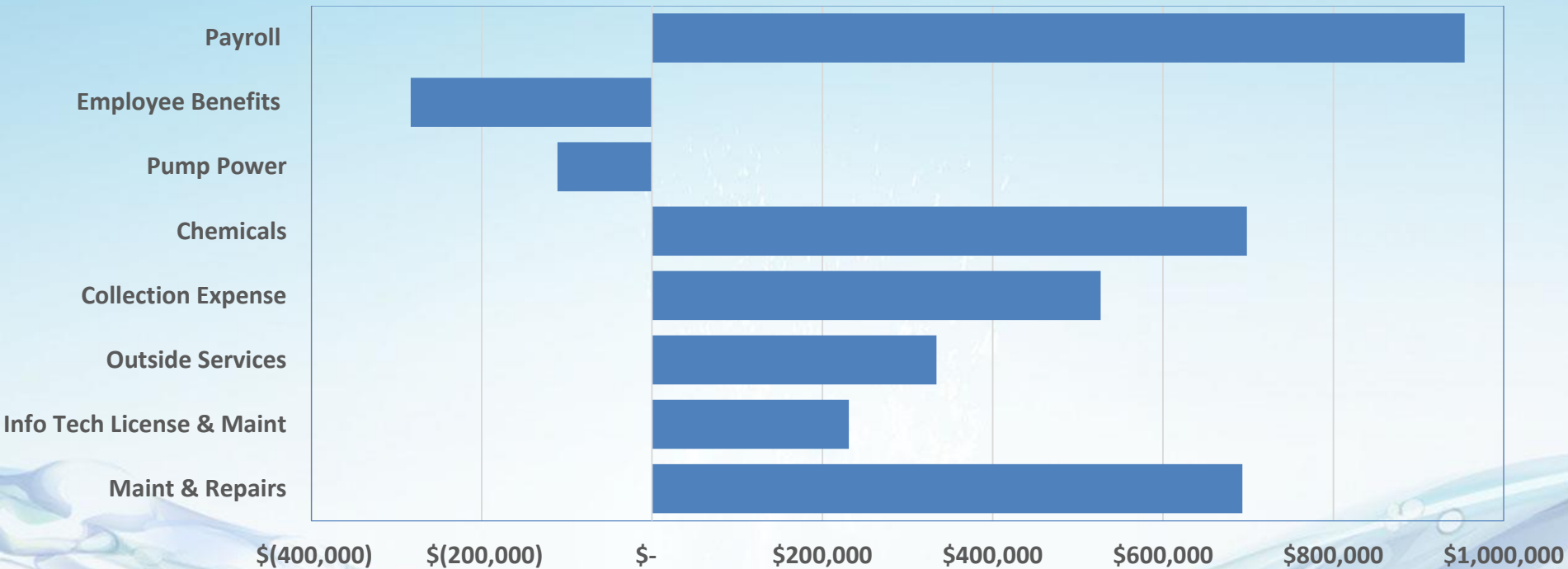
- **Payroll** budget supports our evolving business needs, strategic initiatives including infrastructure and technology investment and revenue enhancement. The payroll budget also includes general wage and salary increases, supports succession planning, and reflects other net changes. Budget includes vacancy factor consistent with FY 2022.
- **Employee Benefits** reflect anticipated medical expenses, including active vs. retiree mix. Pension contributions based on the January 2022 valuation reports, OPEB based on estimate and other actuarial information.
 - FY 2023 budgeted pension contribution assumes additional FY 2022 contribution.
- **Outside/Professional Services**, consistent with FY 2022, are categorized into Business Requirements, Specialized Expertise, Specialized Expertise – Project Related and Technology Related. Regulatory asset amortizations are in a separate category.
- **Maintenance and Repair** includes routine maintenance and repairs. Refurbishment projects that extend the life of the equipment are included in the capital budget. The FY 2023 budget reflects a continued focus on required maintenance and repairs, water quality, and certain expenses associated with the Lead Copper Rule.

O&M Expense Assumptions (Cont.)

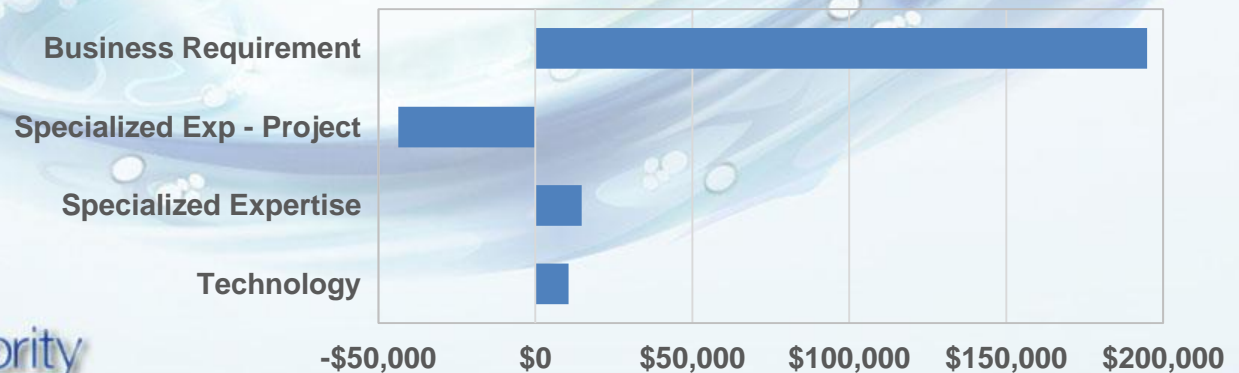
- **Collection expense** increase reflects full year impact of implementation of monthly billing.
- The FY 2023 **Pump Power** (and other electric services) budget reflects generation pricing under the existing four year contract and anticipated increases in distribution pricing.
 - Benefits of previous electric usage optimization are reflected.
- **Info Tech & Licensing & Maintenance Fees** includes hosting costs and annual maintenance fees for SAP and several software applications.
 - The main drivers of the FY 2023 budget are additional maintenance costs associated with data storage, software defined - wide area network, and software applications.
 - Anticipated price increases for annual maintenance fees are also included.
- **G&A** for FY 2023 is slightly higher than FY 2022 primarily due to supplies, recruitment, and other small net changes.
- **Chemicals** reflect a substantial increase in all category expenses due to inflationary factors.

FY 2023 Budget to FY 2022 Budget - O&M

Key Takeaway: While O&M is approximately \$1 million higher than target model scenario, water revenue is also approximately \$1 million higher



Outside Services



FY 2023 Other Assumptions

PILOT Payments:

- Reflects proactive efforts
- Based on 10-1-2021 Grand List assessments and estimated mill rates.

Debt Service:

- Favorable impact of prior refinancing and May 2022 36th Series B.
- Multiple DWSRF loans included in budget.

Depreciation:

- \$7.5 million per last rate application.

Maintenance Test

FY 2023 PROJECTED MAINTENANCE TEST



(000 Omitted)

	<u>FY 2022 Budget</u>	<u>FY 2022 Projected (a) (b)</u>	<u>FY 2023 Budget (b)</u>
Revenue:			
Water Sales	\$116,629	\$122,591	\$124,093
Investment Income	\$150	\$150	\$213
BABs Subsidy	\$657	\$657	\$657
Other - Net	\$7,154	\$6,518	\$6,946
Common Investment	<u>-\$250</u>	<u>-\$300</u>	<u>-\$300</u>
Total Revenue	\$124,340	\$129,616	\$131,609
Less:			
Operating & Maintenance Expense	\$59,741	\$59,590	\$63,492
Depreciation	\$6,500	\$6,917	\$7,500
PILOT	<u>\$8,950</u>	<u>\$8,575</u>	<u>\$8,901</u>
Net Revenue available for Debt Service (A)	<u>\$49,149</u>	<u>\$54,534</u>	<u>\$51,717</u>
Debt Service Payments (C)	<u>\$43,922</u>	<u>\$43,474</u>	<u>\$45,366</u>
Debt Service x 114% (B)	\$50,071	\$49,560	\$51,717
Difference (A-B) - Revenue Shortfall	<u>-\$922</u>	<u>\$0</u>	<u>\$0</u>
Revenue from Rate Stabilization Fund (D)	<u>\$922</u>	<u>\$0</u>	<u>\$0</u>
Coverage (A+D/C)	<u>114%</u>	<u>125%</u>	<u>114%</u>
Required Coverage	<u>114%</u>	<u>114%</u>	<u>114%</u>



(a) Fiscal 2022 reflects an additional pension contribution, pending Authority board approval

(b) FY2022 Projected and FY2023 Budget includes an additional \$300k not included in O&M

Opportunities & Vulnerabilities - FY 2023 Budget

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- 
- O&M vs. Non-O&M (primarily payroll and employee benefits)
 - Vacancy Factors
 - Medical claims experience, including retiree/active mix
 - Pricing projections (IT license fees, chemicals, distribution, fuel, insurance)
 - Outside services, especially project related and specialized expertise.
 - Maintenance and repair, including weather related
 - Other potential savings and vulnerabilities covering a broad range

Revenue:

- 
- 
- Weather
 - Billing-to-cash conversion
 - Other Revenues
 - Consumption patterns

Summary/Conclusions

- FY 2022 will be the 12th consecutive year without a RSF draw
- Balance contributions among:
 - Construction fund
 - Growth fund
 - General fund
 - Pension plan contributions
- Multi-faceted cash collection program
- Prudent cost management , including expenditures consistent with revenue projections
- Monitor PILOT assessments and take appropriate actions
- Pursue alternative financing as well as DWSRF, interim financing and refinancing
- Identify and pursue grant opportunities, especially related to capital projects
- Execute against strategic plan

A dynamic splash of water with various sized bubbles and droplets, set against a light blue gradient background. The water is depicted with soft, painterly textures and a range of blue and white tones.

Any Questions?

Appendix A - Revenues



Comparison of Billed Consumption

	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Projected FY 2022	Budget FY 2023
	(in millions of gallons)										
June	1,195	1,237	1,190	1,214	1,100	1,153	1,295	1,105	1,130	1,211	1,060
July	1,253	1,203	1,122	1,276	1,352	924	1,181	1,148	1,267	1,217	1,107
August	1,454	1,409	1,345	1,361	1,363	1,421	1,346	1,258	1,366	1,266	1,209
September	1,408	1,393	1,487	1,424	1,469	1,346	1,354	1,458	1,489	1,413	1,373
October	1,384	1,504	1,453	1,584	1,226	1,567	1,347	1,392	1,490	1,235	1,352
November	1,103	1,101	1,220	1,288	1,700	1,181	1,145	1,087	1,130	1,094	1,059
December	1,329	1,465	1,192	1,245	1,317	1,311	1,204	1,292	1,255	1,231	1,241
January	996	1,004	1,102	943	942	986	956	910	879	1,630	869
February	998	892	947	994	853	931	894	919	881	984	885
March	1,159	1,282	1,225	1,161	1,300	1,128	1,117	1,092	1,103	1,076	1,065
April	938	940	844	846	932	829	820	890	874	828	817
May	898	971	1,046	907	932	926	917	911	860	842	828
	14,115	14,401	14,173	14,243	14,486	13,703	13,576	13,462	13,724	14,027	12,865



Appendix B – Operating & Maintenance Expenses

Major Operating & Maintenance Categories

	FY2022	FY 2023	FY 2023 Budget Over (Under) FY 2022 Budget Amount
Payroll	23,576,955	24,531,210	954,255
Employee Benefits	10,708,583	10,425,075	(283,508)
Outside Services	3,601,393	3,935,363	333,970
Maintenance and Repairs	3,179,100	3,872,282	693,182
Pump Power	3,050,000	2,938,800	(111,200)
Info Tech-Licensing & Maint Fee	2,465,397	2,696,339	230,942
Chemicals	1,996,500	2,694,812	698,312
Insurance Premiums	1,643,098	1,747,339	104,241
Collection Expense	1,175,065	1,701,700	526,635
General & Administrative	1,513,307	1,537,390	24,083
Utilities & Fuels	1,405,247	1,505,980	100,733
All Other	5,426,710	5,905,397	478,687
Totals	59,741,356	63,491,688	3,897,994

Payroll

FY 2022 Budget*	\$23,576,955
FY 2023 Budget*	<u>\$24,531,210</u>
Variance	\$ 954,255

Wages & Salary Increase/PFP	\$739,704
HC Timing/Other	<u>\$241,551</u>
	\$954,255

The overall budget supports the evolving business needs including investment in infrastructure, technology and succession planning

The budget also includes estimated annual increases

*O&M Only



Employee Benefits

FY 2022 Budget*	\$10,708,583
FY 2023 Budget*	<u>\$10,425,075</u>
Variance	\$ (283,508)



Main variance driver is health insurance under 65 vs. FY 2022 budget. However, health insurance is up versus the FY 2022 projection. FICA, 401k, and Opeb contribution partially offsets lower health insurance

*O&M only

Pump Power

Ford St. Pump Station



FY 2022 Budget	\$3,050,000
FY 2023 Budget	<u>\$2,938,800</u>
Variance	\$ (111,200)

Variance attributed to:

Reflects anticipated increases in distribution pricing. Our generation pricing is under contract through December 2023.

Budget FY2023 is up 3% compared to FY 2022 projection due to the increase in distribution pricing.

Chemicals

FY 2022 Budget	\$ 1,996,500
FY 2023 Budget	<u>\$ 2,694,812</u>
Variance	\$ 698,312

Whitney WTP



Variance attributed to:

The FY2023 budget reflects anticipated price increases across all chemical products. Increases reflect bid prices received in January 2022.

Outside/Professional Services

FY 2022 Budget	\$3,601,393
FY 2023 Budget	<u>\$3,935,363</u>
Variance	\$ 333,970

Variance attributed to:

Business requirements (e.g., Kubra fees), specialized expertise and technology related.

Insurance Premiums

FY 2022 Budget*	\$1,643,098
FY 2023 Budget*	<u>\$1,747,339</u>
Variance	\$ 104,241



Variance attributed to:

The FY 2023 budget is based on known and projected costs associated with all insurance lines, including the Captive program.

Pricing of non-Captive lines was marketed and negotiated. The year-over-year increase is based on the market environment.

*O&M Only

Information Tech. Licensing & Mtc. Fees

FY 2022 Budget	\$2,465,397
FY 2023 Budget	<u>\$2,696,339</u>
Variance	\$ 230,942



Variance attributed to:

Modest increases to software licensing and maintenance costs and an increase in data storage fees.

Maintenance & Repairs

FY 2022 Budget	\$3,179,100
FY 2023 Budget	<u>\$3,872,282</u>
Variance	\$ 693,182



Maintenance & Repairs

Variance attributed to:

Increased costs for a variety of maintenance, repair and water quality activities including No-Des.

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

PROPOSED RESOLUTION

March 31, 2022

(Fiscal Year 2023 Capital and Operating Budget)

RESOLVED, that copies of the proposed Capital Budget and Operating Budget for FY 2023 beginning on June 1, 2022 and ending on May 31, 2023, be distributed to members of the Representative Policy Board and the Office of Consumer Affairs.

**South Central Connecticut Regional Water Authority
Minutes of the February 24, 2022 Meeting**

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, February 24, 2022, via remote access. Chairman Borowy presided.

Present: Authority Members Present – Messrs. Borowy, Curseaden, and Mss. LaMarr and Sack
Authority Members Absent – Mr. DiSalvo
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Joseph, Lakshminarayanan, and Singh
RPB – Mr. Havrda
City of New Haven, Emergency Management – Mr. Fontana
Littler Mendelson P.C. – Atty. McKenna
Staff – Mrs. Slubowski

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

Mr. Bingaman, the RWA’s President and Chief Executive Office, reviewed the Safety Moment distributed to members.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 12:58 p.m., Mr. Joseph entered the meeting.

At 1:16 p.m., Mr. Havrda entered the meeting.

At 1:29 p.m., the Authority reconvened.

On motion made by Ms. Sack, seconded by Ms. LaMarr, 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 January 27, 2022 meeting.
2. Capital Budget Authorization for March 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 \$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.

3. Capital Budget Transfer Notifications – March 2022
4. Monthly Financial Report – January 2022
5. Accounts Receivable – 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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Ms. Kowalski, the RWA's Vice President of Financial Analysis & Reporting, reported on a Type B Amendment for Authority approval to transfer funds from across multiple projects to a critical project at the Lake Gaillard Water Treatment Plant project.

Mr. Curseaden moved for approval of the following resolution:

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.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Ms. Kowalski reported on a Type B Amendment for Authority approval to transfer funds across four projects, including the West River Treatment Plant and the Derby Tank, to contingency. The transfer will allow for funding to be available, to carry-over into fiscal 2023, for these critical projects that are impacted by supply chain and other factors.

Ms. LaMarr moved for approval of the following resolution:

RESOLVED, that the Authority approves the transfer of \$3,000,000 from the West River 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.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Ms. Kowalski presented resolutions for the last stage of the Authority's loan agreement, subsidy, and project loan agreement, which may include grant money up to 20% or more. Ms. LaMarr moved for approval of the following resolution:

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.

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

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Authority members reported on recent Representative Policy Board committee meetings.

At 1:55 p.m., on motion made by Mr. Curseaden, seconded by Ms. LaMarr, and unanimously carried, the Authority voted to recess the regular meeting to meet as the Strategic Planning Committee.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 2:09 p.m., the Authority reconvened.

Mr. Joseph, the RWA's Interim Human Resources Vice President, provided an update on the status of COVID at the RWA.

Mr. Bingaman:

- Provided a commercial business update. The RWA has presented a letter of intent, including a deal structure, presented to the business owner of a local well services company. The RWA is also in the process of performing due diligence. He also stated that discussions with an environmental testing lab are ongoing.
- Highlighted that Ms. Kowalski, will join a panel discussion on the infrastructure Investment and Jobs Act at the Connecticut Certified Construction Manager Conference in early March. She will participate with representatives from the Connecticut Department of Transportation, Office of State Broadband and a local real estate consulting firm to discuss the impact of the infrastructure bill on business. She will use the opportunity to discuss the importance of the RWA being included in water infrastructure funding.
- Reported that Mr. Courchaine is acting as panelist of on workforce development program for soft skills, discipline techniques, effective writing, and public presentations. He is presenting at the Water Utility Management Conference of the Water Environmental Federation as a representative of the RWA.

Discussion ensued regarding monthly billing.

At 2:19 p.m., on motion made by Ms. LaMarr, seconded by Ms. Sack, and unanimously carried, the Authority voted to go into executive session to discuss personnel and land negotiation matters. Present in executive session were the Authority members, Messrs. Bingaman, Joseph, Lakshminarayanan, Singh and Mss. Kowalski, Slubowski, and Verdisco

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 2:29 p.m. Messrs. Joseph, Lakshminarayanan, Singh and Mss. Kowalski, Slubowski and Verdisco withdrew from the meeting and Atty. McKenna entered the meeting.

At 3:06 p.m., Attorney McKenna withdrew from the meeting and the Authority voted to come out of executive session and adjourn.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
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: March 25, 2022

SUBJECT: Capital budget authorization request for April 2022

Attached for your meeting on March 24, 2022 is a copy of the resolution authorizing expenditures against the capital improvement budget for April 2022. The amount of the requested authorization, for funds held by the trustee, is \$6,500,000.

In addition, from the Growth Fund, approximately \$5,000 is expected to be used for the Non-Core Billing project.

This would result in projected expenditures through April 2022 of \$26,670,612 or 73% of the total 2022 fiscal year capital budget, including State and Redevelopment and Growth Fund and excluding contingency.

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 \$6,500,000 for the month of April 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 Kowalski

DATE:

March 25, 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
Watershed Protection	\$61,000	Trucks, Autos & Portable Equipment
SAP Monthly Billing	\$115,000	Lake Saltonstall Water Treatment Plant Elevator Replacement
SAP Monthly Billing	\$117,000	Natural Resources Equipment
Lake Saltonstall Water Treatment Plant Electrical Upgrades	\$62,000	Roses Brook Water Quality Improvements Evaluation & Design
West River Water Treatment Plant Finished Water Reservoirs Concrete Improvements	\$115,000	Natural Resources Access Roads Improvements
West River Water Treatment Plant Finished Water Reservoirs Concrete Improvements	\$47,000	Laboratory Equipment
State Street Pipe Bridge	\$250,000	Laboratory Equipment

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	3/17/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B1	22-42	Mar/22
Requested By:	Adam Cox			

Transfer From:	
Account Number:	001-000-107110-000100
Project Description:	Watershed Protection
A) Original Budget	125,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	61,000
D) Revised Budget (A+/-B-C)	64,000
E) Estimated Project Costs	0
F) Remaining Funds Available for Transfer, if any (D-E)	64,000
Explanation why funds are available: Planned purchase did not occur as anticipated. Work for FY 2022 will complete under budget.	

Transfer To:	
Account Number:	001-000-107192-104087
Project Description:	Trucks, Autos & Portable Equipment
A) Original Budget	400,000
B) Previous Transfers (In or Out)	75,000
C) Revised Budget (A+/-B)	475,000
D) Amount to be Transferred	61,000
E) Proposed Revised Budget (C+D)	536,000
Explanation why funds are needed: This amendment will fund the purchase of a 2021 Ford F550 small dump truck to replace Vehicle #09-021, a 13-year old Chevrolet 2500. This replacement was originally schedule to occur in FY 2021, but was deferred as a result of the difficulty in obtaining vehicles and budget constraints. This purchase is being accelerated as the replacement vehicle is immediately available. Total purchase price is \$61,000.	


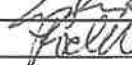
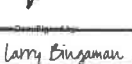
Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Jim Courchaine</i>	3/21/22
2) Donor Vice President/Director	<i>[Signature]</i>	3/18/22
3) Vice President - Finance	<i>R. Kralci</i>	3/21/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bingham</i>	3/24/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	3/17/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-43	Mar/22
Requested By:	Orville Kelly			

Transfer From:	
Account Number:	001-000-107181-100032
Project Description:	SAP Monthly Billing
A) Original Budget	950,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	115,000
D) Revised Budget (A+/-B-C)	835,000
E) Estimated Project Costs	700,000
F) Remaining Funds Available for Transfer, if any (D-E)	135,000
Explanation why funds are available: Project work will complete under budget.	

Transfer To:	
Account Number:	001-000-107132-046128
Project Description:	Lake Saltonstall Elevator Replacement
A) Original Budget	415,000
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	415,000
D) Amount to be Transferred	115,000
E) Proposed Revised Budget (C+D)	530,000
Explanation why funds are needed: This amendment will fund additional required work for the elevator replacement project at the Lake Saltonstall Water Treatment Plant. The elevator is original to the plant's construction in 1974. During the project, site conditions were encountered that require removal of the existing cylinder and drill casing, and redrilling of a new hold. The total cost of the additional work is estimated at \$115,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		3/18/22
2) Donor Vice President/Director		3/18/22
3) Vice President - Finance		3/21/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	Larry Bingaman	3/24/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	3/17/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B2	22-44	Mar/22
Requested By:	William Henley			

Transfer From:	
Account Number:	001-000-107181-100032
Project Description:	SAP Monthly Billing
A) Original Budget	950,000
B) Total Previous Transfers (In or Out)	115,000
C) This Transfer	117,000
D) Revised Budget (A+/-B-C)	718,000
E) Estimated Project Costs	700,000
F) Remaining Funds Available for Transfer, if any (D-E)	18,000
Explanation why funds are available: Project work will complete under budget.	

Transfer To:	
Account Number:	001-000-107198-100435
Project Description:	Natural Resources Equipment - FlowCam Algal Analysis Instrument
A) Original Budget	0
B) Previous Transfers (In or Out)	29,000
C) Revised Budget (A+/-B)	29,000
D) Amount to be Transferred	117,000
E) Proposed Revised Budget (C+D)	146,000
Explanation why funds are needed: This amendment will fund the purchase of a FlowCam 8400 for dynamic imaging particle analysis. The equipment will provide detailed, descriptive, and comprehensive analysis of algal samples taken from RWA reservoirs and raw water influent to our treatment plants, and will be used to optimize window selection at terminal reservoirs, assess ecosystem health, and determine the need for algaecide treatment and algal-specific toxin testing. This equipment will also reduce the time it takes to get results from 5 days to less than an hour. Total cost is \$117,000.	

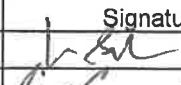
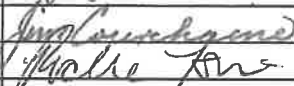
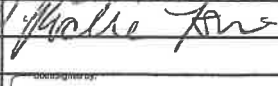
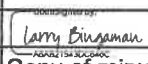
Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>[Signature]</i>	3/18/22
2) Donor Vice President/Director	<i>[Signature]</i>	3/18/22
3) Vice President - Finance	<i>[Signature]</i>	3/21/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>[Signature]</i>	3/24/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	3/17/2022	Type	Log	Mo/Yr
Requesting Division:	Engineering & Environmental Services	B1	22-45	Mar/22
Requested By:	William Henley			

Transfer From:	
Account Number:	001-000-107132-046136
Project Description:	LSWTP Electrical Upgrades
A) Original Budget	300,000
B) Total Previous Transfers (In or Out)	100,000
C) This Transfer	62,000
D) Revised Budget (A+/-B-C)	125,000
E) Estimated Project Costs	700,000
F) Remaining Funds Available for Transfer, if any (D-E)	-575,000
Explanation why funds are available: Project work for FY 2022 will complete under budget. Project continues in FY 2023.	

Transfer To:	
Account Number:	To Be Created
Project Description:	Roses Brook Water Quality Improvement Evaluation
A) Original Budget	0
B) Previous Transfers (In or Out)	29,000
C) Revised Budget (A+/-B)	29,000
D) Amount to be Transferred	62,000
E) Proposed Revised Budget (C+D)	91,000
Explanation why funds are needed: this amendment will accelerate the assessment of potential options for management of high organic source water that entire Lake Gaillard from the Beaverhead Swamp via Roses Brook. Alternatives for a water management structure at the outlet of Roses Brook will be developed and evaluated for feasibility. Findings and recommendations for future work will be summarized in a report. Total cost of the evaluation is estimated at \$62,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director		2/18/22
2) Donor Vice President/Director		3/21/22
3) Vice President - Finance		3/21/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer		3/24/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	3/17/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B12	22-46	Mar/22
Requested By:	Patrick Moran			

Transfer From:	
Account Number:	001-000-107181-100032
Project Description:	West River WTP Finished Water Reservoirs Concrete Improvements
A) Original Budget	850,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	115,000
D) Revised Budget (A+/-B-C)	735,000
E) Estimated Project Costs	641,000
F) Remaining Funds Available for Transfer, if any (D-E)	94,000
Explanation why funds are available: Project completed under budget.	

Transfer To:	
Account Number:	001-000-107112-000463
Project Description:	Natural Resources Access Roads Improvements
A) Original Budget	0
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	0
D) Amount to be Transferred	115,000
E) Proposed Revised Budget (C+D)	115,000
Explanation why funds are needed: This amendment will fund the repaving approximately 2,000' of the RWA-owned portion of North Street in Branford leading to Lake Gaillard. Recent inspection of the roadway found numerous areas of disrepair. The existing asphalt is weak and broken in many areas, with large potholes. Repaving of the roadway will prevent damage to RWA vehicles. Total estimated cost is \$115,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Jim Courchesne</i>	3/21/22
2) Donor Vice President/Director	<i>[Signature]</i>	3/18/22
3) Vice President - Finance	<i>[Signature]</i>	3/21/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bingham</i>	3/24/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	3/21/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B1	22-48	Mar/22
Requested By:	Richard Sibley			

Transfer From:	
Account Number:	001-000-107142-166016
Project Description:	West River Water Treatment Plant Finished Water Reservoirs Concrete Improvements
A) Original Budget	850,000
B) Total Previous Transfers (In or Out)	115,000
C) This Transfer	47,000
D) Revised Budget (A+/-B-C)	688,000
E) Estimated Project Costs	625,000
F) Remaining Funds Available for Transfer, if any (D-E)	63,000
Explanation why funds are available: Project work has completed under budget.	

Transfer To:	
Account Number:	001-000-107195-104634
Project Description:	Laboratory Equipment
A) Original Budget	5,000
B) Previous Transfers (In or Out)	250,000
C) Revised Budget (A+/-B)	255,000
D) Amount to be Transferred	47,000
E) Proposed Revised Budget (C+D)	302,000
Explanation why funds are needed: Amendment 2 of 2: This amendment will fund the purchase of a new liquid chromatograph mass spectrometer (LCMS) system for the analysis of PFAS compounds to replace the existing outdated instrumentation. The new system will allow laboratory personnel to detect lower concentrations of PFAS in drinking water, maintaining compliance with stringent requirements of drinking water regulations. Total cost of the system is estimated at \$297,000.	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Jim Courchaine</i>	3/23/22
2) Donor Vice President/Director	<i>[Signature]</i>	3/23/22
3) Vice President - Finance	<i>[Signature]</i>	3/23/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Fitzgerald</i>	3/24/2022
6) Authority Members	Copy of minutes attached if required	

CAPITAL BUDGET AMENDMENT REQUEST

Request Date:	3/21/2022	Type	Log	Mo/Yr
Requesting Division:	Operations	B2	22-47	Mar/22
Requested By:	Richard Sibley			

Transfer From:	
Account Number:	001-000-107143-100014
Project Description:	State Street Pipe Bridge
A) Original Budget	600,000
B) Total Previous Transfers (In or Out)	0
C) This Transfer	250,000
D) Revised Budget (A+/-B-C)	350,000
E) Estimated Project Costs	350,000
F) Remaining Funds Available for Transfer, if any (D-E)	0
<p>Explanation why funds are available:</p> <p>Due to material delivery delays, project work for FY 2022 will complete under budget. Remaining project work has been rebudgeted for FY 2023.</p>	

Transfer To:	
Account Number:	001-000-107195-104634
Project Description:	Laboratory Equipment
A) Original Budget	5,000
B) Previous Transfers (In or Out)	0
C) Revised Budget (A+/-B)	5,000
D) Amount to be Transferred	250,000
E) Proposed Revised Budget (C+D)	255,000
<p>Explanation why funds are needed:</p> <p>Amendment 1 of 2: This amendment will fund the purchase of a new liquid chromatograph mass spectrometer (LCMS) system for the analysis of PFAS compounds to replace the existing outdated instrumentation. The new system will allow laboratory personnel to detect lower concentrations of PFAS in drinking water, maintaining compliance with stringent requirements of drinking water regulations. Total cost of the system is estimated at \$297,000.</p>	

Approvals As Required By Type	Signature	Date
1) Requesting Vice President/Director	<i>Jim Coarchino</i>	3/23/22
2) Donor Vice President/Director	<i>[Signature]</i>	3/23/22
3) Vice President - Finance	<i>[Signature]</i>	3/23/22
4) Executive Vice President & Chief Operating Officer		
5) Chief Executive Officer	<i>Larry Bingham</i>	3/24/2022
6) Authority Members	Copy of minutes attached if required	

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)

	Feb	Jan	Dec	Nov	Oct	Sept	Aug	July	June	May	April	March	Feb
	2022	2022	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
Under 30	\$ 6,617	\$ 10,706	\$ 6,974	\$ 8,276	\$ 7,638	\$ 8,164	\$ 6,789	\$ 8,080	\$ 6,782	\$ 5,664	\$ 6,227	\$ 6,251	\$ 5,782
31-60	3,164	2,930	3,312	2,042	2,743	1,990	2,081	2,546	1,548	1,987	2,185	1,433	2,112
61-90	1,501	919	1,093	1,436	686	842	1,465	887	966	1,344	891	990	1,666
91-180	1,589	1,561	1,652	1,775	1,881	1,946	1,705	2,023	2,095	2,063	2,016	2,112	2,195
181-360	1,891	2,179	2,145	2,071	2,120	2,149	2,212	2,284	2,404	2,197	2,331	2,443	2,353
More than 1 year	5,217	5,255	5,238	5,111	5,341	5,388	5,134	5,150	5,102	4,964	4,998	4,969	4,720
Sub Total	19,979	23,550	20,414	20,711	20,409	20,479	19,386	20,970	18,897	18,219	18,648	18,198	18,828
Interest due	1,388	1,337	1,224	1,112	1,014	1,026	1,055	1,067	1,088	1,130	1,171	1,216	1,229
Total Gross A/R plus interest	\$ 21,367	\$ 24,887	\$ 21,638	\$ 21,823	\$ 21,423	\$ 21,505	\$ 20,441	\$ 22,037	\$ 19,985	\$ 19,349	\$ 19,819	\$ 19,414	\$ 20,057

Aged Accounts Receivable Focus of Collection Efforts

	Feb	Jan	Dec	Nov	Oct	Sept	Aug	July	June	May	April	March	Feb
	2022	2022	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
Greater than 60 days:													
A/R	\$ 11,281	\$ 10,927	\$ 11,093	\$ 11,360	\$ 11,012	\$ 11,334	\$ 11,554	\$ 11,393	\$ 11,640	\$ 11,683	\$ 11,386	\$ 11,710	\$ 12,143
Less: Multi-Tenants	(3,052)	(2,799)	(2,981)	(3,104)	(2,569)	(2,831)	(2,941)	(2,765)	(3,095)	(3,124)	(2,641)	(2,847)	(3,127)
Receiverships	(1,992)	(2,029)	(1,995)	(1,971)	(1,985)	(2,008)	(1,961)	(2,125)	(1,966)	(1,995)	(2,048)	(2,023)	(2,018)
Liens	(2,370)	(2,212)	(2,220)	(2,189)	(2,196)	(2,281)	(2,472)	(2,112)	(2,274)	(2,236)	(2,304)	(2,410)	(2,296)
Total	\$ 3,867	\$ 3,887	\$ 3,897	\$ 4,096	\$ 4,262	\$ 4,214	\$ 4,180	\$ 4,391	\$ 4,305	\$ 4,328	\$ 4,393	\$ 4,430	\$ 4,702
	34%	36%	35%	36%	39%	37%	36%	39%	37%	37%	39%	38%	39%

Collection Efforts

	Feb	Jan	Dec	Nov	Oct	Sept	Aug	July	June	May	April	March	Feb
	2022	2022	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
Shuts *	\$ -	\$ -	\$ 76	\$ 113	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Red Tags **	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivers	27	12	35	8	33	6	5	5	12	5	9	5	6
Top 100 Collection Calls	588	98	78	38	257	334	142	237	318	250	242	108	191
Other ⁽¹⁾	1,310	1,573	1,091	1,576	1,404	1,217	1,344	878	1,345	1,028	1,222	1,104	1,093
Total	\$ 1,925	\$ 1,683	\$ 1,280	\$ 1,735	\$ 1,709	\$ 1,557	\$ 1,491	\$ 1,120	\$ 1,675	\$ 1,283	\$ 1,473	\$ 1,217	\$ 1,290

* Number of shuts

0

0

155












211

24

** Number of Red tags

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

February 2022 FY22 KPI Report: Q3 Results

KPI Name	Level	Description	GAR	Q3 Target	Q3 Actual	Q3 Commentary
Electronic Bill Delivery	Global	Increase the number of residential, commercial and industrial customers who receive their RWA bill electronically.		30.0%	30.4%	As of February 28, 2022, 35,214 customers have enrolled in e-Billing, that's a 30.4% adoption rate.
Safety	Global	Achieve zero preventable injuries and lead safety initiatives to promote a culture of prevention.		0	5	Preventable injuries in Q3 were related to icy conditions from winter storms in the region. Practice and procedure reviews were completed for treatment of ice with salt/sand and new controls were implemented with existing heated walkways. In the next quarter, Safety Starts with Me training will kick off to further work on our goal of zero preventable injuries.
Capital Planning Management	Global	Unplanned capital expenditures will represent no more than 5% of the FY22 capital budget.		5.0%	3.3%	For the Capital Planning Management KPI, at the end of February we were at 3.3%. We expect to meet the goal.
Water System Needs	Exec	Review five existing Effective Practice Guidelines (EPG) for efficacy and develop three new EPGs in both Treatment and Operations to maintain top performance of business practices.		2	3	Within Operations, Treatment and Distribution staff continually review and develop EPGs. Also, in progress are two (2) EPGs; Identifying critical spare parts and another as part of a greater effort to update EPGs in our service areas.
Disinfection By-products	Global	Maintain 100% compliance with drinking water standards by ensuring that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds.		100%	99%	We remain in compliance with our stringent water quality standards. Through our last compliance sampling period in December, there has been 1 near-miss for the THMs and 0 near-misses for HAAs. DBP research and management activities are on-going. Our next sampling period is March 2022.
Process Improvement	Global	Implement four process improvements to achieve efficiencies.		3	4	We have implemented four process improvements: 1) Capital Planning and Budgeting enhancements including form standardization, schedule modifications where appropriate, and adjusted equipment and materials ordering to address increasing lead times; 2) an automated Continuous Consumption Alert using AMI data to identify and notify customers of a possible leak at their location; 3) introduced a Customer Escalation Dashboard that streamlines the tracking and reporting of customer concerns; and 4) changed our process for providing meter vault assemblies to our customers by offering them the opportunity to purchase components directly from our distributors to eliminate supply chain issues and reduce liability.
Cybersecurity	Exec	Complete external cybersecurity SCADA assessment and implement four critical recommendations for improvement.		4	8	<ul style="list-style-type: none"> - Centralized Event Logging for servers: COMPLETE - Create plan for updating out of date hardware firmware: COMPLETE - Restrict access to out of date PLC Devices and routers: COMPLETE - Finalize SCADA Business Continuity Plan: COMPLETE - Cybersecurity CISA OT/IT training for SCADA Staff: COMPLETE - Creation of SCADA Incident response plans: COMPLETE - Off Site SCADA Backup: COMPLETE - Remove or Upgrade unsupported operating systems from Scada Network: COMPLETE 1/30/22
Coverage	Global	Meet 114% coverage without a draw from discretionary funds.		114% Coverage \$0 Draw	114% Coverage \$0 Draw	We are currently projecting to exceed this financial target.
Commercial Enterprise Growth	Global	Acquire two profitable acquisitions to contribute to mitigating rates.		2	1	We are ambitiously working toward achieving this target. We closed one transaction this past summer and have others in the pipeline, including two targets at various levels of due diligence.
Commercial Services Revenue	Exec	Achieve commercial net revenues of \$6.0M in FY22 to support overall target of \$9.2M for FY25.		On Target at year-end	Projected to be lower than Target at year end.	<p>Although we continue to work towards the stretch goal reflected in the KPI, our current projection is below this stretch goal.</p> <p>PipeSafe offers and Well Services are above expectations; however, outside lab services net revenue, which is partially offset by lower utility O&M expenses, is below budget. Common expenses are reflective of the high level of activity.</p>
Capital Budget Management	Global	Ensure that at least 96% of the FY22 capital budget is put to work efficiently for the benefit of our customers.		54.7%	46.4%	For Capital Expenditures, at the end of February we were at 46.4% expended. Amendments have been processed and we do expect to meet the target of 96%.

**Representative Policy Board
Dashboard Metric - 3Q FY22**

Metrics	Quarter ended 8/31/21 (1Q FY 2022)	Quarter ended 11/30/21 (2Q FY 2022)	Quarter ended 2/28/22 (3Q FY 2022)
Customer/Stakeholders			
<i>Combined Customer Satisfaction & Reputation (Note 1)</i>	Target: 96% +/-2%	Target: 96% +/-2%	Target: 96% +/-2%
	Results: 93.1%*	Results: 93.1%*	Results: 93.1%*
	*Period ending March 2020, most recent available	*Period ending March 2020, most recent available	*Period ending March 2020, most recent available
<i>Underlying Credit Rating</i>	S&P rating AA- , affirmed 10/2019	S&P rating AA- , affirmed 12/2021	S&P rating AA- , affirmed 12/2021
	Moody's rating Aa3 , affirmed 10/2019	Moody's rating Aa3 , affirmed 12/2021	Moody's rating Aa3 , affirmed 12/2021
<i>Water Rates</i>	Update to be provided with the next Official Statement	Update included in Preliminary Official Statement is attached	Update to be provided with the next Official Statement
Financial Metrics (Note 2)			
<i>Accrued Metered Water Revenues to Budget (000 omitted)</i>	Budget: \$28.384 million	Budget: \$55.461 million	Budget: \$79.933 million
	Result: \$30.324 million	Result: \$55.782 million	Result: \$79.910 million
<i>Other Net Revenues to Budget</i>	Budget: \$1.409 million	Budget: \$2.851 million	Budget: \$4.327 million
	Result: \$1.470 million	Result: \$2.863 million	Result: \$4.200 million
<i>O&M Expenditures to Budget (Note 2)</i>	Budget: \$14.750 million	Budget: \$29.562 million	Budget: \$44.620 million
	Result: \$13.335 million	Result: \$26.844 million	Result: \$40.844 million
<i>Capital Expenditures to Budget (Note 3)</i>	Budget: \$4.749 million	Budget: \$12.190 million	Budget: \$17.919 million
	Result: \$3.986 million	Result: \$10.248 million	Result: \$15.208 million
<i>Cash Collections (Water and Fire Service)</i>	Budget: \$30.247 million	Budget: \$59.677 million	Budget: \$92.166 million
	Result: \$32.896 million	Result: \$61.713 million	Result: \$96.316 million
<i>Coverage</i>	Budget: 1.14 w/draw	Budget: 1.14 w/draw	Budget: 1.14 w/draw
	Projected: 1.14 w/o draw	Projected: 1.14 w/o draw	Projected: 1.25 w/o draw

Representative Policy Board
Dashboard Metric - 3Q FY22

Metrics	Quarter ended 8/31/21 (1Q FY 2022)	Quarter ended 11/30/21 (2Q FY 2022)	Quarter ended 2/28/22 (3Q FY 2022)
<i>Draw Requirement</i>	Budget: \$922 thousand Projected: \$0 million	Budget: \$922 thousand Projected: \$0 million	Budget: \$922 thousand Projected: \$0 million
System Metrics			
<i>Average Daily Production (Draft) to Budget (MG/D)/Prior Year (Note 4)</i>	Prior Year: 56.883 MGD Result: 53.416 MGD	Prior Year: 50.707 MGD Result: 48.344 MGD	Prior Year: 46.413 MGD Result: 44.734 MGD
<i>Disinfection By-products (5)</i>	Target: 90% Result: 100%* * As of June 30, 2021, updated quarterly based on calendar year	Target: 100% Result: 100%* * As of September 30, 2021, updated quarterly based on calendar year	Target: 100% Result: 100%* * As of December 31, 2021, updated quarterly based on calendar year
<i>Net Unaccounted For Water (annualized)</i>	Target: 10.0% Result: 11.64% for the annualized period of June 2020 to May 2021	Target: 10.0% Result: 11.73% for the annualized period of Sept. 2020 to August 2021	Target: 10.0% Result: 11.82% for the annualized period of December 2020 to November 2021
<i>Reservoir Levels (% full)</i>	92% vs. 74% LTA	85% vs. 66% LTA	97% vs. 82% LTA

Notes:

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

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

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

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

Note 5: Fiscal 2022 target is 100% representing that tests are at least 10% below the maximum drinking water thresholds

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: March 31, 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.

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.

March 31, 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 reviewed the information submitted and has determined that the tank site does not fall within the City of Derby High School sport complex project limits that had received State funding and is not encumbered.

RWA has been notified through a letter dated March 7, 2022 that the area where the tank is to be constructed is not encumbered. The letter was issued by Mr. Andrew Hoskins, the Interim Office Director of Land Acquisition and Management, CT DEEP.

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
Vice President of Financial Reporting & Analysis

DATE: March 25, 2022

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

Attached are the following financial reports regarding the third quarter of fiscal year 2022. i.e., the quarter ended February 28, 2022:

- Statements of net position as of February 28, 2022 and February 28, 2021;
- Schedules A-1 & A-2: Statements of revenues, expenses and changes in net position as of February 28, 2022, maintenance test, and commentary;
- Schedule B: Operating and maintenance expenses;
- Schedule C: Capital budget report;
- Schedule D: Investment earnings report - comparison of investment rates of return

The reports bulleted above incorporate the Authority's experience from June 2021 through February 2022. For the remainder of fiscal year 2022, the reports include the projections shown on schedules A-2 and B which use the assumptions explained below.

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

Section of page entitled "Nine Months Ended February 28"

The figures shown present June through February 28 as well as comparative budget vs. actual results for the nine months ended February 28, 2022.

Section of page entitled "Year Ending May 31, 2022"

The "budget" column is the budget for fiscal year 2022, as approved by the Five-Member Authority.

Assumption 1

The column labeled *Assumption 1* presents earned metered water revenues that reflect nine months (June through February 2022) of consumption and three months of budgeted consumption for (March 2022 through May 2022).

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

Assumption 2

The column labeled *Assumption 2* projects consumption for the months of March 2022 through May 2022 at 3% above budget. Operating expense for "pump power" and chemicals for these same months is adjusted to reflect the 3% increase.

Assumption 3

The column labeled *Assumption 3* projects consumption for the months of March 2022 through May 2022 at 3% below budget. Operating expense for "pump power" and chemicals for these same months is adjusted to reflect the 3% decrease.

Section of page entitled "Maintenance Test"

The maintenance test reflects the same three assumptions described above except that water sales are not accrued revenue, but cash collections from June through February 2022, plus projected cash collections for March 2022 through May 2022. Management assumes that the billings are collected over the course of twelve months.

Schedule B: Operating and Maintenance Expense

This schedule provides details of the operating and maintenance expense for the third quarter of fiscal year 2022, as well as projections for March 2022 through May 2022 under the three assumptions presented above.

Schedule C: Capital Budget Report

This schedule shows capital expenditures for June through February 2022, as well as projections for the full fiscal year 2022.

Schedule D: Interest Earned

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

Attachments

**REGIONAL WATER AUTHORITY
STATEMENTS OF NET POSITION
AS OF FEB 28, 2022 AND 2021**

Assets	FY 2022	FY 2021	Y/Y Variance
Utility plant			
Property, plant and equipment in service	\$ 910,063,072	\$ 897,071,970	\$ 12,991,102
Accumulated depreciation	(399,328,828)	(379,782,739)	(19,546,089)
Utility plant in service	510,734,244	517,289,231	(6,554,987)
Land	27,993,988	28,090,328	(96,340)
Construction work in progress	30,666,940	25,144,043	5,522,897
Total utility plant, net	569,395,172	570,523,602	(1,128,430)
Nonutility land, at cost	64,983,522	64,983,522	-
Goodwill	14,423,704	14,423,704	-
Current assets			
Cash and cash equivalents	57,780,368	58,122,359	(341,991)
Investments	-	-	-
Accounts receivable, less allowance for doubtful accounts	17,103,591	15,761,380	1,342,212
Accrued revenue	7,977,497	14,288,372	(6,310,875)
Accrued interest receivable	16,409	16,780	(370)
Materials and supplies	2,189,036	1,951,090	237,946
Prepaid expenses and other assets	4,728,949	5,633,943	(904,994)
Total current assets	89,795,851	95,773,924	(5,978,072)
Note Receivable	500,000	500,000	-
Pension Assets			
OPEB Assets	-	-	-
Restricted assets	143,621,449	97,006,164	46,615,285
Regulatory assets	9,741,440	10,000,413	(258,973)
Total assets	892,461,139	853,211,329	39,249,810
Deferred Outflows of Resources			
Deferred charge on refunding	16,282,797	17,539,414	(1,256,616)
Deferred charge on pension plans	1,264,929	3,511,937	(2,247,008)
Deferred charge on OPEB plans	1,865,616	946,423	919,193
Total	\$ 911,874,481	\$ 875,209,102	\$ 36,665,379

Liabilities and Net Assets	FY 2022	FY 2021	Y/Y Variance
Liabilities			
Revenue bonds payable, less current portion	\$ 513,775,000	\$ 495,615,000	\$ 18,160,000
Net premiums and discounts from revenue bonds payat	46,853,669	42,139,221	4,714,448
DWSRF loans payable, less current portion	24,348,545	20,340,590	4,007,955
Net pension liability	9,651,739	19,071,269	(9,419,530)
Net OPEB obligation	17,772,589	18,344,539	(571,950)
Total noncurrent liabilities	612,401,543	595,510,619	16,890,923
Current liabilities			
Current portion of revenue bonds payable	21,475,000	20,565,000	910,000
Current portion of DWSRF loans payable	1,306,514	1,033,618	272,896
Accounts payable	3,586,325	4,168,533	(582,208)
Notes payable	50,500	5,937,343	(5,886,843)
Customer deposits and advances	1,287,826	2,357,909	(1,070,083)
Other accrued liabilities	7,355,097	8,350,536	(995,439)
Total current liabilities	35,061,261	42,412,939	(7,351,678)
Liabilities payable from restricted assets			
Accounts payable for construction	1,478,471	1,586,983	(108,512)
Accrued interest payable	2,049,596	1,802,299	247,296
Customer deposits and advances	1,331,530	1,277,443	54,087
Total liabilities payable from restricted assets	4,859,597	4,666,725	192,872
Other liabilities	25,756.81	17,365	8,392
Total liabilities	652,348,158	642,607,648	9,740,509
Deferred inflows of resources			
Deferred inflows related to pensions	5,386,573	46,926	5,339,647
Deferred inflows related to OPEB	3,867,000	3,432,746	434,254
Net Position			
Invested in capital assets, net of related debt	86,412,204	81,839,469	4,572,736
Restricted assets	95,701,911	92,839,439	2,862,472
Unrestricted assets	68,158,635	54,442,874	13,715,761
Total net assets	250,272,750	229,121,782	21,150,968
Total liabilities and net assets	\$ 911,874,481	\$ 875,209,102	\$ 36,665,379

REGIONAL WATER AUTHORITY
REVIEW OF FINANCIAL DATA
Feb 28, 2022 (FY 2022)

SCHEDULE A-1 - COMMENTARY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating Revenues

FY22 revenue for water, including wholesale and fire service, is over budget by \$63k (approx. 0.1%).
Metered water revenue is under budget by \$23k (approx. 0.03%)

Total net other revenue is \$289k 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.	\$ (706,000)
Employee Benefits are under budget primarily due to lower medical and dental expense, payroll tax, and 401k.	(672,000)
Administrative Building is over budget primarily due to custodial services.	55,000
General & Admin is under budget primarily due to the reclassification of computer purchases from expense to capital.	(151,000)
Transportation is under budget primarily due to diesel fuel and insurance.	(82,000)
Material From Inventory is under budget due to lower than anticipated costs.	(153,000)
Pump Power is under budget primarily due to lower than anticipated costs.	(200,000)
Chemicals Expense is over budget primarily due to price increases.	65,000
Road Repairs are over budget due to higher than anticipated costs.	162,000
Postage is under budget primarily due to timing and is expected to be close to budget at the end of the fiscal year.	(153,000)
Collection Expense is under budget due to lower year-to-date collections related expenses and affordability fund contributions.	(236,000)
Public/Customer Information is under budget primarily due to lower than anticipated expenditures.	(158,000)
Outside Services are under budget in multiple areas primarily due to timing of spend.	(571,000)
Insurance Premiums are over budget primarily due to timing.	96,000
Training and continued education is under budget across multiple areas.	(104,000)
RPB Fees are under budget due to lower than anticipated consulting and meeting fees.	(51,000)
Central Lab/Water Quality is under budget primarily due to the mix between internal and outside lab services.	(220,000)
Info. Technology Licensing & Maintenance Fees are under budget primarily due to timing.	(94,000)
Maintenance & Repairs are under budget primarily due to timing.	(471,000)
All Other	(132,000)
	<u>\$ (3,776,000)</u>

Interest Income

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

PROJECTED MAINTENANCE TEST

The projected coverage is 1.25 with no shortfall. The budgeted shortfall is \$922k.

REGIONAL WATER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTHS ENDING FEB 28, 2022

Schedule A-1

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	(Under)Over Budget
Operating revenues				
Metered water revenues	\$ 81,787	\$ 79,933	\$ 79,910	\$ (23)
Fire service	9,119	9,132	9,194	62
Wholesale	588	582	606	24
Other revenue - water	2,507	2,808	2,802	(6)
Other revenue - proprietary	7,314	7,094	7,310	216
Total operating revenues	101,315	99,549	99,823	274
Operating expenses				
Operating and maintenance expense	39,286	44,620	40,844	(3,776)
Expense associated with other revenue - water	1,306	1,458	1,564	106
Expense associated with other revenue - proprietary	2,874	2,862	3,255	393
Provision for uncollectible accounts	754	713	340	(372)
Depreciation	18,900	18,450	18,454	4
Payment in lieu of taxes	6,449	6,713	6,454	(259)
Amortization Pension Outflows/Inflows	1,234	645	645	(0)
Amortization OPEB Outflows/Inflows	(409)	(470)	(470)	0
Total operating expenses	70,393	74,990	71,086	(3,904)
Operating income	30,923	24,559	28,737	4,179
Nonoperating income and (expense)				
Interest income	214	1,501	883	(618)
(Loss) Gain on disposal of assets	(229)		(1,633)	(1,633)
Realized and unrealized (losses) gains on investments	-		-	-
Interest expense	(16,713)	(16,212)	(16,411)	(199)
Amortization of bond discount, premium, issuance cost and deferred losses	2,024	1,851	1,878	26
Intergovernmental revenue	25		-	-
Contributions to related entities	-		(950)	(950)
Total nonoperating income and (expense) before capital contributions	(14,679)	(12,859)	(16,233)	(3,374)
Income (expense) before contributions	16,244	\$ 11,700	12,504	\$ 805
Capital contributions	1,289		1,073	
Change in net assets	17,533		13,577	
Total net assets - beginning of fiscal year	211,589		236,696	
Total net assets - end of reporting month	\$ 229,122		\$ 250,273	

FY 2022 MAINTENANCE TEST
(Budget vs. Projected)

	Budget FY 2022 @114%	Projected FY 2022 @114%	(Under)Over FY 2022 @114%
Revenue Collected:			
Water sales	116,629	122,591	\$ 5,962
Interest Income	150	150	-
BABs Subsidy	657	657	-
Other Net	7,154	6,518	(636)
Common Non-Core	(250)	(300)	(50)
Total	124,340	129,616	5,276
Less:			
Operating and maintenance expenses	(59,741)	(59,590)	151
Common Non-Core	-	-	-
Depreciation	(6,500)	(6,917)	(417)
PILOT (A)	(8,950)	(8,575)	375
Net Avail for Debt Service (B)	\$ 49,149	\$ 54,534	\$ 5,385
Debt Service Payments (C)	\$ 43,922	43,474	\$ (448)
Debt Service @ 114% (D)	\$ 50,071	49,560	\$ (511)
Difference (B-D)	\$ (922)	\$ 4,974	
RSF, Growth and/or General Fund (D)	922		
Coverage	114%	125%	

REGIONAL WATER AUTHORITY
Fiscal Year 2022
(\$000 Omitted)

SCHEDULE A-2

STATEMENTS OF REVENUES, EXPENSES

	Nine Months Ending February 28				Twelve Months Ending May 31			
	FY 2021	FY 2022	FY 2022	(Under)Over		Projection -	Projection -	
	Actual	Budget	Actual	Budget	Budget	Assumption 1	Assumption 2	Assumption 3
AND CHANGES IN NET ASSETS								
Operating Revenues								
Metered Water Revenues	\$ 81,787	\$ 79,933	\$ 79,910	\$ (23)	\$ 104,060	\$ 104,037	\$ 104,509	\$ 103,565
Fire Service	9,119	9,132	9,194	62	12,207	12,268	12,268	12,268
Wholesale Water	588	582	606	24	760	784	784	784
Other revenue - water	2,507	2,808	2,802	(6)	3,713	3,713	3,713	3,713
Other revenue - proprietary	7,314	7,094	7,310	216	9,623	9,528	9,528	9,528
Total Operating Revenues	101,315	99,549	99,823	274	130,363	130,331	130,803	129,859
Operating Expenses								
Operating and Maintenance	39,286	44,620	40,844	(3,776)	59,741	59,590	59,625	59,555
Expenses associated with other revenue-water	1,306	1,458	1,564	106	1,966	2,175	2,175	2,175
Expenses associated with other revenue-proprietary	2,874	2,862	3,255	393	3,809	4,190	4,190	4,190
Provision for uncollectible accounts	754	713	340	(372)	950	500	500	500
Depreciation	18,900	18,450	18,454	4	24,600	24,600	24,600	24,600
Payment in lieu of taxes	6,449	6,713	6,454	(259)	8,950	8,575	8,575	8,575
Amortization Pension Outflows/Inflows	1,234	645	645	(0)	868	868	868	868
Amortization OPEB Outflows/Inflows	(409)	(470)	(470)	0	(626)	(626)	(626)	(626)
Total Operating Expenses	70,393	74,990	71,086	(3,904)	100,258	99,871	99,906	99,836
Operating Income	30,923	24,559	28,737	4,179	30,105	30,460	30,897	30,023
Nonoperating income and (expense)								
Interest Income	214	1,501	883	(618)	1,986	1,336	1,336	1,336
(Loss)/Gain on disposal of assets	(229)	-	(1,633)	(1,633)	(1,750)	(1,750)	(1,750)	(1,750)
Interest Expense	(16,713)	(16,212)	(16,411)	(199)	(21,515)	(22,128)	(22,128)	(22,128)
Amortization of bond discount, premium								
issuance cost and deferred losses	2,024	1,851	1,878	26	2,428	2,568	2,568	2,568
Intergovernmental revenue	25	-	-	-	-	490	490	490
Contributions to related entities	-	-	(950)	(950)	-	(950)	(950)	(950)
Total nonoperating income & (expense)	(14,679)	(12,859)	(16,233)	(3,374)	\$ (18,852)	\$ (20,435)	\$ (20,435)	\$ (20,435)
(Expense) income before contributions	16,244	\$ 11,700	12,504	\$ 805	\$ 11,253	\$ 10,025	\$ 10,463	9,589
Capital contributions								
Change in net assets	17,533		13,577					
Total net assets - beginning of fiscal year	211,589		236,696					
Total net assets - end of reporting month	\$ 229,122		\$ 250,273					

MAINTENANCE TEST

	Twelve Months Ending May 31			
	Budget	Projection -	Projection -	Projection -
		Assumption 1	Assumption 2	Assumption 3
Revenue Collected:				
Water Sales	\$ 116,629	\$ 122,591	\$ 122,902	\$ 122,280
Interest Income	150	150	150	150
BABs Subsidy	657	657	657	657
Other Net	7,154	6,518	6,518	6,518
Common Non-Core	(250)	(300)	(300)	(300)
Total	124,340	129,616	129,927	129,305
Less:				
Operating and Maintenance Expenses	(59,741)	(59,590)	(59,625)	(59,555)
Common Non-Core	0	-	-	-
Depreciation	(6,500)	(6,917)	(6,917)	(6,917)
PILOT (A)	(8,950)	(8,575)	(8,575)	(8,575)
Net Avail for Debt Service (B)	49,149	54,534	54,810	54,258
Debt service payments (C)	\$ 43,922	\$ 43,474	\$ 43,474	\$ 43,474
Debt Service @ 114% (D)	\$ 50,071	\$ 49,560	\$ 49,560	\$ 49,560
Difference (B-D)	\$ (922)	\$ 4,974	\$ 5,250	\$ 4,698
RSF, Growth and/or General Fund (D)	\$ 922	\$ -		
Coverage	114%	125%	126%	125%
Required Coverage	114%	114%	114%	114%

REGIONAL WATER AUTHORITY
 OPERATING AND MAINTENANCE EXPENSES
 Fiscal Year 2022
 (\$000 Omitted)

SCHEDULE B

NINE MONTHS ENDING FEBRUARY 28

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	(Under) Over
1 Payroll	\$ 16,344	\$ 17,543	\$ 16,837	\$ (706)
2 Employee Benefits Allocation	5,511	6,000	5,328	(672)
Pension	1,996	2,026	2,026	-
3 Administrative Building Space Allc	766	681	736	55
4 General & Administrative	946	1,164	1,013	(151)
5 Transportation Allocation	533	536	454	(82)
6 Tools & Stores Allocation	260	227	242	15
7 Utilities & Fuel	1,081	1,066	1,076	11
8 Material From Inventory	144	292	139	(153)
9 Pump Power Purchased	2,198	2,325	2,125	(200)
10 Chemicals	1,397	1,486	1,551	65
11 Road Repairs	88	112	274	162
14 Postage	164	269	116	(153)
15 Printing & Forms	52	62	35	(27)
17 Collection Expense	410	741	506	(236)
18 Business Improvement	148	94	108	14
19 Public/Customer Information	126	293	135	(158)
20 Outside Services	1,409	2,803	2,232	(571)
21 Insurance Premiums	1,055	1,220	1,316	96
22 Worker's Compensation, pre-Chur	(43)	35	24	(11)
23 Damages	52	49	28	(21)
24 Training & Cont. Education	85	190	86	(104)
25 Authority Fees	99	117	102	(15)
26 Consumer Counsel	20	45	12	(33)
27 RPB Fees	78	127	76	(51)
28 Organizational Dues	66	86	80	(5)
29 Donations	15	27	7	(21)
34 Central Lab/Water Quality	226	339	119	(220)
40 Environmental Affairs	77	85	43	(43)
44 Info. Technology Licensing & Maintenance Fees	1,549	1,853	1,760	(94)
45 Maintenance and Repairs	2,120	2,411	1,940	(471)
46 Regulatory Asset Amortization	316	316	318	1
	<u>\$ 39,286</u>	<u>\$ 44,620</u>	<u>\$ 40,844</u>	<u>\$ (3,776)</u>

YEAR ENDED MAY 31, 2022

	Budget	Projection Assump 1	Projection - Consumption 3% Above Assump 2	Projection - Consumption 3% Below Assump 3
	23,577	22,491	22,491	22,491
	8,045	8,655	8,655	8,655
	2,664	2,664	2,664	2,664
	944	1,006	1,006	1,006
	1,513	1,470	1,470	1,470
	728	739	739	739
	295	309	309	309
	1,405	1,456	1,456	1,456
	376	294	294	294
	3,050	2,854	2,875	2,833
	1,997	2,333	2,347	2,319
	162	299	299	299
	421	390	390	390
	77	62	62	62
	1,175	1,064	1,064	1,064
	129	296	296	296
	409	311	311	311
	3,601	3,759	3,759	3,759
	1,643	1,639	1,639	1,639
	46	28	28	28
	65	40	40	40
	269	241	241	241
	157	163	163	163
	60	24	24	24
	169	76	76	76
	102	132	132	132
	37	30	30	30
	447	252	252	252
	115	81	81	81
	2,465	2,432	2,432	2,432
	3,179	3,576	3,576	3,576
	422	424	424	424
	<u>\$ 59,741</u>	<u>\$ 59,590</u>	<u>\$ 59,625</u>	<u>\$ 59,555</u>

	Period Ending February 28, 2022			Period Ending May 31, 2022		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
I. NATURAL RESOURCES						
Watershed Protection	125	13	(112)	125	50	(75)
Land Management	18	6	(12)	20	20	-
Hamden Middle School Remediation	31	21	(10)	48	48	-
Lake Whitney Dam & Spillway Improvements	450	312	(138)	600	600	-
Lake Menunketuc Dam Intake Valves Stem Replacement	175	77	(98)	175	175	-
Prospect Dam Subsurface Investigation	100	132	32	200	200	-
Stream Flow Regulations Improvements	130	16	(114)	150	150	-
Tunnel Diversion Raw Water Main Rehabilitation Program	343	215	(128)	480	480	-
Lake Saltonstall Raw Water Bldg. Compressor Replacement	-	7	7	11	7	(4)
Fence & Guardrail Replacements	70	89	19	100	100	-
Miscellaneous Natural Resources	15	34	19	30	36	6
Prior Year	-	-	-	-	-	-
TOTAL	1,457	922	(535)	1,939	1,866	(73)
II. TREATMENT						
Filter Media Replacement	302	307	5	500	500	-
Water Treatment Plant Valve Replacement Program	41	8	(33)	110	110	-
Water Treatment Plant Critical Spare Parts	-	-	-	165	165	-
LGWTP - Chemical Feed Improvements	335	224	(111)	312	312	(0)
LGWTP - Backwash Polymer System Upgrades	205	206	1	205	206	1
LGWTP Local Control Console Upgrade	-	-	-	75	75	-
LGWTP -Clarifiers Recycle & Building Improvements	151	114	(37)	306	300	(6)
LGWTP-Raw Water Flow Control Valve Replacement	196	103	(93)	700	550	(150)
LGWTP-HVAC Upgrades	67	100	33	235	235	-
LGWTP Sodium Hypochlorite Tanks Replacement	-	-	-	500	500	-
LSWTP-Electrical Upgrades	210	3	(207)	200	125	(75)
LSWTP -Chemical Treatment System Improvements	311	114	(197)	250	250	-
LSWTP -Elevator Improvement	148	174	26	415	530	115
LWWTP Plant Improvements	238	204	(34)	765	765	-
LWWTP Partial Green Roof Replacement	-	-	-	108	108	-
WRWTP Improvements (Dissolved Air Flotation, Electrical, Chemical)	480	599	119	3,120	3,120	-
West River WTP-Effluent Pipe Injection	25	88	63	90	90	-
WRWTP Backwash Lagoon Diversion Vault Valves	-	-	-	100	100	-
Treatment Plant Graphics Upgrades	50	17	(33)	200	150	(50)
NSG Wellfield Facility Improvements	265	455	190	580	550	(30)
SSG Wellfield Facility Improvements	200	118	(82)	900	900	-
NSG Well 1B Pump Motor Replacement	144	153	9	144	165	21
Well Rehabilitations	96	10	(86)	338	338	-
Well Replacements	3	1	(2)	2	1	(1)
NSG Well No. 4 Motor Control Center (MCC) Replacement	100	4	(96)	100	50	(50)
Treatment Plant Driveway Replacement Program	70	-	(70)	100	100	-
WRWTP Backwash & Surface Wash Pump Repl	35	36	1	150	32	(118)
LSWTP -Hypochlorite System	-	7	7	5	7	2
Miscellaneous Treatment	184	0	(184)	263	263	-
Prior Year	-	-	-	-	-	-
TOTAL	3,855	3,047	(808)	10,938	10,597	(340)
III. TRANSMISSION AND DISTRIBUTION						
Pipe	3,344	3,303	(41)	5,863	6,345	482
Valve Replacements	210	190	(20)	300	300	-
Service Connections	1,050	1,300	250	1,500	1,600	100
Capital Pipe Service Connections	275	524	249	500	600	100
Meters	330	332	2	485	485	-
AMI Meters	335	270	(65)	230	275	45
Hydrants and Connections	88	66	(21)	125	125	-
Northern Service Area Expansion	988	1,229	241	1,800	1,800	-
Service Area Improvements - East West Transmission System	241	265	24	295	265	(30)
State Street Pipe Bridge	430	62	(368)	600	500	(100)
Ansonia-Derby Tank	140	39	(101)	200	200	-
WRWTP Finished Water Reservoirs Improvements	850	614	(236)	850	625	(225)
LGWTP Finished Water Reservoirs Concrete Improvements	-	0	0	650	650	-
West Avenue Tank Painting	-	24	24	24	24	(0)
Variable Frequency Drive Replacement Program	125	72	(53)	150	150	-
Raynham Hill Pump Station Improvements	-	0	0	50	50	-
Burwell Hill Pump Station Equipment Replacement	320	573	253	647	647	-
Rabbit Rock Pump Station Generator Replacement	50	-	(50)	100	-	(100)
Critical Pump Station & Transmission Facilities Upgrades	115	102	(13)	235	235	-
Spring Street Pump Station Replacement	19	2	(17)	150	150	-
Lake Gaillard Pump Station Improvements	-	25	25	33	33	-
Hill Street Pump Station Repairs	-	109	109	165	165	(0)
Sanford Street Pump Station Rehabilitation	-	1	1	3	1	(2)

	Period Ending February 28, 2022			Period Ending May 31, 2022		
	Budget	Expenditures	(Under)/Over	Budget	Projected	(Under)/Over
Skiff Street Bridge Betterment, Hamden	-	10	10	10	10	0
Brushy Plains System Upgrade-Phase II	-	20	20	18	20	2
Water Quality Improvements	2	1	(1)	150	110	(40)
Miscellaneous Transmission & Pumping	32	14	(18)	75	75	-
Main Breaks 10' or Longer	-	38	38	-	38	38
Prior Year	-	8	8	-	8	8
TOTAL	8,943	9,196	253	15,209	15,487	278
IV. GENERAL PLANT						
SAP Business Enhancements	50	-	(50)	50	50	-
SAP Work Management	50	-	(50)	50	50	-
LIMS Business Enhancements	105	105	0	105	105	0
Infor Business Enhancements	-	-	-	-	-	-
AMI Software Business Enhancements	10	-	(10)	10	10	-
SAP Enhancement Pack/HANA Upgrades	-	-	-	250	100	(150)
Innovation						
Business Analytics Platform	75	-	(75)	75	65	(10)
SAP Customer Channels Sales Marketing	225	158	(67)	225	225	-
Robotic Process Automation/Machine Learning/AI	25	-	(25)	100	100	-
SAP SQL Upgrade	-	-	-	70	70	-
SAP Monthly Billing	950	500	(450)	950	700	(250)
Cyber Security Enhancements	100	43	(57)	100	100	-
System-Wide Radio Telemetry Unit (RTU) Upgrade	700	657	(43)	700	750	50
SCADA	90	70	(20)	120	120	-
Information Systems	505	312	(193)	905	851	(54)
Miscellaneous Information Systems	255	-	(255)	273	223	(50)
Equipment	400	34	(366)	475	475	-
Miscellaneous Equipment	49	84	35	156	162	6
Miscellaneous 90 Sargent Drive	75	76	1	75	81	6
Prior Year	-	5	5	-	5	5
TOTAL	3,664	2,043	(1,621)	4,689	4,242	(447)
V. CONTINGENCY						
	-	-	-	7,532		(7,532)
TOTAL	17,919	15,208	(2,711)	40,307	32,193	(8,114)
VI. STATE & REDEVELOPMENT PIPE						
	2,500	677	(1,823)	3,000	2,500	(500)
VII. NON-CORE BILLING						
	745	728	(17)	745	745	-
TOTAL	21,164	16,613	(4,551)	44,052	35,438	(8,614)

SCHEDULE D

Investment Earnings Report
Comparison of Investment Rates of Return

Fund Type	Balance @ February 28, 2022	Budgeted Return	Rate of Return February 28, 2022	Rate of Return Fiscal Year to Date
<u>Less than Six Months</u>				
Revenue Investment (A)	\$ 31,728,448	0.15%	0.12%	0.09%
Revenue (B)	6,593,624	0.00%	0.09%	0.08%
Rate Stabilization (A)	10,000,000	0.15%	0.12%	0.09%
Operating Reserve (A)	8,185,679	0.15%	0.12%	0.09%
Operating Reserve (C)	1,500,000	0.15%	0.01%	0.01%
Capital Contingency (A)	5,561,075	0.15%	0.12%	0.09%
Debt Reserve (A)	13,504,980	0.15%	0.12%	0.09%
Debt Reserve (C)	4,559	0.15%	0.01%	0.01%
Debt Service (A)	17,296,307	0.15%	0.12%	0.09%
PILOT (A)	1,499,157	0.15%	0.12%	0.09%
General Fund (A)	13,126,128	0.15%	0.12%	0.09%
Sub-Total	\$ 108,999,957			
<u>Long Term Investments</u>				
Operating Reserve	\$ 500,000	0.15%	0.51%	0.51%
Capital Contingency	500,000	0.15%	0.38%	0.38%
Debt Reserve	7,517,402	0.15%	0.56%	0.55%
Sub-Total	\$ 8,517,402			
<u>Other</u>				
Construction (A)	\$ 76,556,283	0.15%	0.12%	0.09%
Construction (C)	36,084	0.15%	0.01%	0.01%
Growth Fund	5,148,297	0.00%	0.05%	0.05%
Interim Financing	897	0.00%	0.01%	0.03%
Sub-Total	\$ 81,741,561			
Total	\$ 199,258,920			

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

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

(C) Investment is in the First American Government Obligation Fund.
Requested transfer of Operating Reserve balance to STIF.

Fund	Budgeted Interest (Cash Basis) as of February 28, 2022	Interest Received (Cash Basis) as of February 28, 2022	(Under)/ Over
Debt Reserve	22,587	22,362	(225)
Operating Reserve	11,260	6,439	(4,821)
Capital Contingency	6,655	4,396	(2,259)
PILOT	2,911	1,845	(1,066)
Debt Service	19,551	11,133	(8,418)
Revenue	14,873	15,836	963
Rate Stabilization	11,525	6,800	(4,725)
General	19,227	8,931	(10,296)
Sub Total	108,589	77,742	(30,847)
Construction	46,522	28,574	(17,948)
Growth Fund	-	2,351	2,351
Interim Financing	-	-	-
Total	155,111	108,667	(46,444)

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

RPB COMMITTEE MEETINGS

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

Water Treatment Plants Valve Replacement Program - Lake Gaillard Water Treatment Plant Filter Influent Valve Replacement Project

Presentation to the Regional Water Authority



Regional Water Authority Meeting
March 31, 2022
Orville Kelly and Jim Hill

Project Background

- Multi-year program created to replace treatment plant valves – ensuring critical valves are in good working order
- Anticipated expense ranging from \$100K to \$700K annually
- Lake Gaillard WTP influent valves were prioritized as first to be replaced at \$2.69M
- LGWTP is the RWA's largest operated water treatment plant
- Provides water directly to New Haven and Branford service areas and indirectly to other service areas through pump stations and pressure reducing stations

Project Scope

Lake Gaillard WTP Filter Influent Valve Replacement

- Influent Valve Replacement
 - Sequenced isolation of 16 critical 30-inch valves and motorized actuators
 - Isolate filter influent piping from flocculation basin effluent channel
- Demolition/Temporary Provisions
 - Install scaffolding and mechanical plug in 78-inch steel pipe header
 - Sequential demolition of 30-inch butterfly influent valves
- Mechanical and Electrical
 - Install new valves and motorized actuator
 - Associated electrical conduit and wiring for electrical actuator



Project Need

Lake Gaillard WTP Filter Influent Valves Replacement

- Valves do not seal completely and are leaking
 - Decreases plant performance during filter maintenance
 - Limits ability to control filter operations
- Actuated Control Valves are beyond useful life, over 35 years old
 - New control valves will improve the control, reliability and reduce risk of shutdowns
- No current means to isolate filters influent piping valves
 - Purchase temporary 78-inch mechanical plug

Summary of Alternatives Analysis

Lake Gaillard WTP Filter Influent Valve Replacement

- No Action
 - Not an acceptable alternative due to age, leakage and required maintenance
- Permanent Isolation System
 - Difficult to fit in existing piping layout, require temporary plug and high construction risk
 - Installing permanent 54-inch isolation valves is cost-prohibitive
- Temporary Isolation System
 - Construction optimization, plugs install faster than elevated valves
 - Mechanical plugs are reusable and can be stored onsite
 - Cost effective and operationally efficient approach



Budget and Schedule

- Total Project Budget – \$2.69M
 - Multi-Year Project – \$2.7M budgeted in FY23-FY24
 - Program annual capital expense thereafter \$100K to \$700K
- Proposed Project Schedule
 - Submission to RPB – March 2022
 - Anticipated RPB Approval – July 2022
 - Final Design, Permitting & Bid – August to October 2022
 - Award & Construction – November 2022 – May 2024
- ❖ Work will be performed during low demand period (November thru March)
- ❖ No active construction anticipated during 2022-2023 winter season

In Summary

- The proposed program/project:
 - Replaces valves that have reached the end of their useful life.
 - Valve replacements are critical to the treatment plant's operation and improve overall filter control and reliability.
 - Reduces risk of unexpected shutdown of the LGWTP as an 80 MGD capacity facility, the RWA's largest and most critical facility.
 - Mechanical plug is reusable and provides RWA with the ability to provisionally isolate filter influent pipe for future inspections and maintenance.
 - Temporary provision, with valve replacement is the most cost-effective solution

South Central Connecticut Regional Water Authority

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

<http://www.rwater.com>

**RESOLUTIONS FOR ADOPTION
BY REGIONAL WATER AUTHORITY**

Authority Meeting March 31, 2022

Resolved, that the Authority hereby accepts the new Application, dated March 31, 2022, for a Project of the Water Treatment Plants Valve Replacement Program - Lake Gaillard Water Treatment Plant Filter Influent Valve Replacement Project located in North Branford, Connecticut, as a completed Application, substantially in the form submitted to this meeting, and authorizes filing said Application with the Representative Policy Board (“RPB”); and

Further Resolved, if approved by the RPB, the President and CEO, the Vice President of Operations and Business Practices, or the Vice President of Engineering and Environmental Services, are authorized to take any and all actions necessary to complete the construction improvements at the Lake Gaillard Water Treatment Plant in North Branford, Connecticut.

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

March 31, 2022

Proposed Resolution

(Resolution to approve the recommendation of the issuance of a Protective Order for the Application's confidential information to the RPB)

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