

Representative Policy Board
South Central Connecticut Regional Water District
90 Sargent Drive, New Haven, Connecticut
or
Via Remote Access**

AGENDA

Regular Meeting of Thursday, August 24, 2023 at 6:30 p.m.

- I Safety Moment
- II Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
- III Approval of Minutes – July 27, 2023 meeting
- IV Communications
 - A. Nominating Committee for Authority Member
- V RPB Vote Requirements: Bruce McDermott, Murtha Cullina LLP
- VI Items for Consideration and Action
 - A. Discussion and possible action regarding motion for a revote of July 27, 2023 Final Decision, Findings of Fact and Conclusions of Law of the Representative Policy Board for the Authority's Application for approval of the Derby Wellfield Chemical Improvements Project
 - B. Possible consideration and action regarding approval of Final Decision, Findings of Fact and Conclusions of Law of the Representative Policy Board for the Authority's Application for approval of the Derby Wellfield Chemical Improvements Project
 - C. Final Decision, Findings of Fact and Conclusions of Law of the Representative Policy Board for the Authority's Application for approval to purchase assets of Target Two, a Confidential Plumbing Company
 - D. Finance Committee's recommendation regarding External Auditor engagement commencing in FY 2024
- VII Reports
 - A. Finance Committee
 - B. Land Use Committee
 - C. Consumer Affairs Committee
 - D. Nominating Committee
 - E. Authority/Management
- VIII Adjourn

**Members of the public may attend the meeting in person or via conference call. For information on attending the meeting and to view meeting documents, please visit <https://tinyurl.com/mu6vxn53>. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

REPRESENTATIVE POLICY BOARD

South Central Connecticut Regional Water Authority
90 SARGENT DRIVE, NEW HAVEN, CONNECTICUT

THURSDAY, AUGUST 24, 2023 AT 12:30 P.M.

REMOTE MEETING INSTRUCTIONS

Call in (*audio only*)

[+1 469-965-2517](tel:+14699652517).,905057754# United States, Dallas

Phone Conference ID: 905 057 754#

Members of the public may join the meeting in person at address above or by conference call. To view meeting documents please visit <https://tinyurl.com/mu6vxn53>. For questions on attending the meeting, contact the board office at 2203-401-2515 or by email at jslubowski@rwater.com.

SAFETY MOMENT

Tap Into
Safety



Regional Water Authority

BACK TO SCHOOL MEANS SHARING THE ROAD: SLOW DOWN

School days bring congestion: School buses are picking up their passengers, kids on bikes are hurrying to get to school before the bell rings, harried parents are trying to drop their kids off before work. It's never more important for drivers to slow down and pay attention than when kids are present – especially before and after school.

If You're Dropping Off:

- Don't double park; it blocks visibility for other children and vehicles
- Don't load or unload children across the street from the school
- Carpool to reduce the number of vehicles at the school

Sharing the Road with Young Pedestrians:

- In a school zone when flashers are blinking, stop and yield to pedestrians crossing the crosswalk or intersection
- Always stop for a school patrol officer or crossing guard holding up a stop sign
- Never pass a vehicle stopped for pedestrians

Sharing the Road with School Buses:

- Never pass a bus from behind or from either direction if you're on an undivided road if it is stopped to load or unload children
- The area 10 feet around a school bus is the most dangerous for children; stop far enough back to allow them space to safely enter and exit the bus
- Be alert; children often are unpredictable, and they tend to ignore hazards and take risks



Service – Teamwork – Accountability – Respect – Safety

 Regional Water Authority

**Representative Policy Board
South Central Connecticut Regional Water District**

Minutes of July 27, 2023 Meeting

A regular meeting of the Representative Policy Board (“RPB”) of the South Central Connecticut Regional Water District took place on Thursday, July 27, 2023, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chair Harvey presided.

PRESENT

RPB

Ansonia	Thomas P. Clifford III
Beacon Falls	Peter Betkoski
Bethany	Brian Eitzer
Branford	Vacant
Cheshire	Timothy Slocum
Guilford	Charles Havrda
Hamden	Stephen Mongillo
Killingworth	Jamie Mowat Young
Madison	Joseph A. Oslander
Milford	Richard Smith
New Haven	Naomi Campbell
North Haven	Anthony Rescigno
Orange	Jasper J. Jaser
Prospect	Robert E. Harvey, Jr.
Seymour	Michael H. Horbal
West Haven	T. Gregory Malloy
Woodbridge	Mark Levine
Governor’s Rep	Vincent M. Marino

Regional Water Authority

David Borowy
Kevin Curseaden
Catherine LaMarr
Mario Ricozzi

Management

Larry L. Bingaman
Rochelle Kowalski
Elizabeth Calo
Dennis Donovan
Jim Hill
Sunny Lakshminarayanan
Premjith Lakshman Singh

Counsel

Bruce McDermott, Murtha Cullina

Absent

Derby	Frank Pepe
East Haven	Michelle Verderame
North Branford	Peter DeSantis

Office of Consumer Affairs

Jeffrey M. Donofrio

Staff

Jennifer Slubowski

Call to Order

Chair Harvey called the meeting to order at 6:32 p.m.

Safety Moment

Chair Harvey reviewed the Safety Moment distributed to members.

Public Comment

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

Minutes

On motion made by Mr. Malloy, seconded by Mr. Clifford, the RPB approved the minutes of its June 22, 2023 meeting as distributed, with 71 total weighted votes cast in the affirmative.

Ansonia (3)	Aye	Guilford (4)	Aye	No. Haven (5)	Aye
Beacon Falls (0)	Aye	Hamden (10)	Aye	Orange (3)	Aye
Bethany (5)	Aye	Killingworth (2)	Aye	Prospect (1)	Aye
Branford (6)	Vacant	Madison (6)	Abstain	Seymour (1)	Abstain
Cheshire (4)	Aye	Milford (10)	Aye	West Haven (8)	Aye
Derby (2)	Absent	New Haven (13)	Aye	Woodbridge (3)	Aye
East Haven (6)	Absent	No. Branford (8)	Absent	Gov. Rep. (1)	Abstain

Communications

Chair Harvey:

- Reported on the process for the appointment of Authority member. Anyone wishing to volunteer for the Nominating Committee for Authority member should contact the board office.
- Stated that statutory committee assignments for 2023-2024 are established and a list was distributed. RPB statutory committee chair assignments have also been made.
- Noted that a copy of the Quarterly RPB Dashboard was included in member meeting packets.

Item for Consideration and Action

Mr. Betkoski moved for approval of the following resolutions:

WHEREAS, the South Central Connecticut Regional Water Authority, on June 22, 2023, filed two Applications with the Representative Policy Board (“RPB”) for the dispositions of:

1. 17.22 acres located west of Beech Street in North Branford; and
2. 19.462 acres located north of Poms Lane in North Branford (the “Applications”); and

WHEREAS, the Land Use Committee of the Representative Policy Board reviewed the Applications and recommended that the Applications be accepted by the RPB as complete; and

WHEREAS, the Land Use Committee recommended that the public hearings be conducted by a Presiding Member; and

WHEREAS, the Land Use Committee proposed public hearing dates of September 28, 2023 at 7:00 pm., in accordance with Special Act 77-98, as amended, and the RPB Bylaws and Rules of Practice.

NOW THEREFORE BE IT RESOLVED, that the RPB accepts the Land Use Committee’s recommendation to consider the Authority’s Applications and determined to hold public hearings, to be conducted by a Presiding Member, on September 28, 2023 at 7:00 p.m., in accordance with Special Act 77-98, as amended, and the RPB Bylaws and Rules of Practice; and

FURTHER RESOLVED, that the Chairperson is hereby directed to give notice of said hearing in accordance with Section 11 of the Rules of Practice, as amended

Mr. Malloy seconded the motion. After discussion, the Chair called for the vote and the RPB adopted the motion with 71 total weighted votes cast in the affirmative.

Ansonia (3)	Aye	Guilford (4)	Aye	No. Haven (5)	Aye
Beacon Falls (0)	Aye	Hamden (10)	Aye	Orange (3)	Aye
Bethany (5)	Aye	Killingworth (2)	Aye	Prospect (1)	Aye

Branford (6)	Vacant	Madison (6)	Abstain	Seymour (1)	Abstain
Cheshire (4)	Aye	Milford (10)	Aye	West Haven (8)	Aye
Derby (2)	Absent	New Haven (13)	Aye	Woodbridge (3)	Aye
East Haven (6)	Absent	No. Branford (8)	Absent	Gov. Rep. (1)	Abstain

Chair Harvey stated that Mr. Havrda (Guilford) would act as presiding member at the public hearing.

Mr. Eitzer moved for approval of the following resolution:

RESOLVED, that the proposed Findings of Fact, Conclusions of Law and Final Decision of the Representative Policy Board, with respect to the South Central Connecticut Regional Water Authority's Application for approval of the Derby Wellfield Chemical Improvements Project, dated April 28, 2023, which copy is attached hereto, be and hereby is, approved in the form submitted to the meeting.

Mr. Jaser seconded the motion. After discussion, the Chair called for the vote and the RPB adopted the motion with 50 total weighted votes cast in the affirmative.

Ansonia (3)	Aye	Guilford (4)	Aye	No. Haven (5)	Aye
Beacon Falls (0)	Aye	Hamden (10)	Nay	Orange (3)	Aye
Bethany (5)	Aye	Killingworth (2)	Aye	Prospect (1)	Aye
Branford (6)	Vacant	Madison (6)	Abstain*	Seymour (1)	Abstain*
Cheshire (4)	Aye	Milford (10)	Aye	West Haven (8)	Nay
Derby (2)	Absent	New Haven (13)	Aye	Woodbridge (3)	Nay
East Haven (6)	Absent	No. Branford (8)	Absent	Gov. Rep. (1)	Abstain*

*Present but could not vote due to technical issues.

At 7:03 p.m., the RPB meeting recessed and reconvened at 8:00 p.m.

On motion made by Mr. Clifford, seconded by Mr. Malloy, and unanimously carried, the RPB approved its 2023-second quarter RPB member compensation, substantially in the form submitted to the meeting, with 73 total weighted votes cast in the affirmative.

Ansonia (3)	Aye	Guilford (4)	Aye	No. Haven (5)	Aye
Beacon Falls (0)	Aye	Hamden (10)	Aye	Orange (3)	Aye
Bethany (5)	Aye	Killingworth (2)	Aye	Prospect (1)	Aye
Branford (6)	Vacant	Madison (6)	Abstain	Seymour (1)	Aye
Cheshire (4)	Aye	Milford (10)	Aye	West Haven (8)	Aye
Derby (2)	Absent	New Haven (13)	Aye	Woodbridge (3)	Aye
East Haven (6)	Absent	No. Branford (8)	Absent	Gov. Rep. (1)	Aye

Reports

Finance Committee – Mr. Slocum, former Chair of the Finance Committee, reported that the committee met earlier in the month and received the year-end financial results from management and the committee selected a new chair for 2023-2024. He recognized long-time committee member Mr. Havrda and thanked him for his service while on the committee.

The next meeting is on Monday, August 14, 2023 at 5:00 p.m.

Land Use Committee – Mr. Betkoski, Chair of the Land Use Committee, reported that the committee met earlier in the month at the Northford Playground in North Branford to receive an update on Big Gulph recreation activities. The committee also considered and recommended the two North Branford disposition

applications approved for a public hearing by the board this evening. Management reviewed land updates and he was re-elected committee chair for another year.

The next meeting is on Wednesday, August 9, 2023.

Consumer Affairs Committee – Mr. Mongillo, former Chair of the Consumer Affairs Committee, reported that the committee met last month and elected Mark Levine as the new Committee chair. The Committee also received a cybersecurity update from management, which was discussed in executive session. Atty. Donofrio reported that the OCA’s interrogatories for the Authority’s Application for Target Two were submitted and he also reviewed the two North Branford land disposition applications. The OCA reported no pending consumer issues.

The next meeting is on Monday, August 21, 2023 at 5:30 p.m.

Authority/Management – Mr. Borowy, Chair of the Authority, reported on the Authority Meeting earlier in the day. He stated that the Authority met as the Pension & Benefit Committee and the Compensation Committee. Mr. Borowy also reported that Authority committee chair assignments were made for the upcoming year and Ms. LaMarr will continue to chair the Audit-Risk Committee and replace Ms. Sack as chair of the Pension & Benefit Committee, Mr. Curseaden will continue to chair the Commercial Business Committee and replace Mr. Borowy as chair of the Compensation Committee, which has been expanded to include human resource responsibilities, Mr. Riconzi will chair the Environmental, Health & Safety Committee, and Ms. Sack will chair the Strategic Planning Committee.

Ms. LaMarr, future Chair of the Pension & Benefit Committee, reported that the Committee met earlier in the day and received a quarterly investment performance for the period ended June 30, 2023 from Morgan Stanley, the Investment Advisor for the Voluntary Employees’ Beneficiary Association and pension plans. The committee also received an annual update of the RWA’s 401K Plan and the committee considered an issuance of a Request for Proposal or Request for Information for the investment advisor. The committee also recommended amendments to the RWA’s 401k Plan associated with a pending acquisition.

Mr. Borowy reported on the Compensation Committee meeting earlier in the day. The Committee met to review the Chief Executive Officer’s (“CEO”) fiscal 2023 Strategic Priorities, as well as discuss the CEO’s and Leadership Team performance.

On behalf of the Leadership Team, Mr. Bingaman thanked the boards for the continued support.

Mr. Bingaman, the RWA’s President and CEO, reviewed revenues, operating and maintenance expenses for the month ended June 30, 2023 and stated the projected maintenance test for FY 2024 is 114%, with no shortfall. However, the RWA continues to monitor the overall economic environment and customers’ ability to pay.

He also reported that as of July 17, 2023 reservoir levels are at 96%, compared to the long-term average of 85%.

Chair Harvey acknowledged Atty. Donofrio, OCA, who had nothing to report.

Chair Harvey noted that RPB members interested in the Authority member position effective January 1, 2024, should notify him or the board office no later than August 1, 2023.

He also stated that the next regular meeting of the Executive Committee is scheduled for October. Any members wishing to hold a special meeting prior to October should contact the board office.

At 8:21 p.m., on motion made by Mr. Clifford, seconded by Mr. Eitzer, and unanimously adopted with 73 total weighted votes cast in the affirmative, the meeting adjourned.

Ansonia (3)	Aye	Guilford (4)	Aye	No. Haven (5)	Aye
Beacon Falls (0)	Aye	Hamden (10)	Aye	Orange (3)	Aye
Bethany (5)	Aye	Killingworth (2)	Aye	Prospect (1)	Aye
Branford (6)	Vacant	Madison (6)	Abstain	Seymour (1)	Aye
Cheshire (4)	Aye	Milford (10)	Aye	West Haven (8)	Aye
Derby (2)	Absent	New Haven (13)	Aye	Woodbridge (3)	Aye
East Haven (6)	Absent	No. Branford (8)	Absent	Gov. Rep. (1)	Aye

Respectfully submitted,

Jamie Mowat Young, Secretary

Attachment:

1. Final Decision, Findings of Fact and Conclusions of Law of the Representative Policy Board for approval of the Derby Wellfield Chemical Improvements Project.

REPRESENTATIVE POLICY BOARD
OF THE
SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

AUGUST 24, 2023

PROPOSED RESOLUTION

*(Approval of Authority's Application to Purchase the Assets of Target Two, a
Confidential Plumbing Company)*

RESOLVED, that the proposed Findings of Fact, Conclusions of Law and Final Decision of the Representative Policy Board, with respect to the South Central Connecticut Regional Water Authority's Application for approval to Purchase the Assets of Target Two, a Confidential Plumbing Company, dated May 26, 2023, which copy is attached hereto, be and hereby is, approved in the form submitted to the meeting.

**Representative Policy Board
South Central Connecticut Regional Water District**

Application for Approval to Purchase :
the Assets of Target Two, a Confidential : **August 24, 2023**
Plumbing Company :

**Final Decision, Findings of Fact and Conclusions of Law
of the Representative Policy Board**

A. The Applicant’s Request

On May 26, 2023, the South Central Connecticut Regional Water Authority (“RWA” or the “Applicant”), through its five-member Authority, submitted an application for approval to purchase the Assets of Target Two, a Confidential Plumbing Company (“Application” or “Target Two”). The purchase would expand the RWA’s Well Services footprint and market share, as well as support the proliferation of its WellSafe protection plan product. Target Two has a strong service reputation, a stable healthy earnings profile, and is uniquely positioned to compliment the RWA Well Services’ smaller plumbing acquisitions from a scale and geographic expansion perspective. The proposed asset purchase cost, including the purchase of all physical and intangible assets, is between \$1.5 - \$2.0 million dollars. The Application for approval of the project was filed pursuant to the statutory authority set forth in Section 19 of Special Act No. 77-98, as amended.

B. Participants

In addition to the Representative Policy Board (“RPB”) and the RWA, the district’s Office of Consumer Affairs (“OCA”) participated in this proceeding. The OCA is authorized by Section 15 of Special Act No. 77-98, as amended, to act as the advocate for consumer interests in all matters that may affect water customers in the district.

C. Statutory Standard

Pursuant to the legislation cited in paragraph A above, the RWA is required to obtain approval from the RPB prior to acquiring or making a subsequent investment in any non-core business in an amount costing more than \$1 million dollars.

D. Notice and Procedures

Effective July 1, 2021, Senate Bill 1202, Section 163, permitted the RPB to hold the public hearing on the Application using electronic equipment or technology that facilitates real-time public access to meetings, including, but not limited to, telephonic, video or other conferencing platforms. On June 22, 2023, the RPB voted unanimously to accept the Application as complete and called a public hearing on Thursday, July 27, 2023 at 7:00 p.m., at the office of the South Central Connecticut Regional Water Authority, 90 Sargent Drive, New Haven and via remote access. The RPB designated Thomas P. Clifford III (Ansonia) to serve as Presiding Member at the public hearing.

As required by Section 10 of Special Act. No. 77-98, as amended, the RPB published in the *New Haven Register* and the *Connecticut Post* the date, time and place of the public hearing to be held by the RPB to consider the Application for approval. The date of publication was June 24, 2023. A copy of this notice was filed with the Office of the Clerk of each city and town within the District. The notice was posted on the RWA's website, including information about electronic participation for the meeting.

E. Public Hearing

At the public hearing on July 27, 2023, the Applicant provided sworn testimony from Rochelle Kowalski, the RWA's Vice President and Chief Financial Officer, and Dennis Donovan, the RWA's Director of Business Development. The Applicant provided a public presentation that

included an overview and background, opportunity review, and asset purchase structure. Atty. Donofrio, Office of Consumer Affairs, also testified at the public hearing.

The Application also contained confidential information, subject to protection under C.G.S. Section 1-200(6)(E), for matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information. The portion of the public hearing during which confidential commercial and financial information was discussed was held in executive session.

Members of the RPB asked questions of the Applicant regarding employees, initiatives, future planning, and competition.

The OCA provided a summary of his analysis of the Application as noted in his memorandum to the RPB dated July 21, 2023, which included commercial and financial information protected under C.G.S. Section 1-210(b)(5)(B). For the reasons set forth in his memorandum, the OCA recommended approval of the Application.

In addition to the applicants and OCA listed above, members of the public were invited to attend. No members of the public were present at the public hearing.

F. Analysis

After considering all of the evidence presented, the RPB believes that the Application is necessary, advances the policies and goals of the South Central Connecticut Regional Water Authority, and is in the best interest of the RWA and its customers. The presentation at the public hearing reinforced the need for and importance of the acquisition.

G. Conclusion

We therefore conclude that the Application should be approved. Separately stated findings of fact and conclusions of law are attached hereto as Exhibit A.

Exhibit A
Representative Policy Board
South Central Connecticut Regional Water District

Application for Approval to Purchase :
the Assets of Target Two, a Confidential : **August 24, 2023**
Plumbing Company :

Findings of Fact

1. The South Central Connecticut Regional Water Authority (“RWA”), through its five-member Authority, submitted an Application to the RPB for approval to purchase the Assets of a Confidential Plumbing Company (“Application”) on May 26, 2023.
2. In 2017, Special Act 17-5 amended the RWA’s enabling legislation to allow the RWA to conduct and invest in non-core business activities defined as including water related, environment, agriculture, and certain renewable energy sources.
3. In 2018, the establishment of RWA’s Growth Fund was created as a means to reserve funds intended for non-core investments.
4. The RWA’s 2020-2025 Strategic Plan outlines a non-core strategy to invest in environmental and water-related businesses to achieve commercial service net revenue of \$9.2 million dollars by May 2025.
5. The RWA has purchased and integrated two similar smaller plumbing and well services entities that are over performing their anticipated investment targets.
6. Target Two represents a solid strategic and economic fit with experience servicing communities in the New Haven area and has a strong service reputation and a stable, healthy earnings profile.
7. The available cash flow generated from the operations of Target Two would result in transferring monies into the RWA’s Construction Fund, to help fund its capital program and reduce debt leverage.

8. The transaction, structured as an asset purchase, as well as the purchase price structure, mitigates both liability and execution risk.
9. The funding source is the previously established Growth Fund and the purchasing entity is RWA Well Services, LLC.
10. RWA Well Services, LLC is a wholly owned entity of RWA Commercial Enterprises, LLC, a wholly owned entity of the RWA, which is subject to the controls, limitations, and approval therein, including the governance by the Authority Board and the RPB.
11. The proposed asset purchase cost, including all physical and intangible assets is between \$1.5 - \$2.0 million dollars.
12. The Application is necessary, advances the policies and goals of the South Central Connecticut Regional Water Authority, and is in the best interest of the RWA and its customers.
13. The Application also contains separately stated findings of fact and conclusions of law in its confidential and proprietary elements protected under C.G.S. Section 1-200(6)(E) for matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.
14. The OCA recommended approval of the Application.

Conclusions of Law

1. The South Central Connecticut Regional Water Authority's ("RWA") application for approval to purchase the Assets of Target Two, a Confidential Plumbing Company ("Application" or "Target Two") on May 26, 2023, was filed pursuant to the statutory authority set forth in Section 19 of Special Act No. 77-98, as amended.
2. Notice of the public hearing to consider the Application and to allow interested persons, including water users and property owners within the district, to be heard was properly made on June 24, 2023, pursuant to Section 10 of Special Act No. 77-98, as amended.
3. Pursuant to Sections 10 and 19 of Special Act 77-98, as amended, the public hearing was held on July 27, 2023.
4. Based upon the above Findings of Fact, the Representative Policy Board concludes that the RWA's application to purchase the Assets of Target Two, a Confidential Plumbing Company, meets all requirements for approval.

REPRESENTATIVE POLICY BOARD

AUGUST 24, 2023

PROPOSED RESOLUTION

(Audit Proposal)

RESOLVED, that based on the recommendation of its Finance Committee, the Representative Policy Board hereby approves the South Central Connecticut Regional Authority's engagement of CliftonLarsonAllen (CLA) for auditing services for a three-year period, with the option to renew for two additional years, commencing in FY 2024.

DRAFT