

## REPRESENTATIVE POLICY BOARD

MARCH 23, 2023

### MEETING TRANSCRIPTION

Mario:

Good evening everyone. This is the regular meeting of March 23rd, 2023 of the Representative Policy Board of the South Central Connecticut Regional Water District. It is 6:30 PM and I'll call the meeting to order. First item on the agenda is the safety moment and it's about March thaw, fluctuating temperatures and this year will be no different because I guess we're expecting some crazy weather later this week so, stay in the lower elevations and it'll be safer for you and hopefully we get more nice warm days. Thank you for that. You prefer the warm days to go outside. We appreciate that, don't we? .

We now come to public comment. Is there anyone from the public Jennifer? Is there anyone from the public that wishes to address the board?

is there anyone from the public? Okay, hearing none, we'll move on to the approval of minutes of February 23rd meeting of the RPB.

Tom:

I motion.

Jamie:

I second.

Mario:

There's a motion. I believe it was Tom and Jamie. Any additions, corrections, amendments to the minutes? Hearing none. I'll try your mind. So all those in favor say aye.

Group:

Aye.

Mario:

Opposed and abstaining? Okay, the ayes have it. Thank you very much. Couple of items of communication. The first is the Finance Committee and Consumer Affairs committee meeting is a joint budget meeting on Monday, April 17th. Again, that will be a 5:00 PM start. So it's a special meeting for the Finance Committee and it's regular meeting of Consumer affairs but starting at 5:00 PM, so please mark that on your calendar.

The Land Use Committee has their budget meeting on Wednesday, April 19th at 5:30. That's their regular meeting. The same presentation will be occurring at both and this is the meeting where we will have an executive session in each one and we'll be talking about the commercial businesses, so we get an update on an annual basis on that. So please attend one or both of those meetings. You're welcome to attend both if you wish. We did get another piece of correspondence this week, which I know Steve will cover later in the Nominating Committee; it's the criteria for comment. Please have comments to Steve by Tuesday, March 28th. That's to Steve Mongillo. Check the email that came from Jennifer with

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the draft criteria for any comments from the RPB before the Nominating Committee finalizes. Anything else, Jennifer?

Jennifer:

No.

Mario:

Or correspondence? Okay. Items for consideration and action. We have the final decision regarding approval of the Authority's 2023 Rate Application dated January 3rd, 2023, and then you wouldn't mind doing the resolution?

Vin:

Resolved that the proposed findings of fact concludes of law and final decision of the RPB with respect to South Central Connecticut Regional Water Authorities application for the 2023 rate application dated January 3rd, 2023, which copy is attached hereto be, and hereby is approved in the form submitted to the meeting."

Mario:

That's in the form of motion?

Vin:

That is in the form of the motion Mr. Chair.

Tom:

Second the motion.

Mario:

[inaudible 00:05:50] Seconded. Is there any discussion on the motion?

Mario:

Any discussion on the motion? Hearing none.

Mario:

Try your mind. All those in favor, say aye.

Group:

Aye.

Mario:

Opposed?

Tom:

Tom Clifford of Ansonia votes no.

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Mario:

Thank you Tom. And anyone abstaining? The ayes have it. Thank you very much.

Mario:

Thank you. The Consumer Affairs Committee's possible recommendation regarding adjustment in the Office of Consumer Affairs rate effective April 1st, 2023. Steve Mongillo, I believe you're going to read the resolution.

Stephen:

Yes. Thank you Mario. Before I read the resolution, I just have a few comments by way of context for this. Our esteemed OCA has been with us since 2008. That was the original agreement. Since that whole time, Jeff has charged us the municipality rate, even though we're not a municipality, we're organized as such. But that's one consideration. It was a small increase in 2018 and none since. In that entire time, our budget for the OCA has been 50,000 per year. That has never changed and Jeff has had been very judicious in using those funds and in using consultants. Has never exceeded that budget.

In the meantime, I think we've had excellent counsel, which has saved us money in terms of not having to have other consultants, and I know his opinions are valued by management as well. So Consumer Affairs has reviewed the issue at this point, and we are going to present the following resolution, dated March 23rd. Jeff has, since that meeting, submitted an updated amendment that would make this whole with the vote. So, resolved that based on the recommendation of the Consumer Affairs Committee, the Representative Policy Board of the South Central Connecticut Regional Water Authority District hereby approves a rate adjustment to the agreement with attorney Jeffrey Donofrio, of Ciulla and Donofrio LLP, the RWA's Office of Consumer Affairs (OCA), to increase the OCA's rate to \$300 per hour effective April 1st, 2023.

Mario:

That's in the form of a motion, Steve?

Stephen:

Yes.

Mario:

And a second by Mr. Rescigno. Any discussion? Any further discussion? Okay. Hearing none, I'll try your minds. All those in favor of the resolution, say aye.

Group:

Aye. Aye. Aye.

Mario:

All those opposed? Anyone abstaining? Thank you very much and thank you Consumer Affairs and thank you Jeff. Next item of business is considered appropriate and is the referral to the uAuthority's asset purchase application to the Finance Committee to determine if the application is complete. This item was added more recently because the Authority had on its agenda the Authority's asset purchase application to submit to the RPB, and so this [inaudible 00:10:16] would be when we receive it. It was

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passed by the Authority today to be forwarded to the RPB, so when we receive it, it would get forwarded the Finance Committee to determine if it is complete and then we would schedule a public hearing at our April meeting if the application is complete. So I'd accept the motion to forward to the Finance Committee. The Authority's asset purchase application, going to say it's dated March 2023 to forward to the Finance Committee to determine completeness.

Charles:

I'll make that motion.

Mario:

Thank you very much, Charles. Is there a second?

Jamie:

I second.

Mario:

Any discussion on the application? I know you don't see it, but this is just to refer to the Finance Committee. Everyone will get the application once the Finance Committee says it is complete. If there is no discussion, all those in favor say aye.

Group:

Aye.

Mario:

Anyone of opposed? Anyone abstaining? Okay. Thank you very much. That's it for items for consideration. We move on to reports. The first is the Finance Committee. I see Charles is here. Charles, would you like to take this or do you want me to cover it? I'd be happy to cover it.

Charles:

If you have the minutes in front of you Mario that would be great if you could cover it.

Mario:

Okay, no problem. The Finance Committee met and discussed the audit plan with the auditors and what they're planning to do, I believe they're planning for a September completion, so everything was positive that they said as far as the preparation work that's ongoing now. They have a fairly new team that's going to be doing this audit. Our senior partner is actually retiring after this one. So this is their last one. They also expressed that if there were any concerns about the audit that we can contact them independently, so if you need their contact information, please, if Jennifer called and she can give you the contact info for the right individual.

Next, we discuss the capital projects and their status. All of them seem to be moving in a forward direction. There's some delays in delivery on some equipment, which I think most large projects are experiencing. So some are falling behind and others are moving forward. But other than that, they're in a pretty decent space. We also went into executive session and discussed the authority stipend. There was a good brisk discussion on this. The result was that the finance committee determined not to make

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an adjustment, not to have a recommendation at this time for an adjustment in the authority stipend. The feeling is that they have done a terrific job. We've done some adjustments over the last couple of years, and we had been on a three-year cycle for making adjustments so, the plan was to wait and see how it goes. That is the Finance Committee report essentially? Is there any questions? Okay. Thank you. Move on to the Land Use Committee, Mr. Betkoski?

Peter:

Yes. Thank you Mr. Chairman. We had a Land Use Committee meeting on March 8th, at 5:30. We were in person here. Right to our safety moment, approved our minutes from February 8th. The beekeeper, Vincent Kay attended and provided a big orientation on the bees. It's very interesting, and Jamie got lucky and she took the one bottle of honey home.

Jamie:

If you come to the next Land Use meeting, I'll bring it back with homemade scones to go with it. How about that? So come to the next meeting.

Peter:

We made her take it. She really wanted it. Then John Triana gave us our RWA properties report and went through the invasive species. Our next meeting is April 19th at 5:30 and that's also the presentation of the budget. Any questions?

Stephen:

Hey Mario, this is Steve.

Mario:

Yes, Steve. Go ahead.

Stephen:

I have a few questions. I'm sorry I missed that meeting. I buy Mr. Kay's honey all the time.

Mario:

Okay.

Stephen:

Of the 20,000 pounds that are produced, is that on RWA land or is that his total?

Peter:

That's everywhere. That's not just RWA. No.

Stephen:

And the reason, what is the main reason he's on RWA property? Is it to benefit the RWA in some way too?

Peter:

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Well, just the location, he was able to help us and we're giving him the benefit of the having a few of the hives on our property.

Jamie:

He also said there was water and that we don't use chemicals. So where he hires out his bees and they pollinate, he can't use the honey for those bees because in some places, I think in all places because they found evidence of spraying in some places.

Peter:

When he leases.

Jamie:

When he leases, yes, when he leases the bees to other entities. That's right. So he knows they're safe on our property.

Stephen:

Okay. Do we get some financial benefit from that? Does the RWA?

Jamie:

We got a jar of honey.

Sunny:

Hey Steve, I can answer both. I would say those questions one helps in pollinating because it kind of, I would say helps in the native species. Second, we do get a monetary benefit. It's not substantial. I think it's about say \$25 per, I would say location. So we have seven locations per year. So it's about \$175 we get.

Stephen:

Oh great. Yes, probably the environmental benefit is the real benefit from that.

Sunny:

Right. Right. I think it helps in pollination. Sure, sure.

Stephen:

Peter, I also had a question. There were some requests for trails in Hamden. Can you tell me who was asking for that or what group?

Peter:

I am not aware of that? Did anyone else hear from vendors?

Sunny:

Peter, I can answer that too. I think it was the Mill River. Ron Walters is following it up so, John Triana and the rest of the crew went to examine and inspect. It's already being used except for I think you need to carry a fishing rod. So this has been a request for the last two or three years. So now we are starting

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to see whether we can actually open it up for just regular people to walk on the trail. So should be able to get back to the Mill River folks soon.

Stephen:

Okay, thank you.

Peter:

Thanks Steve.

Mario:

And Sunny, if I recall correctly, isn't Ron chair of the Mill River Water check?

Speaker 12:

You're exactly right. Ron does, I would say wear both the hats actually.

Mario:

Yes.

Sunny:

So in a way it is good, and sometimes I guess he sits on the other side too, so.

Mario:

Okay. Any other questions for Peter? All right, thank you very much Peter and Sunny for bench hitting there? The Consumer Affairs Committee, Steve Mongillo.

Stephen:

Hi. Thanks Mario. Consumer Affairs has met twice since our last meeting. In February, we had an update from Nicole Smith on the deer hunting program and this past Monday in March we had an update from Lisa de Francisco on the training program for students at the water center. Both of those programs are really excellent, benefit the authority and outside groups, so they're really important. I'll start with the deer hunt. Nicole went through a historical review of the program. The hunting area covers about 4,300 acres, so it's a pretty large area. It's talked about the importance of regeneration of the forest and erosion control with this program. Went through the application process and I must say was very impressed with the amount of work and the amount of training that's needed to provide safety for this program for everyone. So a huge effort in that regard. And they made some changes in 2022 for safety reasons. As to harvest totals, they generally take about 40 deer. This year, there were just 24 taken and interestingly enough, only two were does, so remains to be seen what impact that'll have on the population.

But I happen to see a program where scientists have recently come to the conclusion and realized that ecosystems sort of survived based on keystone species. All the species in an ecosystem are important, but it turns out that the predators at the top of the pyramid are really important to control the species in the middle because all of the species feed on the vegetation at the bottom of the pyramid. So when the predators go, there's an overpopulation of those middle species. They wipe out the vegetation and the whole ecosystem collapses. It was really an interesting parallel because they had a picture of the

ecosystem on land, which is the same picture we saw on the deer update, where it looked like someone had gone through the forest with a hedge trimmer up 10 feet and cleared it all out. So you can see the validity of that effort.

It's hard to sort of quantify what the impact is, but the program's really good for the RWA authority and there were actually, let's see here. There were 330 applicants to hunt. Because of the precautions and safety requirements, there were only 181 that were selected to participate. So everybody takes it seriously, and this year happy to report no accidents or injuries. So that was our February meeting. This past month we had the update from Lisa De Francisco, and she does a phenomenal job as students K-8, and over the course of the program, they have served 364,000 students. It's pretty impressive. They do programs within the water building just under the dam there with outside programs, but most of the programs now are outside, and the reason for that, COVID sort of propelled that too, but it's very convenient for teachers to have the materials brought to them, not have to arrange for students going there.

And with Covid, everything got updated. There was a need to really look at the electronics, some of the hardware to deliver this program. Lisa made digital improvements, also data improvements to the program and, where we, I guess normally have, let's see. I'm trying to remember how many per year. I guess it's around 5K as an average. During Covid it went down to about 2,500 students a year, now trending back up to 3000. So with the improvements and with Covid concerns dwindling, the program has come back and she's doing a great job with it. So good job by her. Jeffrey reported that we have no active consumer affairs outstanding problems and most of his time was spent pairing for the rate case and also the public hearing, and he has met with management on some non-core issues for an initial meeting. So that's the update from consumer affairs.

Mario:

Thank you very much, Steve. Any questions? Okay, moving on to the Nominating Committee, Steve Mongillo.

Stephen:

Nominating Committee has an important task right now, trying to fill the vacancy left by Tony. We have jumped right on it because there's not a great time left to this particular term that Tony had, but we need to do it right because it's likely that the person selected, they very well end up being reappointed for the following term. So we met on the 29th, I'm sorry. On March 5th, and I was elected chairman of the committee. Larry and David attended to help us get started with input on what they thought was needed at this point. We had a fairly robust discussion on an update of the criteria. We considered their input, and we looked at all the documents that need to get updated. The criteria was tweaked, the job description, and especially the ad for this program. According to our rules and regulations, we do need to go to the outside and advertise, and we wanted to really tailor that ad to draw the candidate that we wanted instead of casting as wide a net as we had in the past.

So we're kind of focusing on senior level management experience with regard to capital planning, operations and strategic planning. Also, there are a number of backgrounds that would be suitable, but engineering and Larry felt someone with a utility regulatory background would also be very helpful at this point in time. So with all of that in mind, I kind of reorganized the ad. We'll be finalizing it at our next meeting after we review it, and a draft of the criteria has been sent out to the RPB for two reasons. One, we'd like you to take a look at it. If there's any input, please get back to me by Tuesday because we're going to meet Wednesday again. We need to finalize these documents so we can get the position at least advertised. There is a period of time that we need to allow for people to respond before we can

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go any further. So at our next meeting we'll be finalizing all of these documents and setting up a timeframe to get the rest of the work done. I think that about covers it as to where we are right now. We do have one internal candidate. The other reason for the updated criteria was to let everyone know what they are, if anyone internally wants to apply as well. So are there any questions on that?

Mario:

Questions? Thank you very much Steve.

Stephen:

Okay.

Mario:

Next is Authority and Management. David and Larry.

David:

Yes. Good evening everybody. Before we begin, I just want to thank you for your continued support this evening with the application rate case approval that continues the authority moving forward in a proper manner and taking good care of our system. Also, want to thank you for your support of the OCA. We very much value his thoughts and opinions on the staff and management, so we greatly appreciate that. And also lastly, we appreciate your diligence with filling our vacancy. It is important and we're glad that you've got a good group that's taking this serious and will send us somebody good to help us out with our work. So thank you. With that. We had a meeting this afternoon and first order of business was to appoint two new directors to the Clare Bennett Watershed Fund. We appointed Brian Callahan and Amanda Schenkle. They were recommended by the existing members and leadership of the Watershed Fund. We had Kate Powell come and visit us. Brian is a retired educator who had been involved with the group, and Amanda Schenkle is a water company employee and that's good. They'll be the only employee on there now that Rob Olejarczyk is not as involved anymore. So it'll be nice to have somebody from there. That's always been helpful having that. So they were appointed. And then we met as the Environmental Health and Safety Committee and Kevin will have that report.

Kevin:

Thank you David, Mr. Chairman, members of the board. We met today as the Environmental Health and Safety Committee. We had two presentations. One was an invasive species update. The presenters were Steve Vitko and Joshua Tracy. Steve is the Environmental Planning Manager and Josh is the Invasive Species Management Technician. You've probably met him on at least one of the land use committee meetings or several of those. They presented an update on the slash wall forest regeneration study. I'll ask if when she has time, if Jennifer can send out a copy of this presentation we received today. Slash wall was 10 feet tall by 20 feet wide. Slash wall is a wall that is constructed of the materials that debris, literally the slashings off of trees when they do the timber harvest. And it's done, it's being done as a test and a concept for protecting managed forests from deer predation because deer preferred the native species and what we're trying to grow on the Watershed property to protect the Watershed land and the water source our native species. So that's always a challenge.

In 2022, the RWA conducted two timber harvests in Madison and Seymour. Both sites had populations of invasive species, namely Japanese Barberry and multi flora rose. The Connecticut agricultural experimental station or AG station is monitoring the two harvests alongside the slash wall on MDC

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Watershed, and RWA executed a research agreement with Yukon to study using drones with LIDAR technology and multi-spectral sensors. These are high-tech drones, extremely expensive. This effort will provide informative data about slash wall management and its subsequent effect on deer population and invasive species. I'll pause there if there's any questions regarding that update. We have one other update.

Okay. We also heard from Liz Callow, and this was the Safety Environmental Health and Safety Initiatives. We talked or we heard about the strategic goal and the current five-year plan to advance workplace safety, including the ongoing effort to achieve zero preventable injury goal in developing and executing improved safety training. The newest safety training initiative is Safety Ambassador, was developed and rolled out and fiscal year 23 to review safety concerns, safety training and error prevention techniques. The training and the education is key in helping the employees take ownership of their safety and the safety of the others in the work areas. As of today, 21 total safety improvements have been suggested. Eight total improvements addressed and 10 total improvements in progress and three to be started, and representatives from every department meet each month on this. The other new initiative which was rolled out this year was the near miss reporting program.

Near miss is defined as an unplanned event that did not result in injury, illness, or damage, but had the potential to do so. The main objectives are to identify hazards and obviously rectify and mitigate safety concerns. It's also a new technology mobile interface was launched to report the near misses. Types of near misses include slip, trip and fall hazards, emergency action plans, chemical spill, trench hazards, environmental hazards, vehicle and parking lot safety. And to today, 15 near misses have been reported. In 2023, there were four preventable injuries involving a burn, laceration and two sprain/strain injuries. Two non-preventable and the total injuries have had downward trend. Strains are the biggest contributor of injuries. So that's the Environmental Health and Safety Committee updates.

David:

Any questions? All right, thank you, Kevin. But don't go away because going to call you again in a minute. We also met as a Commercial Business Committee and Kevin chairs that too. So if you're ready.

Kevin:

Yes, thanks again Mr. Chairman, members of the board. We had a meeting today. Most of the majority of it was in the executive session. I can report on the following, the fiscal year '23 third quarter results commercial business is achieving budget. The committee discussed a proposed application to purchase the assets of a plumbing company, and the committee discussed the commercial business FY 24 work plan, and then out of committee, the committee approved an application that's being presented to the RPB. And that's all I can say about that committee today.

David:

Thank you. There questions regarding that? All right, then we'll hand it over to Larry for the finance report and the ever popular water levels.

Larry:

Thank you Mr. Borowy. Before I give my financial report, I'll have Liz Calo give you an update on our covid situation here.

Liz:

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Oh, well so good news. Since January, we have not had any changes of reports of Covid, so we are still at the same mark, the 123. So that's great news.

David:

Thank you.

Liz:

You're welcome.

Larry:

After nine months of actual results through February 28th, our operating revenues are over budget by about 2.5 million, and that's due to our total water revenues, which includes residential meter, wholesale, and fire are over budget by about 2.3 million. And that's primarily due to higher than [inaudible 00:37:17] consumption, and we had a bit of a discussion today at the authority about that. We saw consumption rise during the height of the pandemic because more people were working from home. So it popped up to about 43 million gallons per day.

Bless you. But we are now seeing that 43 million gallons a day start the decline again. So we're down around 42 million gallons a day per average in terms of our water production. And that's the nearest we can determine is the reason why the temporary spike and even though it's a little bit higher than what it has been in the past, because people are still working at home. We did have as usual higher consumption during the summer. But overall, the trend is still heading down. Our other revenues are up by about \$252,000, and that's primarily due to jobbing, which is domestic fire installations, merchandise sales like hydrants, valves, and pipe fittings. So our driving revenues are higher backflow and device testing charges, our outside lab services and pipe safe are the reasons for our other revenues being higher than budget. Our operating and maintenance expenses are about 4.8 million under budget, and about half of that is due to is permanent or deferred savings. The other half is just a timing issue.

So when you do all the puts and takes, we are projecting a draw of, excuse me. We're projecting a coverage of 126% with no draw and you'll recall our budget is 114% without a shortfall. So we're projecting that higher coverage due to the continued high interest rates that we're receiving on our funds that we have in the different pools. So that's the upside of having this higher interest rate environment. Well, the rates great interest rate will be higher for our bonds. We are making more money than budgeted on the funds. Also permitting to the higher coverages, lower pilot than we had budgeted debt service and our operating expenses being lower than budget. And the debt service is primarily due to the DWSRF timing. We had budgeted a payment earlier in the year that we ended up making later, so that contributes to having more cash on hand. And of course we're watching the economy to see what happens as a result of the banking failures as well as the higher interest rates as well. So now for the real news, our raw water storage as of March 13, was 93% compared to long-term average of 87% for the same period. That concludes my report. Any questions that Rochelle or I can answer?

Brian:

Hi Larry, this is Brian Eitzer. Just curious if we've made any projections about what the new EPA rule on TIFA is going to end up costing us, because I know we're below, we're pretty low when we've done a few testing, but I assume we're going to have to increase our level of testing under the new rule.

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Larry:

Right. As a matter of fact, I had a discussion about that with Jim Hill and Sunny earlier in the week, and that's still being assessed. So as soon as we are able to a, get a fix on that, we'll let the authority and the RPB know what we're thinking about in the way of cost going forward. So we don't have it yet.

Brian:

Thanks.

Mario:

Does anyone else have a question?

David:

Any other questions for us? All right. Thank you folks.

Mario:

Very good. Thank you everyone.

Mario:

Any further business? I'll take a motion to adjourn.

Peter:

So moved.

Stephen:

Second.

Mario:

In a moment-

David:

Mr. Donofrio as his hand up.

Mario:

Yes.

Jeff:

Thank you. Yes. I would be remiss if I didn't say thank you for the support of the RPB and the Authority. It's hard to believe that it's been 15 years of working together. I've always considered it to be privilege because of the importance of the work that the RPB and the Authority do. I've really enjoyed being a part of the team and I appreciate the opportunity to do our work together. Thank you.

Mario:

Thank you, Jeff.

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David:

Thank you.

Stephen:

Hey, Mario, this is Steve. Can I provide a comment too?

Mario:

Yes.

Stephen:

I work with Jeff most of this whole time in Consumer Affairs Committee and he's always done an excellent job and I've always had the feeling he works to his standard, which is very high. And we've always appreciated his opinion and his input.

Jeff:

I appreciate that. Thank you.

Mario:

There's a motion on the floor. Any further discussion on the motion? All those in favor say aye.

Group:

Aye. Aye.

Mario:

Anyone opposed? Have a terrific evening.