

REPRESENTATIVE POLICY BOARD

SEPTEMBER 28, 2023

MEETING TRANSCRIPTION

Bob:

Okay. Next we will go into public comment. I don't know if there's any public here, but if there are they will be limited to 3 minutes during our meeting until 7:00 p.m., then we will be having the public hearings. Next we will have a motion to approve our minutes of August 24th.

Greg:

So moved.

Charles:

Second.

Bob:

Moved by Greg, second by Charles. Any discussion? If not, we'll call for the vote to approve the minutes for the motion we have at this time. All those in favor, please say aye.

RPB members:

Aye.

Bob:

Aye. Any opposed? Vote. So ordered communications. First thing we have is the Nominating Committee's recommendation?

Jennifer:

No, it is just the criteria.

Bob:

Ok, the criteria.

Catherine:

Yes. Comments were due.

Bob:

Ok. We will move on to reports. Finance.

Charles:

Vin is not here.

Bob:

Okay, we will skip that one and we will move on to Land Use. Greg?

Greg:

We met with Captain Ruggiero of the RWA police department and most of it was in executive session so I cannot discuss that anyway. He told us he hired one new police officer and they are looking at others. We are going to have our annual meeting up at Lake Gaillard next month and have the annual pizza dinner. If anybody wants pizza they can join us, you are more than welcome to come.

Bob:

Yes, Lake Saltonstall. Anybody wishing to be there should call in to Jennifer so we can have a head count to get enough for everyone. Either that or few of us will have to eat an awful lot.

Okay. Any questions of Greg and Land Use? Hearing none, we will move onto Consumer Affairs.

Mark:

How are you doing? We had a meeting on August 21st? We had information about the new RWAY system/customer information system, which included a schedule and budget, accomplishments, decisions, risks, current activities and the next steps.

The committee also met on September 18th and received a lead and copper update. It was very interesting. They are keeping on top of this and trying to stay ahead of everybody, so that we do not get shocked at the end. They are sending out information flyers so that they get reports back on what people think too. It is a very interesting system they are using to gather information about what pipes have to be replaced and what doesn't have to be replaced.

Then our council reported on one issue that he's taking care of and he expects to be able to take care of it soon. That is it.

Bob:

Thank you. Mark. Does anybody have any questions? Well, that was quick. All right, thank you. Moving on to Authority and management.

David:

Good evening, Mr. Chairman and members, thank you. Hopefully this will be brief enough that you'll have time for your public hearings with no problem. We had a long meeting this afternoon. We had quite a few items on the agenda. The first item was to meet as the Audit-Risk Committee to discuss the audit. Catherine LaMarr, the chairman of that committee, will provide that report.

Catherine:

Our auditors, David Flint and Gabriel from CLA made a presentation concerning the fiscal audit scope and results. We went over the current audit, which includes both 2023 and compares 2022. They provided all of the information regarding auditor communications, financial statements included the implementation of a new accounting standard GASB 87, regarding leases. We received a clean or unmodified opinion that was given to the Authority. It is worth understanding that this GASB 87 was a tremendous amount of work for Rochelle and her team and we're anticipating an additional GASB 96 next year.

We discussed that the financial statements and notes included the RWA Well Services and the Claire C. Bennitt Watershed Fund combined. A single federal audit was required for fiscal 2023 and there were no issues reported.

As you may recall, a single audit was not required in fiscal 2022 as we did not expend an excess of \$750,000 of federal funds based on our expected DWSRF loans and grants for the fiscal 2024 as well as congressional directive spending a single federal audit will be required for 2024.

Just as a reminder, Blum Shapiro was acquired by CLA effective January 1st, 2021. We also had a brief executive session where the Five Member Board and we also invited the representative from the Representative Policy Board, Mr. Rescigno, for a brief meeting with the auditors to discuss any questions that the members had for the auditors. A candid conversation outside and away from management, which is an appropriate and standard practice for boards. Does anyone have any questions? Thank you.

David:

Thank you. All right. And we also met as the Commercial Business Committee. I do not see Kevin on your screen. Okay. We received an update regarding our commercial business status and they continued to work ahead of plan, which is great. We also took some time to look at some other possible acquisitions to consider, which if we do, that would come to you, but we didn't vote on anything this afternoon regarding that. Now for the business update, I'll hand it over to Larry.

Larry:

Thank you very much for the three months ending August 31. Actual results operating revenues are under budget by about \$1.1 million due to primarily our metered water sales being under budget by about \$1.3 million due to lower absorption, which was especially significant in August. Other revenues are above budget by \$188,000, primarily due to our backflow costing jobbing and meter reading related charges. Operating and maintenance expenses are under budget by about \$1.3 million.

When you do all the puts and takes, right now, we are projecting a coverage of 114% with no shortfall, which is equal to our budget. But just to kind of step aside for a minute, comment on what we're seeing in July, August and even into September, we experienced production levels that were significantly lower than last year. August billings as expected were lower than budgeted and we are certainly anticipating that September will be lower than budget as well. Good news. Well, the bad news is interest rates are higher, so that is going to cost more to borrow. Our earnings in our funds are much higher because of higher interest rates. So that is the good news pilot is also slightly favorable and the timing of DWSRF financing is also having a favorable impact. Given that we've had a decline in cash collections due to lower consumption. We have taken some actions to hold off on discretionary expenses until we see things turn around a little bit. But we thought that was prudent to do based on the lower consumption due to the weather.

As of September 18, raw water storage was at 89%, which compares to a long-term average of 71% for the same period. Also, among my business reports, I did report on Mr. Borowy and I attending a dedication ceremony at Southern Connecticut State University. It was a ribbon cutting for their new School of Business. The leadership team joined me as well and there is a room named after the Regional Water Authority and the Claire C. Bennitt Watershed Fund. I was given the opportunity to speak on behalf of the RWA and it was a tremendous high energy event and I think RWA was well positioned among all of these community leaders that were there, including the governor, president of Gateway and Southern Connecticut State University. That concludes my remarks, unless you have any questions.

Jamie:

I would just like to say, I noticed that the employees are very involved in the community. I think it is very, very impressive.

Larry:

Yes, thank you. That is something that we put a lot of emphasis on and we have a lot of employees who enjoy doing that. We'd like to note it on social media and appreciate it. Thank you for mentioning that.

Stephen:

Hey Bob, this is Steve. Bob?

Bob:

Yes.

Stephen:

I have a question for Larry if it's okay?

Bob:

Sure. Is

Stephen:

Larry, any profits from the for-profit ventures? When are those applied? Is that once a year or when do you do that? Or how do you keep track of that in terms of finances and your budget?

Larry:

I'm sorry, would you say that again Steve?

Stephen:

Yeah, I just would like to know how, if any profits from the for-profit ventures get incorporated into the finances in the report here. Is it once a year that you do this or?

Larry:

The net income that we earn from the commercial businesses is put into the construction fund on a monthly basis as we earn that net income.

Stephen:

Okay, so it's part of your budget in that category?

Larry:

Yes, but we have not included the commercial business in this income yet. We have only had Roach Plumbing for a year and we just bought another plumbing company earlier, so it's only been with the company a few months. So that was not included in the maintenance test yet.

Stephen:

Thank you.

Larry:

Sure. Thank you. Any other questions? All right, thank you.

Bob:

Anything from the Office of the Consumer Affairs?

Jeff:

No, nothing.

Bob:

All right. I do not know if anyone else has anything but I guess we can adjourn. We have a motion and a second and we will reconvene with the public hearing at seven o'clock. Thank you very much.