

Representative Policy Board
South Central Connecticut Regional Water District
Consumer Affairs Committee

December 18, 2023

Minutes

The regular meeting of the Consumer Affairs Committee (“CAC”) of the Representative Policy Board (“RPB”) of the South Central Connecticut Regional Water District (“RWA”) took place on Monday, December 18, 2023, via remote access. Chair Levine presided.

Members present: M. Levine, N. Campbell, S. Mongillo, A. Rescigno, and R. Smith

Members absent: F. Pepe

RPB: R. Harvey, B. Eitzer, C. Havrda, and M. Horbal

Authority: D. Borowy, K. Curseaden, and M. Ricozzi

RWA: L. Bingaman, R. Kowalski, S. Lakshminarayanan, P. Singh, J. Hill and D. Bochan

Office of Consumer Affairs: Attorney Donofrio (“OCA”)

RPB Staff: J. Slubowski

Chair Levine called the meeting to order at 5:32 p.m. He reviewed the Safety Moment distributed to members.

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

He stated that the Committee would be reviewing the proposed changes to the RWA’s enabling legislation, which have been updated to include input from the Finance Committee and Land Use Committee.

Mr. Curseaden, Authority Vice Chair and liaison to the RPB Joint Committee on Enabling Legislation, provided background and reasoning for the proposed changes, including additional amendments. He stated that the Authority and management are working with RPB members to gather feedback before the next meeting of the RPB Joint Committee on Enabling Legislation (“Joint Committee”). Due to the short time frame before the next legislative session, a consensus of RPB approval of the changes and a possible recommendation from the Joint Committee to the RPB at its December meeting would be preferred.

He noted that there is no formal approval process required by the RPB; however, the Authority and RWA would prefer RPB consensus of the proposed changes.

Mr. Curseaden summarized the list of proposed changes, new proposed amendments, and items for discussion as follows:

1. Section 2, page 3, allowing RWA to conduct its non-core business outside of Connecticut.
 - In May, we asked Murtha Cullina whether the RWA could acquire a noncore business if the business has operations outside of the RWA service territory and if some or all of the operations of the business are located outside of Connecticut. Memo attached.
 - As you will see in the attached that while Murtha concluded that the Enabling Legislation does not establish geographic boundaries in which a business must be located in order for

it to qualify as a noncore business, Murtha also noted that the absence of guidance as to geographical limits for noncore acquisitions also means that the Enabling Legislation's provisions may be interpreted differently – particularly when the noncore business to be acquired has minimal or no Connecticut nexus. The revisions to the Enable Legislation now proposed is simply designed to make it explicitly clear that there is no geographic limitations for the non-core business.

2. Section 4, page 5, setting the Authority shall meet at least quarterly with the RPB. (This is just the reference that requires the RPB to meet quarterly with the Authority. (See below proposed change #5 – regarding Authority board meetings.)
3. Section 4, Page 6 correction of typo (the word timber)
4. Section 5, page 7, increasing the Authority board up to seven members, providing exclusions to appointment (see below), no less than 5 members shall be residents of the district and all shall be residents of the State of Connecticut. With the potential addition of Authority board members, allowing the RPB to determine the term. (The Enabling Legislation currently sets the term at five years.)
5. Section 9, page 8, allowing the Authority to meet at least quarterly. Also, setting that four members of Authority are a quorum, if the board is more than five members.
6. Section 14, page 17, setting that interest rate can be applied to past due bills after the 28th day. Also, fixing consistency within Section 14 regarding the interest rate charged not being more than the maximum allowed for unpaid taxes.
7. Section 18, page 21 and 22, combining (c) with (b) moving paragraph (c). Section 18, page 25, first paragraph, adding a period after the word records.
8. Section 19, page 25 and 26, raising the question if the \$2 million threshold for RPB approval of capital project should be adjusting according to inflation as well as the non-core \$1 million threshold. Adjustments would be subject to RPB approval and the current proposal is to increase the \$2 million to \$3.5 million and the \$1 million to \$1.5 million. Also comports section 19 to section 18 to when calculating the total weighted votes of the RPB membership need to approve various items. (Also see below – new proposals.)
9. Section 21, page 26, raising the question if the word “improvements” should be defined to eliminate questions about the applicability of certain provisions. Upon review, not proposing to further define improvements but to add “affiliated business entity” to Section 21.
10. Section 22, page 31, correcting the spelling of the word “all”.
11. Section 30, page 35, question if the threshold for RPB approval of a project should be increased. See also #8 above. Proposal is to increase capital projects to \$3.5M and be adjusted, subject to RPB approval, by a CPI factor every three years.
12. Special Act 03-12, page 40, correcting the word “affect” to “effect”.

New Proposed Amendments included:

13. Section 2, page 3, add “sustainable manufacturing support” to allowed non-core business activity

Additional Information:

The EPA defines Sustainable manufacturing as “the creation of manufactured products through economically-sound processes that minimize negative environmental impacts while conserving energy and natural resources.”

The lab we are in discussion with provides analytical services critical to support sustainable manufacturing by enabling the lab’s manufacturing clients to operate their processes at the highest

level of efficiency. An optimized manufacturing process minimizes process waste generation, minimizes energy usage, and minimizes scrap product.

Further, an optimized manufacturing process results in the highest throughput at the lowest possible operating cost while minimizing process waste generation and scrap. CT Manufacturers can thus produce the highest quality product with a competitive, compliant operation.

14. Section 22 (b), page 28 remove “not exceeding forty years from their respective dates”
15. Section 22 (h), page 31 remove “any bonds issued by it at a price of not more than the principal amount thereof and accrued interest”
16. Section 4, page 4 and 5, RPB compensation – update to base compensation amount (proposal is \$250), change to every third vs. fifth year, and update referenced dates
17. Section 5, page 7, Authority board consecutive term limits (e.g., limit of 3 or 4 terms)
18. Section 5, page 7, consider including a CPI factor for Authority board member compensation, applicable every three years, subject to RPB approval

Regarding #4 above, exclusions to appointments, handle through the rules and regulations vs. the Enabling Legislation, consider including the Authority board Chair as a non-voting member of the nominating committee

New Proposal for Discussion:

19. Consistency/more consistency related to the total weighted votes for approval. Examples below are from the current wording:
 - Section 1: Increasing the 5% cap for non-core, is majority of total weighted votes of the RPB.
 - Section 5: Majority of votes present but two-thirds of the weighted votes need to be present. This is for approving Authority board members.
 - Section 18: Related to land sales is majority of total weighted votes, excluding vacancies. With land over 20 acres needing three-fourths of the total weighted votes, excluding vacancies. This currently addresses vacancies but not absences.
 - Section 19: Related to capital programs – is majority of total weighted votes. As currently written does not address vacancies or absences.
 - Section 14: Related to rate changes, does not specify the vote.

The Committee discussed increasing the number of Authority members, term limits, increasing threshold for RPB approval for capital projects from \$2 million to \$3.5 million and commercial acquisitions from \$1 million to \$1.5 million. Discussion took place regarding high-risk investments and RWA’s long-range plan for commercial business.

Mr. Bingaman, the RWA’s President & Chief Executive Officer, stated that a long-term strategic plan was in place and included as part of the RWA’s budget proposal. Management will meet with Atty. Donofrio, Office of Consumer Affairs, and the RPB Executive Committee January to discuss commercial business and strategy in more depth.

Atty. Donofrio, Office of Consumer Affairs, shared his prior comments since the first presentation of the proposed changes. He stated his support for the proposed increase in the RPB approval threshold for capital improvements and commercial business. He stated that due to the increase in supply chain costs

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and inflation that the increases are appropriate. He will meet with the RPB Executive Committee in January with members of management in executive session to discuss further.

Committee members responded to management's appropriate number to increase the Authority and term limits. After discussion, it was the consensus of the committee to make an adjustment to Authority member term limits and to determine the number of members appropriate for the Authority.

On motion made by Mr. Rescigno, and seconded by Mr. Mongillo, the committee voted to approve the minutes of its November 20, 2023 meeting, as presented.

The date for the special joint meeting of the Consumer Affairs Committee and Land Use Committee to review the FY 2025 Budget with management was scheduled for Monday, April 15, 2024 at 5:30 p.m.

Attorney Donofrio reported no pending consumer complaints.

Ms. Campbell commented on a complaint from a New Haven resident sent to the RWA. Atty. Donofrio reported that the RWA is dealing with the customer directly and providing updates but the complaint has not been escalated to the OCA at this time.

On motion made by Mr. Mongillo, and seconded by Ms. Campbell, the Committee voted to approve the OCA's November 2023 billing for \$2,040.00.

There was no new business to report.

The next regular meeting is on Monday, January 22, 2024 at 5:30 p.m.

At 6:36 p.m., the Committee voted unanimously to adjourn the meeting.

Mark Levine, Chairman