

South Central Connecticut Regional Water Authority
Via Remote Access**

AGENDA

Regular Meeting of Thursday, June 23, 2022 at 12:30 p.m.

- A. Safety Moment

- B. Meet as Commercial Business Committee: K. Curseaden
 - 1. Approve Minutes – March 31, 2022 meeting
 - 2. Commercial Business strategy, goals & updates – Including possible executive session
 - 3. Acquisition update & approval – Including possible executive session: D. Donovan

- C. Meet as Strategic Planning Committee: D. Borowy
 - 1. Approve Minutes – February 24, 2022 meeting
 - 2. Review FY 2022 Year-end Strategic Action Plan Update & Global Metrics
 - 3. Review FY 2023 Strategic Action Plan & Global Metrics

- D. Act on matters arising from Committee meetings

- E. Consent Agenda
 - 1. Approve Minutes – May 16, 2022 and May 26, 2022 meetings
 - 2. Capital Budget Authorization - July 2022
 - 3. Capital Budget Transfer Notifications (no action required) – July 2022
 - 4. Key Performance Indicators – FY 2022 Q4
 - 5. Accounts Receivable Update – May 2022
 - 6. FY 2023 RPB Weighted Vote Calculation
 - 7. RPB Dashboard Report

- F. Finance: R. Kowalski
 - 1. Fiscal Year-end financial report
 - 2. Allocation of Year-end revenue balance
 - 3. Proposed revisions to FY 2023 capital budget projects and release of project reserves

- G. RPB Committee meeting assignments and reports on RPB Committee Meetings

- H. Business Updates: L. Bingaman
 - 1. COVID Update: D. Verdisco
 - 2. Derby Tank Update
 - 3. *Monthly Board Letter Highlights – Including Executive Session: L. Bingaman

**RPB Member (A. Rescigno) will be excused at item H.3*

** Members of the public may attend the meeting via remote access. For information on attending the meeting 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.

South Central Connecticut Regional Water Authority –
(Including Commercial Business Committee and Strategic
Planning Committee meetings)
June 23, 2022 at 12:30 p.m.

Call in (*audio only*)

[+1 469-965-2517,,586644711#](tel:+14699652517586644711) United States, Dallas

Phone Conference ID: 586 644 711#

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

**South Central Connecticut Regional Water Authority
Strategic Planning Committee**

Minutes of the February 24, 2022 Meeting

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, February 24, 2022, via remote access. Chair Borowy presided.

Present: Committee Members Present– Messrs. Borowy, Curseaden, and Mss. LaMarr and Sack
Committee 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 – Chief Fontana
Staff – Mrs. Slubowski

The Chair called the meeting to order at 1:55 p.m.

On motion made by Ms. Sack, seconded by Ms. LaMarr, and unanimously carried, the Strategic Planning Committee voted to approve the minutes of its November 18, 2021 meeting.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

The Committee reviewed its FY 2023 Work Plan.

Mr. Bingaman, the RWA’s President and Chief Executive Officer, introduced Ms. Verdisco, the RWA’s new Vice President & Chief Human Resources Officer.

He provided the themes coming from the FY 2023 Strategic Planning Sessions held with employees.

At 2:09 p.m., on motion made by Ms. Sack, seconded by Mr. Curseaden, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

David Borowy, Chairman



FY22 Year-End Strategic Plan Update

June 23, 2022

 Regional **Water** Authority

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Today's Agenda

- Fiscal 2022 Strategic Plan Overview
- Fiscal 2022 Actions Update YTD
- Fiscal 2022 Points of Pride YTD
- Fiscal 2022 Metrics YTD
- Q&A

Perspective & Strategy	FY22 Action Plans
Customers/Constituents: Improve Customer Satisfaction	✓ Establish baseline for first-contact resolution satisfaction and develop an improvement plan for FY23.
Customers/Constituents: Utilize Technology to Enhance the Customer Experience	<ul style="list-style-type: none"> ✓ 30% of customers utilizing self-service for e-billing. ✓ Implement monthly, commercial billing on time and on budget.
Customers/Constituents: Increase Constituent Support of the RWA	✓ Utilize the community liaison program to conduct at least five outreach sessions with municipal officials throughout our service area.
Employee Learning & Growth: Advance Workforce Safety	✓ Develop and execute “Safety Starts with Me” program across the entire organization.
Employee Learning & Growth: Develop Employees by Improving Knowledge, Skills and Abilities	✓ Develop the framework for succession planning across the organization and with a FY22 focus on developing a mechanism to implement planning for critical positions within the RWA.
Employee Learning & Growth: Foster a Diverse, Inclusive and Engaged Workforce	<ul style="list-style-type: none"> ✓ Develop an action plan based on the results of the FY21 DE&I survey and identify one key area of opportunity to focus improvement around. ✓ Develop a sustainable strategy for employee engagement and deploy one new program to bolster enterprise-wide engagement and one new program specific to fostering better relations with the USW union leadership. ✓ Improve the diversity of two underrepresented job groups.
Financial: Expand Commercial Revenue Sources to Mitigate Rate Increases	<ul style="list-style-type: none"> ✓ Design and stand up the structure of RWA Commercial Enterprises by January 2022. ✓ Complete two profitable strategic acquisitions to support mitigation of customer water rates. ✓ Introduce at least one additional non-regulated service offering.
Financial: Improve the Financial Operating Performance of the RWA	<ul style="list-style-type: none"> ✓ Alternative financing will represent 10% of the capital budget. ✓ Develop a plan to track and monitor unplanned expenditures with a goal of those expenditures representing no more than 5% of the FY22 capital budget.
Financial: Strengthen Pension and Retirement Funding	✓ Evaluate year-end assessment of additional pension contribution.
Internal Business Process: Effectively Manage and Maintain Our Core Business	<ul style="list-style-type: none"> ✓ Reconstitute the Risk Mitigation Team and review the top 10 enterprise risks and execute their associated mitigation and prevention plans. ✓ Develop a strategy and implementation plan to address the EPA’s Lead and Copper Rule revisions by May 2022 including establishing a Steering Committee. ✓ Systematically execute against the asset management roadmap to improve the foundational structure of horizontal and vertical asset categories and implement two proposed critical initiatives.
Internal Business Process: Sustainably Manage our Natural Resources to Deliver Reliable, Clean, Safe Water	<ul style="list-style-type: none"> ✓ Establish an internal Water Resources Management Group to develop and implement at least three watershed management policies and strategies by May 2022. ✓ Dedicate at least one of our functional business continuity exercises to address and improve the RWA’s climate and water-quality resiliency.
Internal Business Process: Embrace Innovation and New Technology	<ul style="list-style-type: none"> ✓ Implement at least four process improvements by May 2022 (Four pillars include: meter to cash; procure to pay; recruit to retire; watershed to tap). ✓ Complete external cybersecurity SCADA assessment and implement critical recommendations by May 2022. ✓ Eliminate and/or initiate replacement of at least two obsolete technologies by May 2022.

Customers & Constituents Perspective

STRATEGY	FY22 ACTIONS UPDATE
Improve Customer Satisfaction	<ul style="list-style-type: none">✓ First-call resolution baseline established and in progress✓ Transactional IVR customer survey launch in June✓ Customer escalation dashboard completed and rolled out to LT and all stakeholders
Utilize Technology to Enhance the Customer Experience	<ul style="list-style-type: none">✓ Exceeded e-bill target goal of 30% by achieving 31.5% adoption rate✓ Launched RWA customer portal/mobile-app; 3,353 downloads; ongoing targeted marketing campaign✓ Customer Information System (CIS) RPB application as planned for replacement is underway✓ Launched commercial business solution✓ Completed monthly billing on-time and under budget
Increase Constituent Support of the RWA	<ul style="list-style-type: none">✓ Public Affairs completed 20 outreach meetings with municipal officials by Q3 FY22 and ongoing quarterly✓ Established new relationships with the federal congressional delegation based on infrastructure projects and Investment Infrastructure and Jobs Act (IIJA) funding✓ Launched Whitney Dam revitalization community outreach plan by partnering with local government and members of the active community

Employee Learning & Growth Perspective

STRATEGY	FY22 ACTIONS UPDATE
<p>Advance Workforce Safety</p>	<ul style="list-style-type: none"> ✓ Launched Safety Starts With Me program; training 87% of the organization (223 employees) ✓ Reinvigorated safety trainings; increasing training hours by 200% YoY for a total of 1094 hours in FY22 ✓ Participated in OSHA Safe and Sound Week by planning daily safety events with an annual safety cookout ✓ Identified 6 nears misses with corrective action plans implemented to avoid a more serious incident
<p>Develop Employees by Improving Knowledge, Skills and Abilities</p>	<ul style="list-style-type: none"> ✓ Developed succession planning framework and templates for VPs; developed succession plans and identified talent gaps for management positions ✓ Focusing on individual development plans for critical positions and training 50% of managers to conduct enterprise-wide talent assessments
<p>Foster a Diverse, Inclusive and Engaged Workforce</p>	<ul style="list-style-type: none"> ✓ Conducted DE&I survey with a 38% response rate (105 employees) and 4 focus groups ✓ Successfully launched TIDE council engaging 20 employees ✓ Developed a DE&I roadmap and project planning focused on 3 priorities 1) leadership; 2) engagement 3) well being ✓ Conducted 2 community conversation employee trainings (105) focused on 1) Identity & Privilege 2) Trust for Impact ✓ Conducted two Leadership Re-Center manager training 70% (42) with a focus on driving effective DEI change ✓ Increased diversity in 5 job groups 1) exec/sr. level mgrs; 2) professionals 3) administrative staff 4) craft workers 5) laborers and helpers ✓ Launched regular monthly mtgs with USW leadership to foster partnership & engagement with union & management

Financial Perspective

STRATEGY

FY22 ACTIONS UPDATE

Expand Commercial Revenue Sources to Mitigate Rate Increases

- ✓ Established several Commercial LLC's entities; general ledger system, banking & controls and staff augmentation
- ✓ Acquired Roach Plumbing; developed functional staffing plan; secured office building, performed network integration and set up transactional protocol; exceeding earnings target
- ✓ Acquired Water Systems Specialties; successfully on-boarded 100% of staff and integration efforts on target
- ✓ Valuation and acquisition draft agreements completed and discussions underway to acquire environmental testing lab and associated building
- ✓ Developed internally indicative valuation & bid model for target acquisition activity
- ✓ WellSafe protection program developed; marketing deployed; pilot to test & learn; FY23 focus on expansion
- ✓ Secured 2 PipeSafe territory partners launching Q1'23 1) Town of Wolcott; 2) Southeastern CT Water Authority

Improve the Financial Operating Performance of the RWA

- ✓ Held Talks Event to increase financial acumen on rate application and year-end protocols with 50 employees
- ✓ Met FY22 capital expenditure target of 96%
- ✓ Unplanned emergency capital expenses for FY22 were less than 5%
- ✓ Exceeded 114% coverage requirement
- ✓ Pursuing alternative financing opportunities (e.g., WIFIA, DWSRF, \$2M congressional directed spending approved and multiple applications submitted for upcoming year, targeted grants)

Strengthen Pension and Retirement Funding

- ✓ Additional pension contribution of > \$1.1M, making FY22 the 7th consecutive year of contributing above the ARC

Internal Business Process Perspective

STRATEGY

FY22 ACTIONS UPDATE

Effectively Manage and Maintain Our Core Business

- ✓ Risk Team reviewed 10 enterprise risks and formulated mitigation and prevention plans such as cybersecurity, critical component failure, financial, talent, health & safety, reputation, integrity, SCADA and BCP
- ✓ Lead & Copper Rule Revisions (LCRR) project planning underway; governance committee and communication plans in progress; outreach to local health groups and DWSRF application updated and on-going funding discussions
- ✓ Two critical asset management roadmap initiatives completed 1) integration of asset data into GIS 2) evaluated technologies for condition assessment of buried infrastructure and conducted inspection using an ROV from Lake Menunkatuck to Gaillard in the Sugarloaf tunnel

Sustainably Manage Our Natural Resources to Deliver Reliable, Safe Water









- ✓ Established 4 Water Resource Group strategies to sustainably manage natural resources: 1) identify non-Chloride based de-icing products to eliminate salt from wells 2) developed utility tech roles and filled 3) completed trespassing cost benefit analysis 4) Roses Brook draft report for improving water quality under review
- ✓ Completed functional business continuity exercise for North Cheshire Wellfield to address climate change and water quality resiliency

Embrace Innovation and New Technology

- ✓ Implemented 5 process improvements 1) automated continuous consumption alerts 2) piloted No-Des flushing innovation and vehicle purchase 3) Customer Escalation Dashboard 4) Purchasing improvement on Meter vault assemblies for customers 5) Capital planning and budgeting improvements
- ✓ Completed cybersecurity assessment as well as all critical recommendations
- ✓ Completed 3 upgrades to replace obsolete technology 1) SAP SQL 2) Customer Care IVR 3) Risk Master system

Fiscal 2022 Global Metrics Summary

as of May 31, 2022

Measure	Result	
<ul style="list-style-type: none"> Ensure that 30% of customers are on E-Billing 	<ul style="list-style-type: none"> Exceeded target; 31.5% e-Billing adoption rate to date 	
<ul style="list-style-type: none"> Achieve zero preventable injuries 	<ul style="list-style-type: none"> Did not achieve; six preventable injuries 	
<ul style="list-style-type: none"> Implement four process improvements 	<ul style="list-style-type: none"> Exceeded target; five process improvements achieved 	
<ul style="list-style-type: none"> 100% compliance with drinking water standards 	<ul style="list-style-type: none"> Met target 	
<ul style="list-style-type: none"> Unplanned capital expenditures represent no more than 5% of Fiscal 2022 capital budget 	<ul style="list-style-type: none"> Met target 	
<ul style="list-style-type: none"> Certify 114% coverage 	<ul style="list-style-type: none"> Exceeded target 	
<ul style="list-style-type: none"> Ensure 96% of Fiscal 2022 capital budget benefits customers 	<ul style="list-style-type: none"> Met target 	
<ul style="list-style-type: none"> Acquire two profitable companies to contribute to mitigating rate increases and investing in utility 	<ul style="list-style-type: none"> Met target: Roach Plumbing & WSS 	





Regional **Water** Authority
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FY23 Strategic Action Plan

June 23, 2022

 Regional **Water** Authority

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Today's Agenda

- 2020-2025 Strategic Plan Overview
- Fiscal 2023 Strategy & Objectives
- Fiscal 2023 Metrics
- Q&A

2020-2025 Strategic Plan

The Leadership Team took the five year 2020-2025 Strategic Plan, assessed the progress made to date against the strategies and goals the organization needs to successfully advance the RWA over the coming years, and engaged employees to help develop our FY2023 Strategic Action Plan and Metrics.

Five Year Strategic Plan

- Developed five year strategy in FY2020
- Five-year strategic plan updated June 2021
- Adjusted periodically to address customer expectations & needs; technology advancements; external and competitive environment; employee progress/concerns and economy and other factors

FY23 Strategic Planning

- Ensured our FY23 objectives are aligned with the 5 year strategic plan
- Conducted subject matter experts interviews and engaged throughout the process
- Incorporated employee input in the strategic planning process from DE&I focus groups and DE&I survey
- Leadership Team took all input from teams and finalized KPI recommendations and engaged employees throughout the process

4 Perspectives

Customers/Constituents

Employee Learning & Growth

Financial

Internal Business Process

Five-Year Strategic Plan
Fiscal Years 2020-2025

Updated June 2021



Strategic Teams

Team Leader designee of leadership team

4 teams each aligned to a perspective

Cross-functional team of 20 employees

We have a solid strategy that will continue to evolve

Our vision: To be an innovative water utility that sustains life, strengthens our communities and protects natural resources for future generations.

PERSPECTIVE	SUMMARY OF FIVE-YEAR STRATEGIES
Customers & Constituents	<ul style="list-style-type: none">• Improve customer satisfaction• Utilize technology to enhance the customer experience• Increase constituent support of the RWA
Employee Learning & Growth	<ul style="list-style-type: none">• Advance workforce safety• Develop employees by improving knowledge, skills and abilities• Foster a diverse, inclusive and engaged workforce
Financial	<ul style="list-style-type: none">• Expand commercial revenue sources to mitigate rate increases• Improve the financial operating performance of the RWA• Strengthen pension and retirement funding
Internal Business Process	<ul style="list-style-type: none">• Effectively manage and maintain our core business• Sustainably manage our natural resources to deliver reliable, safe water• Embrace innovation and new technology

Key Elements of Our Strategic Plan

Higher Purpose

- *“To make life better for people”*
- Reason for existence **“the why”**

Mission

- *“To provide customers with high-quality water and services at a reasonable cost while promoting the preservation of watershed lands and aquifers”*
- Guides the primary objectives of the organization – clear measures of success
- **What we do**

Vision

- *“To be an innovative water utility and environmental services company that sustains life, strengthens our communities and protects natural resources for future generations”*
- Timeless, impervious to strategy changes
- **Where are we going?**

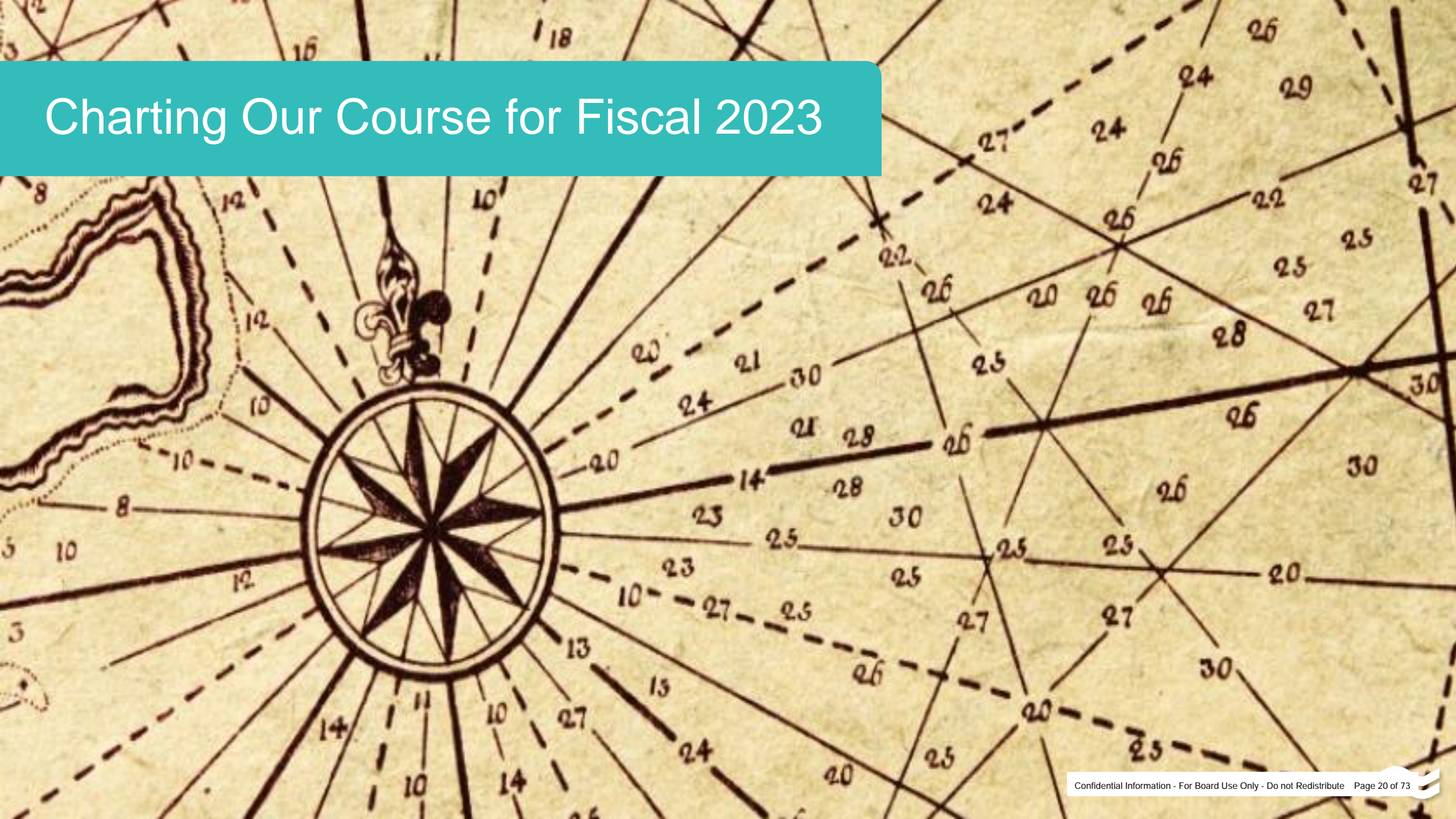
Strategy, Goals and Objectives

- Short- and long-term plan
- Designed to achieve our higher purpose, mission, vision
- How are we going to get there and what we have to do **“the what”**

STARS Values (*Service, Teamwork, Accountability, Respect, Safety*)

- How we work together and with other stakeholders
- How we treat one another **“the how”**

Charting Our Course for Fiscal 2023



Customer & Constituents Perspective

STRATEGY

FY23 OBJECTIVES

Improve Customer Satisfaction

- Develop a six-point **Customer Service Standards training program** and budget with a focus on external and internal customers; deploy to all employees in FY24

Utilize Technology to Enhance the Customer Experience

- Introduce two **innovative digital solutions** to bolster the customer experience and foster more customer self-service options and capabilities for water and solutions customers
- Execute **CIS project** and deliver on key deliverables (pre-configuration; analysis of key business processes; data cleansing; approval of contract execution) on time and on budget

Increase Constituent Support of the RWA

- Address four areas for improvement identified in 2019 **customer satisfaction survey** by developing and deploying cross-departmental plans and programs
- **Benchmark customer satisfaction survey** instrument and current fielding trends with Great Blue Research in advance of resuming a customer satisfaction survey in FY24 to develop the optimum approach
- Aggregate results from **customer transaction surveys** launched in FY22 and create and deploy plans and programs that address at least two areas of improvement

Employee Learning & Growth Perspective

STRATEGY

FY23 OBJECTIVES

Advance Workforce Safety

- Develop a **near miss reporting policy**, deploy, train employees and create a baseline for continuous improvement
- Implement **Safety Ambassador program** with 100% training completed

Develop Employees by Improving Knowledge, Skills and Abilities

- Develop **Talent Review** framework for critical roles and ensure 50% of managers are trained on the process
- Develop a **Cultural Transformation** strategy and plan to ensure 50% of managers are trained

Foster a Diverse, Inclusive and Engaged Workforce

- Increase **DE&I representation** in two underrepresented job categories
- Develop and deploy **employee engagement plans** to address at least two areas of improvement in response to recent surveys

Financial Perspective

STRATEGY

FY23 OBJECTIVES

Expand Commercial Revenue Sources to Mitigate Rate Increases

- Fully commercialize **Well Services** organic growth with 1,000 new customers through deployment of a dispatch program and marketing and hiring plans
- Fully commercialize a **PipeSafe expansion** with 1,000 new customers in neighboring service area communities
- Continue to deploy **product, partnership, organic growth and acquisition strategies** to increase commercial net revenue to ~\$7 million in FY23

Improve the Financial Operating Performance of the RWA

- Identify two innovative viable **funding solutions** to help fund the capital improvement program
- Track and monitor **unplanned expenditures** to represent not more than 5% of the capital budget
- Develop a **critical-component stocking program** to offset supply chain and unplanned asset expenditures; deploy in FY24

Strengthen Pension and Retirement Funding

- Continue to adjust **pension contribution** to achieve 100% funding by end of FY25

Internal Business Process Perspective

STRATEGY

FY23 OBJECTIVES

Effectively Manage and Maintain Our Core Business

- Utilize the **Risk Team** to target five new risk perspectives and deploy action plans
- Using a cross-functional team, finalize the **Asset Management** roadmap to develop a comprehensive plan for operational, financial, resources, planning and services; implement two critical initiatives
- Mobilize **Lead Service Line** project planning team and successfully achieve key milestones including a shared governance model, and communications and operational plans

Sustainably Manage Our Natural Resources to Deliver Reliable, Safe Water

- Utilize established **Water Resources Management Group** to enhance water system operations and water-quality optimization of our natural resources with a focus on diversion structures so that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds
- Develop and deploy a program to reduce **unaccounted-for-water** leakage by at least 18 million gallons

Embrace Innovation and New Technology

- Continue development of technical road maps and plan for single points of failure for two **obsolete technologies**
- Implement at least four **process improvements** to bolster efficiency and productivity across the enterprise

Fiscal 2023 Metrics

KPI	Description	Target	Level
Customer Satisfaction	Address four areas for improvement identified in 2019 Customer Satisfaction survey by developing and deploying cross-departmental plans and programs	4 Areas of Improvement	Global
Safety	Continue the safety journey toward achieving zero preventable injuries	0 Preventable Injuries	Global
DE&I and Employee Engagement	Address two areas of improvement in response to recent employee surveys about DE&I and employee engagement	2 Opportunities for Improvement	Global
Cybersecurity	Achieve 100% compliance with four phishing campaigns supported by real time training to keep network and critical data secure	100% Compliance	Global
Process Improvements	Implement at least four process improvements to bolster efficiency and productivity across the enterprise	4 Process Improvements	Global
Discretionary Funds	Achieve in excess of 114% coverage without a draw from discretionary funds	> 114% Coverage	Global
Capital Efficiencies	Certify 96% of capital budget is put to work efficiently for the benefit of our customers	96% of Capital Budget	Global
Commercial Services Revenue	Achieve commercial net revenues of \$7.0M in Fiscal 2023 to support overall target of \$9.2M for Fiscal 2025	\$7.0M in Revenue	Executive
Manage and Maintain Core Utility	Utilize the Risk Mitigation Team to target five new risk perspectives and deploy action plans	5 Action Plans	Executive
Water Quality	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% Compliance	Executive
Customer Self Service	Increase the number of customers who receive their bill electronically		Executive





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