

South Central Connecticut Regional Water Authority

AGENDA

Regular Meeting of Thursday, May 21, 2020 at 12:30 p.m.

Via Remote Access*

- A. Safety Moment
- B. Meet as Audit-Risk Committee: J. Cermola
 - 1. Approve Minutes – February 20, 2020 meeting
 - 2. Risk Management Update: R. Kowalski, P. Bocciarelli, A. Schenkle
 - 3. Review FY 2021 Work Plan
- C. Meet as Compensation Committee: J. Cermola
 - 1. Approve Minutes – January 16, 2020 meeting
 - 2. FY 2021 Operating Plan and Global Metrics: P. Singh
 - 3. Review FY 2021 Work Plan: J. Reckdenwald
- D. Meet as Pension & Benefit Committee: S. Sack
 - 1. Approve Minutes - April 16, 2020 meeting
 - 2. Consider and act on recommendation for the FY 2021 contribution to Retirement Plans and Retired Employees' Contributory Welfare Trust and Actuarial Assumptions
- E. Act on matters arising from Committee meetings
- F. Consent Agenda
 - 1. Approve Minutes – April 9, 2020 and April 16, 2020 meetings
 - 2. Capital Budget Authorization - June 2020
 - 3. Capital Budget Transfer Notifications (no action required)
 - 4. Consider and act on exemptions from public bid for FY 2021
 - 5. Monthly Financial Report – April 2020
 - 6. Accounts Receivable Update – April 2020
 - 7. Derby Tank Update
 - 8. Application for proposed Non-substantial Land Use Plan Amendment – Trail Creation, North Street, North Branford
 - 9. Application for proposed Non-substantial Land Use Plan Amendment – Trail Relocation, Route 38, Prospect
 - 10. Hendrickson Property, Hamden OSWA Grant Agreement Resolutions
- G. Updates: L. Bingaman and B. Nesteriak
 - 1. COVID-19
 - 2. Key Metrics Dashboard
- H. Finance: R. Kowalski
 - 1. Credit Line
 - 2. Budget submission to Trustee
 - 3. Type B Amendment – Branford Hill Service Area Improvements
- I. Reports on RPB Committee Meetings
- J. **Executive session to discuss update on strategy and negotiations with the Town of Cheshire regarding North End Development and personnel matters

[RECESS TO ATTEND RPB MEETING]

South Central Connecticut Regional Water Authority
Regular Meeting Agenda
May 21, 2020

K. Approve FY 2021 Budget and authorize filing with Trustee

*In accordance with the Governor Lamont's, Executive Order No. 7B for the Protection of Public Health and Safety during COVID-19 Pandemic and Response, the public hearing will be held remotely under the requirements of Paragraph 1 of Executive Order No. 7B - Suspension of In-Person Open Meeting Requirements. Members of the public may attend the meeting via conference call, videoconference or other technology. For information on attending the meeting via remote access, and to view meeting documents, please visit <https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2020&category=1422&meettype=&page=>. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

***RPB is excused at item J*

Meeting Invite Instructions

Topic: Authority Meeting

Time: May 21, 2020 12:30 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Germantown)

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 878 5312 6967

Password: 686476

Find your local number: <https://us02web.zoom.us/j/kdnICn6b9>

Topic: Authority Meeting (Reconvene after RPB Meeting)

Time: May 21, 2020 (*Approximately*) 07:45 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Dial by your location

+1 646 876 9923 US (New York)

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+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 860 0822 1307

Password: 773097

Find your local number: <https://us02web.zoom.us/j/ke3yws13z>

**South Central Connecticut Regional Water Authority
Compensation Committee**

Minutes of the January 16, 2020 Meeting

A regular meeting of the South Central Connecticut Regional Water Authority Compensation Committee took place on Thursday, January 16, 2020, at the office of the Authority, 90 Sargent Drive, New Haven, Connecticut. Chairman Cermola presided.

Present: Committee – Messrs. Cermola, Borowy, Curseaden, DiSalvo and Ms. Sack
Management – Mss. Collins, Discepolo, Kowalski, Nesteriak, Reckdenwald, and Messrs. Bingaman, Norris and Singh
RPB – Mr. Eitzer
Staff – Mrs. Slubowski

The Chair called the meeting to order at 3:57 p.m.

On motion made by Mr. Borowy, seconded by Ms. Sack, and unanimously carried, the Committee voted to approve the minutes of its July 18, 2019 meeting.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Ms. Reckdenwald, RWA's Senior Vice President of Employee Services, provided an update of the Employee Engagement Study conducted in 2018, which included:

- Introduction of "Town Hall" department meetings
- Update of employee action plans
- Leadership training and development
- Predictive index participation

Mr. Bingaman, RWA's Chief Executive Officer and President, and Ms. Reckdenwald provided a succession planning update, which included:

- Vacancies and recruiting
- Long-term vision of organization
- Gap analysis
- Individual development plans

Mr. Bingaman reviewed the RWA's FY 2020 strategic mid-year goals and global metrics based on 21 initiatives of four perspectives of the balanced scorecard.

At 4:24 p.m., Mss. Collins, Discepolo, Kowalski, Nesteriak, Reckdenwald, Slubowski, and Messrs. Eitzer, Norris, Singh withdrew from the meeting. On motion made by Mr. Curseaden, seconded by Mr. Borowy, and unanimously carried, the Committee voted to go into executive session to discuss officer compensation. Present in executive session were Authority members and Mr. Bingaman.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 5:00 p.m., the Committee came out of executive session.

It was the consensus of the Committee to recommend to the Authority salary increases for the Chief Executive Officer (CEO) and the Senior Executive Team, as presented and in conformance with a total compensation study of median comparable market data done by Willis Towers Watson in February 2017.

At 5:05 p.m., on motion made by Mr. Borowy, seconded by Mr. Cermola, and unanimously carried, the Authority voted to adjourn the meeting.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Joseph A. Cermola, Sr., Chair

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Larry L. Bingaman
President and Chief Executive Officer

TO: Anthony DiSalvo
Joseph A. Cermola
Kevin J. Curseaden
David Borowy
Suzanne C. Sack

FROM: Larry Bingaman

DATE: May 21, 2020

SUBJECT: Fiscal Year 2021 Goals and Global Metrics

Attached are the goals and global metrics for Fiscal Year 2021 (FY21) that are based on the four perspectives of the balanced scorecard and support our strategic plan. I look forward to your comments.

LLB:amc
Attachment

Mission

"Our mission is to provide customers with high quality water and services at a reasonable cost while promoting the preservation of watershed land and aquifers."

Vision

"Our vision is to be an innovative water utility that sustains life, strengthens our communities, and protects resources for future generations."

STARS Values

Service Teamwork Accountability Respect Safety

Higher Purpose

"Make life better for people by delivering water for life."

FY21 Action Plans



GUIDEPOST: PUT THE CUSTOMER FIRST

Strategic Goal 1: Meet or exceed customer expectations in all we do

Objectives	Provide a seamless customer experience focused on positive outcomes delivered in a multi-channel service environment.
Action Items	Implement organizational design and process changes that take advantage of opportunities created in a post-COVID19 work environment including new ways of working in order to enhance customer service.
	Continue to execute on customer-directed service offerings and complete transition to 3rd party bill print to support the Bill Redesign & Monthly Billing project plans.
Global Metrics	Ebill Participation Rate: 27%



GUIDEPOST: ENABLE OUR WORKFORCE TO SUPPORT A STRONG FUTURE

Strategic Goal 2: Attract, retain and develop high-quality talent and engaged employees throughout the RWA

Objectives	Employees put safety first, take pride in their work and feel valued for their contributions toward delivering quality products and services.
Action Items	Implement Safety protocols and responsibilities across all layers of the organization to raise individual and departmental awareness and accountability.
	Design an organizational structure that supports the business of a 21st century environmental services organization including creating succession plans for high potentials and to replace key positions.
	Promote and support training, continuing education, cross-training and career development that is aligned with the organization's strategic needs.
	Develop a recovery plan for returning to work (short term) and a task force to pivot on key learnings to improve our ways of working.
	Infuse RWA's customer-centric value system into training programs and hiring practices.
Global Metrics	0 Preventable Injuries



GUIDEPOST: EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS

Strategic Goal 3: Enhance and increase environmental services to better serve our stakeholders

Objectives	Enhance the quality of life in our communities by leading the development and implementation of innovative resource management tools, expanding educational offerings, and building our portfolio of environmental products and services.
Action Items	Capitalize on our successful educational program offerings to build more partnerships with additional schools, educators and students in our district, expanding on the use of remote delivery methods, including social media.
	Identify and develop a business plan for a new recreational service.
	Continue to develop and promote our existing recreational programs to effectively grow participation in our current environmental services portfolio and identify opportunities to improve profitability.
Global Metrics	Complete the development of two new recreation programs such that they can be rolled out at the beginning of FY 2022.



GUIDEPOST: EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS

Strategic Goal 4: Deliver high-quality water on demand in a cost-efficient manner

Objectives	RWA's product and service delivery is grounded in a comprehensive source-to-tap perspective focused on environmental and operational customer perspectives.
Action Items	Begin development of a master plan to identify opportunities for resiliency, redundancy and expansion to improve system reliability and reduce risk throughout our district.
	Continue implementation of an Asset Management program with keen focus on short term operational maintenance objectives.
Global Metrics	DPB 10% below limits

GUIDEPOST: EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS



Strategic Goal 5: Embrace innovation and adopt state-of-the-art technology to drive performance

Objectives	Technology is a catalyst for innovation and realization of business capability and service objectives, driving efficiencies through automation and reduction of manual processes.
Action Items	Establish an integrated advisory council as part of innovation hub that promotes employee-identified continuous improvement and innovation.
	Enhance cybersecurity protocols including adopting the latest principles and framework as recommended by EPA.
Global Metrics	Implement Dashboard Analytics to track performance due to COVID-19 and enable transformation through innovation/process improvements, cyber compliance and business aligned technology roadmaps.



GUIDEPOST: EXERCISE FISCAL ACCOUNTABILITY THROUGHOUT THE RWA

Strategic Goal 6: Continue to strengthen our financial health in order to mitigate water rate escalation

Objectives	Implement CapEx/OpEx efficiency plans within the context of the COVID-19 financial reality and grow non-core revenue.
Action Items	Continue to execute against the non-core strategy including evaluating lab opportunities and implementing the PipeSafe product and service roadmap.
	Achieve efficiencies while effectively executing against the Capital Program.
	Achieve operating efficiencies and savings, resulting in lower overall expenses while providing high quality water and excellent service every day.
Global Metrics	114% coverage achieved with retaining discretionary funds at a minimum of 62% (or not more than a \$10 million reduction) of current balances.
	Effective Capital Budget Management of 96%
	Capital Efficiency Realization of 3% (\$535K)

FY21 Global Metrics

Global Metric	FY21 Target	Description	Perspective
Ebill Participation Rate	27%	Increase the number of residential, commercial & industrial customers who receive their bill electronically	Put the Customer First
Safety	0 Preventable Injuries	Continue the Safety Journey toward achieving 0 preventable injuries	Enable our Workforce to Support a Strong Future
Environmental Services Growth	2 New Offerings Developed	Complete the development of two new recreation programs such that they can be rolled out at the beginning of FY 2022	Effectively Manage and Maintain our Core Business
Disinfection By-products	90%	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	Effectively Manage and Maintain our Core Business
Dashboard Analytics	3 Analytic Dashboards rolled-out	Implement Dashboard Analytics for COVID impacts, Cyber Assessment & Compliance, and Innovation/Process improvements	Effectively Manage and Maintain our Core Business
Discretionary Funds Retained	≥ 62%	114% coverage achieved with retaining discretionary funds at a minimum of 62% (or not more than a \$10 million reduction) of current balances.	Exercise Fiscal Accountability Throughout the Organization
Effective Capital Budget Management	96%	Ensure that at least 96% of the FY2021 Capital Budget is put to work efficiently for the benefit of our customers	Exercise Fiscal Accountability Throughout the Organization
Capital Efficiencies Realized	3%	Achieve 3% (\$535K) in Capital Budget efficiencies	Exercise Fiscal Accountability Throughout the Organization

Executive Summary of FY2020 Key Performance Indicators (KPIs)

Purpose: To make life better for people by delivering water for life.

Mission: Provide customers with high quality water and services at a reasonable cost while promoting the preservation of watershed land and aquifers.

Our Vision is to be an innovative water utility that sustains life, strengthens our communities, and protects resources for future generations.

Cat.	Measure	Prior Month	YTD	Target	Comments & Action Items
Customer/Constituent	Customer Satisfaction Survey	95.4%	93.1%	96.0%	The final 2020 JD Power Customer Satisfaction survey shows a decline in the Billing & Payment results. RWA=739, NE=794. While RWA results have remained consistent, our peer group has continued to show improvements in this area. The biggest departure from the peer group is in "Usefulness of information on bill" and "Variety of ways to pay bill". RWA's Bill Redesign Project and transition to third party bill presentment are expected to positively impact customer perception of the billing and payment experience.
	Average Speed of Answer (seconds)	82	82	70	On 4/23 RWA re-opened the contact center for incoming calls. FYTD RWA received 92,453 calls and CSRs handled 76,696 of these calls. The six remoted CSRs were dedicated to call handling and the two remoted Specialists were assigned call handling during CSR breaks. The remote staff were scheduled Monday through Friday from 8 to 5. The average speed of answer was less than 60 seconds for the calls handled by RWA staff beginning April 23rd. The office staff was scheduled to work two or three days a week depending on workload. Connecticut state safety guidelines on the use of space, workstations and distancing were strictly adhered to as schedules were created. The lower than normal call volumes and the changes to breaks have had a positive impact.
	% Abandoned	8.7%	8.6%	5.0%	During the six days in April that RWA staff handled inbound calls, work was completed in a timely basis and service levels were achieved. The daily abandonment rate was less than 5%. It's important to note that the call volume is approximately 50% less than normal business levels due to global COVID-19.
	Complaints/1000 Accounts	3.84	3.93	3.47	High bills associated with AMI Actual vs. Estimated reads resulted in the rise in billing questions during this period. The RWA team continues to install RTUs and to repair AMI previously installed but not communicating devices. We expect to see this ratio diminish over time as we work to finish the installations associated with the AMI project, which is targeted for December 2020. Special note: Due to global Covid19 pandemic, the company has curtailed all dunning and collection activity which is resulting in fewer customer calls and complaints. In order to assist our customers, we are offering extended payment arrangements and are not assessing late payment charges during this period.
	Disruptions/1000 Accounts	1.08	1.14	2.25	There were 8 disruptions in April, including 2 main breaks, 1 emergency shutdown, and 5 scheduled shutdowns.
	Positive/Neutral News items	262	276	225	There were a total of 14 positive or neutral media mentions of the RWA in April 2020, bringing the year to date mentions to 276.
Employee	Injuries, FYTD	1.00	2.00	0.00	We had 1 preventable recordable injury in April when an employee stepped backwards into a 3' deep trench, bringing our FYTD total to 2 preventable injuries.
	Preventable MVAs per 100,000 miles	0.19	0.17	1.01	No new PMVAs in April, keeping our total incidents to two so far in FY2020. This is far less than any other fiscal year since we began our Fleet safety program. RWA vehicles have been driven almost 1.2 million miles YTD.
	Near Miss Reports with Corrective Actions Taken	100%	100%	100%	We have had 14 near-miss reports FYTD. All have had appropriate corrective actions taken to prevent a future incident.
	Training Hrs per FTE	13.66	13.73	10.94	RWA was able to provide 20 hours of training in April despite being severely impacted by COVID social distancing. Remote training methods are being developed to ensure employees receive training in our new working environments.

Executive Summary of FY2020 Key Performance Indicators (KPIs)

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Cat.	Measure	Prior Month	YTD	Target	Comments & Action Items
Financial	Cash Collections (\$M)	\$99.07	\$105.87	\$108.47	Cash collections of approximately \$6.8 million, for the month of April, were lower than budget by approximately \$2.0 million. Projections for April cash receipts were revised due to COVID-19. With lower projected expense, meeting our FY20 coverage requirement without a draw is still anticipated.
	Savings Identified by Employees (\$M)	\$0.36	\$0.43	\$0.45	Additional savings still anticipated in May. Includes one non-recurring item. Does not include the FY20 debt service savings due to refinancing
	Net - Other Proprietary and Forestry (\$M)	\$5.83	\$5.70	\$5.85	This variance is reported against the \$6.5 million FY20 target, which is higher than the budget. YTD actuals vs. the budget is an under run of \$14k and reflects a YTD true-up for the lab. Pipesafe is higher than the budget and is largely offsetting other under runs (e.g., forestry and the lab).
	Capital (\$M)	\$19.2	\$22.6	\$26.9	Capital expenditures have been reduced due to COVID-19. Explanation has been provided for projects with more than \$100k variance. Metric does not include contingency or State & Redevelopment
	Capital Spend (%)	83.3%	84.3%	96.0%	Capital expenditures reduced in light of COVID-19.
	O&M (\$M)	\$45.93	\$49.75	\$55.80	Year end is projected to be under budget. The projection incorporates revisions due to COVID-19
Process Excellence	Disinfection Byproducts	100%	100%	90%	There were 0 near-misses for the THMs and HAAs in March, our last compliance sampling period. Our aggressive flushing and source water management appear to be working. Additional DBP research and management activities are on-going. THM and HAA levels continue to fluctuate widely and, while well within USEPA standards, remain high enough to bear continued focus.
	Environmental Compliance	93%	92%	90%	YTD there have been 7 parameters that fell outside the Near Miss threshold.
	Watershed Inspection Completion	186	197	170	Two violations noted and corrected with help from Hamden and Bethany town officials. YTD there have been 17 violations identified and 17 violations corrected.
	Net Unaccounted For Water	8.94%	9.84%	10.0%	The YTD Net Unaccounted for Water calculation is 9.84% for the annualized reporting period of February 1, 2019 through January 31, 2020.
	I.T. Help Desk Tickets Closed in 4 Hours	82.9%	82.6%	80.0%	Of the 3058 tickets YTD, 2526 were able to be closed within 4 hours.

At or better than target

10

Within 10% (5% for financial) of target

4

More than 10% (5% for financial) off target

4

Metric strategy & results purposely impacted due to COVID-19.

3

Blue shading indicates a Global Metric.

1 of the 8 Global Metrics are currently on Target.

Compensation Committee FY2021 Work Plan

The Compensation Committee will assist the Regional Water Authority (RWA) in fulfilling its fiduciary responsibilities for oversight relating to compensation of RWA's executives, including annual review of RWA's compensation, review and approval of goals and objectives, and evaluation of the Officers and CEO performance and recommended annual compensation of CEO and other officers.

July 2020

- CEO FY 2020 goals update
- CEO & Management performance review
- Review and recommend CEO & Officer compensation

January 2021

- Review of Succession planning activities
- Employee Engagement update

May 2020

December 2020

- 6 Month CEO goals update
- Review compensation strategy
- FY 21 CEO Goals & Global Metrics
- Review committee FY21 work plan