

South Central Connecticut Regional Water Authority
May 21, 2020
Meeting Transcription

A regular meeting of the South Central Connecticut Regional Water Authority (“RWA” or “Authority”) took place on Thursday, May 21, 2020, via remote access.

Present: Authority– Messrs. DiSalvo, Borowy, Cermola, Curseaden and Ms. Sack
Management – Ms. Discepolo, Gavrilovic, Kowalski, Nesteriak, Reckdenwald and
Messrs. Bingaman, Norris and Singh
RPB – Mr. Jaser
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:30 p.m.

Tony:

Okay. I guess we're going to start without Suzanne. I want to call the meeting to order ready for the safety moment, Larry?

Larry:

Yes. The safety moment is more guidance on protecting yourself from the Coronavirus and using a face cover, or face mask.

Tony:

Good. Is that recommended?

Larry:

Yes, that is. Matter of fact, it's mandatory in Connecticut if you're out in public.

Tony:

All right. Thank you.

Tony:

I will entertain a motion to recess as the Authority and to meet as the Audit Risk Committee.

Joe:

So moved.

David:

Second.

Tony:

All in favor, aye.

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Group:
Aye.

Tony:
Motion carries. Joe, it's all yours.

[AUDIT RISK COMMITTEE MEETS 12:32 p.m. to 12:49 p.m.]
[COMPENSATION COMMITTEE MEETS 12:49 p.m. to 1:58 p.m.]
[PENSION & BENEFIT COMMITTEE MEETS 1:58 p.m. to 2:01 p.m.]

Tony:
Thank you guys. We're back. Any motions that we need to take care of related to committees?

Suzanne:
Yeah, I have two. I don't know if Joe has any.

Joe:
No, we don't have any. You, can go ahead.

Suzanne:
Thank you. So I'll entertain a motion to approve the proposed resolution related to the funding of the union and salary pension dated May 21st, 2020.

Kevin:
So moved.

Joe:
Second.

Suzanne:
Thank you. Any comments, questions or concerns related to it? Okay. Very good. All those in favor.

Group:
Aye.

Suzanne:
Okay. Let the record show, it is unanimous in favor. I'll entertain a motion for... I'll pull this up. Approval for the proposed resolution dated May 21st, 2020 related to the VEBA contribution.

Joe:
So moved.

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Kevin:

Second.

Suzanne:

Thank you. Any discussion? Being none. I'll take a vote. All those in favor.

Group:

Aye.

Suzanne:

Any opposed? All right, let the record show it's unanimous. So we voted on both contributions and we are all set and I'll turn it back to you, Tony.

Tony:

Why don't we move in then, into the consent agenda? I'll entertain a motion to approve the consent agenda.

Kevin:

So moved.

David:

So moved.

David:

Or a second.

Joe:

Second.

Tony:

Are there any items on the consent agenda, anyone wants to remove to the deal with separately? Hearing none. Then all in favor, say aye.

Group:

Aye.

Tony:

Apposed? Abstain. Motion carries. Where consent agenda and all its items are approved. Let's move to updates.

Larry:

Thank you. We've got several items that we want to update you on around the COVID-19. Beth will provide you with our normal update that she's been doing the past two meetings on the status of COVID at RWA. And then she'll shift into the return-to-work plan. I had asked Jeanine and Beth to chair a return-to-work planning committee. And she'll show you the chart. You go through the chart that she's got up there now on what that return-to-work plan looks like. We also did a Pulse survey last week for our employees to see how they were getting along in this working remotely and other related issues. And Jeanine will review that. And then finally, we are going to change our customer affordability program during this COVID and Rochelle will review the changes that we are making in that. And then we'll go in and Rochelle and I will talk about our key metrics dashboard that the leadership team has developed to monitor the business during this pandemic. So with that, Beth, do you want to take it off?

Beth:

Sure. So I'll just start off an operational update. As of today, we have had two employees test positive for COVID-19 and two employees test negative. Three employees overall developed symptoms, but have been unable to... This was earlier in March. Were unable to be tested and just self-isolated. We do have two employees that remain out as a result of continued sickness and some underlying conditions that have kept them out from work. So overall we've done pretty well. I think that some of the moves we've made early on to work towards working from home and minimizing our social interactions have proved us well. In terms of a supply perspective. As Peter mentioned, we have seen no interruption in some of our chemical deliveries and more of our treatment chemicals and our PPE supplies remain good. We did RWA through our partnership with EPA. We've been really working hard with them and FEMA actually issued cloth masks to critical infrastructures around the States. Connecticut-

Beth:

The critical infrastructures around the states. Connecticut was the recipient of some 50,000 cloth masks. So through a mutual aid network that Tom Barger is involved in, we've kind of taken point and help distribute those to water and wastewater utilities in the state and RWA had received 500 cloth masks last week that were handing out to our employees that are reporting every day.

Beth:

So supplies are in good shape. 90 Sargent Drive obviously still remains closed to the public. Anybody that needs to come in developers, et cetera, are making appointments. We do have our police department continuing to man the front parking lot and directing entries and deliveries. With the COVID test site next door at the old Gateway College, we have had some visitors that were hoping to get a COVID tests that we've had to redirect, but overall that's been good.

Beth:

We also, in terms of 90 Sargent had been cleaning, obviously increased our cleaning from our facilities department, and we have been doing what they call a Clorox 360 treatment on the building, which is kind of a sanitation where you actually create Clorox into an aerosol that you can spray. So we're working on that not only in 90 Sargent, but also on our treatment plants. In terms of work status and how people are working, as Linda reported, customer service has customer service representatives working from home and limited staff are reporting on a rotating schedule to do all back office work. Field services, we still are not doing customer appointments. We plan to return to doing customer appointments early July and we're responding to emergencies in that area and any work that does not require a customer entry.

Beth:

In terms of treatment, everything is normal there. As I've previously reported, we are trying to isolate each of the treatment plants in terms of minimizing exposure and keeping clusters of those operators together and not intermixing, which we would normally do. Other than that control room is operational. That was again, a very high risk area for us just because of the limited amount of people in that work group. So we have done well there, there were some early on sicknesses, but everyone's fully recovered and working every day.

Beth:

Our field crews from an operational perspective are fully operational. We are working to train that group to be able to wear N95 masks. Those require a fit test where our safety administrators is helping to do that. Again, we're trying to minimize our entry into our customer homes, but realizing that this might last for a while, we want to make sure people are trained and have the necessary PPE in the event, we do need to go into customer homes.

Beth:

Water quality, continuing with our compliance sampling, our cross connections that are working, we have in recent weeks, been trying to push out the message of making sure that as buildings become reoccupied and other things that people are flushing their water lines in their commercial properties and their buildings. So that's been something we've been working with the health departments on and trying to work out with press releases. So you might have seen some recent activity on that. Other than that back office functions remain operational with a majority of those groups working remotely.

Beth:

As Larry mentioned, Janine and I were asked to head up a return to work committee and as part of that committee, we've looked at, we have some very tactical objectives from a reopening plan, but we also have some more transformational objectives like changing the way we work. But I want to share with you something that we had put together very high level and currently in a draft form, but we've taken all the things that we thought we needed to do and try to stage them and show them in a way that was easy to communicate. So, as you can see, our first phase would be our safety first phase that was started in mid-May when we were asked to form this committee and we anticipate this first phase will last to probably mid-June. Where this is really working on updating our employee guidelines and policies.

Beth:

Larry mentioned the pulse survey, which Janine will comment on, but really developing kind of a revised playbook for our employees. So as we start to bring back people into 90 Sargent, they understand what the rules of the road are. For instance, face coverings and looking at meeting occupancies and types of meetings we hold. So we're working on creating that handbook for our employees. We're also looking at how we can kind of welcome them back with a COVID kit we're calling it. Which would include some face covering, some hand sanitizer. Just the idea that we're reinforcing all these important social distancing requirements. I'm looking at common areas, our cafeteria, our elevator, our gym, and limiting occupancy, as well as making sure that we have the appropriate signage up so people know what to do. Also, establishing our guidelines for visitors in lobbies, in person meetings, and other obviously interactions with the public.

Beth:

In terms of what we need to do for 90 Sergeant. There's a laundry list of things, but obviously on our top priority is before any reopening, we plan a deep clean of that Clorox 360 treatment I talked about. Again, reviewing occupancy levels and workspaces. So right now we're working with all the leadership team members to understand, for that return in mid-June, what would the priority be in terms of work groups? Are there some work groups that we want to have back in the building because of needs and how do those workspaces look? Is there enough space to be able to maintain a six foot distance between coworkers? Do we need to put up any barriers or plexiglass to help with those situations where we might be a little closer.

Beth:

Again, focus on increasing our all access to sanitation supplies, hand sanitizers, where they're located in the building. Even to the point where I'm sure you've all been in a grocery store and have to walk one way. So we're talking about what the traffic pattern would be in the building, where we have hallways that might not be wide enough to maintain our six feet.

Beth:

A pretty comprehensive plan. A lot of people are working on it and, and we're moving forward. Our soft opening is what we would call starting a phase two and that would be mid-June. Again, this communications is going to be really important so that we're making sure we're promoting all of these guidelines and the behaviors that we need to have as we re-open. Publishing our telecommute policies, or even our travel policies. Again, using our Pulse survey as a way to measure engagement within the organization. And like I mentioned, kind of targeting early-July for a customer appointments to be a re-established.

Beth:

One of the things that we are looking at, and these are the things that are in red are kind of the highlights, are in terms of self-certification for employees. So there's been a lot of discussion around as you listened to some of these webinars about re-opening and, and what the state is doing about temperature checks and things like that. Right now we're asking employees before they come to work to take their own temperature before they enter at their work site. What we're looking at in terms of our soft re-opening would be that there is technology and we're working with Amanda Schenkle on this, is that where the employees would have to be required to enter that data into an app on their phone or some type of website where it would actually log that self-certification. And that we would have metrics and tracking, a way to track this, that employees are actually doing it.

Beth:

Obviously the worst thing that can happen to us as we start to increase occupancy at 90 Sargent and then start to see a sickness. So that is one thing that we're actively looking into is how we can use technology to help kind of confirm this self-certification.

Beth:

We also want to make sure that we have a good way to track where employees are and when they're in the building from a contact tracing perspective. So, that's something else that this app might be able to help us to do.

Beth:

Then phase three is really mid-July. So we're looking about looking at it every month, kind of moving a little bit more of increasing occupancy at 90 Sargent. But again, if this is the situation changes dynamically. So we're going to look to continually monitor what's going on in our own building and our own employees, but also what's going out on from a community spread perspective.

Beth:

There has been a lot of discussion about seeing another wave of the sickness in mid-August to early fall. So, I'd say as you get further to the right on this sheet, the harder it is to predict exactly what will be going on, but this is kind of where we're marching towards in the next few months anyways.

Beth:

I don't anticipate the mid-June opening to be a real drastic change for some of our operational areas. We will remain keeping our treatment plant operators somewhat quarantined to small groups. We won't be intermixing crews. So we'll keep doing what we're doing, but we will slowly start to kind of increase the act of the occupancy level at 90 Sargent Drive. Does anybody have any questions about that plan or what we've got going on?

Tony:

I just wanted to reaffirm that you've thought about the process of leaving people working from home and have not made any firm decisions yet on that.

Beth:

Correct. Right now we are polling the leadership team members to understand what the current work situation is and reviewing what would be phase one. But yes, the push right now is people are effectively working from home with full capabilities. That would be on the lower priority list. And obviously, as Larry mentioned, we're going to use this time to kind of look at how we would change the business moving forward in terms of the remote working with, or without the COVID-19. But yes, we are looking at that as we speak.

Tony:

And you're going to consider David's suggestion that you think about use of the Whitney Tower for some possible purpose also.

Beth:

So yes, we do currently have that as a backup site in case we do have an outbreak in our control room right now. So we are using that from an operational perspective as a secondary location. Yep. And we have a spare operator actually stationed there as well now.

Jeanine:

Can I add something? Oh, Tony, I just want to mention that we see the need to do that actually less, more than more based on the fact that we have so many people working from home and when, and if we bring everybody back, it'll be in very staggered shifts.

Jeanine:

So it's not like we're going to ever open the door to 90 Sargent and all 153 people that work there we'll work at the same time, we're going to have a very gradual re-entry with, only as Beth mentioned, the absolute need to the people that don't have the technology or the capabilities to work from home in the way that they should. So in a way the last people or the door might be people that are in what I would call, back office kind of functions like finance and accounting and HR related things that aren't face to face issues. So I think we'll end up in a good place.

Tony:

I understood that I was more referring to the fact, this is an opportunity to make some work force changes in terms of locations, if and when you, if you wanted to do that, right?

Beth:

Yes. Yep.

Tony:

Thank you.

Suzanne:

No. Nice job guys.

Larry:

Thank you, Beth. And Janine, you want to talk about the survey that we're seeing results?

Jeanine:

Sure, sure. So interestingly enough we took as a work plan that I just chatted about, said we're going to do more Pulse surveys. And we took the opportunity to use our first Pulse survey to find out how people are feeling about being at home, how they're working, how they're engaged. And so I'm going to just give you a really high level overview. This survey was conducted online, sent to all people with their email addresses. The end of last week conducted over three days. We had 158 employees respond, which was almost 60% of the workforce. So I thought that that was really good considering that normally when you do a survey, you have to send out a hundred reminders a week and people aren't necessarily thrilled to complete the survey.

Jeanine:

So I thought we did really well. Of the 60% of the workforce of the 158 people that completed the survey, 55% of them told us that they were working remotely and 45% of them were reporting to work still. And I imagine those were mostly the people in the operations areas that are still out there working.

Jeanine:

Employees told us, we asked a bunch of questions around their work from home situations, their current work situations and how they feel about the COVID pandemic and how it might affect them. So, while we found out that employees are concerned about the pandemic, most of our employees that responded were very confident in the decisions being made by the leadership team and the incident command team. May not know, but our incident command team that we established at the very

beginning of this COVID outbreak is still meeting, just moved from a two time a week a meeting to once a week meeting. So I think people are pleased that we're still doing that.

Jeanine:

Employees report that they're happy with the current level of communication from Larry and the leadership team. I know that you are privy to many of the messages that Larry sends out. So people feel very engaged and up to date, which is a good thing. You know, as we reviewed the results of the survey, we're pleased to see that despite the challenges presented by this pandemic, the majority of our employees are happy with their working situations. They're feeling productive, they're engaged and we only found that 7% of those that surveyed were having a hard time working effectively.

Jeanine:

Those reporting to work expressed, finding it difficult to communicate with their colleagues while those working remotely, their challenges were the limited access they have to some information or tools they needed. So depending on which side of the fence you were on, they each represent different challenges.

Jeanine:

Finally, while most employees tell us they're feeling connected to their coworkers and they let us know that they hear from their managers regularly, which is a great thing. The top challenge reported by all the RWA respondents was they're missing the social interaction with their colleagues. So I think that's not a surprise when you consider the tenure that most of the people have at the RWA and the fact that it is a small company and as Larry alluded to a lot of people sit at the 90 Sargent Drive facilities. So not being able to see your friends and colleagues that you've been working with for a long period of time does have its challenges.

Jeanine:

Then the last item I just want to mention to you is most employees, which thankfully indicate that they would feel comfortable returning to their normal work site, that they felt that we were making the building and our location safe. Almost half of that group, though prefer to work from home forever if the option was extended to them.

Jeanine:

So I'm sure that's not a surprise. I think it's obviously such a personal thing, depending on your personal situation and your personality. While I enjoyed being home a couple days a week, I would not fall under that camp. I would rather probably try to come to work on a more regular basis than maybe somebody else, but that's probably more indicative of my personality than anything else.

Jeanine:

So that was it. High level overview. I think it was a good idea to try out the Pulse survey in this situation. It was very up to date in terms of the subject matter. And I was really pleased by the amount of people that responded. That's kind of...

Tony:

What was the percentage again, of people who would rather...

Jeanine:

Almost 60. Yeah almost 60.

Tony:

No. No. Of who would rather have worked at home all the time?

Jeanine:

Oh, so of the 45% of the people that are working from home, half of those people said they would prefer to work from home all the time if the option was given to them.

Tony:

Okay. Thank you.

Jeanine:

So that's key as Beth alluded to. Her and I are trying to figure out some of these policies. These results of these surveys are going to help inform some of the decisions that we make. So it was really interesting to learn that group of people was looking to stay home. So any questions, any other details you might want about this?

Tony:

No. Thanks.

Larry:

Thanks Jeanine. Good job. Okay. So as you, the Attorney General of Connecticut, legislators, even PURA have asked utilities to extend policies that can help customers that are having a very difficult time during this pandemic, either because they've been furloughed, their hours are reduced or they lose their jobs. So in light of that, Rochelle has been working on expanding our customer assistance program. And we wanted to inform you what those changes will be during the Coronavirus pandemic. So, Rochelle.

Rochelle:

Thank you. So as Larry was mentioning, we've been in communication with Dollar Energy. They're a firm that administers our program. We've also had opportunity to hear what other utilities in Connecticut are doing, both water and electric. And so what we would propose is for our residential program, you might recall that currently the income threshold is 175% of the federal poverty level, which for a family of four is only \$45,850. So it's quite low, what we're proposing there. And this is consistent with what Dollar Energy is seeing other utilities do. We'd like to raise the cutoff to 250% just on a temporary basis. And we can be flexible. We're currently thinking, this would be through the September timeframe, the end of September with a possible opportunity to extend it through December. And the thought there about why we think we should raise the threshold, as people go back to work, even though they may have been out of work and they're going to be struggling to catch up on their bills, they may actually be above the threshold.

Rochelle:

So this will allow the threshold, which is still fairly low it's 65,500 to qualify. Again, this would be on a limited basis, the grant would remain at \$175. And I should mention that for this program, as well as the next program that I'm going to talk about monies are already available. So there's not going to be additional funding requirements to support these programs.

Tony:

Rochelle.

Rochelle:

The other pretty. Did somebody have...

Tony:

Rochelle.

Rochelle:

Yes.

Tony:

Have you noticed any increase at all during this COVID time?

Rochelle:

So actually what's interesting, we, as well as Dollar Energy have actually recently seen a decrease. We believe it's due to utilities are not currently shutting. And so actually where we expect the increase to be is when utility starts shutting again, we are expecting to see an increase there and as people go back to work. I should mention though that the program, since we made changes in the Fiscal 20, we've actually had some really good weeks. We've definitely seen a pickup in the program. We actually, in one week we had 10 grants. We've had weeks where there has been eight or nine grants. We're really pleased with increase that we're seeing in the program. And we think, given the environment, relaxing the income cutoff would be a good thing to do as people hopefully are returning to work.

Rochelle:

The other change that we'd like to make and I should mention that a Aquarion is doing something similar, is actually have a program for small commercial and industrial. And this would be defined as the five eighths meter customers that are within those classes and Dollar Energy would be working with us. The focus would actually be for like non-essential businesses that have been closed and we'll put together an online application that they can respond to with basic information, their bill information, there'll be a confirmation that they do in fact qualify.

Rochelle:

And then we're also thinking that for essential businesses, some essential businesses have actually been hurt because their customers are being impacted. So even an essential business, potentially would need support as they get at sort of back on their feet. So we would like to do this again. This would be temporary. It would be for a predetermined amount of time. We can cap it. We will cap the dollars that are available. Working with Dollar Energy, we can monitor what we're seeing as the participation and then make any necessary changes.

Rochelle:

We're thinking the grant for the commercial and industrial will be comparable to what we're doing for residential. You might recall that residential, the \$175 is just a little bit over what a quarterly bill will be. So we want to do the same thing for the commercial and industrial. We're looking at the data now and we're thinking it will probably be more like closer to \$200 and again, the monies are already available. So this isn't going to be any additional cost. And we really think this is the right thing to do for the community. We would be... if there's agreement, we would be working with Phil to roll this out to our customers.

Joe:

How much money is available?

Rochelle:

Excuse me?

Joe:

Do you have a certain amount of money available in a pool of money?

Rochelle:

Yeah. We have more than enough money to cover this, as well as the continuing program. And we can cap on how much we put in.

Joe:

And then this will be on a first come first serve basis. And when they run, you run out of money that's the end of the program.

Rochelle:

Right. Right. Unless we decide to extend it or put more money in.

Joe:

Right.

Rochelle:

Yeah.

Joe:

Okay.

Tony:

Thank you.

Larry:

Any other questions on that? Nope. Okay. Thank you.

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Larry:

The other item that we wanted to review with you is a key metrics dashboard that Prem and his team took the lead on working with Rochelle and the leadership team contributed to, with that is a COVID-19 key metrics data tracking chart.

Larry:

So just to orient you in the upper left hand corner are kind of key bullets about what's going on within the water production standpoint and while production doesn't necessarily equal consumption, it is a good leading indicator. So on this chart and that is, if you look immediately to the right, you've got a graph there called year over year production change. And what that shows is that fiscal year production is down about 0.44% Compared to the same period last year. Rainfall during this period of time is up about 3.4 inches and this is through May 9th. Water collections as of May 9 were about \$690,000 ahead of what we were projecting through May 8. And that influenced somewhat by actually when we send out our water bills. So we sent out a group of, of water bills at the end of April. So we didn't get that chance to realize the full cash collections yet when this report was put together.

Larry:

Over time is down about 13% below budget. Our system wide consumption compared to this week, last year is, is flat at about a 0.8%. And consumption for the first five days of May is down about 22.5% compared to the same period last year. So looking at the chart you've got in the middle, you've got the production chart, which shows the 44%. The bar graph immediately to the right is rainfall at Lake Whitney. And then going back over to the left, you see our cash collections through May 8. That's on Friday when Rochelle has a report run on that. We collected a total of \$2.4 million. We had projected that we would collect 1.7 million for a difference of the \$690,000 to the good. And then below that water collection box, shows the overtime 13% below budget. And then there's the two consumption periods by week, year over year, and then change over month to date. Rochelle, do you want to add anything to that?

Rochelle:

Maybe other than actually in the month of April, we also did exceed our projections. So, that was a good thing. You know, we did hope that our estimations would be conservative. So we've already built the increase that we saw in April into our year end outlook. And through May 15th, our cash is actually running even stronger. Which is a good thing. I just want to mention, you might recall, and I've spoken about this that May does tend to be a high collection month, which is sort of good news and bad news is it helps the fiscal year that we're in, but it often takes away from the upcoming year. But I will say that cash is stronger than our adjusted projections due to COVID.

Tony:

Is it stronger year over year?

Rochelle:

No. No. It's still like under what our budget would be, but it's not as... the reduction is not as significant as we had originally projected.

Tony:

Okay.

Larry:

So as I mentioned, we're going to prepare this on a weekly basis for management to track, because we thought this was key data for us to monitor the business. And we will review with you at each meeting where we stand. So if you have any suggestions or you have something you'd like to see different or a little different format, let us know.

Kevin:

Excuse me. Larry.

Larry:

Yeah.

Kevin:

Why don't you make it a Foursquare? I'm just kidding.

Larry:

No, no, no, no, no.

Kevin:

The format worked well.

Beth:

Do you miss the AMI updates Kevin?

Kevin:

Larry. I just wanted to comment in all seriousness, I've noticed the communications going out from you and from management to the company and keeping people informed and I thought they were very well written. I'm not sure who actually wrote those, or it was a collaborative effort, but they did a good job. And I think it was, so I was wondering if there was some type of game plan or something that you were relying on or was this just natural thought to go ahead and make these regular updates and realize that's what the, the employees would need and what the RPB and management and FMA would need. So I didn't know if you were using any specific guidelines or criteria or this was just kind of all put together based on the need.

Larry:

Well, a couple of things, first of all Phil Vece, is our head of communications, plays a pivotal role in those updates. And it's a collaborative effort with whichever management team member is issuing the communicate.

Larry:

But we've learned from prior crises that we've had in this organization that frequent communications, that update employees and create a feeling of transparency are critical. So as soon as we went into this

crisis and we formed the incident command structure, we decided that it was important to communicate regularly to employees. And at first we did it twice a week and then we moved it to once a week to provide key information to employees. We also decided it was important about a month into the pandemic that we do the virtual town hall, which I conducted and Phil and I worked on together to prepare. We had about 175 employees participate in that virtual town hall and questions were submitted in advance. We had probably close to 20 questions or so if you sort out those that were not redundant. So, it really goes to a basic philosophy, Kevin, of the organization and keeping people informed during a crisis.

Kevin:

Yeah. Well, thank you. I appreciate the communications and the efforts. And you know, we'll talk later about the comments from the finance committee on the budget as well, but thank you.

Larry:

Okay. Thank you. Other updates that I'd like to offer, and I feel like that there should be a playing of trumpets for this next update because on April the 29th, we completed paving the last half acre of an area.

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Larry:

And paving the last half acre of an area adjacent to the former middle school building. Now, the announcement, following a series of phased projects over six years, remediation of the entire Connecticut DEEP consent order area assigned to RWA is complete.

Joe:

Here, here.

Jay:

Congratulations. Congratulations. [crosstalk 00:02:12:29].

Larry:

I must say that has been one of John Hudak's major areas of emphasis and focus. What we have to do now is put together an environmental land use plan for that particular area. That's got to be approved by the Connecticut DEEP. There are some other legal documents that need to be put together as well, but all total that costs us a little over \$4 million. We had reserved for that early on and have increased the reserve as we have gone along. Rochelle, do you want to comment on that from a financial standpoint?

Rochelle:

No, I think that the good news is we did, as Larry mentioned, had a reserve. It looks like there may be just a very small additional amount that we're going to need to record, but actually even with that it's still less than the highest reserve we had at one point. We had 4.2 million reserved, and we ended last

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year at \$4,000,050, so we'll probably come in about \$4.1 million. For the most part it's already accounted for. It's also incorporated into our capital plan.

Larry:

Kevin, we thought that if you're in agreement that Ted and John could provide a more comprehensive look at the project and where we are with it, but that's something that you and Ted can work out if you would like to have something like that at your next committee meeting.

Kevin:

Okay. Thank you.

Larry:

But I thought since this was so timely, that we wanted to share with you the great news. The last item on a lighter note as they say. You might recall that if you're driving West on I-95, as you get to the Hyundai dealership, right by CarMax, there's advertisement on a billboard that says, "Go fish, get hooked with a RWA recreation permit." That's a picture of what it looks like. The good news there is, is that it apparently has had a definite impact on increasing the number of recreation permit holders.

Larry:

We began that in early March to promote our 2020 fishing season, and of course the call to action is to go to our webpage, and if you put in a GoFish20 code, you get a 20% discount on the permit. Often individual or family permit. Of course this is scheduled to go through, I think May 25. Then the 20% promotion will continue on the website. Just to show you an idea that the number of permit holders that we have through the end of April was 4,479. That compares to 4,045 in April of '19. April of '18, we had 3,907, and April of '17, we had 4,000.

Larry:

During April of '20, we had a 492 new permits purchased and 150 renewals, compared to April of '19, we had 170 new and 160 renewals. So far as of April of '20, we have gross sales of almost \$25,000 in sales in permits compared to April of '19 of almost \$12,000. Phil came up with the idea of using that bulletin board as a way to promote our recreation program and it is definitely having a positive impact. With that, unless there's any questions, that's all the updates that we have.

Suzanne:

I would suspect that the COVID-19 also had a impact on people wanting to get out and go fishing. Wouldn't you say?

Larry:

Well, it certainly is. We've seen a tremendous uptick in people going out to the recreation area, but they've got to buy a permit to get there.

Suzanne:

Yeah.

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Larry:

There's definitely a relationship there, but I got to believe that the... Because we saw an uptick in the number of permits taken out as soon as we put that bulletin board up or that billboard up.

Tony:

Hey Ted, do they allow fishing in up in Lake Whitney?

Ted:

No. No fishing on Lake Whitney.

Tony:

I see fishermen-

Ted:

Just Maltby and Saltonstall.

Tony:

I see fisherman off of Waite Street the time.

Ted:

Chase them out when you see Tony, will you?

Tony:

You know I'm not doing that.

Ted:

Yeah. Along with all the increase in legal activity, there's been an increase in illegal activity too. People with not with permits. People walking their dogs. Four-wheel drive vehicles. So we're trying to chase that all down too as well.

Tony:

Okay. Anything else on updates?

Larry:

Nope, that's it. Thank you.

Tony:

Thank you. Let's move on to finance Rochelle.

Rochelle:

Okay. Thank you. Actually this first item is something that Larry and I wanted to approach with the Authority before moving forward. We wanted to see what your thoughts are. This is regarding putting in place a credit line. As you know, we've significantly reduced our capital budget. We've also significantly

reduced our O&M budget. As a way to have something in place should there be an emergency, especially on the capital side, we wanted to get your thoughts on moving forward and working on possibly with two banks.

Rochelle:

You might be aware that with one of our banks currently, actually for the AMI project, we have what we call a drawdown note, so we don't pay interest on unused balances, and that's worked pretty well. We're also thinking that to expand our backend relationships, Larry and I have had preliminary discussions with another bank. We're working through some of the details with them, but our thought was, if we can get a credit line in place, again, possibly with the two banks, it would be there in case of an emergency. Again, if we don't need it, we won't use it, but that way should something happen, we're not scurrying around to try to put something in place.

Tony:

I thought this was a good idea, given the fact that we had depleted our reserve accounts or planned to.

Rochelle:

Not quite deplete.

Tony:

Well, from our perspective it's sort of depleted.

Rochelle:

Okay, if you're agreeable, we'll move forward working with the two banks to put something in place, and then we'll come back to you. It will be something that the authority has to approve and the RPB will also have to approve.

Tony:

Uh-huh (affirmative). Would this be a credit line at both or a collaborative one?

Rochelle:

We're currently thinking it will probably be on two different credit lines. Probably one for capital and maybe a small one for operating expense. Hopefully we won't have to use debt for operating expense, but just in case, we can have that in place.

Tony:

Good. Okay.

Jay:

Rochelle, Jay, if I can ask a couple questions?

Tony:

Yup, please do.

Rochelle:

Sure.

Jay:

The two credit lines will probably be based at an older prime rate. Would there be an annual clean-up of the credit line required by the two banks? Which is [crosstalk 00:09:23].

Rochelle:

With one of the banks that we've worked-

Jay:

Pardon?

Rochelle:

Sorry.

Tony:

Go ahead Rochelle.

Rochelle:

One of the banks currently have a drawdown note in place. It works really well because we do pay interest every month. It's based on LIBOR plus a small amount, and it has no additional fees, we only pay for what we use, which is I think really a great aspect of that. We are working with another bank on what they may be able to provide and that would be more to establish a additional relationship with an additional bank that we can go to if needed. We're still working with the other bank relative to their terms.

Jay:

Yeah, I would believe that the best rate to be had would be banks that we already have deposits in.

Rochelle:

Yeah, the one bank we do. One of the banks is the bank that we use for day to day, so they're really good to work with.

Jay:

Yes.

Rochelle:

The other bank that we're beginning to work with, they are asking for a deposit that will come into play. Then we currently actually have another note, but it's not a drawdown note, with another bank that we've put in place for AMI. Given that, this really is for a contingency. We really like the idea that we not paying for financing that we don't use. If you have suggestions given your background, definitely let us know.

Jay:

Yes. Yes, that's why I was asking. Are they asking for any guarantees other than just a corporation?

Rochelle:

The only guarantee... So this is subordinate debt. It's subordinate to the RWA bond holders, so it is secured by revenue. There is a security and that's really with the existing notes we have, that's really the key covenant.

Jay:

Okay. I just wanted to make sure that we didn't have to offer guarantees on it, even though we're not nonprofit, we're a revenue earnings company. Yeah. Right. I'm going to give it some more thought too as well.

Rochelle:

Okay.

Jay:

Okay.

Rochelle:

Thank you.

Jay:

Thank you for that. I think it's a smart idea to have that available as a backup cushion. I think it's almost mandatory with what's going on with the economy, with the pandemic, but especially with the economy and the federal reserve and the way the money's being handled off to the populace. I'm not against it, I'm for it, but we have to be prepared and that's what you're doing, and I just thank you for that. Yup.

Rochelle:

Thank you.

Jay:

Mm-hmm (affirmative). Yup. Thank you. Okay.

Rochelle:

If there's no more questions on that, then the next item on the list is the budget submission to the trustee. I know we usually don't talk about this, it's more a formality, hopefully tonight when the budget's approved, but there are a couple things that we just want to bring to your attention. Jennifer, if you have this, if you can put on the screen, first page, it's the third page in.

Jennifer:

Hold on one minute. I brought it up, so I want to make sure it's here. Hold on a second. I did bring it up while we were on break.

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Rochelle:

Okay.

Jennifer:

We have it ready. This one here?

Rochelle:

Yeah, if you can just go to the third page. I just want to highlight a couple points.

Jennifer:

This one?

Rochelle:

Yeah, this.

Jennifer:

Okay.

Rochelle:

I want to mention a couple things here. What we're doing similar to what you heard with the budget presentation, our plan is for the shortfall which is... I'm sorry, my computer...

Jennifer:

I don't know what happened to her.

Jeanine:

Maybe her computer died. Maybe she had it unplugged.

Jennifer:

Oh, could be.

Jeanine:

It's happened to me before.

Prem:

I'm going to send a text.

Jeanine:

I think Linda got up and went over. She's right next door.

Prem:

Okay.

Jeanine:

Never-ending adventure.

Prem:

She just started saying-

Linda:

Yes, it was her cord. She's gone to get her cord.

Jeanine:

Yup, happened to me.

Linda:

Yup, these laptops don't last. Sometimes the batteries don't last a long time.

Suzanne:

I think Jeanine, if you need a second career, you can be a zoom consultant. You seem to know all the trouble people face.

Jeanine:

I only know them all because I've had them all. Yeah, it wasn't very good at the beginning, I was a little spastic. I was on a meeting the other day and I just glimpsed out of the corner of my eye that it was really low and then you get a message at the very last second, and if you do something, all of a sudden poof, it's gone.

Linda:

Oh. Hang on. I'm just kidding.

Linda:

Hold on one sec. I'll give you an update.

Jennifer:

I get nervous about leaving the screen, that I'm going to cut everybody off. I'm so paranoid of that.

[SILENCE]

Rochelle:

Okay. Sorry about that, my computer died. I should have had it on power all along. The first thing I just wanted to point out in... Jennifer can you just go down to the bottom of this sheet? Similar to what we talked about when we presented the budget, the shortfall we're planning on taking it out of, probably a combination of the rate stabilization fund, general fund, and growth fund. We're not specifying in this submission which fund we're actually going to be using. We think that will be acceptable to the trustee, but if for some reason they want it clearly specified across those three funds, we'll be back to you.

Rochelle:

The other thing I want to mention, and this gets to what Larry was talking about, regarding transparency and for a full disclosure... I just want to point out the month of June, so the month of June, you can see that the expected balance is actually a negative number. I think you know we do tend to be conservative in our estimates, but it is possible, just to make you aware that in June we may have to actually make our first draw. Even in a normal non COVID year, not every month, certain months are negative and then we make it up by the end of the year, but I am a little concerned about June, so we wanted to bring that to your attention.

Rochelle:

Then also to let you know that we are going to be managing what we're going to pay in the month of June to reserve our cash. July tends to be a good month because it's a summer month and also we build public fire, and when we build public fire we usually get quite a bit of that in the same month that we [inaudible 02:30:40] build. I just wanted to make you aware that June potentially will be a challenging month. If there's no other questions, can you move Jennifer, to the capital page?

Jay:

I'm just going to ask, I'm sorry to interrupt again, but do you foresee that as June being an annual dip?

Rochelle:

June usually is, and actually sometimes the stronger May does... When we get capital earlier in May, which sometimes we do, it actually takes away from June depending on the timing. We have in [inaudible 02:31:28] as you recall, we are projecting that we're going to have a reduction in both consumption as well as in cash collections, probably through December due to COVID. That's the other factor that's coming into play this year. According to [inaudible 00:19:45], we're going to be monitoring that very closely.

Jay:

No, that's fine. Thank you. Thank you.

Rochelle:

Okay. The next thing that actually Ted and I wanted to mention, I know when we reviewed the budget with you, we were focusing on Fiscal '21. There is a requirement under our general bond resolution that we must submit a five year plan. So Ted, and the leadership team, and other members of Ted's team did work to put together a five year plan. Fiscal '21 ties to the budget that you saw. There probably will be some carryovers we'll put forward next month for our usual process. Fiscal '22 incorporates on what was discussed at the budget meetings where there's an assumption that we need to get all the way through December prior to our next financing, which we're currently targeting for January of 2022.

Rochelle:

The outer years of this plan do need some work. There just wasn't sufficient time to really work through '23, '24 and '25, so our plan is that we will be doing that when we present the model, our 10 year model to you in the October timeframe. We did want to bring to your attention that given that this is a compliance requirement, that we do need to submit the five year plan. So we wanted you to have visibility to what we were submitting. Are there any questions?

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Tony:

No. Thank you.

Rochelle:

Okay. Looks like there's no questions. We can move on to the next item. This next item is probably a more of a formality. The Branford Hills Service Area improvements Project's already been approved by both boards. This is a formality to move monies from three projects to the Branford Hills Service Area Improvement Project, which is in align with what was presented in the application, but because of the dollar amount, \$915,400, it does need Authority approval.

Tony:

I'll entertain detain a motion to approve the resolution there on your screen.

Joe:

Motion moved.

David:

Seconded.

Tony:

Any discussion?

Suzanne:

No.

Tony:

Hearing none. All in favor, aye.

Group:

Aye.

Tony:

Opposed? Abstain? Motion carried.

Rochelle:

Thank you.

Tony:

Anything else Rochelle?

Rochelle:

No, that's it. Thank you.

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Tony:

Let's move on to committee meetings. I don't have a list before me, but who attended the land use committee? You're on mute, Suzanne.

Suzanne:

Yeah. Yeah. I'm trying to get unmuted.

Tony:

Was that you?

Suzanne:

It was. I attended the meeting on May 13th. I don't know if there was a previous one to that.

Tony:

Right.

Suzanne:

There was discussion on the treatment of the Japanese Stiltgrass on RWA property, which was extremely well received by the committee. They really were fascinated and had lots of conversation and questions related to it. The two people gave the presentation, did a very nice job, Amendola and Tracy. Updates on other land properties were given, but nothing was significant. Other than that, it was a relatively benign meeting.

Tony:

Thank you. And the consumer committee?

Joe:

Consumer affairs met on the May 18th. The special topic was Consumer Confidence Report. Tom Barger made the report and indicated there had been an excessive amount of manganese found, but it seemed to be related to a sample taking that probably wasn't a good way to take it. So they were enacting better sampling procedures. But there really is no excessive manganese in the system. It was just a bad sample.

Tony:

Likely story.

Joe:

Right. Donofrio, Jeff reported on a situation where somebody had a leak running for a long period of time and had a bill of \$900 and I guess they're offering a waste adjustment. It's a person who lives in Maine and has an apartment in New Haven that's presently not occupied. They're trying to negotiate something to, I guess they're giving him a waste adjustment of half of it, but they're in the process of negotiating it. That was pretty much the end of the meeting.

Tony:

Got it. Thank you. Finance was that you Kevin?

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Kevin:

Yes, I attended finance and the entire meeting was about the budget, and the revised budget. There were a lot of very positive comments about the budget, how quickly it was done, how well it was done, how thoroughly it was done. There weren't any really negative comments. I don't recall if there was any specific questions, so it was just another positive review of the management teams revising the budget in a short turnaround time.

Tony:

Good. Thank you, and they certainly did a great job Larry, on that budget thing. It was a tough pill to swallow, but I think he did it nicely.

Larry:

Yeah, the team did a great job pulling together. They really scrambled to do that and with their budget managers. They did a great job, both on the operating and the capital budget, so thank you Tony.

Tony:

Now it's a question of whether you can live through it?

Larry:

Well, that'll be a challenge, but we'll do our darndest.

Tony:

Okay. Anything else on outside committee meetings? If not, we'll say goodbye to Jay Jaser. Thank you, Jay.

Jay:

Thank you.

Tony:

Appreciate it.

Rochelle:

Thanks Jay.

Jay:

Thank you Tony. Thank you all. Look forward to 6:30.

Tony:

Thank you. Thanks for your comments.

Jay:

Bye-bye. Okay, thank you. You're welcome. Bye-bye.

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Tony:

Bye now. Okay. Entertain a motion to go into executive session.

Kevin:

So moved.

Tony:

Is there a second?

David:

Second.

Tony:

Okay. All in favor, aye.

All:

Aye.

Tony:

Oppose? We're in executive session, Larry.

[AUTHORITY MEETING RECESSES AT 4:05 p.m.]

[AUTHORITY RECONVENES AT 7:26 p.m. Present were the Authority Members and Mss. Discepolo, Kowalski, Nesteriak, Slubowski and Mr. Norris]

Tony:

Right here. Right here. Okay. I'll entertain a motion to pass the agenda to pass the budget. However Jennifer has it worded.

Rochelle:

Jennifer you have it, right?

Jennifer:

I have it.

Rochelle:

You have the resolution?

Jennifer:

Do I need to, do I need to put it up? I don't have it with me...

Tony:

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No we all know what we're doing.

Joe:

Yeah I memorized it.

Jennifer:

Okay. All right, Joe motioned.

Tony:

Is there a second?

David:

Second...

Tony:

Okay. Any discussion? Hearing none. All in favor. Say aye.

Group:

Aye. Aye. [crosstalk 00:02:15]

Kevin:

Opposed? Motion carries. I'll entertain a motion to adjourn. Oh, wait a minute. Come out of executive session manager. We already came out, right? All right. So just a...

Joe:

Jennifer will fix it.

Tony:

Yep.

David:

Always makes us look good.

Tony:

Entertain a motion to adjourn.

David:

So moved, second.

Tony:

Thank you guys. Good night.