South Central Connecticut Regional Water Authority
Compensation Committee

May 21, 2020
Meeting Transcription

The regular meeting of the South Central Connecticut Regional Water Authority ("RWA") Compensation Committee took place on Thursday, May 21, 2020, via remote access. Chairman Cermola presided.

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

The Chair called the meeting to order at 12:49 p.m.

Joe:

We're meeting as the compensation committee. We have minutes of January 16th. Is there a motion?

David:

[So moved 00:21:41].

Joe:

Second?

Kevin:

Second.

Joe:

All in favor?

Group:

Second. Aye.

Joe:

Motion carried. We have the operating plan. I guess Prem, you're going to do this one?

Joe:

[crosstalk 00:22:03] and setting goals.

Prem:

Yep.

Larry:

This is the proposed fiscal '21 strategic plan that are essentially my goals that then cascade down through the organization. The leadership team takes some and then their various staff attached their goals to these as well. So this is a bit of a preview of our goals and objectives for fiscal '21 that we will review again in July in the event that there are any comments or input on these at this meeting. So with that, I'll turn it over to Prem.

Prem:

Thank you, Larry.

Prem:

Jennifer, do you want to pull it up or should we follow through the board pack?

Prem:

Jennifer?

Jennifer:

It should be up. You should see it on your screen.

Tony:

We're still frozen on that, on the page with you that's your file.

Jeanine:

Maybe you should try stopping sharing and then sharing back?

Jennifer:

Maybe that's what it is.

Jeanine:

Yeah. I don't know.

Jennifer:

Can you see it?

Joe:

Here we are.

Tony:

Good fix, Jeanine.

Prem:

Thank you.

Jeanine:

It's like the computer. It's like your computer or the phone, if it doesn't work, you shut it off and turn it back on again.

Tony:

What happened to the old kick it, or hit it with a hammer? I don't understand that.

Prem:

Well, thank you, Jennifer. Yeah. So before we go into the details of FY2021 plan, I thought it's very important for us to set some our base understanding there, right? So like how Larry had mentioned, and as board members are aware of, we have put together this plan with the mindset of making sure that we have enough capital and O&M dollars for FY21. That's one of the key things that we had in mind as we went through the plan, because this is not a business as usual scenario that we are in with COVID, for example.

Prem:

So a lot of thought went in there and then all LT members worked together on pulling this together, putting all the individual items, action items together, where we talked about some of them are more focused on creating a plan and getting ready for FY22.

Prem:

So we have some of the base work, so we kept the balance so we don't have to some things from scratch. So we are kind of rolling some of those, preparing the plan, getting ready for FY22. At the same time, we prioritized all the work that we want to get done in FY21, especially keeping COVID in mind. So I just want to set that stage. So as we go through it, you wouldn't find a lot of details that we had in the original plan, but we made sure that we capture the priorities for the company and we put together this plan.

Prem:

So, that being said, let's go a little bit in detail now. Can you please move to the first slide? I mean the next page.

Prem:

As you remember, we have pulled our four goal guideposts that we talked about, right? So, a high level, if you think about putting the customer first, enabling our workforce and effectively managing and maintaining a core business and having fiscal financial accountability. We kept the guidepost intact, and then once we started looking at our six strategic objectives.

Prem:

Just to give a refresher for the team here, the six area objectives we had was: meeting and exceeding our customer expectations, attracting our talent and retaining our talent, enhancing and increasing environmental services that would better serve our customers and our stakeholders. Delivering high quality water on demand was the fourth one. We had embracing innovation and technology as the fifth one and the last one, but not the least was continuing to having and strengthening our financial help.

Prem:

So we kept all of these six strategic objectives intact, as well. And while we go through these action items now, we made sure that we look at our priorities, as I mentioned.

Prem:

The first one, we really wanted to embrace on for FY21 is giving a seamless customer experience, right? If you remember, we talked a little bit about our JD powers as an example where we had done a good survey on understanding what our customers think about us. There were three areas of improvement that we talked about. Customer service was the first one, our billing and payment option flexibility was the second one, and proactive communication was the third one. So we really focused on those three levels as to how we could improve upon and make sure that we can give a good customer experience for our customers.

Prem:

Keeping that in mind, as you know, with the COVID environment and impact that we have today, we pulled together understanding of a blue sky scenario, the new norm of working. So we decided that putting out opportunities that are presented by COVID-19. So one of the good examples we could talk about is today, as you are aware, we have our contact center working from home, right? There was a time where we did not have even a [inaudible 00:27:19] policy, but right now we have 62% of our workforce working from home and being much more productive, and embracing technology and they know the customer experience itself. So, keeping in mind what we did was we kind of pulled together a few action items and initiatives that enabled us to provide that seamless customer experience. Some of them, for example, was affordability for our customer, right?

Prem:

So we are reevaluating our payment plans, and we are looking at some of the tools that we use, dollar energy was another one. So we are really kind of fine tuning some of those and understanding those initiatives that could embrace the customer experience piece of it.

Prem:

We also are, as another example would be we're looking at our customer service delivery policies and protocols, right, and understanding our business continuity plans along the customers. So we could continue to serve our customers, whether COVID are no COVID, right? Also the other example would be, we are looking to use our, for example, field service, a team that we have. We're looking to deploy some of the dispatch protocols, kind of working for customer facing field work and how we could enable between our field operation and field force. That would be another good example. So really understanding our organizational design, how are we going to progress.

Prem:

So the leadership team had put together a list of initiatives behind the scenes to be able to enable those actions.

Prem:

Second one we thought about that is very important, especially keeping our minds on the monthly billing project. We talked to quite a bit about that. We also kind of looked at, for example, our non-core service offerings, for example. We wanted to make sure that we could be able to enable a customer's experience. And as you think about it for a minute, there was this whole survey that we did. And as part of the survey that came back, we actually had certain understandings where the customers felt that we could have more payment flexibility, and billing flexibilities. And then we also learned ourselves that we had like a couple points compared to the other 11 [inaudible 00:29:32] utilities that we compare ourselves, including Aquarion, for example. They had more to add, we haven't done anything bad, but at the same time, we haven't done anything much to push that forward.

Prem:

Linda's support and the leadership team's list of initiatives that we had, we looked at, for example, the Kubra bill frame. There's a project that we are deploying for next year that's going to help our customers to be able to seamlessly see their bills, make payments, and we are trying to redesign that whole portal from a customer perspective. So customers can actually pay their bills easily and they're setting up our communication plan, where we are able to notify the customer.

Prem:

And the board, as you're aware, we also launched a Water Watch, for example, we want to kind of expand the Water Watch so the customers can look at their consumption. So we'll be focusing a lot of that. And as I mentioned, the monthly billing project, we are, as we decided that we are going to be looking at going live in January of 2022, there's a lot of work. So we are trying to prepare ourselves to amp up that work. So that will be another focus area for us.

Prem:

And as you know, we also had cut some of the budget on, for example, JD Power, based on our existing budget scenario, we have taken out some of those dollars, but at the same time, we didn't want to lose focus on our customers, of like net promoter score that we talk about. So we are figuring out a different survey that we could still continue to launch with less cost option. They say we can still kind of understand what the customers are expecting out of us.

Prem:

So one of the things we talked about as global metrics for the customer area, essentially with the COVID scenario and the cost constraint that we have, we looked at expanding our E-bill participation, E-billing participation as one of our global metrics for FY21. Hopefully that makes sense.

Prem:

And we also have put together a lot of operational metrics, for example we talk about the average speed of answer. So we do have all of those operational metrics, but we picked this one based on COVID and the scenario that we are in as being one of the global metrics.

Prem:

So any questions or thoughts from our team here in terms of our focus area for next year?

Joe:

Hearing none.

Tony:

I did have one question and that is whether or not there's any, have you factored in the potential of the COVID hitting off the first quarter of a new year? And is that going to impact on the metrics that you set?

Prem:

Yeah, actually, that's a great question, Tony. Right?

Tony:

I always do great questions, Prem.

Prem:

So what we did was, if you look at the specific, even global metric that we have as E-bill participation, we looked at our existing customer base, right? So we are close to 24,000 customers. We're being online customers or E-bill customers today. So when we set up our targets for next year, we obviously being a little conservative.

Prem:

So what did accounts for this 27% is let's say we continue to do what we're doing with COVID scenario, we should be able to successfully achieve the 27%, right? And it is a little bit of a challenge, but we have initiatives that are underneath that. So to answer your question for the first quarter, we are taking into account that there will be impacts, but we also know that we can't predict the future.

Prem:

So we are being carefully monitoring as to how the pattern and then the trend is going to go, right, so we'll come back and then we'll update the board as we move forward. But we did take into account of the current scenario, the historical, and then trying to put together these metrics forward for next year. So all the ones we are saying are achievable metrics for all of these goals.

Tony:

Thank you.

Prem:

Thank you, Tony. So if you could please slide a little bit up for the second one. So, attract and retain talent, and this is pretty close to our heart as in any other metrics. So, one of the key things we talked about here was safety, right? So we always want to keep eye on safety. So of this year, we have continued to keep the global metrics as a zero preventable injuries, right? So a couple of things that we talked about in here, and again, going back into our thought process on COVID, one of the key things that we talked about was the recoding plan, right? So, as you could imagine, I think it's a four down in the list of action items that we have. And one of the key things that we talked about is how are we going to bring back our workforce, from a short term perspective, a medium term and long term perspective.

Prem:

So Janine and Beth put together a great plan, and we're working with the leadership team, understanding the different phases of this recovery plan, but also talking about kind of a scenario where let's be more creative one, like a blue sky scenario that Larry talks about, right? So we started thinking about ourselves, why we talk about real estate being a challenge, for example, we wanted to expand our real estate because of the number of people, et cetera, who would that present a great opportunity for us? Now, we are looking at understanding, with all the telecommute policies that we could put in place and really understanding the roles and responsibilities of our workforce and being able to defy them and constructively looking at how we could use, make use of our space. Right?

Prem:

So things of that, of their side, we are taking the account, which is going to be more in our capital focused and O&M focused kind of a plan to reduce our costs here. So that's one example, right? So, as I think about things that we are trying to put in place, we also talked quite a bit on safety monitoring, right? So it goes back on promoting and supporting training and community education. So tracking and reporting safety is one of the key things that we talked about and having a creative, a shared ownership across the leadership team. So that's been one of the bigger action items that we took off and really focusing on safety and also kind of forming up our establishing of protocols for various safety related events that we do and do more of the safety huddles, for example.

Prem:

So, so those are all the initiatives that are behind the scene that we had put together for these specific action items. Again, we also talked a little bit on customer centric value system into a training program, so whether we talk about a training program for our customer service department. So we had if you remember as part of the 2025 plan, we had actually a specific initiative that we talked about deploying a customer focused training. So, those things are something we kept in the plan. So we thought it's still important for us to keep them moving forward with those things. And again, succession planning was, was another bigger item. And as you could imagine, now, we are going to need to hire key roles, and then we will, can you do that for next year? A couple of things would be like the water treatment operator.

Prem:

We recently hired Eric on, for a water treatment operators, and we are looking at all of those critical roles and single point of failures. So Jenny has been helping now on that quite a bit, and we are trying to move forward. So we don't have those on additional gaps, right? So a lot of focus on that. So we kept all of those flavors that we thought is pretty important. And we also have built in reimagining ourselves for the future as to how we want to start putting those building blocks, but [inaudible 00:37:12] and going forward, right? So those are all the different pieces that we covered in the enabling the workforce. I don't know if we have any questions or comments for me as a team here?

Larry:

just a one supplemental comment. We're really looking at using the COVID-19 as an opportunity to really redefine the way that we work at RWA and a prime example of that is more people working remotely and having the technology to support that, which will take some of the pace space pressure off of us here in at 90 Sargent drive. Or if we move to a new building, we could have reduced space requirements if that turns out to be successful. So we're really taking advantage of that as an opportunity to restructure the way we work and using technology more to our advantage.

Prem:

Exactly. Thank you Larry. Yeah. So any questions from our team here?

David:

Just if I could ask also related to that, Joe, if you don't mind, you have the ability to maybe get clusters of people or departments to move out into a say, Whitney, where we have that upstairs, where there's room to work or Gaillard, if we did need to have less density down in Sargent drive.

Beth:

So David, this is Beth. We have been utilizing some of that excess space for kind of spare operator. You know, one of the challenges with the treatment plants is we don't want to bring a lot of potential people into those treatment plants. Cause we still are trying to preserve the health and wellbeing of our crew out there. But we do have some things in the works around moving, looking at where we can move some of our groups into support buildings and things like that. But right now we're using a lot of that space as backup in case we need it and need to isolate someone or for very specific positions like the control room and things like that.

David:

Okay. Thank you,

Jay:

Tony. This is Jay, if I could ask a question. Okay. Yeah. I'm just looking at what we said and are listening to what was said. How do you take into consideration the garage facility to the back of the building and a restructure or a relocation, or more importantly, it's part of your matrix?

Larry:

Oh, if we have to reach, if we end up moving to new space, the space that we're looking at is a project that hasn't been announced yet. So it's somewhat confidential, but there is a developer look interested in redeveloping the old gateway community college building and incorporating RWA into that development. And while we've only had some preliminary discussions, we haven't seen budgets or anything like that, but what we've talked about is the possibility of keeping the garage that we currently have here at 90 Sargent drive, so that we can continue to do that work on the fleet and outside services. On the other hand, if we end up moving to a new space elsewhere within the New Haven County area, we've always looked at it with an eye toward having enough space to keep the garage operations intact and part of the building. [crosstalk 00:40:57].

Larry:

We're reluctant to split up the number of employees, because it's always great to have as many of your employees as possible in one location from just an employee engagement, employee communications standpoint. Clearly the water treatment people have to be at the water treatment plants, but other than that, we try and have everybody at least start their day and end the day at 90 Sargent.

Jay:

Okay. Thank you. Okay. Thank you for that.

Prem:

Thank you, Larry. Yeah. Can you move on to the next objective?

Prem:

Okay. So this one is very focused on environmental services offerings to our stakeholders, right? So, obviously, as you can imagine, now, we have looked at a couple of things, for the past year, in terms of introducing new and managed services. But right now based on the dollar capital and the O&M cuts that we have, we still wanted to continue to educate our stakeholders. And as an example, we have launched quite a bit of those video series educational programs. And then now Phil has been doing a great job on coming back and communicating back to our stakeholders on how we are going to proceed further on putting some of those learnings for our customer, but at the same time, I think there are also certain specific focus points that we had. We talked quite a bit about getting our, especially to some of our recreation programs, were cost neutral.

Prem:

So, and I think one of the key things that we are looking for a fight when you want these to come up with some of the initiatives that we can get to the cost and crew scenarios. So we didn't want to lose sight of that. So there's been a lot of focus on making sure we can strengthen our initiators behind so we can actually deliver much value to our customer. Right? Also, as we start thinking about more along the lines of recreation we did talk about concreting and the development of two new recreational programs. Again, I want to be careful if you are aware, we are not looking to deploy these. This is more like I mentioned before, preparing ourselves to be able to deploy for a fight if we need to. So the goal is to actually have at least two recreation programs and Ted, if you have any comments there, we have done some research already and Ted is kind of lining up the initiatives so they can be ready to actually deploy this in their fight we need to.

Ted:

Yeah. So we've looked at a couple of that. We actually had a group that looked at several different ones and the ones that we came down to that seem to make a lot of sense and where there's a lot of demand is we have a big fishing program at Lake Saltonstall, but right now that's an aluminum boats. Kayak fishing is a huge momentum in the country now, in the world. And we've had a lot of asks for that. So that's one of the things that we are looking at and essentially launching an FY ‘22, developing one ‘21 and budget for ‘22.

Ted:

The other one is a interesting one Madison has, is a single track. It's kind of a dirt mountain biking type system where everybody rides in the same path, the same line. They have a huge system up in the Rockland preserve in North Madison, very, very popular. A lot of people come from outside of state to ride on it. They've asked us to, we are very interested in, take a look at, since we're adjacent property, whether we would be able to put some that on our property and have provide them with some overflow and also giving them the capacity of having people stay over for at night and come up back and do our section. So those are the kinds of things about what we're looking at, things that can really launch off quickly - returns on investment.

Prem:

Yep. Thank you, Ted. Any questions? So any questions from me or Ted on this? Okay, good. So I'm moving to the next one. I think this is another more critical one that we had a lot of focus on and this is really on delivering quality water in a cost efficient manner. And as you can imagine, we have been putting a lot of focus on, I said management plan. So, so one of the key things that as part of our actions is you wanted to really kind of continue the focus on that. And also actuate asset management by reallocating some of the staff from capital program. So as we had talked in the past, we had, as we put also a freeze on some of these roles that we are looking to hire because of capital and O&M pressures, we are trying to launch some of our existing resources to do some of the work on asset management plan itself.

Prem:

So we are going to continue to move forward with that. And obviously as part of the exercise we have looked at also, for example, a system standpoint where we are using for as an asset management tool. So we've been putting a lot of focus on collecting our assets, understanding our existing footprint of our assets and different teams have been working pretty closely on getting all those assets into the system so we can start understanding how do you do up into maintenance? You know, how do we launch our programs and message standpoint? So we thought it was pretty critical for us to continue that work. So we'll do that part of it. And also there is an [inaudible 00:46:15] and the expansion. I mean, this is another topic that we talked about quite a bit on.

Prem:

And, and I think our plan is to really kind of put together a master plan. And we talked about a few things that we can do, like for example, improving pressure monitoring, from a perspective of our old plan, no implementing avail master plan for example, was another idea. And then we talked about hydraulic model, which is a big core base for our service. So updating a hydraulic model to kind of get our sales to a position where we could continue to make improvements on our existing residency and then redundancy of how we put this out, and plan forward. Right? So again, a lot of focus on system reliability and reducing the risk. And I know we talked about some of the projects that we had put forward, if you remember back in time, in terms of connecting projects between Southington and Cheshire, et cetera, so we kind of need to focus on that. And, is there anything that you want to add on that specific one?

Ted:

No, I think you've got it, Prem.

Prem:

And one other thing I wanted to make sure was, as a part of the global metrics, we do monitor our DPVs. So we kind of felt that it's pretty critical for us, and we're going to keep that. And also Beth then, and Ted, myself had a lot of discussion about some of our flushing goals. We talked about the leaks our way, so we will continue to focus on some of those areas of improvement, and those will be our operational metrics, but we're going to need to keep this global metrics because it's also a compliance thing. So, and now we've been doing great and that you'll see that in our metrics as well. So there's been some focus and we're going to have focus on that. Okay.

Prem:

So there are no questions on this one. We can move forward to the next, the next is technology. I mean, technology is everywhere. And now in terms of being able to, whether it's customer service or field service, we have been talking quite a bit about how technology can be a key driver for us to be able to move forward. But at the same time, just from technology, for technology perspective, we have done quite a bit of uplift on every type of cyber security. So they gained a lot of additional protocols and controls in place to strengthen our cyber security posture. We also have, I've been put together, as you remember, we have been doing a AWI Aramco assessment for our critical assets, like scaled assets. So, Oh, that's actually a being time for September timelines for us to spend in some of those, if any of the observations comes out from that assessment.

Prem:

So that's going to be another key area of focus. So we do have some investment that we are putting for next year. So we kind of need to make more of that cybersecurity, as the pusher, centering that pusher as well at the same time, staying in compliance from an EPA standpoint. So a lot of focus there and obviously we thought it's pretty critical for us to create, especially with COVID scenario now that we create some of the dashboards, right? So you kind of touched up on that. So much of a focus there on the COVID dashboard, Beth is going to share that as part of her other session where we want to continue to monitor our consumption of the customers. We want to monitor our financial cast collection for our customer.

Prem:

You want to monitor our production, how are you doing with our production, and then our rainfall, for example, so various things that we wanted to kind of continue to monitor, and then with COVID now being one of our biggest drivers. So we are making sure we are monitoring that on a weekly or a monthly basis based on the data availability so we can make informed decisions. So there's a lot of focus on that. And obviously we want to make sure that we build our roadmap as well. So a good example would be some of the work that we had already been doing, we are looking at doing some AP automation, for example, or where we could take all our manual processes and try to turn them into more of a automated processes. Another example would be we're looking to deploy what we call as DocuSign.

Prem:

So as, as this is a classic example where we started printing documents, signing documents, scanning it back for any contracts and signatures that we have. That's a lot of manual effort and also money that goes into it. So we are looking to deploy some of the DocuSign process where, anybody from an RWA perspective, we inside and also outside can actually sign these papers online. So we are making sure we are tying it back to the legal digital signatures. So that's another good example for next year that we're trying to deploy. Also pretty important thing that we thought, especially with COVID now, we want to really focus on setting up a process improvement team if you will, in simple down. So Larry calls it as an advisory council. So the idea there is that we understand our existing processes and really start mapping our gaps, not existing processes, and deploying those business capability needs and understanding the technology gaps underneath it.

Prem:

So it's going to be a lot of focus on that. We also have, as you remember, we also are creating an innovation hub as part of the exercise, which is going to combine ELI. And I'm pretty sure you remember, ELI program COVID has put a little bit of a hold on that because of all that has happening now, but our plan is to really bring the ELI program. And we are going to have the innovation hub look at our efficiency program office, and then of tying all the dots together, right? So a lot of that work is going to happen next year. And our goal is to really start creating and deploying some of the innovations. We also have been working on what we call it, a strategic partner, and it's going to go into next year's work, where we are looking at our existing capabilities and the future capabilities.

Prem:

So we have launched an RFP to kind of bring in nine different partners out in the industry, all big companies IBM's and you name it, right? So, and then we are trying to almost finalized that work. Next month, once we have that deployed, you'll have more bandwidth, you'll have more resources that we want to actually get done, provided we have the dollars and the prioritization of the work that needs to get done. So, so all that is happening along the technology lines, but the key instance here is that how did really put innovation forward? How do we really address the COVID scenario? And the technology is there? How do we really make sure that we have a cyber compliance? So a lot of focus will be put on those things for next year, with the limited budget we have. So I'll take a pause there to see if there are any questions from the team.

Prem:

Okay. So then no questions. Let's go to the next session. The last one down the list is financial section. So one of the key things that as you know, based on our radar, reduce capital and O and M spend, we will be closely monitoring, as I mentioned before, the capex and opex spend for next year, we did actually have kept the whole 96% of the capital spend. It's even more important now that we spend the right dollars and the right projects as ever before. So we'll be having a focus on that. And based on our existing efficiency plan, as you remember for FY ‘20, we talked about a $500,000 worth of efficiency. And we'll talk about it in the global metrics section as to where we stand on that. So we thought we need to continue to push this forward and try to find efficiencies.

Prem:

And with the already reduced budget that we have, we kind of thought that a 3% capital efficiency validation would be a lot to achieve. Again, I know Ted can speak and, but I'm, I'm thinking that it's a big challenge. We have an existing $80 million, any point $3 million capital for next year, FY 21, and that's fully constrained already so, but we are trying to take that up as a challenge. We are going to start working towards getting the team person capital efficiency. So that's where he kept one of those global metrics there.

Prem:

And the overarching thing is 114% coverage. You know, again, as you know, based on the current budget scenario, we are looking at putting forward not more than a $10 million reduction on our, I should say the other way round at a minimum of 62% of the discretionary funds that we have, that we will spend of our current balances. So that's, again, a lot of challenge right there, and I'm pretty sure Rochelle, if you want to add more details there, that's going to be a tough challenge to already meet with either bring the savings forward or they're using our spend. So that's going to be a tough coverage that we need to keep on for the existing budget that we have for FY 21,

Rochelle:

Right? Yes. Thank you, Prem. I would just add, so only a $10 million reduction in the reserve balances is more aggressive than our budget. You might recall that in our budget, the budget calls for like $12 million, but we thought this was a really good metric because we can get there through multiple avenues. We can get there through increasing collections. We can get there through lower debt service, lower O&M, lower PILOT. So it can really be a focus on to help achieve the target.

Prem:

Yep. Thank you, Rochelle. And also last but not least the non-core. So, with Dave's help, and I know with other board members, we are trying to form up our agenda for doing second week for a full focus, our discussion for non-core, but at a high level here, we want to keep that intent of moving forward with the non-core. And one of the key things we talked about is to focus on our services, build up on our skills, our capabilities, while we are looking at PipeSafe as being a primary product. And we're looking to decouple, as you can imagine, right now we have some constraints where we have to, you know, have a PipeSafe water and sewer to get to the plumbing. So we thought decoupling some of the products and services for our customer to give them a doom for, we can choose what they want.

Prem:

It would be a good thing to do while we also thought about some of the work that we can do initially, where expanding the core services for, let's say, expanding to other towns, for example, we have a good relationship with our neighboring towns for what other businesses has our waste. You know, that we do for like example would be like a warning for Meriden for example, kind of looking at dusting off and have some other acccommodation there. So we can actually expand that core service to some of the neighboring towns. And that would be another strategy that'd be thought about . We also talked quite a bit on how do we really keep this ball rolling? Because with COVID being a big scenario, now we are seeing a little bit of the customer dropouts, opt-outs. So for us reading the customer is going to be the bigger challenge now.

Prem:

So the team is actually evaluating, understanding our in our existing customer pool. How do we really communicate to a customer, the benefits of the PipeSafe program, for example? So a lot of focus is also going to be there for next year, for the fiscal as we start next month. So, so those are good things. And the last thing I would say on that is the marketing piece. So as you know, we have done quite a bit of direct mail marketing. The team has been looking at, especially with Phil Vece's help and leadership, we're trying to put together a whole PipeSafe marketing campaign program where we want to eventually do, for example, TV, radio, understand our competitors there. We also are looking at putting some of the digital work upfront as part of what technology roadmap we are deploying mobile applications next year.

Prem:

So having that as an Avenue to be able to market more for perspect of our PipeSafe product or other non-core services is it's been a core focus point. So with all these things that we can do internally are not getting a lot of more by the investments for next year, since we are so constrained, we are looking to improve upon our customer base. So we will be spending a lot more time figuring out our strategy and deploying some of those initiatives as early as first quarter next year. So that's our plan for now. So any questions on financial section?

Suzanne:

Yeah Prem, Suzanne. The non-core when we charge a fee for PipeSafe.

Prem:

Yep.

Suzanne:

How does that impact it? Because it's a separate service. It doesn't impact rates. We don't need approval for it. And, and how does that relate to any other fee we may come up with for anything?

Prem:

So that, so that's a great question. Right? So from a PipeSafe perspective, as, as you could imagine, we charge like say pipes of water, sewer, and plumping, all these services together gets us to like $200 per year, right? So, so when we, when a customer ops in, for some of the products that we offer, it gets on their bill. And then, in terms of fees, we don't add any additional fees beyond these fees for the PipeSafe, but from a core service perspective that does not test either. Because for example, if a customer has an usage, those are tracked separately based on the usage. And then we look at our base customer service charge, et cetera. So we do not mix those two things, but what we do as part of our, not a fee structure, but the collections strategy it's been let's take an example of COVID.

Prem:

You know, we have a customer who has a hardship and then three of you have this real time scenario where they call and say, Hey, I want to opt out of PipeSafe because I can't afford to pay more. You know? So we help the customer in a couple of ways there, so one thing is the easy options. Then we just opt them out and then obviously they still have the fees and everything intact for the core services they have. And we go through our cash collection process for that right [inaudible 01:01:06] et cetera. So to be honest with you, there's no dependency from a fee standpoint, there's no additional fees for PipeSafe, but we are looking at pricing strategy as one of the key things. So one of the things that I was looking at was home sale, our competitor, for example, they have a $96 per annum fee for, for plumbing as a solution versus ours is like two thirds of the cost is close to 60 bucks or so.

Prem:

Right. So we are trying to understand if there's a potential for us to increase some of the pricing strategy when we decouple this product, as you can understand this then, right? So we want to keep that the fee service under $200 as an example. So we keep less be kept less on in terms of charging the customer. But once we open up the channel to be able to offer these services separately, we can actually look at our pricing strategy and increase. That's one of the things we are looking at right now for next year. So as we decouple that we will refresh and come back on, how does this look like for different fees? But again, long story short, there's no mixing up of the core versus non-core. So if a customer does not offer PipeSafe, they do not get any extra fees that nothing of the time.

Suzanne:

So, okay. So maybe, maybe in the explanation you just gave me is the answer. I'm not sure, but so if we ha you know, when I look at my cable bill, there are a bunch of fees associated with taxes and other things which the cable company passes right through pays somebody else. But there are also fees for equipment for being able to open my bill. I mean, there's just a fee for everything, right? So do we have a fee strategy?

Prem:

So, great question. Right. So are you thinking about PipeSafe as a product, or are you thinking about the oral customer for core service? Because there is all the fees, like you just mentioned about taxes and customer service charges, et cetera, for the core service, but for PipeSafe is just a flat fee. There is nothing more other than let's say, I sign up for PipeSafe water, I get a flat fee of 79 bucks. And then, then that's the fee for the entire year. We give customers an option to do a quarterly versus an annual thing, but there's no additional fee because this is a protection program that we called out and we do them a basis of saying, this is the amount that you can go up to. And if you go beyond that, then you've got to pay from your pocket. So there's no additional hidden fees at all. This is that a one flat fee is the fee. And I'm in right on the right track?

Suzanne:

I'm actually asking a slightly different question. So working from the financial services industry, we were experts at charging fees for anything and everything related to things that you did. And so, and they weren't necessarily providing a product. So you'd go to the ATM, it's $3.50, you go here, it's $2.50, you do this, it's that. And I'm wondering if we thought about the fact that there are, I don't know what it would be for and how you would construct it, but are there common things, right? That we, I mean, cause, cause I have to say this is, I mean you talk about baggage fee for a plane. This stuff is huge money for companies. [crosstalk 01:04:27]

Rochelle:

Suzanne, maybe I can answer that question. So [inaudible], there are multiple miscellaneous charges. There's a whole list for visits for collection fees, for various things, we do. However, we, and those are a part of our rate applications. And we have for every application, however, for us, since we are like a nonprofit and we have guidelines regarding our coverage and how we go through our rate application and we still can't earn more than a certain level, but we definitely update those fees and look at the costs. Every time we do a rate application, we also track those separately.

Suzanne:

[crosstalk 01:05:16] So Rochelle, we couldn't create any fees outside the rate application? That was my original question, actually.

Rochelle:

Not related to water but as Prem was saying, PipeSafe's not regulated, outside lab is not regulated, so much more flexibility with those. [crosstalk 01:05:36] They help to offset our water rates.

Suzanne:

Right. Okay. Thank you.

Linda:

Yeah, we have about 30 miscellaneous fees. There's there's a whole host of them for all sorts of different services as Rochelle was mentioning and the RPB approves them as part of a rate application. Right.

Suzanne:

Okay. Thanks very much guys.

Prem:

Yep. Thank you Suzanne. So, so that actually kind of gets us, is there any more questions from any of the members, before we...

Prem:

Okay, good. So the next section that we have here is really reemphasizing on the global metrics. Again, as we went through every one of the goals, we went through each one of these different global metrics that we are tracking. And I would say to a larger extent, we have kept intact much of our original global metrics, but at the same time, we are fine-tuned based on COVID providing us opportunities like dashboard analytics, for example, the [inaudible] part is participation. So we are actually putting in some of the first little bit of that global metric. Can you go down a little bit more?

Prem:

So, as you can see, in terms of how many global metrics that we have put forward, we can start eight of these, different global metrics that we wanted to track and we can fine tune it. And like Larry had mentioned, based on the feedback today, we can fine tune what we want to do in terms of these different global metrics. To be honest with you, we just had listed everything that we just talked about. So that's the section for the global metrics. So that ends our overall FY21 work plan, strategic plan here. Are there any questions along the lines of this topic?

Joe:

I'm hearing none. I guess, move ahead.

Prem:

Excellent. Thank you. So this gets us to end of this section.

Joe:

Don't we have KPIs to look at?

Prem:

Yes. Can we open up the KPI section here? Good. So I do have a Dana on the call here, right? So what we did was, we wanted to also look at are our KPIs that we track as you're aware of. So what we did was we collected the scenario for the current date, right? In terms of where we stand on the KPIs. So Dana, if you could quickly run through it, and just to set a high level on the KPIs. And obviously with COVID throwing us off track a little bit here, while we tracked all our metrics, we only have one, which is the DPB metric that our KPI that we track, it has been green. And some of them, like for example, average speed of answer, and then the customer satisfaction survey. That kept a little bit of the track there. But there some red ones that you see here is primarily because of COVID scenario, right? So I just wanted to add to color before we go into the details. Dana, do you want to quickly run out through the KPIs?

Dana:

Oh sure. So the first metric on the scorecard is the customer satisfaction survey, which we'd been using JD Power, historically. Our most recent results, we did fall a little bit. The biggest concerns that customers have expressed, and Prem alluded to when we're working through our goals, is around the bill, the ease of making payments and some of the flexibility we have for a variety of ways to pay. I believe you're all aware that we're in the midst of a bill redesign and looking at transitioning to a third party bill print of function with our partner Kubra that should expand these options for our customers. So there'll be some new ways for them to pay. And ideally we'll have a bill that will be easier for them to understand and take away, which should improve overall scores in these billing and payment types of components. We do have a transition in the tool moving into next year, but we'll work to make sure that we can keep that captured perspective.

Dana:

As Prem mentioned, average speed of answer, abandoned and complaints, COVID has certainly had an impact on these and the way that we've been able to transition the representatives from starting to take some remote calls and all of that is that's come about. But again, these are metrics that we've been struggling with from attaining our objectives here. I know Linda, I don't know if you want to add any additional color there, but I know you guys are working hard to look at how those resources are stacked and the different ways that we use the available representatives to manage the call volumes.

Linda:

Right now we're in a totally different situation whereby they're only really taking under an emergency situation, types of calls. We're getting half of the number of calls that we would under the normal circumstances. So under COVID, we're operating totally differently, the same with the guys out in the field and working with appointments and other things. We're just at half the way we would normally operate. So coming back, when we get back to the office and we're here, it'll be operating a little bit differently.

Dana:

Great. Thank you.

Prem:

Yep.

Dana:

Looking at our disruption. So these are both emergency and scheduled disruptions to customer's water service, and we are doing better than we did in historic years, which is how we have established those targets. So there's some good experience for our customers there. And as far as the neutral end news items, Phil Vece and his team are working very hard to keep our social media accounts active. And we are seeing a lot of uptake in participation engagement with those as well. Injuries, unfortunately, we did have an additional injury in April, which brings us to two preventable, recordable injuries for the fiscal year. Again, lots of activity as always in terms of providing training, stressing those safety messages and making sure that we're conducting safety tell boards and other activities to keep people apprised of their job safeties. You can see I'm trying to think about the timing and how detailed to get on some of these metrics, but our preventable motor vehicle accidents has been a phenomenal year for the organization.

Dana:

Again, driving almost 1.2 million miles with only two PMVA's for the year. Again, significant improvement over previous year performance. And near misses is something we continue to try to stress. We have some new tools, online forums, where we're encouraging people to report things and use those learnings to prevent future injuries. Training hours per FTE. We did struggle in the COVID environment to provide some of that training time in March and April. However, given the amount of training we've done to date prior to that, we are ahead of target. And I do know that we are looking to roll out some online training for people to take and continue to provide the needed training in our remote learning environments. If you could scroll just a little bit more, Jen, thanks. Cash collections. Rochelle, did you want to talk to these a little bit more? You certainly have a better behind the scenes insight here.

Rochelle:

Sure. So first the good news. Even though the cash is lower, as we projected due to COVID, we are projecting to meet our coverage requirement without a draw. We're going relative to cash. We're still monitoring where we're expecting to be versus the budget. We are expecting that we are going to come in under budget, but again, actually our projected coverage is 116 and I will share that I think that's even conservative. So I think we're going to end the year strong, but we are definitely coming in under budget. From a overall coverage perspective, you could see the O&M it's brownish and that's because we are knowingly reducing our expenditures, given our projected lower cash collections.

Rochelle:

From a savings perspective, I think we're going to get close to the 500,000. I think given some of the disruptions with COVID-19, I'm not sure we are going to quite make that, but we are still continuing to look for additional savings. On the net other proprietary, I do want to mention, and it's in the rotations, we did record a year to date adjustment for the lab. And that really, as we talked about previously, that's really just a movement. It actually lowered O&M, but it did increase the costs associated with our proprietary offers. And in particular at the lab.

Rochelle:

For the capital, I will mention the capital program is definitely being impacted by COVID-19 certain projects have been suspended. And there's also some other impacts on our projects as well. I don't know, Ted, if you want to say anything more about the capital?

Ted:

No, I think you hit it right. Yeah. A lot of products were suspended. We have just a handful going on right now, and that is certainly causing a disruption in capital expenditure.

Dana:

Okay. Thanks. For disinfection byproducts. So this metric, just to be clear, in terms of its intent, is it's actually the percent of time that we fall 10% below the criteria for meeting the DVP requirements. So when we meet this metrics, we're actually exceeding the requirements of DVP levels by 10%, 100% of the time over the last year. This really points to a lot of the flushing and other work that's been going on in terms of... And Ross source water management that became a focus of the organization in earnest in this year. Again, always something that's been on our operational activities, but again, more of a focus here. There's been some discussion that with COVID and less utilization consumption of water, we may have more standing water and different ways that we need to look to manage that.

Dana:

So we'll be watching disinfection byproducts very closely as we move into the new fiscal year. Environmental compliance is about our different types of required thresholds for... Sorry, I'm losing the verbiage. For the Whitney Gaillard and other things for our runoff water. That's not the right term. Ted, can you help me? Do-

Ted:

Waste water.

Dana:

Waste water. Thank you. Sorry. I don't know why. It was just not in my vocabulary right then. Thank you. So it's looking at all of those pieces. And again, we had seven perimeters that fell outside during the course of the fiscal year so far, but again, all within our overall compliance and any issues that we've had have been addressed. Watershed inspections continue. I did speak with the gentleman who conducts this and despite our... The COVID environment, they are continuing to get into and look at the different locations and those inspections are continuing. Net unaccounted for water, we are below our 10% thresholds. We do continue to monitor that and are looking at continue revisions to a new water loss analysis tool using MeterSense data and our ceteral tools. So again, looking at how to use the innovative technology tools to simplify how this calculation is derived. It's heavily manual. And our IT help desk continues to perform on getting our tickets closed within four hours. And I think most employees will attest to the responsiveness of that help desk in terms of getting those things addressed. Anybody have any questions or...

Suzanne:

Yeah, Dana. I have two questions. This is Suzanne. First one was... I was wondering if Linda wouldn't mind just repeating what she said. I didn't get my unmute button off fast enough when she was talking about the call center. Just tell me a little bit more about what's going on and...

Linda:

What happened is beginning in... I think it says here 04/23. We had six customer service reps begin working from home, but we still left the upfront message. We're pretty much taking only emergency calls because we can't really staff the call center. There can only be five people in there at one time given the COVID rules. So we do have six people at home accepting calls. Should there be an overloaded, it would flip to Edwards, but for the most part, there are six reps at home taking calls from eight in the morning, until five at night. So the fact that we still have the emergencies message up front, the call volume is half of what it normally would be in a regular work day.

Suzanne:

Okay. So, in terms of the call, is this the speed of answer? Is that due to the number... If the call volume's down a great deal, and you do have people deployed to answer the phone. I guess I'm not just putting the connection together between why it's taking us longer to answer it.

Linda:

I think the most of these statistics was during the normal work day before COVID, because this is for the month of April and we only began working home on 04/23. Prior to that, we had other challenges with respect to people out on FMLA. We had a lot of sickness. We had a lot of challenges in the call center that we were trying to work through. Then COVID hit, and now we're working at home. So this is April. So it's only a couple of the days. It's the one week of April and the rest was from the normal. The rest of the month. So we have work to do when they get back to make sure that they get on task and begin answering calls like they should. We do have a lot of FMLA though. That's a challenge that we work with.

Dana:

And if I could just elaborate on that as well, Linda. One of the things I'm looking at and the data that they provide me. We look on the scorecard here on the fiscal year to date, but before the month of April to that, to Suzanne's comment and your analogy around what's happening with the reps, we are actually answering the phone in 30 seconds for the month of April. Again, if that's the lower volume and the number of calls that are coming in, but because of the historic performance and the preponderance of calls, right, that, that June to March made up on trying to take advantage of and capitalize on this current, excellent performance, given the smaller number of calls. It's just not having a huge impact on the year to date performance.

Linda:

[crosstalk 01:21:36] But even that one week when we were at home, it's not normal because it's really only half the volume. We have work to do, as I said, when the call center gets back in to try to figure out a way to get the call, answer speed up. There were a couple of meetings, I think when we have to call, close the call center for all employee meetings that caused us to have the calls flipped to Edwards. And whether they're fast or slow, it depends on their volume too. But like I said, this is mostly prior to COVID and, like I said, we've got work to do.

Suzanne:

Okay. Thank you very much. And then the second question, Dana, if you don't mind, is you mentioned something in, I think it was during the environmental piece. I don't remember. About more standing water than usual, having to deal with that. And my guess is, is that, while people may be using a lot more water in their homes, they're obviously not using it in their business. So is the net-net, meaning they're not using as much water and we're dealing with more standing water or is it something entirely related to something else?

Beth:

[crosstalk 01:22:42] So Suzanne, this is Beth. I can answer this. So, one of the concerns we have is we're monitoring consumption month over month and year to date, is that the less we see consumption go up as the summer months come, the more residents time we'll have within our distribution system. So we won't have water turning over as much. So we could see more it's really residents time. It's not necessarily standing water.

Dana:

But that terminology is important.

Beth:

We have... Our storage tanks might not be dropping as quickly as they would have been if we were having a real hot, dry summer where people are using a lot of water. So it's just something that we're taking into consideration.

Suzanne:

Okay. All right. Thank you.

Dana:

Thank you. Anybody else?

Prem:

No. If there are no questions. I think go back to you, Joe.

Joe:

Moving on. We have the work plan for fiscal year '21. Jeanine, you're going to do that.

Jeanine:

Sure. Let me get it up. I'm going to share it for you. If that's okay?

Joe:

That's fine.

Jennifer:

Okay. I didn't have it ready to share.

Suzanne:

I have it.

Jennifer:

Okay.

Suzanne:

Yeah. All right. I got it out after we were having technical difficulties. Not positive I'm not going to, but let's try it. Here we go. Can you guys see?

Joe:

Hey. Very good.

Linda:

Yes. Very good.

Jeanine:

Getting better, right? Had to do a lot of sharing a couple of days ago and I finally figured it out. So, this is an overview of the work that the compensation committee is going to undertake in the coming fiscal year starting. Well actually, it's bigger than the fiscal year because it starts with today's meeting. You may have noticed, because you've all been doing this for a really long time, that we switched around some of the timing on things. And I'll point that out as I go along just real quickly. Obviously May, 2020, we just heard the review of Larry's goals and the goal, which was AKA the operating plan as well as the global metrics. And we are fulfilling our goal in this meeting by reviewing this work plan.

Jeanine:

Prior to this year, we used to have a little bit of disjointedness going on, if that's a word. We would have Larry be discussing things around management's performance and goal updates in May, which is really premature and doesn't align with when we do our performance evaluation system. So, Larry and I discussed that and we thought, Joe, it would make sense to put it in the better timing. So it flows more efficiently. So you will see, we have moved from what we used to do last year in May, some of the items went to July. And that is in July, we will be prepared, Larry will be prepared to give a fiscal year 2020 goal update. There will be conversations around the CEO and management's performance reviews because the reviews would have been completed by then, and not in May when we had it before. And then reviewing and recommending if there is any need to review and recommend CEO or any officer's compensation.

Jeanine:

December, we normally have a six month CEO goal update as well. Because we are then six months into our fiscal year and we would like to spend time in reviewing our compensation strategy. That's a catch all for anything compensation related that we need to talk to or speak to at that time. As you know, this year, we are going to implement some fairly tough, I would say, compensation related changes based on the COVID situation and we would like to have the opportunity to review that strategy and see if it makes sense, or we need to take another direction. So, we've made time for that in the December meeting.

Jeanine:

And then we moved to January of 2021 and we review succession planning activities. And we normally have an employee engagement update. What we will likely be providing in the employment engagement update, other than anything else that you all would like us to talk about, we will be putting out some Pulse surveys occasionally, where we will have some shorter employee engagement survey questions instead of long, once every two year engagement survey. We will take key issues that might be happening at the particular time and throw out questions for employees. Eight to 10 questions and give you feedback on those areas of interest.

Jeanine:

Any questions and suggestions for change? Does this make sense?

Joe:

No, it makes sense. Since that move from May to July was certainly the right thing to do. More timely. Any other questions? Anybody? Any comments?

Kevin:

No thanks.

Tony:

I would move that we adjourn as compensation committee and meet this Pension and Benefit committee.

Joe:

Is there a second?

Kevin:

Second.

Joe:

All in favor.

Committee:

Aye.

Joe:

Opposed? Motion carried.