

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

**June 15, 2020
Meeting Transcription**

The regular meeting of the Consumer Affairs Committee (“CAC”) of the Representative Policy Board of the South Central Connecticut Regional Water District (“RPB”) took place on Monday, June 15, 2020 via remote access. Committee members present were: N. Campbell, M. Levine, S. Mongillo and T. Rescigno.

Also present were: M. Ricoszi, Joseph Oslander, and Jay Jaser (RPB), J. Donofrio (Office of Consumer Affairs – “OCA”), L. Discepolo, L. Gonzalez, R. Kowalski and P. Singh (RWA), and J. Slubowski (RPB Staff)

Stephen:

I'm Steve Mongillo. I'd like to call the June Consumer Affairs Committee meeting to order, and the first item on the agenda is the safety moment, which Jennifer has up. Some very good tips as I've done a lot of those things and survived doing them wrong. There's a number of occasions like [inaudible 00:01:59]. The second item is the approval of the minutes of the committee meeting. Do I have a motion?

Tony:

So, moved.

Mark:

Second.

Stephen:

Thanks. And Mark seconds it. I'll give everyone a second to look at that. If they have any corrections, additions, and after any omissions. I'm hearing no additions or corrections; I'll call for a vote on that. All those in favor?

Mark:

Aye.

Group:

Aye.

Stephen:

Any opposed? Okay. Any abstaining? Motion carries unanimously. Item three is our special topic for today, the Executive Order 7W regards interest deferment. Linda, are you going to start with that?

Linda:

Well, I think I'm going to let... Rochelle was so kind as to do it for the Finance Committee, so I thought maybe we could start a tag team, but I'll let her lead this one as she can make sure we have the same information for both committees.

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Stephen:

Okay. Thank you.

Rochelle:

Thank you. You are probably aware that Executive Order 7W as it relates to the deferment program actually ends July 1st. So, we wanted to have a discussion and get your input as management would recommend that we extend not charging interest through December 31st. You may recall that when we went through our budget assumptions, we had made an assumption that there would not be interest charging through the end of the calendar year, and we still do think that based on the potential economic impacts, that this is the right thing to do for the customer. And again, we've already incorporated what the impacts would be into our fiscal '21 budget.

Rochelle:

I should mention that under Executive Order, actually 7S, which was the one that was applicable to the municipalities, there was the deferment from a tax perspective did extend to the July 1st tax bills, so there was a deferment on those until October 2nd of 2020. So again, we think the right thing to do for our customers is to extend, not charging interest through December 31st, 2020. And given that the RPB's purview includes interest rate that we charge on, we do need authorization first to get your input, and then if you're agreeable to go forward to the full RPB, to get their approval to extend the zero interest through December 31, 2020.

Mark:

How much is that going to cost us [crosstalk 00:05:17] for both?

Rochelle:

So, actually, like I said, the input was already reflected in our budget. There is approximately less than a \$475,000 difference. We do build into our budget an assumption that really the first thing that gets adjusted is actually interest in arrears. So, there's not as significant of an impact, and again, we have already incorporated that into our projections.

Mark:

So, that would be that... We're going to do that, and we're not ordered to do that.

Rochelle:

Correct.

Mark:

Okay. I think we should do that.

Linda:

Yeah. The order for us goes through July 1st and as Rochelle said, with the municipalities and the way their property taxes fall, it would have gone... that group got it through October 2nd in any event. We're talking to bring the July 1st to the December 31st date.

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Stephen:

Just Steve, I have a few comments, but I want to go through the committee first if anyone else has a question about this. Rochelle, we have no real information about how this has or has not affected our customer, correct? We've made an assumption about this.

Rochelle:

Well we've made an assumption from a budget perspective of how the impacts [inaudible 00:06:59], but we are tracking and we have seen a, I'll say a moderate uptick in our receivables, and we're also hearing news about unemployment and economic pressure, and again, that's why we think this is the right thing to do. There's still a lot of uncertainty about what the impacts will be for our fiscal '21.

Stephen:

So, so we have billed this interest, but some customers are paying it, or we haven't [crosstalk 00:07:32]?

Rochelle:

No, so through July 1st, under the program that we [inaudible 00:07:38] under the executive order, we haven't billed interest since mid-March. This would be extending that through December 31st.

Stephen:

Yeah. So, my concern is it's ultimately due at some point.

Rochelle:

Not the interest. If we go this route, they'll still owe the balance, which they still owe today. It's just the interest.

Stephen:

Oh. So, you're going to defer the interest totally? You're not going to collect this?

Rochelle:

Yeah, so under our recommendation, we would not charge interest all the way through December 31st. They would still owe the balance.

Stephen:

Oh, okay.

Rochelle:

... in full, excluding any interest that we would have charged, but we're not currently billing.

Stephen:

Oh, great. Thank you. I didn't understand that.

Mark:

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Excuse me, Stephen. I want to get that straight. They're still going to owe the interest at the end?

Stephen:

No [crosstalk 00:08:34].

Rochelle:

They're going to owe the balance.

Rochelle:

The balance.

Stephen:

[crosstalk 00:08:38] balance, Mark.

Linda:

Their water bill they'll always owe.

Rochelle:

Yeah, it's just the interest that we haven't been billing and so under our recommendation, we not bill interest until January 1, 2021.

Prem:

I think a lot of questions are coming up because [inaudible 00:00:08:59], we call it as a deferment. So, I think there's always this question, but to Rochelle and Linda's point, we are not actually going to go back for the interest, right? So, we are literally not charging them for interest. I think that [crosstalk 00:09:11].

Stephen:

Okay.

Rochelle:

Right. The way the executive order was written, and it was more for the municipalities. It's basically an extension of the grace period that you're not charged a late fee, which in our case is the interest.

Stephen:

Okay. And the amount that Mark asked about was just through July 1st, or what you're calculating through December?

Rochelle:

No, the impact through December 31.

Stephen:

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Yeah, but what would the total amount be that you estimate you might lose?

Rochelle:

About a little less than 475,000 would have been the cash collection impact had we applied our normal percent collection to our interest billings.

Stephen:

Okay. And that's for all the way through December?

Rochelle:

Correct.

Linda:

Correct.

Stephen:

And you've accounted for that in your budget?

Rochelle:

Correct. Yes.

Stephen:

Okay. It's the [inaudible 00:10:10] part of the Water Authority, I think, if you want to do that, I wouldn't oppose that. It is a significant amount of money. I just don't know whether we'd collect it or not. I guess you can't bill it, because some people might pay it, some people might not.

Rochelle:

And interest is the first thing to adjust when there is a customer who disputes or issues like that. And of course, we still will want to get the balance, which is actually the cost of the water.

Stephen:

Yeah. So, you kind of give up your leverage a little bit in doing that.

Linda:

Well, the hope is to get some goodwill too, but [inaudible 00:11:01] the fact that you're not charging them interest, we do have payment plans too that will be in place also, to help people pay, but I mean, we're thinking, and this could be tough, particularly if there is a phase two to this virus. And knowing that this executive order ends July 1st. So, when that ends, it has to go back up to 18%.

Stephen:

Linda, are we also assuming... I mean, these are accounts that are not current, so those particular customers are already struggling a little bit?

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Linda:

Yeah. We have quite a few customers in the multiple brackets when we look at greater than 30 days, 30 to 60, 61 and 90. I mean, there are people who are struggling. We were looking at that for the Finance Committee. There were over 27,000 customers who are greater than 30 days. Now I think, 30 days somebody could pay a little bit longer. It's really the 60 and over, but these were over 30 days who had not paid timely yet.

Rochelle:

And like I had said, I mean, we are seeing some moderate increase in our receivables.

Stephen:

Well, it's fine with me personally. If the other members of the committee would like to weigh in, please do.

Tony:

I'm okay with it. I mean, I think these are extraordinary times. Jeff, you got an opinion on this?

Jeff:

I think it's the right thing to do. When you look at the water bill, it tends to be in comparison to real estate taxes, car taxes, telephone, electricity, cable, right? It tends to be one of your lower quarterly bills. But I do think that the folks that are most affected financially, they may not even have felt the full impact of this for a few months. And I do think that every little bit helps, and as Linda and Rochelle indicated, the interest is the first thing to go in terms of an adjustment on a delinquent account negotiation anyway, so it's not going to have a material adverse impact financially on the Authority, but it could make a difference for some people who are really struggling.

Stephen:

Rochelle, did the Finance Committee go along?

Rochelle:

Yes, they were supportive.

Stephen:

Okay.

Naomi:

Rochelle, how many people have actually taken advantage of that plan that we had, I guess, applying for scholarships or [crosstalk 00:14:00]?

Rochelle:

Actually, interesting that you mention that. So, we actually had expected that we would see an uptick as we get [inaudible 00:14:10] actually every week on the grants. And what actually happened, and the firm that we work with that supports our program is seeing this across the board, since there's not

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shutting happening across all the utilities, it actually had dropped down, but we are beginning now to see an increase, and I think what we may have mentioned at the RPB meeting, we are making a modification to the program to increase the income cutoff for residential, and also having a program for small commercial industrial. We're just about ready to roll that out.

Rochelle:

And we have seen more recently the COVID impact aside, some uptick in the participation. We've had some weeks now where there's been eight, nine or 10 grants offered. So, we're expecting it to actually go up when people start returning to work and utilities are proactively doing collection activity.

Naomi:

Thank you.

Mario:

Steve, a question if I may?

Stephen:

Sure.

Mario:

This is Mario. Rochelle, is the abatement of interest across the board, or do you have to somehow declare that your income has been affected by the COVID-19?

Rochelle:

So, what we've implemented is it is across the board.

Mario:

Was that the original intent of the Governor's order?

Rochelle:

It was an option under the order. You could either have the taxpayers or the rate payers, customers demonstrate, or it could be applied more broadly.

Mario:

Could we, from a technological point of view, make that distinction?

Rochelle:

I think it would be very difficult to implement where we would be asking customers for documentation. And even with our grant program that we have our affordability fund, that's actually one of the key reasons that we're using a third party. So, we're out of the loop as far as requesting sensitive information and validating information.

Mario:

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Okay. Thank you.

Stephen:

Anyone else?

Jeff:

I can just for a second follow up on what Mario had talked about. A lot of the municipalities, when Executive Order 7S came out, started talking about how were we going to implement the criteria? Because as Mario alluded to, the original intent of the Governor's order was to provide relief in terms of deferral of payment to people who qualified. And the feedback that I got from all of our [inaudible 00:17:27] clients that were considering adopting, you had to adopt one or the other, or both. That was the option. You either had to defer payment for three months or go with a 3% annual interest rate or do both. And a few municipalities did both.

Jeff:

Everyone in the municipalities that I'm aware of that deferred, opted not to have any qualification process, because the combination of trying to get this relief immediately and having most of [inaudible 00:18:04] employees working remotely, posed such a insurmountable obstacle for coming up with any kind of qualification criteria that everyone just said, you know what? We're going to defer payment across the board, regardless of whether you would otherwise qualify or not.

Mario:

Thank you, Jeff.

Stephen:

So, Rochelle, I think you can report that our committee is in favor of your proposal.

Rochelle:

Thank you. And we'll prepare a resolution for the RPB meeting.

Stephen:

Okay, you do that.

Mario:

So, Steve, you and Tim can present that then?

Stephen:

Sure.

Mario:

Okay. Thank you.

Stephen:

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Linda, anything else?

Linda:

Nope.

Stephen:

Okay. You guys are done. Thank you very much.

Rochelle:

Thank you.

Linda:

Thank you.

Mark:

Thank you.

Rochelle:

Have a good evening.

Stephen:

Item four is our report of the OCA. Jeff?

Jeff:

We have two consumer complaints that are currently pending in our office for investigation. [inaudible 00:19:18] submitted just back on June 4th, from a condominium association in Milford. And the crux of this complaint is that the condo association owns and operates two buildings, which they claim are of identical size. And in early 2018, the water bill for one of the buildings increased dramatically. [inaudible 00:19:46] told us in their complaint that it increased 71%. They said that the increase coincided with the installation of a flex net device.

Jeff:

So, they tried for, I guess, the better part of a year to resolve the dispute with the authority and the escalation, like I said, occurred back on June 4th. They did move forward, back in 2018, with an inspection of their property for running water and leaks, and they were unable to find evidence of any continuous water running in any of the units. They conducted dye tests in every toilet in the building, found no evidence of leaking flappers and insisted on receiving a replacement water meter. In November of 2019, they tell me that the meter was in fact replaced and the water usage immediately reverted to the pre problem level. So, we've asked for documents and information from the Authority. Obviously, the customer is looking for a credit and that's still in the investigation stage.

Jeff:

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The other complaint is a New Haven property. The customer who lives in Maine claims that he shut the water off while the unit's vacant. He got a bill for over \$800 and is contesting the bill. Authority offered a waist adjustment, it looks like there were some sort of work going on at the property, a handyman or a plumber, and we're trying to get more information from the customer about exactly what work was done. Authority replaced and tested the old meter. The test showed no irregularities or problems with the meter. We sent the customer the results, and we're waiting to hear back from him about what he would like us to do next. Like I said, the authority prior to escalating it to us did offer a onetime leak adjustment [inaudible 00:22:16] the customer rejected.

Jeff:

So, those are the two pending matters. We finished, obviously the Authority closed its fiscal year on May 31st. The office of consumer affairs expenditures for the fiscal year ending May 31, 2020, totaled just in excess of \$24,000. So, we ended up about a 50% below our budget for the year. And that's my report.

Stephen:

Okay. Questions for Jeff?

Naomi:

Jeff. Yes. Is the New Haven property, the Oak Ridge Drive one?

Jeff:

Yes, it is.

Naomi:

Okay.

Mark:

Good job [inaudible 00:23:05].

Naomi:

Do we know how much the bill was?

Jeff:

Over \$800?

Linda:

Jeff, I should have the information, I'm looking at it for the new customer complaint, to you by tomorrow morning. I just got to read through what was put together. It's a pretty robust timeframe.

Jeff:

Thank you.

Stephen:

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Jeff, [inaudible 00:23:30] these may be resolved by information from the RWA, correct? It's not necessarily just an adjustment because somebody is complaining, there were actual issues that took place. A meter was replaced in one instance. And the other one was actual usage for that \$800 bill.

Jeff:

Yeah, that's right.

Stephen:

Which we don't know yet because we don't know what was done on that property.

Jeff:

Well, that's, as you know, from past experience, there's always a little bit of hesitation by the customer to share the information because they're sometimes concerned or maybe a little paranoid that we're going to misconstrue the information. And what we try to do is just assure them that in order for us to do an investigation, we need information from both parties. We need to share that information with the parties and give them full opportunity to respond. And we tell people, look, we've been serving as the Office of Consumer Affairs for 12 years now, and more often than not, the types of complaints get resolved, but we have an obligation to all customers to not make recommendations that are arbitrary or based on anything other than the evidence in the individual case.

Jeff:

So, the gentleman from Milford, right from the beginning was very pessimistic that we would be able to be of any assistance, but he seems to be coming around a little bit.

Stephen:

Okay. And I was going to ask if both of these were escalated from customer service department, right? They didn't contact you directly.

Jeff:

That's correct.

Stephen:

Okay.

Linda:

There was a lot of dialogue and interaction with customer service until we could not reach an agreement, and then we recommend if there's continued concern, to go to Jeff and they do.

Stephen:

Okay. Thank you, Linda.

Tony:

Jeff, it blows my mind that you've been on 12 years already.

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Jeff:

Yeah. That's [inaudible 00:25:35].

Tony:

That is the [inaudible 00:25:38].

Jeff:

Yeah. I'm with you. It seems like about five.

Stephen:

Wow.

Stephen:

Or 25. Jeff, what else did I want to ask you here about? Oh, we had an issue. There was someone at the last meeting that was still not resolved. That got taken care of? The gentlemen in New Haven, had an outstanding bill you were fighting over.

Jeff:

Yeah, that's the same one that Naomi asked about-

Naomi:

That's the same question.

Jeff:

... [inaudible 00:26:12] that I reported on. Same [inaudible 00:26:14].

Stephen:

Oh, okay.

Jeff:

Yep.

Stephen:

Okay. I didn't realize it was the same one.

Linda:

We're just lucky enough to have a new one.

Jeff:

We've got the results of his meter change out. We're waiting to hear back what he wants to do.

Stephen:

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Okay. I have a couple of questions for you, that are related to procedure because Jennifer notified instead, and it was from the Nominating Committee, but it really applies to all committees. The Nominating Committee decided we did not need to meet again. So, she informed us that we needed to meet to approve minutes, which seems pretty excessive. So, I have two questions. One, if you have another meeting and approve the minutes, do you have to have another meeting to report that you approved the minutes? I mean, does it go on and on?

Jeff:

No, if the only action item is the approval of minutes and the minutes are approved, then those approved minutes get posted as such and you've complied with the Freedom of Information Act, and you don't have to have a meeting to approve them [inaudible 00:27:20] the meeting where you approved them in.

Stephen:

My other question is, can you just, instead of having another meeting, can you just leave the minutes unapproved?

Jeff:

Under FOIA, you have an obligation to approve the minutes.

Stephen:

Okay, because that's going to happen again and again, for all the committees. All the ad hoc committees probably anyway.

Stephen:

I mean, in terms of Freedom of Information Act, Complaints and Enforcement Act, I've never seen in 30 years, the commission take any enforcement action because [inaudible 00:28:00] violation alleged was failure to approve minutes, but technically to comply with the Act, the minutes should be approved. You don't want [inaudible 00:28:08] minutes posted on the website in perpetuity.

Speaker 3:

Yeah. I mean, it was substantive, a material [inaudible 00:28:15] actually proposed election of officers for the RPB. All right, I'll talk to Jennifer about that tomorrow. Thank you.

Stephen:

Sure. Next item is the approval of the OCA invoice for May in the amount of \$1,325. Can I have a motion?

Tony:

So, moved.

Stephen:

Thanks Tony. Second.

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Naomi:
Second.

Stephen:

Naomi [crosstalk 00:28:41]. Naomi. Any questions for Jeff on the bill [inaudible 00:28:45]? Hearing none. All those in favor?

Group:
Aye.

Stephen:

Any opposed? Good. Motion carries unanimously then. Next item, notification of committee election chair for July. If anyone's interested, we'll do that in July and in the meantime, you could do all your politicking. And seven, volunteers to attend the Authority meeting July 16, August 20th and September 17th. The next three. Does anybody know at this point if they're able to attend any of those?

Mark:

No one knows [crosstalk 00:29:45].

Tony:

I'm doing this Thursday.

Stephen:

Okay.

Stephen:

If nobody can make it, probably I could make the July 16th meeting.

Mark:

I'll try the August 20th.

Stephen:

Okay. We could leave September for a little while and just decide later. Okay. Next meeting of the Consumer Affairs Committee, July 20th, 5:30 PM. I asked Jennifer to send out an article to everyone. Did everyone get that, about looking for the COVID virus in [crosstalk 00:30:31]? It's a good indicator because you don't have to be tested. It doesn't rely on a number of tests. It doesn't rely on number of positives. It's a broader perspective on community and it's been done for other illnesses in the past too.

Stephen:

It's just interesting, it seems to have really followed the numbers that have occurred. So, it could be a very valuable predictor for public policy.

Jeff:

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Could be a nice non-core revenue addition to pipesafe plus.

Stephen:

There we go.

Stephen:

Does anyone have anything else that they'd like to bring up? Thank you everyone for attending. Do I have a motion to adjourn?

Mark:

Make a motion to adjourn.

Stephen:

Mark. Second?

Naomi:

Yeah.

Stephen:

Naomi [inaudible 00:31:27]. Thank you. All those in favor.

Tony:

Take care.