

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

**August 20, 2020
Meeting Transcription**

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, August 20, 2020, via remote access. Chairman DiSalvo presided.

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

[STARTS AT 1:23 PM]

Tony:

Tony, I think you ought to take over the chair. Thank you very much. And then to take a motion to approve the minutes of the April 16th meeting.

Joe:

So moved.

Tony:

Second.

David:

Second.

Tony:

Any changes? Hearing none all in favor, Aye.

Team:

Aye.

Tony:

Thank you. Let's look at the 2021 strategic work plan. Who wants to talk to this? Beth or Prem, who who's going to do that?

Larry:

Prem is going to do that.

Prem:

Thank you. So I think for this time, if you remember, Tony, we had prior meetings that were more focused on operational plan update. Usually we did much of that, but this time we have come up with a plan where to [inaudible 00:54:26]. The future of RWA, there's a lot of focus on that. I'm going through the discussion with Gene next month, and obviously we are going to receive feedback from the board and trying to shape that whole conversation. In terms of being with a plan ready, I would say on January timeframe and we're looking for the blue sky roadmap and feedback session, our goal is to really re-energize and really think about the 2050 plan, and how are we going to come about it. So we have put together as you see here, August, November, January, and April. For August, I think the idea is that we're going to make sure that the board is on board and Larry is going to talk a little bit about that in the next presentation.

Mark:

What did you say?

Prem:

I think Mark you are-

Mark:

Oh, I'm sorry.

Prem:

Yup. So for the August month, it's going to be bringing them the concept, the theory to existence. So we'll talk about it, as to what we're trying to accomplish. For November, I think we will be done with our initial interviews [inaudible 00:55:38] and our plan. We'll come back and play it back to the board while we also have board's feedback. In term of January, our goal is to really fine tune the plan, and root out our roadmap as to how that's going to look like. And eventually that's going to shape us for a future for the next five years immediate plan. So we'll be looking at making sure that we align our five year plan along with our future roadmap for 2050.

Prem:

So that's the steps on the future of RWA roadmap. In terms of an operating plan update for this month, I want to quickly run by a few things. I know we are not presenting the results because we haven't done with our August close is a quarterly close. So we will be presenting back to the board on how did we perform in the first quarter sometime around mid-September, once we have a close done. But to run through a little bit of the details for the operating plan updates itself, I can remember customer service, put the customer first was our perspective and on a very high level, things like we just talked over the monthly billing quarterly to monthly billing plan moving forward. There's been a lot of focus on that.

Prem:

We also have looked at, if you remember, we talked about a full focus on our collection activities. And then obviously, we had to prepare ourselves when we opened the flood gates, right now we're not doing any more shuts for the customer, but we want to prepare ourselves. So there's some level of organizational design and the work that's happening. We are looking at improving our ebill participation rate. That's one of the key areas of focus for us to move forward to the monthly billing. So as you

remember, we had those too, 21% of the people signed up in ebill before the pre-COVID time. Right now that's 25%, so we have done a great job. And obviously, with COVID providing an opportunity, we are able to increase the numbers that are constant close to 39,000 customers being ebill and [inaudible 00:57:43] today.

Prem:

There's a lot of focus along those lines on customer service roadmap. So that's where they are able to make progress and we come back and present more details as we move forward with the monthly billing. Then the second area of focus, if you remember was safety. And we talked about zero preventable injuries and we had put a whole safety protocol and procedure. We are fine tuning much of that. I'm pretty sure that Jeanine has a lot more to add, but peculiar at a high level that has a lot of focus on the [inaudible 00:58:08], the work plan, workforce coming back into the phase three and the recovery work plan. So, a lot of focus as you just heard from Beth, we are really making sure that we are counting to make progress there.

Prem:

The third area of focus was emerging and maintaining our core business very specific to our environmental services growth. I know we talked about the recreational area that had been identified based on our budget cuts. We have not put together a plan to bring in new recreational into life this year, but that being said, we want to continuously improve. So while we're looking to find and put together a plan at least two of the new offerings for this year so we can begin rolling that out in FY '22, so that's in progress. You'll see more details as we close our quarter, and we'll share that with the team here. Then we have DPB, again the 90% behind [inaudible 00:59:08] change in that space. We want to make sure that are in compliance and there's a lot of focus there and we have been doing pretty good and we are doing pretty well in that space, more than national average.

Prem:

Then there was discussion about area for technology, if you remember. A lot of focus on corporate banks, we now have a COVID dashboard that looks at all the major critical challenges that we have, whether it's budget or from our resource perspective, we are monitoring that on a monthly basis. We did move out from a weekly to a monthly based on things kind of stabilizing now. So we are looking at those dashboards at this point on a monthly basis. We also are looking at cyber assessment, that's incomplete. As you are aware we have an AWWA compliance thing, so we just want to make sure that we are in compliance. So we have put together a plan, we're moving forward with that. And we also have an innovation process improvements. We have deployed an innovation hub. We're looking to grow and daily do process improvements and [inaudible 01:00:15], if you will, on manual processes and stuff, we are preparing a dashboard for that, that'll come into existence starting next month. So that's all the work that's happening in the technology space. I mean, not to get into low level details.

Prem:

Again, on the distribution of funds, as you know, we have been very strong on the 114% coverage, a lot of focus there. Capital budget cuts that we have, we still wanted to challenge ourselves. So we put out a 3% dollar capital efficiency plan as well. So the team will be tracking that, that accounts for based on our current capital budget, it's around 435K, we will that's the number that we have plot for our target. In terms of the capital plan itself, we are continuing to do the 96%, if you remember that part of it. We will be coming to do that and we're making sure we're spending our dollars. And as a matter of fact, this

year, it's going to be a national budget challenge compared to other years, because you already cut too much of the budget in the space. But we really want to make sure that we are putting the right money and making sure that we address our operational issues, address some of the critical challenges that we have on spending the right dollars for the right projects.

Prem:

Those are the high level updates, if you will. Obviously, once we have our quality clause, we'll come back and present to the board, all the metrics, where we are. So far we agree, at this point, but as you see the actual dashboard and global metrics come out, we will reflect on that. To be honest, that's what we had for the work plan, Tony. And obviously, we will continue to do the same update in November and January and April. And then obviously we'll have a discussion about the following year's plan and the global metrics that we have like we have for this year. So a lot of work ahead of us, right? So we're just continuing to make progress in it.

Tony:

Let me review with you again the flow of the blue sky planning process. We're going to begin a discussion today. I'm going to get some contact with Buccini sometime in the near future. His report is going to be fed into the November meeting, either formally or informally. And from there, we're going to shape what the roadmap looks like, that will get shaped in January.

Prem:

Yup. That's right.

Tony:

And from there, the foundations of that vision will be starting to lay into the five years strategic plan. Is that the right flow?

Prem:

That's right Tony. That's exactly right, and that's exactly what you want to do. And obviously while this is only [inaudible 01:03:05] January, [inaudible 01:03:06] as we make progress.

Tony:

I want to make sure that we don't get bogged down in some of the operations and the metrics in the strategic planning committee, our view should be always to look forward rather than back.

Prem:

Yes.

Tony:

And I understand that other stuff is important and I wish there was a committee that we could refer it to. But, I want to just make sure that we don't get bogged in it.

Prem:

Got it.

Tony:

Thank you.

Prem:

Thank you.

Jennifer:

And Tony.

Tony:

Yes.

Jennifer:

I just want to confirm that that's Mark on the phone, who came in.

Mark:

Yeah. [crosstalk 01:03:44]

Jennifer:

Okay. Thank you.

Tony:

Thank you, Jennifer. All right. Moving on from the work plan, do we have to adopt the work plan by the way?

Larry:

Yes, you do.

Tony:

I entertain a motion to approve the work plan for 2021.

Kevin:

So moved.

Tony:

Thank you. And second.

Joe:

Second.

Tony:

All in favor aye.

Team:

Aye.

Tony:

Opposed? Motion carries. Okay. Thanks a lot. Then moving on to the beginning of this blue sky discussion, the future of the RWA. Larry and Beth, are you going to lead that discussion?

Larry:

That's correct. So the question here is, why now? And you may certainly be asking yourself, why are we doing a 50 year... Looking at RWA in the year 2050 and beyond now? And interestingly enough, it's been 10 years since we did a blue sky discussion. And we looked at RWA in 2020 and beyond. And some of those things that we said then are works in progress, others we haven't made a lot of progress on. But for instance, we identified automated meter reading as being one of the initiatives that we would have in place by 2020. And we're well on the way of wrapping that up with just a few thousand meters that need to be implemented.

Larry:

Well, I've been reflecting on recent events and thinking about the 10 years that it's been since we did a blue sky. A lot of things have happened. We had in the last six months that RWA faced... It was faced with more challenges in the last six months than it has been in the last six years. And some of those challenges include a pandemic that has completely changed the way that we have had to operate and brought forth, I think, some new paradigms in terms of use of office space and the way our employees can work efficiently and effectively remotely. We've also had a number of tropical storm with future predictions of tropical storms being more frequent and more intense in nature. That really highlights the need for us to focus on the three R's that Beth and Lisa and Brian discussed with you last month. And that involves strengthening our resiliency, reducing our risk and ensuring that we have redundancy.

Larry:

We've had multiple infrastructure events in the past several months. Some critical infrastructure and failures include our Hill street pump station and then Sonya and the Lake Gaillard water treatment plant pump switch, which was an unusual event. And so, we're looking at some of these things. And plus, not to mention that we'll have two key leadership team members lead the organization this year, Linda effective September 1st, and Ted at year end in December. So that certainly brought the need for a more succession planning that has been highlighted, whether we go to the outside or whether we continue to look at developing people internally.

Larry:

When you stop and think about it, my entire leadership team has changed in the last two years. Three VPs are gone, they're no longer with the organization. We had a VP of customer service, VP of operations, and a VP of HR have left the organization. We hired two new VPs and have recently gone through a realignment of the organization and their responsibilities and some getting promoted. So there's been a lot happening that really I think brings the necessity of looking at RWA for the long-term. So that's the why now, as opposed to waiting and doing it later.

Larry:

So Jennifer, the next slide. From all of those different events and the pandemic in particular, we've had some successes. The first one of our successes is that working from home as possible. Something that we never had a policy for in the past, and quite frankly, didn't allow it. But we have put the technology in place to allow people to work from home, and I've been coaching managers on how to effectively interact with their employees. I know Jeanine and some of her HR people have been working at that, the return to work committee that Beth and Jeanine are chairing lend to that. But it also has provided us an opportunity to review space requirements at 90 Sargent Drive and what our future needs might be. And even with the staffing challenges of people working split shifts or working from home and the like, we've continued to produce high quality water. So our basic product, the core of our business has not been impacted.

Larry:

We've also learned a lot about public online learning. Each year, we have about 11,000 students and educators go through our Whitney Water Center water education program. And that is a combination of students coming to the Whitney Water Center or Lisa DiFrancesco actually going out into the classroom and teaching about water related issues. So pre COVID we had about 7,300 students from 43 different schools participate in our classroom programs or field trips, water science loan boxes, or field experiences. But due to COVID-19, we had to cancel some 3,600 student visits in the past several months. So that rapid change in the teaching environment led to the development by Lisa DiFrancesco of a 25 part video series highlighting, at home, water science activities for parents and teachers as a form of distance learning, which was actually implemented before the students began officially remote learning. These videos are available on our website and social media channels, and they've received local national and international attention. As a matter of fact, we've had people from the UK actually use some of our programs, public libraries that put them online, and even the town of Wallingford has put it online there.

Larry:

So we've received a lot of favorable comments, they've been used and shared by schools, libraries, and other organizations. The engagement of online learning programs on Facebook, YouTube, Twitter, and LinkedIn have reached four times what we normally reach in a year. So normally you recall, I said, we reach about 11,000 students, with all of this online we estimate that we've reached 40,000 students and educators. And we remotely reached 668 students this spring with project water which was less incentive to teachers who then teach that remotely. So it's been an incredible learning experience for our online learning.

Larry:

With regard to our recreation programs, before COVID hit in March, we had launched a digital billboard on I- 95 in New Haven and a special bill insert for customers to promote the 2020 fishing season and our recreation program. And we asked customers in those materials to visit our website, and on that page we had a special code called Go Fish 20, which provided new permit holders a 20% reduction off the individual or family permit costs. So between the billboard, the special bill inserts, and quite frankly, the unexpected cabin fever consequences of the pandemic, interest in the recreation program has increased significantly. So from April through June, about five to 20 permits each day were purchased. In May, we saw the largest jump in permits being purchased and sales revenue.

Larry:

For instance in May, we sold 950 permits compared to 219 in May of last year. And our sales revenue in May of this year was \$35,000 compared to 10,000 in May of last year. And to date we have 5,500 permit holders compared to 3,900 in July of 2019. So [inaudible 01:13:55] a whole new way of promoting a recreation program and providing public learning to people about our water programs. We've also improved partnerships with local elected officials and health departments and water utilities, so lots of great partnerships there. Beth has had a regular phone call with the department of public health as well as with the key leaders of the other large water utilities as well. So we've forged some great partnerships with a variety of constituents that are important to us.

Larry:

Our challenges have been many, we delayed our rate case by a year which provided challenges for our budget, both cap ex, which was cut in half, as well as our O&M budget, which was significantly reduced. And we have some 20 positions that have not been filled and only those critical positions in one way or another we've moved forward on. So, that's been an issue. In the area of employee engagement, that's an area that we have found in terms of communication and collaboration to be very hard. Employees miss the social aspect of working at 90 Sargent Drive, and so we're trying to figure out how to capitalize on that and boost morale and to have employees work better together remotely, as well as when they start the phased return.

Larry:

But it's also created some issues with this whole shared sacrifice that we've asked of the non union and the union employees to participate in. [inaudible 01:15:46] the steelworkers union has resisted participating in that shared sacrifice. All of these challenges that I have mentioned in terms of the infrastructure has highlighted the need for master planning, which is a more comprehensive study of the RWA sources of supply, storage, treatment, and delivery systems, and is used to guide you to water utility decisions about our capital expenditures and maintenance of the system. And we're just beginning that process is something that Beth and her group is working with, capital planning and delivery on moving forward. So we've had some great successes, but we've also had a number of challenges that we have learned more about as we have navigated the pandemic and in other things.

Larry:

So next slide. On the next slide, we have identified some priorities that align with the strategic plan. I won't spend a lot of time on the [inaudible 01:16:56] mentioned that in the board, all of these are mentioned in the board report, but I'll be working with the leadership team members on each one of these initiatives. For instance, non-core growth, Rochelle, Prem, and Beth [inaudible 01:17:14] person when they bring that person on board for mergers and acquisitions. Rochelle, and the business development persons, steelworker union relations [inaudible 01:17:26] with me. Customer service focus will be Prem, and then Jeanine for the training aspect of that, diversity and inclusion to attract, grow and retain the best talent, Jeanine will take a lead on that. And then I'll work with each one of the leadership team members to help enhance their skills along with getting a coach for them as necessary and Jeanine [inaudible 01:17:57] as well.

Larry:

So we've got some significant priorities that align with the strategic plan that are designed to address our challenges and to move the organization forward in the next couple of years. And so with that, I'd

like to have Beth talk a little bit about the Centennial plan, which is a mind map that she has started putting together, which is an interesting way of capturing a lot of things that we need to think about.

Beth:

So thank you, Larry. So Larry did a great job explaining what we're talking about and why. I think what struck both of us was that all these things are interconnected in terms of the four perspectives across the organization; from a customer, from employees, operations, finance. And as we were talking about this, we said, well, what is it going to look like? So there's a little bit of a shock therapy in this in terms of the hundred million. But what do we want to do? So this is really going to be just a... We've taken this, we've Larry's drawn on top of it, we've got other people look at it and drawn their ideas. But the idea being, using the concept of the art of possible, what can we achieve and what do we want this organization to look like in 50 years or a hundred years, and how do we get there?

Beth:

And that's really going to be the jumping off point for your discussion with Gene Buccini, as well as our leadership team meeting. We have scheduled and planned in September, and Prem outlined how we can get feedback from the board, how we can incorporate that into the plans and really develop an actionable path forward to address some of these things. When Larry was talking about what worked well during this COVID; our recreation programs, the stewardship of the land that we have and provide, our sustainability, mantras and effects, all that seem to resonate well during this crazy time. Obviously the customer being important, our three R's, our environmental services, what does our culture look like? So we're going to take my crazy picture, I should've made a bet who could find what's wrong with it, but we'll talk about that later. Just a fun way to capture some of our thoughts as we walk into this blue sky and try to put our heads together on how we can achieve some of our large and long-term goals

Tony:

Beth, just below the arrow there's something that looks like it's five services.

Beth:

Environmental services.

Tony:

Environmental. Thank you.

Beth:

So with that, I think if anybody has any questions around my picture or anything else. But I can tell you that I'm excited for this and that I think it's a great opportunity for the organization and the board to ensure we're aligned and that we're creating an organization. I think we had a discussion in a previous meeting about ensuring the sustainability of the organization. And I think that if we keep our focus on that, we'll be really successful. And it's really exciting for me personally.

Tony:

And there's the triangle with culture, suggest that we don't know what kind of culture we're going to need.

Beth:

Yes. And I think that, that discussion has to take place in terms of what culture we have today and whether it's going to fit this model in the future, and what areas of improvement we see. Prem talked about it as new DNA in the organization. But yes, that's kind of, what does it look like? How do we define it? What do we want ourselves to be?

Tony:

[crosstalk 01:21:38] Is he talking about bringing in more people?

Beth:

No, we won't let them do that, Tony.

Tony:

Okay. Just new people.

Beth:

Yeah.

Larry:

Any more questions for Beth on that? And by the way, that triangle is also a Delta.

Tony:

You're changing the culture. Delta, that's what that means.

Larry:

Let's put the next slide.

Tony:

Hey man, don't get away. Someone has to find the mistake.

Beth:

Kevin?

Kevin:

I don't have any questions.

Tony:

[crosstalk 01:22:13]. Okay. Turn it back.

Kevin:

I don't have any questions. I just think that I'm glad that amidst everything else that's going on, we're able to try to continue to make long-term planning or strategic planning and that it's 50 or 100 years

plans. Because I think if you don't do that, then you're always just putting out fires and trying to solve the immediate problem. So I think that's good.

Beth:

And Kevin, to be honest, maybe my heart's in it just because we have had a lot of fires, as Larry mentioned, literally and figuratively. And that really makes me think hard and long about even the infrastructure itself. There was a lot of planning, and as Larry mentioned, the envisioning of reading our meters electronically or wirelessly was actually in the 1978 annual report. And for them to have that foresight and forth, that's impressive to me. So we're trying to follow in the good leaders of the past footsteps and develop some more long-term plans.

Tony:

Don't forget, [inaudible 01:23:15] that group.

Kevin:

I think I'm responsible for that. But I think that that's important Beth. And I think it separates the successful organizations, municipalities, or quasi municipal organizations from the ones that find themselves in fiscal trouble, and other trouble in the future.

Prem:

And next time you'll try and use colors Tony. So you make sure there's more colors in it.

Larry:

So the next slide outlines the next steps in our path forward, which like Beth, I'm very excited about this process and what we'll learn from it. So, as Tony mentioned, Gene Buccini will interview you, which Jennifer will coordinate your schedules with Gene to get your input on the RWA of the future. The leadership team is meeting with Gene in September to not only hear your feedback on an aggregated basis, but to also have their own brainstorming on what they think the organization should look like. In November, we would come back to you as outlined in the strategic work plan, to give you what we heard, what we're thinking about to get your feedback and input. And then in January, 2021, we'll have a roadmap that we can present to you and either sign off on it or give us your additional thoughts and input.

Larry:

So we've got a great process outlined here to get your thoughts and input on moving the organization forward and to help us not only deal with the challenges, but to take advantage of our strengths and leverage those to grow this organization and to make it stronger and more resilient moving forward. Because we have a great organization, lots of attributes and strengths, but I think our challenge is to focus them and to make sure we're all aligned in the same direction. With that, I'll be glad to take any final questions.

[ENDS AT 1:55 PM]