

**Representative Policy Board
Finance Committee
South Central Connecticut Regional Water District
Via Remote Access**

**Monday, December 14, 2020
Meeting Transcription**

ATTENDEES: **Finance Committee Members:** Tom Clifford, Charles Havrda, Jay Jaser, Tim Slocum and Michelle Verderame

RPB: Brian Eitzer, Bob Harvey, Greg Malloy, Joe Oslander, Tony Rescigno, Mario Ricoszi and Jamie Mowat Young

Authority: Joe Cermola

Management: Larry Bingaman, Beth Nesteriak, Lisa Burns, Rochelle Kowalski, and Premjith Lakshman Singh

OCA: Jeffrey Donofrio

Staff: Jennifer Slubowski

Tim:

Well, it's 5, I don't know if we have any others coming on, but I would like to at least welcome all of you, to this special finance committee. Remind everybody that it is via Zoom, and everything we say is memorialized on tape and video, and beyond that someone else I guess chime in, I think we are probably [inaudible 00:02:15] today is December, 18, 2020. We'll first look at our safety moment with you, since this is holiday season in a year, which has been filled with stress. So maybe the holidays will be good this year, who knows. But anyway we'll that and see what happens. I know we have several members from outside of the finance committee joining us, primarily for this presentation on risk resiliency and redundancy, 3Rs to be represented by Beth and Ms. Burns, with that suppose we could let you guys dig into it.

Lisa:

Great.

Tim:

You ready to roll?

Lisa:

Ready to roll, thanks so much Tim, and that you-

Tim:

Thank you much.

Lisa:

And that you for having us. First off, I'd like to introduce Lisa Burns, who was with us on the call. Lisa joined us just about a year ago, and Lisa is a professional engineer that joined us from the city of Newark. She was their chief engineer, and had experience running engineering as well as operations, department of public works, and the like. So Lisa joined our WA, beginning of December last year, as our director of operations. So she has oversight of our field operations group, our instrumentation and control group, or our control room, and recently our field service department.

Lisa:

So Lisa is on the call with us, so her and I will be kind of tag teaming this presentation, and for those of you that were at the finance committee, where we talked about the ten year model. We talked a little bit about this concept of 3Rs, and it's time, it's linkage to the capital budget. So we thought we'd bring this presentation to you guys; happy to answer questions as we go through it. And we'll move forward, Jennifer with the next slide.

Beth:

So most of you are well aware of our water distribution system, but I was just want to highlight some of the key points, that are really driving some of what we do everyday. As you know our service area is quite divers, when it comes to not only the geography of the system or the topography of the system. But in terms of how water is served, and where it flows as we go through our towns. We have 1700 miles of pipe, 35 storage tanks, 26 pump stations, tons and tons of valves, hydrants, releases obviously a lot of meters.

Beth:

We also get our... oops Jennifer we went backwards. We get our service or drinking water from a variety of sources for surface water treatment plants, supply well fields, and then within all that we have 37 pressure zones.

Beth:

And some of you might be thinking, yeah so what right? Well, coming from the Hartford area, I'll never forget when I came into New Haven, and was learning about the distribution system, and one thing I can say is, I miss gravity. So where I was in Hartford, a lot of our source water were up in north west hills, and we had the luxury of being able to kind of flow into Hartford and the surrounding communities.

Beth:

Being at sea level, is a very different perspective. And the geography differences that we have in our service are, make it extremely challenging in a complex system. We pump, we store, we'll pump again, we change pressures dramatically in some areas, and all this really just leaves the complexity of the system, and the overall maintenance and tender loving care we have to give it.

Beth:

The other thing that's important is that you all know Gaillard water treatment plant, is our largest source, that supplies 60% of our water to all of our customers. And that water goes all the way from

North Branford to the very extents of Milford. And that east, west transmission we'll talk a little bit more in detail tonight. As you can imagined just get in your car and try to drive from North Branford to Milford. It can be challenging as we have no main arteries, that go east to west. And that's very similar with our distribution system. So something that we need to think about long-term, and how we can improve. You'll also see things not only to hear things tonight about our north to south transmission, or how we can improve that. And really how we can increase our resiliency, our redundancy and obviously reduce risk.

Beth:

So that's really our overview of how we are going to jump into tonight's conversation, and if you go to the next slide, Jennifer, this concept of the 3Rs, they are not new concepts, but they are new in the way that we present them and talk about them here at RWA. We really want to focus at looking at the distribution system, where there's 3Rs in mind. And that comes, like I said before. Everything from our capital budget, to our operating and maintenance expenses; everything with the 3Rs in our vision.

Beth:

So the first being risk, and this is really an opportunity for us to identify critical infrastructure, and fix it and reduce risk. And we want to do this through driving master planning and ultimately investments to eliminate systems components; which can reduce our overall owner expenses.

Beth:

We want to think about things and we'll go into a little bit more detail, but how we can ultimately reduce risk from an operating procedure. Our next R is Resiliency, we want to be able to improve resiliency of our system, we want to be able to predict outcomes of our system, we want to be able to scan our system and know what's going on, as well as drill in practice. So how can we become more resilient, as an organization?

Beth:

And the last is really about redundancy, you've heard and my friend is on the line, we hear him talk a lot about single points of failure, and that's not only in our people and process, but it's also in our infrastructure. So how can we improve our long term performance, by improving redundancy. Whether that's pump station, that if we had a failure at, we'd have a hard time recovering from, or even from a knowledge perspective. So one thing that we are trying to do, is normalize this idea of these 3 components, and like I said again, really how we can drive our operational performance with these in mind, as well as our strategic plan, and other long-term things that we're doing.

Beth:

Ultimately, to ensure the system as a whole remains in good health and is here for the longterm. So with that Lisa is going to walk through the more detailed items of each of these, and really what we are doing, short, mid and longterm; as it relates to these 3Rs. So Lisa I'll turn over to you.

Lisa:

Thanks Beth, It's nice to meet some of you that I have not met before, again I'm Lisa Burns. I can't see you all now, because the Zoom has limited me to six boxes. So please stop me, if there's something you want to talk to me a little bit further, and what I'm going to do is just to provide a little bit more detail as to what we are doing with the 3Rs. That said, and does anyone have any questions so far? For anything. Okay.

Lisa:

So we are on addressing risk. So what we are doing right now, I got here a year ago, and I really started to learn the system, and like Beth said, it is a very complicated system compared to New York city, Hartford it's not a gravity system, really anywhere. And it has so many components to make that happen, so again to get that water from any of our surface, or ground water facilities to our customer, it takes a lot. And I find it very interesting, and it's a super challenge, continuing the learning process.

Lisa:

Near term, I'm looking at things like, reviewing plans and documentation plans we had historically, we've been, even back to when we didn't have a water company, we've been kind of executing against the plan set by them, all the way back to it yeah; 1950s really. And the things we see today in the system can be predicted even back that far. And that's kind of comforting to me, to know we have that history and knowledge.

Lisa:

So it's getting back to reviewing plans and documentation, and going out and verifying the status of our infrastructure. You know how is it looking, I've taken our CEO out with me to get some of the infrastructure and to see how it's looking. We are needing to expand a little bit more, on the asset management work that the capital planning and delivery team has done. That is a good baseline, but we need to drill down another level on that, to get even more specific information in. So we need to continue to develop that inventory, and get more information into our asset management system base.

Lisa:

And then we kind of need to go back, since a lot of our infrastructure can be 40 plus years old; I'm talking the mechanical staff, the pipes can be much older than that. Some of that's getting to the end of it's useful life, and we need to take a very close look at, again it's health. And we need to establish a new baseline, or benchmark of it's health. So as things happen, failures happen, we can go back and say "Gee! How does that compare to the last time we hadn't established a benchmark and baseline?"

Lisa:

So near term, we give this presentation some months ago, we've made some progress on that, and we're going to be working with some business partners, and different team members to go out and to look at establishing that inventory, and helping address the deferred maintenance that's out there, and getting corrective actions that are needed prioritized.

Lisa:

And then after that we can create better PM schedules, and like I said, we can compare future failures to now a really good benchmark. And doing that we are kind of developing this cross functional teams, our maintenance was done kind of by different departments, electrician did the electrical, process mechanical, and now we are developing this cross-functional teams to address this kind of things.

Lisa:

In long-term, with your support, we have been really looking at the master plan for capital, in conjunction with the financial model, but you were presented with recently, and we are really looking at like vested earlier, we are trying to if we can eliminate infrastructure. So that's a point of failure that's no longer there. And really in doing that we can reduce angling OEM expenses, like electrical, and system break downs and customer outages and things like that.

Lisa:

So how do we improve resiliency? We can go to the next slide.

Lisa:

Best talked about using opportunities to drill and practice, I've been here a year and I've participated in at least the ones I can remember; four really critically infrastructure break downs. The first one happened in my first month, on the job, it was like pump station. Our largest pump station serving 60% of our customers, and then another happened and Hill street pump station, which you may have heard about, and then some things over the summer, and like when thinking about improving resiliency, we need to use the opportunities of these failures or issues we've had. To drill and to practice, so we did a lot of practice with our instant command system over this; which is good.

Lisa:

Now we have got to take that from responding to emergencies to how do we move forward from there. And I'm all about the root cause analysis for system failure, we've really got to get to understand why we are having systematic failures of different pieces of critical infrastructure, and a lot of it is coming back to age and deferred maintenance. So and is what we've installed the right application, and should we be doing that again, so I'll get into other specifics about that in another slide.

Lisa:

But long-term again, as we continue to build our asset management system, and update our hydraulic model, improve our GIS capabilities, continue to improve our Scada system, which is the system we use to operate the distribution system in our treatment plants. We want to be able to use this tools so we can predict where things happening, before the event actually occurs. Like I said it's comforting for me to know, a lot of the times that we are having failures, I can get to the root cause with my team, but how can we be more forward and future looking going down the road.

Lisa:

So that we can serve our customers to the best of our abilities. We go to the next slide.

Lisa:

And I think pre writing redundancy is crucial to the other 3Rs, I said I've been on at least 4 pretty critical failures in the systems since I've been here. And one that comes to mind, is the Hill street pump station, and then Sonia on May 1st, that had a catastrophic failure, the whole station actually went under water. We lost the entire station, and I'm not sure how much detail you all know about that particular event, but we at a point where we would not have been able to serve customers. We had a window of I think it was 3 p.m. on a Friday afternoon, from when that station went out of service. And if we did not get that station up, back in service by 1 a.m. our customers would have now been out of water, in the Housatonic valley area.

Lisa:

So that's an area we need redundancy, and so as we rebuild that pump station with your help, because we've had over a million dollars of unplanned capital expenditure which again very supportive to the board and the leadership team to invest back in this facilities. We are putting redundancy back as we rebuild this facilities. So if one pump fails, it doesn't have a different electrical system, just things like that. And projects that are currently under construction, some of our pump stations and things like that, we are making adjustments so that we have the ability to include redundancy. And those are the things that I think that may have come before the board as well.

Lisa:

The long-term vision is we want to be able to have operational flexibility, with providing more than one source of supply, and we are actually getting there. This winter we are really not using Gaillard, it's in a drought right now. And we've been running the Lake Whitney facility a lot more than we ever have. So those were great decisions, and we are leveraging those I think, with a lot more thought to how we can use the redundancy that's already built into the system when it was designed.

Lisa:

And then we are trying to again, with the redundancy, trying to tie that back to the master planning priorities, and if things pop up like if there's an opportunity we know we need redundancy in an area, and the Connecticut DOT is doing a bridge project for example. There's one going on right now on Turtle Creek, between Milford and West Haven. And we know we need more east-west transmission, from Gaillard to Milford, that's something that best mentioned at the beginning. Let's put that pipe in now, even though we don't have a bigger project, but it's going to be cheaper for our customers, and for us to pay for putting that pipe in under that project.

Lisa:

So if we can coordinate that work, and bring our overall cost down, that's some of the opportunities we're looking for. And then like every utility right now, you really need to figure out, how we cross train, and I mentioned some of those kind of multifaceted working groups for using, as well as identifying folks to fill it and back fill those positions; you know the systems operation. We can go into the next slide.

Lisa:

So are really zooming out, I think I'd like to call out my talk to my group saying, we are coming out of the trees and we are looking at the forest. More so and now, we've zoomed out a little bit more, to how we are attacking and approaching problem solving. So we can look at things from the bigger picture, and so we are trying to take this holistic approach to, how do we solve problems? Or challenges as it present themselves, and like I said, we are trying to do projects that chuck more than one box.

Lisa:

So if we can improve redundancy and resiliency, if we can do something that needs a regulatory requirement, and gets us better financial data, whatever. We trying to look at how we can leverage our budgets, and actually our staffing, our staffing is in certain areas pretty lean, so we need to figure out how to strategically and what's the best value for using those folks as well. The next slide I think we are onto our discussion.

Beth:

So with that, Lisa and I, I know that was a lot in a few minutes, but I'm happy to entertain any questions, or any thoughts that anyone had, and if not we'll uh you guys can move on.

Tim:

You know Lisa, I have a question for Lisa, this is Tim, with respect to that Housatonic [inaudible 00:21:57] and that occurred, what would be your [inaudible 00:22:02] in an issue like that? I mean clearly you don't have two pump stations, you don't have a backup pump station, how do you address an issue like that? Or was it missed in planning? Is this sort of a search for an answer with the program? Or how is that connected with what you're going to do?

Lisa:

Sure, that's a great question, I didn't quite catch everything, but I think I got it; you were a little broken up.

Tim:

I'm sorry.

Lisa:

That's okay. With regards to the Hill street pump station, when we are looking at rebuilding that station. Now that was part of the Birmingham system which RWA acquired in 2008, so that's not part of the original master plan system that, the New Haven water company had. We had an inter-connection, the New Haven water company and the Birmingham system. So we are actually, you know the West River DAF project, that dissolved the floatation, that can provide more water over to the Birmingham system.

Lisa:

But for the Hill street pump station, what we found there was we needed to purchase different equipment to deal with the bypass pump of that station. So that's been included in the project budget, I'm going forward, so we've ordered a; I have to confirm we ordered it, but we are close to

ordering, if we have not ordered, a new bypass pump; to be able to bypass that station if that station goes down.

Lisa:

We did not have that pump day of May 1st, so that provision is there, but other things we did was the generator got flooded also; it wasn't even in the same building that got flooded, but it got flooded because the conduits were connected. We are putting a panel on the outside of that pump station, so that we can bring a portable generator up and hook up to that pump station, so in that case we don't have any real alternative for supply, other than our well fields, but we've taken all the steps that we can. And i feel quite comfortable that we'll be in a good position should that station totally go out of service in the future.

Lisa:

We have and we'll be updating our emergency plan, but-

Beth:

Just to add to that, one of the other things that as we are looking at these 3Rs, and kind of looking at forward thinking about maintenance and kind of redundancy. As we look at criticality of this station as well, and service area and whether we do have a redundancy or not.

Beth:

so it's all part of the package as we are kind of walking through this master plan to say, affecting a thousand customers is different from say affecting a hundred thousand customers, right? And how we look at some of those weights. And some of that work has already been done by Ted's group and asset management, in terms of the risk factors, and things that can help prioritize this as well.

Beth:

In terms of expense, when you look at what do you want to invest in a station to have full redundancy? Or as Lisa mentioned in Hill street case, we'll have a rolling pump we can use and a plug outside for a generator. So we are trying to be balanced about it.

Lisa:

And an example of that also would be in the 10 year capital plan, the number 1 pump station that we've put forth, is Spring street pump station, it's the 2nd largest pump station behind the Gaillard pump station. It is the only pump station that serves west, most of west Haven, and Milford, and there are absolutely no alternatives to that pump station. So it is critical infrastructure, so if that pump station's out of service, there's not a way to bypass pump it. It's 40 years old, it's showing it's age, it has a number of problems, it is going to be a challenge to replace that station, but it has to get done.

Lisa:

We had a number of discolored water issues, and complaints this past summer. We do have legacy amphetamine in the system, that needs to get flushed out, but in some ways that was again a learning

opportunity because it was able to help someone like me figure out, where is the infrastructure in the kind of the worst health so to speak. Because a lot of those discolored water costs could be traced back to a piece of equipment that needed to be put back in service, or properly serviced or repaired.

Lisa:

And again, you all have been very supportive, the leadership team's been very supportive of allowing that to happen, and we've actually fixed a lot of critical infrastructure, and then helped developed SOPs and EPGs and maintenance schedules. So those types of things don't happen in the future.

Greg:

This is a Greg Malloy from West Haven, before the Hill Street pump failed, did we know we had a potential problem there?

Lisa:

That station actually had been for the most part it had brand new pumps in it and motors, and so I get that one we were able to, we didn't replace the piping, in and out of where the pump was, the piping was old, but I have a gut feeling and this is something that I think we, through the kind of longer term as we employ different technologies and things like that, I believe it's a transient pressure issue, that contributed to the failure of that pump station.

Lisa:

And if you don't know what transient pressure is, it's basically a water hammer, and something, a piece, a valve or something in our system, a discharge valve, Mario you know about these valves, if it's not operating right and its lamps closed that can cause a water hammer. And they can go way far, I can watch a water hammer in our system go from, Le Claire pump station to Spring Street in West Haven, or up to North hard.

Lisa:

And this is all something I've learned in this past year, it's been really interesting but getting a handle on those transient pressure issues we're having, and then a lot of it is going back to aged infrastructure, and it's condition.

Greg:

Because we're in a gravity fed, is it more expensive for us to provide water to our customers than other systems?

Beth:

Yes.

Greg:

I kind of figured that.

Lisa:

Yeah.

Greg:

I was beneath my question.

Beth:

Yeah, it's interesting and vary so much by region and by location, and how we're pumping, and we just have a lot of variation in our system.

Lisa:

Yeah, like not a near term project but an outer year project is, to finish the Tutaket road connection, which connects the top of Brushy Plains Road, back to the Lake Gaillard. And it will make a loop, and that will allow us to eliminate the Cherry Hill Pump station.

Lisa:

We won't need that anymore, we take that out of the system, and we wouldn't be paying electrical bills on it for example. So again making our decisions about where you invest, if you could eliminate something, and improve service. It takes risk out of the equation, and like I said, OEM costs, I some how got the lucky job of signing all of Artery Ways electric bills every month; so it's not a small number.

Tony:

So Tim-

Tim:

make sure you take there of that Spring Street compensation.

Lisa:

It will be going under design.

Tim:

Okay. All right.

Lisa:

Next year.

Tim:

Greg did you have a question?

Greg:

Yes, Tim. Jay-Jays are for mornings, when you look at the diverse system and the distribution, and what's going on, I just want to ask, do we have a work force that can meet this challenge in a major eruption site to our, and as well have we back up of say qualified menders to back up our work force?

Beth:

Yeah, Greg. I think the simple answer is yes. I think we have a dedicated crew throughout the organization, we have skilled work force. I think one of the things that we have been concentrating on is training and development, of the next generation of workers as you know. We have an aging population, a lot of people that are eligible to retire. So one thing we've been trying to do, it's like I said, train the next generation of workers.

Beth:

In terms of our vendors, Lisa brought up Hill Street in the end zone, yeah that was a very very long twelve hours, but I have to say not only did our team over perform, but we had vendors that really came to support us and were very good to us. So we have some key people that we depend on, not internally but externally as well, and key relationships in that same vein.

Beth:

So I'm confident that we definitely have some more work to do, in terms of just making sure we have that half way for the younger staff to kind of move up. And continuously perform moving forward. We've got a very skilled work force.

Greg:

Thank you, Beth. Thank you.

Brian:

This is Brian Eitzer, I have one quick question. You did mention that the Spring Street station you said, that is a critical piece that's 40 years old, that we have no way of pumping if that fails, we have some other contingency plans in place. If something catastrophic should happen.

Beth:

Lisa you want to take that one?

Lisa:

I mean we are required to have an emergency contingency plan, it's a part of our water supply plan, and I was hoping when I opened that document, and it's in my car because now I know drive around with our giant contingency plan. And it says get your pressed packet ready to let folks know that they could be out of water.

Lisa:

So there's some ways we can slow how bad that is by, opening some valves from different service areas, but those other options would not have sufficient capacity to serve the population. So-

Beth:

And Brian, just to put, Lisa's absolutely right. The contingency plan for that is not there isn't a one easy way to provide water in that area, just remember though as we look at the designs of our systems today and in the future. We want to ensure that there's pump redundancy that we are required to look at a pump station's capacity, with one pump out of service.

Beth:

So we do have multiple pumps, the problem as Lisa mentioned Spring Street, they are all old, right? So it's on a postage stamp lot, it's going to be a challenging project. But as we move into these designs in the future, the outside plan, right? Is that things like that those types of things we could build into this future projects, are going to be really beneficial for years to come. So-

Lisa:

I mean there's an option that we could buy even a bigger bypass pump, but it's very cost prohibitive, but if we have a problem with the design or something, it may be something we have to come back; and request that we get that pump in, you know the bypass pump sooner than later.

Greg:

My point is this, if that something is that critical, I think it has to be moved up to dealing with sooner rather than later.

Beth:

Yeah, absolutely.

Tony:

And that station would affect people from West Haven and Milford?

Beth:

Yes.

Lisa:

Yes.

Beth:

And parts of Orange.

Tim:

I just had a clarification, this is Tim again, I thought I heard Lisa say that, the Gaillard was basically in a drought situation, and we were very heavily dependent upon Lake Whitney. I know Lake Gaillard accounts for a huge amount of volume in this system. Wouldn't you actually mean by that, and what kind of period is that sustainable?

Beth:

So Tim, the common is as you know we report monthly our long term average, in terms of where we are against that, that's a system wide average. So that balances, you know that looks at all of our reservoirs. Gaillard was down and I think it was around, I know we were at 14 feet last week, it was very very low. So what we've done in terms of distribution system operations, is we have basically turned down Gaillard to give it a rest. So that it can fill up, Menunkatuk and Hammonasset, needed to fill back up, we are also trying to balance water quality in that area.

Beth:

Where we want to keep, get Gaillard to have the best water quality we can, which means we might have to defer opening of Hammonasset-Menunkatuk right away. But idea is being able to turn down Gaillard, let that rest somewhat, and use Whitney all winter long which was really the plan, is what we've been able to achieve. And that's not something new for us this year.

Beth:

We had some work we had to do in the distribution system with some of our major distribution network, in what we call our 'aorta' in terms of being able to allow Whitney to be reused. But that's really we are trying to let Gaillard rest, and fill up as slowly and maintain as best water quality as we can.

Beth:

We've seen a lot of water quality variation in Gaillard over the last months, but even specifically around the last couple of months, because it's low, the Menunkatuk and Hammonasset were low, we were seeing high colors, and things like that. So it's really in an effort to try and rest Gaillard.

Tim:

So even the treatment plant that's operating through that system is sort of in a slow down?

Beth:

Yes.

Tim:

That's what would, so to back it up, what could have happened there, there were almost systems that they had to capacity to produce and deliver and purify?

Beth:

Whitney-

Tim:

I guess they must.

Beth:

Yeah Whitney's produced, we are pumping about 4 mgd, and all winter and Gaillard's doing; we are at 17 mgd, which we would typically, you know last year this time we were probably at 24. So we are trying to balance that.

Tim:

I see, got you.

Lisa:

That is we're leveraging the plan was, even back to 1948, was to use the Whitney treatment plant, to rest Gaillard during drought periods over the winter. So the fact that Artery Bay invested in rebuilding that facility in 2000, hoping like 4-

Beth:

Yeah, -ish.

Lisa:

We are getting the use of that facility as it was intended even way back; to 1948.

Tim:

Great, thank you.

Joe:

Beth, Joe Icelander with a question regarding have your most critical pump is out of service, from that point to when it gets back into service when the new one will be, how many days?

Beth:

That's a tricky question, so like I said in some stations we do have redundancy within the station, but what we haven't seen with Covid and just the status of things in the world right now. Our lead times are quite long, a pump repair we rebuilt some, we took one pump out of service at Gaillard pump station. That's been-

Lisa:

Lets back tomorrow.

Beth:

But it's been at least 12-14.

Lisa:

It's like June 22nd I think that station we had a fire, and then that pump went out for service, but the valves aren't even going to be in until February.

Beth:

So Joe, it depends on what needs to be done to the pump, whether it needs to be rebuilt, and Gaillard station we had a rebuild as well, we had to replace some valves. So it can be quite some time.

Joe:

Okay.

Beth:

But we definitely have seen an impact in lead times because of Covid.

Greg:

Hey Beth, What would it take to get Maltby Lakes back online? A Miracle?

Beth:

Treatment systems.

Lisa:

That wasn't part of the long term plan, but we can be increasing the availability of the West River facility by doing the upcoming treatment plant upgrade. So we'll have a lot more flexibility, and we'll have a lot more water supply we can give to the customers from that. Which is just north of Maltby.

Greg:

Yeah, thank you.

Jamie:

I don't know if you are prepared to answer this question but there's the Totoket Road loop, how long would it take to finish that and about what's the range financially to do that if that became a priority?

Lisa:

I have not seen what the estimate on that project was, I think that it had stopped at the top of the hill, because there was a significant amount of rock excavation that was needed. We didn't, when we were looking at it, the Cherry hill pump station is fairly new, so we didn't put the Totoket loop per se in the next 10 years, just because we do have a newer facility there now.

Beth:

Well, Tim, I'm hearing no other question. I thank you guys so much for your time tonight; Lisa and I can talk about this all night. So I don't want to steal all of your meeting, if anyone has any follow up questions, thoughts, concerns, Tim you know how to get a hold of us.

Tim:

It was terrific, thank you both for your presence [inaudible 00:41:54]

Tony:

Thank you.

Tim:

Action, very good thank you.

Beth:

Have a good night.

Tim:

Okay, this moves us to the approval of the minutes of the November, 9, 2020. May I have a motion?

Tom:

[inaudible 00:42:10]

Tim:

Okay we have a motion taken.

Jay:

One second.

Tim:

Have Jay second, the minute was?

Jay:

The minute?

Tim:

Okay there we go, so anyway discussion before we call for a vote?

Brian:

I'm going to drop off now, since the presentation is done.

Tim:

It's okay, you got it.

Greg:

So long guys.

Joe:

I will so too.

Tim:

Bye

Jamie:

Thank you guys, happy holidays.[inaudible 00:42:37]

Tim:

Okay, I'm getting ready to call for a vote then, I'll call for a vote all those in favor of the minutes?

Group:

Aye.

Tim:

Any abstentions? Any nays? Okay, motion passes unanimously of those present. Okay number four is the confirmation day to a special meeting for the FY 22 budget view, which is Tuesday, April, 20th, one would assume that might be clear for most, but at least put it on your calendar. You will be getting reminders.

Tim:

This brings us to item 5 which is the quarterly report on RPB projects, so fellas this year maybe.

Rochelle:

Yes.

Tim:

How are you tonight?

Rochelle:

I'm great.

Tim:

Wonderful.

Rochelle:

I'm not going to reread through this, but I just want to highlight a few of the key items, so first time the [inaudible 00:43:43] really the next key item for that project is the judge's decision, and that should be known towards the end of January.

Rochelle:

A little more about this project, this is a potential DWSRF project for the construction portion. Our further brushing plans is where the system improvements, as you can see from the optic here, and it's basically just one more invoiced to pay on the project to fully close it out. Here again, there's a small a small portion of this project, that we are anticipating [inaudible 00:44:28] financing, we're wanting to close out the forest and final tranch of the AMI financing with DWSRF before we go to the next project.

Rochelle:

After this we'll probably be one of the next closings that we do following the AMI closing, we don't want to just from a finance perspective, we are sort of wanting to time this where it makes the most sense, we are still getting our grant money but we are not paying debt service or exactly really need to. But that is on the list for DWSRF.

Rochelle:

The RTU project, this project as you probably recall, the timing of this was adjusted when we did our revised, fiscal 21 budget. So the project is on path for the modified schedule with the anticipated completion of August of 2021. And here again there's a portion of this project that we are actually expecting DWSRF financing on as well.

Rochelle:

The Branford Hill service area improvement project, as you might remember, this project from late last fiscal year, and there's just one more potential piece here related to pavement restoration, the discussions we do a tier on hold, and we anticipated that they will resume in the 4th quarter of fiscal 2021.

Rochelle:

And that North sleeping giant wellfield facility's improvement, this is the most recent, RPB approved project, it was approved in June of 2020. And during the quarter the contractor has mobilized, and is on site and project work has begun.

Rochelle:

Are there any other questions?

Tim:

Well, I don't hear any, so looks like you get out of the hot seat. Okay, this moves us along to the discussion regarding interest billing, whose taking that discussion on?

Larry:

Rochelle will lead that discussion.

Tim:

Thank you.

Larry:

Last year we had asked for excuse me, earlier this year we had asked for the ability to suspend interest payments to our customers through the end of December, we are now we discussed with the authority via email about extending that through March this year, just because of what's going on, with the pandemic and people still out of work.

Larry:

And some people may call and ask for payment plans, and suspend the interest rate, and the interest payment, we'll let them do that. Those that don't call are at a disadvantage, so we'd like to, since we have the ability to extend zero interest for anybody that is passed due on their bill, and then give management the discretion after March, to extend it through the fiscal year. Which should be the end of May. And just by way of background even though, we are not regulated by PURA. PURA has asked the utilities that they regulate to give their customers up to 24 months to pay for past due balances, with zero interest.

Larry:

Certainly the regulatory agencies are taking the lead on that, and you think this is the right thing to do, and so with that Rochelle, do you want to talk a little bit about the financial implications?

Rochelle:

Sure, so for all the reasons that were already mentioned, that's here before you to discuss this, from the financial impacts to the continued and not bill interest from January through March, that will have approximately 210,000 dollars from a cash perspective. I will share with you, we've already incorporated that, pending your input into our projections, and if we were to go all the way end of the fiscal year that would be just under another 90,000.

Rochelle:

The impacts on fiscal 21, and there will be minimal impact on fiscal 2022, and so as already mentioned, we really think this is the right thing to do, I mean other consideration from a financial perspective, if we bill interest and then later on end up waiving it, it's really going to have the impact of increasing our allowance reserve, which is audited financials so we don't think that that's really something that we want to do.

Rochelle:

And we think forward, relatively small amount of dollars that were [inaudible 00:49:36] and what's happening with the increased cases, and the potential further economic impact; that it's the right thing to do.

Tim:

I would think that there's probably a consensus within us or amongst us, to agree on that, am I speaking out of turn here? Or what's the sense of the committee?

Jay:

Say Tim, Jay again, Yeah. Is there a motion to recommend this to the RPB board? Is that would be appropriate?

Rochelle:

[inaudible 00:50:12] we have a proposed our resolution that will go the RPB, pending the motion, Jay that you've just mentioned. And Jennifer can share that.

Jay:

Then I would make that motion to recommend it to the RPB board. For the service-

Tim:

We have a second. We have a second from Mr. Clifford, right Tom?

Tom:

That's fine.

Tim:

Excellent, okay. All those in favor.

Group:

Aye.

Tim:

Motion carries unanimously, okay that's good.

Rochelle:

Thank you.

Tim:

Thanks Rochelle.

Tim:

Okay, very good. I think that makes a lot of sense, so this is a special meeting, so therefore there's no opportunity to discuss any new business, so I guess since there's nothing further listed, other than adjournment. I would ask for a motion to adjourn?

Representative Policy Board
Finance Committee
December 14, 2020

Tom:
So moved

Tony:
Second

Tim:
All those in favor?

Group:
Aye