

South Central Connecticut Regional Water Authority

Via Remote Access**

AGENDA

Regular Meeting of Thursday, February 18, 2021 at 12:30 p.m.

- A. Safety Moment
- B. Meet as Audit-Risk Committee: T. DiSalvo
 - 1. Approve Minutes – December 17, 2021 meeting
 - 2. Plan of Audit – FY 2021: D. Smith and R. Nossek
 - 3. Cyber Security Update – Including Executive Session: P. Singh
- C. Consent Agenda
 - 1. Approve Minutes – January 21, 2021 meeting
 - 2. Capital Budget Authorization – March 2021
 - 3. Capital Budget Transfer Notification (no action required) – March 2020
 - 4. Monthly Financial Report – January 2021
 - 5. Accounts Receivable Update – January 2021
 - 6. Derby Tank Update
 - 7. North Cheshire Update
- D. Finance: R. Kowalski
 - 1. Resolution to ratify Authority's long-term investment return assumption
- E. Report on Code of Ethics compliance for the period ended November 30, 2020: J. Reckdenwald
- F. Updates: L. Bingaman
 - 1. COVID Update: B. Nesteriak and R. Kowalski
 - 2. Monthly Board Letter Highlights: L. Bingaman
- G. Board Resolution
- H. Distribution System Overview: L. Bingaman, B. Nesteriak, and J. Courchaine
- I. RPB Committee meeting reports
- J. Meet as Strategic Planning Committee: D. Borowy
 - 1. Approve Minutes – November 19, 2020 meeting
 - 2. Future of RWA – Blue Sky Roadmap and revised 2025 Strategic Plan: L. Bingaman and B. Nesteriak
 - 3. *Update on CEO's priorities - Including Executive Session: L. Bingaman
- K. Act on matters arising from Committee meetings
- L. Executive session to discuss acquisition and real estate negotiations: L. Bingaman, D. Donovan, and T. Norris

**In accordance with the Governor Lamont's, Executive Order No. 7B for the Protection of Public Health and Safety during COVID-19 Pandemic and Response, the public meeting will be held remotely. Members of the public may attend the meeting via conference call, videoconference or other technology. For information on attending the meeting via remote access, and to view meeting documents, please visit <https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2021&category=1422&meettype=&page=>. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

**RPB Member (T. Slocum) is excused at Item J.3*

Topic: Authority Regular Meeting (including Strategic Planning Meeting)

Time: Feb 18, 2021 12:30 PM Eastern Time (US and Canada)

Join Zoom Meeting (*via conference call*)

Dial by your location

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Meeting ID: 884 0182 2054

Passcode: 139890

Find your local number: <https://us02web.zoom.us/j/kdLCE7f9XH>

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

Minutes of the November 19, 2020 Meeting

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, November 19, 2020, via remote access. Chair DiSalvo presided.

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

The Chair called the meeting to order at 1:21 p.m. On motion made by Mr. Cermola, seconded by Mr. Borowy, and unanimously carried, the Strategic Planning Committee voted to go into executive session to discuss strategy related to the Future of the RWA and the Chief Executive Officer Priorities Action Plan. Present in executive session were the Authority members, Mss. Collins, Kowalski, Nesteriak, Reckdenwald, Slubowski and Messrs. Bingaman, Norris and Singh.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

At 2:31 p.m., the committee came out of executive session and Mr. Oslander entered the meeting.

Mr. Singh, RWA’s Chief Information & Digital Officer and Vice President of Customer Service, provided a Strategic Plan Update, which included:

- 2020-2025 Strategic goals and targets
- Overview of FY 2021 targets and specific actions

On motion made by Mr. Cermola, and seconded by Mr. Curseaden, and unanimously carried, the committee approved the minutes of its August 20, 2020 meeting.

At 2:44 p.m., on motion made by Mr. Cermola, seconded by Mr. Curseaden, and unanimously carried, the committee meeting adjourned.

Borowy	Aye
Cermola	Aye
Curseaden	Aye
DiSalvo	Aye
Sack	Aye

Anthony DiSalvo, Chairman

Five-Year Strategic Plan Refresh

2020-2025

Course Evaluation and Correction
to Address Mega Trends

February 18, 2021

The Journey

- Megatrend Exercise
- 2025 Strategic Plan Refresh
 - Reviewed each goal
 - Objectives and Targets
 - Refined direction and focus

MEGA TRENDS

Rise of
Technology

Forced Agility

Telecommuting
as a Norm

Greater
Government
Involvement

Financial
Integrity
Threats

Generational
Changes for
Customers

Generational
Changes for
Employees

Greater Focus
on Clean, Safe
Water for All

New Areas of Opportunity and Risk

- Customers as activists for the environment and sustainability practices
- Diversity, Equity and Inclusion
- Employee engagement and alternative work arrangements
- Asset and work management: Risk, Resiliency and Redundancy
- Framework for assessing, refining and integrating process improvements
- Constituent communication and key partnerships
- Industry image and thought leadership
- Financial model enhancements and alternative funding sources

Refined Direction and Focus by Perspective

Put the Customer First

- Prioritize positive outcomes on the first contact
- Grow self-service via digital offerings
- Refocus on customer satisfaction with Great Blue surveys

Enable Our Workforce to Support a Strong Future

- Embed more diversity, equity and inclusion through policy and engagement
- Promote flexible work practices
- Enable critical knowledge transfer

Refined Direction and Focus by Perspective

Effectively Manage and Maintain Our Core Business

- Build and promote recreation and environmental services
- Establish Water Resources Management Group for long-range practices
- Strengthen asset management and preventive maintenance focus
- Reduce risk, improve resiliency and increase redundancy
- Drive efficiency and innovation with Centers of Excellence and industry thought leadership
- Increase constituent communication and key partnerships

Exercise Fiscal Accountability Throughout the RWA

- Maintain focus on non-core revenue growth and internal cost management
- Enhance financial model and introduce scenario planning tools
- Incorporate new grant funding into the Capital Program



- Review of all FY22-FY25 Action Plans
- Develop the FY2022 Operating Plan
 - Focused initiatives to drive the Action Plans
 - KPIs to monitor and track progress
 - Global Metrics aligned with outcomes

Appendix

Strategic Goal 1: Meet or exceed customers' expectations in all we do to provide access to clean safe water and pristine environments.

PUT THE CUSTOMER FIRST			
Strategic Goal 1: Meet or exceed customers' expectations in all we do to provide access to clean safe water and pristine environments.			
	Prioritize positive customer outcomes; ensure processes and decisions start and end with the customer in mind and are aligned with our higher purpose to make life better for people by delivering water for life.		<ul style="list-style-type: none"> Establish a First Contact Resolution metric and determine a baseline for this metric by 2022; drive a 15% improvement in that customer experience by 2025.
	Pursue new processes, technologies and solutions to improve how we operate and better serve our customers and community in today's digital age.		<ul style="list-style-type: none"> 40% of the customer base is using self-service options to meet their billing and water use needs by 2025.
	Bolster our customers' understanding and confidence in our high-quality product and services, stewardship of resources and overall brand image.		<ul style="list-style-type: none"> Maintain RWA best-in-class 91.8% Customer Satisfaction Index; introduce transaction surveys and establish a baseline for improvement by 2025.

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Strategic Goal 2: Attract, retain and develop high quality, engaged employees throughout the RWA family to better fulfill our purpose.

ENABLE OUR WORKFORCE TO SUPPORT A STRONG FUTURE

Strategic Goal 2: Attract, retain and develop high quality, engaged employees throughout the RWA family to better fulfill our purpose.

Instill a culture of safety in all RWA employees so they always put safety first.

- Proactively improve organizational safety to achieve our goal of zero preventable injuries and accidents by 2025.

Enhance Diversity, Equity and Inclusion (DE&I) to improve cultural competence

- Address and revise policies and practices that lack DE&I considerations, while achieving workforce diversity in all underrepresented job groups by 2025.

Improve company culture and increase employee engagement.

- Implement and support alternative work arrangements by 2025.
- Increase overall employee engagement by 30% by 2025 using an enterprise-wide employee engagement survey.

Facilitate the transfer of critical knowledge and skills.

- Identify critical knowledge and skills and create time bound development and succession plans to ensure the transfer of knowledge in the workplace by 2025.

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Strategic Goal 3: Enhance and expand recreational and environmental services to improve people's lives and better serve our stakeholders.

EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS

Strategic Goal 3: Enhance and expand recreational and environmental services to improve people's lives and better serve our

Enhance the quality of life in our communities by leading the development and implementation of innovative resource management tools that include sustainable water management solutions, land

- Add two new environmental services to our portfolio by 2025.

Bolster the Recreation Program by adding new activities and expanding permitted recreation areas, while managing costs and efficiencies.

- Reduce the Recreation Program's annual operating deficit by 30%, based on the FY21 P/L, by 2025.
- Add three new recreation programs to our portfolio by 2025, including evaluating the opening of a new multifunction recreation area by 2025.

Develop an integrated long-range approach to managing our reservoirs, watersheds and related resources in order to sustain raw water quality and quantity at the highest levels without compromising vital ecosystems.

- Establish a Water Resources Management Group for development and implementation of management policies and strategies by 2025.

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Strategic Goal 4: Reliably deliver clean, safe water on demand in an efficient manner.

EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS			
Strategic Goal 4: Reliably deliver clean, safe water on demand in an efficient manner.			
	Ensure continued delivery of high-quality water by executing against a strong asset management focusing on the appropriate preventive maintenance and asset renewal and replacement.	• Perform a condition assessment of 100% of our assets and link to an Enterprise Asset Management System by 2025.	
	Decision making will be focused on mitigating risk, improving redundancy and ensuring the organization's resiliency for the future.	• Develop control strategies that minimize the formation of regulated disinfection by-products to ensure levels are at least 10% below the regulated limits by 2025.	
	Ensure our distribution system is operating and delivering water efficiently.	• Unaccounted-for water will be less than 10% by 2025.	
	Lead in innovative water management and quality solutions.	• Research and evaluate at least 4 emerging technologies by 2025 for applicability and potential implementation at RWA.	

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Strategic Goal 5: Increase constituent support of the RWA by enhancing and expanding communications and relationships with key alliances.

EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS			
Strategic Goal 5: Increase constituent support of the RWA by enhancing and expanding			
	Improve public and constituent awareness of RWA programs and share goals as a non-profit environmental services company.	• Achieve and maintain a 5% increase by 2025 in brand image and reputation using baseline results from a triannual customer survey.	
	Collaborate and form strategic alliances with service area municipalities and key governmental, non-governmental and industry stakeholders.	• Increase overall support of RWA with key stakeholders by introducing three new, targeted outreach initiatives by 2025.	
	Address strategic industry challenges and issue facing the RWA to seize opportunities and intervene, as appropriate, to shape future regulation and legislation.	• Position the RWA as an industry thought leader by presenting at three business or trade conferences by 2025.	

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Strategic Goal 6: Embrace innovation and adopt state of the art technology to ensure excellence to support our purpose.

EFFECTIVELY MANAGE AND MAINTAIN OUR CORE BUSINESS			
Strategic Goal 6: Embrace innovation and adopt state of the art technology to ensure excellence to			
	Establish Innovation Hub / Center of Excellence for all process areas to track efficiencies and business process improvements across RWA.	• Utilize the COE's / Innovation Hub and other work groups to facilitate 16 process improvements and innovations by 2025.	
	Adopt Cloud first strategy and digitalization to expand use of digital transaction(s) / computing on cloud and increased access to information.	• Link 100% of the technology roadmap to Capital & Operating budgets, while increasing capital efficiency by 2025.	
	Implement cybersecurity protocols including adopting best practices framework recommended by DHS/EPA across RWA.	• Complete cyber security assessment of IT/OT and implement key recommendations by 2025.	

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Strategic Goal 7: Continually strengthen our financial health to ensure RWA's long term sustainability.

EXERCISE FISCAL ACCOUNTABILITY THROUGHOUT THE RWA			
Strategic Goal 7: Continually strengthen our financial health to ensure RWA's long term sustainability.		Increase non-core revenue sources by acquisitions, innovations, organic growth and investments to help mitigate future rate increases for our customers.	<ul style="list-style-type: none"> • Increase other net revenue by \$3 million from \$6.2 million to \$9.2 million by 2025.
		Reduce costs and continue to strengthen the organization's financial health to ensure adequate reserves and debt service coverage.	<ul style="list-style-type: none"> • Achieve 100% funding of pension obligation by the end of Fiscal Year 2025. • Increase funding status of Other Post Retirement Employee Benefits (OPEB)/Voluntary Employees' Beneficiary Association (VEBA) plan to 35% by the end of 2025. • Reduce RWA debt to capital plant ratio to 80% by 2025.
		Enhance existing ten-year financial model and develop process for scenario planning	<ul style="list-style-type: none"> • Add at least one enhancement to existing financial model and by 2025 have a proposed process and tool(s) for periodic scenario planning.
		Investigate and obtain additional grant funding sources for our Capital Improvement Program.	<ul style="list-style-type: none"> • Identify at least one additional grant funding source during Fiscal Year 2021 for implementation in Fiscal Year 2022
		Drive shared ownership of financial outcomes.	<ul style="list-style-type: none"> • Increase employee (particularly budget and capital project managers) understanding of the business model and their role in financial outcomes and audits, as evidenced through before/after survey(s) and increased adherence/engagement to budgeting and monthly/year-end protocols, including 100% of budget and project managers following year-end protocols.

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