

**Representative Policy Board
South Central Connecticut Regional Water District
February 18, 2021
Meeting Transcription**

Mario:

Mario Ricoszi. I'll call the regular meeting of the South Central Connecticut Regional Water Authority representative policy board to order. The first item is a safety moment. This month it is on radon. So please be careful because in the winter time we've got all our windows and doors hopefully closed. So go through that and follow that.

Mario:

Next, we go into communications. We did receive a report on the code of ethics compliance. Oh, I'm sorry. Approval minutes. Thank you, John. We have the minutes of the January meeting.

Speaker 4:

[inaudible 00:01:36] move.

Speaker 5:

Second.

Mario:

[crosstalk 00:01:40] second?

Tim:

Second.

Mario:

Okay. We got a second. Any corrections, additions? All those in favor?

Brian:

[crosstalk 00:01:50] Aye.

Jamie:

[crosstalk 00:01:50] Aye.

Mario:

Anyone abstaining? Okay. Thank you very much. Now onto communications.

Mario:

The code of ethics compliance, we received the report, I believe, from Jeanine, and everyone was in compliance with the code of ethics for the water authority. So we got 100%. So that's a good thing. We also just found out today that Bethany is in code orange for COVID that was reported today. All the other towns were all in red. So if we're going to have a social gathering, it'll be at Brian's house.

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Brian:

[inaudible 00:02:48] leading the way.

Mario:

Okay. Thank you very much. Any other correspondence, Jennifer?

Jennifer:

No. I think that's it.

Mario:

Okay. Thank you. Items for consideration and action: the first is an [RPB 00:03:06] finance committee recommendation. Tim, if you would?

Tim:

Yes. Thank you, Mr. Chairman. [crosstalk 00:03:12] I'll put the resolution on the floor, ask for a second, and then we can talk about it, if that's okay with you guys. Here we go. Resolved that based on the recommendation of the Representative Policy Board Finance Committee, effective June 1, 2021, the compensation of the Regional Water Authority, or RWA, chairperson be increased to \$34,500 per year, and the compensation of members of the RWA who do not serve as chair person be increased to \$25,200 a year.

Mario:

Thank you. Can I have a second, please?

Jay:

I'll second the motion, Mr. Chairman.

Mario:

Thank you, Jay.

Jay:

Thank you.

Tim:

Okay. Now for some back room stuff. The finance committee met on Feb 9th. They really had discussed it prior. [Inaudible 00:04:07] agreed we should revisit it at the meeting, and at that time, were looking at ... First of all, we review the [inaudible 00:04:18] usually make an increase every three years. That's been custom to the last number of times. And what we're working off in the past is a model of about the CPI over those three years, that came in at a suggested increase of 4.9%.

Tim:

There was discussion among the group that that might be a bit rich, given the timing of everything, and just the fact that we're just anxious in this time in particular. So upon [inaudible 00:04:54] and really at

the suggestion of Larry, a merit increase considered in the amount of 3% for each Authority member.
[crosstalk 00:05:06].

Tim:

Are we good? I stopped in case someone had a question. So, the bottom line is we discussed that at some length as a group to [inaudible 00:05:20] this motion for the consideration of the policy board, and we certainly recommend it.

Mario:

[crosstalk 00:05:29] Okay. Any questions for Tim? So basically the recommendation is a 3% increase over the last three years, or total [crosstalk 00:05:41].

Tim:

Correct. Correct.

Mario:

And the last increase was three years ago.

Tim:

The last increase was three years ago, and of course it commences June 1.

Stephen:

Hi, Tim. This is Steve.

Tim:

Yes, Steve?

Stephen:

Do you know what that is in actual dollars?

Tim:

That's a such a good question because I think we'll have to ask the Authority members because I didn't jot that down in my notes. I apologize.

Stephen:

Okay. That's all right.

Tim:

[crosstalk 00:06:09] It's not a tremendous increase, but sorry, Steve. I forgot to jot that down. We did have all that in front of us at our meetings, [crosstalk 00:06:18] but it's not in front of me right now.

Stephen:

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No problem.

Mario:

It's about a thousand dollars, Steve, for the chair, roughly.

Tim:

Yeah. Perhaps \$700 [crosstalk 00:06:29]. We did some rounding.

Mario:

Any other questions? Thank you, Tim. I'll take a vote then. All those in favor, indicate by saying aye.

Jamie:

[crosstalk 00:06:48] Aye.

Brian:

[crosstalk 00:06:48] Aye.

Mario:

Any opposed? Any abstaining? Okay. Thank you very much. The next item for consideration is the [bylaws 00:07:02] and rules committee.

Clifford:

Mario, I'll move that resolution.

Mario:

Okay. [crosstalk 00:07:13] Go to the resolution, Jen?

Stephen:

[crosstalk 00:07:16] I'll second it. It's Stephen.

Mario:

Okay. So we have a motion and a second on the resolution, that's on the board to adopt some changes to the rules of policy, practice, and procedures. Jennifer, would you switch to the actual changes, please? So I'll explain it if that's okay for everyone.

Mario:

So we've met a number of times and the only rule adjustment that we found is to basically take the timeframe from the date that an application is filed by the Authority and reduce that to be a minimum of five days before they request an action of one of the committees of the RPB. And that will occur at a change if there's a shortened process for capital projects. And, Jennifer, if you'd pull up Ted's spreadsheet.

Mario:

This was in your packet. On the left is what we currently go through with a standard practice, and on the right is what we would propose on many of the projects to be used. And essentially, on the left, you'll see in week one, the Authority basically approve or recommends that the RPB review the application for completeness. That doesn't happen until week four when finance committee would meet, if it's a capital project.

Mario:

In the expedited process, if the Authority were to recommend a project this afternoon at their meeting, it would come to us that same night, but all we would be doing is we would be getting an overview of the project, just a basic overview, then we have a motion that was in your packet that would essentially say we've received an overview, and if the committee of cognizance, be it the finance committee, or even the land committee, determines that the application is complete, then you authorize the notification for the public hearing.

Mario:

So then the finance or land use committee would meet the second week and we would set the public hearing. So the public hearing would appear one month later. Normally, as we currently do it, we would be in week nine for the public hearing and doing it in the expedited way, we'd be in week five. So we're essentially saving a month just by doing what we would essentially do now. Because all we do is accept an application as complete after the committee has reviewed it.

Mario:

I know I gave an overview. Are there questions on this approach and process?

Tim:

Mario? I had a question.

Mario:

Yes.

Tim:

It's Tim Slocum. It seems like a very wise decision. The only question I have is, it does require the respective committees to more or less ... I guess in the past we were waiting for their [inaudible 00:11:10] cycle, correct? Or am I misinterpreting your comment, your suggestion?

Mario:

I'm sorry, Tim, you broke up a couple of times.

Tim:

Oh, that's a shame [inaudible 00:11:20]. To get this to be more efficient, is it putting the committee's decision-making process just on a faster track instead of waiting for the monthly meeting? Is that what's basically happening here.

Mario:

Right. The finance committee would have a special meeting [crosstalk 00:11:44] the week after our board meeting to determine whether it's complete or not.

Tim:

Okay.

Mario:

And that's all you'd be doing, is determining whether it's complete.

Tim:

Right, right. Which I think is fine, but I assume that's how you're picking up the time.

Mario:

Right. Correct. Yep. That's the month we pick up. Other questions? Okay.

Brian:

[crosstalk 00:12:11] Mario, this is Brian Eitzer. I do have a question relating to the resolution. It looked like where the change is, it said taking the time from 15 days to five days, or something like that, if you go back to the resolution.

Mario:

Yes.

Brian:

How is that relating to what you're doing there? Because it looks like you're going directly from an immediate process from the same day, rather than a five day, or was that prior to [inaudible 00:12:46] coming to the Authority?

Mario:

Go back, Jen, to Ted's ...

Brian:

The three things here that it looks like has been changed is where you're saying five days.

Mario:

Right. Before they ask for an action. So all we're doing is giving the finance or the land use committee the authority to determine it's complete and to schedule the public hearing. Because normally the RPB would schedule a public hearing.

Brian:

I guess I'm asking is where does the five days come into play?

Mario:

Oh. Because the special meeting of finance would be the next week, as opposed to two weeks out.

Brian:

Oh, okay. That's what I [inaudible 00:13:35] looking for what the five days related to.

Mario:

Yeah. And in the 15 days originally, items would be mailed out to the members of the committee to determine whether it was complete or not. Now we're receiving electronic and we felt that the special meeting of finance could happen the next week electronically.

Brian:

Okay. I'm good.

Mario:

Okay. Other questions?

Jamie:

Mario, that presupposes, which I concur with, but it seems to presuppose that we'll continue with electronic Zoom meetings going forward, even after COVID. It seems to work and it makes it easier on everybody and saves the agency some cash, I guess, because they're not ... But is that the intention here? Or is it just an assumption?

Mario:

No, I hope that by the end of this year, we're actually meeting face to face once again. But the thought was that the special meeting could easily be held via Zoom or other electronic means.

Jamie:

To me, that sounds very good. Sounds like a good idea. It works.

Mario:

Other questions?

Stephen:

Hey, Mario, this is Steve. Not a question but I just wanted to point out to everybody, there's also an assumption here that interrogatories would only take a certain amount of time. So there's flexibility if more time is needed, I believe, right?

Mario:

Correct.

Stephen:

We did decide that.

Mario:

Yes. It shows interrogatories for a couple of weeks before the public hearing, but we could continue that even after. We don't have to close the public hearing in week five. We could continue it to week seven. Okay. Other questions?

Mario:

All right, Jennifer, do you have the budget sheet? Okay. This is a lot harder to see on the screen, and thank you, Rochelle, for going through this and putting it together. Essentially we are able to save a month, if it's an application for July effective date on new rates, and that allows the authority to then time the market for the sale of the capital bonds.

Mario:

If it's a January effective date, we're able to save a little bit of time, but we save it at the front end, as opposed to the back end. So there's no change required for this. It just happens naturally. Rochelle and her team will obviously work to meet the schedule, but we're able to basically cut a month off of the budgeting for rates, without cutting out any public input time or any time for us to review it as RPB members. So it was a good series of meetings that we had. Any questions on this? And I know I've really glossed over it.

Tim:

Just one more, Mario. It's Tim. Was staff motivated to make this suggestion and rules change, or was this in your eyes, in mind?

Mario:

So [crosstalk 00:17:51] ways to make it more nimble. Ted has for years been trying to ... When you conceptualize a project and before you can actually say we can go, it took several months. So we're trying to get that the close down, and Rochelle, this helps her as far as getting her process to be reduced. Again, we tried to be very cognizant of not taking away the time for the RPB members to actually review the applications.

Mario:

Any other questions? Okay. If there are none, we have a motion and a second on the floor, all in favor?

Jamie:

[crosstalk 00:18:46] Aye.

Tim:

[crosstalk 00:18:47] Aye.

Mario:

Any opposed? Any abstaining? Okay. Thank you very much. On to reports. And Tim, I took all the time, so you have to make it quick.

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Tim:

That's okay. Our meeting of February 9th was pretty much a meeting about the motion that just passed. And then we did have an executive session [inaudible 00:19:26] cyber security, a very nice presentation that I can't talk about. But that was essentially gist of our meeting.

Mario:

Questions for Tim?

Mario:

Land use. Is Peter here?

Bob:

I guess I'll take that, Mario.

Mario:

Okay. Thank you, Bob.

Peter:

I'm here, Bob.

Jamie:

He's here.

Brian:

Oh, you are here! Oh, good. Go ahead, Pete.

Peter:

Mr. Chairman, I'm here. I apologize. I came in a few minutes late. [crosstalk 00:20:00] All right. Thank you, Bob, for being right there for me, stepping right up. Anyways, I'll move along quickly too because we have our public hearing there. We had our meeting February 10th. Of course all our meetings are recorded and we have our minutes if you really want to get in the depths of them, because it was a long meeting. Our board administrator, Jennifer, does a great job for us.

Peter:

We did our safety moment, approval of minutes. The main thing was John [Traijano 00:30:31] [00:30:31] did a great presentation on the historic areas of the land use. It's just amazing and if you have a chance to dig into our minutes, you can do that. I believe we're going to be going to a couple of the sites. Jamie wants to visit one of them in particular. I think it was Whitney wasn't it Jamie? Well, anyways.

Jamie:

Yeah. It was as a result of the discussion with John. Yes.

Peter:

Yes. I like to keep my board involved because it's so deep and so much, so if I miss anything don't be afraid to step up. Ted, I don't know if we need to discuss anything on the [Derby 00:21:15] tank or is that a whole nother issue?

Ted:

We got approval from the judge throughout the appeal, [crosstalk 00:21:27] but there is a secondary period where the folk, the plaintiffs, can petition the court for the right to appear again. And we're in that timeframe now. They have not done so yet. It's will be just a petition at that point.

Peter:

Okay. And I believe you have Frank [Pepe 00:21:46] involved with you there, from Derby?

Ted:

Yes.

Peter:

Great. Okay. I believe that's it. Our next meeting's March 10th, 5:30, and then we had adjournment. Any questions?

Stephen:

This is Steve [Manganiello 00:19:25]. I wanted to ask you about the rental house that was in the report, but I don't want to take time now. Can you give me a call?

Speaker 4:

I'll give you a call. Sure. Yep.

Stephen:

Okay. Thank you.

Mario:

Any other questions for Peter? Hearing none. Steve?

Stephen:

Thank you.

Mario:

Consumer affairs.

Stephen:

Thank you, Mario. The consumer affairs met on January 25th and we had a great presentation by Prem on cyber security. That presentation was also held in executive session because of the nature of the subject. But he did explain the threat, what the current mitigation efforts were, what's currently being done, and because this is an ongoing threat and attacks continue, and technology changes,

unfortunately, a lot of resources continually need to be addressed to this particular subject, even though it has nothing to do with producing water.

Stephen:

He was very thorough and gave us a enough detail so that he could define the subject matter for us and have us understand what was being done. I can just tell everybody that the water company takes this threat very seriously and has devoted the attention to it that it deserves. We all know what just happened to the federal government and what a nightmare. So, so far so good.

Stephen:

Our next is going to be Monday and Ellen Durbin will be there. She's from southern Connecticut and is going to talk about the public utility management program that they have. So that's it for us.

Mario:

Questions for Steve? Thank you, Steve. I will turn it over to David and Larry.

David:

Good evening folks. Thank you so much for your earlier affirmation and appreciation you showed in your unanimous vote for our compensation. That was much appreciated. We had a robust meeting that included two of our committees and the first committee that met was the audit risk committee. So we'll hear from that chairman, Tony [inaudible 00:24:32]. We think.

David:

Tony, if you're trying to talk, you're on mute, and I know we've got limited time, so give it a few seconds, and then I can summarize that we reviewed the plan of audit with our-

Tony:

[crosstalk 00:24:46] caught six times, you know?

David:

Okay. Here you go, Tony.

Tony:

I'm ready to go. Thank you. We discussed the current and future accounting standards that we would use in the audit plan. The fiscal year 2021 audit will be a transition year for the manager on the audit engagement. The manager will be transitioning from Jessica [Anascoff 00:25:12] to Daniel Smith.

Tony:

An additional item is that BlumShapiro has, was acquired by CliftonLarsonAllen LLP, other than mine and protocol changes that have been reviewed with management, there seems to be no significant changes due to the acquisition.

Tony:

We also met about the cyber security update and that was held in executive session and we will not share that with you. Thank you, David. Any questions?

David:

All right. So I'd say you're ready to move on. We also met as a strategic planning committee, and I chair that, and we met and reviewed the big sky roadmap, which was a revised 2025 strategic plan, which builds into the 2050 strategic plan. A few months ago at our last quarterly meeting management talked about mega trends with us and Larry and Bev summarized that really the plan is to have us concentrate on understanding and addressing changing customer practices, fostering more tolerance and inclusion among employees, and providing a work environment to meet the changing needs.

David:

Using the three R's of risk, resiliency in our asset and work management practices, building and capitalizing on the RWS community of stakeholders by fostering key partnerships that promote our organization's values, and then creating a strong financial foundation to support our business priorities. And we also met [crosstalk 00:26:43] the CEO's updates and his six personal strategic priorities for the coming fiscal year.

David:

And with that, I'll hand it over to Larry for the business report.

Larry:

Thank you. Sorry, I couldn't get it unmuted. Thank you. I'll turn it over to Beth who will provide an update on COVID, and then I'll do a financial report and a couple of other highlights.

Beth:

Sure. So good evening, everyone. This is Beth. Just an update on our employee health metrics from a COVID perspective. As of February 11th, we've had 26 confirmed cases among our employees. That is an increase of five since my last report. Still good news that there hasn't been any hospitalizations and also all these cases have emanated from the outside. We have not seen any internal transmission of the COVID. So that's been positive.

Beth:

In terms of the return to work committee, we continue to meet. Our incident command team meets monthly to review what's going on, both inside and outside the RWA, and our return to work committee meets twice per month. We continually are watching the phasing of the vaccine. As of today, we are still considered essential, but not frontline essential, which would still keep us in the 1C category. But we are monitoring that closely and working with our legislative team to try to lobby as hard as we can for both the water utility and ourselves as well.

Beth:

Other than that, our remote work situation, I reported last month that we had extended a rollback approach for all of our back office staff, as much as we can, promoting working from home. We have

decided to continue that through April 5th and are continuing to watch metrics, like I said, among our employee base, but also in the communities that we serve.

Beth:

So with that, if there's no questions, I'll turn it back to Larry.

Larry:

Very good. Thank you, Beth. I'll make this quick given that we are coming up to 7:00. From a financial standpoint, after eight months of actual results through January for the 31st, operating revenues are over budget by about \$4.9 million, operating and maintenance expenses are about \$2.1 million under budget, and all of that with the puts and takes, we are now projecting coverage of 114% without a shortfall. Therefore we will not be making a draw, with the assumption that operating and maintenance expenses will continue to come in at the lower revised level.

Larry:

And I just want to caution that there is still considerable uncertainty with the financial results between now and the end of the fiscal year, given what's going on with the pandemic and our assumption of returning to normal in January, which hasn't quite happened yet. Beth and I also provided risk resiliency and redundancy part two today, which was an overview of some issues that we've had in the distribution system and infrastructure. She reviewed an in-depth plan of action that she's put in place for short, medium, and longterm to address those issues.

Larry:

And I discussed some outside resources that we have brought to bear to help her with that project, including a vice-president from [Kayda 00:30:15] and Howard, who's serving as the interim vice president of operations to support Beth, and an engineer and VP from [inaudible 00:30:25], who is heading up our engineering department called capital planning and delivery in light of Ted Norris's upcoming retirement, although he will be back as a consultant, following that.

Larry:

So with that, Mr. Chairman, I will conclude my remarks given that we are top of the hour.

Mario:

Okay. Thank you very much. Any questions for David or Larry? Reservoir levels, Larry?

Larry:

Oh yes. Reservoir levels. We are doing- [crosstalk 00:30:55].

Mario:

I can't let you off the hook. Mark was about to ask.

Larry:

We're at 85% as of this past Monday, compared to a long-term average of 80% for this time of the year.

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Speaker 18:

Well, that's good.

Mario:

Thank you very much.

Stephen:

We got a nice push today.

Mario:

Yep. Little help today. Jeffrey D'Onofrio, any remarks before we go to adjourn?

Jeff:

No, thank you. Let's go to the hearing.

Mario:

Okay. Thank you. I think we stand adjourned at 7:00. We'll transition into a public hearing. Mark, are you

...