

**Representative Policy Board
South Central Connecticut Regional Water District**

**July 15, 2021
Meeting Transcription**

Mario:

All right, in that case it is 6:30. I will call the regular meeting of the RPB to order. Mario Ricozzi here as Chair. Reminder that the meeting is being recorded, so when you speak, please try to remember to state your name for the person who does the transcriptions.

Mario:

First item is the Safety Moment, pesticides and food. I think the bottom line is grow your own if you can and be careful and wash it with lots of water. Right, Larry? Gallons and gallons of water for each carrot. Make sure that it gets cleaned.

Larry:

That's right, the more the better.

Mario:

The more the better. Just leave it running in between. No, I'm sorry. [crosstalk 00:02:14] You should conserve water, but please be careful with your foods. Be conscious and please read through that. Thank you, Jennifer.

Mario:

The next item is the approval of the minutes of June 17th. If there's a motion to-

Tom:

So moved

Greg:

I second

Mario:

Thank you, Mr. Clifford-

Greg:

Second.

Mario:

And Mr. Malloy second. Any additions, amendments, corrections to the minutes? Hearing none. All those in favor?

Whole Group:

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Aye.

Mario:

Anyone opposed? Anyone abstaining? Okay, thank you very much. And thank you Jennifer for such a good job putting them together.

Mario:

Communications. So it's that time of year where there's notification of the candidacy for authority member. David Borowy's term is coming to a close, and the process, since this is not a New Haven designee, is that if you are interested in the position with the Authority, you have to give me a notification by August 1st. That would be... an email is fine or if you want to call, do so. Either way. I'd appreciate it if you copied Jennifer. That's not a requirement, you just have to let me know.

Mario:

And then, I'd also ask that you let Jennifer know if you are interested in being on the nominating committee for the position, because we have to appoint that by August 15th, and that's coming up a lot quicker than I thought. And the nominating committee will have to get their act together and do their due diligence in the Authority position. So please let Jennifer know if you're interested in being on the nominating committee. That is a pretty fair way not to get nominated for a position. Doesn't always happen that way, but it is a fair way. And then let me know if you're interested in running for position of Authority Member. And I did speak with David the other day and he is still interested, so we will have some work for the group to do, so thank you. If there's no questions. Any questions on that?

Greg:

Nope.

Mario:

Okay, thank you. Standing committee appointments. Everyone submitted, you all got your first choice. We have a slightly imbalanced grouping. Land Use, I'm not sure whether it's because of the pizza or because of just going out in the field or because of the chairman, but Land Use is the biggie. I will ask that if anyone is on Land Use currently and they would like to either help out on Finance or Consumer Affairs, please let the chairman know or show up at the next meeting or let me know. We don't normally like to have people doubling up but sometimes there's work to be done in those two committees. So I'll leave that up to you, you just let us know if you have interest in that. If there's 12 people, then we can't do that. But if there's one or two, that will be fine. And thank you all for volunteering.

Stephen:

Am I up?

Mario:

Yes.

Stephen:

This is Steve, sorry to interrupt. But it's also possible for someone to just switch to a different committee. They don't have to serve on two necessarily.

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Mario:

That is true. [crosstalk 00:06:11] If you'd rather join one of the other committees, then-

Stephen:

I mean I welcome someone because we have six and sometimes we, occasionally we don't have a quorum, so if anyone is interested, you're welcome.

Mario:

Okay, thank you, Steve.

Peter:

Thanks, Steve.

Mike:

This is Mike Horbal.

Mario:

Yes, Mike?

Mike:

Can I speak?

Mario:

Go right ahead.

Mike:

Okay. This is Mike. I'm very happy with the Land Use Committee and the leadership that Peter Betkoski has shown. I support Peter 100% and I hope that he will continue to lead our Land Use Committee forward. Thank you.

Mario:

Okay thank you. I believe that is the case for this year. A little birdie told me.

Peter:

Thanks. Thanks, Mike.

Mario:

RPB reappointment update. Most everyone whose turns were up this year have been reappointed. Greg, we haven't heard yet from West Haven. Michelle, still no luck with East Haven. And I know Ben is in the works up at the Capitol. So hopefully we get those soon. If there's anyone you want me to call in those towns, please let me know Michelle, or Greg.

Greg:

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I'm told I've been reappointed, so I don't know.

Mario:

Okay, thank you.

Greg:

I'll make a call tomorrow.

Mario:

Might just be we haven't gotten the minutes yet of the meeting. Jennifer is really good about tracking down those minutes once they get posted.

Greg:

Oh, I know she is.

Mario:

She knew I was reappointed before I did.

Mario:

All right. I do hope to have an executive committee meeting in August, so look forward for an invitation from Jennifer. Try and find a date that works for everyone. And I believe at this point, and we'll discuss it at the executive committee meeting, but right now, David and I have been talking, and it looks like both boards may target September for all live meetings. So as you start to worry about your mileage and where you're going to go, where you're going to be, I think we're going to try and get all the committees and all the larger boards to meet live in September. Conditions warranting. So just for your own information.

Mario:

All right. Other than communications, items for consideration and action, we have the final decision on the disposition of 95 Ives Street in Hamden. Steve, is that something you would like to move forward since you were the presiding officer?

Stephen:

I guess so. I wasn't planning to do it but-

Mario:

Okay, I could let the Land Use Chair do it.

Stephen:

No that's fine. You just want me to read the "Resolved" here?

Mario:

Yes.

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Stephen:

Resolved that the proposed Findings of Facts, Conclusions of Law and Final Decision of the Representative Policy Board with respect to the South Central Connecticut Regional Authority's Application for the disposition of 0.92 acres of improved class I and II land in Hamden, Connecticut that is part of land unit HA 13, copy of which is attached to these minutes be, and hereby is, approved in the form submitted to the meeting.

Mario:

Thank you, and is there a second to that.

Greg:

Yeah, I second it.

Mario:

Thank you, Greg. Any discussion? Everyone received the copy of the Findings of Fact and Conclusions of Law. Any comments? Okay. Hearing none. All those in favor?

Whole Group:

Aye.

Mario:

Anyone opposed? Anyone abstaining?

Mario:

Okay, thank you very much, and thank you Steve for sharing that, and Ted in the group for bringing it forward. Appreciate that.

Mario:

We have the Representative Policy Board 2nd Quarter 2021 Compensation. We'll look for a motion on that, and incorporate the recommendation from finance of June that would release the frozen increase retroactively to when the freeze was put in place. Is there anyone wishing to make that motion? Okay, no one?

Jamie:

I'll make a motion

Tom:

I'll move. [crosstalk 00:11:01]

Mario:

That's the first time I think we've haven't jumped on the opportunity to... Okay. Second?

Naomi:

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I second it.

Mario:

Thank you, Naomi. All right. Any discussion? Substantially in the form, if you find an error, please let Jennifer know tomorrow at the latest. All those in favor?

Whole Group:

Aye.

Mario:

Okay. Anyone opposed? Anyone abstaining? All right, thank you very much. And thank you for your patience in the freeze and participating in that along with the employees of the RWA. Appreciate that.

Mario:

Brings us to the reports. And the first one up is Mr. Slocum in the finance committee.

Tim:

Thank you Mr. Chairman. Finance has not met this month, so I don't have a report, which makes for a very light discussion from Mr. Slocum. We are meeting this coming Monday, which is the 19th, so I'm happy to make a report at our next meeting if that will work for you.

Mario:

You can do two reports next meeting.

Tim:

I will do two reports in the same record speed.

Mario:

Okay, thank you. Any questions for Tim? Okay, thank you very much.

Tim:

Thank you.

Mario:

Land Use Committee [crosstalk 00:12:34] I believe newly reelected Chair?

Peter:

Yes, thank you, [crosstalk 00:12:40] thank you so much Mr. Chairman. Yes. And I also want to acknowledge Finance and Consumer Affairs because they're very important boards. Land Use, I think you're right, we get a little more food, we get out and about, it's a little more adventurous, so... But anyways I just acknowledge Finance and Consumer Affairs for all their hard work. And thank you for nominating me for Chair again, Land Use members. We had our meeting yesterday, and it was at the Eli Whitney Museum in Hamden. It was beautiful, I'd never been there before. We went through obviously our regular meeting, our Safety Moments, Google Minutes, but there was Mr. Paxton there and he gave

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us a whole update of that museum. I'm just totally impressed how Regional Water supports them so much and vice versa.

Peter:

Of course, we always have minutes. Jennifer can get you the minutes of any meeting. And they did have an election of officers for Chairman and that was me. And our next meeting's in August. We'll leave the water up to Larry, but we're filled to the brim with water. We're near the falls over there. Any of you that been there, it's a beautiful place, so... Any questions? And if any of my members of the Land Use want to intervene at any time, please do.

Mario:

Okay, any questions for Peter? Thank you very much for your report.

Peter:

Thanks.

Mario:

All right, we'll move on to Consumer Affairs, Steve.

Stephen:

Hi. Consumer Affairs met on June 21st, and we had presentation by Mary Ann Dickinson, which everybody has had an opportunity to see at this point. She's with the Alliance for Water Efficiency and the topic was financing sustainable water, which is the issue facing all water utilities today. So she went through the different aspects of defining that problem and aspects of each authority that sort of play into that issue and how they may be addressed.

Stephen:

Amazingly enough, the Alliance has developed tools that are available free. So we're going to take advantage of that, not at our next meeting, but at our September meeting. We plan to look at some of the videos that they've developed because... not just to see them but in terms of what we may be able to use at RWA into the future. We need to kind of be aware of what's out there. There's a lot of substance to what she had to say in terms of strategic planning for the future and future communications.

Stephen:

Our next meeting in August will be on strategic planning which is also related. So our committee will be looking at this topic for a couple of months to kind of define the problem and just educate ourselves on what's available to help, and what our assets are here, and get a better handle on it.

Stephen:

After that, I believe Jeff reported that we have not had any other issues, fortunately, so that was our meeting.

Mario:

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Thank you very much. Questions for Steve?

Greg:

Steve, this is Greg. I thought she made an excellent presentation. It was well worth listening to her.

Stephen:

She has a lot to say, and she's been part of the water industry for quite a while so she really knows what the issues are. Thank you.

Mario:

Any other questions? Okay, thank you very much, Steve. I'll turn it over to Authority and Management.

Mark:

Are you okay?

Speaker 21:

Yes.

Mario:

I think we are. David, are you still there?

David:

I'm still here and I'm fine-

Jamie:

Mark, you might want to mute.

Mario:

And I see Larry-

David:

He did after that.

Mark:

I'm fine, I'm sorry.

David:

All right, thank you Mario, Mr. Chairman. And folks, thank you for your support on our application that you just loaded on [inaudible 00:17:38] disposition of the property. We appreciate that. We're trying to diligently manage your properties in the best way for the overall company and our stakeholders. With that, we had a long and robust meeting today, and it started out with Suzanne and our pension committee, and she had some news that she would like to report about her committee meeting.

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Suzanne:

Thanks, David, and good evening everyone. I hope everyone's well. Today we had Morgan Stanley in to review our quarterly performance, and we also reviewed the Charter of the committee as well as the investment policy statement. The investment policy statement was updated to reflect the target of getting to the pension plans to be fully funded by the end of fiscal year 2025. Used to have a target date of 2023 and it's been moved to 2025. This is consistent with the last 10-year model update and budget assumptions.

Suzanne:

Morgan Stanley also reviewed quarterly performance on the pension [inaudible 00:18:38] plans, and the return for the 2nd quarter and did it June 30th 2021. For the pension [inaudible 00:18:45] plans were reported to be a 4.79% which is 3.04% over the actuarial return expectation for the quarter of 1.75%. And this of course is based on our old 7% annual rate which was in place prior to May 2021. Returns for the 12-month period from June 30th 2020 to June 30th 2021 were reported to be 22.62% or 15.62% more than the actuarial return for the period of 7% prior to May 2021 again.

Suzanne:

It should be noted though that March of 2020 was the low of the market, and that in June 2020 it was still quite depressed. So that's reflected obviously in the annual return numbers there. Returns for the six-month period from December 31st 2020 to June 30th 2021 were reported to be 7.27% or 3.77% more than the actuarial return for the 3.5% again using the 7% annual target that was in place from prior to May 2021.

Suzanne:

And for those of you who have insatiable desire to slice it one more way: From June 1st 2020 to May 31st 2021, which is the fiscal year to date return, was reported as 23.79%. So they're largely in very good shape. And that was the report from the committee. Thank you, David. Unless anybody has any questions.

Brian:

Suzanne, this is Brian Eitzer-

Suzanne:

Yes.

Brian:

Just one simple question.

Suzanne:

Yes.

Brian:

Does pushing back the target date for our pensions being fully funded have any effect on any of our bond ratings or anything like that?

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Suzanne:

No, actually, the conversation related to the fully funded has been going on for a number of years in terms of estimating what will happen with retirees taking their plan payments, looking at rates of return for the investments and the funds. If there was some hiccup that was demonstrably a responsibility or failure by the RWA, then your credit rate and rating agencies would have questions and would consider thinking about the fact that there's some sort of failure with fully funded.

Suzanne:

The reasons why we've pushed this back are actually very symptomatic of trying to get to a fully funded plan where you're trying to manage lots of different things, and part of it is timing. So it all depends when the actuarial estimation is done so that we can project it. So again, if they're taking a look at it from last year in the 10-year model and then early again in January, we're now in a totally different period, certainly from an interest rate point of view, but it's also impacted by the number of retirees. So as long as the RWA is showing very good faith, continuing to make additional contributions, managing the portfolio and exceeding expectations with the things it has control of, it really shouldn't have any concern about rating agencies having concern about our plans. Our plan is solid and it's still moving forward. I don't know if Rochelle wants to add anything to that, or David.

Brian:

No, that was just my question, I think you've answered.

David:

Thank you. Any other questions? All right. Suzanne, thank you. And we also met as a compensation committee, and the compensation committee chairman is Tony DiSalvo [crosstalk 00:22:46].

Greg:

Is that Tony talking?

Tony:

I want to point out that that's not me. I have a much louder voice than that. [crosstalk 00:23:00] Well I don't think so.

Tony:

We spent the day... it seemed like the day with the CEO's self-assessment for 2021, and his focus plan for 2022. He reviewed with us all of his leadership team and assessments and recommendations for them. We reviewed his performance in a variety of different ways, even being Larry, and we approved the compensation plan for him for 2022. And David will be meeting with him and going over a lot of those details with him shortly. That was the committee, and that was the performance, we did all of that in only an hour and a half.

David:

All right, questions or comments on that? All right, and for the business part, I will turn things over to the aforementioned evaluatee, Larry Bingaman.

Larry:

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Thank you Mr. Borowy. Let's see, after one month of actual results through June 30th, operating revenues are over budget by \$971,000 due to one total water revenues being over budget by \$836,000 primarily due to higher than anticipated consumption, and our other revenues are over budget by \$135,000 and that's due to higher than budgeted jobbing and our lab services revenues. Most of that difference at this point in time is... or excuse me, operating expenses are under budget by about \$483,000, most of that is due to timing. So when you take all the puts and takes, we are currently projecting coverage of 114% with a shortfall of \$750,000, and that compares to a budget of \$922,000. Now that projection reflects of a small reduction in the anticipated fiscal 22 debt service payments, but it does not reflect the yet to be filed rate application if it is ultimately approved. So there's still some lingering uncertainty due to the pandemic and its impact, including climate levels and a customer's ability to pay.

Larry:

And in terms of storage and rainfall, we have as of July 12th, water storage is 100%, which compares to a long term average of 84% for this time of the year. And interestingly enough, for fiscal 22 to date through July 11th, rainfall totaled 9.21 inches and that compares to a historical average of 5.05 inches, so we're four inches over what is the normal average, and most of that is due to tropical storm Elsa last Friday which dumped three and a half to five inches of rain across our system. So we're in good shape should be have a continuation of hot summer.

Mark:

Larry, have you ever seen 100% capacity in July?

Larry:

Not since 1992.

Mark:

Not since 1992.

Larry:

1992 when we had 100% in June.

Mark:

Has this rain affected our graft in the last six weeks, say? Have any noticed?

Larry:

Well, we're down about... for this fiscal year, we're down about 5% for the fiscal year to date. So June through July 14th for the month of July we're down about 9.7%. So yesterday we did 49 million gallons per day, and that compares to this time last year of doing about 57 million gallons. So there's about a nine-million-gallon difference per day between what we did this year versus last year.

Mark:

So we really need to stop bragging here.

Larry:

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Really need bragging, or use more water.

Mark:

Use more water. It's kind of tough when you're deluged with water, your flowers are floating. [crosstalk 00:27:48] Thank you.

Larry:

So that's it for my report this evening, thank you.

Brian:

Just take long showers, Mark.

Mark:

I have a question again for you, Larry, I'm sorry.

Larry:

Okay.

Mark:

Okay, you know on this business that we bought in... wherever it is, I don't remember where it is, actually, are we going to get reports on how it's doing monthly, quarterly, yearly?

Larry:

Yes. We should be able to provide that.

Mark:

Well I would think that would be helpful since it's the money from the water company.

Larry:

I don't know that it'll be monthly, but we'll see-

Mark:

Quarterly would be fine to me, I just didn't want... I mean I can see going to an executive session if you had to, if you're wondering about that. But what about the company that we lent money to and was getting into and then got out of? Is it still around?

Larry:

It's still around, it is.

Mark:

Has it paid us any money back?

Larry:

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Not yet, the note is not due until next year.

Mark:

Okay. But they're still there and they're still-

Larry:

Still there, yes.

Mark:

That's a good sign!

Larry:

That's a good sign.

Mark:

Thank you, Larry.

Larry:

Yes, you're welcome.

David:

All right, any other questions for Larry? All right, we also acted on a couple of items that will keep you folks busy. We recommended, voted and recommended rules and regulation adjustments, many of which are related to [inaudible 00:29:16] The rules and regulations are reviewed every few years, sometimes tied in with a [inaudible 00:29:22] sometimes not. Things like rewording our responsibilities versus homeowner's responsibilities when it comes to nullifying them if there's excessive water usage because they can sign up for notifying of that. Monthly billing, general things like that, the ability to do that, there are some adjustments in there and changes that we would ask you good folks to look at and consider.

David:

And then we also voted, this is the first time you've heard this in two and a half years, we also voted on an issuance test rate application, and we would ask your consideration of that as well. We do need to go out to bond for our capital budget. We spent the last year's capital budget being half, and we used our cash proceeds that we had available, but we are now getting back to a game of needing to enhance the cash that we have available to keep up with our capital projects in order to keep up with the system and the maintenance that we expect to have reliable water, safe water for all of us.

David:

I'll ask if there's questions on those items.

Mike:

I have a question.

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David:

Sure, Mike.

Mike:

This increase in the water that we have, does that encourage the water company to pursue more water main replacement projects that they have previously held off on?

David:

Larry, my initial thingy is that I don't see why the amount of water and rain that we have had would have any effect on whether the system needed to have work done or not, other than if it possibly washed away something somewhere because of the heavy rains. Really it would be more the flip side if we had less water and water got used a lot more, we may have to update some of the systems from use. But, Larry, I don't know, maybe there's a different take.

Larry:

Yeah, I guess another way of looking at it is the rate case will enable us to continue to invest in the infrastructure which will have certainly water main replacement or extensions as the case may be. So it'll definitely help with that as well.

Mario:

Mike, does that answer your question?

Mike:

Yes.

Mario:

Okay. Thank you very much.

Jamie:

I have another question about the rate case, and it's still in formation I understand, but the federal infrastructure bill that looks like it may pass, I understood, and I just heard a snippet on NPR, and they said "and to include dot dot dot water," so that caught my eye. I was driving, so I couldn't go back and listen to it in detail, but I wonder how that will, and maybe we're premature at this point to think about it, how it might impact the rate case. Or is that something that if we see a benefit from that that allows us to do more than we originally planned or allows us to put more money into things that we... I just wondered if that's even under consideration or if it's too early to calculate that into the..."

Larry:

We can't calculate it at this point, but I can assure you we are aggressively pursuing all avenues to make that federal funding available to the RWA. If we would get some, we would either apply it toward projects, and that would help extend the amount of money that we have, and maybe could enable us to do more projects than we had originally anticipated that are critical but we put into another fiscal year.

Jamie:

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Thank you.

Larry:

Which would have a benefit and subsequent rate... could have a benefit and a subsequent rate case.

Stephen:

David, this is Steve, I have a question for Larry.

David:

Go ahead, Steve.

Stephen:

Larry, again with the acquisition, who in RWA management is going to be involved or oversee what happens there? How do we oversee that acquisition and ensure that that's going ok.

Larry:

Well, two things. One, Rochelle recently assumed new responsibilities as the Head of Finance for the commercial enterprises, and she is working directly with the Director of Business Development, who it so happens has a background in running plumbing companies, and in addition to the business development experience. So he is, the owner of the business that we purchased is reporting directly to him, and he and Rochelle together are overseeing the financial operations.

Stephen:

Okay. I mean do they put a lot of time into that or are they involved just every couple of weeks-

Larry:

Well, the business development director's name is Dennis Donovan. Dennis is having regular weekly conversations with the business owner, and since closing which was the end of June, he's been having daily conversations with him just to make sure things are going right. That will probably spread out to a few times a week to weekly.

Stephen:

Okay. So basically they have to perform in order to get the amount they wanted for-

Larry:

That's right, there are very specific targets that they have to hit in order to get the agreed upon payout. If they do better they get a little bit more, if they do less, they get less.

Stephen:

Okay, thank you.

Mario:

Okay. Are there questions? Anything else, David?

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David:

No, that was it. Thank you so much.

Mario:

Okay. Thank you very much. I'll take just a moment, Mr. Donofrio, if there's anything that you need to bring before this board.

Jeff:

Good evening, thank you. As the Chairman of the Consumer Affairs Committee reported, based on the June meeting and as will be reiterated by me at Monday's Consumer Affairs meeting, the OCA is having a very quiet summer in terms of no communication with any consumers. So I'm going to have to go on the RWA website later and make sure my phone number and email address is still on there.

Larry:

See David, I told you David that would only work so long.

Mario:

That is part of our cross containment, Jeff.

Jeff:

That's good. That'll free me up to spend more time on the issuance test rate application when I get it.

Mario:

Absolutely, thank you very much.

Jeff:

Thank you.

Mario:

Okay. This evening we are pleased to have a presentation by...[inaudible 00:36:41]

Prem:

Prem and the team.

Mario:

By Prem and his team on customer care realignment and transformation.

Prem:

Thank you.

Mario:

So Prem, if you wouldn't mind.

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Prem:

Thank you, good evening everyone. Can you guys hear me okay?

Whole Group:

Yes.

Prem:

Okay, good. Just to do a little bit of level setting, this presentation was done to the Consumer Affairs Committee, I think it was in May, if I'm not wrong. Then based on the feedback, we are coming back into the full RPB to [inaudible 00:37:14] the presentation. I won't keep it very long, we did shorten the presentation so you're going to hear the main points in here and we'll keep moving.

Prem:

Couple things as level setting right? In terms of strategic alignment, as you all know, customer care and the [inaudible 00:37:30] are the primary, I would say, main perspective or full perspective in terms of a strategy and planning. So keeping that in mind, you could think about what we're going to cover today, specifically for areas of focus we look at. One is talking a little bit about our vision, how is this aligned to our RWA vision, enhancing customer experience? Then a couple of benefits that we are trying to already envision that are happening and are yet to come, so we'll talk about that a little bit and that vision.

Prem:

Laura is going to be talking a little bit about RWA landscape. She is a customer care director, she is joining us today. And then followed by that we'll have a couple customer journey iterations that we've been looking and really enhancing the value for our customers, so we'll talk about a specific example there. And then a transformational roadmap and solutioning. Hopefully that's not too long, we're going to keep it simple there at the highest level and then we'll go from there. So that being said, we can go to the next slide, Jennifer. Again, please stop me if you have any questions, please interrupt. This way, we could answer any questions that you have.

Prem:

The oral vision perspective it's as simple as [inaudible 00:38:47] customers in traction, simple as [inaudible 00:38:51] high quality. Right, so that is our oral vision from a customer care perspective. Start thinking about, "How does that align to an oral strategy. As I mentioned, customers and constituents are our primary focus, our main perspective that we look at. And a couple things we talk about there is from a strategy perspective, improving your customer satisfaction, we talk about pursuing new technology so we have a better customer experience. Then we also want to talk about, in terms of [inaudible 00:39:23] perception of [inaudible 00:39:24]. In this case the RPB support and the board support that we have, and of really enhancing that experience [inaudible 00:39:32] of our customer.

Prem:

So a couple examples that we would like to touch here is for example, let's talk a little bit about cell service. Start thinking about, if you remember, a customer's experience itself, and you start going into the details of how does a customer want to be served. A classy example, as you know, we have a population of customers, from a customer segmentation perspective, we have customers who are looking for cutting edge technology, trying to make sure that they can do mobile access and be able to make

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those payments online or by a mobile phone, versus customers who just go in to pay their bill, then they're done, right? So we had a key focus on how we really focus on that customer segmentation itself. So we engaged with [inaudible 00:40:21] one of our partners who help us in understanding customer needs. In this case, the example was more focused on the products and services the customer would like from us. We looked at a specific product which is again, touching the proactive customer focus. In improving our customer service, we really wanted to make sure that we understand customer needs, so you'll be seeing more along those lines as we go through our customer journey.

Prem:

And then a couple things that is, for example, a transactional survey. This year, we are looking to launch a transactional survey. As you're aware, we do an annual survey for our customers, but a lot of times it's pretty outdated. Sometimes it's even... customer probably don't remember why they called us in the first place. So what we're planning do is to enhance an experience where, after every transaction we have with a customer, we want to have the survey right then and there. This way they can tell us how they felt and if it was a good experience or how we could improve upon. So that's another area of focus that we have in terms of really improving the customer experience there.

Prem:

A couple metrics, I would kind of bring up one here is speed and quality for example. We looked at our fiscal year 21. At a high level, we have couple metrics like our speed of answer. So anything less than 70 seconds, being able to show the customer it's best in class. So again, I'm happy to report that we have exceeded that expectation last year, and we are strengthening it even more this year. This fiscal year. Another example would be abandonment rate. We had metrics on 5% of customer abandonment rate. At an overall level we receive over 100,000 calls a year. The metric was at 5% and I believe we are close to 3.5% so we did a good job there as well. So those are some of the metrics we track, and as we go through it, in terms of customers themselves, hopefully when we talk about first call resolution, that's something we are looking to focus this year. So when a customer calls in, how efficiently are we able to solve the issues in the first call, right? So I mean, as it says.

Prem:

So some of the areas of focus there, a couple things on proactive services. I would say as you are aware, we did launch our consumer consumption history for the lines that we had on, really customers being able to go in the website and be able to see how much they consume. We're also looking at evolving that to the next level in the sense of leap notifications. So the team is working through that so we can proactively tell our customers again, what if there's a leak? That work is happening this year. So those are a couple examples there.

Prem:

In terms of increased revenue, I know Larry mentioned a couple things in acquisitions earlier, [inaudible 00:43:19]. We are looking to understand and expand the customer needs, so we are looking at a certain product and service now. It's still in [inaudible 00:43:28] we're working through that to launch new services for our customers so you could actually have the increased revenue stream. So again as you all know, every million dollars we make, we say we offsets 1% of our rate, so our goal is to really find to bring additional revenue so we can offset our rates. Very much important [inaudible 00:43:48] as we go into our rate application here.

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Prem:

So those are some of the examples, right? And again, there may be other questions from the team as we are looking and as the team is discussing all of the different initiatives, we can kind of build up on any questions that you have.

Prem:

Going into the next level, I will say Laura, if you could please walk us through a little bit of what is our current customer service team, and the improvements we already did, and how are we navigating, that would be helpful. Laura, you want to chime in? Laura, are you there?

Prem:

Might be muted.

Mario:

You're on mute, Laura.

Prem:

You're muted, Laura.

Laura:

I apologize, guys. Good evening everybody.

Laura:

I said, one of the biggest things we've done this year is we realized how important it is [crosstalk 00:44:38]

Prem:

Sorry, can you go to the next slide, there?

Laura:

Yeah, that's what I was saying when I was on mute. I thought I was going to go on the memory, thank you Jennifer.

Laura:

So recently we organized our team, we did a couple of things. Basically we have front office and back office teams, those that handle the calls and those that do billing and collection tasks, and that is still in place. We did fill two vacancies. We have two CSR's that are going through our new curriculum. We have a trainer that is dedicated to the RWA development of staff, and we have a new curriculum so these two new CSR's are presently going through that. That is a six-week program, so we've made a very good selection, so far so good, and they'll be on the floor in a couple of weeks.

Laura:

But a brand new role that was created is the customer experience manager, and she is, her name is Louise. D'Amico and some on the board may know her. She has over 25 years RWA utility experience.

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She is focusing on the customer, keeping the customer first, basically so we can determine not what we want to give our customers, but what do our customers want? And that's the key focus this year, so we're very excited about that position, it's going well. She has worked with some members of the board on resolution of escalated complaints.

Laura:

Front office functions continue to be Monday through Friday, 8:00 a.m. We do have language support for non-English speaking customers. Our ASA, average speed of answer, continues to do well. We've done really well. Not only has our call volume been down because of the pandemic, but the staff has really been doing a great job in staying on task, although the majority have been remoted, and that model has done well. The abandonment rate, again, has been less than 5%. Prem mentioned first call resolution. That is a key metric for the customer experience. We've yet to... we haven't developed it yet, we are working on the reports in order to effectively track this metric, but it's something that we are building on as we speak.

Laura:

In collections and billing, that has also been a change. We had not been able to focus on collection activities, meaning dedicating staff to collections, but as a result of AMI and better billing numbers, actual leads and so forth, we have been able to dedicate one to two members of the back office team specifically for collections, and we've brought in almost over [inaudible 00:47:44] dollars in recovery [crosstalk 00:47:47]. We'll also put in on the automated lean process again, bringing in almost a million dollars there. And that continues to be exciting for the team. In the past month of June, for example, the team collected over \$300,000 just by making outbound calls, ensuring that we're getting to the right people in companies, whether they be residential, commercial counts and so forth. So that is something that we are still working on. [crosstalk 00:48:17]

Laura:

In general, our service, we provide service to about 225,000 customers, and of course water's not limited to water. We have 116,000 customers there, but we also offer PipeSafe recreation program, and other services that are our customers, and we have the opportunity to serve them more out. Property closings continue to be at an all-time high. Processed our 6,000 properties per year, and this past month alone in June, we almost hit 700 property closings, so there's been a lot of activity in the state of Connecticut in regards to sales, and that translates to a lot of work for us here in customer care.

Laura:

Field service and appointment scheduling is something that we do. AMI installations we have. We're still installing, we're sending letters out, and basically these are the... The tone of the letter is stronger. These are those accounts that have been access issues for example, or they've ignored us in the past, and basically they're certified and we're letting customers know that we might disconnect as well as charge them for manual reads. So they are responding to those letters, and we continue to work down the remaining AMI accounts.

Laura:

E-billing is something that we are also focusing on and we're almost at 30%, the adoption rate there. We did do an incentive of \$5 for those people that enrolled for a short period of time. That ended at the end of June, so we did see some results in regards to that.

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Prem:

So, before we go into the next slide, Jennifer can you, it looks like the screen has been cut in half. Something is going on, can you minimize the screen a little bit more? It looks like... yeah maybe this is okay.

Jennifer:

Just leave it in this view? Is that better?

Prem:

Yeah because the other view, it's actually cutting off the screen, so yeah, I think we can keep this view right. A little bit harder to see, but I think it might work

Prem:

So the essential point, right? I want to quickly hit on somethings, and even for Jeff's point earlier. From a perspective of OCA, we have been having very few escalations as she had mentioned, right? It kind of speaks to itself in terms of this realignment. So kudos to the team there, and as you can imagine, we haven't really added additional resources if you will.

Prem:

We have tried to use, very creatively, especially with the pandemic, right, and the financial impact, redo the teams' way that they are actually operating today, and even the eight years of collections that Laura had mentioned, about bringing \$95,000 on the collectibles. Those are some good eight years of focus that the team has been putting there. So I just want to mention those eight years and again, Dana's going to talk a little bit about the customer journey here.

Prem:

I know in the past, we have discussed a little bit about, "This is all great, but how come customers are still having issues, right? And it's a journey itself when you plan to fix issues, I call fix the foundation, as you kind of build that good customer experience. So, Dana if you don't mind to go through one of these examples, a lot of help that'd be.

Dana:

Yeah, and thank you. So on this side, what we're really doing is we're really trying to illustrate some of the ways that we're trying to change the way customers interact with us and engage around their water, utility, and various services bills from RWA. This example here, we're looking at how we can take what is really a frustrating experience for our customers today when they get a high bill.

Dana:

So with our quarterly billing, a leak or a break could happen in, say, January, right? Cold pipes. And there's a slow leak happening, and that customer's bill is continuing to escalate beyond what they might normally expect [crosstalk 00:52:34], and there was no way prior to AMI for us to really know that that was the case until we read the quarterly read and we issued the bill, the customer gets this bill, and of course they're very frustrated. What's happened? We get a call into the call center, we have a complaint, we have to deal with the customer, issue credits as appropriate and things of that nature.

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Dana:

So it's a very dissatisfying experience for the customer, it increases the work load and the challenges for the call center, and of course there's a financial impact as well as just sort of that reputation and perception of customers. What we're trying to do is to create new ways of interacting with our customers in much more proactive, easy to access ways that will allow them to have a better experience and avoid some of those very frustrating situations.

Dana:

So in this high bill example, instead of waiting the multiple months to get the bill and have a very frustrated customer, the lower section is showing us really how we can be much more proactive. So some of the notifications that we are working on are currently working with our portal, and we're also sending letters, but what we're trying to do is get in front of that bill so that we're telling customers ahead of time that we notice something unusual in their consumption, letting them know that "Hey, you're on a trajectory that will give you a higher than usual bill, and we can help you do something about it." There are walk-throughs that our representatives do with the customers, or that customers can find online to sort of trouble shoot where their leaks are using tablets and colored tablets and things like that, right, to diagnose where their leaks might be. We want to give that tool to them at their fingertips, at their convenience with some proactive notice.

Dana:

So using things like mobile applications, online tools, we can alert customers, again proactively, not waiting for the bill, not waiting for them to call us, to let them know that we're seeing something unusual in the consumption on their account. They can then choose to take action and use our on screen tutorials to help diagnose and rectify that before the bill becomes overly large.

Dana:

We also want to take these tools, again, using mobile and online tools to extend and offer new types of features to our customers, whether that's promoting our new commercial enterprise offerings and programs, and or to even offer some new features that we're looking at how we can introduce such as budget plans, again, a levelized payment plan that will help ease that and create a more level revenue pattern for us and ensure that customers aren't falling behind. So we're really looking into ways to expand those we think we can do things and are working with a vendor to do things like requesting service appointments, looking at how we can report main breaks and hydrants, do proactive notifications of projects or active disruptions in our system, and again, looking at that one [inaudible 00:55:40] So that portal is something that we're working with on building and we've done some pilot launch on that and introduced it to select groups of customers, and we're really excited about having that ability to be more proactive and put the tools in the customers hands at the time that they want to have those interactions.

Dana:

Any questions?

Dana:

Okay, I think we can go to the next slide if there's no questions. Thank you.

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Dana:

So this is an outline of current programs that we have, active projects within the customer care center, and cycles that we're looking at for them. As you may recall, we did a bill redesign last year, have a new exciting bill with some charts, different colors, RWA logos, much more clean and interactive in sense of easy to read bill for our customers. That was launched out in April, and we started using KUBRA, a third party presenter to simplify our bill and mailing, print and mail functions. We've been having a lot of success with that, a lot of improvement process opportunities in terms of some manual activities using their tools and technology that come with that utilization of their services, so we're seeing lots of improvements there.

Dana:

The customer portal in mav corp solution is a multi-face project that we incorporated into the customer portal as I mentioned earlier with a link on rwater.com, made it available to customers who are also employees. We have some progressive rollout of some functionality, so we're asking our employees to give us feedback on that while we continue to build the non-core functionality, commercial enterprise, sorry, we've used some new terms since we made this slide originally.

Dana:

So the commercial enterprise growth that we're looking at, this new feature that we're working on building provides the ability for us to create new bundling and pricing opportunities, introduce products more rapidly in terms of some of the challenges we'd had in SAP previously, this builds that capability for us to do that. So we're working through that and looking at probably a September go live. We're in development now. And then we have a third phase release to be. It's called Here which is where we get the full rollout of the commercial enterprise solution, and the mobile application which will introduce all of the E-billing and the E-payment functionality that we're used to on our partner website. KUBRA currently hosts those functions for us. This will allow us to bring everything back and centralized onto rwater.com within this portal tool so that customers have a much more seamless, self-service experience. They can look at their historic bills, payments, their consumption, all within one continuous portal. We're really excited about those features that that will bring for our customers.

Dana:

The other major project we have going on is the monthly billing conversion project where we're transitioning from quarterly bills to monthly bills. We have shared previously with different committees the [inaudible 00:59:15] case for moving to monthly billing, and we're really in the process of doing that. Root design is near completion. We're revisiting the Dunning and the billing processes, and I was really excited to hear that we've got some rules and regs suggestions for how we can incorporate that new monthly billing feature into the rules and regs. We're really on schedule to go live for January of '22.

Dana:

The other activity that we've really started ramping back up is the CIS roadmap. You may recall that we're on an older version of SAP currently. There is a look at how we can evaluate through this RFP process, the CIS landscape. We'll revisit some of the work we had done previously before we had retracted the RFP and we're going to go back out and see where the marketplace is now, assess the cost, and see how that fits into a plan where we're looking to be back to the RPB later this fall, maybe early winter, January/February, with an application. Hopefully with the go live, should take about a 12 to 14-month project we're thinking based on what we understand of the market today.

Dana:

So much more to come on the CIS RFP application, but we are looking. Wanted to make sure that you had a heads up that we were looking at that and anticipating and RPB application this fiscal year.

Prem:

Okay, so I think [inaudible 01:00:57] I know it is a lot, I know, to observe here. Are there any preliminary questions that RPB or that other team members here have? Because one thing, as we all know, we haven't done anything with our CIS platform for the past 12 years, and that's been one of the many areas we kicked the can down the road too long. Now we are at a point where application would stop supporting in a couple years' time. That's why we had to really take a look at, in terms of, what the next steps are, so we're doing this RFP war. But to Jenna's point, I think we'll come back to RPB on the application itself and go through details. We did engage with AAC partners. [inaudible 01:01:43] I think couple years, or three years ago, we engaged and we actually haven't completed exercise, so we are re-engaged with them to really look at the overall solutioning of the CIS and how does it help not only just to address the billing system, but also to address the overall needs of RWA. So they're helping us to do that and finish the work.

Prem:

Any questions from any of the members?

Stephen:

Prem, this is Steve. I have a question about the SAP. Are we wed to this system for the future, or are you at a point where you can reevaluate moving forward what you think you might need?

Prem:

Yeah, that's a great question, Steve. So if you look at the roadmap, all the pieces that we are building right now is flexible to be the [inaudible 01:02:45] SAP or any of those systems, so we wanted to make sure that we have a flexibility there. If we decide to go the other way around, right? But that being said, one thing I will make a note here is that when we evaluated this, I think four or five years ago, as you know, technology renews every other day, right? So the assumptions were a lot different back in time, the costs were different, and even the kicking can down the road comment that I made before, there are totally new solutions now where you do not have to do that.

Prem:

So even SAP has a solution and their cost has gone down considerably to 60% than what we had in the past. So all that being said, we have the flexibility, but we'll be looking at SAP, non SAP, all applications that would be a right fit for us, and also think of more of the future growth. Commercial enterprises is one of the key areas of focus, so we are trying to take into account all of those and what works for RWA. So that's what we are looking at, Steve.

Stephen:

Okay, and there's new challenges now, too, right? There's things that you weren't considering when you put this system in-

Prem:

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Yes, exactly, and cyber security as you all know has been a very big challenge in these days. Small companies out there are not being able to scale up from a cyber perspective. So now we are focused on that, and again, comparing SAP to other systems, SAP is much more secure the way they actually are having direction architecture compared to other systems. So there's been a lot of focus on cyber security now, so we're making sure that we're putting the right system in place.

Stephen:

Okay, thank you.

Prem:

Thank you.

Mario:

Great job, Prem.

Prem:

Thank you.

Mario:

Any other questions? Sounds like you've got a lot on your plate. We look forward to hearing more and keep the committees updated. Obviously you get much more interaction when you're dealing with a committee instead of this many people on a screen.

Mario:

Very good. Any other questions? All right, thank you very much. Is there any other business for the RPB? Hearing none. Take a motion to adjourn.

Greg:

So moved.

Jay:

I'll make the motion, Mr. Chairman, to adjourn.

Mario:

Okay, thank you Jay. Second by Greg.

Greg:

Yes, second.

Mario:

Okay. Thank you all very much. It was a long meeting, but we got quite a bit accomplished. So it's 7:34, we stand adjourned.