

**Representative Policy Board
South Central Connecticut Regional Water District
February 24, 2022
Meeting Transcription**

Mario:

Thank you. Welcome to the regular meeting of the representative policy board of the south central Connecticut regional water district for February 24th. It's 6:30. I'm Mario Ricozzi, Chair. Going into the agenda right away. The safety moment is about driving in sun glare, which has been an issue, and it tends to be an issue this time of year. Accounting for the time of the day, polarized sunglasses, sun visor, blowing down headlights and clean that windshield. So please look at all the details under those categories. Thank you, Jennifer, for putting that together each month. Appreciate it.

Rich:

Mario, maybe next month we can have one about growing old.

Mario:

I wouldn't know anything about that. I keep forgetting.

Peter:

Hey, I kind of like that, Mario.

Mario:

Okay. So [crosstalk 00:02:21] for the record, it has been noted. The second item is the approval of the minutes of January 27th, 2022. Is there a motion?

Bob:

So moved.

Mario:

Thank you, Bob. Second?

Tim:

Mr. Slocum.

Mario:

Tim, thank you. Any corrections, amendments, adjustments to the minutes? Okay. Hearing none, dry your minds. All in favor say aye.

Group:

Aye.

Mario:

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Anyone opposed? Anyone abstaining? Okay. Thank you very much. It's approved. Communications: report on the code of ethics compliance for the period ending November 30th, 2021. Jennifer, you had sent this to me and I do not find the email with it. I believe it was a positive in compliance as I recall.

Jennifer:

That's correct. Yep.

Mario:

Okay.

Jennifer:

In compliance.

Mario:

So thank you all for getting your reports in. I know it's sometimes a little bit of a pain in the neck, and Jennifer is good at hounding you. So thank you all for complying one way or another and writing. I don't believe there's any other communications other than Jennifer is trying to set up an executive committee meeting. And hopefully at that meeting, we'll have some updates as to when we get together in person and/or virtually and/or hybrid. So look forward to our next updates on that.

Mario:

We have items for a consideration in action, and there is a recommendation from the finance committee. Mr. Slocum, I believe you were going to propose this as the chair.

Tim:

That is accurate. And in doing so, why don't I enter the resolution, get a second, and then provide some background. Unless you'd prefer it another way, chairman.

Mario:

No, that would be fine.

Tim:

Okay. Very good. So with that, the proposed resolution dated February 24th, 2022 resolved that, based on the recommendation of the representative policy board finance committee effective June 1st, 2022, the compensation of the regional water authority, RWA chairperson had to be increased to \$35,500 per year. And the compensation of members for the RWA who do not service chairperson be increased to \$26,000 a year.

Jamie:

I will second that.

Tim:

That's second. Well, just to provide a-

Mario:

Okay, discussion, Tim.

Tim:

Yeah, just to provide a little background, the finance committee reviews three year cycles of increase. And last year, as you may recall, we did that review. And in consideration of what was going on with COVID and everything else, we had advanced a recommendation that we do it by approximately half what would've been our typical recommended increase. And that was being compatible with what management was doing with employees and everything else. So it was just deemed to be a measure at the time that was appropriate for the time. In reviewing it, we obviously had discussions about that, and we just felt compelled and we also felt the authority deserving of an increase that would bring them to that full level of what we probably would've recommended absent COVID. So that's more or less a summary of what the committee discussed and reviewed.

Greg:

Hey, Tim.

Tim:

Yes.

Greg:

Just refresh my memory, how much of an increase is this?

Tim:

This I think is an increase of, oh, that's a good question. I didn't write those notes, but I believe we increased it by \$700. So this is now the other 700 added to that. So that's what the increase is.

Greg:

Okay. Thank you.

Mario:

Other questions? Okay. Seeing none, all those in favor say aye.

Group:

Aye.

Mario:

Opposed? And abstaining? Okay. Thank you very much. And Tim, would you like to move into the finance committee report?

Tim:

Certainly. Because there was more discussion at our meeting. Specifically, Rochelle presented a report on the refinancing that's been done to date and just to bring us all up to date. And essentially, it was obviously an optimistic report. We've had some savings which occur over the long term, but they're

immediate and important. And some of the discussions centered around what we all understand to be an environment of rising interest rates. We wondered if this would foreclose on opportunities to take advantage of savings going forward.

Tim:

And Rochelle assured us that they're not rising that fast. And as things come forward, she thought there would be opportunities for savings as things come up. So essentially it was just to bring us up to date, more or less report. It was positive. And we appreciated the input she provided. Rochelle, if you wanted to add anything just for the meat of the discussion, that's certainly fine if you'd like. If not, I understand.

Rochelle:

I would just say thank you, Tim. And it is on the agenda for the consumer affairs committee.

Tim:

Wonderful. Okay. Okay. So with that, that basically, other than the conversation that took place on the authority compensation levels, that was pretty much the meat of our meeting. We concluded within 30 minutes because it was Valentine's Day. I had to get home for some chocolates I brought for myself. And with that, I guess the only additional report would be that we meet again on March 14th at 5:00, and that's about it.

Mario:

Okay. Thank you. Any questions for finance committee? All right. Thank you very much. Land use committee. Peter.

Peter:

Yes. Mr. Chairman, thank you. Good evening, everyone. Our regular meeting was February 9th, 5:30. Our safety moment kind of had something to do with growing old. I believe Rich, was it Rich that spoke up about a safety moment being structured towards growing old? Because it was American Heart Association month. So Richard, if you get a chance, you can look up our safety moment.

Peter:

Anyways, we also had approval of minutes and then we had a variana research by Steve [Trumble 00:09:41]. And if Brian or anyone wants to intervene on, it was a long history of the beetle. And if you really need to look into our minutes, it's pretty knowledgeable. But I say Brian because Brian's pretty much in that field, and sorry about my dog here.

Brian:

That's all right, Peter. I can just give a really quick summary of it. Basically he was studying the diversity of beetles that break down some small rodents and animals that die. And one of the things he does is he does a part of his research on our property, in the Bethany Prospect border. And so he was reporting back on that research to us on the diversity and how that compares with diversity of beetles elsewhere.

Peter:

Thanks, Brian. I referred to Brian because I'm still studying that presentation. It was pretty deep for myself.

Jamie:

One thing I did [crosstalk 00:10:47] Oh, Peter, I would add it was really fascinating how these beetles actually kind of take a dead animal and carve it out up into a little ball and bury it. It's remarkable if you're interested in seeing. But one of the things that I found really interesting was that his research is being contemplated by, what are the groups that look at dead humans? Forensic specialists. For forensic purposes. So they use flies, but you can also use beetles, something to do with the breakdown of beetles. And so his research, it was kind of interesting. It was completely off my radar, what he was talking about, but it was interesting. [crosstalk 00:11:29] there too.

Brian:

It's not the beetles that he was looking at for the larger animals and humans.

Peter:

I think everyone from the [Halsey 00:11:39] board should get a chance to read the whole presentations, because it was pretty deep. Any other comments? I'm sorry, everyone. I like to bring my committee in just to get their input. Mr. Chairman, I hope I'm not out of line. And John [Triano 00:11:58], of course went through our properties, invasive species update. We're doing well there. Larry and Sunny were present. And our next meeting is March 9th at 5:30. If you have any questions, feel free to ask me.

Tim:

I have a question, Peter.

Peter:

Yes.

Tim:

You may or may not know, but obviously the regional water authority owns a lot of property. Are there other types of research that are done on the property that you're aware of? Obviously it's probably a permitted sort thing, they have to ask. I just was curious if you know of any other research besides invasive species.

Peter:

That's what I was going to say. I'd have to look into that.

Jamie:

I can answer that. There's research done. I know that there's Native American research done. Because we have guy that comes in from the Pacific Northwest who does research on some of the property in Killingworth, Hammonasset and I think, I want to say in a couple of locations. I think there's lots of different research, but that's something that John probably should answer. He tracks it through special permits.

Tim:

Well, it's really fascinating because we have a lot of unspoiled properties and I would imagine that's a great realm for the research world.

Brian:

[crosstalk 00:13:22] do a bunch of research on the forestry. They do some slash and burn projects. In conjunction with foresters, they've done some various research projects. If you look at our monetary month, one portion of the minutes in the report that John gives us is on the special research projects that are going on. And that just been re-permitted for the next month. So every month there's two or three special permits which come up for various research things.

Tim:

Fantastic.

Peter:

All right. Thank you everyone. I want to rein this in a little. Mr. chairman might be upset the way I handled that because we do have a-

Tim:

No, its great.

Peter:

I don't want to get in trouble.

Mario:

You have the most unique reports obviously.

Peter:

I do, don't I? We have the most unique committee.

Mario:

Yes.

Peter:

And like I said, our next meeting's March 9th. Thank you everyone.

Mario:

Okay. Thank you. Any other questions for land?

Tim:

That's okay.

Mario:

Steve [Mongillo 00:14:28].

Stephen:

Good evening everyone. Consumer affairs has not met since our last meeting, but we are going to meet, as mentioned by Rochelle, on Monday the 28th to get an update from her on the refinancing. We're also going to discuss the bills that recently came out. I had an inquiry from one of the Hamden residents. His bill was a little confusing, mine was even more complex. So I asked Prem to look into it, and I believe he and Rochelle will come and explain how the bills were constructed.

Stephen:

But there were several things going on at one time. We had a re-increase kick in and also the switch to monthly billing, and also the cycling of which bills went out. So I don't know if anyone else has had any inquiries, but I appreciate knowing about it if you did. And certainly willing to join us if you have any interest or questions about that topic. So we'll meet Monday.

Mario:

Excellent. Any questions?

Tim:

One quick question. Just one quick question. It has to do with the average billing. In the cycle that someone who has septic coverage the insurance program, in a cycle that occurs, say it's the first month that someone would normally pay it. Does that now add to the billing cycle over three months? It would be, correct?

Prem:

Yes. I think, Tim, the way we have navigated, I think you're referring to the pipe safe program that we have with [crosstalk 00:16:18] septic, right?

Tim:

Exactly.

Prem:

So basically what we did is we actually have converted quarterly to monthly as well for pipe safe. We still kept the option of yearly for certain customers who really wanted to stick with the yearly payments. So they have a monthly option and they have a yearly option. You're right.

Tim:

Okay. Okay. Thank you for the clarity.

Mario:

Good. I'd like to turn it over to David for the authorities report and management.

David:

All right. Thank you very much. Good evening. Thank you for your support earlier and the appreciation you show us in the work that we've done. We do work hard for you and for all of our customers. We met the [inaudible 00:17:07] and first item of business was to audit as the audit risk committee. So Catherine, I believe you're on, and I'm sure you're ready with your report. Well ...

Catherine:

Sorry, I was muted. Somebody's needs to mute their ...

David:

Yeah, I hear talking.

Catherine:

It's getting louder.

Jennifer:

I can't tell where it's coming from.

Brian:

Sometimes Jennifer can see it pop up. She quieted somebody earlier.

Jennifer:

Yeah.

Brian:

There we go.

Jennifer:

No, I can't tell where it's coming from.

Catherine:

Sorry. Well, we had two segments of the audit risk committee meeting today. The first we had a discussion in executive session concerning cyber risk strategies. Pretty much all I can tell you about it. It's very interesting. And the second part of the audit risk committee meeting we discussed the audit plan for this year's audit. And we had a presentation by the auditors at CLA. Anybody have any questions?

Mario:

Thank you, Catherine.

David:

You were very thorough. Thank you. And we also met as the strategic planning committee. And as the strategic planning committee, I chair that, and we heard from the CEO who coordinates all that. And Larry let us know that the fiscal '23 strategic planning cycle has been going along. And in doing the leading culture solutions, which is our [inaudible 00:19:07] consultant, collaborating with members of the RWA leadership team and directors to facilitate eight employee focus groups throughout the month. And almost 90 employees participated [inaudible 00:19:18] significant number of our employees. They gave direct input into the areas of focus for the RWA and where our priorities should be for the fiscal year '23 and helped advance [inaudible 00:19:29] strategic plan and the updates to that.

David:

Larry provided us five main areas of the focus group enhancing the overall external and internal customer experience, fostering more succession planning, cross training, and knowledge transfer. Continued emphasis on the commercial enterprise and why that's important, and building more process and resource management into our projects. And all employee input is going to be all put together and going to be part of the strategic plan going forward. Now with that committee meeting, we will next go on ... Are there questions on that?

Mario:

I think, David, once it's been adopted, if maybe at one of our meetings you might be able to share that.

David:

Absolutely. That would be great. We would love the opportunity to have everybody all on board with what the goal is. Good.

Mario:

Thank you.

David:

All right. And with that, I'll hand it over to Larry to give us the business report.

Larry:

Thank you very much. Before I do the financial highlights, we'll have Paul Joseph provide the COVID update. And this is Paul's last meeting because we have welcomed, as you know, this week, our new VP and chief human resources officer, Donna [Verdisco 00:20:54] who's with us tonight. And she's in my lower left-hand screen. I'd like to introduce Donna and have her say hi and welcome to the RWA.

Donna:

Thank you, Larry. And thank you everybody. I'm pleased to be here and really looking forward to meeting all of you and learning about the business. So thank you.

Tim:

Welcome.

Mario:

Welcome.

Brian:

Welcome.

Larry:

And so with that, I'll have Paul provide the COVID update and thank Paul very much for his work while we were doing a candidate search and ultimately found Donna. Paul...

Paul:

Thank you very much, Larry. On the COVID update, I'm happy to report that we have had no additional cases this month. That's a huge change since COVID actually started and it's very, very good news. Our vaccination rate has also not changed, meaning that we haven't had any other employees get vaccinated. Our current rate is at 85% of the staff.

Paul:

In Connecticut, there's been a significant drop in the positivity rate. Last month I reported that we had an 11.36 positivity rate. As of Tuesday, the rate in Connecticut was 3.51. So that's a very significant decrease. Our cleaning program continues to go on. We're cleaning facility on a regular basis. We've also continued to ensure that in all public areas, that masks be worn. So in the cafeteria, in the hallways, everybody is still wearing masks. So we basically have a mask mandate there. And as of this past Tuesday, we've gone back from having anybody who can work remote, working remotely to our hybrid schedule, where people are working three days in the office and two days at home. And hopefully we'll be able to get people back to the office more as COVID continues to recede, hopefully. That's it. Thank you.

Mario:

Thank you very much.

Larry:

Any questions for Paul?

Greg:

Yeah. This is Greg. When the people work in the office, do they have to wear masks, Larry?

Larry:

Yes they are required to wear masks.

Greg:

Thank you.

Larry:

Anytime they're outside their office or their cubicle.

Greg:

Thank you.

Larry:

So I'll report the actual results through January 31st or eight months into our fiscal year. Our operating revenues are over budget by about \$950,000. And that's due to our total water revenues being over budget by about \$669,000, and our other revenues, primarily the other proprietary revenues such as our lab services and pipe safe, being over budget by \$281,000.

Larry:

Operating and maintenance expenses are under budget by about \$3.3 million. And when you do all of the pluses and minuses, we are projecting now a coverage of 117% with no shortfall compared to an original budget of a \$922,000 shortfall. And that coverage incorporates the rate application, including depreciation and the bond pricing. And of course it also reflects the one time impact associated with the big bang conversion, to converting all quarterly bills into monthly billing, as well as some lower pilot and lower debt service payments.

Larry:

But we're still a little uncertain how the year's going to shake out, given that the pandemic is still in full motion. So we're still being cautiously optimistic. As of February 15, raw water storage was at 91% compared to a long-term average of 80% for this time of the month. That concludes the financial report for this evening. I'd be glad to take any question.

Mark:

I got a question. First of all, the water seems like we have a lot. That's for sure.

Larry:

Yes.

Mark:

Second question is, are we ever going to get a report on the businesses we've invested in? The well company we bought and that other company that grows plants and trucks or something in water? I don't know. Are we ever going to get a report on how they're doing?

Larry:

We might be able to do a high level report, but that's not something we typically don't provide detail on because it's a competitive business.

Mark:

Yeah. But are we making money or losing money? I don't care what the business is.

Larry:

We're making money.

Mark:

Okay. That's part of the investors of the people who get water in our district should know, or we should know how these businesses are doing financially. I know you're saying making money, but ...

Larry:

We're ahead of budget, Mark. So we're doing well.

Mark:

I don't think that satisfies me.

Larry:

Well, maybe you need to come to an executive committee meeting.

Mario:

Okay. Next, other questions?

Mark:

Sounds good to me. I'll try to make the next one if Jennifer would please tell me when it is. Thank you.

Charles:

Mario, I did have one question. I attended the meeting today, and I think it was one of Catherine's reports. She mentioned that the recreational permits were down. And I was just wondering if that's a timing issue or is it ... I know we had a big spike during COVID. So is that just changing because of people getting back to work or is it just a timing thing that more of them will come in later?

Larry:

We think that it has to do with people going back to work, because that spike was caused by everybody being at home. And we saw a tremendous increase. We were also running promotional programs too, in the form of advertisements, which did help spike the enrollment. But I think with people going back to work and schedules being a little more normal, that has had some impact. Of course we're getting ready to enter into the summer so we could see that tick back up again, Charlie.

Charles:

Yeah. I was just concerned whether or not we're going to go back to pre-COVID levels, or people who actually experience the outdoors, et cetera, would continue to appreciate it and be interested. I know it's not a big maker of the bottom line, but it's interesting that people take advantage of that type of thing.

Larry:

Yeah [crosstalk 00:28:26]

Speaker 9:

They're down about 10%, and I don't know if that's due to two year permits and people aren't renewing.

Charles:

Okay. Well that's just something ...

Larry:

We have, as of January '22, we have 5,605 permit holders. And that compares to January of 2021, we had 6,129. So there's about 500 fewer permit holders this time of year compared to January of last year. And that is also true in December of '21 versus December of '20.

Brian:

[crosstalk 00:29:09] If you look at it as compared back to '19 or '18, we're still up.

Larry:

Yes we are. That's right. Because it had gotten as low as somewhere, I think around 4,000. So we are up compared to what it was in previous years.

Mario:

Okay. Any other questions?

Brian:

I just had one quick question and just want to get a confirmation. We had no impact on our low quality or any future quality issues with the oil tank rollover that occurred on the border there in Cheshire.

Mario:

You're on mute, Larry.

Larry:

Got it. That's correct. There was no impact on RWA water sources. Steve [Vitco 00:29:59], who works in the environmental planning area, kept us informed through the weekend. And his last email on Sunday confirmed that there was no impact on water quality to the sources of supply in the Cheshire area where it occurred.

Brian:

Okay. I took a look at it. [inaudible 00:30:18] happened, but I just wanted to confirm that.

Mario:

Any other questions?

Stephen:

Mario, this is Steve. My connection's been unstable here. So at the end of my report, I kicked out. Did you have any other questions?

Mario:

No.

Stephen:

Okay.

Mario:

I think everyone's ... But you invited people to your meeting on Monday.

Stephen:

If they have issues related to the billing.

Mario:

Yes.

Stephen:

Because it was complex and they would have the information for any inquiries that come in.

Mario:

Good.

Stephen:

Okay. If it continues I'll phone in for the ...

Mario:

Oh, for the hearing? All right. I don't believe there's any other business. Call for an adjournment, but don't leave.

Tony:

So moved.

Jay:

Second.

Mario:

Thank you. And we have a second by Jay. Tony made the motion. All in favor?

Group:

Aye.