

REPRESENTATIVE POLICY BOARD

MEETING TRANSCRIPTION

JULY 28, 2022 AT 6:30 P.M.

Mario:

Being the case, I will start the meeting. Welcome everyone to the regular meeting of the representative policy board of the south-central Connecticut regional water district. For Thursday, July 28th, 6:30 PM. Mario Ricozzi, the chair of the RPB, and I thank you for that. First item of business on our agenda is, the safety moment that deals with hydration. This has been a strange week in that it was extremely hot and you needed water every few minutes. And then it was cold last night. So relatively speaking. But definitely make sure you get enough water intake to lube your joints and to help keep you from getting cramps in your legs and other places. So please read through the safety moment and we will continue on if that's okay with everyone.

Mario:

Go to the approval of minutes of June 9th, 2022. Is there a motion on the June 9th minutes?

Greg:

So moved.

Mario:

Thank you, Greg. Is there a second?

Bob:

Seconded, Bob Harvey.

Mario:

Thank you, Bob. Appreciate that. Any comments, corrections, amendments to June 9th minutes? Hearing none. All those in favor, say aye.

Meeting Members:

Aye.

Mario:

Anyone opposed? Anyone abstaining, from June 9th?

Jamie:

Yeah. Jamie Young, abstaining.

Mario:

Jamie. Thank you, Jamie abstaining. Okay, we'll go to the minutes of June 23rd, 2022. Is there a motion to approve?

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Jay:

Jay here, make a motion.

Mario:

Jay makes the motion.

Mike:

Mike Horbal seconds the motion.

Mario:

Thank you, Mike. Motion is seconded. Any corrections, amendments to the minutes of June 23rd? Hearing none. All those in favor. Say aye.

Meeting Members:

Aye.

Mario:

All those opposed? And abstaining. We have Brian, anyone else?

Jamie:

Have me abstaining on the ninth. I was there for part of it, so I don't think it matters. But I do abstain.

Mario:

Okay.

Greg:

Greg abstains.

Mario:

And Greg abstains, on the 23rd. Correct, Greg?

Greg:

That's correct.

Mario:

Okay. Thank you. All right. Move on to communications.

Mario:

It is that time of the year again for the nominating committee for authority member. So if you wish to volunteer to be on the nominating committee for authority member, please let Jennifer know. Kevin Curseaden, his term is up for renewal or expiration depending on the nominating committee, I guess. But his term is under review. And we're seeking five members for the nominating committee, two or three of which will be from the executive committee by our rules. And if you are interested in applying

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to be considered for authority member, please let me know no later than August 1st, which is, I believe, Monday. So please let me know by Monday, if you have interest in being considered for authority member. I appreciate that. So again, looking for volunteers for the nominating committee is the key out of that.

Mario:

The standing committee appointments, you should have all received your appointments. You all have had meetings. If there are any problems with that, where you were pointed to, please let me know or let Jennifer know. And we will shift you around between committees.

Mario:

Also, you should have received an updated organization chart that was sent just this Tuesday. Larry sent that out to everyone. So you should have that. I know that was a request at a prior meeting. So thank you Larry for sending that out. And I think that's it for communications, Jennifer. Am I correct?

Jennifer:

That's it.

Mario:

Okay. Thank you. We have an item for consideration and action. And that's the Representative Policy Board, second quarter 2022 compensation, that was in your packet. Is there a motion to accept it as substantially correct?

Mark Levine:

I'll move.

Mario:

Okay. It's-

Mario:

Who made the motion?

Mark Levine:

I did, so moved. Mark Levine.

Mario:

Okay, Mark. Thank you, Mark. And then the second? No one wants to second?

Tom:

I'll second, Tom Clifford.

Mario:

Okay. Thank you, Tom. Any corrections, amendments? If you have anything, please let Jennifer know. All those in favor, say aye.

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Meeting Members:

Aye.

Mario:

Anyone opposing? Anyone abstaining? Okay, thank you very much. And that brings us to our committee reports.

Mario:

This is a quick meeting because we do have a public hearing afterwards. And the first committee is finance and I congratulate Mr. Slocum on reelection as chair of Finance.

Tim:

That was indeed a ruckus close to our meeting, but nonetheless, I did pass muster. So with that, I'll give my report on a special meeting of Monday, July 12th, 2022. The only thing special about the meeting by and large, if we used that title was because we had to reschedule it off the general calendar. Beyond that it was a typical meeting. And in this particular instance, we were joined by Ms. Kowalski, the Vice President of Financial Reporting and Analysis. I wanted to mention that, because that's a new reporting title. Congratulations. Maybe it's the second time you've been reporting that way. But we reviewed the year-end financial report for the fiscal year ended May 31, 2022. And as our minutes include, we discussed the balance sheet, the maintenance test, the operating and maintenance key variances, and the year-end disposition.

Tim:

It was a great report. I think you've probably seen it anyway, but definitely we were certainly happy about the whole thing. Further, we discussed the dashboard metrics, not suggesting any changes, just to review. There was no new business. Then at the close of the meeting, they kindly reelected me to be their chairperson for next year. And with that, the meeting closed out fairly quick. Our next meeting is in the month of August and I've honestly forgotten to note the date here. I can't report that, what it is right now. Cause I forgot to look and it's not in the minutes. So with that, that's my report.

Mario:

Okay. Thank you Tim. I believe it is August 8th.

Tim:

Thank you for being in charge.

Mario:

This is a Monday.

Tim:

Good. Well, I know it's a Monday because Sunday comes before it. So I will definitely be there and it's the eighth.

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Mario:

Questions for Tim? Thank you very much, sir. And Michelle, thank you for presenting all that information at the meeting. The land use committee had a- [crosstalk 00:09:30] -meeting and I believe Mr. Betkoski you were reelected as chair.

Peter:

Good evening Mr. Chair.

Mario:

Congratulations on that.

Peter:

Thank you.

Mario:

You were the only one to find your way out of the woods. I understand.

Peter:

Yeah. One heck of a good campaign for me. Right? And the TV ads [inaudible 00:09:53] off. So yes, we're good. I'm proud. And, it's a great position. We met at the water treatment at Lake Saltonstall and of course we went through our regular agenda; safety moment, approval minutes. We had an invasive plant activities, Josh and Will. Josh Tracy and Will Henley, both gave us... Will did the update on the invasive plants. Which I'm hoping Mark chimes in or anyone else in land use because that's been a serious issue, but we're gaining. They are gaining on it. And Josh also gave us an update on the properties and other items. Our next meeting's August 10th, time to be determined. And then of course they elected the chair and threw me in the lake. And then we ended there. Any questions?

Mark:

Excuse me, Mr. Chairman. But they talked about the security for our property and that they've hired or are going to hire a consultant to look into what the needs are for the authority.

Peter:

Mark, thank you. That's in my notes, that's the authorities-And maybe Larry can chime in on that. Or that was one of our big problems.

Larry:

Donna has hired a consultant, a securities consultant. He's actually gone out to the field with that individual. They'll be making a report and we should have that probably in a month or so. And from that, we will make a determination of what we need to do. Based on some professional input. [crosstalk 00:11:57].

Mike:

Excuse me, I didn't mean to talk over you. I'm sorry. The committee was asking that the consultant meet with the Land Use Committee, is that possible?

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Larry:

After we see the report and determine what it says and if we agree or disagree with it, then we can discuss meeting with the land use committee.

Mark:

I thought it'd be more advantageous for the consultant to meet before its report. Find out what we feel our needs are. Well, if you don't want to do it. So be it.

Larry:

Thank you.

Peter:

Thank you, Mark. And Larry. Any other questions?

Steve:

Peter? Hi, this is Steve Mongillo. Maybe Larry can answer this if you don't know. How many officers do we currently have available both at the authority and in the field and are they all police officers?

Mario:

From my [crosstalk 00:12:58] go ahead, Larry, but it's two. I believe.

Larry:

Our police force currently consists of a captain and a police officer. We had two that resigned last year, in which we started evaluating the former HR VP started evaluating staffing options. Then of course she left the organization and there was a gap there. The new HR VP, Donna Verdisco picked that up once she joined the company in February. And after handling some initial pressing issues, she has taken that analysis up and retained the consultant, security consultant to provide us some advice to counsel. So there's two now and we'll look at seeing what the ideal number should be.

Mark:

Okay. Larry, do you, maybe this is getting ahead a little bit. Do you feel that all of the staff needs to be full police officers moving forward?

Larry:

We have looked at different models. For instance, one other water utility in the state has conservation officers. The advantage that our police officers have over a position like a conservation officer is they have the ability to issue citations and arrest warrants, which the conservation officers do not. They can also seize property legally, which conservation cannot. And so they do bring a number of advantages in terms of enforcement of the no trespassing laws.

Larry:

There are also additional expenses associated with that in terms of training and complying with the police accountability act that was passed a couple of years ago. That every police department in the state has to comply with by, I think it's 2024, regardless of whether there's one officer, 10 or more, you

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have to comply with the police accountability act. Which does require some significant expenditures to comply with that law.

Peter:

Thank you. I think Mr. Chairman, I think we, and my board members are really hot on this topic and respect all of you, but we do have a public hearing to get to, because I think we could spend the whole meeting just on security. And I think that Larry will keep us in the loop and we can have that at a special meeting.

Larry:

Yeah. Do want to say I get the feeling that the land use committee feels like management has been ignoring this issue. We have not. We are aware of it. We've been evaluating options. It's just taken some time. And with the change in the head of HR where the department report, it's taken a little added extra time than what we originally anticipated. So we understand the issue. We understand the urgency and we are moving toward a resolution as quickly as we can.

Jamie:

Think you are doing good job with the resignation of the head of HR. So thank you for entering this. Thank you.

Mario:

Okay. Thank you very much, Peter and Larry.

Peter:

Yeah. You're welcome. Thanks Larry. Mark. Everyone.

Mario:

That brings us to consumer affairs committee.

Steve:

Hey Mario. [inaudible 00:16:31].

Mario:

Mr. Mongillo. Congratulations on reelection.

Steve:

Thank you. Yeah. I was reelected at the last, our July meeting, which is my last eligible year this year. Also to let you know, I don't know if the town, the RWA was notified, but the town notified me of the reappointment to the RPB effective July.

Mario:

Excellent.

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Steve:

Consumer Affairs has met twice. At our June meeting, we had a chance to review the CIS solution application for completeness. Our committee normally doesn't do that. So I had the OCA take us through the rules of practice, looked at what the minimum requirements are. Talked a little bit about what other things might be added, depending upon the particular application. Ultimately, we did decide it was complete, developed the resolution, and authorized the RPB chairman to set the public hearing for this evening, which follows this meeting.

Steve:

At the July meeting, Lori Vitagliano was there, who is our legislative aid up at the state. And even though this was a short session, there were no less than 17 bills that could have directly impacted RWA. None of which were generated by the RWA. And Laurie took us through all of those. We'll read a couple other topics so that you have an idea, Legionella, safe water, drinking water, solar siding petitions, fire protection charges, and electronic notifications. Some of the water industry bills of interest included, aquatic invasive species, open space, watershed acquisition, advance notice of road projects, well testing and installation of hydrants.

Steve:

So you can see the significance of all of those proposed bills that could possibly affect RWA. She does a good job, and it was a really interesting meeting. The OCA at both meetings reported that no issues rose to his level. He does communicate with our customer service department and there were a few calls that came in that he was aware of in terms of subject matter. So they communicate, keep him posted. At our July meeting, I was reappointed, as you just mentioned. Our next regular meeting is August 15th and we have set our schedule for members to attend the authority meetings. So that's it for consumer affairs.

Mario:

Thank you, Steve. Any questions for consumer affairs? Okay. Thank you very much. That brings us to Mr. Borowy. Yes. And the Authority. And Larry Bingaman who's already come out on stage once. Back for reprisal of his earlier...

David:

He will. He'll have good news too. But before we get into the business report, we did have two major topics. We met as a Pension and Benefits Committee and also the Compensation Committee and Suzanne will have a report on the Pension and Benefit Committee.

Suzanne:

Hi everyone. Good evening. Can you hear me okay, Mario?

Mario:

Yes, Suzanne. Thank you.

Suzanne:

Great. So the Pension and Benefit meeting took place today. Morgan Stanley discussed the market environment and asset allocation of the portfolio and reviewed the performance of the pension and the

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VEBA plan. Returns for the quarter ended June 30th, 2022 for the pension and VEBA plans. And they were reported to be negative 9.87% or 11.56 points lower than the actuarial return desired for the quarter, of a positive 1.69%. Returns for the 12 month period from June 30th, 21 to June 30th, 22 were reported to be a negative 10.96%, which was 17.71% points lower than the actual return for the period of positive of 6.75%. For the first period, June 1st, 2021 through May 31st, 2022, which is the fiscal year of 2022. The return was 5.53% versus the actuarial return of a positive 6.75%. It should be noted that there were positive returns of 1.77% from June 30th to July 20th. So there's hope.

Suzanne:

And the day the presentation was prepared, they gave us that information. So as additional comparisons over the last five years, because it's always over the long term that we should be considering it, June 30th, 2017 to June 30th, 2022. Returns have been reported at approximately 4.99%. And Morgan Stanley also provided an annual update regarding our 401k plan. The update included the investment structure and balances as well as the governance for the 401k plan. In addition, the authority members continued to discuss Morgan Stanley's ESG, which is known as their social and governance and environmental type of investing. And responded to the specific questions. The authority had some questions about, do we have any specific bad actors in our portfolio that are in complete conflict with our environmental goals of clean and fresh water, which we do not. And some recent SCC proposed rules changes to try to govern this whole area of investing along the way. And so the authority continues to have a conversation related to that area. And that's the conclusion of my report, unless anybody has any questions. I'm happy to answer.

Mario:

Thank you, Suzanne.

David:

Thank you, Suzanne. And then we also met as the Compensation Committee and Tony chairs that, and he's ready to give us a report about that.

Tony:

Good evening folks. How are you all? Good? During the day today, we reviewed the performance of the CEO and his leadership team. We discussed with the CEO, the compensation of this team and their performance, the authority ended up discussing and approving a compensation package for the CEO for 22/23. Any questions that you may have? Hearing none. Thank you very much.

Tony:

All right. And the heavily anticipated business report, as well as the water level report from Larry.

Larry:

Okay. First of all, just a quick update on COVID as of July 18th, 2022, we have 96 confirmed cases, which is an increase of five new cases since our last report in June. Our vaccination rate remains at 85%. And in order to help prevent the spread within the RWA, we're cleaning every Saturday by electro spraying all the shared workspaces, the treatment plants are also cleaned this way once a week. And there's midday sanitizing of common areas, such as door handles, tables, rails, and things like that. And RWA employees have been asked to continue working remotely through labor day. So we should be notifying employees

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somewhat time before September 9, to let them know if we're going to have them come back to the office in some sort of hybrid work schedule. So until then, all of the office employees are working remotely that are able to do so.

Larry:

In terms of the business results. After one month, we are over budget by about \$935,000. That's due to total water revenues being over budget by \$940,000. But other water revenues are lowered by about \$5,000 due to some small variances within some of our commercial business categories. Operating maintenance expenses are about 1.3 million under budget. And right now we're viewing all of that as timing. So when you do all the puts and takes, we're projecting now a coverage of 114%, which is what is required under the general bond resolution with no shortfall as consistent with our budget. And as of July 19 raw water storage was at 86% compared to a long term average of 85% for this time of the year. So that completes management business report.

Greg:

Hey, Larry, this is Greg. Can you hear me?

Larry:

Yes, Greg, go ahead.

Greg:

Okay. Of the five new cases, Larry, are they in one particular area or are they spread out throughout the company?

Larry:

No, these are primarily in one area. So that was all the more reason to make sure employees are staying away from the office for a while. We have discontinued contact tracing to align with some of the local agencies, including the department of education. But we are telling departments when we have noted a case in that area so that they can check with others.

Greg:

Thank you.

Steve:

Larry. This is Steve. Are any of those cases serious?

Larry:

Well, fortunately our employees have been... It's been fairly mild cases. They've been able to recover at home.

Steve:

Okay, great. Thanks.

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Mark:

Larry. Do we see any problem with facing a drought in the near future? If we don't get substantial rain? I mean, a drought that we'd have to issue a report or something. I know we're 86%, but that's going down fast.

Larry:

Yeah, that's true. And of course for this time of the year, that's always a concern, but we are still above mandatory [inaudible 00:28:28].

Mark:

Yeah. Okay. For sure. Maybe we'll get some rain this weekend.

Larry:

Yeah. I mean, we've had two inches within the last several days and that helps, but obviously we need a lot more than that.

Mike:

Thank you.

Larry:

Yep.

Mario:

Any other questions? Okay, David, anything else?

David:

No, that was it. And then observation of the time, I would thank you all for letting us give this brief report, but appreciate that. And I know you have a very important public hearing, a lot of information to digest tonight and next month.

Mario:

Thank you. Yeah. Thank you very much. Unless there's any other business who call for adjournment of the regular meeting, we have a public hearing, so don't go anywhere please people. Okay.

Bob:

So moved that we adjourn Mario.

Mario:

Thank you, Bob.

Brian:

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Second. Brian.

Mario:

And the second, Brian, appreciate it. All in favor?

Meeting Members:

Aye.

Mario:

And adjourned at 6:59. So, if you need to stretch.