

**Representative Policy Board
South Central Connecticut Regional Water District
April 28, 2022
Meeting Transcription**

Mario:

Good evening, everybody. And welcome to the regular meeting of the RPB and hybrid fashion.

Mario:

Okay. Very good. Appreciate everyone coming. This is the regular meeting. Jennifer is able to see who is here physically and who is on hybrid. So she's taking attendance. Thank you all for coming. We'll see how this works out.

Mario:

The first item on the agenda is the safety moment on cell phone use while driving. That includes texting, calling, receiving calls, surfing the web and everything else -

Mario:

Okay. Thank you. The next item is the approval of the minutes of March 24th. Is there a motion to approve the minutes?

Tim:

So move.

Mario:

Thank you Tim. And a second?

Bob:

Second

Mario:

Any additions, corrections or amendments to minutes? Okay. Hearing none. I'll try your minds. All those in favor. Say aye.

Group:

Aye.

Mario:

Anyone opposed? Anyone abstained? Okay. Thank you very much.

Mario:

We have a couple of communications tonight. There are several members whose terms of appointment end June 30th. It's just a couple of months away. So please

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contact your first selectman, your mayor, your board of selectman, whatever your political body is to get reappointed.

Mario:

Mr. Clifford, Mr. Slocum, Mr. Pepe, Mr. Mongillo, Mr. Smith, Mr. Resig no, and Mr. Horbal. Hopefully, you will get yourselves reappointed. We will be sending a note to let your first selectman or mayor know that your term is coming to a close and that it's time for a reappointment. Giving you a heads up so you can maybe make that contact.

Mario:

We're still looking for volunteers for the RPB Nominating Committee for RPB officers. Charles Havrda has volunteered. And I guess when he's volunteered, nobody else wanted to, so I'm not sure.

Mario:

So please contact me or Jennifer, unless you want to throw your name in the ring right now.

Greg:

This is Greg. I'll be happy to serve.

Brian:

This is Brian. Brian [00:05:42].

Michelle:

Michelle [00:05:44].

Mario:

Very good. Thank you all. If we need any extras, we will twist your arm in the near future.

Mario:

I have another item that's not on the agenda. We had budget hearings and we talked about sequencing of some of the capital projects. My understanding is that there is a slight adjustment in the order of capital projects that will be coming to us.

Mario:

The Lake Whitney Dam design will be the next meeting that will be or next application we will be seeing. And the CIS application will then follow that. So those two have been changed and we're being asked to take a look at the Lake Whitney Dam design when we receive it and do that-

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Mario:

Slightly expedited session so-

Mario:

Okay. All right. We'll continue on. Okay. Items for consideration and action.

Mario:

The first item is the finance committee's recommendation regarding the mode and treatment and completeness of the Water Treatment Plant Valve Replacement Program. Mr. Slocum please.

Tim:

Thank you, Mr. Chair.

Tim:

This is a proposed resolution dated April 28th, 2022. Whereas South Central Connecticut Regional Water Authority on April 1st 2022 filed an application with the Representative Policy Board, for the Water Treatment and Valve Replacement Program. Lake Gaillard Water Treatment Plant Filter Influent Valve Replacements Project, located in North Branford, Connecticut.

Tim:

The application and whereas the Finance Committee of the Representative Policy Board reviewed the application recommended that the application be accepted by the RPB as complete. And whereas the Finance Committee recommended that a public hearing be conducted by the presiding member.

Tim:

And whereas the RPB accepts said application as complete and schedule said application for public hearing in accordance with special act 77-98 as amended and the RPB bylaws and rules of practice.

Tim:

Now, therefore [crosstalk 00:09:04] hereby accepts the authorities application and determines to hold a public hearing on the application to be conducted by a presiding member on May 26th, 2022 at 7:00 PM and resolve further that the chairperson is hereby directed to give notice of said hearing in accordance with section 11 rules of practice as amended [inaudible 00:09:35] solution.

Mario:

And we have a second, Ms. Young. Thank you.

Mario:

Okay. Discussion on the motion.

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Tim:

Finance committee had met on this matter and had discussed it. We had a presentation, obviously, it makes sense to advance it for every reason we can imagine, but if staff wants to speak further to it we welcome their input. Everyone else is happy with it.

Mario:

Any other comments by our RPB members? I am pleased to say that Mr. DeSantis has agreed to be the presiding member. Should we vote this forward? And Peter, you can't vote no now that you've accepted that. Okay. Hearing no more questions. All those in favor of scheduling the public hearing, say I.

Group:

Aye.

Mario:

All right. Opposed, and abstaining.

Mario:

Okay. Thank you very much. We'll schedule that and get the ... get that out.

Mario:

The next item of business is the RPB first quarter compensation for 2022. Is there a motion to accept this substantially?

Tom Clifford:

So moved, Tom Clifford.

Mario:

Thank you Tom.

Mario:

Second?

Tony:

Tony. Yeah. Second.

Mario:

Thank you Tony.

Mario:

Any additions, corrections or amendments? All those in favor say I. [crosstalk 00:11:45]. Opposed and abstaining. Okay. Thank you very much.

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Mario:

Okay. That brings us to reports and I'll move to the Finance Committee. And Mr. Slocun.

Tim:

Thank you for that. Mr. Chairman.

Tim:

Finance met Monday, April 11th. We were visited upon by authority member, Catherine Lamar. She's a pleasure to have on the hand. We also, we also had Mario at that meeting, we all knew it was very important because we had to discuss, pass and propose, what we just voted on. So that was, that was the big piece of the meeting.

Tim:

Although prior to all of that, we did get a report out of Rochelle reviewing the quarterly financial report for the period ended February 28th, 2022. She discussed the balance sheet, the revenues, expenses, the maintenance test, the operating and maintenance capital budget update, the investment earnings.

Tim:

And, we discussed a variety of things that finance talks about. And at that point, we basically did move into what we just talked about, advanced that motion. And he set the, we also reacted to the fact that we be meeting again in on April 20th to actually discuss the budget process. Which took place a little later. I don't know if I should include that in this report, but again, we did, we did meet Tuesday, April 20th, basically welcoming any member of the a RPB to part participate.

Tim:

But it was an in person meeting for myself and Mario and the rest was held remotely. It was very wholesome report from, from staff on the regular budget.

Tim:

Okay. So we had a full discussion, as I mentioned on the operating budget as proposed and you know, was attended by ... Sonny was there and other members of staff. And then we did have the executive session at the close of that just to be brought up to date on some other aspects of some of the businesses and stuff. But obviously can't go detail on that.

Tim:

So all in all that meeting was a great meeting, thank staff for that. And it was something we'll be talking about for the next couple of weeks I suppose.

Mario:

Okay.

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Tim:

That's my report.

Mario:

Any questions for Tim and finance?

Mario:

Okay. Thank you very much. Now, serving double duty. For the Land Use Committee and Consumer Affairs. Mr. Betkoski.

Peter:

Good evening, everyone. Mr. Chairman.

Peter:

We had our regular Land Use meeting, April 13th in Madison, up at the slash wall timber harvest. We were introduced to Casey Cordes, our new harvest master, I believe right. Sonny was there. I was going to bring this up at the joint budget meeting of, we need some quads next time. We need a line item for quads, Rochelle. So next year we're going to do that. We could put our [inaudible 00:15:55].

Peter:

It's a little humor. Right? So, and then we had ... John was there giving us our properties. It's all in the minutes. He gave us a good update there. It was very interesting. Jamie was there [inaudible 00:16:07] was there. Usuals, but our next meeting was the joint meeting. And I already asked for the quad. So we're good there.

Peter:

Our next regular Land Use meeting will be Wednesday, May 11th. I think I'm all set there. Any questions on land use?

Brian:

Still, plenty of land left?

Peter:

We have a beautiful property. Yeah. A lot of trees. So too. Thank you [crosstalk 00:16:43]. Being out there. Great.

Peter:

So the other hand I have is Consumer Affairs. We had a pretty much, it was a joint meeting that we set together with Steve Mongillo and he gives us [inaudible 00:16:56] It's a pretty [inaudible 00:16:58] commitment.

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Peter:

Pretty much his report was the meeting we had with the budget. So he just told me to report that way. If you have any questions, I'm sure I can help you out a little, any Consumer Affairs members want to add in they could too.

Mario:

Any questions on either Land Use or Consumer Affairs? Okay. Thank you very much, Peter. Appreciate it. Thanks.

Mario:

That brings us to Authority and management. David, Larry.

David:

Good evening everybody. Thank you.

David:

We have met twice as the authority, since your last meeting. We met on March 31st and on March 31st, we met for about four hours reviewing the budgets and those are the capital and O and M budgets that you folks have reviewed with your two committee meetings on the 18th and the 20th. And we also met as ... Pulling up my agenda so I hit this, correct. We also met as the commercial business committee and you all heard that report as well during your budget workshops.

David:

And then we met as the Environmental, Health and Safety Committee and the reports we got there, your committees also have received, and we also voted on the, sending you the application for the Lake Gaillard water treatment filter valve project, which you earlier just voted to call public caring for. So that was our March meeting.

David:

Larry, did you have something you wanted to add business wise or are we just going to do the update?

Larry:

Well, let's do the, do the update. I think you covered the high points.

David:

Okay. And then the, we met today earlier today and our main topic of conversation was meeting as a Pension and Benefit Committee. And Suzanne will have a report with that.

Suzanne:

Thanks, David. Good evening, everyone.

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Suzanne:

I hope everyone's well. Today we had an extensive meeting. We covered quite a few things. So if you bear with me, have a few things to report.

Suzanne:

Jeff Bauer, Albert Krayter, and Jeff Liter of Angel presented pertinent summaries of our January, 2022 evaluation reports, assumptions and contributions. That be, that will be used for fiscal 2023 to determine the contributions we need to make to our plans.

Suzanne:

The PUBG 2010 mortality tables that were used for the plans were updated for scale to the MP 2021 generational improvement from scale MP 2020. What essentially that means is that they updated the mortality tables so that they reflect the more current projections for the life span expectancy of the members of our plans. The discount rate used for calculating the contribution remains for all of our plans at 6.75%. The arc for the pension plans in the January 2022 valuation reports is 2,837,670.

Suzanne:

And the contribution consistent with the fiscal year 2023 proposed budget of 3,117,841 was approved by the board recommended by the committee and approved by the board.

Suzanne:

The fiscal year 2023 VEBA contribution is the actuarial recommendation cash contribution of 1,737,894. The authority also approved an additional full year 2022 contribution of \$1,133,903.00 to the pension plans and contributing above the arc essentially for any of these is in support of the pension plans being fully funded by the end of 2025.

Suzanne:

If we recall, we originally had a goal of 2023 and we have extended it to 2025, and we're actually in very good shape to get there at this point, but we could use a little cooperation from the markets.

Suzanne:

After discussing all the actuarial work. We moved on to our investment performance, Morgan Stanley, once again, reviewed our performance of the pension and the VIBA plans returns for the quarter ended on March 31st, 2022 for the pension Enviva plans were reported to be negative 4.91. Which is 6.60% lower than the actuarial returns for that quarter of a target of 1.69%. And again, that's based on the 6.75% annual rate that I mentioned earlier.

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Suzanne:

Returns for the 12-month period from March 31st, 2021 to March 31st, 2022 were reported to be 3.52% or 3.23% lower than the actuarial return for the period that the benchmark would've been 6.75%.

Suzanne:

For the period of June 1st, 2021 through March 31st, 2022 or our fiscal year to date, the return was a negative 0.52% versus the actuarial return of positive 5.63% based on a 6.75% annual return, again.

Suzanne:

As additional comparisons over the last six years, March 2016 to March 22 returns were reported approximately 8.1%. And the trailing five years of 7.758%. So over time our pensions continue to perform positively to their benchmarks.

Suzanne:

Morgan Stanley also discussed our asset allocation, the portfolio given the market environment and some cost reduction efforts associated with managing the portfolio. All in an effort to continue to maximize the value of the balances in these programs, and to make sure that we are in as good a position as we can to continue to strive to meet our targets.

Suzanne:

In addition, Morgan Stanley discussed with the authority pretty extensively, our first discussion ever of an environment of social and governance, or also known. And if you are up on this is ESG kind of portfolio impacts.

Suzanne:

So taking a look at the environmental, social and governance impacts that our portfolio has, as it relates to these categories. We had a lively discussion related to it and took no action at this point, but our beginning in education, just to understand how any organization tries to pursue taking a look at their investments from an environmental social and governance perspective.

Suzanne:

So with that, I know I covered a lot. So I'll pause and see if there are any questions or comments related to what we covered in the pension subcommittee.

Tim:

Yeah, if I may?

Suzanne:

Yes.

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Tim:

First of all, Suzanne, I was very happy. I attended this meeting today as a member of the finance committee. So I sat in on this meeting and received a double dose of confidence from the organization that manages our fund with your overviews, from the authority of management.

Tim:

The first experience I had was at the beginning of COVID. And I'm sure you remember that meeting because I think the country was just deciding how they were going to handle this. The markets were crashing around us and we had a steady hand presented by Morgan Stanley to ... Not overreact. We can do this. We think they done some of the best things by, by propping up the bond markets, blah, blah, blah, on and on and on. And that guidance was obviously correct. No one panicked. And today I felt the same reassurances because we're in a definite market change.

Tim:

And I got the perception of someone who doesn't see this every day that we are well managed and in a good place with the company. And, but again, I think you're, you're absolutely correct based on what they're saying, the headwinds are before us, but Morgan Stanley saw opportunities and the headwinds and I think that's a strong, a strong statement to hear and as Mr. Mr. Bowery pointed out, fund manager as well, one of the top hundred [inaudible 00:25:56] fund managers. So that's a good thing too, I suppose.

Tim:

So not an over rosy assessment, but one I was happy to have been that meeting and seen how hard, not only you guys worked, but how hard the people doing investments on our behalf are working to get it right.

Suzanne:

Well, thank you [crosstalk 00:26:18]. Yeah. Thank you for that, Tim. It is very important. Probably one of the most vital things that this subcommittee can do is oversee the investment manager who provides the advice to the board and they have been very steady, very professional, and worked very effectively with this particular board.

Suzanne:

So thank you for that. And we look forward to their steady hand helping us through this process and this, through this volatility.

Tim:

Not to give you a further massage, but I think you're also an excellent asset to be on the authority, not picking partners or sides here. I know your knowledge is obviously very helpful.

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Suzanne:

Oh, well, thank you. I appreciate that. I think the whole board makes up a great group of people asking good inquiry and questions that helps really satisfy us that we're in good hands. Thank you.

Mario:

Other questions, comments.

Suzanne:

All right. I'll turn it back over to David. Thank you, David.

David:

Thank you, Suzanne, for your great stewardship of that committee. And Mr. Slocum, for your comments. We appreciate that. It was nice to have you today. You're more than welcome to come back any month.

David:

The other item that we talked about was we reviewed the schedule for capital projects that would need to come before you as applications to the RPB and Mario covered earlier on in the meeting, what the immediate effects of that are, and that we'll be having a application probably next month, coming to you. That would be done on, we hope on an expedited manner that would allow for the design of the Whitney dam and then another one for the CIS system under regular order of business.

David:

So with that, I'll turn it over to Larry and ask if he would like to give the business review.

Larry:

Thank you. And before I get in and do my review, I'll have Donna [inaudible 00:28:15] provide an update on COVID.

Donna:

Yes, sure. Can you hear me?

Tim:

Yes.

Donna:

Okay. All right. Great. As of April 26th, we had 71 confirmed cases. This is an increase and two new cases since our last board report, which was in March of March 31st. Our vaccination rate remains at 85%.

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Donna:

The team is currently monitoring the daily positivity rate, both in our area, as well as the CDC guidelines. The cleaning is still happening. There has there been nothing, no changes to that? Every Saturday we're still spraying all the shared workspace areas. The treatment plants are also being cleaned once a week and the daily midday sanitizing in all of the common areas, including door handles, tables, elevators, things like that.

Donna:

And the Connecticut COVID positivity rate is 7.81. If you recall, in our last report, out in March, we had informed you that our mass mandate had ended for all indoor locations for the company. So in and the back in February, the business made a decision to continue the hybrid work schedule of three days in the office in two days at home. So with that, I'm happy to take any questions or pass it back to you Larry.

Larry:

Thank you, Donna.

Larry:

I'd like to, I'll give you the operating results through March 31st. And I'm happy to report that we're in a much stronger position than we were at the end of February. So as of March 31st, our operating revenue [inaudible 00:29:59] by about 1.5 million dollars.

Larry:

That's new to our total water revenues, which includes metered, metered sales, wholesale, and fire. We're over budget by about 1.4 million dollars or over 1%.

Larry:

Other revenues are over budget by about \$56,000.00. Primarily due to our commercial revenues consisting of outside lab services and pipe safe being up for the time.

Larry:

Our operating and maintenance expenses are under budget by about \$3.9 million dollars. And when you take all the puts and minus all the pluses and minuses, we are projecting coverage again of about 125% compared to our general bond resolution requirement of 114%. And you'll recall when we started out fiscal school year 22, we actually budgeted a shortfall of \$922,000.00.

Larry:

So we kind of [inaudible 00:30:59]. That current projection of 125% does include the rate application, including depreciation and the bond pricing. It also reflects lower than anticipated pilot. If there [inaudible 00:31:15] we estimated the mill rates being higher than what they actually turned out to be. So we have some lower pilot

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[inaudible 00:31:26] in some of our debt payments and the timing committee with sort [inaudible 00:31:29 department issue. As well as higher, higher billings.

Larry:

And we're still being very cautious saying that there's still some uncertainty out there with the pandemic. So we're crossing our pinkies, but we think that which could have that ability on our customers ability to pay, but we are constantly optimistic that we'll get that 125%.

Larry:

And as of April 18, our raw water story was at 97% compares to a long term average of 93% for this, for this time of the year. So that updates on the business activity.

Bob:

We got to sell more water. Larry.

Larry:

Absolutely Bob. I'd hate to have you go around [crosstalk 00:32:14].

Bob:

Got to sell more water.

Larry:

So thank you. We're doing what we can.

Larry:

And also too, as, as part of the update next week, as matter of fact, on May 5th, we are having our first community meeting on the Whitney dam project that be held on May 5th at 10:00 A.M. It's an in person meeting at center. And that will, that will give us an opportunity to start hearing some thoughts from some of the local neighbors on what any concerns that they might have so we can address them.

Larry:

But we put together this short video about the dam project. Project on the dam, [crosstalk 00:32:59]. And it was really, really well done.

Larry:

Lisa D Francesco, who is our educator. She has produced a number of videos actually on those launch water education program and was on her website. So she did a terrific job putting this together and the project engineer that oversees this particular project is the one that is narrating this video. So I wanted to share this with you for it's a very short video. I thought you might enjoy seeing it. And I also wanted to tell you about it, about the meeting next week.

Jamie:

This is a terrific idea. Was it the annual Whitney dam meeting or participated in that? And there were some folks that went to that meeting that were very anxious about this project.

Tim:

Yeah, I was at that meeting too. That was a [crosstalk 00:33:57].

Jamie:

Yeah. So I think this is terrific.

Larry:

Yeah, this would be a nice way to explain what's going on.

Jamie:

And having the regional meetings over there proactively. I think that's, it could be handled better. I think it's excellent.

Larry:

Thank you. We're on the following week on the 10th, I think it is. We're going to have the Zoom meeting at six, seven o'clock. So we'll have two meetings during the month of during the month of May before the application starts, the design application starts process.

Jamie:

I think it's excellent.

[LAKE WHITNEY DAM VIDEO PRESENTATION TO RPB MEMBERS]

Tim:

You did a great job.

Larry:

So we have 15 people that have registered for both sessions. They'll be in person as well at the meeting. So there's, there's an interest there. And I think this would be a good way to keep people [inaudible 00:38:25]. We can put it on our website. So we wanted to share that with you so that you can see it and be aware of it. Anybody ask you about it.

Larry:

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That concludes our business report. Thank you. Unless there's any questions. Thank you.

Mario:

Thanks. Video was excellent. Question?

Jamie:

It's a question. I'm sorry. No, no. I was not loud enough. My kids would differ with that. I said, how long has Michelle been in her [inaudible 00:38:57]?

Larry:

Well, Rochelle joined us in eight years ago and she's been a vice president of finance now for probably five years, I would say. And then, she headed up the department when Linda retired two years ago.

Jamie:

So it was two years. Well done. Good job. [inaudible 00:39:18].

Mario:

Any other questions? Yes, Tim.

Tim:

I did have a question Larry pertains to the dam project.

Tim:

And with it, what regulatory bodies are you really responsible for? [inaudible 00:39:33] or is it?

Tim:

Like from a municipal level aspect? There's no permitting and [inaudible 00:39:41] strictly army core approvals. And then ... What involved? What permits-

Larry:

The permit actually has to come from the army core.

Tim:

Okay.

Larry:

Yeah, there is there's input. That's required various these agencies, but I mean, especially [inaudible 00:39:55] all that.

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Tim:

Right.

Larry:

But we submit the design to the army core.

Tim:

Right?

Larry:

So based on [inaudible 00:40:02] things that are going to be statements, mark preservation office concerned about? What's the dam going to look like when it gets done with the refurbishment? And that's one of the things that we're continuing to investigate. We got some [inaudible 00:40:16] that's why we need to add this application to them so we could ... The design we're knocking up toward 2 million dollars.

Larry:

We can look at some alternatives to conserve in some way, shape the form of the historic preservation and the historic preservation society tell the army Corps engineer, they in essence support the-

Tim:

But it's not a show stop? I mean, you want to do your best. I understand.

Larry:

Yeah.

Tim:

But not at [inaudible 00:40:44] something crazy like that. It's not a show stop.

Larry:

No, but if they, if they don't issue a letter of concurrence to the army Corps engineer, I understand the army Corps engineers can, [crosstalk 00:40:53].

Tim:

Well, that's wait, that's sounds backwards. I love to look at the dam.

Larry:

Yeah.

Tim:

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I'm just giving my [crosstalk 00:41:04]. I don't get to sign any papers here, but I think, I think that's really interesting. Safety first.

Mario:

Other questions.

Tim:

Just to piggyback on Tim I'll say it is minor, but does like the inland, wetland commission of the gambling get involved at all or is it just the army?

Prem:

No, the army [inaudible 00:41:26] submit everything to the army, army core. Yes.

Tim:

That's it?

Prem:

They cut the [crosstalk 00:41:31].

Tim:

That's the bottom line. Thanks.

Mario:

Okay. Thank you very much, David. Larry, appreciate that.

Larry:

My pleasure.

Mario:

Great video, please pass along our thanks to both the actor and the producer.

Larry:

Absolutely. Although Larry said, he thinks he's going to continue as an engineer.

Mario:

You never know his job in retirement.

Larry:

Right.

Mario:

Any comments from the OCA, perhaps? All is quiet. Applications are coming. Billable hours are coming.

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Jeff:

Submitted a budget letter yesterday [inaudible 00:42:13]. We all need a copy of that. [inaudible 00:42:15].

Mario:

That was distributed?

Jeff:

It was distributed.

Mario:

Okay. Thank you very much. That brings us to the main item on our agenda tonight after all the voting. Presentation by Donna [inaudible 00:42:32] on diversity, equity and inclusion.

Donna:

Wonderful. Thank you, Mr. Chairman.

Donna:

Good afternoon, everybody. So as you may be aware, the diversity team started the diversity discussions back in 2020. And I think it was in response to a lot of the trends that have been happening in the marketplace. Obviously diversity has been top of mind for a lot of companies over the coming years.

Donna:

In early 2021, the RWA started to make progress on our journey to inclusion when they retained an outside third party called leading cultural solutions.

Donna:

In early January this year, they went to the authority board to present what I'm going to show you today. So we tried to keep the messaging pretty consistent and provided some additional updates on the progress that has happened over the past couple months.

Donna:

As you can see on the left hand side, there are four main phases of the journey. Listen, learn lean in and live.

Donna:

The listening phase really encompasses employees providing input. We did that through a number of ways. There was a survey that was conducted focus groups and

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even interviews. They also formed a council, which we'll talk about in a minute, but this phase was extremely helpful in identifying the key themes for the RWA.

Donna:

In April last year, we surveyed all of our employees on the road to inclusion this encompassed about 105 employees who provided their input, which represented about 38% of the response rate. The survey was open for about two weeks. I.

Donna:

It was about 38% of our population that responded. In addition, in August, you'll see that we had conducted four groups and interviews. There were four focus groups geared around what we call affinity forms or affinity groups, or even an open session.

Donna:

And, also conducting interviews, touching about 60 employees, where they were able to again, provide input on identifying key themes and areas for the RWA when we think about different equity inclusion and what this means for them as employees.

Donna:

In the learn phase, what this really meant was where we were going to establish the tide council. Tide represents tapping inclusion, diversity and equity. Currently the tide council, and it has fluxed and grown actually, I think when it originally started it had about 50 employees and today we have 20 employees currently in the council.

Donna:

The council represents employees from different ages, races, departments, union versus non-union. So it's a really good representation of diversity across our business. People, people coming from all different types of walks of life and having different perspectives.

Donna:

Really the purpose of the council is to help advance diversity equity inclusion at the RWA. They were responsible for helping create the diversity mission, vision, and values. As well as helping develop the roadmap, which we're going to show in just a few minutes, but that group met in November. They're still meeting today. And they've really spent a lot of time focusing on what this means for them and not just them, but also helping represent the broader group.

Donna:

The leadership team has been incredibly supportive through this process because it has taken a lot of time of employees time and work that they've been doing. And, and they really do see this as a level of commitment, right. In terms of how we can kind of advance inclusion going forward.

Donna:

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The third phase, which is lean in. And the fourth phase, which is live, that really is kind of where we are today, but this encompassed conducting community conversations. Two of them have been done. They were offered up to all employees.

Donna:

We're averaging about 50 employees that seem to be attending those sessions. That is really kind of like our all employee training that's happening right now. And it's really around key topics that help employees understand diversity. So it's really starting the messaging in terms of the basic fundamentals of diversity.

Donna:

The employees, there will be additional employee training that will be coming, but we have started with the leadership training first. And again, this is again, focusing on, messaging and helping them understand what diversity is. It's really trying to help them understand what they could be doing, the roles they can be doing in diversity and helping educate them on diversity as a whole.

Donna:

And that's where we are currently. So Jennifer, we can go to the next slide. This is the diversity roadmap that the tide council had developed.

Donna:

This includes the diversity mission, the vision and their values. They also identified on the right hand side, some key priorities that they felt would move our WA forward in building an equitable and inclusive culture.

Donna:

So if we start to the left, the mission. The mission is to build an equitable and inclusive culture, right. And so that's valuing all employees across the whole. The vision is really to strengthen our foundation for innovation and future growth by providing opportunities for all.

Donna:

And then you'll see the four values. Honesty, being open-minded, welcoming and being unbiased. These values provide a vehicle for communicating our diversity purpose and our values, and really help kind of guide us in terms of everything that we're doing.

Donna:

Our central challenge, which you'll see over here to the right. We looked at this challenge for strengthening our transparency and inclusion to help improve trust, improve morale, and grow equitably.

Donna:

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The strategic priorities and initiatives are the items that they thought that they could achieve with this challenge, which also includes career growth, mentorship, which was very hot topic for the business. That came up through those interviews.

Donna:

Creating employee development plans, increasing employee engagement and focusing on workplace wellness, which we had so far two wellness programs thus far this year, which has been great.

Donna:

These are critical foundational building blocks for the roadmap and currently where they are because they developed this roadmap. They're right now looking at these strategic priorities that you see here to the far right, and the bottom where they're starting to think about and develop action plans around these areas. Things that really feel will help move the needle, which might be a program or process change, or even the policy change.

Donna:

But they're right now brainstorming all of those and coming up with metrics that they feel could be implemented. The hope would be that once we get their ideas, we could talk about it as a group and figure out what are the ones that would help really get us to moving the needle moving forward. Jennifer, next slide, please.

Donna:

If we think about the key findings and observations that came up through all of those, listen through that listening phase, I'm going to spend a little bit of time here because this is really important to kind of just understand how they got to those priorities and analyzing all that input.

Donna:

Again, as I mentioned, through the surveys, the focus groups with the tide council really digging into that data. If we focus on just the strengths, the first one being belonging.

Donna:

Employees felt that they are being acknowledged for the most part and appreciated for their contributions at the RWA.

Donna:

The second one where they felt we were strong at, was feeling safe. For the most part, most employees feel that at our facilities, they're suitable and they feel safe, which is very important. Because as you know, safety is one of our goals and so that's really important.

Donna:

They also feel that timely, weekly safety messaging is being sent out from our safety administrator and risk team. And they find that to be also very helpful. So they feel that we're, we're doing really well there.

Donna:

And they also felt that our COVID and prepared for COVID and all of our messaging around COVID made them feel safe. And this was all happening during COVID. So it was really good that we were getting this input at that time.

Donna:

The third strength being around collaboration. They felt working collaboratively and virtually with their peers and their department. So keep in mind when they were taking the survey, they were remote. They were collaborating. So this was good because if you look in the marketplace, a lot of people are focusing around engagement and collaboration and a lack of that. It was really good to see that employees were really feeling that RWA was doing good there. And they really felt that they can collaborate with other teams specifically around operational matters or project work that might be needed in their departments.

Donna:

And then ... They really felt supported through that process. And then the last one is really around fairness. So for the most part many employees who completed the survey feel that they're being treated fairly. Again, keeping in mind that this only represented 38% of our population, that is responding to these surveys and to all of the sessions that we're getting this input from.

Donna:

Now on the opportunity side, let's talk about where we can improve. So when we think about transparency, this includes being more open and timely with communications. Overall, the employees felt that we're doing well with this, but they all, they also felt that there's always room for improvement in terms of the active listening. They felt, paying attention to employee feedback and concerns was an item that was brought up by some of the employees in the survey. That's an area that they felt would be important for them.

Donna:

In terms of fairness, which is brought up again here, because again, it was brought up on the strength side. In terms of the opportunities, they felt that ... Some employees feel that eliminating favoritism and treating others like you would like to be treated is an area where we could revisit.

Donna:

I've also heard since I've been here and I've only been here two months has been we've got the mix of the union versus non-union and they might see a difference between the two groups and corporate versus the people in the field. That has

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definitely come up. And I would imagine that some of that feedback was as a result of that. And then with respect to respect it's just really respecting one another. And I think this comes back to the active listening and some of the transparency that we heard.

Donna:

And then the last one where some employees felt that leveraging the strength of diversity is in the area where we can improve. This is by recognizing and utilizing the unique strengths of each employee to increase the productivity and profitability of our organization.

Donna:

They felt that if we can leverage our diverse talent, leverage multiple people from different backgrounds, we would get better solutions moving forward.

Donna:

When you look at the common themes here on the bottom end of the slide, you'll see that ... You'll see here that when we think about leveraging diversity, not just in and across all of the departments, but also with the new hires. This is thinking, how do we hire and bring in more talent on the diversity side? How do we make sure that we are getting everybody engaged through these processes so that way we're leveraging the diverse perspectives when we're in a diverse lens when we're making decisions. Try to really bring a diverse group of people to the table where those decisions are being made is really what this one was.

Donna:

In terms of the transparency. There's a theme of communication. This did come out through the surveys where they felt that we could improve communication. So it was that we are communicating, but what we're communicating might not have enough detail. So they're wanting to make sure that when we think about communications, that we're providing enough detail, and this is still coming out and being discussed with the tide council today.

Donna:

It's, how can we improve of communication, make sure that it's being more inclusive, and that we're obviously trending towards the collaboration as well. And, making sure this other one where it's clear understanding of path to success. I think employees are wanting from a career path perspective, really wanting transparency about how am I growing, how am I developing and what is my path to success, if I'm going to continue to grow and stay here at RWA. That transparency was really important to them.

Donna:

Value all employees. So this is really the top down change, addressing concerns. We are obviously a union. We have a fairly large group. And so, they have found that

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there's union issues, concerns that are coming up wanting to make sure that there's some representation there. Again, respect came up through the opportunities.

Donna:

But really overall, I think the overall theme has been, how do we help improve the company culture and really helping move the business forward. That active listening is going to be important to help us move that needle.

Donna:

In terms of the fairness, when I hear this eliminate favoritism. Again, I think this is corporate versus field, versus the operations, versus union versus non-union, that's what seems to be resonating with that group. But making sure that there's also equitable pay and benefits. We do have different benefit plans for union versus non union, merit based advancement. They want to see that we don't obviously just say, promoting people into roles that we're putting it out there and we're using some kind of merit based to make those decisions in terms of how we advance people.

Donna:

And then of course, in terms of accountability, making sure that you're consistent in your practices about how you treat one person versus the other.

Donna:

And then collaboration is just, less silos. Some groups will say that we're not siloed. Some will say that we're collaborative because you see the collaboration on the strength side. So there is a mix of feedback in terms of that.

Donna:

But I think collaboration is so important that you'll hear it on both ends. Some people feel maybe it's happening at a smaller scale and maybe not on a broader scale. Breaking down those silos will be important and driving the employee engagement across departments, across leadership.

Donna:

And one great example is we just had a strategic offsite where we, brought the team together to think about our strategic plan and our fiscal year goals. That's a great way to drive cross functional collaboration across the organization. So breaking down those silos are important. Jennifer, we can go to the next slide.

Donna:

I think it's the slide before this. Let me see. Yep. There you go. So in order to kind of move this program forward it's really important to make sure that it starts at the top, right.

Donna:

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We have our board of directors [inaudible 00:58:34] it, our CEO, our executive team. Really making sure that we provide the support and the right messaging to the business. We're obviously moving the tide council forward. We have a group of 20 people. We are continuing to allow them access to an involvement, and that is happening once every three weeks, the group is coming together. They're carving out about an hour, hour and a half just for the tide council to focus on moving those priorities that I just shared with you.

Donna:

Getting access and support to resources to help move this forward. This is really a cultural movement. It's not a project, it's not an initiative. It really is around honing in on how do we help in terms of developing our employees and helping the culture move forward.

Donna:

Again, leveraging resources like leading cultural solutions, who's our third party that's helping us drive this initiative currently. And then support from internal and external communications, marketing branding teams in terms of ... We're doing trainings, we're marketing these programs trying to make sure that people or participating in these. Getting their engagement is going to be really important.

Donna:

Again, engagement from middle and frontline managers. When we're doing training, it's important to make sure that, our operational people, we have to pull our field operations people. We can't have 50 or 60 people if we've got close to 300 people and our business is still participating. We've to make sure we're engaging employees at all level so that we can move the culture forward.

Donna:

Gaining that ... Getting that engagement from those frontline managers, working with individuals like Jim Corta and Sunny, and those individuals as well, to make sure that their staff are participating and that we're working with them when we identify the times that we want to carve out. And it doesn't cause business disruption in any way.

Donna:

And really administrative support. It's a tremendous amount of project management. I've personally been digging into this and spent quite a bit of time on making sure that this is successful and coordinating and partnering with the administrative support. We've had a lot of administrative support and project management support, which has been fantastic.

Donna:

If we go to the last slide, I'll just talk at a high level here. But you know, there's a number of key components to ensuring success with this program.

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Donna:

You know, as I mentioned, the listening phase where early on about a year ago, where they assessed the current state of diversity across the company and really listening to our employees and how they feel. And that's going to continue.

Donna:

But the feedback has been very consistent. I have looked at the data from the diversity surveys and compared it to some other employee surveys and other surveys and things that have happened. The feedback is definitely very consistent.

Donna:

The second phase, which is the learned phase, where the employees are learning the history, the language again, through the tide council as well, just really understanding what all of that is. What that means and what we need to do. And in terms of the leaning in and living it, the leaning in is kind of where we are right now where we're training our employees.

Donna:

If we think about that, currently, and the employee manager training is happening. We're developing the action plans on those strategic priorities.

Donna:

In terms of the employee training, we have conducted two community conversations this year. As I mentioned earlier, we had approximately 50 employees attend to each of those sessions. So the first community conversation was focusing on identity and privilege where we acknowledge what privilege exists.

Donna:

We learn the different types of privilege and how it affects colleagues. And so that employees can better be able to understand how they interact with each other. We had about 55 participants in that session.

Donna:

The second session was trust for impact. This workshop was facilitated by leading cultural solutions where this was exploring trust. Again, we talked about that as one of the opportunities in our group. How do we explore trust ... And what are the things that we need to do to make sure that we're a highly productive work culture and that we're demonstrating trustworthiness across the organization, and that we're facilitating a sense of community. Helping people recognize and understand that. And again, we had about 50 employees attend that session as well.

Donna:

On the manager training side, we have conducted our first of four sessions. The first one was focusing around grounding people on the tools needed to make effective change and champion diversity at sessions called the power of diversity.

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Donna:

And we have three others focusing around building biases of awareness, another one around introduction of diversity. And then the final one will be again around building trust. But these are focused on people leaders.

Donna:

So managers of people. We have about 60 of those people. And we actually had really good attendance in this session. What we did was we scheduled two sessions for this. We worked with each of the functional leads and maybe the next layer down and asked them to invite their people and carve out time so we could get good participation, and we had actually 70% representation, which was very, very good. Forty two of the 60 managers actually attended that.

Donna:

And, as I mentioned earlier, diversity starts at the top. So it's important that our key leaders are participating in these sessions and understanding what diversity is and the goals that we're trying to make and what their role is and how they help move this forward.

Donna:

When we think about diversity there's really three guiding principles that we've put in place across our RWA. The first one is really having diverse perspectives at the table. I talked about that a little bit earlier, where that's reflecting the community that we serve. We want to have employees. We want to hire employees that look like our suppliers look like our vendors look like our board look like our employees. We're all really representing that group. And, and making sure that those diverse perspectives are at the table.

Donna:

The second guiding principle is around shared authority. In order systems to drive change, we need perspectives from different parts of the organization. And so, that shared authority is going to be important. And a good example of that, as I mentioned is last week we had a leadership offsite and that was focusing around our fiscal year goals and objectives. And Larry led that with the group, with the leadership team and invited a number of employees to come and really brainstorm with us on what were our strategic goals and where we're headed and how do we work together to make sure that we're all making the right decisions and it will be nice. Because as we think about our fiscal year 23 goals, we can create alignment at the employee level on what is their role and how they help move this forward. And, that will help give them a sense of shared authority as well.

Donna:

And then the third guiding principle, which you saw was collaboration. It was on our strengths and opportunity slide where collaborative decision making is important. One example is the tide council. This group, it was a group of 20 people coming

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together where they were brainstorming and thinking about, based on the feedback and analyzing the data through those surveys, those focus groups and so forth, what do we need to do to help move RWA forward?

Donna:

And they made key decisions, right. Key ... They collaborated cross-functionally. They talked about what our vision, our mission were. They set our values for diversity and really this roadmap that I'm sharing with you today. They had an opportunity to do that together. And it was a great challenge for them to really, as I mentioned, have collaborative decision making.

Donna:

You see this in agile organizations where they're collectively making decisions real time cross-functionally, and it drives a really good sense of ownership across the business and a lot of positive things.

Donna:

I'm really excited by all the great work that has happened. And now we're in the lean in phase where we're training and developing our people around these areas and hopefully be able to move the needle on our journey to inclusion.

Donna:

The organization's been putting a lot of time and effort to make these strides, and I'm really proud of the tide council and all the work that they've been doing. They've, they've definitely put in a lot of time and special thanks to Larry and the leadership team. I know they're here, but they've allowed these teams to come together to really spend time, because it is important to all of us.

Donna:

With that I'm happy to open it up for any questions that anybody has for myself or anybody on the leadership team in terms of diversity and all the great work that has been happening at the business.

Mario:

Thank you, Donna. Thank you very much. Questions? Yes.

Tim:

I got a question. Basically, the workforce consists of how many unionized working groups and how many unions? If there's only one, if you could inform me.

Tim:

And the role of fairness, where there are certain divisions just brought about by one's professional capacities. How do you address fairness in those, in that realm?

Donna:

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Yeah, so we have two unions.

Donna:

We have the police union and the skilled workers. And the unions represent about half the organization. I think where our head count is around 270-ish employees. And about half of it is sitting in the operations group, the call centers, the other big area for the, for the skilled worker group.

Donna:

But when you think about fairness you got to think about ... With these collective bargaining agreements, it is difficult in terms of the benefit side, but typically each union will look at ... These are public documents, so they'll see what one union gets versus another union.

Donna:

They do research that even when, when they're negotiating and obviously I always like to kind of say, what are the right benefits or what are the right things that we need to put in place that are right for our employees and try to drive those initiatives.

Donna:

Sometimes it can be hard because, you get into negotiations in terms of that. But when you think about our practices and how we treat people and our decision making. So like right now, we're talking about workplace flexibility. Those are ... should be easier decisions to some degree. We still have obviously, an operations group and we've got business that needs to happen. And it is really 24/7 if there's an emergency, we have to think about those things.

Donna:

But it is hard, but I think what you are overall hearing from the employee base is, the fairness is it's not just fairness of, I want this and somebody else is getting it. It's kind of a combination of that transparency and communication and kind of sharing why things happen.

Donna:

When they see that, they might understand why there might be differences if there are differences, but to the extent that you can have policies, practices, some key decisions that allow you to make those decisions across the organization will help drive some of that fairness across the businesses versus, well, we're going to give this to the union and not to the non-union as an example. You definitely don't want to go with that approach, but you do have to think about the implications on those decisions.

Donna:

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And if it's going to impact a collective bargaining agreement or impact one group one way or another. I always kind of think about those different factors when making some decisions, especially when it comes to the people side.

Tim:

I have one follow up if I may. And it has to do with, I understand customer service, the call, the call center people are going to be continuing to work at home and they're able to do this.

Tim:

I understand there's productivity advantages. And there's a general level of happiness. I guess my overall question, maybe it's a concern is how fair is that?

Donna:

Yeah, no, it's a great point. I think when you think about the call center and primarily jump in after ... I'll kind of respond if you want to jump in, feel free to do so. But I mean, when you think about the call center from an HR view when you have ...

Donna:

When you've made a decision as a workforce to take your employees and have some at home, some days at home and some days in the office, it's very hard for that kind of a job because they physically have to have the setup. With their computers, the way that they're responding to calls very high volume calls that are coming in from a technical perspective, and they're also taking all their stuff, right. Like they physically would have to be picking up their office two days in the office, two days at, three days at home or whatever that mix is.

Donna:

It's very, very hard. I, when I walked in the door two months ago, I first said, "Hmm, okay, I get it." And you know, I was at a call center when COVID hit and we had over 215 employees, we made the same decision. Those people still are remote. And I think the business, when we make a decision to come back we have to make a decision. Is it at the three day mark that you make and come back? Or is it at the five day mark when we're fully operational? Because it is hard, but it would be, if we brought them back, then they'd say, "Hey, wait a minute. We've got people that are working from home two days a week."

Donna:

We are getting that same feedback with the operations group, right? We've got field operations. They've not been able to go home. They've been in critical positions as well. It's not just the call center. We do have people that are physically in the office. We've had our police department that hasn't had the luxury of even going

home either and some other critical functions that have been there in the office. Like the mail room people have been having to make sure that there's still stuff there.

Donna:

It's hard to kind of create the fairness because we are still trying to run and operate a business. But what you got to do is try to think about what's happening with that group. How do we create the right thing to kind of create that balance, but be mindful of in that, and then hopefully be transparent in your communication on why those decisions were made so that people can really appreciate why those decisions were made. Not just, "Hey, they're there ... I'm home five days and I'm working five days." So it is a big balance is my point, I guess.

Prem:

Yeah, I think, and just to add what the Donna was saying, right. Again, fairness, that's a great question. Right. And if you think about it, it's to some degree, it's also about, the role. The role that they're playing. Right. And to your point if you think about in terms of productivity, etc. Absolutely. Right.

Prem:

As an example, pre pandemic levels, I used, I know myself and the management team used to spend a lot of time about flexibility issue, etc. When it comes to why and our grievances in addressing that, we used to spend a lot of time addressing those things versus now the team is very, very much productive. We doubled our call volumes and we still have the same workforce, right? So there are some benefits as a company that comes with it.

Prem:

But in terms of fairness, I think it really depends on the role. As an example, it might mean that somebody has to take off work at 04:30. Providing that flexibility for other employees in terms of fairness. And sometimes it's really one on one. I think the teams are addressing those things. And there are certain initiatives we are looking at along the same lines where we are thinking about how about a four day week? And, we are doing some analysis on seeing if that's going to help our field people where you don't need to be five days in the field.

Prem:

There are things that we are trying to do as part of that fairness, but that's the great question and believe or not, this is the same challenge every organization is facing right across, United States. We are trying to bring the best value for all our employees and keep it fair. So hopefully that kind of summarizes it right. And there's still a lot of work to be done. We're still working through that.

Mario:

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Thank you. Other questions.

Anthony:

I'd like to compliment Donna for being a two month employee having all of this under her belt and being able to present it the way she did. So congratulations, Donna.

Donna:

Thank you, Anthony.

Mario:

[inaudible 01:15:31]. Any other questions?

Tim:

I had one simple one, Donna, and I missed it as you went through the slides. The T in Tide is for?

Donna:

I didn't know where you were going? It's tapping T A P P I N G tapping inclusion.

Tim:

Okay. Thank you very much. I've been racking my brain since you first introduced it. [crosstalk 01:16:07].

Donna:

Tapping inclusion. [crosstalk 01:16:10].

Mario:

And I want to kind of echo Tony's comment and really thank you, Larry, the whole senior management team and David and the board.

Mario:

I mean, it's come a long way. RWA has been a leader in this area since the mid 1990s across Connecticut. And I really wanted to thank you for bringing it to a completely different level than it was in the 1990s when it was ... While our workforce is not as diverse as our customer base. What does that mean? And how do we change that? And really you've taken it quite farther than that group ever did. So kudos to you all.

Larry:

Thank you.

Donna:

Thank you. Thank you, Mr. Chairman.

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Mario:

Excellent. If there are no other questions, comments, I don't believe we have any other work to accomplish this evening. Jennifer says we don't so that means we got the okay.

Mario:

We'll accept a motion to adjourn?

Joe:

[inaudible 01:17:23]. I vote.

Mario:

Okay. And a second?

Brian:

Second.

Mario:

Okay. All those in favor?

Group:

Aye.