

South Central Connecticut Regional Water Authority
May 26, 2022
Meeting Transcript

David: All right. Good. Well, then I will call this Regional Water Authority meeting for May 26th to order at 12:30, and note first item on the agenda, Safety Moment, Water Safety Month, which is good. You're all getting back into outdoor activities. With that, we'll move into item B, which is to meet the Audit Risk Committee. So I will ask for a motion to recess as the authority and meet as the Audit Risk Committee.

Kevin: So moved.

David: Is there a second?

Tony: Second.

Suzanne: Second.

David: All right. Second by Tony. All those in favor signified by saying aye.

Kevin: Aye.

Suzanne: Aye.

[AUDIT-RISK COMMITTEE MEETS FROM 12:31 P.M. TO 1:19 P.M.]

[ENVIRONMENTAL, HEALTH & SAFETY COMMITTEE MEETS FROM 1:19 P.M. TO 2:10 P.M.]

Kevin: Thank you for reconvening.

David: Thank you, Kevin and Kevin and Catherine, I would just remind us as, as committee chairs will be reporting tonight, and Larry and I, of course too, that we've only got that small 30 minutes for their meeting before the public hearing starts. So if we could try to be succinct in our, in our description and explanation of what went on in our meetings and whatnot, that would be helpful tonight to them because they are going to need to start the public hearing on time. We're always the last item, so we're always, whatever minutes are left. So, all right. And then we'll move on to, there are no item D matters arising on the committee meeting so item E, the consent calendar, what's your pleasure with that folks?

Catherine: I move approval of the consent agenda.

David: Is there a second?

Kevin: Second.

- Suzanne: I'll second that.
- David: Oh, seconded by Kevin and Suzanne. Are there any questions or clarifications needed on any of the items? Seeing none, sensing you're ready to vote? All those in favor, signify by saying "Aye."
- Group: Aye.
- David: Passes unanimous or heard all five of us. All right. We're onto item F, finance. Consider an act on a resolution regarding interim funding obligations and project loan obligations for West River Treatment Plant. This is the standard DWSRF. Is that right, Rochelle? Oh, you're on mute.
- Rochelle: It's actually a little nuanced because, as Larry mentioned previously, we've actually been able to work with DWSRF, where they actually changed their language in the loan agreement that will allow us to actually do interim financing with them as well as the project loan obligations. So from that regard, it's a little bit different. So we definitely want to move forward with working with DWSRF and actually do an interim financing for the West River Project that was already approved in prior resolutions to be under DWSRF.
- David: And this gets us the same low 2% for that, which is cheaper than what we were getting. The interim financing from commercial banks, right?
- Rochelle: Yes, because right now DWSRF is still 2%. And during the intern period, we don't actually have to pay debt service during that period, but we do need to be able to cover from our 14% coverage requirement, the debt service. So this is really great news. We want to work with them to start with a relatively small IFO for the West River Treatment Plant.
- David: All right. Are there any questions or comments. Who would like to move this item?
- Catherine: I do actually have a, well I'll move the item and then I have a question.
- David: Moved by Catherine, who was like to second?
- Kevin: Second.
- David: Seconded by Kevin and Catherine, your question?
- Catherine: So there's interim financing, but does the permanent financing take out the interim financing?
- Rochelle: Yeah, actually we actually had to work with them to make the wording such that there's really one, overall financing and that there's not, we don't have to pay out the IFO, it moves immediately into the PLO.

Catherine: Okay, great. I didn't quite see that in here, so. Okay. I mean, I see what you described it. I didn't see a, what would've been like a prelim, like a TAN taking out the note with a final financing letter. So this is fine. Yes. I'm fine with it now.

Tony: You sure now?

David: Very good.

Catherine: There was something, a little confusing, but now it works for me. Okay.

David: All right. Are there other questions or comments? Seeing none, sensing you're ready to vote. All those in favor signified by saying "Aye."

Group: Aye.

David: Heard all five votes accounted for. Thank you very much.

Catherine: Thank you.

David: Next item is updates. Larry, is this going to be long? Do we want to have this? And then we'll take a break before we do the other items. Is that all right?

Larry: Yes. Let's let's take a break. I think that would be good.

David: Okay. All right. Well, we'll take a break now for 10 minutes. We'll come back at 2:25 then.

[AUTHORITY BREAKS FROM 2:15 P.M. TO 2:25 P.M.]

David: All right. We ready to gather back? Larry, you're going to do the update, right? [inaudible] active. And so I call the meeting back to order and note that we have three of us in attendance, with Tony on his way back. And then Suzanne will pop in when she gets finished with something else she had to do for a few minutes. So Larry, it's all yours.

Larry: All right. Thank you. Well, since we had a COVID update during the health and safety review, I won't touch on that. Some of the things I wanted to touch on is on the commercial front, we are getting ready to send a real estate purchase and sale agreement and an asset purchase agreement to the owner of an environmental testing lab. So hopefully, we'll be able to bring that to the board for final approval in June. And on the commercial business front, I have to shout out kudos to Dennis Donovan, one of our accountants by the name of [inaudible], and Rochelle, who worked together on building an in-house tool that will help us do an indicative value for potential acquisitions. So that way, we can tell pretty quickly, whether or not an owner's going to be wanting to enter into discussions with us. Whereas before, we used to have to outsource that activity. So kudos to the team for putting that tool together, so we can turn around an acquisition discussion fairly quickly.

Other items. I continue with my field visits. I was out with Jim Courchaine during the month of May, we visited five locations. And I outlined those on the board letter, so I won't go into detail on that now. And then on the Lake Whitney Dam and Spillway Improvement Project, there were two town halls facilitated in May at the Whitney Water Center on May five, which was in person. And on May 10, which was via Teams. Some 25 people living near the dam joined those meetings, which provided an opportunity to share information and solicit any of their concerns. Sunny provided a high level review of the proposed project and timeline, and then the participants were given an opportunity to speak. And we have a list of those particular questions that Sunny will send around to you.

But as you can imagine, it included things like the impact of construction traffic. What's the environmental impact? How the projects would be funded, as well as the look of the Whitney Dam being maintained. And I have to hand it to Steve Mongillo, who I understand attended both of those community meetings. And Sunny said that Steve did a great job addressing some of the residents' concerns. So thanks to Steve for taking time out of his schedule and engaging with the participants, because I heard he did a really great job. We'll have at least another one scheduled for this summer. And in the meantime, April and her team are reaching out to town officials and community influencers. Keeping on the theme of engagement. Last month, we put together employee work groups to work on the strategic initiatives for the organization's fiscal 23 strategic plan.

And that was to ensure that more individuals in the organization were involved in the planning process provided diverse perspectives and really, fostered a sharing of authority. So some 21 cross-functional employees came together to examine the fiscal 23 goals and objectives based on the four perspectives of the balanced scorecard. And those members joined the leadership team at an offsite meeting, and then subsequently presented at an all employee Teams meeting this past Tuesday. And I'm excited to say, that they'll also be involved in presenting the strategic plan along with the leadership team at the June authority meeting. Also too, as part of our leadership of the Southern Connecticut State University Utility Management Degree Program, I co-chair their advisory council. And I had the honor to introduce the keynote speaker at the School of Business Leadership Breakfast.

And his name is Raj Sisodia, who is the co-founder and chair emeritus of Conscious Capitalism Incorporated. And he spoke to the business community about the importance of stakeholder integration in today's rather turbulent work environment. And David, thanks too, for attending that meeting, and Naomi Campbell, as well as some leadership team colleagues joined me at that breakfast. So with that, I'll be glad to take any questions on my report.

David: Very thorough, Larry. That's good. No questions.

Larry: Okay. And then I've got two other things. At one of our previous authority board meetings, we were talking about the Valve Project that's going to be discussed tonight at the RPB. I would like to show you a video of the Valve Project, because there was an

interest in seeing what that project looked like. It's only about a minute and it's going to be shown tonight at the RPB meeting as part of the public hearing. So Jennifer, can you download that or show that?

Jennifer: Yep. I'll put it on now. Just let me know for some reason, you cannot hear it. You should be able to, though.

Larry: Okay.

[VIDEO OF VALVE PROJECT SHOWN]

Larry: Okay. Now, you know everything that you need to know about the Valve Project.

Suzanne: How much is that going to cost us?

David: I would much rather have had that than the 68 pages or 196 pages of-

Larry: Yes.

Tony: Hey David, we will do that every time from here on.

David: Yeah. Good.

Larry: Good. And then one last item. Since we have all of the issues resolved with the Derby tank and the original contractor that bid on the project, we'd been giving him periodic increases in order to keep him on the job and not have to rebid it. As you recall, in March, we were going to share the memo with the RPB finance Committee, advising them about the price increases. And under the rules of practice, if you exceed up to 10% of the original approved price, you need to have an approval of the RPB finance Committee and concurrence by the full RPB board.

There's also a caveat in there that if you have a cost escalation provision in your contract, you have to maintain your price underneath that cost escalation. So the good news, is that we are still under the cost escalator, but we are above the 10%. So we're still in compliance, but we will need to advise the finance Committee of that. And they will need to report their concurrence to the RPB for the RPB to also concur with that change in price. But we've talked about it and this is the best way to go, in order for us not to have to rebid the project. And we've been prudent in providing cost adjustments to the original bid.

David: And the DPH has approved that as it's been moving along, right?

Larry: Yes, that's correct.

Jay: Excuse me, Larry? What would be the timing for the finance Committee with you on this?

- Larry: Well, we will present it to the finance Committee for the June meeting.
- Jay: Okay. All right. We just want to make sure we expedite it. Yes. Okay. Thank you.
- David: Thank you, Jay.
- Larry: Thanks, Jay. And that concludes everything that we needed to talk about from a reporting standpoint.
- David: Okay. Any questions of Larry? All right. Then we can move on to RPB Committee meeting reports. And the first one that we would report on, the finance Committee met Monday. We'll have to get a report later from Suzanne on that, I guess. And of course, we'll hear the report tonight as well from the finance chair to the full RBP. And Land Use Committee. Catherine, were you able to go?
- Catherine: I was. The meeting was held on the 11th of May at the [inaudible] Street Garden, which I have passed... I don't know, hundreds of times and didn't know it was there. So that was a treat for me. Mr. Walters from the RWA, who's a senior environmental analyst, provided an overview of the Pollinator Pathway Gardens. And there is one at the [inaudible] Street Garden. It's very interesting. And to understand how the Pollinator Garden was developed and all the various Pollinator Gardens around the RWA properties. And the next thing was as usual, Mr. Triana, John Triana from the RWA, gave a lengthy report, an update on the land we need for the water we use. Our reservoirs as of the May meeting, were very full, 98%. There had been a significant amount of rainfall. Although, we're a little bit below the historic average as of April.
- There was an update with respect to our rental houses. One interesting thing, the house in Woodbridge had been vandalized and doors had been stolen. But those were located again, because the stolen doors were stored on our property and therefore, located. As I think everybody knows, the Ives property, that was closed. And there are still some issues with respect to the Skiff Street property and dealing with the town attorney in Hamden to address those.
- We did get an update on the various activity with respect to the forestry update. On the recreation side, there is a need to engage some additional seasonal employees for the recreational activities. I'm trying to think. There's a lot here, so I'm trying to just hit some highlights. And everybody seems to be interested in the deer hunt. So the lottery is scheduled to be held or have been held in May. I'm not sure what happened since the last meeting. The mapping and treatment of invasive species continues. And there were a number of additional articles that were shared with committee members. Very interesting meeting. Does anybody have any questions?
- David: Seeing none. All right. Thank you, Catherine.
- Catherine: Sure.
- David: And the Consumer Affairs last Monday, Kevin, were you able to attend?

Kevin: Yes, I was. The committee heard an update from Mr. Barger, the RWAs Water Quality Manager regarding lead and copper. We've heard updates off and on over the past year or so, who informed the Consumer Affairs Committee the RWA is working with CDM Smith, which is an engineering and consulting firm that has extensive experience with the lead and copper rule revisions and will work with the RWA to develop the plan going forward. As the RWA knows or the Five Member Authority knows, this undertaking as a result of a revision to the federally regulated lead and copper rule and contains various parts and focal areas. The team working on the project consists of about 14 members from the RWA, from various areas within the organization. And currently, the RWA is focusing on service line inventories, which information is due to be submitted to the state in October of 2024. Searching for subcontractors in areas of communications, inventory mapping, field investigation, corrosion control treatment, and the distribution of lead particulate filters.

Inventory mapping is expected to take the bulk of the time according to Tom, as the team will need to review historical information to determine where pipes are located and address unknowns. Once the information is compiled, it would be converted to electronic format for geographic placement. We've heard some of this or most of this from Mr. Barger as the Five Member Authority. Tom reported that Ms. Kowalski is actively working with... Or reminded everyone that is actively working with the state health department and the Drinking Water State Revolving Fund Program for information on grant and financing opportunities. And Ms. Capone, the RWA's Director of Public Affairs is also working with subcontractors to develop a communication plan for the RWAs municipal partners, schools, daycares, state departments, and all those various entities and stakeholders. And the RWA will also be scheduling meetings with communities to address concerns and answer questions. Next steps, include contacting customers for information, working on public communication and material, which is critical, addressing concerns, developing sample protocols, and searching for funding opportunities and upgrading information technology. So it's a large undertaking that we're aware of. It's good to have the reminder of it.

The committee was interested in the regulatory responsibilities and requirements, and Tom had answered some questions. The committee has a level of concern about this. Mr. Donofrio reported there's no pending complaints against the RWA from the OCA's perspective. But there is a customer with a billing issue regarding pipe safe, which is close to resolution. And an account in East Haven that he's working with, that's been affected by the recent transition to monthly billing. And that was basically the meeting.

David: All right. Any questions? Thank you, Kevin. Appreciate that. Actually, next item is for us to consider an application. So Jay, we have to say thank you at this point, and we're going to review and consider an application to be sent to you folks. So this time, we have to review that without you.

Jay: Okay. Okay.

David: But we'll see you in a few hours, right?

Jay: Pardon?

David: We'll see you in a few hours.

Jay: Exactly. Exactly. I just want to make sure when I go out, I'm going to get back in again later.

David: I think it's a separate link, right Jennifer?

Jennifer: Yes, the RPB meeting. That's a separate link.

Jay: Oh, it's a separate link?

Jennifer: Yeah.

Jay: Okay.

Jennifer: Okay.

Jay: I'll take care of that.

Jennifer: Okay.

Jay: Thank you.

David: Thank you.

Jay: Let me just... It was a very good meeting and I enjoyed it and I thank everybody that participated, too on the RWA.

David: Thank you. It was nice to have you again.

Jay: Thanks.

David: All right. And let's see. So with that, I don't know. Do I hand it over to Larry for some opening comments or go right to Prem and Dana? How do you want to do this?

Larry: Sure. I'll make a few opening comments and Prem can backfill it, but we're excited to present to you the CIS application. Prem, Dana, and her team have been working long and hard for really, almost close to the past year to come up with the recommendation that will be presented today. And even though they'll be talking about four vendors, remember this is really not about vendor selection, this is about a solution that's being presented. It just so happens that the vendor selected happens to have the solution. So don't think of it as a vendor selection per se. This is really about the project.

So they did a good job and have looked at it from an efficiency standpoint, as well as analyzing the true costs of not only keeping the current program, but also implementing

the new one and the savings that will be derived going forward. And the [inaudible] of urgency that's been created by some changes at the SAP Organization. Glad to have Steve Wenke with us today, who's with AAC. Partner that Dana worked with closely both previously, as well as when we took up this new look at replacing the CIS system. So thanks Steve for all the work that you and your team did in helping us evaluate the right solution. So thank you for that. So with that, I'll ask Prem if he has anything to add. And otherwise, we'll go right to Dana. So Prem?

Prem: Thank you, Larry. Thank you for the great introduction there. Couple things from my end, just to add to Larry's comments. One of the key things that we always talk about as CIS being a technology project, I just want to reiterate that this is a business project, right? So we should be having that lens because we have our cash reduced to \$130 million from business standpoint. And a couple of the things like Larry mentioned, we looked at all angles and all aspect of it from also perspective of resources that we talk about quite a bit, in terms of the involvement of the resources on our side. A lot of sensitivity there and the team did a great job in pulling all of the needs of our side, in terms of resources. And there's been a lot of focus on this application on change management training, the whole change on the culture.

So I'd like to add some of those pieces where typically, those are forgotten when it comes to projects, especially when it's been looked as a technology project. So I just wanted to kind of base it over to what Larry mentioned. So great application, almost I would say last September till now. So a lot of work went in from a lot of team members here. So that being said, I'll hand it over to Dana. And as we go, one request I do have, please do stop us if you see any questions. This is an interactive session, so I don't want it to be a presentation only. Please stop us if you have questions and it'll be more a conversation. So with that, Dana, you could take it away.

Dana: Thank you. Thank you, Larry and Prem. I appreciate the introduction and some of the background for the board members. I appreciate the opportunity to present these customer information system project application for your review and approval. As Larry mentioned, we do have Steve Wenke, as well as members of the CIS project team with us to help address questions as they might arise. Again, welcoming participation throughout the presentation.

David: Dana, did you want to go into executive session?

Dana: We did. Sorry. Do you need me to do something special for that?

David: Is it for the whole presentation? Because it's intertwined throughout there, the confidential information.

Dana: Yes, it is.

David: Okay. Well, then I will entertain a motion to go into executive session for the purposes of discussing this application and related security, private and business matters.

Kevin: Moved.

David: Inviting the senior executive team and presenters. So moved by Kevin, seconded by Catherine, all those in favor signify by saying "aye".

Kevin: Aye.

[EXECUTIVE SESSION FROM 2:51 P.M. TO 4:17 P.M.]

David: The four members present in voting for a project to implement a comprehensive customer information system, there are motions before us to put on the floor for our consideration. If somebody would like to move those to the floor, we can have a discussion.

Catherine: Is it your desire to address everything at once?

David: I think so, because it's interrelated. You really can't move the project forward without approving the protected information and all that, so I think it would be nice if we have one motion that approved all the necessary documents.

Catherine: I'm happy to move the approval of all documents necessary for the CIS project.

David: Is there a second?

Suzanne: I'll second that motion.

David: All right. Thank you. Discussion? We've had a robust discussion and executive session because of the sensitive nature of this information and the security, absolutely necessary and negotiations with potential contractors and all, but now public session. Are there comments or favor or opposed or questions?

Suzanne: I was willing to second the motion because I feel like the team that presented to us the information that gave the rationale, the due diligence, and the explanation of the financial impact of the project. I found them to be highly prepared, highly convincing, and really have done their homework. And I appreciate that a lot. This is not an easy project, but I do think that they've set the groundwork to be successful, and the work will only begin once we've actually gotten past the point of approval. So the hard work hasn't even started yet, but I think they've really done a good job.

David: Thank you. Questions or comments?

Suzanne: And the only thing is I would like my follow up information, because the only thing that feels a little heavy is the one piece that we talked about. So I'd like to see that right now.

David: I have that as an action item, Suzanne. Thank you.

Suzanne: Thank you.

David: All right. Thank you Jennifer, for moving it to so I can see people. All right, any other questions or comments? I think Suzanne summarized my thoughts fine. And I'm not going to add to the and prolong the discussion. It's something that we're prepared for as the authority and would like to support asking the RPB for their approval to move forward.

Catherine: I agree as well.

David: Thank you. Good. Thank you.

Dana: Thank you very much. Appreciate all the time and input. Thank you.

David: All right. [inaudible] you ready to vote? All those in favor, signify by saying aye. [crosstalk] I heard Tony. Did I hear I thank you. Okay. I heard Kevin. I didn't hear Tony. All right. Very good. So passed unanimous. So I'm going to ask that we recess and once a year we have this where we don't adjourn until after the RPB meeting, because we are going to take into account their comments to us regarding the ONM and the capital budgets. I will tell you, and I'm sure we all saw because Jennifer uploaded them for us, that their motion that is prepared for them is favorable, as well as the comments from the OCA are favorable to the job that Larry and the team have done with putting the budget together, and I think our comments were favorable as well.

When we met for five or six or seven hours, I forgot what it was, to review the budgets and have our meeting, and then the two meetings with the RPB committees were mostly favorable and there were some questions that were able to be addressed and concerns. And so I'm expecting tonight that the RPB will approve that motion and then we'll meet very quickly just when they adjourn and vote, actually send them to the trustee and move forward. So, Catherine, question?

Catherine: Sure. Are we going to meet in the same teams meeting?

David: I'm just going to ask that of Jennifer. How are we going to meet tonight when they're done?

Jennifer: When they're done, I'll just stop the recording and I'll start a new one. And then I'll just take that piece and add it to this meeting.

David: So we will stay on their meeting or do we go back into, oh, we'll stay on their meeting then?

Jennifer: Yeah, just you can just stay on there.

David: Okay. All right. I originally was going to go in person because I report to them, but I decided not to. I think they don't need many people in that room. And so they have to have it in person because it was noticed that way for the public hearing, but I think we're all going to be on Zoom. And so please plan to stay, RP authority members. Please

plan to stay after the adjournment. And after they all say goodbye to each other and the usual chit chat at the end and then we'll have our quick brief meeting. Okay?

All right, folks. So we are in recess until the end of the RPB meeting.

[AUTHORITY RECESS FROM 4:20 P.M. TO 7:40 P.M.]

David: I will reconvene the authority meeting, all members are present. The last item on the agenda ... Let me open the agenda.

David: There is the approval of the fiscal year '23 budget and [inaudible] filing with the trustee. We have heard input from the RPB and their positive comments. We heard OCA. We have prolonged meeting and review, what is your pleasure folks?

Tony: I move the adoption of the budget.

David: Is there a second?

Kevin: Second.

David: Is there a discussion? Longer than the seven hours we had a few weeks ago and the eight hours of meetings with the two committees. Sensing you're ready to vote and go home for the night. All those in favor of adopting the budget as presented say aye.

Tony: Aye.

Suzanne: Aye

Catherine: Aye.

Kevin: Aye.

David: Aye.

David: I heard all Ayes. Very good, all give of us. Thank you so much. Who wants to move to adjourn?

Suzanne: I'll move to adjourn.

Catherine: I'll second.

David: First and second. All those in favor, signify by saying aye.

Tony: Aye.

Suzanne: Aye.

South Central Connecticut Regional Water Authority
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Kathryn: Aye.

Kevin: Aye.

David: Aye. Passes unanimous folks, thank you so much. It was a rather long day. Appreciate everything and-