

South Central Connecticut Regional Water Authority
June 23, 2022
Meeting Transcription

David:

Yes. Good. Well then I will call the June 23rd, 2022 meeting of the Regional Water Authority to order at 12:30 and first item of business is a safety moment. Donna, I don't know if you want to run us through, it's pretty self-explanatory.

Donna:

The summer months are obviously in front of us, and so today's safety moments really around sun exposure and that it can obviously increase harmful risks to all of us with the ultraviolet lights. So with that the biggest risk for us is when we're outdoors from 10 to 4, even on cloudy days. So some things to just keep in mind as you're outdoors is, if you can go in the shade, whether it's under an umbrella or some kind of overhead, that would be great. Make sure that you wear protective clothing, wear a hat, drink, plenty of water to avoid dehydration wear sunglasses. And the most important thing they will say is wear sunscreen 15 or higher is great. And that also obviously helps protect from sun damage and cancer as well. So just make sure that we're taking care of ourselves with the summer months.

David:

Thank you very much. We are now all well versed in that topic. Thank you. So we've got a couple of committee meetings today, so let's get right into it and let's recess as the Authority and meet as the Commercial Business Committee, who would like to move that?

Kevin:

So moved.

David:

Moved by Kevin seconded by...

Catherine:

Second.

David:

Second by Catherine, all those in favor signified by saying "Aye".

Group:

Aye.

[COMMERCIAL BUSINESS COMMITTEE MEETS 12:32 P.M. TO 1:24 P.M.]

[STRATEGIC PLANNING COMMITTEE MEETS 1:24 P.M. TO 3:12 P.M.]

David:

All right. We are now meeting as the Authority. And I would like to let us take a break. How about 12 minutes because then that's 3:25. All right. So we'll take a break 3:25 and they'll come back.

[BREAK FROM 3:12 P.M. TO 3:25 P.M.]

David:

All right. So items, acts of matters arising from committee meetings. We do have one and that is the Commercial Business Committee. Kevin, do you want to lead us in this?

Kevin:

Yes, we do have a recommendation from the Commercial Business Committee made today to proceed with a conditional approval. Would you like me to make the motion Dave?

David:

Sure. Please put it on the table.

Kevin:

Yeah, I make a motion based on the recommendation of the Commercial Business Committee to approve the resolution that is presented on the screen at this time to move forward with a conditional approval.

Tony:

I'll second that motion.

David:

All right. And that's for a purchase of an asset that we discussed in executive session that if it happens, will be public correct.

Kevin:

That is correct and I can amend the motion for that.

David:

Oh no, I think you were fine. No, I think your motion was perfect. All right. And there's a move and a second. We had a lot of discussion during committee, but do we want to have any more discussion now?

Kevin:

Yeah, sorry. I just want to reiterate my comments. I think that the presentation and the work... I'm basing my vote today on the presentation that was held in executive session, the comments and somewhat of a robust discussion among five Authority members and comments by legal counsel also made in executive session. And I think that everyone's done a great job to date and wish them luck with the hard work ahead.

David:

Super. Thank you.

Rochelle:

Thank you.

David:

That's great. Any further discussion? Now, sensing correctly, I hope this time, that you're ready to vote. All those in favor signified by saying aye. Okay. I heard four votes, so I believe Suzanne probably is still not quite with us yet, so that's fine. All right. So we'll go onto the next item, which is a consent calendar and there are several items there.

Larry:

David, did you want to vote? Did you want the Authority to vote on the strategic plan? The committee recommended it.

David:

Okay. Well, if the committee recommended it, then we should do that. Thank you for finding my oversight there. The strategic plan, there was a motion from the strategic planning committee that the strategic plan has presented be adopted by the authority. Who would like to move that and put it on the-

Tony:

I'll move that.

David:

Thank you. Is there a second?

Catherine:

Second.

David:

Second by Catherine. Any discussion? There was a fruitful in public discussion, so we maybe don't need to rehash everything. All right. All those in favor, signify by saying aye. All right. Four votes present in favor. Thank you. And thanks Larry for catching that for me. The consent calendar, what's your pleasure on these seven items.

Catherine:

I move adoption of this consent calendar, please.

Tony:

Second.

David:

All right. There's a second. Are there any items of clarification or items removed? Seeing none, all those in favor signify by saying aye. All right. Now we're onto some more good news, finance. Rochelle, I suppose you're going to do this.

Rochelle:

Yes, thank you.

Rochelle:

And I'm just going to cover some of the key highlights, but if you have any questions, definitely feel free to ask. And just as a reminder, these are still considered preliminary financials. And as I go through both the balance sheet and the P and L I'm going to mention some of the key areas that we know will be updated as we close out the fiscal year. So first on utility plant, you can see that year over year, we are now up by 5.8 million. In prior quarters we were actually under, but this reflects updates for the capital investments that have gone into service. There will be a final update, not expecting it to be significant on the accumulated depreciation. You can also see, moving down to for goodwill, I will mention one of the things that we will be doing, we will be starting to amortize our goodwill based on recent conversations with auditors.

Rochelle:

So expect to see that when you see the final audited statements. From a cash perspective, couple things I want to mention here. You can see that current assets and in particular cash and cash equivalents are up significantly. And the main driver of that is you're looking at fiscal '21 post the year end disposition. And you're looking at fiscal '22 prior to the year-end disposition because the disposition has not yet been approved. And that's really the key driver because after we incorporate the year in disposition, you're going to see a movement between cash and cash equivalence into restricted assets in particular because the construction fund is part of restricted assets. I think also in the asset category, I do you want to mention, you do see that there's a reduction in the accrued revenue, and that is primarily due to monthly billing. So again, not impacting the overall earned revenue, but our accrual, because we're now doing monthly billing is a lot smaller than it has been when you do quarterly billing.

Rochelle:

The pension areas are going to be updated, is part of the actuarial report that I mentioned earlier. So that's going to impact the deferred inflows and outflows on the pension and the OPEB plan, as well as on the liability side. I also do want to mention restricted assets. That is primarily up year over year, even prior to the year-end disposition. And that is driven by the bond financing that we did earlier in the fiscal year. Moving over to the liability side, you can see that there are an increase in the revenue bond payable. And that again is also due to the recent bond issuance that we did. Although for the refunding that we did, there is actually a reduction because we got such high premiums, which is a good thing on those refundings that we have done.

Rochelle:

I think the other key changes here that I want to mention is you can see that the year over year liabilities are up by the 23.1 million. You can see some movement between the current portion and the longer term portion of the bonds, the DWSRF reflects 10 loans that we have. And again, the pension and OPEB, which is one of the key drivers here, we will be updating those based on the actuarial reports that we get. But overall, you can see sort of going down to the bottom right, that year over year, we are up

about 16 million from a total net position perspective on a preliminary basis. Are there any questions on the balance sheet? Okay, moving on to the next page and I would go, Jennifer, I'd skip that page and go right to this page, A1. So the upper part of this page is based on financial reporting.

Rochelle:

You can see that the revenues are up year over year by about 3.3 million. This is based on earned revenue. So I will mention that some of the items that we're going to talk about when we talk about the maintenance test, which is cash base are not applicable to the earned revenue, but we still did well, exceeding our operating revenues, keeping in mind that the budget did not include the rate application because of the time it had not even been filed, not to mention, not yet approved. Also, you can see that there's an underrun in operating a maintenance expense. I'm going to get into that a little bit in more detail, a bit later on, but overall we were under budget by about 4% and that did include the additional pension contribution. And also does include estimate of the global metric payout that we discussed earlier on.

Rochelle:

The other item I do want to mention for the contributions to related entities, when we do consolidate the commercial enterprises into RWA, that will net out because that just transfers between the entities that we now have in place. A key thing, moving down to the bottom part of the page and I think this is very favorable news. We're actually ending the year I'm still on a preliminary basis, but projecting to be a coverage of 138%. And here there are certain key drivers and some of them are not recurring. So you might recall that I've talked about previously that there would be a one-time impact of what we refer to as the big bang with monthly billing. And that was converting all the customers in one month. That doesn't have an impact on earn revenue, but it did have an impact on our cash position.

Rochelle:

Also, with monthly billing, we are seeing the impact of the rate increase earlier because, we're incorporating that and getting the cash receipts associated with the billings that have that increase in them. Couple other points here is that based on how we structured the new debt, there was no new debt financing payments in fiscal 2022. So that was also a favorable impact. And you can also see that the under on, O and M was also a favorable impact. So a couple non-recurring items, but overall a good year from the regulatory reporting perspective. And when we go through the year end disposition, which is the next item on the agenda, you'll see what the impact is of such a strong coverage, because that does result in additional monies available for the year end disposition. If you move on to the next page, this is the result at a more detail level of our O and M and I'll just cover a couple of the key categories.

Rochelle:

So you can see that payroll was under budget, good from a financial perspective, maybe not necessarily good from an operational perspective, but we were well under headcount even with that vacancy factor adjustment. The other aspect that helped us is medical continued to be under in particular throughout the year under our budget. So that did help us absorb the pension contribution, that additional pension contribution while still ending the year under our original budget. Some of the other categories I just want to mention is we are seeing increases in chemicals and that is due to higher pricing that we're seeing. And we'll definitely be keeping an eye on that as we enter fiscal '23. Collection expense, I also just want to mention that has come in under. We actually did not see the increase that we had expected

in some of our bank fees. And that is something again that we're going to be watching because we are now sending out more bills.

Rochelle:

So there's more lockbox and credit card and processing fees, but it wasn't quite at the level that we had budgeted. Business improvements, I just want to mention the reason that, that is actually higher than budget is we were proactive where we could accelerate certain expenditures into fiscal '22. We chose to do that because we had an opportunity to absorb those expenses in this fiscal year. Outside services, we've talked about that from time to time and that did come in under, and that was driven by underruns in multiple areas across the business. I do want to mention, we may have touched upon this earlier, way down at the bottom of the page here, the central lab water quality, that's primarily part of the offset to what you see on the outside lab services side, because it is an underrun on the utility side and that has to do with a mix of the cost supporting outside versus supporting inside. So unless there's any questions, I'll move on to the capital.

David:

Just if I could ask one question. In the years past, it was an issue with payroll, how much actually was in the operating budget because of how much versus how much we were able to charge to the capital projects. And since we were down a little bit in capital projects and had to put a lot of it into contingency on a couple of big projects, did that help us, hurt us or really have no effect because you planned correctly even with that change?

Rochelle:

It didn't have a significant impact. And I think it's really primarily because our payroll was under and some of those larger projects don't necessarily... they have some capitalized labor, but there's also a lot of contractor involvement as well. So not a significant impact.

David:

Right. Thank you.

Rochelle:

Okay. If there's no questions here, I'm going to talk about the capital, although at a pretty high level. So if there are other questions, just let me know. So you had heard earlier that we did meet our 96%. We came in just slightly over. A lot of work across the whole organization to have that happen and definitely the support of the board that allowed us to put some monies into reserve. We felt was the prudent thing to do. As was touched upon earlier, there are some variances, I'm just going to talk about some of the larger ones. So on the Whitney Dam that did come in under budget. That primarily had to do with timing of invoices and the continuing evaluation. We did want to make sure because the approval did not occur until fiscal '22 very early in fiscal '22. Thank you for the flexibility on that.

Rochelle:

But we wanted to make sure that we didn't go over the 2 million threshold. So we came in just a little under that. On the lake salt install, electrical upgrade project, that was just a little bit under. The design is underway on that project and that will continue into fiscal 2023. The lake salt install chemical treatment systems improvement that actually came in higher. That was one of the projects that we put

money into the reserve. And we were able to actually do more than we expected, which is really the primary driver that underrun there. Another project that came into that category as well is the west river water treatment plant improvement projects. We were over expended based on the fiscal '22 budget, but we had moved significant dollars into fiscal '23. So not over from an overall perspective, but more timing across the fiscal years.

Rochelle:

Pipe came in just a little bit different than the budget. And that was really primarily, some projects were higher. Some projects were lower. Projects that more led to the slate increase versus budget had to do with Thimble Road in Branford as well as Main Street in Branford.

Rochelle:

For service connections, that also came in a little bit higher and that was due to increased activity as well as some increase in pricing. The Ansonia Derby tank is another one that we move significant dollars into the reserve. However, given that very end of the fiscal year, okay to go forward, we were able to do just a little bit more on that project that did help us achieve our 96% goal. On general plant, the project that's named SAP Enhancement Pack and HANA Upgrades. That's really going to be renamed it's the CIS project. And that project wasn't far enough along to have any capitalization. So, that was an underrun. We touched upon monthly billing that did come in under and the RTU project, which is a RPB approved project that came in a little bit over. And that was primarily driven by pricing and lead time activity.

Rochelle:

So unless there's any questions here, I'll move on to the next page. So this is where we show our interest earning returns. And so actually some good news here for the first time all year, we had been forecasting to be under budget.

Rochelle:

We're very close to budget. We had budgeted across most of the balances that we have, about a 0.5% rate.

Rochelle:

The stiff rate early on in the year, you might recall was even less than that. But actually as of yesterday evening, it was actually at 1.42%. So we should have some favorable impact with that. And I'll also mention you can see some of this within the schedules. We did invest in some, I'll call it near term, like three to five year securities to try to get a better return. So we try to balance the timing of that because most of those securities only pay twice a year, versus let's say the stiff, that we get paid every month, but we did make some investments to help with the overall investment earnings. And this could be one area in fiscal '23 that we actually do better than budget going into the year because the interest rates are definitely higher than what we had assumed. So good news from interest earning not necessarily good news when we go out with our net debt financing. The very last page here just shows where we are on a cash basis. So again, you can see... yes?

Catherine:

Rochelle, before you jump to that, this is just a question of interest. A couple years ago, or a few years ago, short term investment fund was developing a medium term investment product. Did they ever develop that to your knowledge?

Rochelle:

Not that I'm aware of.

Catherine:

Okay. Thanks.

Rochelle:

This final page just shows on a cash basis where we are versus the budget. And so we are over, a little bit over at 204,000 for the portion that counts in our maintenance test. And that is now being helped by the interest rate environment. And also from a good news perspective, we have been able to put more money in the revenue fund. So that is one of the areas that we have about \$37,000 of the additional variance versus budget. So good news from an interest earnings perspective and also on the construction fund, I just want to mention that we did change our process. So we're basically just maturing money as we need it, not doing a maturity every other week or for the month, we're just drawing the money down as we need it to try to take advantage of the interest earnings that stay within that fund. Any questions?

David:

No. Good news I guess doesn't bring a lot of questions.

Rochelle:

Definitely a team effort to get the results. The next item is the year end disposition. And just a couple things I want to mention. First about the cover letter, I did see that there was an error, there will be a... it's appropriately reflected in the numbers, but there will be a required contribution into the operating reserve. So we did take that into consideration. And then also I just want to mention, because it's not part of the resolution and we touched upon this a bit in the commercial business update that we are pleased at the cash level that we have within commercial enterprises. And so as opposed to dipping into the growth fund, we are planning on paying the earn out amount that was part of that deal structure out of cash that's available. And we will still be putting in monies into the construction fund. So I just wanted to mention that. And then Jennifer, it might be best if you actually go to the very last page.

Rochelle:

So at the upper left, you can see the cash theft. The cash theft was available at the end of the year, was 24.6 million roughly. That's the highest amount that we have had, just under 422,000 is a required contribution into the operating reserve. We are required to put one sixth of the O and M budget into that reserve. So that's the incremental amount that we need to transfer into that reserve fund. For the growth fund, we're planning as part of the year end disposition to put just under 2.3 million in with most of the money going into the construction fund. If you go over now to the right part of the page, we're also proposing as part of the resolution to transfer just under 1.4 million from the excess that's in the

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general fund, into the growth fund. So we're able to basically replenish the growth fund as well as just add a little bit more to that fund, given our focus on the commercial enterprises.

Rochelle:

So at the end of the last year, the growth fund was 6.6 million roughly. We did utilize a little over 2.5 million. That was for the acquisitions as well as for the capital project that we funded out of that fund. So we're proposing that with a year-end disposition, plus moving some money from the general fund into the growth fund, that will bring that fund to just under 7.8 million. I do want to mention that if the dollars aren't used within the growth fund, they can be moved back at any time into the general fund. But the focus here is definitely on the construction fund. So we're really pleased that we are proposing that we could transfer just under 22 million dollars into the construction fund. So that's going to definitely help with mitigation of upcoming rate applications, as well as leverage and the focus on our debt level.

David:

And that's-

Tony:

I got a quick question and I always get confused when we have a year like this, when the world around us is falling apart and we are doing swimmingly. We took in extra money because of the quarterly payments, but how did we make so much money at the end of the year? Did we not do something?

Rochelle:

So there was a couple key things from the year end disposition. So the big bang definitely helped with that. The rate application helped, especially when we did not need to make debt service payments for that new bond issuance. We also had a refinancing that also helped and the other sort of aspect, which is leading to a little bit of anomaly. So when we set the new rates, we increased the depreciation, but in the year that we implement the rate case, the depreciation is actually a prorated amount. And I think also that O and M came under, that pilot came under all help contribute to the overall result.

Tony:

Got it. Okay. Thanks.

David:

So we are putting into the construction fund, almost half of the funds that are equal to almost half of what the construction for the year is, what our capital budget is. That's just phenomenal. And that's what should be, I mean, that's what we want to be working towards is getting much more paid for with cash. So that's just great news. It's big news.

Rochelle:

Definitely was a good year. Late to get to, almost like 66 to 75% with [inaudible 00:31:55] longer, long term goal.

David:

Yeah. Right. So it contained within this is a motion I believe on pages... what do I have? Two, three, and four. And we will correct a date, I would assume for the motion to be today rather than last week. But would somebody like to move these motions to put into action what Rochelle just showed us about the money going to the construction fund and the growth fund and the operating fund as necessary? The motions are correct you said, it's just that the-

Suzanne:

I'll make that motion.

David:

All right. Moved by Suzanne. Is there a second?

Kevin:

Second.

David:

Oh, second by Kevin and then Catherine third. Okay. There we go. All right. Any more discussion? All right.

Suzanne:

David, I just think to your point with gratitude for the work that the members of the RWA have put together to achieve such good results while maintaining focus on our purpose and our strategic plan and keeping employees safe. It's actually quite an accomplishment.

David:

That it is. All right. Thank you. Any other comments? All right. Let's vote all those in favor, signify by saying, aye. Passes. Passes five to zero. I see. Next item is the proposed revisions to the 2023, which we've already talked about, but we can get a review from Rochelle if you would like.

Rochelle:

Yeah. And also a resolution here as well. So first I want to go through the carryovers. So most of it's pretty straightforward. We do have a number of projects that were impacted by timing that we're proposing we carry over. There were also certain planned carryovers, including the Sherwood Drive project. That became a project very late in fiscal '22 when we had monies to carry over the purchase of that additional water wagon. Also the building alternatives, some monies were left over that we definitely want to carry over. The retainage, also pretty straightforward. The other group here at the bottom of the page is projects that after the budget was submitted, after the fiscal '23 capital budget was submitted, these were projects that the authority approved that we can put into reserve. And so now we want to actually move those monies into fiscal '23's budget.

Rochelle:

So this is the planned, the carryovers. And if you are okay with this, there is also an additional resolution that pertains to fiscal '23. That is basically the movement of all the dollars that were put into reserve.

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Both the dollars that you're seeing here at this page, as well as that 7.4 million that was already in the fiscal '23 plan, but it was in the reserve slash contingency line. So there is a resolution to allocate those dollars across the projects that they belong to. And if agreeable, the result will be the update to the five year plan, that's in your package. I know there was a little nuance with how we handled the reserve and the timing.

David:

COVID fallout to our operations. All right. What's your pleasure folks? You want to move that we approve this?

Tony:

Yes. I'll move.

David:

All right. Is there a second? Okay. Any questions? Further discussion. All right, then sensing you're ready to vote. All those in favor, signify by saying aye.

Group:

Aye.

David:

Passes unanimously. Very good. Thank you. All right. So we are now on our RPB committees. Thank you very much, Rochelle. Again, as Suzanne said this is significant and it's material difference in our financials. So that's great.

Rochelle:

Definitely a team effort.

David:

Led by you in this area and Larry's a big booster of yours on that, reminding me every time we meet about it. Let's see, we have the June meetings, but we only have two, I guess, finance committee met last week. So Kevin were you able to go?

Kevin:

I did. I attended, and it was a short meeting even for the finance committee, Sunny gave a Derby Tank update. There was a couple of questions from the committee members about the status of that and what's going on. And Rochelle presented her quarterly report on the RPB approved projects. And there were some follow up questions and discussions.

David:

Good.

Kevin:

And that's it.

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David:

All right. Thank you. And Land Use couple weeks ago, Catherine, were you able to go?

Catherine:

Yes, I did go and I have a bit of a sore throat, but I'm going to get through this anyway. Okay.

Catherine:

So I had the pleasure of attending the land use committee meeting that was held on the 8th of June. The committee met at Maltby Lakes in West Haven following sharing of the safety moment and the approval of the minutes, John Triana gave the group of very interesting history of the Maltby Lakes area. Maltby Lakes reservoir consists of three lakes bordered to the north by Yale golf course in the south by Route 34 Derby Avenue. This recreation area is used for fishing and hiking, Caleb Maltby, who built as well through oyster sales and mining and hotels, and helped to establish the Fair Haven Water Company, which is one of the predecessors of the RWA. And that company required pipes to be laid across New Haven from Maltby Lakes to serve the city's Fair Haven area. In the past Yale school of forestry once used the property for practical training. They don't do that anymore.

Catherine:

They have other places. And one interesting note, there is a small burial ground on the property where a Native American family is buried. Maltby Lakes is an inactive water supply, but is available in case of need. The next item on the agenda included John Triana's usual comprehensive update of our RWA properties and other land resources. The reservoir levels, as of the end of May, were above the historic average. The RWA continues to map and treat invasive species. The deer hunt lottery was held with 192 hunters participating this year. Recreational permits were down from the high of 2021. The RWA executed an annual agreement with the Bethany horseman. I was pretty surprised to learn that the RWA properties are used for riding trails and upon some questions, John Triana described the extensive efforts that the riders undertake to ensure removal of any... let's call it organic material produced by the horses.

Catherine:

Interestingly enough, the horsemen have a quote, manure patrol, and John receives a periodic report from the horseman during each season. I will not repeat the colloquial reference to the list that he receives, but you can just imagine. This part as a particular note, there seems to be a good deal of trespassing on RWA proper property with fences cut, ATVs and dumping happening in Woodbridge. Tree stands in north Branford and Madison, burglary and vandalism at Lake Menunketuck.

Catherine:

I probably pronounced that wrong. ATVs and dirt bikes in north Branford and in Sugarloaf the recreation gate was saw in half. Upon inquiry committee members learned that there were more than 80,000 incidents of trespassing on the property resulting in erosion, spreading of invasive plants, damage to the property and potential liability from very dangerous activity on the dams and other parts of the property. The RWA police force is half the number of its high of six. And there was some discussion about using rangers, but concerns were raised about a need for police officers to have enforcement power. Committee members were informed that a report with recommendations to address the trespassing was winning its way up the chain of command. And it's important for you to know, for all of

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us to know that committee members express the desire to make trespassing and protection of RWA property a high priority.

Catherine:

The last item on their agenda was an announcement that the committee chair election will occur at its next meeting on the 13th of July and that concludes my report.

David:

All right. Thank you very much. So now is the time and consumer affairs doesn't meet till next Monday due to the new holiday we had the other day. So they got moved to the [inaudible 00:42:02]. All right. So now we have to move forward with July and note in July because of the golf tournament, finance committee's meeting the next night on a Tuesday. So who might be available to go to finance on Tuesday, July 12th? Catherine.

Catherine:

That's actually the only meeting that I can make in July.

David:

Oh, well, there you go. Well, you raised your hand quickly and first, that's good. The next night will be land use committee. Who's going to be able to go to that? I'm sure it's going to be fun and exciting. Okay. Suzanne is going to take that one.

Suzanne:

I can do that.

David:

Great. And consumer affairs? Tony or Kevin, you guys around at all?

Tony:

I still am not allowed to drive, so I have a problem.

David:

I didn't realize. Sorry.

Kevin:

Yeah, I can do that.

David:

Okay. Some of these are remote.

Kevin:

I don't mind.

David:

Some of these are Zoom meetings too. Tony, keep that in mind.

Tony:

Okay. I'll take Zooms anytime.

David:

Okay. Well, we'll see about August then. Do you want to try the Zoom meeting in August for the finance committee?

Tony:

Sure.

David:

All right.

Stephen:

Dave, this is Steve Mongillo. Our meeting is a virtual meeting for June.

David:

For July?

Stephen:

And July, correct.

David:

For next week. So that way Suzanne will know.

Stephen:

Assuming July as well.

David:

Okay.

Stephen:

Certainly would be a hybrid anyway.

David:

Exactly, it would be a hybrid if it's not a strictly virtual meeting. So, all right. So for August, we still have land use, which if they go on a trip, obviously is in person.

Tony:

I cannot. Did I say? I cannot make Monday the eighth on August, but I think I can make the other two. Are either of the other two virtual?

David:

Consumer affairs will at least be a hybrid on the Monday, the 15th. So, if you'd like to do that. All right. So now back to finance on the eighth, August 8th.

Kevin:

I can do that.

David:

Okay. And then land use on the 10th?

Catherine:

I can do that. I can do any of the meetings in August.

David:

So you got those three covered. So that's great. And then September, September 12th will be finance committee.

Tony:

Is there a virtual? Is that a virtual?

David:

It'll be a hybrid very likely still.

Tony:

I'll cover the hybrid.

David:

Okay. Land use on the 14th might not be hybrid because they often do visits.

Kevin:

I can do that if you need.

David:

Very good. And then consumer affairs on Monday, September 19th, Catherine. Okay. Very good. We've got them all split up. Okay. So now we're into business updates. Let's do the COVID one, see if we're going to make this succinct. And then we'll do Derby tank succinctly and we're switching gears quickly. Larry, how did you want to-

Larry:

I'll have Donna go ahead.

David:

Okay.

Larry:

I'll have Donna go ahead and provide that update.

David:

Please Donna.

Donna:

Okay. Great.

Suzanne:

You're muted.

Donna:

Okay, great. As of June 14th, we have 91 confirmed cases.

Tony:

You have your reverberate.

David:

Yeah. There's feedback. Somehow you might have a second mic open.

David:

Well, Larry, let's go back to that. Let's move to Derby tank. Do you want to give us that?

Donna:

I can give an update on the COVID. I'm over here. Can you hear me okay?

Tony:

Yeah. Perfect.

Donna:

Okay. You can't see me, but you can hear me. As of June 14th, we have 91 confirmed cases. This is an increase in nine new cases since our last board report back on May 18th. Our vaccination rate remains at 85%. We are still continuing all of our cleaning efforts. In addition to, as employees are reporting that they're sick, we are still doing the daily common areas of their office as well as all the common areas around the building. And as you're aware as of mid-month in May we went to a work from home process where all of our employees are remote. We are going to be reevaluating that and determining where we're at. But as I shared, we've had nine new cases. So people are starting to get out and this is what we're kind of seeing in the area. So we're continuing to follow CDC guidelines and monitor accordingly.

Larry:

Yeah. With regard to return, we'll probably send a notice out next week to employees letting them know because we originally implied that we would bring them back after July four. And we're seriously looking at after Labor Day, given that there's been this spike in cases at the RWA. And by then, a lot of the summer gatherings and super spreader events should be diminished. So it'll probably be likely after Labor Day before we bring people back into the... or at least try to bring people back into the office in some sort of hybrid work schedule.

Tony:

Are they largely okay with this, Larry?

Larry:

Yes, we are. We are meeting our metrics and getting the work done. So as long as that is the case, I will continue to use some sort of a hybrid work schedule.

Tony:

Okay. You're not hearing any complaints from them about the fact that they are now being required to stay at home.

Larry:

Not at all, not at all. I mean the big division in the workforce is quite frankly, are those employees that are in operations, construction, distribution, treatment. They have to come into work every day and they feel like that they're not... because they can't participate, they feel a bit put upon, but we take every opportunity we can to express our thanks and appreciation for their coming in.

David:

Thank you for that update. Derby Tank update.

Larry:

Yeah. I'm going to have Sunny give a high level on that because he is going to meet with the finance committee and have them provide at least an advisory to the RPB about the budget for the Derby Tank.

Sunny:

Right. I think we already did the finance committee, I think a couple of weeks ago. Just, I would say Jennifer, if you want to move to the second page, just a quick synopsis of what the update is. For escalation, the rules and regulations allow, I would say, for us to go one 10% or 10% over the approved amount or as adjusted by the index. So we had used an index in 2018, the ENR construction index, which was about 11,170 and the May, 2022 index is about 13004.47. Which equates to an increase of 16.4%. But using all the escalations that we have received, there has been three escalations and some cost adjustments in terms of credits. So all these three combined together put us about, say 5.824 million, which is less than the index adjusted cost of 116.4%, which equates to 5.937 million.

Sunny:

So in effect the escalation of all the, I would say the two years of not starting the construction contract resulted at 5.824, which is less than I would say the index adjusted cost. So in that page, it was more information. We didn't have to go for another approval of the whole application and we were able to

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start the contract. And tomorrow the contractor is actually going to start working on, I would say, removing the trees. So this is an update that we provided to the finance committee, which I think they will actually give an update to the RPB, but just, I would say for the five member authority, we updated last month on where we are going. But since we updated the finance committee, we wanted to provide the update for this as well.

David:

Thank you Sunny.

Sunny:

It's good.

David:

Yeah. They were receptive to this. I spoke to chairman Slocum, and they were receptive to this and very understanding and supportive.

Sunny:

Thank you.

David:

All right. And Larry, do you have... yeah, there you go, your report.

Larry:

I'll hit a few highlights from my monthly board report on that. And wanted to mention the employee engagement activities, where I went over and visited some of the operations out in the field. This time I went out with Jim Hill, who was our director of operations and the visits included going to the Seymour well field and watching the staff there run well number seven to waste, which was actually a way of jetting the well, which helps unclog it for better production.

Larry:

So that was a very fast method of cleaning up the water supply well, and getting rid of certain types of clogging in the pump. Also, saw the continued progress on transferring over service lines at a main in Milford. Matter of fact, they're doing that on 2200 feet of new main, went to the west river water treatment plant and saw the progress on the dissolved air flotation project there and looked at the progress at the Lake Gaillard Water Treatment Plant for the installation of sodium hypochlorite bulk tanks. And then finally there was a main break that day up in Cheshire that was on a 12 inch water main. And we were able to go up there and see the work that they were doing to get that repair. That was a big, big project.

Larry:

Next I reported on the fact that we have renewed our advertising on WTNH to air wise water use commercials. And this public service campaign will have 10, 15 second messages that offer outdoor and indoor ways that people can reduce their water use. And this year we added two new spots having to do with doing laundry and ways to chill water, rather than just letting the faucet run. And there's going to be, I think, some 400 commercials run over 17 weeks in the news segments, as well as other

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programming. And we estimate that'll reach probably 90 close to 98% of New Haven County, about 10 times. So those ads will appear also on WTNH.com, which will reach an additional 154,000 online users, as well as on our RWA website and social media platform. So that'll fulfill our obligation that the department of public health has that water utilities actively promote conservation among its customer base. So I'll stop there and see if there's any questions that you might have.

David:

See any questions. All right. I don't see any. So Larry, you have some other updates regarding personnel and negotiations.

Larry:

I do. And I would like to go into executive session for this and excuse the leadership team with the exception of Donna Verdisco.

David:

Thank you everyone. Appreciate your time.

Rochelle:

Bye everyone, thank you.

Suzanne:

Are you going to vote to go into executive session?

David:

Is there a motion to that effect?

Tony:

I'll vote.

David:

Is there a second?

Catherine:

Second.

David:

All right. All those in favor signified by saying aye.

Group:

Aye.

David

Passage unanimous.

[EXECUTIVE SESSION FROM 4:17 P.M. TO 4:49 P.M., MEETING ADJOURNS]