

**South Central Connecticut Regional Water Authority  
Strategic Planning Committee  
June 23, 2022  
Meeting Transcription**

[STRATEGIC PLANNING COMMITTEE MEETING STARTS AT 1:24 P.M.]

David:

Thanks, Kevin. And all of you. We are now meeting Strategic Planning Committee and first item on the agenda is approval of minutes from February 24th. What's your pleasure, folks?

Catherine:

I move the minutes.

David:

Well Catherine seconded by Kevin. Any discussion on those? All right. Sensing you're ready to vote. All those in favor signify by saying "aye".

Group:

Aye.

David:

That's great. So now to the meat of the meeting, item one or item two, but item one of the meat of the meeting is a review fiscal year 2022 year-end strategic action plan, update, and global metrics. And with that, I will hand it over to Larry. And I know he is going to hand it over to other people.

Larry:

That's right. Thank you. Thank you, David. Appreciate that. The leadership team and I are delighted to present to you an overview of our fiscal 22 year-end strategic plan update. So we can go to the next slide.

Larry:

These are the three topics that we will cover in today's portion of the agenda. I'll provide a brief overview of the fiscal 22 strategic plan action items. And then the division vice presidents will provide a summary readout on the fiscal 22 actions and achievements based on the four perspectives of the balanced scorecard. And then I'll return to provide you with an update on the status of our year end fiscal 22 global metrics.

Larry:

And then as a team, we'll take any questions that you might have. So if you can go to the next slide, please. This very colorful slide lists the key fiscal 22 action initiatives grouped by each one of the four perspectives of the balanced scorecard with the light blue being the customer constituent perspective.

Larry:

The one below that in kind of an orange color is the employee learning and growth. Below that in green, of course, is the financial perspective. And the bottom one in purple is the internal business process. You may recall that in January, I provided you a very detailed six month strategic plan update based on this slide, which lists the 12 strategies under each one of the, among the four perspectives, and the 23 actions that we focused on at fiscal 22 to advance our five year strategic plan.

Larry:

The good news, and I'm very pleased to report that we have met all of our fiscal 22 action initiatives listed on this slide, and that they were completed within fiscal 22. And, and I think the results of the fact that we had this many initiatives is a testament to the leadership team and their teams for being accountable and assuring that the employees focus on the strategies and goals were appropriately focused to successfully advance the RWA and its plan. So there's a lot of detail here.

Larry:

As I said, I gave a very detailed update in January. I'm not going to go through these other than to say that we have met it, met each one of the action items. So now I'll turn it over to the vice presidents to actually run through in more detail, the actions and achievements based on the four perspectives and the balance scorecard. And with that, I'll turn it over to Prem who has the customer and constituent perspective. So Prem.

Suzanne:

And Larry, well, we're very interested in the actions, but in terms of the actual accomplishments metric wise, will that be in each of these presentations?

Larry:

There will be, we have the global metrics at the end, which were the key metrics that we have been following in terms of majoring the business. And then the vice presidents will be able to tell you what they've been able to accomplish under each one of these under each one of these perspectives.

Suzanne:

Is it possible to just look at the global metrics first and then come back and look at the actions? I don't know what the flow of your presentation is, so I'm not trying to disrupt it. It's just, I'd like to go from the top down.

Larry:

Well, metrics, right? They were meant, they were at the end as a summary of the metrics that we were using to watch the business. If you want to go to that next, we certainly can do that. That's the last slide.

Larry:

So in one way or another, the strategic plan fed into these key metrics. And these are the global metrics that if we achieve at least seven of the eight that are shown here, that we would have a payout to all employees of 1% of their base, fiscal 22 compensation would go into their 401k plan. And the philosophy there is that these are metrics that all of the employees of the organization contribute to either directly or indirectly and advances the business and its strategic plan. So for instance, we were

going to ensure that at least 30% of our customers were using e-Bill. And that was part of our business case analysis for the monthly billing. And so we were going to reach, I think it was 40% by 20, 25. I think it was. So we divided it up on an annual basis.

Larry:

And so 30% was the goal that we set for 22. We actually exceeded that target by getting 31 and a half percent of our customers adopting e-bill, e-billing to date. I'm going to skip the next one. The other one was we were going to implement four process improvements. We exceeded our target there, which will help us operate more efficiently in different parts of the business. We actually did five. We also wanted to be sure that we had 100% compliance with all of our drinking water standards. And we were able to meet that target. And the way we do that is to ensure that we meet, that we are meeting at least 90% of the target, so that we ensure that we've got that 10% margin. So we set an internal compliance goal of meeting 90%, but we've actually had a hundred percent of the drinking water standards.

Larry:

We also said that we were going to ensure that unplanned capital expenditures were no more than 5% of our fiscal capital budget. And that was to ensure that we didn't have projects that came up that were not, that did not go through the capital prioritization matrix that would come up at the last minute. So we set a target there and we did meet that. The good news is, which you'll hear about later is that we have exceeded our 114% coverage. And that was a key metric because we said that we had to meet that financial metric in order to pay out the global metric bonus to all employees. And so we have exceeded that quite handsomely. And then we were going to spend 96% of our capital budget to benefit our customers. The good news there is that we did meet that target despite several challenges with the supply chain delays due to COVID and transportation, and the like we've been able to meet that target.

Larry:

And then of course, we were going to acquire two profitable companies to mitigate rate increases and to invest in the utility. And we did that by acquiring Roach and a water system specialist. The one that we did not achieve is the achieved zero preventable injuries. And we actually had six preventable injuries occur this last year. The majority of those were strains and sprains, which we think might be done by employees, either using an improper procedure, or they might not have been watching the ground that they're stepping on or overreaching. So we've initiated and this all happened in the operations area. And so we've initiated through Jim, core chain, he's doing tailgate safety meetings. And then of course, on a broader corporate basis, we've started this Safety Starts With Me program to reinforce that each employee is accountable for their own safety and wellbeing. And we have almost achieved all of our employees going through that program to date. So that should help us address that, missing that target this year. And hopefully we'll be able to achieve zero next year. So we have a number of key programs in place.

Suzanne:

And Larry, just a quick question on that, is anybody out on long term disability or are they all short term injuries that people are well and back at work?

Larry:

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Yeah, I'll chime in here, but as I recall, they are all short term. We don't have anybody on extended disability leave.

Suzanne:

Thank you. And second question is on the 96% of the fiscal capital budget, did we also, or will it be talked about in the presentation meet the target of expenses for the projects we did complete? Or did we have a lot of excess expenses due to unexpected price increases and things like that?

Larry:

No, we generally, unless a project, and I don't have the exact number, but unless a project took a little bit longer because of delays, we generally came in at budget or in some cases under because we were able to accelerate it and get it done faster. There were a few cases where it took a little bit longer to finish the project because of certain delays, but generally we came in at or under budget.

Suzanne:

Great. Thank you. And thank you for indulging me in doing this at this point. Go ahead.

Rochelle:

I was just going to mention for the capital, we'll be going through that as part of the financial update, just some of the variances.

David:

Thank you, Tony. You had a...

Tony:

Are these measures an increase over last year's?

Larry:

In some cases they are. 30% of customer e-billing is an increase over the prior year. The two profitable companies of course we had none. So that is an increase. The 96% is the same, achieving a hundred, at least 114% is the...

Tony:

Have we had done the 23 global metrics yet?

Larry:

Not yet. You're going to see that in the next presentation.

Tony:

Okay. Thanks. I'll wait until then. Thank you.

Catherine:

Larry. While we're still on this page, I just had a question. I've only been around about a year, but that six injuries, six preventable injuries seems to be in an increase. Is there something that happened or didn't happen that could account for the increase in these injuries or at least my perception that there's an increase in injuries?

Larry:

Yeah, that's something that greatly concerns me too, because I set a target of zero injuries in 2009. And while we have come down from doubled, from double digits in the mid-teens, I think the previous year we had four preventable injuries. This year six, it seems to me to be more carelessness as opposed to something else going on people, either trying to get their job done too fast or not paying attention to what they were doing. So I think that's the primary cause. So I think that's why the safety starts with me and the tailgate safety talks that have been initiated in operations will help address that.

Catherine:

Okay, thank you.

Larry:

Do you want to, Donna, you want to add anything to that?

Donna:

No. I just want to say that back in 2018, there were five and then there was a decline. So it went from five, two, two, four, and then obviously six this year. But I would agree with what you said.

Tony:

Okay. Incentivizing these differently. Hello?

Larry:

I'm thinking about your question. Whether or not that would be something that we would want to do because collectively this, these goals provide a long term incentive to employees by contributing to their 401k. We'll have to think. We'll have to think about that, Tony. I don't have a good answer and I don't want to answer that off the top of my head.

Tony:

Okay. I want you to think I don't. I think that they probably pull [inaudible 00:17:27] by now.

Tony:

Yeah. I don't think that they push people enough.

Larry:

All right. So do we want to move to the presentation, which is going back to the customer perspective?

David:

Yes, please.

Prem:

Thank you Larry. A lot of good questions. I think it's going to cover a lot of these commentaries that we have here. So very quickly on the customer and constant perspective, as you have seen, we had three categories underneath it. If you remember, one of the things we did last fiscal year was really focused on customer escalation. So very quickly on that we had established a dashboard. The team came together across the organization and we pulled in inputs in terms of how many customer escalations are out there. And then we set a metric around five days of resolving these customer escalations. We have also concerted some work inside an outside organization for that. So leadership team members do receive a customer escalation dashboard. We have reached out to OCA and Jeff on his team. So we are keeping them ahead of the game as what's going on.

Prem:

And then we also have our people from a municipal relationship perspective where we go back and update some of our key RPB members on if there's any customer as patients. So we did a good job on tying all that together. So that's one of the biggest thing that we accomplished for last fiscal year is going pretty well along those lines. Transactional survey and the first call resolution. If you remember, we are working on with Great Blue as a company to set up a baseline for that. So that process has been established. We're launching the actual survey this June. So this is going to help us to really move forward benchmark. And we are going to put forward a 10 to 15% of improvement on top of it, again, as part of the same exercise.

Prem:

If you remember me talking about really getting the input from the customer at the time we know they're being served. So this transactional survey is going to help us on that. So this way we'll get real feedback. It's not like one of those surveys we send after many months, people forget about what they call for. So this is going to be really a good one. So looking forward to that, a launch of that survey. The second section, is very focused on technology and enhancing the customer experience. Just a little bit of a correction. The overall target for 2025 is 42%. We actually set a 30% target last year. We exceeded the target. A lot of good initiatives that we did last year kind of helped us to move along the target based on that we had made it, again a little bit more aggressive for the following year.

Prem:

You're going to see that as well. But as you know, as we get more and more customers, the tail end of it gets real hard because you have a big population that you had already had covered. And now you're trying to get the last few percentages. So that being said, now you'll see it in the next presentation. We set a 35% target for fiscal 23, which is aggressive because last year we had it at a 34%. So that's the long story short there. And then we also launched a couple things like mobile app. Last year, we did a mobile app deployment. The 31.5% kind of goes back on 36,585 customers in total, as of end of May. And then the mobile app. What you see here is 3,353. It is actually going pretty fast. We have close to 9,800 customer, we're deployed.

Prem:

So we are getting a good adoption there. So a lot of good things happening on, on the customer portal and the deployment. As part of the same exercise we connected. If you remember, we pulled all that together, like water wash, for example, customer going to Cobra for making a payment. We pulled all

that together under one portal. So it's one point shop for the customer. So customers are pretty happy and then we see that adoption happening faster than we actually predicted. So that's, that's the good news there. CISRPB application now is in full swing. As you all know, we've had seen a presentation last month, so we're kind of working through that. Again, a lot of process coming up front, we are actually going into next Monday. I believe it's going to be in the consumer affairs.

Prem:

They'll be talking about the application completeness. So you're progressing through that. The plan is to really deploy, get the contracts done, obviously, get an approval and everything being said by the end of this year. So we can actually plan to kick off the project in the January month. So that's the idea there, commercial business solution, a lot of good work happened as you know, we have launched expansion plan for pipe safe. We also launched a well safe plan as well. So that's a totally new product. We have to start working through that so we can put an aggressive kind of a target and a plan to get to those thousand customers. So basically the target for next year is going to be a thousand customers for pipe safe for the expansion and a thousand customers for well safe.

Prem:

I believe it's in a kind of an aggressive target just because we are starting off this program, pretty new. And we'll watch that. Last but not least on that section is a monthly billing. You all know it's on time under budget. It's been a great project, so let's move on. We checked it off. So we are moving off of that. Last section we have is the ENT support. This is more focused on public affairs, the relationship, and how are we kind of navigating through that. We had 20 outreach meetings as of last fiscal year, and then last quarter we've been focusing on copper rule revision. So we've been trying to tie down those knots and really working with DP and the state, et cetera. So a lot of good work happening there. The second is a new relationship with the federal congressional delegation.

Prem:

If you remember, we had, I think it was late water treatment plan. We had [inaudible 00:23:16] come in, we had a press even there. So we are trying to strengthen the relationship and also with Chris Murphy as well. So a lot of work happening in that space so far. So good again, last but not least the Lake Whitney Dam, really kind of focusing on educational aspects of it. So if you remember, we had a couple meetings that we had scheduled. One was virtual. One was in person, RPP members, Steve actually had a lot of good conversation in there and helped us with answering questions, et cetera. So we are kind of progressing through that by partnering with both the mayor of Hamden, as well as the local government here. So that again, we have an application that we had put forward. So we moved to the process. So a lot of good work happening in terms of communication outreach. So those are some fast points there. Any questions of anything around the customer and customer perspective?

Stephen:

I'd like to just say that I participated in one of the outreach meetings with municipal officials and I thought that was extremely helpful. And I wanted to say thank you. Those things are important. And I think that the RWA did a great job.

Prem:

Thank you. Okay. So if there's no other question, I think we should move on to the next employee learning. I know Donna, I think you're presenting that.

Donna:

Great, thanks Prem. So under advanced workplace safety, we have three actions that we achieved. The first one being the Safety Starts With Me program, which was rolled out in March of this year. We held 14 sessions to date and have trained 87% of the organization. So a total of 223 employees and I'll report out on safety last month, we talked about holding a few more sessions in the month of June and early July to finish the remaining employees. So we only have about 30, some odd employees that are still pending and the sessions will be recorded as well for anybody else that may have missed. We invigorating the safety trainings. You know, why there was such a significant increase is obviously with COVID. We weren't doing as much training as we had done as they were shifting in the early days of COVID.

Donna:

So when we looked at the hours for this year, we totaled 1094 hours in fiscal year 22, which is great. But all the training that they're typically doing are things like chainsaws and chemical safety and the DOT and all of that other stuff that's happening. So a lot of great effort happening with the safety and just so you're aware, Joe had retired right when I had come on board, the same week I retired came on board. We have now since brought in a consultant, that's kind of taking on some of that work. So we're expecting to see a lot of really good achievements over the coming months with that. In terms of, we did participate in the OSHA safe and sound week by planning daily safety events and conducted a safety cookout. So that was very successful.

Donna:

And, and also in fiscal year 22, they've identified six near misses and really identified corrected action plans and really trying to implement those. And the reason for that is just so that we could be more proactive and really help with the training and in terms of prevention for the future, so that they don't become injuries and things like that. In terms of developing our employees. So when I joined the business, I ended up putting together a succession planning framework. I sat down with each of the individual VPs. I conducted a couple of sessions with them. One was where it was a group session talking about what we wanted to measure, how we were going to assess our employees, what were the clear definitions that we wanted to use, make sure that there was alignment in the thinking, and then held a couple of other sessions to really then look at their organization, identify succession plans for those people and identify really where there were talent gaps.

Donna:

And now we're in the stage where we've identified talent gaps and we're identifying not only critical positions, but critical talent, where we need to really think about individual development plans and how we help fill those gaps. And that is a lot of the work that's currently under place. So the VPs currently are thinking through those and really starting to put their thoughts together, and there'll be follow up sessions with each of them to kind of think through that. And then in fiscal year 23, you'll hear a little bit in the next deck on what we're going to be doing in terms of the succession planning and how we take that even further in thinking about not just succession, but a broader talent assessment where we're

looking at potential development plans, retention risks, and things like that so that that bill will be coming up.

Suzanne:

Can I interrupt, Donna, in just for a quick second?

Donna:

Of course.

Suzanne:

I know you're on a roll, but I just want to ask a quick question. Of the succession planning work that you've done, when you present the next step, will you give us an overview of staffing plan needs and what you've assessed and found?

Donna:

Yes, absolutely.

Suzanne:

Great. Thank you.

Donna:

You're welcome. And then moving to the third one, I think you're all well versed on the diversity council, but with the diversity efforts that has happened here, as you are aware, we did conduct a diversity survey, about 38% response rates, and we had about 105 employees that had participated in that. And we did conduct a number of focus groups. When I joined, I did go back to some of the historical survey data that was non-diversity related, and that seems to be the trend. We get about 100 or so employees that typically participate, so that seems to be common for RWA, although typically low from an HR perspective of what we'd like to see, but again, very consistent with the business.

Donna:

We did obviously successfully launched a Tide Council. The Tide Council members, we've got about 20 people engaged in that process, and they're making a lot of great progress. So, at this point, they're meeting once every three weeks and seems to be very engaged at this point. There was a little bit of a transition period of the third party consultant that was engaged in that process, and now the employees are actually owning that. So that is very successful in moving well. They did develop a roadmap, which included their vision, their mission, identifying priorities of what they wanted to focus on, and what they thought was important to the business, those three key priorities of focusing around redefining leadership, employee engagement, and employee well-being. And they've got some key initiatives that they are focusing on right now in those areas. So, on the leadership side, they're interviewing leadership members in terms of identifying qualities and behaviors that we'd like to see.

Donna:

And then in terms of the employee engagement initiative, they're focusing on an employee walk, which is actually tying to well-being as well and how we can drive engagement across the business, so a lot of

really good, exciting things that are happening there. We did conduct two community conversations sessions. One was focusing around identity and privilege, the other one for trust and impact. We had about 105 employees participate in that, and those were facilitated by Leading Cultural Solutions. So a lot of really exciting stuff going there. We also conducted two leadership re-center manager training sessions, which represented 70% participation, so pretty good participation. And that was really focusing around helping them understand what we need to do as leaders to help focus our efforts on an effective diversity change and their role in that process. We have increased diversity in five groups, the executive-level managers, professionals, administrative staff, craft workers, laborers, and helpers. And we did that through really focusing on promotions, new hires, and any particular changes that we would've made in those areas on the diversity front.

Donna:

And then the final one is really establishing regular rhythm with the union to foster partnership and, specifically, employee engagement. There is, in all the employee feedback, union versus management theme that seems to be happening, them versus us. So it's how to make sure that we're improving employee morale and we're fostering good relationships with the union, keep those that inclusion and engage workforce moving ahead. So that's an overview of the employee perspective. I'll just pause and see if there's any questions from anybody in those areas.

Suzanne:

So I have another question, Donna. In terms of the efforts that you talked about in the last topic, do you have a connection between that and your succession planning and your recruiting process for diversity?

Donna:

So I've only been here about four months, but that will be part of the succession planning process, which when we looked at the framework... because it's only been touched at the surface in terms of talent management and talent assessments. We haven't gone that deep. So for fiscal year '23, and Amrik will talk about this shortly, but the plan is that we will train our managers to do a talent management assessment across the organization, which will include succession planning for all senior level jobs, including all the VPs up to the CEO level and so forth to make sure that we do have plans in place, we have development plans, and we've identified where there are gaps and we're looking at creative ways to help fill that, whether it be through promotion or through experiences, like getting them job shadowing experience or projects or things like that to get them the right appropriate experience. Did that answer-

Suzanne:

Thank you.

Donna:

Does that answer your question, Suzanne?

Suzanne:

Yes, it does. Thank you.

Donna:

You're welcome.

Suzanne:

I look forward to more information. Thank you.

Donna:

Okay, great. Any other questions?

Suzanne:

No.

Donna:

Okay. Well, with that, let's pass it off to Rochelle to walk us through the financial perspective.

Rochelle:

Okay. Thank you, Donna. So the financial perspective has three key areas within it. It's expanding commercial revenue sources to mitigate rate increases, and I would add and to invest in the utility, also improve the financial operating performance of RWA and strengthen pension and retirement funding. So first relative to the commercial... And some of this might be a little bit of a repeat with the earlier discussion, so I'll move through it rather quickly. We have established actually four commercial entities during fiscal '22 or the very end of fiscal '21 to get ready for the Roach acquisition. We have updated our general ledger system. So we actually now have multiple entities, and for the two entities on the well services side, we are processing transitions and going through book loads with those two additional entities. And we have actually set up, in anticipation, a lab entity as well.

Rochelle:

We've established banking and the associated controls. And staff augmentation does include, for example, for the Roach entity, we added an additional plumber who's a revenue generator, a licensed plumber. It was mentioned earlier, we acquired Roach Plumbing that was done July 1 of 2021. There's been work on developing the staffing plan for that organization. Another key initiative is we actually negotiated and secured a lease at a new office building and, with considerable work, especially from Prem and his team, we have got that location up and running. And from a network perspective, they have been integrated. Also set up transactional protocols, processing payroll, processing AP, et cetera, and was mentioned Roach is definitely exceeding their earning targets by a considerable amount.

Rochelle:

We also acquired Water Systems Specialties. We successfully onboarded 100% of their staff and integration efforts are underway and on target. We also talked about the valuation and acquisition draft agreements are in place for the potential lab acquisition, and discussions are underway, both the land and the business. Another key thing that we've done is we developed, internally, an indicative valuation model, and this will allow us to be more nimble as well as it'll also allow us to mitigate some of the external expenses that we incurred in fiscal '22. As we talked about, the Well Safe Protection Program was developed. It's in pilot mode, and the focus for fiscal 2023 is going to be on expansion of that Well

Safe offering. It was also mentioned, we secure two PipeSafe territory partners, the town of Wolcott in Southern Connecticut Water Authority. And those we're targeting launching in the first quarter of 2023. So that's the update on the commercial side.

Rochelle:

For improving the financial and operating performance of RWA, a couple things, one of the initiatives within this category was more about educating the employee body. And so we actually did a RWA Talks event, and this was done... You might remember this. It was done for the rate application. Jeff Donofrio participated. I participated as well. We had broad attendance and that was to help employees better understand what the business model is, what the rate case is about. And then we also held, fairly recently, a year-end protocol webcast where almost 50 people participate. And this was really to go through pretty basic year-end protocols to help the employees, especially call center owners and project managers, understand basic year-end protocols and help to mitigate any audit risk, basic things like get your invoices in or let us become aware if a service was incurred for which you don't yet have an invoice. So we did have... I was really pleased. We had considerable participation in that.

Rochelle:

As was mentioned, we met our capital expenditure target of 96%. Thank you for the support, including approving moving some monies into the reserve for critical projects. You'll see a little bit more of that in the financial and update later on. Also, the unplanned emergency capital expenses, we did come in under 5%. We actually came in at 3.9%. You'll hear more about our exceeding our coverage requirement, but we're very pleased to share, we significantly exceeded this year our coverage requirement, and also very much focused on looking at alternative financing opportunities. I think you're aware that we are still planning on using [inaudible 00:39:41] for the Whitney Dam. Sunny and myself have had a couple conversations with [inaudible 00:39:49], along with the Drinking Water State Revolving Fund, getting things in place to prepare for that actual application submission. We had Drinking Water State Revolving Fund in addition to having now 10 loans with them and 2 ready to go.

Rochelle:

I think another pretty significant accomplishment in fiscal '22 was they actually agree to change their language of the loan agreement. So now we can participate in interim financing as opposed to going with a bank when that makes sense to do, so that was very helpful. And their willingness to work with us, I thought, was a pretty significant accomplishment. Also, I think you're aware-

Suzanne:

And Rochelle-

Rochelle:

Yes.

Suzanne:

...quick question, what do you use for interim financing versus bank short-term and debt and balance long term?

Rochelle:

So when I refer to interim financing, we are talking about either with a bank, like we did for AMI in advance of getting Drinking Water State Revolving Fund, or we also do have a draw-down note that the board approved a while ago, and that would also be interim in advance of RWA debt. The good news on that interim note that we have, although it gave us flexibility, we haven't actually had to use it, so it's really interim debt financing.

Suzanne:

And I assume it's more cost effective to use it, easier to use it, you have immediate access on the note, et cetera.

Rochelle:

Right. So, for example, when we knew we were going to get DWSRF financing for AMI, it was the prudent thing to do to use a bank to finance that as opposed to, let's say, spending our own internal funds. With the congressional-directed spending, I think Larry had shared that we did submit for federal government's fiscal '22... We submitted three applications. We actually got one approved. It got into the appropriations bill, and that is for \$2 million. We've been in contact with Chris Murphy's office, and we've been directed to work with EPA, which will be doing, over the next few weeks, and get that going, so we can secure that \$2 million in financing. And also, with congressional-directed spending for fiscal '23, Sunny, myself, and [inaudible 00:42:40] submitted actually six applications. The good news on that is we actually got some questions, which means that they're reading our application, so hopefully, we'll get at least another project included in the upcoming appropriations bill. And also, as I mentioned, with that interim financing note, which is a draw-down note for \$5 million, that does give us flexibility, even though we haven't had to really utilize that.

Rochelle:

Another key area under the financial perspective is the pension and retirement funding. And with the board support, I'm very pleased to say that fiscal 2022 was the seventh consecutive year that we were able to make a contribution higher than the actuarial requirement. We did make that contribution at the very beginning of May, and it's a little over 1.1 million, so thank you for that support. Despite what's happening in the market that will actually help with our position and help with our position when we close out fiscal '22. Are there any-

Suzanne:

Rochelle, can I just jump in? On that note, because the market has been losing such value and that we made the additional contribution, where do we end? Is there anything else you need to do before the end of the fiscal year to support where you want to be with the pension?

Rochelle:

So, as far as the contributions, the additional pension contribution will definitely help. Part of the year-end process is the actuary will actually be giving us updated information, both on our funding level, as well as the liability. And all that will be incorporated into our final year end. So we're still going through that process now. Suzanne, you'll see the result of that when we publish our financial statements. I think

that maybe the good news, although the market was down, I think it's gone down since May 31st. So some of this is also the timing aspect.

Suzanne:

Right. It also well passed when the actuary information was out as well. So there's nothing else that you need to do to make additional contributions or anything else in your fiscal year? You're not concerned about that?

Rochelle:

Well, we can't make an additional contribution because the fiscal year has ended, but like I said, I think what we've done and how we manage the plan will have a positive impact. And we are working with the actuaries. They do need updated information. And so we'll be providing that actually within the next week so they can work through their required reports.

Suzanne:

All right, my mistake. So your fiscal year ends May 31st, not June 31st?

Rochelle:

Yeah.

Suzanne:

Okay. Thank you.

Stephen:

Rochelle, this is Steve, if I could ask a question. When you expanded the PipeSafe services to other areas, what do you do in terms of evaluating your risk in terms of, say, number of houses, the age of those houses, what that risk is relative to the areas you currently cover?

Prem:

So maybe I'll take the question. Hey Steve, this is Prem here. So one of the steps in our process, Steve, so when we look at a customer and they're coming to us for enrolling in PipeSafe program, we get out there to see actually the property. So it's not like something happens online, et cetera. So we actually go out the house, John Cusack's team, we take a look at it. We evaluate in terms of what is the current conditions, so we don't end up signing somebody with a preexisting conditions. So we do all that and then we sign up for the customer. So, again, we are covering from the curb to the house, so that's the plan. In terms of Town Wolcott and Southern Southeastern Connecticut Water Authority, Town of Wolcott, we already have some customers. Remember, we do have service coverage today, so we know the area. Southeastern Connecticut Water Authority, although they have listed around 10 towns, we looked at the overall customer base. It's around 3,000 customers is what they have. It's a smaller kind of a customer base. So we have the same plan that we get out there and [inaudible 00:47:11] everything before we sign up any customer. So that's the plan. Hopefully, that answers your questions, Steve.

Stephen:

Yeah. Great. Thank you very much.

Prem:

You're welcome. Yeah.

Rochelle:

Are there any other questions? Okay, if not, I'll turn it over to Sunny for the internal business process perspective.

Sunny:

Hey, thanks, Rochelle. I think I hope all the questions are answered, so mine should be pretty much a breeze through, I guess, right?

Stephen:

Sure.

Sunny:

So that said, I think it's going to touch upon, I would say, a lot of business, I would say, areas. I think Rochelle's, Donna's, Prem's and Jim's and Dennis's, so what I'll do is I'll quickly go through. I think some of these could be repetitive because I think the last, I would say, the few meetings, which we have had, very detailed presentations have been made by different teams. So the first one would be to effectively manage and maintain our core business. So we looked at the risk, and I think Donna and Amanda made a fantastic presentation last time with regard to the compliance risk and everything else. So, instead of going into details, if you want, I can go into each one of them. I mean, we reviewed all the areas that touches upon the risk, and we developed, I would say, 10 enterprise risks and formulated mitigation and prevention plans.

Sunny:

So cybersecurity we had, I would say, penetration testing, critical competent failure. We looked at, I would say, the various, I would say, SCADA systems. We looked at the variable frequency drives, Dell contingency plans for those, the talent, the health and safety succession plans. I think Donna spoke a little bit about the safety stats with me. Then, the SCADA and BCP, again, we looked at many things. The financial, Rochelle spoke about DWS RF changing the language and trying to get ourselves into many different kind of, I would say, financing activities that we did not participate earlier. So I think plenty of work has been done in the last year, and I think we are going to continue to keep doing the same, add more to it, depending on, I would say, where we see the discernible risk and how we are going to mitigate and, I would say, negate those risks.

Sunny:

So the next one would be the lead and copper. That's going to be a big activity in the next, I would say, a few years as we go forward. What we have done so far is the planning has been done. We have internal, I would say, governance and, I would say, work groups that are currently working on many different areas that touches the lead and copper. We have done the conversion of paper records right now. CDM did an initial study. Now, we are moving on to the phase two, where we are going to identify and inventory all the piping and maybe use some part hauling, use some artificial intelligence, machine learning to accurately develop a more detailed inventory listing so that we can actually target those

areas. We have had many conversations with how many different municipalities with the municipal CEOs. We have also met with the New Haven Lead Task Force.

Sunny:

There has been numerous conversations with different cities who have done this earlier. We have had with Connecticut DPH, and we are now, I would say, gathering more data on the private side to... The more data you get into the artificial intelligence and machine learning software, the output is that much better. So lead and copper work is continuing, and it'll continue to keep going. We are exploring multiple options on funding with many caveats, such as, I would say, economically disadvantaged, environmental justice areas, and things of that sort.

Sunny:

Moving on to the third one on that list, I think we did the integration of assets, the horizontal assets in four EAM from GIS. We already had the GIS populated with the data. We, I would say, both were not talking to each other. So we took that as a strategic, I would say, initiative. We mapped each asset. So now they can talk to each other. That activity is done. I would say, going forward in the future years, we'll try to see how to do the vertical data and incorporate those as well. So it'll be useful for both, I would say, the field-related activities and for capital planning purposes. Then, for the [inaudible 00:51:00] infrastructure, we did, I would say, conduct [inaudible 00:51:04] using remote-operated vehicles. We actually did the Sugar Loaf Tunnel during May of 2021. It went through 13,000 feet. We are still expecting the reports to be done. And we have to read through the reports and see how it is. So far I think the initial, I would say, the video recording showed not much of, I would say, issues with the Sugar Loaf Tunnel, but that's an activity which we did this year, which we will continue to, I would say, monitor and process into the next year as well.

Sunny:

For to sustainably manage our natural resources to deliver reliable, safe water, there was four activities, the non-chloride-based deicing compounds. We piloted one. There was some acetone in it, so we kind of, I would say, backed away from it. But there were other alternatives, such as pervious surfaces, as well as other, I would say, chemicals, which could be used. And we are also changing some of the asphalt into gravel, so there is a pervious surface where we don't need to salt those areas around the wells. Then, we developed a few utility tech roles and also we filled those roles. They will be involved, I would say, cleaning up the watersheds and any diversion structures to maintain, I would say, the water quality at its best. Then, we also did the trespassing cost-benefit analysis. Then, the other initiative we took were the Roses Brook draft report. That was associated with identifying areas where we could actually improve the diversion structures to improve the water quality. The report has been complete. The draft is under review.

Sunny:

With regard to the completed functional business, it kind of ties into the risk, where we did the Well Field in North Cheshire to address the climate change and water quality issues. It was a tabletop exercise that went successfully well. We identified the risk and some resiliency measures that came out of it. For the innovation and new technology, there were about five to six improvements that was done. And the automated continuous consumption alerts that was done this year, where continuously, if there was more than one CCF during a 72-hour period, the resident will automatically get a notification of an alert

to check if there's any leakage. Then, the second one is the no desk flushing innovation. I think we went over that in detail during the budget presentations. We piloted that program, and this year we are going to buy the truck so that we can actually do that flushing in a more efficient, effective fashion.

Sunny:

The third one would be the customer escalation dashboard. It touches, I would say, three areas. One is the leadership team gets notified of any customer escalation. The second would be the community with municipal partners. The third area would be the OCA [inaudible 00:53:49], emails get generated, and the messages get generated. And typically, if we have a metric associated with it... It's about, say, five days... we need to resolve it. I think we've been successful so far, about 80%, so it's very high success rate on it. Then, when I go to the meter water assemblies, I think we are doing some purchasing improvements on the meter water assemblies to standardize, I would say, all the meter walls. The capital planning and budgeting improvements that is a continuous, ongoing exercise. We continuously look at improvements that's required, talk to operations, facilitate, I would say, those communications to see what needs to be done, look at the risk and resilience that needs to be done, and talk to finance to work with, I would say, what's the capital available, what's the funding available. So it's going to be, I would say, again, a unified effort across all platforms coming in to see what's the planning requirement that needs to be done for the 5, 10 years and then budget accordingly and see how we can appropriate the funds to the most, I would say, critical projects.

Sunny:

Then, the cybersecurity assessment was completed and as well as the critical recommendations. Then, with regard to the obsolete technology, there were three upgrades, one to the SAP SQL. It was then acquired efficiently with just \$70,000. I think eventually the CAS will replace that, but for the time being, it was getting obsolete, so we needed to do the improvements to it. The second would be the customer care. The customer care IVR, I guess it's more a phone, I would say, messaging system where it's an interactive voice recognition, where there was some requirements. Again, it was obsolete technology, where we need to bring in new software updates to get that customer service IVR to be updated.

Sunny:

Then, the third one would be the risk master system that Amanda uses for assessing risk, to track risk, and then, I would say, to an extent, capitalize the risk to see what the budgetary requirements are. So it helps, I would say, in the risk master system. So these were, I would say, the technology improvements. So I kind of, I would say, ran over this quick because there were a lot of, I would say, presentations made in the last, I would say, a few months to more get into the details. If you have any questions, I will further delve into it. Any questions? I'll open it up to the team.

Speaker 5:

Any questions, I'll open up to the team.

Larry:

I don't see any more. Okay.

Sunny:

Okay, with that, I think I will give it back to Larry. Thanks Larry for getting me go last here because I avoided all the questions, so.

Larry:

Well, good. Well, we ran through the global metrics, but I think you can see that there's been some great work and terrific progress made on what we accomplished and the customers we served and the operating efficiencies and productivities that we have achieved that. So we've made good overall progress in implementing our five year strategic plan. And I think not only the initiatives that was reported on by the leadership team, but also these global metrics. I think show that. So with that, we will take any final questions.

Suzanne:

Yeah. I have one final question. Did we ever have as a part of the global metrics, and should we add back the percentage of the pension funding?

Larry:

Well, Suzanne, that we actually... I think we don't. Rochelle, don't we have that as an executive metric?

Rochelle:

Yeah, we have as part of our strategic plan getting fully funded by the end of fiscal 25.

Larry:

And Suzanne, these global metrics represent initiatives that all employees can contribute to. I'm not suggesting that getting 100% funding in the pension plan is not important by any means for it not being here, but it is part of our strategic plan and something that we monitor and work toward on an annual basis.

Suzanne:

And it's on the executive expectations, part of performance management and bonus.

Larry:

That's right.

Rochelle:

It's part of an objective. Other than fully funded by the end of 25. We don't have predetermined percentages between now and then, because it is going to depend on the financial condition. And I would say that coverage over 114 is a way that we'll be able to actually fund the additional pension contribution. If we exceed that coverage target, it means we'll have more money available.

Suzanne:

Okay. I understand that, and good measure it's out of control because of the market, however, how we manage our market relationship and how we manage having additional funds to fund it if the market can't provide that funding is very much in our control. So that's food for thought. But thank you

Larry:

And that's why it's part of the strategic plan. So we can do that.

Prem:

And just to add, right. I think Suzanne, apart from the global metrics to Larry's point, we do have a list of executive metrics that we track, along with that, we also have operational metrics, so like EPGs and all the different things we do, but this is at the highest level. So now we do have all those trackings. And as a matter of fact, RPB also gets a whole list of RPB metrics that they're interested in. So we do all the tracking, but this is just the high level. Just wanted to clarify that.

David:

All right, thank you, Suzanne. Other questions or comments? So this was a look back of all the successes of the year and items that may not have been successful. Now, Larry, I'm excited about what you've prepared and worked with for the year, we're just starting.

Larry:

That's right. We'll take a look at the Fiscal 23 Strategic Action Plan. And the next slide will show the three topics that we'll cover during our discussion. Just as a reminder, we did have employee-focused strategic planning as part of the process, which we undertook in the spring. And I reported on that in my-

Larry:

In my board report. So joining us today will be team leads from a subsequent work group. So we had these broad employee participation at the beginning of the calendar year. And then we narrowed that down to focus groups who met to work on proposals to present to the leadership team, the fiscal 23 initiatives that we should pursue this fiscal year. And we'll walk you through that. And then I'll return and look at the fiscal 23 global metrics. So as background, earlier this year, the leadership team took a holistic look at the 2020, 2025 strategic plan and assessed the progress to date along with the strategies and goals, the organization needs to achieve to advance CRWA over the next few years. So as part of our effort to make sure that we continue to have employee involvement in the strategic planning process, in April, we put together employee work groups that focused on strategic initiatives that we should pursue in fiscal 23.

Larry:

And that was to ensure that we had more colleagues in process. And I'm pleased to say that we had over 50% of our employee population participate in those focus groups. And then some, as I said, we narrowed that down to some 20 cross-functional employees united as four work teams, pictured here in the lower right hand corner. You see a picture of the four strategic teams and each one of them took the balanced scorecard perspective and developed the initiatives to pursue based on both the employee feedback earlier in the year, as well as their own thoughts and ideas to develop and prioritize initiatives for the plan. So then the four teams then presented to the leadership team at an offsite meeting their recommendations for the fiscal 23 plan. And then we subsequently finalized the objectives and metrics that we'll present to you today.

Larry:

So I'm very excited to have the four team leads of the four perspectives from the employee work groups, join us today to present the fiscal 23 objectives. And just as a reminder, even though they may be presenting on a particular perspective, they may not necessarily be an expert in that particular perspective. So we, as a leadership team may jump in and help them there with, some of the questions, but let's jump to the next slide and I'll do a quick primer on the elements of our strategic plan. So this sets forth the key elements. And I won't review that in detail, because I think it's self-explanatory, but I do want to focus on the one key element, which is our higher purpose, which is one of the foundational principles of conscious capitalism.

Larry:

And as you know, purpose is the reason that a company exists, and when a company has a higher purpose, it creates a high degree of engagement among all of its stakeholders, including the employees, and water utility is the only utility that produces the product that people consume. So we have a unique, higher purpose of providing a life sustaining resource, along with our responsibilities to the consumers and communities that we serve.

Larry:

And you may recall that our higher purpose is to make life better for people. And our higher purpose is really that north star that guides us and provides us with a path forward when time gets tough and helps us to stay on course. So our higher purpose guided our strategic planning and strategic decision making across the organization to balance stakeholder interest by being more conscious of what we do and why we do it, moreover our strategies and objectives, which we will explore on the following slides are designed to help us achieve our higher purpose as well as our mission and vision here. So we'll take a look at the... I'll review next, the five year strategies and the fiscal 23 objectives before the team members go into more detail. The next slide, please.

Larry:

So this slide list, the 2025 strategies categorized by the four perspectives of the balance scorecard, including the customer and constituents, which you can see is similar to what we did last year, focusing on customer satisfaction, using technology, increasing customers or constituent support, employee learning and growth with a focus on safety, developing our employees and advancing DE&I and the financial perspective, looking at, focusing on expanding our commercial revenues, improving our operating performance and strengthening our pension and retirement funding. So that goes back to that whole objective that we talked about earlier, Suzanne, and then our internal business process is focusing on managing and maintaining our utility business, managing our natural resources and tapping into innovation and technology to improve the efficiency of the organization.

Larry:

So taking the four perspectives of the balance scorecard, the previously referenced employee teams developed and prioritized strategic objectives for fiscal 23. So on the next few slides, the team leads from the four work groups will present the objectives by each of their respective scorecard perspective. So first up is the customer and constituent. And that team was led by Dana Bochan, who's currently the Business Transformation Director, but she will be assuming a little bit later this summer Director of Customer Care, and then following her will be Amrik Matharu, who is the Distribution Systems

Operations Manager. And then following Amrik will be Brian Canterbury, who is a Senior Project Engineer that will review the financial work.

Larry:

And then finally, Aziza Hill who's the Business Partner for Customer Care, Planning and Business Transformation will review the internal business process goals and objectives. So with that, we'll chart the course and get started with the customer and constituent perspective with Dana. So if we could advance two slides, please, there we go. Nope, need to go back, there we go to the customer. So Dana, I'll turn it over to you.

Dana:

Thanks Larry. It's great to see everybody again, hope you're all doing well. Appreciate the opportunity to talk to you guys about the FY 23 plans and the work that the cross functional team put together, particularly for the customer and constituent perspective of our strategic plan. As Larry outlined, we have three key strategies and I'll talk a little bit more about each of the objectives within there, improving customer satisfaction. We're focused on delivering some training and soft skill sets to all the cross-functional areas of the organization. So again, we're taking a perspective that it's not just the contact center that delivers customer service. It's an organizational, all the touch points that we have with customers and how we can inject that both internally and with our external customers, we'll be focusing on things like interpersonal communication, ensuring product knowledge, crisis management, conflict resolution, things of that nature to make sure that we're communicating clearly and accurately.

Dana:

And some of our current processes include that research that we're doing with vendors to identify someone to help lead us through some of these additional activities with some expertise and best practices in these areas, in terms of utilizing technology to enhance the customer experience. We're focused again on delivering. And I say again, because last year we had some innovative digital solution focus areas. We're going to focus on two additional areas to bolster the customer experience. We'll be looking at digital solutions to improve and enhance our self-service options for our customers and drive improvements in our internal processes. Some early ideas that were developed by that cross-functional team include looking at how we can digitize our lab and jobbing activities with our customers, jobbing being purchases that customers would make for vault covers or other types of products and services beyond water, and reducing some of our internal payment processing time.

Dana:

A lot of these self-service objectives are all designed to help drive some of those global metrics that Larry referred to earlier around, particularly driving our e-bill target, which for FY 23 is to increase from the 31% that you saw earlier to 35%. And again, the 40% target by 2025. We're also of course, focused on the CIS project that we presented to the authority board earlier this year, I'm sorry, last month for the RPB approval process. The first half of 23 will be focused on the preparations for the project. Certainly going through the application process with the RPB as well as doing project planning and governance, data preparation and resource allocation planning, and pending project approval. Of course, we are hoping to kick off the project in the second half of FY 23. And of course be holding ourselves to those project plans, deliverables and milestones and the budget plans for that year.

Dana:

The third strategy around increasing constituent support includes several different objectives for fiscal 23. Four process improvements will be identified using the survey results from the 2019 customer satisfaction survey. This was a survey done in cooperation with Great Blue. One of our vendor partners will be deploying improvement plans to address those areas. We'll also be working with Great Blue to benchmark the survey tool that we've been using. We are really looking for some best practices and a way to enhance and improve our survey tools to make sure that mechanism is delivering us the best quality and actionable information. And we also, as Prem was mentioning in his FY 22 results, we developed a transaction based survey that is driven off of the contact center.

Dana:

So when customers call us, we can do an immediate post call survey with them to ask about first contact resolution, quality of the interaction. And we'll be launching that this month. And from there, we'll be doing a baseline for the first contact resolution metric and identifying any new trends and areas for improvement that we have, that certainly when it's in a realtime post transaction, it's a little bit different perspective than a periodic overall satisfaction with the company. So now we'll be able to get both perspectives. I went through that very quickly. If anybody has any questions or anything before I hand off to Amrik?

Suzanne:

I do, I have a question for you, on the customer... Hi, Dana, how are you?

Dana:

Good.

Suzanne:

On the utilization technology to enhance the customer experience?

Dana:

Yes.

Suzanne:

Are customers using this stuff?

Dana:

Yes, actually they really are. What we found is, as Prem was mentioning earlier, he mentioned about a 9,000 customer uptake. That is really our new enrollments, beyond, so in the last six months beyond our original set of customers, I don't need to be confusing on that, sorry, we have about 44,000 customers who are actually using the portal in different capacities. Some are just using it for e-billing, some just for e-payments. Others are actually in there enrolling and they can make service requests. We don't have the full uptake that we're looking for. Some of the best practice adoption rates for self-service are closer to that 40, 45%, which is why we're targeting that for fiscal 25. So there's more opportunity for us to do it, as we've rolled it out, we have encountered a few bugs here and there as you would with any sort of new technology, new product.

Dana:

And we continue to work those out, but look for ways to promote and include our customers in terms of that self-service. So there is more adoption. I do think there'll be a lot for us to learn with the surveys that we're doing in terms of looking at how people are interacting with us. We can use those best survey practices, I think, to learn more about what customers are expecting, but there is a younger demographic in our organization. We do have an older demographic, but there is a group of customers that are starting to become customers. We're starting to get new younger people. And those are the people that we really want to make sure we are meeting them in these places that they want to be. We'll never lose the contact center. We'll always have the phone availability and have that personal contact, but having and peeling off some of these calls where we can is both the cost savings for the contact center and helps to meet some customers where they want to be.

Suzanne:

Thank you. And I was going to ask that and so are you able to make the connection? I mean, I'm sure it's impossible to make it point for point between the cost savings in the customer service center. But I don't know if you anticipate less calls, you anticipate shorter calls, you anticipate more multiple calls on same items?

Dana:

Yeah. So, what we would anticipate is that we would be transitioning people to the lower cost per transaction tools of technology. When you're talking about CSR time, those four, five minute calls can be quite lengthy and quite expensive where self-servicing. So the idea is to peel off the calls from the contact center and let the CSRs handle those where you need more input, more dialogue, you want to make a payment, you want to view your current balance. You want to submit a simple request to us. You can do that all through the portal. So the idea is to start reducing call volume, lower cost per transaction and technology. And then we would... Yeah, so that's how it would transition. Sorry. I started to make that.

Prem:

So Suzanne then I think a real time example is we just deployed our monthly billing. So we went from four bills to 12 bills and four payments to 12 payments, and we did not increase any resources. So that should kind of say that we are driving more self-service. And we are absorbing those extra call volumes, et cetera. So that's a real time example, but to Dana's point, there's more work to be done. And you know, we haven't talked about AI. There's a lot of things out there. We haven't done anything. So we will be deploying those stuff, but that's down the line. One good thing I would also say is that it's also the customer experience. We don't see often people talk about that, but the reality is that the customer wants to do one point shop. Like in the past, they used to go to Water Wash, they used to go to COBRA for payment everywhere. Now they're all going to one place.

Prem:

So, that's actually helping. And the biggest bank for our buck is our commercial growth. We are launching, as you saw the commercial business launch, we will be going from pilot to an actual mode where we'll be probably not putting out the products and services like PipeSafe and WellSafe. It's going to be expanding. So, that's the idea. And eventually we'll get to that target. That's the overall strategy if you will, from now on to 2025. So we are expanding the customer base.

Suzanne:

Right. And, an I'm less concerned that we're getting more bells and whistles available to the customer and more concerned about it seems to take up a lot of time and energy on our part, that adoption is at the rate that you want it and it in fact takes away from work being done somewhere else. So I'm looking for that holistic sort of approach.

Prem:

Yep. No, I 100% agree with you and I think that's why some of the easier customer journeys are more important. And we don't want to focus on bells and whistles. Those things are extras, We're not looking for the good to have things, but more focus on what does the customer really want? What's the way of the customer? That's why we are connecting these surveys and feedback. So we build the solution that they really want. And things like one point shop is something that the customer asked for. You looked at the 2019 Customer Satisfaction Survey. There was a discussion about that. So we are implementing certain things they're asking for, like you said, they're focusing on what they really want. Not what we want to provide them as extra bells and whistles. So a 100% agree with you on that.

David:

I would just interject a personal note from a customer point of view. It is much easier. It's very simple to use the automated payment system now, which I do. It's seamless, it's simple, it's much easier. A couple years back I would have to do, I'd come to the window just before a meeting and pay that way if I forgot to mail out a check or whatever, it is so much easier because it was so complicated before. So thank you for streamlining that, but that also leads to what must be a more efficient for us to Suzanne's point. Are we able to save on some of our staffing?

David:

And I think you address some of that when you're saying we have four times as many bills now, and three times as many, and we're not increasing the 12 people or so that we have, they handle the call. So I think that's a big plus, and property transfers are a big deal. I think we had 700 last month and that takes a lot of time and you haven't had to add people for that. So I think the more you're automating, that's the right way to go.

Prem:

Yep. That's a great one. Thank you. I think I didn't even mention the property closing. That's a great point. We have been seeing a lot of movement from people moving from New York and other state coming here. And that's a lot of work too. So, I mean, that's, obviously we are constantly focused on what we need to provide to the customer as we are seeing the new population, new demographics, but Dana, more to come, but those were some good points, Dana. Thank you.

Dana:

Thank you. So if there are no other questions about the customer constituent objectives, I can hand it off to Amrik to talk about the employee perspective.

Amrik:

All right. Thanks, Dana. Good to see everybody here again, my name is Amrik Matharu and I'm going to talk to you about our employee learning and growth strategies and objectives. You'll see our strategies over there on the left, the first one being advanced workforce safety, which was a hot topic earlier. And to that same end, our first objective is developing a near misreporting policy that'll be rolled out to employees in order to drive the necessary data we need for continuous improvement. In other words, we don't necessarily want a large number of preventable injuries in order to give us a data set we could use to create an actionable change.

Amrik:

We utilize near miss reporting to do that. Nobody's getting injured, but we're still getting data that we can use to develop something that's actionable for preventable injuries. Our second objective to that same strategy is implementing a safety ambassador program that we did have in the past, and we're looking to bring back to include various representatives from all over the RWA. This is also going to help drive down some preventable injuries as well that they may see or may hear about from their departments or their working groups that may not have gotten reported or may not have gotten all the way to our risk management and safety officers.

Amrik:

Our second strategy pertains to improving the skills, knowledge, and abilities of our employees and doing that involves developing two different plans or frameworks. First one, Donna already discussed in depth was the talent review framework that involves the session planning, identifying critical roles, talent gaps, retention risks, and not only identifying all of those components of the talent framework, but making sure that managers are able to actually implement them and use them, because you can give somebody the fastest car in the world, but if they don't know how to drive, you're not going anywhere.

Amrik:

And that same concept applies to the second strategy, the new cultural transformation plan that we want to also empower managers to employ across the RWA. We live in a very fast-paced society, fluid and everything is evolving with respect to technology, our economy and especially our culture. So this successful transformation strategy will better prepare us to handle some of these changes that we're going to see in the coming years. The last strategy that you see there, near and dear to my heart, Aziza Hill as well, who you'll see speak later about internal business practices as member of the Tide Council and alongside Donna as well, who's been a big help on this journey so far. So our two strategies piggyback off of our fiscal year 2022 strategies as well. You'll see that we're striving to increase representation and disproportionately represented job categories as well as drive employee engagement, that where we've seen shortfalls and opportunities for growth based on historic recent surveys and other information that we've had in the past. So I kind of flew through those. If you have questions, feel free to fire them away.

Suzanne:

I have a question, but I'm not sure if it's a question for you or Donna.

Amrik:

Sure.

Suzanne:

I am interested in understanding how on the diverse objective, how we're going to source candidates who can help us see the diverse people in the state of Connecticut who have the opportunity and the wherewithal to work at our organization. How do we find them?

Donna:

So it's a great question, Suzanne. I haven't spent too much time focusing on sourcing other than the jobs that we have opened because we do have some activity right now, but a big part of the diversity strategy, which we will have to look at as we kind of make some headway with some of the initial stuff like employee engagement and increasing morale and the culture and things like that. But when we're thinking about the sourcing strategy, you're taking a proactive approach, and it's not just tied to diversity. These all are interchangeable. The HR strategy really should all be interlinked. So when you're thinking about conducting...

Donna:

We really should all be interlinked. So when you're thinking about conducting talent assessments and you're identifying talent gaps in critical roles, and identifying that we've got 50% of the workforce that's ready to retire, we then start to figure out what is our source and strategy. How do we proactively go out after talent in those areas where we identified those gaps. And you basically, once you've identified those, you can go to associations, industries, competition, there's a whole list of ways of how we go and source. But that would become a big part of the recruiting strategy. And then you tie the diversity into that. So your diversity component becomes making sure that you have diverse slates, which then helps with the underrepresented groups and things like that. And we have to figure out what's the tolerance for the business and how aggressive do we get in terms of some of that and tapping into the diversity pool.

Larry:

Suzanne, I would also add that we have a relationship with three groups within New Haven. One of them is the New Haven promise program, which provides scholarships to diverse students. We have a relationship with them as well as New Haven Works, which is a pipeline for employing New Haven residents. And then of course we have a very strong working relationship with Southern Connecticut State University. So those are some specific organizations that we work with that can help us with some of our recruiting and fulfilling some of these diverse goals that we set for ourselves

Prem:

Larry and Donna also, is there merit to sort of long range strategic relationships with even younger kids? We have wonderful resources that are available and if we can bring some of these children into and to experience our resources particularly, was that lake Maltby a few weeks ago, just to make sure people are thinking along the lines of, oh, I might want to work there when I get older. I mean, are there resources available or I think there was something that we were doing with the Claire. I'm going to remember the... I'm not going to say the name correctly, but there was a wonderful woman that was doing some educational programs in the schools that we don't seem to be doing right now. Is there something that we could be doing there more long range?

Larry:

Well, let me answer that a couple of ways. We have a relationship with common ground high school, which every year, our educator, Lisa D Francisco, spends two weeks with them and kind of shows them the ins and outs of working in a water utility and water quality and she takes them out into the field. And it's a broad exposure to the utility. And the whole purpose of that was set up to expose young people in high school and common ground is as you know, one of the high schools in the New Haven area that focuses on environmental education.

Larry:

She still is doing environmental education programs in schools, although not to the extent that she did pre pandemic, but she has developed video teaching lessons that she has provided to schools as well, as well as what she calls kind of lessons in a box. And then she's gone online as well. So she's doing a lot of things to expose students to the world of water. And then this relationship we have with common ground is another way for us to make direct contact with students that are predisposed to studying environmental matters.

Amrik:

In fact, next week, Lisa is coming by and we're taking the kids on a tour for the control room, I believe other parts of 90 Sergeant.

Larry:

Yeah. Good. Thank you.

Amrik:

Very active and ongoing relationship we have.

Prem:

Since we are talking, I also wanted to mention something, right. I know we talked about long term planning, Catherine, right. So we did learn something last year. We called a graduate development program. We have brought in at least three different graduates from different schools. One of them is of course, Southern Connecticut State University, right, that Larry had mentioned. They're actually actively engaged with us. So we are actually helping them to learn from us and we are giving them task and project work, et cetera, and eventually trying to absorb them in the organization. So they have a feel of us, we have a feel of them, right. So we launched that program last year and our goal is to increase that and start going to different areas, including our PO program. That as you know, now we had been very collaborative working in SCSU. So we've been bringing more of those DNA if you will, for long term planning and introduce that. And that's part of our long term plan. So I just want to add that color there. Right.

Amrik:

Yeah. And to that same end, with respect to the Southern Connecticut state university students, we did have a tour group from them, I think about a month or two ago where they were various ages and levels in college. And I think in fact there was one high schooler as well, that was interested in the environmental sciences and also the business side of things as well. And we took them on a tour of Lake Gaillard, the armory tree pump station. We brought them up here and showed them the control room.

So we do take a very active and long range view on reaching out to people that would be interested in working with the RWA.

Larry:

And that was specifically part of the utility management degree program, as I recall. And we have a very, very strong relationship with them in that. And we have opportunities to meet with students in some of the ways that Amrik has mentioned as well as Prem.

Prem:

Thank you.

Sunny:

Catherine, just to add, I would say, I think there is enough, I would say discussion there, but we are also working with the University of New Haven, the Civil Engineering Department. So engineering team works closely with final projects and all that. So even recently we attended the graduation and helped the university of New Haven graduate who are coming out of the fourth year. We plan to do it this year as well. So the team is pretty engaged and we plan to interact on a very one-to-one basis with the professors to help the people who are graduating with both environmental and civil degrees, maybe at the third or fourth year level, so they can actually see what kind of opportunities exist while at the same time, helping out with the projects and all that.

Donna:

And I just want to mention obviously those are really great ways of how we can get external talent, but I think the diversity council will be focusing more on how we're identifying diversity partnerships with companies, such as the national black MBA association, right. Where we're trying to bring in African Americans specific to moving forward with that. Or maybe the society of women engineers, as an example, I've tapped into them before where we've gone into trying to identify that. And Larry did speak to one or two of those that we do currently have. And I was on the call with them last week, trying to get an introduction on their efforts. So we'll continue to keep making progress there and making sure that we're focusing on that long term strategy. Amrik was there anything else you wanted to cover?

Amrik:

Nope, that's it. If there's nothing else, I'll hand it off to Brian. Who's going to talk about the financial perspective and fiscal year 23. Thanks.

Donna:

Thank you.

Brian:

All right, everybody. Hi, I'm Brian Canterbury. I'm presenting the financial commercial perspectives for the strategic plan. This section includes three different strategies. The first of which is related to the expansion of the commercial revenue sources. The first of the two objectives relate to the commercialization of both the well services program, as well as the pipe safe program. The expansion of the pipe safe program. Well services are anticipated to expand through the implementation of a

marketing program as well as to be supported via the deployment of the dispatch program, as well as strategic hiring plan. And in fiscal 23, the pipe safe program will be commercialized in the out of territory markets that the RWA is currently expanding into in order to add the additional thousand new customers in these markets.

Brian:

The third objective in the first strategy is to continue to develop the strategic partnerships and the acquisition strategies in addition to the organic growth of the commercial services that RWA has already acquired in order to reach that \$7 million commercial net revenue goal.

Brian:

So moving into the second strategy there, the second strategy is related to continuing to improve the financial performance of the RWA. The first objective in this section indicates that the RWA is going to identify two innovative funding sources. And this is a continuation of previous years focuses pursuing grants and subsidies as well as alternative lower cost funding to fund our capital program.

Brian:

The second objective in that section is tracking and monitoring of unplanned expenditures, and that's just another way to help facilitate disciplined capital planning processes.

Brian:

The third objective is a little bit of a newer objective and it's related to the recent supply chain issues. The development of a critical component stocking program would expand upon other RWAs planning efforts that have already been implemented in 2022 in expanding beyond the pipe products in addition to other more additional critical components, which would be expanded in 2023 and for further implementation in fiscal year 24.

Brian:

The third financial strategy is related to the strengthening of the pension and the retirement plans, which was discussed earlier and would continue the previous years' efforts to evaluate and adjust pension contributions to achieve that hundred percent funding by fiscal year 2025.

Brian:

And with that said, I know I also flew through some stuff here. So if anybody has any questions, I'm not a financial person by trade. So we'll work with everybody to get through these. So if there's any questions I'm happy to open the floor.

David:

You sounded very financial. Thank you. Very fluent in that.

Tony:

I do have a, well, it's more a concern than a question. I know that we're still gathering information with respect to changes with the lead and copper rule. And I'm just a little bit concerned that as we continue to expand our pipe safe program that I want to make sure that we're quantifying any potential costs that

will come out of the work that we have to do with respect to the lead and copper rule. Because it's an insurance program that we're going to maybe have some... We're likely to have a lot of claims under this insurance program.

Larry:

They wouldn't be eligible to have it replaced. It's not an insurance program. It's really a service program and a customer couldn't ask their pipe to be replaced just to be replaced. It would have to exhibit one of the conditions that is covered under the service plan, which would be a leak or a blockage or something like that. And it's our discretion to replace the pipe or to repair it.

Larry:

And one of the policy decisions that we'll want to talk about in house is that if pipe safe, once we begin replacing the lead service lines on the customer side of the curb, one of the policy decisions that we'll have to talk about is will pipe safe do that under the plan when they discover it, even though it could be just repaired. And that's something that we've not come to a decision on yet, but there's a lot of utilities across the United States that are being proactive at the encouragement of the state and federal government to be proactive in replacing the lead service line of customers in order to ensure that they're not exposed unnecessarily to lead in their water.

Larry:

So, but that is the policy decision that we'll have to take care of. We are still in the process of quantifying the potential financial impact of replacing the lines, and we've not done our inventory yet, and that will help us quantify it more so, but we're estimating somewhere in the neighborhood of north of 80 million dollars over several years that we may have to spend. And it could be more or less depending on how many lead service lines we find in our service territory.

Tony:

Okay. Thank you.

David:

All right. And our last presenter.

Larry:

All right. Aziza Hill to do the internal business processes.

Aziza:

Good afternoon everyone. Last but not least, right. Going to cover the internal business processes. We'll start with the first strategy here. There's three objectives that's been defined for the effectively manage and maintain our core business strategy. First item here is the risk mitigation team. We'll target five new risk perspectives and deploy action plans. Also, across functional team we'll finalize the asset management roadmap to develop a comprehensive plan for operational financial resources, planning and services. They'll also implement two critical initiatives. The third item in this strategy is the lead service line. The lead service line project planning team will develop a shared governance model of communications and operational plans.

Aziza:

In the next strategy there are two objectives that's been defined for the sustainability manage our natural resources to deliver reliable, safe water strategy. The water resources management group will support the enhancement of water system operations and water quality optimization of our natural resources with the focus on diversion structures so that 90% of disinfection byproduct tests are at least 10% below maximum drinking water thresholds. The second objective is developing and deploying a program to reduce unaccounted for water leakage by 10 basis points.

Aziza:

And then the final strategy here has two objectives that's been defined. Continuing development of technical roadmaps and plan for a single points of failure for two obsolete technologies. And implementing at least four process improvements to bolster efficiency and productivity across the enterprise. Like everyone else I did fly through these a little quickly. So I'll pause and accept any questions that you guys might have.

David:

Well, you may have thought you were fast, but you were thorough. And we also had a chance to see this for the last week or so. So this is great.

Aziza:

Oh. Okay. Like Sunny said it's great to be last. All the questions get asked up front.

David:

Yeah. Great.

Suzanne:

Thank you.

Larry:

All right. No questions. We'll go to the last slide, which are the fiscal 23 metrics. But before I get into that first, I want to sincerely thank you, Dana and Amrik, Brian, and Z for taking the time to join us today to help present our fiscal 23 strategic plan. You did a great job and my applause to you. Thanks. Thanks so much for doing that. That was really terrific. And thanks to you and your team.

Suzanne:

And Larry?

Larry:

Yeah.

Suzanne:

I'd just like to add also thank you very much. And you guys are a real tribute to the RWA. Very professional. Nice presentation. Really appreciate you being here today.

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Suzanne:

Thank you, Suzanne. Appreciate the [crosstalk 01:41:33].

Larry:

Yeah, thank you.

Suzanne:

It's great to hear from more people out in the field and not just our usual [inaudible 01:41:39].

Suzanne:

I know it's great to hear from people who are doing all the work, right?

Dana:

There's a whole bunch of us back here.

David:

Yeah, sure. Well, and that's why I said at the beginning, I was excited to have this presentation and Larry was too. I know we've talked about this for weeks.

Dana:

Appreciate the opportunity and thank you.

Aziza:

Thank you everybody for the support.

Amrik:

Yeah, absolutely. It's a great experience. So thanks for having us.

David:

Good, but don't leave yet. Larry's got to do the summary this, of all your hard work.

Aziza:

I had my finger on the leave button. Yeah.

Larry:

Now we got to do the metrics that we're all going to work on together. So there are 11 metrics showing here. Seven of those are the global metrics and then four are what we're calling the executive metrics. So the global metrics, again, go to the bonus payout. If we achieve six of those employees get 1% in their 401k. The other four are executive metrics that we thought were important, but they were not necessarily those metrics that all employees could contribute. It's a more defined group of individuals that will help achieve those particular metrics. But we thought they were important for both the

leadership team, management, and the board to follow those particular four as, as well. So we have a total of 11 metrics that we'll be presenting quarterly to the authority for review and update.

Larry:

The seven global metrics are based on the four perspectives of the balance score card as I said. They're all meant to be smart goals, specific, measurable, actionable, relevant, and time bound. And as you can see, they range from safety to cyber security, to financial coverage. They really run the gamut. And these will serve as benchmarks for the organization's discretionary bonus program. As I had mentioned for those eligible employees. So we think these are the right ones to manage the key areas of the business and for the leadership team to follow and to report to the board. So we're excited about what the fiscal 23 strategic plan has. We've had great participation from our employee group, and as you saw four representatives today who help lead that effort at our offsite meeting. So with that, we'd be glad to take any final questions that you might have.

David:

I'm going to ask that we as a committee vote and accept this. And part of that is because I want everybody to know that we have heard, we have read, we have understood and asked questions that participated in the presentation here today. So I'd like to have us vote if we could, as a committee. Because then that also puts our [inaudible 01:44:49] on these metrics that we know we'll be working with. What does the committee think of that?

Tony:

Taking that as a motion I second the motion.

David:

Well, I won't make a motion because I'm chairing the committee. So if that's a motion, I'll accept that as a motion.

Catherine:

I will. Okay.

David:

Thank you, Catherine.

David:

Is there a second? I'm not precluded from seconding the motion. All right, Tony.

Catherine:

I'll second.

David:

Well, I don't know that we haven't done this in the past.

Catherine:

Okay.

David:

But not recent past that I can recall, but I've only chaired this committee for a year. So, let's discuss this. Is this something we want to do or don't want to do as committee?

Suzanne:

Well, since the motion is on table, the only thing that I would say is that I'm not big on targets being actions. I'm big on targets being metrics. And I know that all of these are measurable, but in some cases they're measurable actions, which... I would love to see them translated if possible into more substantiated metrics. I'm not unhappy with them. I'm not trying to send a negative message about them. I just would like to...

Tony:

I'm still concerned about our role, whether or not we are going to dictate operations of the organization or overall policy. It feels more operational at this level. I think this is management's role and not ours. I would like to say I felt underwhelmed by last year's metrics. I would like to see reaching metrics this year.

David:

And these are the metrics that Larry, the executive team has approved as presented by the team, by our organization. And my looking at this is that they are a little bit more of a reach than what we had. They are a little more aggressive in some areas than what we had this year. And only because you brought up the question earlier, did it make me pay attention to that aspect of this now. We had seven for last year and we've got seven for this year. And some are the same and some are more aggressive.

Tony:

I think we all should go back and be 10% higher.

Larry:

That sounds arbitrary, Tony.

Tony:

Pardon me?

Larry:

That sounds arbitrary.

Tony:

It is arbitrary and capricious as well.

Larry:

Well, arbitrarily, I don't think we should. So yeah.

Tony:

See and your management so you can say that.

Prem:

Tony, it's funny you mentioned that because Matt asked us the question. He says, make it even harder. Right. So now you're saying, make it even harder. It's like he's double smart.

Tony:

Yes, of course.

Suzanne:

Right. But I do appreciate Tony's comment about operational. And I think he and I are saying the same thing about the action plan stuff. So I do think that at the board level, high level metrics that have big impact on the organization are probably more appropriate for whatever that's worth.

David:

All right. Other comments? Is your pleasure just to let this be and have it be that management has said this is what they're doing. And they've told us that. Or do we want to...

Larry:

You want to adopt the strategic plan, David for fiscal 23?

David:

That's what I'm thinking. That's what I thought we would do.

Larry:

It would be the plan and the metrics.

David:

Plan and metrics. Right.

Tony:

I think we adopt the plan and let him pick up the metrics. If we don't like them, we can yell at him you see. If you say these are the metrics, then they'll meet them sure as heck or else, because that's the way they are. They want to be perfect. And then we're left holding our fingers in it. Hey Prem, I don't like what you're doing. And so Prem can sit there and say tough luck, my boss said it was okay.

David:

Well everything in the organization is ultimately Larry's responsibility and to us. And when we do his review, which is next month, that's when we would go forward from that. But so Tony, you're saying we would want to adopt the strategic plan.

Tony:  
Yeah.

David:  
So a slight adjustment.

Tony:  
I just think that's our role and not the metrics. I think Larry's role is the metrics with his team.

David:  
Catherine, as the maker of the motion on the floor. How do you feel about that?

Tony:  
If you want me to make a motion, I'll make a motion.

David:  
No. I'm asking Catherine as the maker of the motion that was on the floor or is on the floor. Would you agree with that adjustment that the motion read, we accept a strategic plan.

Catherine:  
I'll accept it as a friendly amendment.

David:  
Okay. Tony, you had seconded it. So there we go. All right.

Larry:  
David, I do have a question then. If that's the case, do you no longer want us to submit these metrics to the board on a quarterly basis?

Tony:  
Oh no. We want to know what they're doing.

David:  
Yeah, we want to know what you pick out of that to be the metrics. And we know the metrics are a significant way to judge your performance. And so I think we would want to continue to get quarterly updates.

Larry:  
That's great.

David:

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All right. Sensing you're all ready to vote because we've talked this, we've been at this for three hours and we all need a little break after we vote and all those in favor of approving the strategic plan as presented, signify by saying aye.

Group:  
Aye.

David:  
All right. I heard all five vote. I heard Kevin, but I don't see him. I know Catherine's there.

Kevin:  
Aye.

David:  
All right. Very good. All right. With that again will thank you folks who participated in this. That was great. Or who represent those that participated in this and did the presentations. That's great. We appreciate that. And with that, I'll ask for a motion to adjourn the strategic planning committee, and then we will re-meet as the authority, reconvene.

Suzanne:  
I'll make that motion.

David:  
Suzanne, seconded by Tony. All those in favor, signified by saying aye.

Group:  
Aye.

[STRATEGIC PLANNING COMMITTEE MEETING ENDS AT 3:12 P.M.]