

**Representative Policy Board
Consumer Affairs Committee
South Central Connecticut Regional Water District
Via Remote Access****

AGENDA

Regular Meeting of Monday, August 15, 2022 at 5:30 pm

1. Safety Moment
2. Approval of Minutes – July 18, 2022 meeting
3. Ten Year Model Potential Scenarios: R. Kowalski
4. Report of OCA – J. Donofrio
5. Approval of OCA invoice for July 2022 for \$2,332.50
6. Volunteers to attend upcoming Authority meetings:
 - a. August 25 – M. Levine
 - b. September 22, 2022 – A. Rescigno
7. Next meeting of Consumer Affairs Committee –September 19, 2022 at 5:30 p.m.
8. New Business
9. Adjourn

****Members of the public may attend the meeting via remote access. For information on attending the meeting and to view meeting documents, please visit <https://tinyurl.com/43bzj4dk>. For questions, contact the board office at 203-401-2515 or email jslubowski@rwater.com.**

Representative Policy Board
Consumer Affairs Committee
August 15, 2022 at 5:30 p.m.

Call in (*audio only*)

[+1 469-965-2517,,408875240#](tel:+14699652517408875240) United States, Dallas

Phone Conference ID: 408 875 240#

For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

SAFETY MOMENT

AVOID POISON IVY

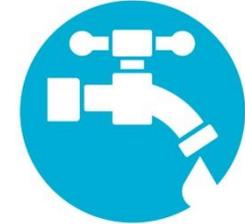
The stuff grows everywhere – in the yard, beside the highway and in city parks. And if botany's not your thing, follow the old adage: "Leaves of three, let it be." Most of us will develop some sort of rash from exposure to the oils in poison ivy and poison oak. The oil comes from the plant leaf and stem and can stay on your skin, clothes, shoes, work gloves – even your dog.

AVOID EXPOSURE TO POISON IVY BY:

- Wearing protective clothing while gardening or hiking in the woods
- Washing skin and clothes well with regular soap or laundry detergent
- Use cortisone cream to treat rashes or use oral antihistamines
- If experiencing more severe symptoms see a doctor



Tap Into
Safety



Regional Water Authority

Service – Teamwork – Accountability – Respect – Safety

Safety is a core company value at the Regional Water Authority .
It is our goal to reduce workplace injuries to zero.

 Regional Water Authority

**Representative Policy Board
South Central Connecticut Regional Water District
Consumer Affairs Committee**

Minutes of the July 18, 2022 Meeting

The regular meeting of the Consumer Affairs Committee (“CAC”) of the Representative Policy Board of the South Central Connecticut Regional Water District (“RPB”) took place on Monday, July 18, 2022, via remote access. Committee members present: S. Mongillo, N. Campbell, M. Levine, A. Rescigno, and R. Smith.

Members absent: F. Pepe

Authority: K. Curseaden

RWA: D. Bochan, J. Hill, P. Singh, and L. Vitagliano

Office of Consumer Affairs: Attorney Donofrio (“OCA”)

RPB Staff: J. Slubowski

Chairman Mongillo called the meeting to order at 5:30 p.m. He reviewed the Safety Moment distributed to members.

On motion made by Mr. Rescigno, and seconded by Ms. Campbell, the committee voted to approve the minutes of its July 18, 2022 meeting, as presented.

At 5:32 p.m., Mr. Smith entered the meeting.

Ms. Vitagliano, the RWA’s Government and Public Relations Specialist, provided an update of the 2022 Legislative Session outlook, which included:

- Bill process
- Legislative landscape in 2022
- Meeting formats
- Executive summary and key topics (legionella, well testing, safe water, drinking water, solar siting petitions, fire protection charges and electronic notifications to water companies). In all, 17 Bills were closely monitored.
- Water Industry Bills of interest (e.g. Office of Aquatic Invasive Species, Open Space and Watershed Acquisition, Advance Notice of Road Projects, Private or Semipublic Well Testing and Charges/Installation of Hydrants by Water Companies}
- Bills relevant to the RWA (e.g. Conducting Remote Meetings and Producer Responsibility for Certain Gas Cylinders)

Committee members discussed RWA supported bills, pathways program, and the Salt Application Training & Registration Program.

At 5:58 p.m., Ms. Vitagliano withdrew from the meeting.

Atty. Donofrio reported that he has spent much of his time reviewing the CIS Application. He has also completed his review of the Authority's responses to his first set of interrogatories and has forwarded the information to the consultant for review. The interrogatories and management's responses have also been forwarded to the full RPB for review. Atty. Donofrio expects his memo to be completed by the continuation of the public hearing on August 25th.

He also reported some minor customer issues that did not escalate to the OCA.

On motion made by Mr. Levine, seconded by Mr. Rescigno, and unanimously carried, the Committee approved the OCA's June 2022 billing (\$4,847.50).

Chair Mongillo reviewed the volunteer schedule for upcoming Authority meetings:

July 28, 2022 – Ms. Campbell
August 25, 2022 – Mr. Levine
September 22, 2022 – Mr. Rescigno

On motion made by Mr. Levine, seconded by Mr. Rescigno, and unanimously carried, the Committee voted to elect Mr. Mongillo as Committee Chairman for 2022-2023.

The next regular meeting is on Monday, August 15, 2022 at 5:30 p.m.

As there was no new business, at 6:11 p.m., on motion made by Mr. Rescigno, seconded by Ms. Campbell, and unanimously carried, the meeting adjourned.

Stephen Mongillo, Chairman

Ten-Year Model - Scenario Discussion
RPB Consumer Affairs Committee
August 15, 2022



Model Scenarios – For Discussion Purposes

Focused on:

- Depreciation
- Pension
- Other Post Employment Benefits (“OPEB”)
- Commercial Net Revenue
- Capital Requirements/Subsidies
- Water Revenue Decline
- Reserve Fund Balances

Considerations:

- Affordability/Rates
- Allocation of Pension Contribution – Post Fiscal 2025
- Leverage

2021 Model Scenarios

2021 Approach – Base Case and Target Case – each with associated scenarios

- **Scenarios primarily related to varying levels of capital expenditures, subsidies, commercial revenue transfers, and depreciation – developed incrementally**
- **Target scenario focused on mitigation to rate increases and leverage**

1) Scenario- Base Case – January 2022 Rate Increase Less Than 7%

- RSF at \$10m, General Fund at \$11.6m, and coverage at 114%
- Growth Fund used to fund commercial capital projects
- Pension fully funded - fiscal 2025. Post 2025 – increased depreciation and OPEB
- Updated capital improvement plan
- Net commercial revenue reflects organic growth, July transaction, and WellSafe
- Rate Applications – every 18 months

2) Scenario – Target Case January 2022 & July 2023 Rate Increase Less Than 7%

Base case plus:

- Commercial revenue reaches \$9.2M by FY 2025
- Growth Fund used for non-organic growth/ potential use of subordinate debt

2021 Model Scenarios (cont.)

Scenario 2 – Target Case (cont.)

- Assumes interim financing used to mitigate rate increase in next rate application (July 2023)
- Includes additional (vs. base case) grants/subsidies and refinancing
- Depreciation \$1.5m in January 2025 and July 2026 cases, when pension is fully funded

Scenario 3 - \$30m capital increase spread between FY 2024 and FY 2025

Scenario 4 - Target plus 10% capital increase beginning in FY 2024

Scenario 5 – Base plus \$30m capital increase FY 2024 and FY 2025

Scenario 6 - Base plus 10% capital increase beginning in FY 2024

Your Thoughts and Comments



APPENDIX

2020 Model Scenarios

**Scenarios primarily related to varying level of capital expenditures and depreciation.
Recommended scenarios focused on mitigation to rate increases**

1) Scenario- Base Case – Rate Increase Less Than 7%

General & Rate Stabilization Funds each at \$10 million

Growth Fund used to fund commercial capital project

Coverage at 114%

Pension fully funded - fiscal 2025. Post 2025 – increased depreciation and opeb

General Fund excess used to offset Jan. 2021 rate increase

2) Scenario - Recommended Case - Rate Increase Less Than 6.5%

Base case w/ lower O&M, capital, and PILOT

3) Scenario - Add'l Recommended Case – Outer Year Expense Reductions

Focused on outer years - subsequent to July 2021 rate application

2020 Model Scenarios (cont.)

4) Scenario - Increase in Capital

10% starting in fiscal 2022

5) Scenario - Capital expenditure increase

One time \$15 million

6) Scenario – Pension

Fully funded end of fiscal 2023 vs. fiscal 2025