

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

AUGUST 25, 2022

MEETING TRANSCRIPTION

- David: All right. Well it is 12:30. I'll call this August 25th, 2022 authority meeting to order and it is 12:30 and our Safety Moment back to school. That's good. Very timely. Right, Donna?
- Donna: Sure is. Do you want me to give the update?
- David: If you want to give a little bit of a very short. We can read, but if you want to make some highlights, that's great.
- Donna: Well, first and foremost, I was able to get my eighth grader and fourth grader off on the bus this morning safely, which was always very nice. And I actually had the chance to kind of follow some of these. The biggest thing was we do not when our kids are going back to school. There's obviously a lot of safety protocols that are related. Some of the things that are mentioning here is always stop for a school patrol officer. And this is actually coincidental with our topic of physical security today and crossing guards and so forth. Never pass the bus from behind. That is actually a big one. I think a lot of people sometimes don't know when's the right time to pass a bus and when it's not, especially when it's on a road where they could be at a stop sign. If it's yellow or red lights or flashing and the arm is out on... It's extended, then you must stop. And it does say on your license actually and you get points held against you if you do get ticketed. And of course stay 10 feet away from the bus. You want to always make sure that you're giving yourself enough time for them to stop. They do have a very large vehicle. So, it's always important to make sure that that's happening. So, that's the quick update today.
- David: Thank you very much. All right. So our first major order of business is to meet us the Environmental, Health, and Safety committee. So who would like to move that we recess as the Authority and meet us such?
- Catherine: I would like to move that we recess as the Authority and meet as the Environmental, Health, and Safety committee.
- David: All right. Is there a second?
- Kevin: Second.
- David: By Kevin. All those in favor signify by saying I.
- Group: Aye.
- David: I heard four, all unanimous Is. All right, Kevin, it's all yours.

[ENVIRONMENTAL, HEALTH & SAFETY COMMITTEE MEETS FROM 12:32 P.M. TO 1:45 P.M.]

[STRATEGIC PLANNING COMMITTEE MEETS FROM 1:45 P.M. TO 3:15 P.M.]

- David: All right. We are back as the Authority and we are on item D, act on matters arising from committee meetings. And I don't believe there are any, right, Kevin, from your committee?
- Kevin: That's correct.
- David: And there's none from Strategic Planning. We'll move on to item E, meet a sole member of the Claire C. Bennitt Watershed Fund. Brian-
- Jennifer: I don't think Brian is here yet. He's supposed to join.
- David: Well, we could go on to the consent calendar then and come back to it. What's your pleasure with the consent calendar, folks?
- Tony: Move it.
- Catherine: I have one question from the consent calendar.
- David: Sure. Yeah.
- Catherine: So on the hazmat update, is there anything that you need the authority board members to do?
- Kevin: I can briefly speak to that. No, I did have a meeting with Donna, Amanda and Lori Vitagliano yesterday just to go over their report or their update I guess I should say. And I'm trying to think if there was, there's no action required on this, Catherine.
- Larry: It was an informational update only, Catherine, just to let the board members know about the program, where we are and some of the things that are coming up in the immediate future.
- Catherine: Okay. All right. It just looked like there might be some assistance that we might be able to provide with respect to coordination. But if that's it, then was there a motion to accept the consent agenda?
- Kevin: Just before we, I'm sorry, Catherine. Donna, was there anything that came out of our discussion yesterday that requires board, I guess, either guidance or decision?
- Donna: No, it was just an informational update. I did have conversations with Lori Vitagliano who oversees that program. We have been thinking about, and this could be, I did ask her to look at some of the external focus stuff and some things that we can be thinking about longer term, but that's something that we would table and come back to the board with. This was more of just an update on the current program. But she is starting to think about that forward thinking and external impacts and some of the things that

we might want to consider in the future. So I think, Catherine, we would come back at a later date to maybe have that very strategic discussion with the board.

Catherine: Okay. Thank you.

David: Thank you, Donna. Thanks Catherine.

Tony: Move the consent agenda.

Catherine: I second the motion.

David: Motion seconded. Any other points of clarification? See none. Sensing you're ready to vote. All those in favor, signify by saying aye.

Group: Aye.

David: Passes unanimously. All right. We will go.

Jennifer: Brian is here, David.

David: Is Brian there? Oh, great. All right. So then we will go back to item E now. And we are meeting as a sole member of the Claire C. Bennitt Watershed Fund. And we're happy to have Brian here for another visit.

Brian: Good afternoon. How are you, David.

David: Good afternoon. Good. How are you?

Brian: Good. Thank you. Kept me on tenterhooks all afternoon.

David: Well, a lot of important things to talk about.

Brian: Yeah. Good, that's good.

David: Security and personnel.

Brian: Well, this should be quick. I know you've had a very long meeting. Main reason we're here is to have you reappoint Martha Rice and Sue Addiss as members of the Watershed Fund board. Sue's been on the board almost since the inception of the Watershed Fund and Martha has been on for a couple of years, she is Claire Bennitt's daughter. Both are very valuable members of our board. I would request that they be reappointed to the board directors.

We are losing two members. We've lost two members whose terms were up this year. One was Scott Jones, who you appointed last year. But we staggered the term, so he had a one year term. Shortly after he came on the board, a few months after, he was nominated for a judgeship on the superior court. And being on the board would conflict

with that role. He decided that in case he got appointed, he was going to take a leave from the board. And he ultimately got that position. He's now a superior court judge. And so we lost Scott, which was unfortunate, because I thought he was a very good prospect for the future of the board, which we need desperately to bring some young blood on.

The other is Rob Olejarczyk, who has been on the board for 22 years and has been treasurer for most of that time. And that's a tremendous loss to us and we will miss him greatly. But he's certainly put in his time and we appreciate that greatly. We were fortunate because he's our accounting guy, did our audit for the last 17 years.

But serendipitously one of your appointments last year was Marco Mutonji, I think his-

Brian: Marco's an accountant by background. He's been working with Rob for the last I'd say four or five months to get up to speed. According to them both, he's ready to step in. And of course Rob's an Authority employee, so if we need him, we'll hunt him down.

As far as the Authority itself, we had I think a productive 2022 after the COVID crisis. Not that it's over, but it certainly is in better shape. We granted 13 scholarships in the past fiscal year, a total of \$48,500. We gave out grants totaling \$92,827, which includes 14,000 to the Authority. 10,000 to rehab the water bus, repaint and resign it. And \$4,000, which we do every year, I think it was up a little bit this year, for the summer camp.

Other than that, I don't think I have much to report. We've taken a hit obviously in our investments like everybody has. We've made a little comeback from the losses between 2021 and 2022. But I can say that we're starting 2023 a little better than we started 2021. So we had big ups in 21 and some big downs, but we're in pretty good shape.

Any questions, I'll be happy to answer them?

David: You want to have any questions? Of course we just saw everybody at the golf tournament and that went well. That was great.

Brian: Yeah. Unfortunately, I had a zoning hearing, so I missed it.

David: Well, your committee worked very hard and did a great job in your stead there.

Brian: They're in my stead anyways, they do a great job with ... I have nothing to do with it. They're tremendous.

David: All right. If there are no questions, I'm stalling to give people an opportunity, if not, we do have a motion that would do what Brian has recommended. And that is the reappointment of Susan Addiss and Martha Rice. What's your pleasure?

Kevin: So moved on both the proposed resolutions.

David: It's actually in one resolution for both names, so that's okay?

Kevin: Both names, yeah.

David: Good. All right.

Tony: And I'm going to recuse myself because I'm on that board and I don't think it's appropriate.

Catherine: And I will second the motion.

Tony: Thank you. Since we've all spoken, I guess you're ready to vote. All those in favor, signify by saying, aye.

Group: Aye.

David: I hear three affirmatives. Voting no, nobody. Abstaining, Tony.

Tony: Tony.

David: So 3-0-1, it barely passes, but it's a very worthy motion and we thank them for their service. And thank you, Brian, very much for you and your board. You're going to be looking for a couple of other people to keep it even for a year at 12?

Brian: Yeah. We're always looking for people. It's kind of been on the back burner through the summer, but we've been trying to come up with some requirements for board members, requirements as far as attendance, things like that. And something to indicate what skills that we're looking for. There is a committee, but nothing happened over the summer. But we definitely are looking for people. And if anybody knows of someone who's interested, particularly in environmental preservation, we would like to have more members on our board.

We're also talking about starting an advisory board as a possible source of future board members. People who can serve on committees without necessarily having to participate fully in the board. So that's something we're going to continue to talk about and pursue.

David: Okay. That would be great. Thank you. All right. If there are no other questions, we'll let you get back to your work. And appreciate your hard work and effort. Thanks a lot, Brian. Good to see you.

Brian: Good seeing you too. Take care.

David: All right. That brings us to item G, reports on RPB committee meetings. I see, I just saw a picture, we see Mark is joining us from the RPB. Thank you, sir. Appreciate that.

Brian: Thank you, David.

David: All right. August we had Finance, Kevin, were you able to go on Monday the eighth?

Kevin: Sorry, I was just trying to turn off my mic. Yes I did. And they went over the 10 year model. There was discussion on that, it was a relatively brief meeting, about 10 or 15 minutes long. And so there was just some discussions on that and that was about it.

David: Okay. Very good. Land Use, couple of days later on August 10th, Catherine, you attended that?

Catherine: Yes I did. Let's see. The meeting was held at a field off of Barberry Road in East Haven, right on the North Haven/East Haven line, I think that's what it was, North Haven. Following the review of the very appropriate setting, which was avoid poison ivy since there was plenty of it where we were standing. There was a guest speaker, Mr. Alden Page, from the Maple Tree Farm. Talked about his lease of RWA fields that he harvests hay. Maple Tree Farm is a dairy farm. He harvests hay for feeding his cows.

He raised some concerns about the drought conditions and the fact that he has not been able to harvest as much hay as normal. And also talked about damage that's created by kids using the property as a playground on their ATVs and dirt bikes. There was a lengthy discussion about the damage to, not only that property, but also other properties. And the difficulty of local law enforcement and the uncooperative attitudes of parents of these children who think that their kids should be able to ride wherever they want to.

After that presentation, John Trina gave his usual comprehensive report. Water reservoir levels were above historic average, although lower than last year. Talked about the recreational permits were down from the prior month and also down from the prior year by a little over a hundred for the month and a little over 600 for the year, year over year.

The RWA seems to still be having challenges hiring staff for the recreational areas. Apparently, there will be some difficulty renting boats on certain days of the week. There was continued concern expressed about trespassing on RWA property. It was very helpful that Sunny was present. He talked about the RWA's progress with respect to moving forward to address this problem.

The next meeting will be held on the 14th of September. That's it.

David: Okay. Any questions regarding the report? All right. Thank you very much. Consumer Affairs Committee, Tony, were you able to attend?

Tony: No, I missed. I had an unexpected doctor's appointment, so I didn't make it.

David: Okay. Who was the staff to that, who was the ...

Larry: That'd be Prem.

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Prem: Yeah, I was actually there. So we reviewed the 10 year model as well for the Consumer Affairs, David. It was very well received. And of course Jeff Donofrio provided his report as usual, so no customer complaints. A lot of good discussion happened there. But it was really the update from a 10 year model perspective. That was the meeting.

David: Okay. All right. I didn't realize that was their main topic as well, so that's good. Okay. Super, thank you. Then we will move on to H, business updates. Larry, hand it over to you and give it out as you need to.

Larry: Yep. Very good. Thank you. Well, Donna, will first of all I'll provide an update on the COVID situation. It looks like we've hit a bit of a milestone here. But Donna I'll turn it over to you.

Donna: Thanks Larry. As of August 4th, we have a hundred confirmed cases. This is an increase in four new cases since our last board report. Our vaccination rate remains at 85%, which is what it was. It's really remained there for quite some time. The COVID positivity rate is 11.77. And our cleaning is continuing as usual. So we're continuing to spray the treatment plants.

The only nuance is that the treatment plants, there has been as you know, there was a spike around spring break and the whole bed. And I think just given some of what we had heard through the media and locally, our treatment plants have been very cautious about allowing people to come in and do tours. They're definitely being conscious. They don't want people sick. We had another individual in the plant sick. So, that is the only thing that I just mentioned.

I have talked to some of my folks that actually go do the tours, to just make sure that we obviously protect our people first, before we bring in the outsiders. So that's the most important. So that's the only thing.

But I think from an overall, in terms of our staff, we seem to be good. As you know, we had made a decision that our employees would remain working from home and we would revisit that in September. So Larry and I have been having conversations and we hope to be able to adjust that soon and give an update next month.

Larry: All right. Good. Thanks, Donna.

Donna: Welcome.

Larry: I'll take a few minutes and highlight some points from my board letter. On the commercial business front, we sent an indicative bid offers to two prospective targets. That if they're accepted, they will require RPB approval. So, that'll be a much more extensive discussion that we have.

We came to an arrangement with a buyer's broker to increase the top of funnel candidates activity. So hopefully that'll start turning up some more companies to look at.

Dennis also talked to various vendors in the plumbing industry, and that has turned up three additional candidates that have indicated they're interested in entering into discussions about possible acquisition. So, that was positive.

Rochelle and her group is hard at work of the fiscal 22 year end audit. And that's in full swing. And so we're on schedule to provide the audited financial statements to you at the September board meeting. And also too, I'm very pleased to let you know that in connection with our work on getting grants, Rochelle has been in touch with the Senate staff, both Senator Murphy and Senator Blumenthal staff, and she and Sunny have worked together. And she just got a notice a couple weeks ago that the Senate appropriations committee released their draft spending bills for infrastructure projects as part of the congressionally directed spending. And our Seymour Well treatment facility generator replacement project, which is about \$715,000 and the Lake Gillard water treatment plant HVAC and electrical improvements for about \$2.5 million were included in that congressional directed spending. So, that'll be almost \$3.4 million in funding that we'll receive. So that's great news and good work for Rochelle and Sonny on getting that.

And so they're one step closer to getting the final fiscal 23 spending bill. But of course just because we've been awarded it, it doesn't mean yet that it's guaranteed. So we're keeping our fingers crossed there because it'll continue to be part of negotiations.

Also too, I continued with my field visits in August. We're making some terrific progress on most major improvements at our water treatment plants. One of the more significant ones, the West River DAF, dissolved air flotation building, and they poured that and we're expecting substantial completion by June of 2023, with final completion in October of 2023.

And also too a bit of a milestone here, that I know Tony and some of the members that have been on the board for a while, is that we essentially completed our work to remediate the former Hamden Middle School site and three adjoining properties under the Department of Energy and Environmental protection consent order that dates back to 2003.

So you'll recall that our predecessor company owned some property that became identified as an EPA cleanup site. And because our predecessor company was involved, we had to take responsibility for part of it. So we've now recorded all required notifications with state and local municipalities, regulatory agencies, including submitting our final report to DEEP. So we're just waiting for a written concurrence from DEEP to release us from the 2003 consent order.

So after some six years of remediation work on the properties that were, as I said, were owned by our predecessor at a cost of over ... it was about \$4 million in remediation costs. And then in 2009, we discovered that there was \$1.7 million in pre-remediation costs, that at the time Linda turned into a regulatory asset as she has with the \$4 million. So we're amortizing that over time on the books.

So we're now able to close out this six phase cleanup that rendered accessible soils on the site, decent for human contact. So, that was good. And kudos to John Hudak and his team from the Environmental Planning Department who did a great job coordinating and managing all of that work and the strategy to get that done for the RWA from the very beginning.

And unfortunately, or coincidentally, John retired from the RWA two weeks after recording the last environmental land use restriction on Hamden's municipal land record. So that's clearly a terrific capstone project for John's 30 plus year career at the RWA.

And the last thing that I wanted to mention is that I had a great meeting with the new dean of the Southern Connecticut State University School of Business, Jes Veronico, and talked to him about his plans for the business school. But just as importantly, what he plans to do with the utility management degree program there. And I'm really excited about his bold vision to take that program to really greater heights and to expand its reach, to meet the needs of the region's utilities, to produce its future leaders. So great work on his part. And I'm going to be excited seeing what he does with that.

So with that, I'll take any questions you might have.

David: Do you have any questions on-

Catherine: No, I just want to say that's great news about the work with the congressional delegation or the senate delegation. Let's hope it comes true.

David: Yes.

Larry: Well, last time that we were notified of that, it did come through. And the staffer reached out personally to Rochelle to let her know. So, she's got a great working relationship with the senate staff there that she and Sunny have been working with. So kudos to Rochelle and Sunny on that.

Catherine: That's awesome.

David: Right. Any other questions? Well, you do have another item that you wanted to-

Larry: Well, yeah. I have a few other items that I'd like to include under my report. First of all, I'd like to have Rochelle give you just a quick update on the status of our pension fund funding level. Because I thought it would be of interest to you given all the turmoil that we've had. So Rochelle, are you still there? There you are.

David: You're on mute, but that's okay. We'll get that fixed. There you go.

Rochelle: Yeah, we thought it would be a good idea to just provide you an update because you're going to see the information in the audited financials. So probably not surprising, you're

aware that the market value of the pension funds were down as of 5/31. Good news is they're back up a bit. But the audited financials are based on 5/31.

The returns were actually negative for the fiscal year. The way the requirements are to calculate, it's about 5%, pretty similar to what you saw from Morgan Stanley. So given primarily the change in the market values, you will see in the audited financials that there will be an increase in the pension liability and a decrease in the funding level.

Some good news, however, is that it won't all flow through the profit and loss. Won't get into all the details of how that accounting works. So, there'll be some impact on the income statement. A good part of the impact is going to be on the balance sheet.

Also just want to share that, although we are down, probably depending on the plans, like 8% to 9%. And from a funding level perspective, we are better than where we ended the year at fiscal 2020.

Also we are requesting from the actuary, update to our level funding based on August market value. So we'll be able to look at that and incorporate that into our model and into our planning for the next few years to keep on track, to get to the fully funded level by the end of fiscal 25.

So just wanted to give you a little bit of update before you see it in the audited financials.

Larry: Okay. Thanks, Rochelle. Any questions from anybody on that?

David: Rochelle, that doesn't necessarily mean an increase in the mandatory contribution because that's factored on the calendar year and we get that number when you're compiling the budget, right?

Rochelle: Yes, that's correct. What we will look at as part of the budget cycle when we get the level contributions, we'll look at what that means compared to our authorized funding. And possibly will make a recommendation before the end of the fiscal year to do an additional contribution.

Larry: Thank you. And then, under the category of show and tell, I wanted to share with you a very brief video showing the excavation and grading and clearing of the Derby Tank site. So, Jennifer, can you roll that?

Jennifer: Sure. There's a couple of pictures first.

Larry: So the high school's over to the right, just to let you know. Can you stop there, Jennifer?

Jennifer: Yes.

Larry: The woman that has joined with Ms. McEvoy to take legal action on this is down the road to the left. So it's probably seven or eight, there's no houses there, they're the first

house on this side of the road and down. So it's very difficult to see that site from where they sit.

David: That's got to be fairly steep, it looks, right?

Larry: Yeah. Sunny, do you want to add some comments on that?

Sunny: Yeah, sure. I think it was the second woman who joined Ms. McEvoy is actually the cousin. So I think they are pretty much in there. But I would say looking at the Derby Tank, I think we are advancing much faster here. So most of the site work should be done by the end of I would say fall 2022.

And we are starting to receive the shop drawings for the tanks, the pre stressed concrete tanks, which should be coming any time. And once the shop drawings are done, we should see the construction of the tanks happen sometime I would say late winter, early spring. And the site work should be done pretty much in the next I would say a month and a half. So we should be wrapping up work.

Just to update on I would say the lawsuit. I think the hearing is sometime in October, they've just asked us for the dates. So I think Murtha came back to us. And we should be I would say going to the hearing sometime in October. The hearing date has not been finally set. So that's the update on the lawsuit.

But I think as you can see, the progress has been great. All the trees have been cleared. So I think we are really progressing pretty fast. And hopefully I think the lawsuit should also, from what I can see, the statements that are made in the lawsuit pretty much I would say were all the ones that were made earlier. So we are hoping for a dismissal of it. And the tank construction should be done hopefully by June of 2023 too.

Any questions?

Jennifer: We're having a few streaming problems.

Sunny: The video I would say goes slow. I think Jennifer and I tried it a few times. I think it does take its time to I would say roll through.

Larry: Well, I think that gives everybody a good idea of what the site looks like and where it's located. So maybe we can move things along. And then, there we go. And then David, I'd like to request that the last update be given in executive session because it deals with real estate negotiations.

David: Right. And inviting whom?

Larry: The authority members and the leadership team.

David: Okay. You want the whole team. Okay. All right. Is there someone who would like to move that?

Larry: And is Mr. Levine staying for this? I think it would be appropriate that we do it just with the leadership team and the authority.

David: Right. Yeah. Unfortunately we have to, not an option there.

Tony: So I'll move going to executive session with the named people.

David: For the purposes of land.

Tony: As you say.

David: Negotiation discussion. Yeah. All right. Are there-

Catherine: I'll second the motion.

David: There's a second. Right. All those in favor, signify by saying aye.

Group: Aye.

[EXECUTIVE SESSION FROM 3:49 P.M. TO 4:00 P.M.]

David: We are now out of executive session. Motion to adjourn the meeting?

Catherine: So moved.

Tony: Second.

Davd: Second by Tony, all those in favor, say aye.

Group: Aye.

Speaker 2: We are adjourned at 4:00 pm, precisely, almost a four hour meeting.