

REPRESENTATIVE POLICY BOARD

August 25, 2022

Meeting Transcription

Mario:

All right. I'll call the meeting of the Representative Policy Board to order on August 25th, 2022. Welcome to summer. Unfortunately it's late summer. So our safety moment is back to school safety. I know a number of schools have already opened up, a bunch more open up on Monday. So please watch out for school buses, children running out to the school buses, and watch out for the flashing lights. Very important. And slow down, slow down. So please read through your safety moment. Quite a critical time to be safe when you're driving or if you're the one who has the kids out there at the curb waiting for the business. Approval of the minutes of July 28th, 2022. Is there a motion?

Brian:

So moved.

Mario:

Thank you. Second?

Mike:

Seconded.

Mike:

Wait a minute. What date did you say?

Mario:

July 28th.

Mike:

I second the motion.

Mario:

Thank you, sir. Any questions, comments, revisions? All those in favor of approval say aye.

Group:

Aye.

Mario:

Opposed? Anyone abstaining? Thank you very much. Nominating Committee for Authority member, I appointed the Nominating Committee. Brian Eitzer is Chair, Charles Havrda, Greg Malloy. Steve Mongillo, Tim Slocum, and Michelle Verderame are on it and I believe they are scheduled for meeting next Monday.

Brian:

That is correct.

Mario:

Okay. Thank you. Good luck. We'll wait to hear from you next month, I guess, with a report, correct?

Brian:

Correct.

Mario:

You're excited, Brian? Is Jennifer giving you a hard time or she's helping you out there?

Brian:

She's doing great. Everything will be fine.

Mark:

Which member's up?

Brian:

Kevin.

Mario:

Okay. Thank you very much. RPB quarterly dashboard report was included in the information that was handed out. Finance committee went through it. Any specific questions? It's more for information. We'll move on to the reappointment update. And then I had that up. I believe we have a couple of people that we're waiting on, Jennifer.

Jennifer:

Yes.

Mario:

Let's see. Michelle, Tony, and Vin. So we'll just keep trying to get your reappointments in place. Okay. That brings us to the reports and we're moving right along. Mr. Slocum.

Tim:

Mr. Ricozzi.

Mario:

Finance committee.

Tim:

Yes. Finance committee met on, well, way back on August 8th. It seems like a long time ago, but essentially the subject matter that afternoon was the model scenarios. Just as a reminder model

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scenarios, it's sort of been developed based on how to develop a rate case. And primarily reviewed was last year's models and the approach used. The committee was reminded, and it was honestly a reminder because I know none of us carry this all year long with full memory. I certainly don't, but basically it worked off of scenarios that took place last year to establish a rate case for January, 2022. Based on certain increase models, which I think was 7%.

The committee sort of got the refresher, the [inaudible 00:08:17] on what was done. Kind of tossed around a few things and ultimately agreed that management does a pretty good job on this opportunity to give us information. And more or less, I guess our asserted statement was that do what you did last time. I think it presents us a clear model, it's well rounded and we have something to live with and at least we have last year's model to understand what's going to probably come forward. So I don't think we offered them any dramatic changes or options that they should entertain.

And with that, after getting a couple questions answered on things, I would invite my colleagues, my co-members of the committee to remind anyone else in the room of something I may have forgotten or simply misstated, but that's essentially what was discussed at the meeting. It was a very good meeting, but by the same token, a one topic meeting that sort of ended there. And our next meeting is September 12th and I will invite members of committee, if there's anything I may have missed on this, to step in, speak up and say, I'm all winner. That was perfect. Well, hearing none of that, I'll accept it as a perfect report. It's up to you, Mario, to accept it.

Mario:

Thank you, Tim. That was very good.

Tim:

Thank you.

Mario:

I do agree that it's great that management does put together a very nice model. It's kind of been refined over the years, but I certainly know that the RPB does appreciate the opportunity to discuss some of the thoughts behind it and some of the approaches that are being used. It really helps, I think, to get additional input. So thank you for leading that effort, Tim.

Tim:

Thank you.

Mario:

I presume it was Rochelle behind the-

Tim:

It was, it was Rochelle.

Mario:

The model in residence.

Tim:

We know she's model in residence and brings a great deal to the table.

Mario:

Yes. Thank you very much. Any questions for Tim? Hearing none, we will go to the Land Use committee and pinch hitting once again. Mr. Harvey.

Bob:

Thank you, Mario. Can everyone hear me?

Mario:

Yes sir.

Bob:

Okay. We had our meeting on the 10th of August and we met out at pieces of property that the water company owns but leases to, I believe it's Maple Tree Dairy Farm. The owner gave us a good discussion of some of the troubles he has being one of the last commercial dairy farmers in New Haven County. And he has 350 acres, of which 100 are used to grow corn and 250 to produce hay. And some of his hays are grown on water company property that he leases.

The problems he has is people gaining access to the property, causing damage with either vehicles by creating ruts, and it makes it harder or causes him to break some of his equipment while he is doing the harvesting. But he does have a problem with people trespassing onto the property. And he was really sharing his frustrations with what can be done so that can be limiting some of his losses. Although one of the big losses he had this year has been the drought, but the drought is the biggest concern.

Mario:

Good.

Bob:

Okay. I was going to say, I'll probably leave the percentage of fullness for the reservoirs. Hopefully Larry can share that with some better information than what I have.

Mario:

Okay. Questions for Bob?

Tim:

I had a question for Bob, if I may. Bob, did I hear you say that there's approximately 100 acres he has under cultivation?

Bob:

He has 100 to grow corn and he has 250 that he produces hay on.

Tim:

Okay.

Bob:

Now that's all of what he has. Now, I'm not sure how much he's leasing from the water company. I don't have that information.

Tim:

Okay. Because interestingly enough, if you're growing corn and your water, I would've thought his biggest complaint would've been the lack of water. And that's a nature thing, but he probably gets, what, up to two cuts a year on hay? I would think, at the most.

Bob:

Well, he showed us how he did cut some of the property we were at for hay. And it had only grown about six inches and it should have probably been more like knee high.

Tim:

Which would not be-

Bob:

And the corn he had planted? No, the corn he had planted was not producing ears and it was very short.

Tim:

Right. So really his biggest problem was not his first complaint, which has to do with mother nature. And that's got to be one of the biggest things that's impacted our area and that'll come up with the water reservoir rates I'm sure. But I guess I understand with some measure, that farmers who plant stuff, they have to plant seeds, they have to make nice rows. They have to do this and do that. They make most of the ruts turning corners. And I just wondered if he really articulated what the impact that he was experiencing was from. I know trespassing is one thing, but is it those bikes that people run through in? And is it like on 10% of the property? I think that would be material to the authority's ability to really address the issue. And maybe those questions were raised, but those would be some of mine coming out of your report.

Tim:

Gotcha, gotcha. And a follow-up to my question, which can take another meeting or just an email to me would simply be, I presume that this is least to him at a very low marketable rate. Because obviously that would be integral to anyone's financial success in any of this. And I'm certain that it is, but that might be of interest to members to know exactly what the remuneration is to the company on his rental arrangement. And I would expect it to be a low number. I don't think this is a profit opportunity. I think using our land in this manner is terrific. And so that would be it for me. Thank you.

Mario:

Thank you, Tim. Any other questions?

Stephen:

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Mario, this is Steve. I have a question for Bob. On Derby Avenue, next to the dam there's a fence now that covers the front of that property and looks like it covers the front of the property we sold also. Was that put up to just block all the construction there?

Bob:

I personally don't have an answer to that.

Stephen:

Okay. We can talk another time.

Bob:

Okay. And if you really need, I believe John Triana would probably have a good answer for you.

Mark:

I spoke-

Bob:

We'll have someone get you an answer.

Mark:

I spoke to John Triana about it when I saw it going up probably a year ago. He said he was going to take a look at it. I know it's on the road side. I don't know how far it goes back, but I'm sure that John had seen it and looked at it and he did not express anything to me afterwards. So we'll ask him at our next meeting. Okay, Bob?

Bob:

Yeah.

Mark:

Okay.

Mario:

Yeah. It appeared to be just screening from the road more than anything else, Steve.

Stephen:

Okay.

Mario:

Other questions of Land Use? Bob, thank you very much again for pinch hitting.

Bob:

You're very welcome.

Mario:

And Consumer Affairs committee, Steve Mongillo.

Stephen:

Good evening, Mario. Thanks. Consumer Affairs met on August 15th and we did have Rochelle Kowalski to talk about the financial ten-year model discussion of different scenarios. Because of a computer glitch I got on a little late. I guess Tim has talked about this from his meeting. Is that correct, Tim?

Tim:

That is correct.

Stephen:

Yeah. So just briefly, the scenarios focused on depreciation, pension, commercial net revenue, water decline, things like that. And the other considerations were affordability, how to allocate pension contribution and leverage for the company. She went through different scenarios in detail and our committee had a chance to talk about the current status of some of these efforts and what might be expected for the future. So we had pretty good discussion about that.

The OCA reported that because of the complexity of the consumer information system, he spent most of his time on that. He has now released the consultant that he had. And actually on that day, he had sent out his memo and evaluation to all of the RPB members, which you now have. There were also no consumer issues pending, which is good. Our next meeting is September 19th and that's pretty much it from consumer affairs.

Tim:

Steve, if I may, just as a measure of clarity, I gave my report at our last RPB meeting on this topic because we had met prior to the regular meeting.

Stephen:

Oh yeah. I just-

Tim:

We had had that visitation last month. I didn't report on that today. And I know I said yes, but I just presented another report on model.

Stephen:

I caught the very end of your talk and I thought it was that.

Tim:

Yeah. Just to make it clear. Because I did say yes very quickly and I was mistaken.

Stephen:

Thank you.

Tim:

Thank you.

Mario:

Okay. Any other questions for Steve and Consumer Affairs committee? All right. Thank you very much, Steve. Now go to David Borowy and Larry Bingaman for the Authority and management's report.

David:

Thank you, Mario. Appreciate it. And good evening everybody. We had a long meeting. We had a couple of intense committee meetings and one of them Kevin will report on the Environmental, Health and Safety committee. That was first.

Kevin:

Thanks, David. Good evening, Mr. Chairman and members of the board. We met as the Environmental, Health and Safety committee, a large portion of that meeting or almost the entirety of it was in executive session. We were discussing a physical security update. That discussion was led by Donna Verdisco and Larry. We were looking at an update on the status of physical security measures on the RWA's watershed land and facilities.

In today's report management provided a strategy focused on four key principles: deter, detection, response, and mitigation, with an underlying approach to address each of these principles. They also shared an update on the best practices to address trespassing concerns, such as access control, monitoring, surveillance, patrolling, and protective barriers. Part of this was done in conjunction with a third party contractor, Securitas.

The committee also received an update on what we do today, along with the recommendations from that third party consultant and their assessment. They're a subject matter expert in security, their observation was that it's obviously extremely difficult to enforce no trespassing based on the size of the 27,000 acres of land that the water company has. There are a number of vulnerabilities, but there are proactive plans that can be put in place to help address the issue.

And then we had a robust discussion regarding plans currently underway with some proposed recommendations about staffing, monitoring, including cameras, and security improvements that will be implemented in the near future. And it looks like there's probably going to be about \$400,000 allocated towards increasing the security and going towards those recommendations just in this year.

So pending your questions, I don't have anything further on the physical security update. We had two other reports that were part of the consent agenda. One was regarding HazWaste Central and the other was business continuity planning. I'll try to be very brief. I know we're short on time. HazWaste Central has been in existence for 32 years. It served the Connecticut New Haven County communities and also the rest of our district. It aligns with the 1983 land use plan regarding a multi barrier approach to safe drinking water and source water protection.

Municipalities are also eligible to take advantage of this, not just residences. There's a different program and a different payment situation for that. The 17 member municipalities share the fixed cost to operate the collection center. The collection center has received positive publicity and notice over the years, both statewide and regionally. RWA recovers all expenses associated with the program by billing back to the participating municipalities twice a year. The program costs totaled 487,000 and change for the last fiscal year.

Participation average for the past five seasons is about 6,800 users, and the five year average for the amount of material that was collected is 137,000 and change pounds. The increased usership over the

past year or two or during 2020 was most likely due to residents being home due to COVID restrictions, using the time to clean up their property, et cetera. And then with respect to the business continuity planning, I will email this report out so that I can give the other management and Larry opportunity to address the board this evening. Thank you.

Mario:

David, you'd like to continue.

David:

Yes, I'd like to actually get into the second item of business, which was to meet as a Strategic Planning committee. We met in quite a bit of a deep dive, to use Catherine's word, of our employee base, of our president on down to managers. And we reviewed our succession planning and our plans to make sure that all the critical positions are going to be fulfilled and that there is a plan to make sure that the continuous operations, especially in so many critical and detailed and important unique skills that are needed are kept up, as well as the training and planning. So that was a significant amount of our time today.

Jamie:

I just noticed it's 7:00. Do we need to break for the public hearing?

Mario:

I would like to hold off on the start of the public hearing, because I think we're just about finished.

David:

I agree. If you have questions on the Strategic Planning committee, I'll answer those. Otherwise, Larry will give an abbreviated business report with the water levels that I know you're waiting for.

Larry:

Yes. The water levels were at 78% compared to our historical average of 78%. So we're right in there as of August the 15th. So we're in good shape despite being about eight inches less rainfall from January through August 14th. Our operating revenues are over budget by about 2.6 million, operating maintenance expenses are under budget by about 1.9 million, and you do all the puts and takes and we're projecting 114% coverage with no shortfall consistent with our budget despite there being some uncertainty due to the economy and the continuing impacts of the pandemic. I'll cut my report off there. We have 100 cases of COVID at the RWA since the pandemic began. And we're continuing with our midday cleaning at 90 Sergeant Drive and at our water treatment facilities. So with that, that concludes management's report.

Mark:

Believe it or not, I have two quick questions. First, is that 100 cases right now or during a period of time? In other words, we don't have 100 people sick right now?

Larry:

No, no, no. That's been over time. We've had 100 cases since March of 2020.

Mark:

Is that a bad for the amount of people that work at our place?

Larry:

Well, we have 265 employees. So less than half have contacted. But given the extent of the pandemic, I think that's still pretty good.

Mark:

Has the draft gone up? I know that you're saying the daily draft from last year?

Larry:

Yeah. We're about just under 5%. We're averaging as of yesterday, about 58.5 million gallons per day, compared to last year at the same time at 55.7 million gallons a day. So we're three million gallons a day over.

Mark:

Well, that's pretty good.

Larry:

Yeah.

Jay:

Mr. Chairman, if there's no new business, I make a motion we adjourn for the evening.

Stephen:

I have one more quick question for Larry. On that same topic, this has to be the scenario where you might sell the maximum water. We had full reservoirs, no rain, and really high temperatures. Were you expecting more of a surge than that? That doesn't seem extraordinary.

Larry:

No. Some days we had 63, 64 million gallons of water a day that we pumped. So we did have some high levels. But I remember in July of 2010 or 2011, we actually hit 90 million gallons a day. It was a huge demand. So we haven't reached that yet. But remember, Steve. Not only did the governor ask for people to conserve voluntarily, we asked people to cut back voluntarily 10%. So New Haven, we're still in a stage two drought, as is most of the state with the exception of Windham and New London Counties. They're in stage three right now, but we're still in a stage two drought.

Tim:

If I may, I just had one follow-on question really related to Steve. And going way back to those days where you have those enormous draws, I believe you were also helping out some other water companies that had real problems. Has any of that been requested or are we just serving our own customers right now?

Larry:

Well, there's been no help requested, but we do have a number of interconnections with a query.

Tim:

So that could be happening basically is what you're saying.

Larry:

Yeah. They could certainly be drawing more. I don't have the number off the top of my head, what our current drafting-

Tim:

That's good. That's fine. Thank you.

Brian:

I imagine with Southern and University of New Haven and Yale coming back, we'll see increased water usage.

Mario:

Quite possible. Anything else, David?

David:

No, sir.

Mario:

Okay. Mr. Jaser has a motion to adjourn.

Tony:

Second.

Mario:

And there was a second by Mr. Rescigno.

Mario:

We stand adjourned at 7:10.