SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

**STRATEGIC PLANNING COMMITTEE**

JUNE 22, 2023

MEETING TRANSCRIPT

[STRATEGIC PLANNING COMMITTEE MEETING BEGINS AT 12:31 P.M.]

David:

Four votes, very good. All right. So the first item is the Strategic Planning Committee is the approval of the minutes from February 23rd, our last meeting. What's your pleasure, folks?

Suzanne:

I'll make a motion to approve the minutes.

Catherine:

Second.

David:

Second. Any discussion? Sensing you're ready to vote, all those in favor signify by saying aye.

Committee:

Aye.

David:

Very good. I heard all four votes. All right, Larry, I'm not sure exactly, do you want to do an intro where we're going to review the previous fiscal years?

Larry:

The division heads and I will walk through the key accomplishments in our fiscal '23 strategic plan and some of the improvements that that has accomplished with the business. Then I'll review the fiscal '23 global metrics result and then after that we'll do the fiscal '24 strategic plan, and will be joined by the various managers and directors within the organization that participated in formulating the fiscal '24 strategic plan.

David:

So the board will get a taste of a lot of experience here.

Larry:

You absolutely will.

David:

Then over to you Larry.

Larry:

Okay, so we can go to the next slide. There we go. So this rather colorful slide lists all of the 24 fiscal '23 action initiatives that we pursued to advance our fiscal '25 strategic plan roadmap. And I'm really pleased to say that all of the fiscal '23 action initiatives listed on this particular slide were successfully completed during the year, with many of the metrics being achieved or exceeded.

So that was I think a great testament to the hard work of the leadership team being accountable and for ensuring that the employees focused on the most key strategies and goals as well of the hard work of the employees that worked on all of these different initiatives.

So with that, by way of introduction, I'm going to turn it over to the division heads who will walk through each one of the four perspectives of the balance scorecard that is listed there. There's customer, employee, financial and internal business process.

So with that we'll turn it over to Prem for the customer and constituent perspective.

Prem:

Thank you, Larry. Good afternoon everyone. So from a perspective of customer constituents, as you all remember, there are three key strategies we talked about. One was improving customer satisfaction. The second was utilizing technology to improve customer experience. The last one was increasing customer and constituents support for RWA.

So some of the key accomplishments that we'd like to mention here, so overall I think we did a very good job overall in terms of making sure that we are looking and focused on customer experience, per se. But some things I would like to highlight that we accomplished this year. Basically if we look at some of the highlighted sections here, so we basically deployed two digital solutions.

One was focused on lab, which was really looking at our commercial business. We had an outdated lab website, various methods were outdated so we kind of refreshed to really promote commercial business from a lab perspective, including our internal core business where we have made improvements to look at some of our lab results, links updates, et cetera.

The second piece of that digital improvement was looking at our RWA Connect mobile app. If you remember, we deployed this last year. A couple of things we did was we are more promoting ACH, for example. So we can actually contain our costs. As you know, ACH is better from a cost perspective and from a revenue perspective because we actually get payments on time.

And along with that we also did some commercial improvements where we now allow our customers to enroll in our pipe save/well safe program directly from our line or from our mobile app. So there are some improvements and there are many more just to list a couple of them.

Again, a big milestone for us as we all are aware, the CIS project. We had four key phase scapes we call it in terms of executing the final CS project last year.

We had an active analysis phase right now, but at a very high level we have executed our contract. We did some reconfiguration, data cleansing work. We are moving into a design phase as we speak in the next week, I believe. Some great accomplishment there by the team.

One of the reasons why you see it's highlighted here in a different color for the four enhancement. This is basically, it was part of our customer satisfaction survey that we did. This one of our global metrics that we had. So just to call out of the four areas, value of water campaign, we finished that up last year. We did our first call resolution, we'll talk more about that in further customer special topic.

Then we also have done some improvements on field personal in terms of knowledge, interacting with our customer and environmental stewardship as we all know in terms of various programs that we offer.

Again, very high level on a couple of other things. So as you know our global metric for e-billing, we had a global metric of 35% last year. We hit 35.4%, a little lower than our target and it also sets precedents for upcoming fiscal '24 plan, which is around 39%. So some good news there.

Customer satisfaction survey, again we have been working with Great Blue as an example, if you remember our last annual survey we did was 2019. So we are working on a survey where we are not only looking at improving the number of questions, we are fine-tuned. We are also going in a hybrid model now. So we have not only direct phone but also offering other mechanism of really getting the customer input. We are using email, URL, et cetera.

Along with that, we also are looking at some key improvements. We are looking at doing some brand image along with our customer satisfaction survey.

So a lot of improvements coming and the plan is to deploy that in the May of this year. So a lot of groundwork that is happening as we speak. So that was another key accomplishment. We have selected a specific set of vendors to do some other work for us as well.

And again, really quickly to highlight accounts receivable. That's been again a fantastic year. If you remember pre-pandemic levels, we are at 27% of AR over 60 days. As we had made some key decisions during pandemic not to shut customers and kind of slowing things down. We wanted to really go back now and start looking at some of the post pandemic improvements.

So we have deployed in fiscal '23 some of the key initiatives, you'll hear more of that from our collection strategy update that's down the line. But at a very high level we collected over $8 million in terms of payments that directly helps us on AR levels.

We also have done around 770,000 worth of shuts for the past year. So that, no, those are some very high level highlights in terms of what we accomplished and many more collaboration in our partnership, with our local communities.

The team had been doing a very good job in really kind of emphasizing the fact that we are working closely with our existing relationship. We do have Chamber of Commerce, as you all know, Lake Whitney Dam Restoration is a big project for us. So we have rejoined the Hamden Chamber of Commerce. We are doing some good work with them on the partnership there.

So that's the very high level. If there are any questions for me, for customer constituents?

David:

Suzanne?

Suzanne:

On the customer receivables, what did we do last year?

Prem:

So we did multiple things. You'll be seeing a lot more details, Suzanne during the presentation. But one thing I could call out is we actually had deployed new strategies. For example, we deployed a connection email strategy as one of the new tools. So what we... I'm sorry?

Suzanne:

[inaudible 00:10:30] rephrase the question. The numbers 805 and 772, that's really what I'm looking for. How does that compare to your last year recoup?

Prem:

So if I compare to last year, some of the things we did last year, Suzanne, was actually, this is relatively new what we have done this year. So last year numbers are pretty low. I would even call it out for around $4 million if you will. I don't have the exact number, I can get back to the exact thing.

But the way that we have done things differently, this fiscal '23 is really deploying new strategies, like collection email for example. So by doing certain new strategies, we collected more money which impacted us in terms of receivables for 60 days. So we have actionable AR and we have not so much actionable AR. So you're going to see a lot of details in the subsequent presentation, but the highlight is that the actionable AR for 60 days, that area was a huge impact and we collect $8 million just within that actionable AR, right?

So what that accomplished for fiscal '22 numbers, I would say probably less than $4 million at a very high level and we can get you some details, if needed. So that's how we performed last year.

Suzanne:

So you've doubled it?

Prem:

Yes. Literally, yes.

Suzanne:

I noticed you say payments associated with delinquent notices, eight million. It's not a portion of the eight million, it's actually eight million?

Prem:

That's right.

Suzanne:

Congratulations. That's excellent.

Prem:

Thank you. Yes.

Suzanne:

Second question was the customer service survey, the four areas that needed to be improved are the areas that you have listed here. And I know you talked a little bit about what you did. When will you speak again and when will you know if it impacted those four areas?

Prem:

So what we have here for the four areas specifically, remember this is something we have done only in 2019, if you remember back in time, Suzanne. We never did one last year. We took the recommendations that came out of that survey and we implemented solutions last year.

So what we are trying to do for fiscal '24, what you see here on fiscal '24 is actually we taking all of those inputs that came in from the prior survey and also what we're looking at is for fiscal '24 in the past we used to have two separate surveys. One was brand image survey and there was a separate one for CSI. So we combined that and there was a list of 105 questions and we literally looked at each one of them and kind of refined it. So we are down to like 65 questions now.

So it's not a elaborate survey. So we are launching the survey in May of this fiscal year. But that being said, the results of some of it we'll see an impact early on because we are doing a transactional level survey from a field perspective. If you remember we did an IVR field, I mean level survey within our contact center here that was giving us a lot of good inputs and feedbacks.

So this year in July, we are launching a field service survey which will also provide the input and then followed by this big survey that happens in May. So you'll be seeing multiple things happening during the year, but may would be a time where this big survey is going to go out. So we're working through that.

And these are the four areas of support that we have. So we focus on company and brand image, customer field service, water quality and communication preferences. Those are the four areas.

Suzanne:

How would we know that those areas have fruit?

David:

There are specific areas in the survey that are related to those subject areas and we'll be able to compare how we did at this survey based on the results of those areas compared to what we did the last time.

Suzanne:

And the survey's going to be done in August?

David:

Yes, this survey will be done in May of 2024.

Suzanne:

Okay. So we'll know in a year.

David:

That's right. [inaudible 00:14:38].

Suzanne:

Thank you. That's the answer I needed. Thank you.

David:

Catherine?

Catherine:

Hi, Prem. I just want to make sure that my math is right. Back to the accounts receivable. So we collected eight, a little over $8 million resulting from delinquent notices and then another 70 or well let's call it a little more than three quarters of a million dollars from shuts. Is that correct?

Prem:

That's right.

Catherine:

So we're really close, 900. Okay.

Prem:

That's right. So as a matter of fact, we have somewhere ranging from 150 to 200 shuts every month. So we kind of put those shots in place, so we collected those additional dollars. That's right, Catherine. Yep.

Catherine:

I mean I know we weren't doing shuts because of the pandemic that there was a moratorium on-

Prem:

Yes.

Catherine:

When did we start doing shuts again?

Prem:

I would say in fiscal '23, probably around April timeline, I think. If I think about it right. Well we did, we start off very slow. If I remember, we start off slow in terms of shuts and then we really ramped it up more recently. So if I go back in time, the ramp up happened probably around April timeline, but we started doing shuts last fiscal year somewhere around September timelines.

So we looked at kind of an approach where we had a slow ramp up and then we really picked up. So right now we do around 250 shuts a month.

Catherine:

Okay, thank you.

David:

Mario?

Mario:

Sorry, Prem, just a follow-up. The 772,000 was actually cash received as opposed to that's how much was owed and we shut them off. It was cash owed?

Prem:

Yes. Yes, that's cash in the door. You're right, that's cash in the door, yep.

Mario:

Flipped them and then they reconnected?

Sunny:

And they pay up?

Mario:

If they're delinquent.

David:

Or they pay for [inaudible 00:16:40].

Mario:

Yes. No, no. I've been there, done that.

David:

Yes.

Mario:

Kevin, any questions?

David:

Fine to go on to the next section?

Prem:

Okay, so I think Liz, would you like to take it up? I think employee learning and growth perspective.

David:

Can I ask one question while you're still here in the customers, just briefly.

Prem:

Yes.

David:

I noticed that you have a training video for a hiring department regarding the hydrant testing techniques. Since more than half of our hydrants are municipally owned and not by us, is there some way that if that is helpful to them and it appears to have been or it wouldn't be up there as a success.

Can we get something like that out to the other communities as well, so their fire departments and public works departments get like their proper use of them?

Larry:

That is the plan.

David:

Good.

Larry:

We don't own the New Haven [inaudible 00:17:31], as you know, and this training video that Jim and his crew put together, show them how to properly operate hybrids.

David:

That's great.

Larry:

Assuming it's well received, we'll certainly roll that out to other towns because we're trying to meet with other fire departments within our district on a rotating basis.

David:

Good. That's very good news. Thank you.

Larry:

It's just like a thousand degrees.

Suzanne:

It is warming.

David:

Next I guess is global warming.

Liz:

Okay. I'm up. All right.

David:

Go ahead.

Liz:

Good? The second perspective is employee learning and growth. The key strategies are to advance workforce safety, develop employees, and continue to foster a diverse, inclusive, and engaged workforce. In fiscal 2023, unfortunately we did miss our safety global metric to achieve that zero preventable injuries, but we did input a number of programs in place throughout 2023.

One of them was the near miss app that was the phone app and associated training. We also implemented a safety ambassador program, which represents every division and focuses a portion of each meeting on training related to hazard recognition.

Then we completed an organizational redesign for the operations division as part of a new succession planning framework. And we are continuing to move forward with that model throughout other divisions. We convened regular meetings between the CEO and the union leadership to do our best to foster relationships as we entered union negotiations, which continue.

We hired a new training manager who is actively developing and deploying training with the new LMS and career development programs across RWA.

We achieved a myriad of employee promotions and new hires, which helped to increase the DE&I among a number of EO work groups.

And then we successfully achieved a fiscal 2023 global metric, which you see in the slide in orange. We addressed two areas of improvement identified in employee surveys by holding five major in-office collaboration engagement events, which are all listed there in the orange.

What else? We continue to advance our commitment to workplace safety and self-care. We developed employees by improving their skills, knowledge and opportunities for success in planning and growth. And we are fostering a more diverse and engaged workforce based on belonging inclusity, by driving the DE&I programs.

And that's it for employee learning and growth. Do you guys have any questions for me?

If not, we move on to Rochelle and Dennis and they're going to handle the financial perspective. Thanks everyone.

David:

Catherine has a question, Liz.

Liz:

Oh, sorry.

Catherine:

Labor relations. Can we just maybe we take-

Liz:

Sure.

David:

Yes, we can. Yes, I thought of a question too. We'll get an update maybe later.

Catherine:

Okay.

Liz:

Okay.

Dennis:

So we'll move on to the financial perspective.

Group:

Okay.

Dennis:

Would that be okay? Okay, I'll share an update with my partner in crime here, with Rochelle. So as a reminder, our three key strategies: expanding commercial revenue sources, improve financial performance of the RWA in total, and strengthening our pension and retirement fund, if you will.

Overall, we had a solid financial performance RWA-enterprise wide. I'm sure we'll go into some those details later. From a commercial perspective, we also had several solid wins here and we've also had a handful of challenges, as well. And as a reminder, we're going to go into some level of detail on that with Kevin's commercial business committee later on today.

But to highlight some of the key activities, certainly M&A activity, our outreach activity to the marketplace has been very robust resulting in several, very many active conversations with target acquisitions and at least two of those resulting in going through the approval process as we are now.

And we'll go into more detail from the commercial business committee on the M&A side. With the help of Prem and team, we did update the pipe side, pipe safe program and economic adjustment resulting in some positive gains and more fruit to come in the coming year.

We did improve our lab performance on a year-over-year basis in a significant way, especially when you look at the consolidated performance with the utility and the commercial side combined. We did relaunch our well safe program in parallel with us adding the well services companies.

That's the combination of adding the protection plan with the on-demand. So that relaunched this year. And our investments in the well services companies have been performing at or above budget.

Those are some key highlights. Happy to answer questions. I know Rochelle's going to cover more ground. And again, we have some other items we want to talk about in executive committee [inaudible 00:22:42].

Suzanne:

I did have a question.

Dennis:

Sure.

Suzanne:

I'm looking at the... We had a strategy to increase commercial net value to approximately seven million. Did we hit seven million or were we under?

Rochelle:

That was a stretch full. That's not the budget.

Suzanne:

Okay. All right.

Larry:

That was one that we put up there to strive for, but the budget was $6 million that we-

Suzanne:

Okay. All right. Because I didn't think we hit 7 billion, that's right. Thanks.

Rochelle:

Okay, just continuing on the financial update. So overall level, we also continued to look for alternative funding sources. We have several DWSRF applications pending. We did even provide testimony actually twice to make our point of view known. We did make progress with making our points.

We're actually working with getting votes for WIFIA for the dam project and also all our congressional directed spending monies are through the EPA. And we actually have 3.3 million awarded associated with fiscal '23. We have two million from fiscal '22 that we're actually working through the process because getting your monies in the bill is really just the beginning. We also have some [inaudible 00:24:25] waivers pending associated with that.

And we're pleased that we also submitted five projects for fiscal 2024. So I'm sure we won't get all five, but hopefully we'll get some of that funded.

We also, in a [inaudible 00:24:40], just the scroll down a little bit, Jennifer, one of our initiatives was to really help improve the financial acumen of our employees and a better understanding of the business model.

And so we did do the all employee, 10 year model presentation and [inaudible 00:25:00] joined us for that [inaudible 00:25:02], as some of you know.

And then actually Jeff Donofrio joined us for a presentation that we did on our most recent rate application. And they were both well attended.

Also, as you know, we continue [inaudible 00:25:17] evaluate our pension funding level, especially in light some of the adverse market conditions. We're pleased that we were able to add an additional $2 million with your approval and we did that in May. So that would be over and above the budget, definitely over and above the actuarial requirement.

And we also met our metric of, we actually exceeded it, of our 96%, again with your support of appropriately moving dollars into the project reserve.

And we're really pleased that and I'm going to be getting into this in a little bit more detail with our overall, but still projected coverage of 140%. And that's actually allowing us, which you will see shortly, of how much we're able to put into both the discretionary reserves as well as a significant amount of the construction fund.

So overall, combined with the items that Dennis just went through, I'm going to work [inaudible 00:26:26] these with the overall strength of our financial position as we end fiscal '23 and enter fiscal '24. Are there any questions?

Suzanne:

Just briefly, if I could go back to one of Dennis's points and are we seeing any fruits of our labor yet with our deals with Meriden, Wallingford, Wolcott?

Dennis:

We are. We're penetrating the market. We are seeing active new customer accounts. It's not as high as we want them. So we're just under a hundred contracts total, not a territory. Getting a lot of traffic on the website, not as many conversions as we'd like to see. But that's a network [inaudible 00:27:05].

Suzanne:

So it is worthwhile doing those and I was hoping there was going to be a noticeable push in our total numbers. We started adding the municipalities and I didn't realize we had added Meriden, Wallingford, until I saw this report the other day. I thought we had just said Wolcott. So you've been working hard getting on the towns.

Dennis:

Well, yes.

Suzanne:

Seeing as much as-

Dennis:

So those communities that you're referring to are going direct to the consumer. We're not partnering with the town. We've given the town an opportunity to partner with us. If they do not partner with us, we go direct to the consumer to offer.

David:

Okay. Because the partnership, the imprimatur, if you will, of the municipality saying it's okay, would mean a lot more. And I know we'd have to give a little something for that, but that didn't [inaudible 00:27:47] directly. Okay. And we should do those because they surround our territory. And then... All right, so now I understand why it wasn't as close as I'd hoped.

Rochelle:

Turning it over to the Jim and Sunny that are going to talk to the internal business.

David:

Okay.

Jim:

Thanks, Rochelle. So the fourth perspective is internal business process and the key strategies related to effectively managing the core utility business, sustainably managing our natural resources and tapping innovation and new technology.

So accordingly, in FY '23, we really created eight action plans to address eight risks on the risk register, which are listed on the slide. Our original goal was to complete five risk action plans, but with new team members and new insights, as a result, three additional risks were addressed.

We also developed and operationalized, a renewed RPB dashboard highlighting key fiscal '23 metrics for monitoring the financial and operational health of the organization.

We also achieved 100% compliance with disinfectant byproducts and continue to meet strict water quality standards.

We also initiated our RWA's participation in the first Legionella distribution system study by the Water Research Foundation and provided key data to the Connecticut Department of Public Health. We completed the overhaul and repair of seven distribution system pumps, which are critical pumps and also several well pumps and motors, effectively managing their assets using predictive maintenance to ensure continuous operation.

If you have any questions on those, I'd be happy to answer them, and if not, I'll turn things over to Sunny to cover the remaining business process initiatives achieved in FY '23. I'm going to come down because I see everybody's suffering. I did get in touch with facilities and I'll run down and see if I can adjust the thermostat. I'll be right down.

Catherine:

Thank you.

Sunny:

So let me take over the rest of the presentation here. So thanks, Jim. In addition to what Jim reported, so in fiscal '23, we also achieved quite a significant amount of stuff.

So on the lead service lines, we mobilized the project planning teams and achieved very key milestones. And we had a governance model implemented. The customer communications and operational plans had developed. We reviewed 100% of the tap cards to update the initial inventory and we already started the phase two of the inventory.

Along with it, we also worked with the various health departments and municipal officials to develop communications and also sent our first customer letter in the last month or so and the postcard along with it.

So regional, it's another, I would say, feather in our cap that we were selected to be part of the accelerator program, which the EPA has instituted where they'll bring in some external and internal resources to aid in communications, grants, knowledge sharing, and lessons learned.

On another topic, leakage, we deployed a pilot technology based on artificial intelligence and machine learning, and the goal was to achieve 18 million gallons for the entire calendar year. But since the pilot was very successful, we continued the contract and we further pursued the leak detection, which yielded almost close to 73 million gallons of saving throughout the entire fiscal year. So we almost achieved four times the goal on that.

Then on the business continuity exercises, this is an annual exercise that we continue, we completed two functional exercises. And as part of it, we also deployed a critical component stocking program with essential parts identified and stocked.

Continuing on. For the fiscal '23 global metrics, which you will see the slide in orange here, the first being the completion of the six business process improvements. The original goal was four, but we were actually able to complete six. The process improvements included improvements to the employee internet. We launched a brand new SharePoint site, working with all the employees and the groups, and there were team leaders who participated. Commercial business field productivity improvements. Construction and jobbing was done. The capital planning was revised and updated. The Interactive Voice Recognition Systems and the LIMS, the Lab Information Management Systems, all updated to streamline accounting, invoicing, and reporting.

The second global metric under this was the successful deployment of the four enterprise-wide phishing campaigns with all employees, followed by real-time training and education.

Along with it, there were also other achievements that we did during the past year. To protect public health and safety, 90% of disinfection byproduct tests were below the 10% below the max drinking water thresholds. Just to emphasize the point that the DVP regulations are changing and they are getting to be more stringent, so we are continuously monitoring it. And the work we have done, to date, and the work that is planned in fiscal '24 will help us keep ahead of the curve on this front.

And the lead and copper, as I said, we quick-started the Lead Service Project planning. And we continue to proceed with the phase two. And by October 2024, the original deadlines as set by the EPA, we should be able to hit those targets, while at the same time, helping the customers understand the impacts and the potential solutions to it.

As part of the strategic target for 2025 to reduce the unaccounted-for water by 10%, which will lead into direct cost savings, and result in mitigation of rate increases, we are using the FIDO artificial intelligence and machine learning technology. And by doing this, we hope to achieve the target of 10% or less by 2025.

And just to have continuous improvement as part of the process, we are adding more rigor and standardized business practices to the way we manage, and operate production and distribution systems, and maintain critical assets.

Completing this slide at this time, if there are questions, I think Jim is coming down, you can ask him questions directly. Or, if you have any questions for me, I can certainly take those questions. I am sitting in a much more comfortable environment, then not sweating them.

David:

He's done a good job. It's cooled down quite a bit, just in [inaudible 00:35:51].

Excellent.

Jim:

That's good, thanks.

David:

Any questions?

Mario?

Mario:

Sunny, the unaccounted-for water, is that utilizing the meter data also for all the customer accounts? Or is that just a completely distribution system-focused process you're using?

Sunny:

Right. On the process itself, we deployed this FIDO, which is the AI machine learning technology, Mario. What we did, originally we piloted this in Cheshire. And we got significant leakage, which we had about two or three leaks, which we found in the first three months. So, in terms of calibrating between the different sets of data, we are still in the process of calibrating between the AMI data, the SAP, as well as the data, which based on the leakage itself, the size of the leakage, the pressure, the volumes, and the width of the crack, we approximate that leakage. And we also calibrate between the master meters leaving the treatment plants, and the AMI data, and the SAP data. So there is some discrepancies in those, which we are working through that. But, overall, on approximations, we came close to 73 million gallons.

Mario:

Thank you.

David:

Along those lines, I recall the days where we were 15, almost 18%. And some of that was corrected through procedures in operations. Some of it was corrected with changing out equipment...

Sunny:

That's correct.

David:

... because the meter-

Right.

Aren't we under some guideline to try to be at 10% or less?

Speaker 6:

Well, the American Waterworks Association and the Connecticut Department of Public Health has set a guideline, 15%.

David:

Oh, all right.

Speaker 6:

But we've said 10% was considered best practice. So we've targeted hitting 10%. Some states have actually targeted a number lower than that, but we are targeting 10% as the best practice [inaudible 00:38:07]. So it's not mandated. And we are better than the guidelines.

David:

And it was good to hear that that test worked to help find some so that can go [inaudible 00:38:15].

Larry:

Yes. The artificial intelligence is really a tremendous asset finding leaks and narrowing it down into a very small area within a few feet of where a leak may be.

David:

Good. Thank you.

Prem:

So we're somewhere between 10 and 15% right now?

Jim:

Around 11-and-a-half, I think it is.

David:

Yes.

Prem:

7.58, Yes. That's right.

Jim:

Right.

Sunny:

That's the unaccounted-for water. So it's about 11.48 or something.

David:

Yes.

Suzanne:

And what did [inaudible 00:38:43] million dollars, 75 million gallons do to that? Was that a whole percentage? How much of it, what does 75 million represent?

Sunny:

Seventy-five million would represent, so at this point of time, say we produce about, say, 15, 16 billion gallons. And we are losing about, say, 11.48%, which is about, say, 2 billion gallons. So 73 or 100 would be close to 5% of the leakage or the non-revenue water. So there is a small nuance between the non-revenue water and leakage. So the non-revenue will include flushing, hydrants, and all that. The leakage would be less than that. But in terms of, say, 100 million gallons out of 2 billion gallons, would be close to 5% of the non-revenue water.

Suzanne:

Thank you.

David:

And that includes fire hydrant water, that if there's a fire, we don't have that regulated? And so we take our best guess.

Larry:

And we try and calculate what that is by initiating communication with the fire department, for instance, we estimate how much the leak may be with a main break, so that we are calculating actual unaccounted-for water.

David:

Okay.

All right.

Sunny:

Any more questions?

David:

That's it. Kevin, any questions? I don't want to leave you out.

Sunny:

Okay, sounds good. Thanks. I think I will have Larry wrap up the last slide here.

Larry:

Sure. This shows our global metrics, which many of those activities that we reviewed in the strategic plan contribute to achieving. You can't quite see it, but all of those are green, with the exception of the one safety, where we said we wanted to get zero preventable injuries, and that we achieved. We had four in the last fiscal year. So that's an area of focus.

But we have been able to exceed four of the seven targets and met two of the seven that was reported on through those different activities. And so the attainment of these six of the seven will allow us to still give a global metrics payout of 1% of employees' base salary last fiscal year that will be contributed to the 401K.

And this is a self-funding plan, in that the savings that we achieve through some of these initiatives, go to pay the global metric. So a lot of great work on the part of many employees and the leadership team to achieve these. And I think we have a good program to address the preventable injuries goal next year. And we've also changed that, some of the other metrics we'll review in our next presentation.

Suzanne:

All right. Just a quick question on the 401K contribution, the 1%, how much money was that?

Larry:

Two-hundred-twenty?

Rochelle:

It's a little over 200.

David:

Yes. About 200,000.

Rochelle:

It's already provisioned, [inaudible 00:41:43].

Suzanne:

Okay, thank you.

Catherine:

Can I say a couple things?

David:

Sure.

Catherine:

So first off, just congratulations on a productive year. Clearly, everybody's working very hard.

David:

Thank you.

Catherine:

A lot of initiatives taking place, the completion, a lot of accountability, it feels like, to doing what [inaudible 00:42:15].

I don't know if we had a conversation last year about this, or I had a conversation with myself last year. I thought we were going to take the strategic stuff and shift it around so that it was metric-driven, like a dashboard of metric-driven. And then we would backfill with the activity, so that the conversation at the Board level was more about your customer satisfaction. And I think we have to work on what our targets are.

So for example, if we had four areas that we want to improve, how much did we want to improve them by, right? And what's that timeframe?

And then, four areas of improvement would be identified at the end of the day. So that it's more results-oriented versus action-oriented. Did we have that conversation or is that just in my head?

David:

I don't recall that.

But I do want to say, that in terms of just to use customer service, we have had over 90% satisfaction level, which is considered best in class. I think ours was 93% for the last one. So that's the number that we strived to at least meet or improve on. Then we have initiatives that we will implement that will improve that rating.

Catherine:

Right.

David:

And then the transactional survey, we just started that this year. Prem was able to put a process in place where we can have a post-customer interaction rating. That's 88%, still very high customer satisfaction standpoint.

And in fiscal '24, we'll have initiatives to continue to not only achieve, that but to improve on it. So in many respects, the plan is metric-driven, because we'll lay out where we are for a particular statistic, and then what we have to do to maintain it, and improve on it. Unaccounted-for water being another example of that.

Catherine:

Yes. And I'm not talking about what's behind the scenes, what you guys are doing. I'm talking about the presentation to the Board.

David:

Okay. Misunderstood. Okay.

Suzanne:

No, but you're saying exactly what would be, for me, a more interesting presentation, in that, "Here are all the metrics that really matter related to customer satisfaction. This is what we're trying to achieve from this point to this point. And these are the key initiatives that we think make the biggest difference at the end, there."

So that, to me, [inaudible 00:44:41] level.

David:

It's almost like the next presentation, which I cheated and opened up. Next presentation, we go to page nine, second to last one, which is what this is and then go backwards.

Suzanne:

Yes.

David:

Okay. I understand that philosophy and that thinking.

Suzanne:

Thank you. And then the second thing is, I would love to see us get away from global metrics, including initiatives, like counting initiatives. [inaudible 00:45:07] doing these initiatives clearly to affect something.

David:

Yes.

Suzanne:

And you know what it's affecting. So let's use the global metric to be what you're trying to affect and then talk about the initiatives underneath. Because, we all glad we got the initiatives done, but if it didn't move the needle, who cares? Right? Or, if everybody cares because you put so much effort in and it didn't get where you wanted it to go. But for me, that would be simpler and I would get it [inaudible 00:45:36].

David:

Okay. All right.

So for instance, just to drive your point home, under the customer satisfaction, rather than four areas of improvement, we'd want to show that we would achieve a 96% satisfaction level?

Suzanne:

Right.

Prem:

Which you've done. You've changed it in the fiscal year '24 with the next presentation.

David:

That's right. We've tried to do some of that...

Prem:

Yes.

David:

... effectively.

Prem:

Maybe you did say [inaudible 00:46:03].

David:

So this is much more metric-driven in this column here.

Suzanne:

Yes. And I think, especially, if it affects compensation, either at bonus levels, or funding 401K benefits, I think metrics are critically, critically important.

David:

I agree. And we have to achieve this as part of the formula to make a bonus payout.

Prem:

Yes.

Suzanne:

Yes. And I think effort really matters, but I think without results, it's a different consideration.

David:

Absolutely.

Suzanne:

Okay.

David:

And page nine.

Because 10 has questions.

I know you were looking at that on your screen...

This way we can all see it a little bit, except for Sunny's, right? Then [inaudible 00:46:58].

Suzanne:

But even the 40% of employees participating in a sponsored event, what is really the goal of community engagement, right? Is it an RWA employee participation? Or is it something else that you're after?

David:

That's a good point, because the underlying goal there is that this is a proxy. If we get that level of participation, we feel that the level of employee engagement in the organization will either stay at the 75% or increase.

Suzanne:

What's the 75%, what's that mean?

David:

Well, in our last survey, our first survey that Liz did using the Cooley Format, we had a 75% employee engagement outcome, as a result of that. It was a small sample, but if we had a 75% level of engagement, which is terrific in these times, in particular, when less than 30% of employees are engaged.

Suzanne:

And what does that mean?

David:

Well, that means that employees will-

Liz:

They're productive. When employees are engaged and they're active, they're showing that they care about their job, the organization, they're putting their all into it. So when people are disengaged and not participating, they really are lacking the enthusiasm we need to drive the company towards where we want to go. That's why engagement is important.

David:

Better external service. They bring their ideas to work. So we get more engagement that way. And it creates a better working environment. So there's several outcomes.

Suzanne:

Right. So for you, engagement means productivity and-

Liz:

Teamwork, yes. Morale.

David:

Creativity.

Suzanne:

Can you measure that?

David:

You can through a survey.

Suzanne:

You can measure engagement-

David:

But can you measure the productivity?

Suzanne:

Yes.

David:

The increase in productivity?

Suzanne:

Does it really do that?

David:

No, no.

Suzanne:

It's a philosophy.

David:

Yes, it's a philosophy.

Suzanne:

Yes. Understood. Okay.

David:

But I think this is what you're driving at, most cases.

Suzanne:

Yes.

For some reason I didn't read this, I read the other one, but [inaudible 00:49:19].

Liz:

This one came in a little bit later.

Suzanne:

Oh, did it?

David:

Yes. There was something, scattered times.

So we can, maybe, go back to the first slide.

Kevin:

David?

David:

I'm sorry?

Kevin:

Could I ask a question?

David:

Oh sure, of course.

Kevin:

And this is about the 23, and actually, it's more of a informational question. And I apologize. But I presume there's intermediate reports that are given throughout the year.

David:

Six months. We give them one in January, so it's a six-month up.

Kevin:

And I like the green and the red circles, it's a quick [inaudible 00:49:57] dashboard. And that's where you stand, where you currently stand. Do you also, during the intermediate six month, do you do a projected?

Suzanne:

Meaning this is what we'll be?

Kevin:

Assuming that at your six month, you're going to have a green, a red, a yellow, whatever color you have.

David:

We'll comment-

Kevin:

Do you project that as to where you think you're going to be, whether you're going to be up or down?

David:

We'll comment on whether we're on track to achieve a particular set of goals or metrics that's associated with that goal. And where we can, we can predict. But at any time, we just indicate we're on track to achieve it or exceed it.

Rochelle:

David just said it, so I know on some of the financial, for financial, it is a projection where we think we're going to end the year at, let's say, from a coverage perspective, we project where we think we're going to end the year from a capital perspective, or assumptions for [inaudible 00:50:58]. So I think it does depend on the particular metric.

Kevin:

More of a discussion?

David:

Because for the last two injuries, one, we would know if we didn't hit it, and obviously our goal is always to hit it, but we would know mid-season whether we're on track or not.

Kevin:

Okay. Sorry. Thank you.

David:

No, that's good.

Larry:

So now that we've had the review of fiscal '23, we're going to look at fiscal '24 and I'll review some of the employee-focused strategic planning process that we undertook this first half of calendar year '23.

Then the team leads from these cross-functional employee work groups met to propose to the leadership team their fiscal '24 initiatives that we should be review, will join the members of the leadership team, and they'll review, and walk through the strategic plan initiatives for this upcoming year.

Then I'll come back after that and review the global metrics for fiscal '24 and the Board KPIs, which are three additional metrics that we add to this.

And the differentiation, that you may say, "Well, what's the difference between a KPI, and a global metric, and a Board metric?"

The global metrics are felt to be those that all employees can contribute in some way or another. The Board level metric that we give are additional ones that are very focused, that a particular area of the company would need to achieve. For instance, our commercial business. That is a specific area of the company and not all employees would necessarily contribute to that. So that's why we've added those other metrics on.

So just by way of background, earlier this calendar year, we took a holistic look at the 2020-2025 Strategic Plan and did an assessment of where we were, in terms of progressing through that, along with the strategies that we wanted to implement for the organization to successfully achieve advancing that plan.

So we put together employee work groups to focus on the strategic initiatives that we should pursue in fiscal '24, much like we did in fiscal '23. That way, that gives us bottoms-up input into the strategic plan. And that was to ensure that we had more people involved in the planning process, to let us obtain diverse points of view.

And one of the things that have come up in previous employee surveys is that employees said that they would like to have more voice in decisions that affect the organization. So this was a way for us to share that Authority by giving employees a voice in the strategic planning process.

So we had some 20 cross-functional employees that worked together in four teams, that are pictured here in the lower right-hand corner of the slide, to examine the 2025 strategic planning goals. And then they brainstormed with internal subject matter experts. And they incorporated feedback from employee groups that had previously met, as well as DEI focus groups and engagement surveys. And then they put together a prioritized list of initiatives based on the core perspectives of the balance scorecard.

Those four teams then met off-site with their recommendations and presented that to the leadership team, who later worked on that, and finalized the initiatives, and the metrics that the organization will pursue this year with your concurrence, again, then your approval.

So we're very excited to have the four team leads from the four employee work groups join us today to co-present fiscal '24 objectives. And the members of the leadership team, they will introduce them in a minute. And I'd like to give you a quick primer on the elements of the strategic plan before we go into that.

So quick summary, we have four perspectives listed on the left, customers, employees, financial, and internal business process that we just viewed. We have three overall goal areas for each one of those perspectives. And those where we will focus for the next fiscal year to achieve those strategies based on the initiatives that we have that will result in the improvement of those global metrics that are at the end of the slide presentation.

So with that as an overview, the team leads from the four employee work groups will co-present with the leadership team.

Prem:

I think I'm going first, right, Larry? Right?

Larry:

That's correct, Prem.

Prem:

Perfect. Thank you so much Larry. Yes. And once again, so starting with customer and constituents as the main area, this employee work group was led by Muhammad Beig. Muhammad has joined us here. Muhammad, are you there?

Muhammad:

Yes, I'm here.

Prem:

Okay, perfect. So Muhammad is actually Our Billing And Collection Supervisor. So he led the group. And literally focusing on the strategies for customer satisfaction and enhancing the customer experience. What you don't see on the slide here is a Critical Change Management Program for the project, RWAY, we call it, the CS Project. So a lot of good work happening on the Change Management Program. It's one of the global metrics for fiscal '24. So Muhammad will talk us through that with some of the details.

Again, Muhammad, why don't you take it away from here and give us a little bit of what the team discussed and what are the real goals for the fiscal year '24?

Muhammad:

Thanks Prem and hello everyone. In fiscal '24, we will improve customer satisfaction by working to reduce the number of customer water quality complaints by 10% from a baseline average of 610 complaints a year. We will strive to meet this goal through flushing improvements using our new NODES main cleaning truck, increased system maintenance with our phyto leak detection technology, and expanding our Gate Exercising Program.

The next fiscal '24 initiative you see listed on the slide, pertains to Project RWAY, which, as you know, is our CIS Project. For this milestone-driven initiative, we will ensure that three key phase gates are achieved on schedule to secure an overall success of the CIS implementation. There are three key phases we will focus on for this fiscal year and you will see them listed on the slide by quarter.

Next, we will continue to utilize technology to enhance the customer experience. In our quest to achieve our fiscal '25 goal of enrolling 42% of customers in e-billing, in fiscal '24, we will work to enroll 39% of residential customers in e-billing through communications, and marketing, and through the promotion of e-billing by our customer care agents who encourage customers to enroll in it when they are communicating with them on any billing matters.

Additionally, we introduced a new goal for fiscal '24, which is to register at least 20% of our residential customers in auto pay. We currently have about 17,000 customers enrolled in auto pay. When customers choose this option, their payment is automatically deducted from their bank account. Auto pay is a natural fit for paperless e-bill customers.

Prem and I would be happy to take any questions.

Suzanne:

So I have a question for you, Muhammad.

Muhammad:

Yes.

Suzanne:

Is it you and your team that's responsible for doubling our collections this year?

Muhammad:

Yes.

Suzanne:

Congratulations and nob well done.

Muhammad:

Thank you.

Prem:

Yes, and just to mention, Muhammad just took the new role, Suzanne, right? So he used to be our Collections Analyst. And then with one of the changes within the organization, so he stepped up and he actually took the role of Billing and Collection Manager. So kudos to him. Yes, want to resonate that.

Muhammad:

Thank you, everyone.

David:

... analysis and said, "We need to fix this."

And we said, "Okay."

Muhammad:

Okay. Then let me pass things to Liz to introduce the employee learning and growth perspective. Thank you.

David:

One minute though. Thank you. Hold on Muhammad, I'd like to make one point.

Muhammad:

Yes.

David:

On the metric of enrolling 42% of our customers in e-billing. You may wonder, "Well, where'd that come from?"

That was actually when we presented the base case for doing the AMI Project, we knew we were going to have to increase the number of mailings from four times a year to 12 times a year. So we said, if we could achieve a certain level of billing customers, not billing them, that would help us with the break-even on the AMI project. So that 42% is driven by a business outcome.

Suzanne:

Which would be great if it said, To meet our CSI break-even point and such and such to accomplish dah, dah, dah."

That would just keep everything in the context, would be awesome. I do have a question [inaudible 01:00:55]. Does the 20% increase it by 20%, or just get to 20%?

Muhammad:

It's to get to 20%? I want to be very careful.

Yes, to get to 20%. We are at 17% right now, so we are constantly improving the number, Suzanne. Yes.

Suzanne:

That's so interesting. That seems very low to me.

Muhammad:

Actually, it seems high to me.

Suzanne:

Does it?

Muhammad:

No. No, I think we did benchmark this, Suzanne, just so you're aware, we did benchmark this number. We looked at Acquire and other companies who are actually doing this work. So we did do that. Are you guys saying something? Looks like we can't hear you.

David:

All right. Catherine,

Catherine:

As a customer, who never enrolls in any kind of auto pays, and I'm really bad, even, with e-billing, okay. I will pay online, but I like my paper.

Suzanne:

Right.

Catherine:

How do you convince me, or a customer like me, to agree with e-billing or... Auto pay will never convince me, but okay.

David:

Well, e-billing is obviously, you don't have the hassle of the envelope and having to return that. And it'll remind you automatically, so you never overlook a bill and get into the collections process.

Catherine:

Do you have any idea how much email I get? And how easy it would be to miss it in the volume of... That's why I like the paper.

David:

Yes.

Suzanne:

But the auto pay, why don't you auto pay? Why-

Catherine:

I want to know exactly what my bill is.

Suzanne:

But you do know what your bill is.

Catherine:

Only if I go look at it.

Suzanne:

Yes, that's true. But you get your paper, it says what it is. If you have a question, you can call. But you don't have to sit and write the check.

David:

... $40 bill every month. And [inaudible 01:02:54] bill now, I think the autopay should make it easier. I could see somebody maybe say [inaudible 01:03:03], "I have a hundred-something dollars then. But I should have...

I have the e-bill, but I don't have the auto pay, because it was too complicated to find my number...

Catherine:

I think I'm a control freak.

David:

... but I'd like to do it, so [inaudible 01:03:23].

Muhammad:

Not to get in, can I offer a suggestion on e-billing? The advantage of having e-billing, you don't have to collect drawer full of papers. You can create a folder in your email and anything that comes from the specific company, you can automatically go on that folder. And you will have 10 years of statements also available without scanning, without anything. And it's also easy to search on the e-billing, because they're usually OCR, that's text recognizable, so when you open-

Manoj:

Because they're usually OCR that's text recognizable so when you open in a computer, you can say, "Okay, I want to search something specific." And start looking at the whole thing.

Muhammad:

Thank you.

Catherine:

You're getting me.

Muhammad:

Yes.

Premjith:

We want you on even [inaudible 01:04:20] captain, so we'll help you.

Sunny:

Let's get Catherine and others will follow.

Catherine:

You can convince me. You can convince that.

Premjith:

Okay. I think we've got good here. I think we should move on to the next section. Right? So Liz, would you like to take it over?

Liz:

Sure. Thanks. Prem and Mohammed. Good job. So next up is employee learning and growth perspective and this employee work group led by Dionne Hector Dale, who is our director of HR and business partner of talent. They focused on strategies for advanced workforce safety, developing employees by improving their knowledge, skills and abilities, and fostering a diverse, inclusive, engaged workforce. And Dionne's going to go ahead and brief us on fiscal 2024 initiatives listed. Dionne.

Dionne:

Thank you, Liz, and good afternoon to everyone. I'm pleased to join you today to share with you three fiscal 2024 initiatives to support safety, succession planning and employee engagement. The first initiative we will pursue in this fiscal year pertains to safety. We will continue our journey to achieve zero recordable injuries by research, invest in class corporate safety practices such as those from DuPont and ExxonMobil, and deploy plans to reduce workplace hazards and decrease recordable injuries to zero. In addition, we will partner with the state's Occupational Safety and Health Division, better known as Connecticut, OSHA, to help make our workplaces safer and healthier. The second initiative is related to succession planning. Throughout fiscal 2024, we'll conduct a needs analysis to identify mission-critical roles at risk of retirement over the next one to three years and implement a talent matrix that addresses 50% of the potential loss of knowledge, skills, and abilities.

This initiative is one that will continue into fiscal 2025 where our plan is to address the remaining 50%. The third action item is to focus on employee engagement. Here we will implement an employee participation plan that drives engagement and engages employee sentiment by demonstrating a 10% point annual improvement over this past fiscal year's. Cool Leaf employee survey baseline of 75.5%. Cool Leaf is a new online employee recognition and rewards platform that is helping us to drive business growth and performance. We introduced Cool Leaf to employees during the second half of fiscal year 2023, and we're starting to see some positive momentum with this new engagement tool. Any questions that Liz or I can answer for you?

Suzanne:

So thank you. Nice job. On the development employees by improving knowledge, skills and abilities. How will we know I'd like to know a little bit more about this. 50% of ,can you. Thank you. The 50% of potential loss of knowledge. So I understand the concept that people are going to retire and with them is going to go an immense amount of intellectual capital. How are you measuring 50%? What is actually being measured? How do you know you're going to be successful? If my question's not clear, please let me know.

Liz:

I think I understand what you're saying. So based off of the number of estimated who can retire is where we came up with that number. So the amount of employees that can retire and those that are going to leave that are holding all this knowledge and we don't have a successor for is where we're getting that. Is that what you're looking for? Is that the right direction?

Suzanne:

Yes. So let's say there's a, Yes, like that. So what this says is that you want to get 50% of them, like best practices, debrief them. What are we doing?

Liz:

So what we're trying to do is identify the critical roles right now that only that they don't have any successors. So we're looking at a talent matrix figuring out who knows what, who has all this knowledge and then we have nobody trained underneath them. And so we're, once we figure out and identify all those key roles, which is quite a bit at this point, then we're going to put up a succession planning to help partner them with somebody to pass on the knowledge and all these skills that only one person holds currently.

Suzanne:

So this year is the identification step or is it both?

Liz:

Well, both. Ideally, we want to identify all the roles that need somebody that needs a successor, but we're hoping to have part start partnering up and start having the plan and getting it in place because it could happen rapidly.

So let me give you an example of that. We have one employee that just announced his retirement. He's got a very special skillset and we had partnered him several months ago with another employee they're in, and this is the bargaining unit position, partnered him with another employee so that he can learn what this employee knows so that when he retires, which is going to be in the next few months, this employee would've had close to a year's worth of working with him. We have another employee that is a specialist fixing our pumps, working on our pump houses. We've had an employee shadow him for close to a year. We don't know when he is going to retire, but he's the only person that knows everything about these pumps in our system. So we've started identifying those employees that would be good to pair with them and then have them partner up with these employees.

So we're doing that in those type of skill sets where we may only have one person in house, whether it's on the non-union side or whether it's on, make sure that we partner up. We did that with the manager of environmental planning. His name is John Hudak. John Hudak has had 30 plus years with the Authority. We partnered up him with another employee that's relatively new that's been here several years and he spent over a year working with John. And so that when John retired, he just naturally stepped into that role. So that's what we're doing. So we want to identify all of those critical positions and make sure that we've got a process in place for at least half of them for that knowledge transfer this year. Is that

Suzanne:

It is just the question, what we're doing? I have another question. Go ahead.

Jim:

Well, it goes right along with that. Does it make sense to have more than one person partner in some of these positions so that we're not just transferring into one individual but was a...

Liz:

Well in the bargain

Suzanne:

That's it.

Liz:

Unlimited in the bargaining unit because of just contractual, then of course that creates other vacancies. And then on the professional side, again, that we would've to have multiple budget that would've budget implications that have people lined up like that doesn't mean we can't have a first and a second tier if they're already in house and we look for those kind of opportunities.

Suzanne:

Especially for a big job, right? Yes. Like some 30 years experience. So then the only thing I would say, I guess it's not a question, is I think this is a perfect one where you can give more targeted metrics information that helps understand what you'll accomplish. Because what I'm reading now is that you want to identify 50% of people, but you're saying you actually want to do a lot more, which is identify them, identify a successor and put in a place a process that they meet each other. And I would assume that success is that they either understand or have a well standard operating procedures that this person has or whatever, but I'm sure there's some success that when they're together for a year it's moved from Suzanne's scenario and what is that? I'm not saying what it should be. I'm just saying I think this would be a great one that you can add some more metrics to. Okay, sure. And I think you do know what success looks like, but I don't know what success is

David:

This? This is a continuation of the report we got to, or three years ago that went quite far down into the organization of succession planning and Okay, Yes, that's good.

Suzanne:

Yes, it's a good practice. Probably essential.

Liz:

Yes.

Larry:

This is a Case the union looked at this shadowing.

Liz:

They've actually been very supportive of it, okay. And as matter of fact, they've been one, in some cases they're the ones that's saying, Hey, you need to shadow, bill said he's going to the locker room talk bill's going to retire in a year. You better make sure somebody that can do his job.

Suzanne :

Good. And then once you've selected the individual to do the shadowing, that kind of aligns them for filling into that position. How has the other employees in the group who weren't selected taken to that? Has that caused a situation or it hasn't yet?

Liz:

No, we haven't run into that yet. I don't. I think once the program is set up, once we identify the successors, first off we're trying to communicate with employees and see what path they want to go to. So we're incorporating that in what is sit down. So even if they're not the successor, where do you want to be? How can I help you get there? That's part of the development plan. So we're engaging them to ensure if they do want to have a career with the RWA, how are we going to get them there? So that's part of the whole succession planning too and getting them where they need to be.

Suzanne:

Liz has done a really good job of working. Thank you, Liz.

Liz:

You're welcome. Any other questions?

Catherine:

Your last one? Oh, we did talk about the 70. Okay. Yes. Yes. Twice. We talked about it earlier too.

Rochelle:

Okay. The next perspective is financial perspective and the employee work group was led by Monaj Janani, which you just heard from GE Billing, and the focus was on the expanding commercial revenue sources to invest back in the facility from a financial perspective, the strategy is, as you know, it's all about generating additional nett income that can be deposited into the construction fund. And by that makes sense is that will allow us to reduce our reliance on debt financing, it'll mitigate our leverage and it'll also mitigate rate increases. So that's really what it's about. In addition to expanding our footprint and providing more offerings to our customers.

As part of the team's other recommendations that are not listed here, there are a number of other items and they are more considered now part of our day to day efforts, and that includes offsetting supply chain challenges and unplanned expenditures by deploying a critical component staffing program. That's well underway. Peter and his team has done a lot of work in ready to further deploy that in fiscal 24. The other thing that we're doing is we're going to conduct a staffing study to determine our staffing needs to support the business. That was actually a recommendation that came out of this work group, so we're moving forward with that.

Larry:

We did do a staffing study 2011 timeframe, and we figured since the business has changed so much in the ensuing years, that it was time to do another one to make sure that we've got the right level of employees in the organization, in the right departments, and it will be compared with industry with water industry organizations that are similar to the RWA.

Rochelle:

Yes. Now I'm going to turn it over to Monaj who's been very integral to the commercial initiatives and he's going to talk in more detail about this particular

Manoj:

Thanks Rochelle, and good afternoon everybody. In addition to the other regular project and departmental activities that Rochelle just outlined related to the financial perspective in fiscal 2024, we will deploy wealth services products and pipe safe partnerships and acquire and integrate at least two acquisitions to achieve a 7.4 million budget. We will endeavor to do this by focusing on our strategic growth pillars, which include territory expansion, subscriber growth of PipeSafe and Well Services grow organic growth, integrating pending plumbing company applicants, and pursuing other mid to large-scale targets within our four pillar strategy. On the organic expansion front, we will deploy marketing activity to increase demand generation as well as look to deploy strategic pricing and product enhancements to add customer value. If there are any questions for Rochelle or I regarding this key financial initiative for fiscal 2024, and as always, you will be kept appraised of progress through regular board updates.

Catherine:

Thank you. The 7.4 million, that's a budgeted amount, so you're going from a hair under 6 million this year. That's a 25% increase.

Suzanne:

Yay.

Catherine:

All right.

Suzanne:

So my question is there a specific reason why we called out Well Services and PipeSafe? Because my guess is all the, you're going to work on all the businesses to improve to achieve this.

Rochelle:

Well, a couple things. So from a PipeSafe perspective, there's a couple key things that are going to achieve the 7.4. We'll have a full year of economic adjustment that that's not significant and also PipeSafe in addition, just overall increasing the customers, it's also going out of territory. That's why that's about,

Suzanne:

I'm sorry, the Well Services was the accounting adjustment or the PipeSafe is accounting adjustment

Rochelle:

And we'll see is it is still early on, so that needs to expand regional help achieve the,

Suzanne:

Okay.

Okay.

David:

Your question?

Suzanne:

Well, yes and no. So PipeSafe partnerships of what that really is in accounting adjustment,

Rochelle:

So the economic adjustment.

David:

Economic.

Suzanne:

No, I understand. Yes. Well, I'm calling accounting. You're calling it an economic adjustment

Rochelle:

Is their pricing.

Suzanne:

Yes, so…

Rochelle:

There's multiple things with PipeSafe. One is territory expansion. One is the economic adjustment from a financial perspective. WellSafe it's expanding the number of customers, which is still very small, so that needs to grow. And then for Well Services, which is really the two existing transactions that we did to brew them organically

Catherine:

And to unify them with the other two that we already have. So that becomes an integrated funding services business.

Rochelle:

Right.

Suzanne:

Quick seeing me struggle with is putting on the table that a price increase is part of our, we're going to turn the switch one day and then the price increase would be in, right?

Rochelle:

It's already, so it's actually in fiscal 20. It's a partial year in fiscal 24. It's a full year impact and it's a significant contributor to making the submit up for,

Suzanne:

Okay.

David:

Any other questions? All right, thank you.

Manoj:

All right, then let me turn the program over to Sunny for a discussion about the fiscal 2024 action initiatives the company would pursue through the internal business process perspective. And thank you.

Suzanne:

Thank you.

Sunny:

Thank you, Manoj. Thanks Rochelle, thanks. I think we will conclude this presentation almost with the look at the 2024 strategic initiatives that will go on to support the 2020, 2025 strategic plan. So in this work group, Tiffany was the senior planning engineer who led this group, and the entire group focused on strategies to manage and maintain the core business as well as sustainably manage the natural resources in our effort to deliver reliable, safe water and also embrace new innovation and technology that's coming in the next few years and down the line. So with that introduction, I will turn it over to Tiffany who will take you through the fiscal 2024 initiatives, and at the end we will take questions on any of these initiatives that you may want, some clarifications or more insights. Tiffany?

Tiffany:

Thank you, Sunny. Good afternoon everyone. Happy to be here today to outline the 2024 strategic actions related to the internal business perspective. The first two initiatives pertain to our strategy to effectively manage and maintain our core business. The first one is within our asset management program to map the remaining 50% of vertical assets and develop a comprehensive preventative maintenance program that focuses on the integrity of our 35 pump stations. The second initiative is to define the number of customer side led service lines and develop a communication strategy and work plan to replace lead pipe that is in alignment with the upcoming legislative changes.

The next initiative is related to our strategy to sustainably manage our natural resources, and it is to protect our raw water quality standards by employing three new high impact areas for natural resource and infrastructure management. Those areas of focus include protecting one additional watershed I by obtaining a piece of land through a purchase and easement or conservation of a parcel or partnering with a land trust for watershed protection. This will be in our current active or inactive water, public water supply watersheds of which we currently protect and manage 36. The second area of focus is to utilize new technology and infrastructure to guide protection of the lake salt stall raw water quality. The third area of focus is to identify two distribution locations that will benefit from solutions including auto flushing, main extensions, fleeters, and more in order to impact some specific areas of water quality within our distribution system.

The fourth initiative is related to our strategy to embrace innovation and new technology, and it will include completion of a comprehensive evaluation of alternative PFAS remediation techniques for the South Cheshire well field and determine the most cost-effective solution in order to address those things moving forward. This is an important endeavor that will support our environmental and source water protection efforts that have successfully limited the impact that the PFAS chemicals have on our water sources. I would be happy to answer any questions.

David:

Yes.

Suzanne:

Okay.

David:

I'm looking at you.

Suzanne:

Yes, so just on this theme of, so when we map the remaining 50% of vertical assets and develop plan, how that focuses on the integrity of 35 pump stations, where will we be? What will that accomplish?

Tiffany:

Yes. Sunny, do you want to answer or would you like me to?

Sunny:

Yes, go ahead. Go ahead. Sure,

Tiffany:

Sure. So as you may know, the water Authority has been working on our asset management program since 2014, 2015. And while we have made considerable progress against that, we do still have work remaining. So part of the initial challenge of instituting that program is having access to those records of our particular assets. So when we're saying vertical assets here, we mean the things that are above ground and are at our facilities, things that we don't measure in the linear, so would not include our pipes and things like that. Those assets do require a lot of preventative maintenance. And you also heard earlier today about some of the predictive maintenance work that we're working to pursue in some of our pump stations. So there's two parts here. The mapping of the vertical assets is really going to occur throughout the organization because while each department has made progress, they do have more to accomplish.

And then the second part of this is really a targeted initiative that's going to focus on those parts of the business that manage and maintain our pump stations specifically. So for the most part, that's going to be within our operations and our field operations departments to really assist them in moving that preventative maintenance program that they've started and that they are working on improving. I'm kind of continuing that progress and really flushing that program out completely.

Suzanne:

Thank you. Are we satisfied where we are? Are we playing catch up a little bit? Where is our status in terms of preventative maintenance in a schedule that we are comfortable with is sustainable over time, both to be able to do it and

Sunny:

Yes, I can certainly, Yes, I can sit. Take the question there Tiffany. Yes, Suzanne, it's a good question and we are looking at that exact process right now. So as Tiffany mentioned, the work asset management, we started maybe 5, 6, 7, 8 years ago and it's something that is not taken off fully. So what we have initiated as part of the 20 20, 20 25 strategic plan was to actually map all the assets. So the horizontal of the linear assets have been mapped. So now we are going into the vertical assets with regard to the predictive, proactive maintenance is where we want to be. And right now we have kick started the work asset management in a very proactive fashion where we are looking at a very holistic view of first mapping the assets, second, developing the preventative maintenance program for all, not just the pump stations, the valve chambers, whatever I would say needs to be done at the treatment plans, all that stuff.

And hopefully in the next, I would say few years, we are going to be looking at using some emerging technology to automate some of these processes also as well as do some predictive and proactive maintenance in terms of at least getting ready. Two or three reasons. So one is our O and M cost, as Rochelle pointed out, it'll be much more efficient. Second, which goes back to the other questions which you all had regarding training and transferring of knowledge to employees. We do have a significant emerging, I would say, risk in terms of people leaving the organizations and the utilities are going to have a significant shortage of qualified people. So if we can automate some of these processes, that'll help us to at least plug those gaps where the knowledge doesn't need to be to that extent as we need human interfacing. So these are the areas where we are trying to plug, are we behind the curve a little bit?

Maybe because we started this initiative maybe five, six years ago, but we are catching up significantly and in the next few years we believe that we can actually catch up and this is part of the strategic initiative to make all these things happen by 25. So we have another 30 months or 24 months to go. But I think the way that the team is working, they're making significant process each and every week. So in the last few months when we kick started this process, again, Tiffany plus a few members from the IT team, plus people from the operations and engineering, finance plus procurement, all of them all come together. And what they have done is there has been workshops all almost, I would say happening twice a week or thrice a week in the last few months. So there is going to be a presentation to be made to the leadership team by the end of July on where the roadmap should be and how we are going to attack in each and every phase. So we are catching up pretty significantly, but there is a lot of work to be done.

Tiffany:

Sunny, if I could just add a little bit onto that. I think that's a great question. Where are we and how do we compare? One of the reasons that it is difficult to answer how far are we from being done, is because asset management is the overall goal is to establish a program. This isn't like a construction project where it's built and then you walk away. It's in use the asset management program. If we think about that the same way we think about our safety culture at RWA, right? It's about integrating that into every little bit of work that we are doing in order to overall improve the operation efficiency and expenditures that we have on our assets. So that is one of the reasons it's a little bit tricky to target exactly how percent complete we might be because it's about more than just achieving a given objective. It is really to stand up and establish this program that is going to be adopted and used in the everyday work practices of almost everyone throughout the company.

Suzanne:

Thank you Tiffany. But there are kind of two pieces of the puzzle because I appreciate with what you're saying, but are we experiencing significant, one of the things that's happening in the school board that I'm on, is that because we have not done this effectively with our buildings, the size and scope of the problems that we're running into and the age of the materials that are failing is putting significant pressure on our capital plan because we did not keep this up the way we need to. So I'm trying to get at our are, are we in process of putting a good best practice together and everything is rolling right along, or are we also having some consequential impact for not having this in place, which is motivating us to...

Jim:

So I could add some color to that if you'd like. Great. While we got, we're trying to build an asset management program that's programmatic. We still have plenty of longtime employees like John Krankaitis and Freddy Schuler, and a lot of people have been here for a lot of years, so they know the maintenance requirements of the system. So it's not like our pump stations and treatment plants aren't getting maintained, they are getting maintained. We just don't have a programmatic asset management program that has all those details in it. So when John Krankaitis leaves and Freddie Schuler leaves, all that is in an asset management system that'll spit out work orders. So newer staff know what to do. We've also, every year we invest millions of dollars into our capital program. So we're keeping ahead of a lot of the failures that we would have if we didn't do those capital improvements.

Suzanne:

So you're realizing something you're doing intuitively at this point. I mean that's what it really sounds like that's

Sunny:

Doing, and it's a way to capital college.

Suzanne:

That's right.

Sunny:

Because the two employees Jim mentioned are two of the employees that we're making sure we have backups for.

Suzanne:

Yes. And it may impact our capital budget too, but at the end of the day, it's really about taking something that you're doing well, doing often, but systematizing it.

Sunny:

Exactly.

Suzanne:

Okay,

Sunny:

Suzanne, it goes back to, I think the two choices you gave A and B, I think I would lean more towards the A where we are optimizing more, we are trying to bring in more efficiencies into the system as well as planning for the future. So I would pick more on the A side because as Jim mentioned, as we are spending tens of millions of dollars on improving the capital assets and it's been going on for a long time, so the assets are being replaced as and when we see the lifespan is getting over as well as it's more on the proactive side, we want to be ahead of the curve action.

Muhammad:

I think just to add a little bit more on the technology side. So Suzanne, to your point earlier, so we started at least the time that I came here on board three and a half years ago, we started off this whole program looking at our horizontal assets, our bypasses, right? So we did a chunk of the work countries year after year. So we brought in nine different assets on the horizontal side until last year we did remaining 50% for vertical assets. So now we're talking about the rest of the 50%.

So we have a program within what we call Infor from a technology standpoint, it's our asset management solution. We are collecting and mapping the data and we are actually targeting it as a good example. You know what Jim was talking earlier on the water treatment plan. We actually have water treatment plan preventative maintenance in the system today for some of Lake Whitney for example. So we are actually kind of working through the plant, really bring all the assets and manage it. So it's actually, it's not just starting, it already started many years ago, to Tiffany's point, we are in the mode of completing it. So next to three to four years, the expectation is that we'll have all of those assets mapped and actually a preventative plan and maintenance happening going forward in a continuous basis, right? So it's not a one-off thing.

Three years ago when [inaudible 01:36:14], when I was there, we had, if you remember the pump station blowing up, we were trying to spend $1 million on some of the operational maintenance, we don't have those things anymore now. We are being more succinct on how we are trying to replace our assets and maintaining the assets. So, it's a journey. We are not fully there yet, but the next three to four years we'll get there. Right? That's the idea.

Mario:

[inaudible 01:36:39] just a question for Tiffany, perhaps. So we're spending millions of dollars each year on our capital assets and improvements, and I know we've done several pump stations recently. How are you integrating the new replaced pump station into your asset management plan? Are you just eventually you'll get to it or is that part of the construction contract?

Tiffany:

So, the maintenance program is carried out by our WA employees for the most part. We do have some contracts for testing our pumping equipment, and then those reports are reviewed by all of those staffs. And if a preventative maintenance program needs to be changed or there is something kind of from that predictive maintenance side that we need to step in and do, we will do so. But I would say that for the newer capital assets, so if we look at the facilities that have recently had a big rehabilitation or an overhaul, like the project that's currently going on at the South Cheshire well field, for example, all the chemical equipment and everything is going to be brand new.

And asset management actually begins as soon as you, or maybe even before you make the decision to purchase a particular asset. Because the criteria that you're looking at, is it going to be easy to maintain over time? What are those costs going to look like? Is it an improvement from the type of equipment we have today? All of those things are coming into that procurement and that scoping of that project. And then as the project proceeds, some of the processes that we have developed as part of this program include that turnover from that capital project into the actual life cycle phase of that asset.

So, we are working on turning over those manufacturers operation and maintenance manuals and turning those in our system into what will be the preventative maintenance program for those assets moving forward. So, actually a capital project is a great way to start with a brand new clean slate and get everything off on that optimal track right from the beginning. And so we are working on those strategies to make sure that happens.

We are also working, as you think on the end of that life cycle, which we think about it as a circle right before replacement, we're looking at how are those assets performing? Are they needing the levels of service that they need to, based on the type of equipment that they are? And then we can look at are those costs increasing, are breakdowns increasing? And that would be the triggering point for starting and going into that capital asset. That is what feeds into how we are doing our capital budgeting, how those projects that you see are initially being proposed. So, it's all related to each other.

Mario:

Okay. Thank you.

Sunny:

Mario, if I may just add to what Tiffany said, we are also planning to pilot a digital twin for one of the pump stations as part of the work asset management too.

Mario:

Thank you.

David:

Does that answer your question?

Mario:

Yes. [inaudible 01:39:55].

David:

All right.

Mario:

All right. Thank you, folks.

Tiffany:

With that, I think we're turning it back over to Larry to wrap things up for you guys.

Mario:

Yes, I guess so.

Prem:

Larry, it's all yours.

Larry:

Thank you. I'm not sure whether you want to spend time on this, but these are actually, there are 11 metrics here that we're planning for the global metrics and then the three board metrics which are on the bottom, they correspond to the core perspective of the balance scorecard. And we've made them very specific of what it is we're trying to achieve through each one of those initiatives for each one of the scorecard perspectives. So, there are eight of the global metrics, we'll have to achieve seven of those in order to have a global metric payout of 1%. And then the other three are focused areas that are important, not everybody contributes to, as I mentioned before. So I think that, and this will drive the initiatives that were just reviewed with you to achieve our fiscal '25 [inaudible 01:41:02] plan.

Mario:

I'm fine with this myself. I think this is good. Suzanne?

Suzanne:

I would just ask you to look at community engagement, DEI and employment engagement and service training and just see if there's a higher level metric that you're trying to accomplish that might be a better representation. If it's not, that's just what I just ask you to do.

Mario:

All right. Thank you. All right. Kevin, any questions or comments?

Kevin:

No, I just wanted to thank the presenters that have given their reports and their comments over the past half hour to 45 minutes. I thought it was very well done. I do appreciate everyone's time, and the work and the presentations that were done today, and I think it's good that we hear from different people within the organization, occasionally on different bases and for different reasons. So, thank you very much again.

Mario:

Yes. I would like to also acknowledge [inaudible 01:42:29] Muhammad, Dionne, Manoj, Tiffany and their team for the work that they did to prepare the plan and then finally for the presentation that they did today, I know they put a lot of time and effort into it. So, thank you all for your effort.

Kevin:

Yes, thank you.

Mario:

And the terrific work you did.

David:

Made it easy to understand, good opportunity to get into things that we needed to get into. All right, very good. This is not an action thing, is it?

Larry:

Well, we would like to have the board approve the next fiscal '24 strategic plan and the global metrics, with the caveat that we'll look at those areas that you asked for.

David:

Okay.

Larry:

We'll give you an update at the next meeting, what we were able to do with that.

David:

All right. So, then what we'll do is if we can get a committee recommendation to the full board, then when we are finished with the committee meeting, there's an item that the full board will take an action.

Suzanne:

Okay. Can I just ask one question if we're going to actually approve it?

David:

Yes.

Suzanne:

On the 7.4 million, how much of that is the pipe safe economic adjustment? [inaudible 01:43:42]. So remind me again, it's going from what to 7.4 million?

David:

Six. Just under six.

Rochelle:

Pipe safe, maybe we should do this in [inaudible 01:43:52].

Suzanne:

Okay.

David:

So what's your pleasure folks, as a committee?

Kevin:

I mean, do you need a recommendation, David, that when we reconvene as the full Authority that we take action? Do we need to vote on that?

David:

That would be the intent to have the committee recommendation go to the full line. We know it's the same four people, but ...

Kevin:

If you need a motion, I can make the motion or I can make the recommendation that we vote.

David:

I accept that motion. Is there a second?

Catherine:

I'll second.

David:

Seconded by Catherine, any further discussion?

Suzanne:

No, I Do you want to say that the 7.4 number to me, I'd like to know percentage wise, how much of that is the pipe safe program? So is it really a stretch goal or is it not as much a stretch goal? Before I approve it as a board though, that's fine.

David:

You'll do that later then [inaudible 01:44:56].

Suzanne:

Yes, that's fine.

David:

Okay. All right. So, knowing that we have a little outstanding issue plus a couple that will be tweaked and adjusted about that. All right. Sensing you're ready to vote. We've had enough discussion in two hours of this. All those in favor, signal by saying aye. Aye.

Group:

Aye.

David:

It's unanimous. All right. Why don't we take a break?

Catherine:

Thank you. Should we move [inaudible 01:45:25]. No, wait. We have one more-

David:

Yes, that's the thing. There's two more items. But they'll be quick because we touched on both of them. The customers, the collection strategy, the customer service experience, we touched on both of them in a large way earlier, so they should go quicker, hint, hint. All right. Then we'll take a recess for eight minutes, until 2:25.

[BREAK FROM 2:13 P.M. TO 2:25 P.M.]

David:

Good. Okay. All right. Then let's get started. The clock here says 2:25 [inaudible 01:54:32] even though our digital ones don't say that. All right. We're still on this strategy planning committee and we're getting a special topic presentation on the collection strategy. Larry, do I hand it to you first, or right to Prem and Dana?

Larry:

No. Why don't you just turn over to Prem and Dana.

Mario:

All right, very good. Okay, guys.

Larry:

Thank you.

Prem:

Thank you. And we're going to keep it quick. Like we said, we already spoke a lot about it. So, a couple things we did on collections, some great news. We already talked about the 8 million number. Very quickly, me, Larry, and the team discussed about setting a target, right? This is after the first quarter last year. So, we literally said we're going to collect 1.5 million to 2 million every month with all the initiatives you're going to put in place. So again, Muhammad did a fabulous job. He's going to walk us through some of the things that we did.

If you all remember, we had a whole quarterly to monthly billing conversion, which was a very big change in terms of [inaudible 01:55:28]. So, basically we brought down the 90 day into a 30 day period, so that's actually helped us quite a bit as well. That's something to be noted as well. And then again, with a lot of changes that Dana and the team had put together, we have done a fabulous job. What you see up in the screen is a collections toolbox. There are a couple of new tools we put in place. So, Dana will walk us through a little bit of the details. We're also hitting some key numbers, et cetera. So Dana and Muhammad, why don't you guys take it over from here?

Dana:

Sure. Thanks, Prem. As Prem mentioned, we've really been focused on assessing and adding to the tools in our collections toolbox and appreciate the recognition earlier for all the efforts Muhammad and the team have made to really drive down our accounts receivable overall. Some of the typical tools that RWA uses and has always used include things like our bill noticing, shut and delinquency notices, certainly shutting services when we have significant delinquencies and certainly filing the formal lien processes.

You can see a few others here, but some of the new ones that we've introduced recently include using a champion challenger approach. We've been doing this primarily with our receivership vendors. We have one vendor who does a really great job for us and another one that struggles just a little bit. We place more money with the receiver that shows us the better success rate and use that as sort of a carrot and stick approach for our receivership vendors to perform a little bit better for us. And we are seeing a nice reduction in our total receivership receivables numbers.

Additionally, and I credit Muhammad for this completely, was the introduction of some automated collections emails. There's a little bit of prep work that Muhammad does to identify the accounts that we email. We're focused on accounts that have balances greater than 60 days and we essentially send them a relatively nice email that says, "Hey, you've got some money that you owe us and if you could use this automated payment link." For those of the customers who like automated payments, they can go utilize these links and pay right online. It's very fast, it's very easy, brings them right to that one-time payment channel. And again, we've seen a lot of success as we've moved through and utilized that.

We are looking at, and have started piloting, some 30 day emails as well to customers. And again, it's just been a very effective tool to get those dollars in the door for RWA. And with that, I think I'll just transfer over to Muhammad and let him take some of the additional detail to talk about the different ways that we've seen these collection tools and the mechanisms we're using really driving some of the receivable numbers. With that, Muhammad, do you want to take the next slide?

Muhammad:

Yes.

Dana:

Thanks.

Muhammad:

Thank you, Dana. The chart shows fiscal year end of total AR. If you look at both total AR or greater than 60 days, we can see AR is almost back to pre-pandemic levels. If you look at a total AR pre-pandemic, we were at approximate $16 million. We see an increase during the pandemic and we closed fiscal '23 at

16.5 million. During the pandemic, for greater than 60 days, we were at a peak of $12.1 million in February 2021. And we closed fiscal year 23 at 9.2 million. We have focused on the reduction of total receivables with wide range of collection tools, as mentioned on the previous slide by Dana.

Yes, we can move to the next slide. This chart shows accounts receivable greater than 60 days at the end of each fiscal year, and the breakdown of it. Looking from top to bottom, we can see the category of length has seen a decline year after year. This is the biggest opportunity to formalize RWA's natural lien. We are releasing more than we are filing currently. We are targeting improvements in the title search and filing process and account qualification and system opportunities.

Next, looking at receivership, you can see that we have increased this effort more than the pre-pandemic levels. Next, we see an overall reduction in multi-tenant receivables to better to better than pre-pandemic. This is good but reflects badly on the accounts receivable percentage. Even though we are almost at pre-pandemic levels in greater than 60 days, we can still improve the percentage by focusing on increasing liens.

Dana:

I'm sorry, Muhammad. I just wanted to jump in real quickly, because I know this is a slightly different way of sort of looking at some of this data. If there are any questions or you guys want to dive, I know you said we'd be quick, David, if there's any questions, the team can certainly let us know and we can elaborate here for you.

Suzanne:

Yes. What's actionable mean?

Dana:

Yes, actionable are ... I'm sorry, Rochelle, do you want to take that? Go ahead.

Rochelle:

Go ahead, Dana.

Dana:

Thanks. The actionable receivables are those that are not in multi-tenant receivership or liens. And this really means that once we've hit in multi-tenant receivership and liens, we've either maximized our collections activity, right? It's liened, there's very little else we can do to entice the customer to pay us. Or again, multi-tenant, we have some restrictions in terms of how and when those accounts can be shut. As I mentioned earlier, we're trying to use a few different tools around those, both multi-tenant and receivership, which is why we're seeing some reduction. But essentially actionable is those that we have a full range of collections activity to gather that payment from the customer. The remainder are these where we've kind of maxed out in the collections tools? Does that help?

Suzanne:

And so in summary, you normalized our accounts receivables to pre-pandemic levels, however you've improved the amount that we can take action on that will hopefully take us to a new level lower.

Dana:

Yes, I appreciate you saying it that way, Susan. Really, the tools that we've implemented have really helped us in that multi-tenant and receiverships bucket, and certainly there's a whole team that works on making sure that those receivership dollars are petitioned with the court and there's a lot going on there as well. But Yes, those improvements we're making are, I'll say grazing the percentage of receivables that are actionable because we are able to reduce in these buckets as well.

Prem:

I also want to mention, just to add, right? Receivership, there's also a little bit of a control that's outside of purview by right. Basically, the course can only do so many receivership. 40, I think, is a number. So we are kind of constrained a little bit on how we operate. On the lien side to earlier points, we are looking at increasing liens, but we also know that we are trying to find new ways. So, we are trying to look at other tools because as you know, the lien process, you work with the town and by the time you go around the whole circle, it's like 45 days to even get to a single lien.

So, we are trying to find new ways of putting liens on by finding documentation online. Certain towns have websites where we can get some data. So, the team is really looking at each bucket individually and trying to optimize that, so we can have a full impact on 2023 and beyond. One thing that you don't see here is that basically if you look at 2023, the numbers are drastically going lower, like 32% more recent numbers versus what you see in totality because of improving it. So, next year you're going to see much more reduction on the percentage and really working through that. So, some great work the team is working on and it just reflects on the total AR in the previous slide. I just want to add that color, Suzanne. Any other questions? Dana, you want to continue?

Dana:

Yes, I think, Yes. Muhammad can take the last slide as well. Thanks.

Muhammad:

The next slide please. As Prem mentioned earlier, post-pandemic, we discussed and agreed to set a target range of $1.5 to 2 million every month to reduce error levels. The chart on the top shows our progress during fiscal year '23. Our goal is to go to get back to pre-pandemic levels of AR and at the same time help our customers facing financial difficulty. The bottom chart shows in fiscal '23 what LIHWAP has collected for us. Over $660,000 was provided to assist roughly 2000 RWA customers with their water bills.

Prem:

I just want to underline that, right? I know me and Larry talked quite a bit about it as well. We want to make sure that we are focusing on high delinquent customers and not focusing on customers who are really not able to pay and they have an impact because of pandemic. So, we've been very careful about it and basically the focus is to really assist our customers. That's why this chart is so important, kind of figuring out how it's helping our customers versus we are collecting from high delinquent customers who can pay. So, there's a fine line reading those two things. Just wanted to add that more color there.

Dana:

Yes, I appreciate that. I know, again, a lot of customers struggle during the pandemic and are kind of coming back and getting on their feeds. And the partnership we've had with LIHWAP and the teams and the other community agencies has been really successful in helping these customers and again, helping to reduce the receivable dollars that those customers might not normally have been able to pay us without the assistance from these agencies.

Suzanne:

And how can you tell the difference between the customers?

Dana:

Sorry?

Suzanne:

How can you tell the difference between the customers are highly delinquent and the customers who can't really afford to pay?

Dana:

Yes, there's an income qualification for LIHWAP, so these are really truly financially challenged meeting poverty level requirements and some other criteria that the LIHWAP agency has established through the state.

David:

It also shows up in just the bill activity. You can look back over time and see that they'll make a payment to reinstate the bill and then they'll make a few payments and then all of a sudden they're delinquent again. So, there's a pattern that we can find someone playing the system versus someone that's truly having financial difficulty. So they'll usually be the steady payers, then all of a sudden something happens where that doesn't-

Suzanne:

I see.

David:

And that's very much dependent upon customer service representatives determining their interaction with the calls. So it's very personalized from that standpoint. They do a great job.

Dana:

They do, and if I could add one more thing, I think one of the other great things about the LIHWAP program is that LIHWAP actually requires them to establish payment and keep payment arrangements with us on their balances, so that additionally, again this is the leg up to help them get established and then put them on a pattern of better payment behaviors, and that benefits us as well as the customer to reduce their delinquencies.

Prem:

Yep. Well, if there are no other questions, I think we are good for this one.

Dana:

Yes.

Prem:

You want to wrap up, Dana?

Dana:

Yes, sure. So really as we've kind of outlined a lot of the things that we have going on and just to sort of summarize some of the additional steps and actions we plan to continue and take in FY '24, we're really looking at exploring and implementing improvements to the formalized lien process, as mentioned earlier, continue to promote the assistance programs... As I said, it's been very successful, both for our customers and for the delinquency amounts. We are looking at expanding both automated and manual outbound calling. There's more opportunity here, particularly with some accounts where those personal touch points are more effective than letters or automated calling, so we're really looking to expand that.

As mentioned in some of the earlier FY '24 goals and objectives, auto pay is a great opportunity for us to make sure we're collecting on time as well as the customer to be sure that they're getting their payments completed, for those customers who are comfortable. But we do anticipate partnering closely with communications, using social media and trying to find those ways to touch the folks that are comfortable to make use of that or make more people comfortable.

Of course, we'll continue to assess that toolbox. We'll love to make sure that we're focusing our efforts on the most effective tools and that we're always looking for new opportunities and best practices to add to that toolbox.

Any questions for any of us? I think that's the last question. The last slide is questions, if there's anything anybody has.

David:

Thank you.

Larry:

I want to compliment Prem and Dana and their team in terms of focusing on the accounts receivable collection. It's been a real concerted effort, post-pandemic, because we got to a point that we thought was unacceptably high, and they've really put a focus on that. They've done a good job, I think. Today's presentation, I think, gives you an early indication of how they're doing with that.

David:

I like to look year over year, so day to day, because if you look at the fall after the big summer bills, right, it's not exact comparison.

Dana:

Yes.

David:

But we're doing so well year over year, about two million less owe, about 10%, but the big thing seems to be, I think the category was 91 to 120 days or something, is less than half, right, what it had been. The current is about the same, the under 60 days, but the other... So that means they're really getting after the ones that somehow end up getting away, and-

Larry:

And historically, we picked the 60-day mark as the point in time when we feel like an account may be getting into trouble, because 30 days go by. It was more applicable under the quarterly billing, but after 60 days you know that this account probably is going to be a problem.

David:

Yes, well they've got another bill now.

Larry:

Because-

Kevin:

Yes, right.

Larry:

... they got another bill. Then they're starting to experience issues. So we picked that as a benchmark to really go after an account if there's going to be an issue.

Rochelle:

Just want to mention the RPB dashboard actually has some information that shows year over year as compared to pre-pandemic levels. The only difference is they were focused, as Larry was mentioned, at over 60 days. This is actually over 90 days, but it gives a really good feel of how we've had [inaudible 02:11:12] since that was still [inaudible 02:11:14].

David:

Okay. Any other questions or comments? Kevin? No? All right then. Thank you again, Dana and Prem.

David:

The final item of our planning committee is a customer service experience memorandum, three-page memorandum with a question at the end for us to look at. I don't know what you want to do in terms of presentation. Start with you, Larry?

Larry:

Yes, that this was summarizing what the customer experience has been and plans to be, going forward, in terms of our surveying and strategy. I thought maybe Dana could hit a few of the high points.

Dana:

Certainly. Yes.

Larry:

... and go to that question at the end, if that makes sense to all of you.

Dana:

Sure, absolutely. Thank you, Larry. Really, within the memorandum, we covered four key areas that we wanted to bring to your attention, one being contact center results, customer escalations, our transactional survey for satisfaction in the contact center and as well as our FY '24 survey initiatives.

Try to summarize real quick. You can see a lot of the detail in here. We tried to share some progress throughout the year. But essentially, in the contact center, the team has handled over 73,000 customer calls, and we did finish the year at better than target for both average speed of answer, at 63 seconds, and the percent abandoned, at 4.8%. We did have some struggles and at various points throughout the year as staffing changed, our high vacation volumes, different call volumes in that month, but at the end of the year, the team was really successful in managing and delivering service in the contact center.

If you'd like to scroll a little bit, I'll cover customer escalations. In FY '23, we have 41 total escalations coming through the executive or board channels or our municipal partners. In Louise... Yes, Louise D'Amico. Oh, my god. Sorry. Long day and talking too fast.

Anyway, Louise does a great job in managing these and handling these for our executives as well as these customers. A lot of negotiation, a lot of complex bill analysis at times. We've been able to resolve those, on average, within nine days, and over 65% of those escalations are resolved within five. It's, again, I think been a very successful partnership. I know working with Jeff Donofrio and others, Louise has been very effective in this role.

FY '23, our transactional survey... Oh, again, I am summarizing. Do you want to scroll up just a little bit again? Thanks.

The transaction survey we introduced in late fall, like September of last year. Really, this is a post-call transaction survey that is offered to customers by the CSR. If the customer is interested in participating in our survey, we transfer them to an automated IVR where they're asked a brief series of questions, and they press five if they're very satisfied, or four if less satisfied. We ask questions that relate to the overall satisfaction, knowledge, courteousness of the CSR as well as the first contact resolution experience.

And then FY '23, we ended the year at 97.1% overall satisfaction. So when we say just that overall satisfaction percentage, that's the percent of customers responding four and five. And 89% of the customers indicated that their reason for calling us was resolved from that first contact. These are phenomenal numbers. And again, as we look to benchmark and compare these, this is higher than normal, and we're really excited for the results our team is seeing.

We are looking at some other initiatives as we move into the new CIS and different ways of doing these post-transaction surveys. Much more to come on that as we get deeper into CIS discussions, but we will continue this survey into FY '24. And if we scroll down again, thank you.

Prem:

Yes, can I just add something? The best industry standard as of if you look at it like a query on other companies, it's was listed at 76% on average, best in industry class of but 88%. And then this year, after the pandemic it has gone down to 74%. So we benchmark, between us and others, what's going on out there. So from 74% to ours is 88% for the first contact resolution, that's a huge leap. So I just want to add some color on benchmarking and how we are performing.

Dana:

Yes, puts it in context. I appreciate that. Thank you. So as I mentioned, we'll continue with the FY '24 transactional survey that I just mentioned, and similar to years past, we'll introduce the annual customer satisfaction index survey working with our partner Great Blue. The plan is to launch that in the spring of 2024 to align with the timing that we've done that survey historically. Water quality results typically go out at that point as well.

We actually have worked with Great Blue to streamline and implement some best practices in the format and the questions, and we're also looking to introduce a hybrid format to that survey. Traditionally, we have done it solely as a manned outbound telephone survey. We're looking at doing a digital email component to this as well. We're doing hybrid this year so we can understand the implications of a change in methodology on the way that customer survey.

The survey industry really knows that there are differences in the types of levels of satisfaction you get. When you're talking with someone directly, I'm more inclined to be nice than if I'm on a web survey or something like that. We want to try to understand those implications by doing a hybrid.

We will also expand our transactional survey. Later this summer, we'll introduce a field service leave-behind study as well. So we'll be doing real time studies for the contact center and for our field service folks. The leave-behind is essentially a postcard at the conclusion of a field service visit where the customers can evaluate things like the knowledge and the courteousness of the field service personnel as well as the conclusion of the work that we were doing at the location, like went really fast. Does anybody have any questions about any of those items or want to revisit anything?

Prem:

And also the board discussion question, we just put it out there. So anything that we can improve, any guidance that the board can provide us in terms of customer experience improvements.

David:

Catherine has a comment or question.

Catherine:

I'm just curious. What's the participation percentage on these surveys?

Dana:

Yes, so the transaction survey that we're doing, we had just over 600 surveys completed from September to May. It's a very small sample, and this is a little bit of what I was trying to allude to with the new CIS opportunities. Without getting too deep, I'll try not to get too deep, is there's a lot of self-selection happening in our current survey. We coach and monitor the phone calls to make sure my reps are offering the survey to the customer, regardless of how that call goes. And then, also, the customer has to opt in to say, "Yes. All right. I'm going to complete the survey," and actually finish it.

So our participation is lower. I think the actual number was 660 completed surveys, and we really are trying to figure out how to get a better response there. I just think the multiple opt-in options is challenging.

Larry:

And Dana-

Prem:

I think it's also... Sorry. Go ahead, Larry.

Larry:

I was going to say, Dana, remind me. When we do the Great Blue written survey or telephone survey, do we get, what, 600 or 800 participants? So there's a specific number that we target for the survey that they do and that they'll do in the spring. What was that number? Is it six or 800?

Dana:

I think 600 resonates. I can confirm, but I think it was 600, Larry. I think you're right there. As I mentioned, we'll be looking at a mix for the next year.

Catherine:

Still a pretty small percentage of [inaudible 02:20:17].

Larry:

Yes, but they feel like it's statistically valid.

Dana:

Yes.

Larry:

... because it's random, and I think it's got a plus or minus 5% in terms of the number.

Speaker X:

Yes, [inaudible 02:20:27].

Catherine:

Okay. The transactional is not random, but-

Speaker X:

Correct, [inaudible 02:20:30]-

Catherine:

... that is [inaudible 02:20:30]-

Larry:

That's self-selected, that Dana was... People have to choose to opt in, and, of course, they have to participate in the survey, but Great Blue will continue calling till they actually get 600 people to-

Dana:

For this, Yes, for the [inaudible 02:20:44].

David:

I think the quicker and more efficient we get with the calls, which is what you guys are heading towards or doing-

Larry:

That's right.

David:

... the more people will feel that at the time that they had to answer, "Will you do this three question survey?" Well, if you were on for 25 minutes, well, no, you're not. You're going to hang up even though you may have said yes.

Larry:

And that's why we cut that almost in half for the telephone survey that we do every [inaudible 02:21:04].

David:

You don't need a lot of question. Would you hire this person? Issue get resolved? I mean that tells you almost everything you need to know. And then more people participate.

Larry:

Yes, but we also do a brand image as part of that because it's... Prem had previously mentioned that was a separate survey in years past, so we're able to combine some questions to get the image of RWA compared to other utilities that they do business with, which we think is important in terms of gauging our standing in the community.

Kevin:

In the phone survey?

Larry:

In the phone survey.

Kevin:

Okay.

Larry:

Correct.

David:

The phone survey, which is different.

Kevin:

Yes.

David:

You're expecting to spend time. But after a 20-minute...

Kevin:

Oh. Yes, Yes. Yes, I want that to be quick.

David:

... Yes, then two minutes [inaudible 02:21:42].

Catherine:

But the data associated with how long they're waiting, the number of calls, that's data. That's not survey driven, right?

Kevin:

Correct.

Dana:

That's data.

Kevin:

Yes, that's data.

Dana:

Yes, right from our phone system.

Catherine:

[inaudible 02:21:57].

Prem:

I think one of the key things we also have notice, the amount of churn we have in the team. Sorry. Larry saying something?

Larry:

Yes.

Suzanne:

Just [inaudible 02:22:06]-

David:

Yes, you can't hear, but we were having a conversation. Suzanne?

Prem:

Oh.

Suzanne:

I've been on the hold for two hours and in certain situations. I just think it's awesome that if I have to wait one minute in this day and age, I think that's awesome. And I think customers want clean water. They want the best rates you can offer to get that. They want their bill to be paid easy. If you call in and you have a problem, you want it solved, you want it solved quickly, and you want solved on the first time. And you want the company to have a really good image related to conserving the land that the water's coming from and what [inaudible 02:22:44].

Larry:

And we are striving. The plan lets us implement all of those different activities to achieve those outcomes.

Catherine:

And just one build because I can't help myself. Once you've done that with a customer and you've earned that trust, you have the right to offer them services and to get a relationship with [inaudible 02:23:01].

Dana:

Yes. Absolutely.

Catherine:

I would agree with that because I'm like Suzanne. I've been on hold, screaming, "Agent. Agents."

Dana:

[inaudible 02:23:09] in person, Yes.

Larry:

Yes, they're [inaudible 02:23:16].

Suzanne:

Very [inaudible 02:23:17], right.

Prem:

Right.

David:

Okay, any discussion on the board discussion question that we prompted? The question, what customer experience improvements would the board like to see in fiscal year '24 and as we move into the new CIS system?

Catherine:

I don't have anything new to offer. I think you're focused on the right things.

David:

Yes.

Suzanne:

I agree.

David:

I think so too.

Kevin:

I will say I was in three post call-in surveys in the last couple of days. In the good ones, they offered at the beginning, "Hey, there's a survey, if you want, at the end." And then the bad ones then went through a whole bunch of key punching in order to get your information in, which was not like those are the ones I stay on so that I do the survey at the end.

But then at the end, customer rep just left it with, "There's a survey. If you'd like to continue, please just hold on." And there wasn't a decision other than I either hang up or I don't hang up. It made it more likely that I would stay on. To have too much of an interaction at the end I think will lower the number of people who participate.

Dana:

Okay. I appreciate that perspective. Actually, Yes, the idea that we just transfer, because for us it's actually a transfer, but we could reduce the call time, to your point, by just putting them there. If they choose to complete it, they do. And if not, obviously their choice.

But some of the technology that you're talking about about offering at the beginning with a natural transition and transfer will come with the new CIS. Unfortunately, it was something our current IVR and other tools couldn't really support easily, so we took another approach, but I appreciate that opportunity to think about that transfer differently. Thank you.

Suzanne:

Very good.

Prem:

Yes, and I just want to finally say I apologize because I hardly see sometimes when people are talking, so maybe I'm over-talking sometimes because I can't see the screen. So I apologize for that. If I was there, it will be different, but it's hard in the technology. I can't really see all of you there.

David:

Thank you. All right. Well, then Kevin, any other comments?

Kevin:

No, thanks.

Larry:

Thanks, Dana and Prem. Appreciate it.

David:

All right. Thank you, Dana.

Dana:

Thank you, also.

David:

All right, at 3:00. I will entertain a motion to adjourn the Strategic Planning Committee and reconvene as the Authority.

Suzanne:

So moved.

Catherine:

Second.

David:

Moved and seconded. All those in favor, signify by saying aye.

Committee:

Aye.

[STRATEGIC PLANNING COMMITTEE MEETING ENDS AT 2:55 P.M.]