

## REPRESENTATIVE POLICY BOARD

FEBRUARY 23, 2023

### MEETING TRANSCRIPTION

Mario:

It is 6:30 on Thursday, February 23rd. This is the regular meeting of Representative Policy board for the South Central Connecticut Regional Water District. I'm Mario Ricozzi, Chair. A couple of housekeeping items. Please don't chat, if you're going to chat, please push mute on the microphones to your table. If you want to speak and you're remote, we welcome you. If we have a problem, we'll end up having to have people raise hands, so just listen if someone else is speaking and just try not to talk over each other. We'll try to do it that way as if we were all in the same room. So I wish to welcome everyone. This is our first RPB meeting fully in person, or hybrid anyway. A number of people are in person and a couple of years, so feels good to get together. The first item on our agenda is a moment of silence for Anthony DiSalvo. As we all know, Anthony was a longtime member of the Authority Board and he passed away suddenly. So if we can please have a moment of silence for him.

Thank you all very much. Tony's family did appreciate those who were able to attend the services and also for cards that were sent. The next item of business on the agenda is the Safety Moment and this meeting's Safety Moment has to do with flu prevention. Which holds for colds, holds for COVID and holds for everything else. Get your flu shot, even though it's late in the season. Make sure you're still protected as we hit spring break and we all go out into public more so. And please pay attention to avoiding too much touching of your face and then touching of other people's hands and please read through the safety moment. Thank you Jennifer for putting that together.

Our next item is public comment. As a member of the public, we have opportunity for you to address the RPB. Are there any members of the public that wish to address the RPB? Are there any members of the public? Are there any members of the public that wish to address the RPB? Okay, I see none. We'll move on to the approval of the minutes of January 26th, 2023. Is there a motion to approve the move?

Greg Malloy:

So moved.

Mario:

Thank you.

Brian:

Second. Brian.

Mario:

And Brian seconds. Thank you. Any additions, corrections or amendments to the minutes?

Hearing none. I'll try your minds. All those is in favor of approval of the minutes. Say aye.

Members:

Aye.

Mario:

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Anyone opposed? Anyone abstaining?

Ben:

Abstain.

Mario:

Very good. Thank you. Okay, the minutes are approved. Communications. We have a couple of communications items. The first is the report on the Code of Ethics Compliance for the period ending November 30th, 2022 and it's great to see that the report indicated that there was all compliance and there were no issues with 12 month reporting period. So congratulations to everyone for doing their part in meeting the Code of Ethics for the authority and especially the staff and even for the monitoring of it, which is a pain in the neck to do.

The next item is the RPB Nominating Committee for Authority member. The Executive Committee met. If you have interest in that, please submit your name to Jennifer Slubowski or Bob Harvey. If you're interested in being on the Nominating Committee for Authority member, I think Bob will talk about that a little bit more on Executive Committee report. And if there's nothing else as far as communications, Jennifer?

Jennifer:

Nothing else.

Mario:

Okay. Then we'll move on to the reports. The Finance Committee is up first and Tim's first.

Tim:

Thank you sir. Finance met on February 13th at five o'clock a clock. We had a quorum. We essentially moved into an executive session at 5:03, which is three minutes after we started. We discussed some personnel matters, not disclosed at this time, because it's executive session. We came out at 5:40 and moved on to talk about any new business. There was none and the meeting adjourned and our next meeting is coming up, March 13th. That's the end of my report.

Mario:

Okay. Any questions for Tim?

Tim:

Can't answer them.

Stephen:

Your next meetings are going to be virtual?

Tim:

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Oh, thank you. I actually did actually hand write that down. Thank you for reminding me. We are going to have at least the next two hybrid type meetings mostly virtual. We agreed that was going to be the most comfortable one members for a variety of reasons.

Mario:

Okay. So virtual, I believe is what...

Tim:

Virtual.

Mario:

Okay. So if you wish to attend, the virtual option is out there for the finance committee. Any questions for Tim? Okay, hearing none. Thank you very much. Land Use Committee. Peter Betkoski.

Peter:

Yes. Thank you Mr. Chairman. Good to see everyone. Our regular meeting was February 8th, 5:30. We went through our safety moment, approval of minutes. Nicole Smith gave our deer hunt update. Pretty interesting. It's all in our reports. Jennifer put it all online. We had a discussion regarding the hybrid meetings. John Triana gave us the report on the properties and evasive species update. Other land use items were just some talk and we spoke with Sunny about the little kids, we're working on some programs coming up this summer. Our next regular meeting is March 8th at 5:30 we have Vincent Kay who's coming in with honeybees.

Mario:

In person?

Peter:

In person. So if you want some honey or try it, you got to come in. And then we adjourned. Any questions?

Mario:

Questions?

Steve:

Mario, this is Steve.

Mario:

Yes.

Steve:

I just have a question on, there's an item here where a licensing agreement with an abutter was put into effect. It's on Putnam Avenue. Is that an abutter, the storage facility?

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Peter:

We don't know. I don't have that answer Steve.

Steve:

Okay.

Mario:

They're not described to us, Steve. It just usually says an abutter and being an abutter. So we're not usually made known who it is.

Steve:

I'm just curious because they contacted me before, they thought that some of the property that's their responsibility was water company property. So it was an issue that had to get resolved at one point.

Thank you. That's fine.

Larry:

Steve, I don't have an answer to your question. This is Larry Bingaman. I don't have an answer to your question, but perhaps you and Sunny can connect and he can get some more details on that.

Sunny:

That's exactly what I was about to say Larry, thank you. Yes, Steve, I think I can probably connect with you and then see who the abutter is. So no issues.

Steve:

All right, thank you.

Sunny:

Sure.

Steve:

Thank you everyone for helping me out there.

Mario:

Thank you Sunny, Steve. All right. Any other questions? Very good and so your meetings are going to be live?

Peter:

Yes.

Mario:

No hybrid?

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Peter:

No.

Mario:

Okay. Very good. Consumer Affairs Committee. Stephen Mongillo.

Stephen:

Good evening. Thanks Mario. Consumer Affairs has not met since our last meeting. We will be meeting on Monday. It will be a virtual meeting and Nicole Smith will be there to give us the update on the deer hunt that transpired last year. So we're looking forward to that, if anybody is interested or hasn't heard that. I know it was given to land use, but I have a bunch of questions on it and we're looking forward to it.

Mario:

Okay. Any questions for Steve? All right, very good. Thank you so much. Brings us to the Executive Committee, Bob Harvey.

Bob:

Thank you Mr. Chairman. We had our meeting on the 15th, where the biggest topic of discussion was coming up with a Nominating Committee to seek candidates to fill the vacancy made by Tony DiSalvo's death. So as you heard earlier, we are going to be setting up a Nominating Committee and anyone who has an interest, please get your information to Jennifer and she'll forward it to me. Other than that, our next meeting is going to be in April and I think that's all I have to report at this time.

Brian:

Bob, this is Brian. Just a real quickie question. Are we nominating for a five and a half year term or are we having to do a short term replacement and then follow up with the full term? Because I believe Tony's term ran through December of this year.

Bob:

Correct. We discussed that and right now we're not set up with the ability to do a term that's longer than the five years. So it's going to be a short term and then we'll probably have to start out with another Nominating Committee so that we can start new again probably in November or October sometime. So the first one here will be to fill the vacancy and hopefully that person will do a very good enough job, then they may see that we don't want to go out and, or they'll become the candidate again. We don't know yet.

Brian:

Is there a time limit on when we have to appoint this person?

Bob:

No. We thought it best not to leave it vacant until December.

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Brian:

Thanks.

Mario:

Alright. Any other questions for Bob? All right, thank you very much, Bob.

Bob:

You're welcome.

Mario:

And David, the Authority and management, David Borowy. Larry Bingaman, we left you more than ample time.

Bob:

Yeah, thank you very much. We appreciate that. We do know you have an important public hearing coming up. Thank you for your diligence in filling the vacancy and moving with all due deliberate speed here to fill that. We appreciate it. On a five member board, one member is important in many ways and so we appreciate you're doing what you can to help us get that back up to our full compliment. With that, we met this afternoon and first item of business was the Audit Committee and Catherine is on and we'll ask her to give her report.

Catherine:

Sure. Thank you David. The Audit-Risk Committee met this afternoon, it was a relatively short meeting. Our auditors reviewed the plan and process for this year's audit. We did, just so you know that this fiscal 2023 audit, it will work again including the federal single audit due to barely funded loans and grants. So I think that's the same thing that we did at last years. Last year we didn't have to do it, but the prior years we did. Just to let you know, Ron Nossek was our auditor last year. He's given us notice that he is retiring at the end of this year, so this will be his last year on the team. Are there any questions? Okay.

Mario:

Thank you very much.

Catherine:

Thank you.

David:

Thank you Catherine. And we also met as the Strategic Planning Committee and with that it was our mid-year strategic update and we received the management and the leadership team and CEO all reviewed the strategic initiatives that we have for 2023. The status of those and we reviewed the four perspectives of the score balance scorecard that we have and we are on very good track for seven of the eight metrics that we have and one we are working one.

But we had a robust discussion within that meaning about several items within there, including debt service and the debt that we have, the debt load that we had and a very serious discussion that we

always have to balance the rates with debt service, with the need to keep the capital budget in such a level that it maintains the system in good working order. So there's always that balance that we have and it's good that we have a discussion every now and then. Of course we have that with you folks when we have the budget reviews that come up in April. So we're looking forward to that with you folks. So that was our meeting. It was a six-month review of our status on our strategic goals and updates. And with that, I'll hand it over to Larry, or first are there questions regarding that?

Steve:

David this is Steve Mongillo. I have a question.

David:

Hi, Steve. Sure. Yeah.

David:

On the strategic plan, it's the six months that you look at it. Do you spend some time questioning whether you're on track with what you think we should be doing and changing anything? How often do we look at whether it's what we should be doing?

Bob:

We do a six month review, but we also get updates as needed on the various items within the strategic plan from the CEO and we do make adjustments as needed because some things just don't make sense, especially with the fast changing world. COVID coming going and other changes. We do update that and we do change direction if needed and we change our focuses. I'll give you one example. It's separate from this, but during our meeting we had one project that was running at a bit of an accelerated pace and we had another project that was running a little slower. So with a capital budget of more than two dozen items, we move items around as needed in order to keep within the budget, but to get as much done as we can with the funds judiciously being spent. So they are updated.

Steve:

Great, thank you.

David:

Thank you. Any other questions? Thank you, Steve. All right then Larry, if you have the business report.

Larry:

Good. Thank you Mr. Borowy. Before I give our business report, I would like to introduce Kevin Watsey. Kevin is our new Director of Public Affairs and you'll be seeing his name periodically in the press and getting notices from him and releases and the like. Kevin comes to us from having a terrific experience in the water industry. He worked for, most recently Veolia, previously Suez, and the American Water Works Company. So he's got tremendous experience and he describes himself as a "Water nerd."

Kevin:

That's right.

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Larry:

So you'll be hearing from Kevin periodically and we're delighted to have him on board and join the RWA team.

Catherine:

Welcome.

Mario:

Welcome.

Stephen:

Welcome.

Larry:

And then I also want to mention part of the agenda today with Tony DiSalvo. So with Tony DiSalvo's passing, the bylaws of the Claire C. Bennitt Watershed Fund required that there be one member from the RPB and one member from the Authority, in addition to community members. So today the Authority considered which one of the members would join the board and Catherine LaMarr was nominated and she graciously accepted. So we thank you very much for that. We didn't have to twist her arm too much. Well, thank you for doing that. And then before I provide the management financial report, I'll ask Liz Calo who is our senior manager of HR operations, if she would give us an update on the COVID situation.

Liz:

Sure. I'm glad to report we have no new cases since the last time. So we're still at 125 and everything is still status quo. We continue to monitor, we still continue to clean and follow all the CDC guidelines. Any questions for me?

Mario:

Okay, next. Larry?

Larry:

Okay, thank you. In other news, after eight months of actual results through January 31st, we're very pleased to say that our operating revenues are over budget by about 3.5 million and that's due to our total water revenues being over budget by about 3.2 million, primarily due to higher than anticipated or budgeted consumption. And also our other revenues are above budget by about \$338,000, primarily due to backflow device tests, outside lab services, pipe safe and some other factors. Operating and maintenance expenses are about 4.5 million dollars under budget, and about half of that are 2 million dollars we are considering permanent at this point in time and the other half, about 2.5 million dollars is a matter of timing. So when you do all the puts and takes, we are projecting a coverage at this point, which is conservative of 124% compared to a budget of 114%, both without a shortfall.



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And that projection is reflecting the anticipated higher interest earnings and over budget water revenues. Also contributing to the higher coverages were having high pilot is lower than what we had budgeted and our debt service expense, which is due to the timing of making a payment for a DWSRF loan. So we're still a little uneasy about the economy and inflation, but we're optimistic that we'll get at least 124%. And finally, as of February 13, raw water storage was at 92% compared to a long, long-term average of 80% for the same period. So with that, I'd be glad to take any questions that you might have and between Rochelle and I, we should be able to handle it.

Tim:

Just one question. The interest revenue was up. How could that be? Do we just have more money in the accounts?

Larry:

Well, no actually because of the interest rate environment being what it is, we are getting more interest on the money that we have in the various funds of what we had originally anticipated. So while interest rates are higher for the consumer, we're also getting more money in interest of the money we have in the funds.

Rochelle:

And the interest rates have gone up considerably since the time that we did the budget.

Larry:

Yes.

Rochelle:

No, it's the mix. This is just the interest rates on it.

Jay:

Larry, I just want to say that it's a very, very good report and it represents the hard work that's being done by you and the team that you have and I just want to congratulate you on that with that 124 and we only equally require a 114 and reading the information on liquidity, we've had a constant standard there going back that our liquidity is strong, which is a great opportunity to keep it that way as you've done in the past, as well as putting us into a better position and our bonding for getting better ratings for bonding. I just want to thank you for that.

Larry:

Well, thank you Mr. Jaser and it's a team effort on the part of management and the rest of the organization, so we appreciate your support and kind comments. Thank you.

Steve:

Larry, I was just wondering if you happen to know if the claims for Pipe Safe have been even over the last several years? On a yearly basis.

Rochelle:

The claims on the expense side are actually going up, on the expense side. We did institute economic adjustment, which was a price change to hope offset that, as well as increase the coverage that we provide to the customers. But definitely inflation is impacting the expense side.

Steve:

Not so much the dollars, but have the number of claims increased?

Sunny:

Yeah, I think maybe I can take the question, Rochelle. Right. So when I look at the numbers, Steve, we did anticipate some increase because the pattern of the customer has changed, more people staying home. Server has gone up by, I would say close to 15 to 20% in terms of the number of claims that comes in. But the contract that we have in place has a fixed price in terms of each task, if you will, that is performed. So that while the costs are a little higher, you're able to manage within the budget expenses. So it has definitely gone up a little bit in terms of number of claims for the silver side, but on the water side, it's pretty consistent and also the plumbing is pretty consistent. Hope that helps.

Steve:

Great. Thank you.

Larry:

Yeah, just to provide a little more backfill on that, in Fiscal 22 to date, we have 1000, roughly 1500 total repairs this year to date. We have about almost 1800. So we have more repairs and this year than we did in the prior year.

Steve:

Thanks.

Mario:

Other questions? Yes?

Steve:

Yeah, yeah. Just quickly and obviously we're consuming more water. We're having more consumption of water and my question is, the fiscal years of, is 12 months, has that leveled off? Is it every month we're seeing changes? How is that reflected in just the general overall impression?

Larry:

Well, we're seeing a little higher consumption on month to month basis. It may vary within the month.

Steve:

But still, it's not something that happened four months ago and nothing's happened since and it's been progressing.

Larry:

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Yeah, it's been progressing, but that's we, and we think that that's still an anomaly. Because there's still people that are working from home and we're seeing that increase in consumption overall. So I think it's going to level out and probably start going down again on a year over year basis.

Steve:

So it's not something we begin to make decisions on?

Larry:

I don't think so yet.

Steve:

I just wondered... And for a future meeting, maybe a trend to find and even within the year, just to bar whatever.

Larry:

Yeah, we can do that.

Steve:

Yeah. Without go crazy.

Larry:

Understood..

Steve:

Thank you.

Brian:

Other questions?

Mario:

Okay, that's it for management's report. Thank you. Anything else?

Larry:

No, that is all for management's report. Thank you. And right on time too. We appreciate your patience with us in our report.

Mario:

Yes. I don't believe there's any other business that we have, so we'll take a motion to adjourn.

Greg:

So moved.

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Brian:

And a second.

Mario:

Thank you. All in favor. Aye.

RPB Members:

Aye.