

REPRESENTATIVE POLICY BOARD

**FINANCE COMMITTEE**

SEPTEMBER 11, 2023

MEETING TRANSCRIPTION

Vin:

All right, let's call the September 11th meeting of the Finance Committee of the Water Authority to order, and let's start with a safety moment. September is pedestrian safety month, and we're providing you with some tips for pedestrians and drivers. Basically, don't hit the pedestrians, please. All right, go slow, keep your eyes up, and yield if you need, but respect those pedestrians. All right, let's move on to the next one. Lead and Copper Rule updates. Let's see, who do we got for that? I'm looking on-

Rochelle:

Is Tom Barger on? It should be Tom and Sunny.

Vin:

Let me turn the floor over to the two of you.

Sunny:

Yes, Jennifer, is Tom here?

Tom B.:

Yes, I'm here, Sunny.

Sunny:

Great. Yes, I think the memo is kind of being flashed on the screen there, so I don't know whether you've had a chance to go over it. We presented the same update for the Authority meeting as of last month, and we just wanted to give the same updates to this committee as well. As you all know, there has been the Lead and Copper Rule revisions in the last, I would say a few years. It is still a very dynamic moving target and I believe there is going to be another revision coming up in the next few months. But meanwhile, this gives you the gist of what the activities we have done so far, as well as what the future road ahead is. With that said, I'll have Tom kind of explain a little bit more into the details, and if you have questions, we'll take more questions at the end, or you can ask questions even during, I would say, as we walk through the memo itself.

Vin:

Thank you.

Sunny:

Thank you.

Tom B.:

All right, Sunny, thank you very much. Good afternoon everyone. I'm just going to go over some of the notations here regarding this particular project, Lead and Copper Rule revisions. Just really want to point out a couple of high level items that are taking some time. You may recall that the lead and copper rule has been around since 1992 and it's undergone some fairly minor revisions over the 32 years that it's been in place. However, post Flint and post Washington DC, and a number of other large municipal water systems that have ran afoul of the Lead and Copper Rule, there have been some significant revisions that have come out, Sunny said, in the last few years, and our compliance date is about 13 months away. It's on October 16th, 2024.

Going through this, I just wanted, again, highlight a couple of items where we're spending quite a bit of time. As you can appreciate here, there's a lot of moving parts, so there's a lot of things going on simultaneously that we have to make sure that we're going to be dovetailing them together as time goes forward. One of the big, big items that is going to be not only with us right now, but continuing throughout the duration of this project is in the area of communication. Communications, as we all know, very, very important. Kevin Watsey and his staff have been working diligently on the development of the new website that's really going to be focused on the lead project, lead activities, lead communications.

He's in the final stages of the development of this website. He's developing a second postcard that's going to go out to our consumers in the hope that they'll be able to assist us in determining some of the details around service line composition, which is one of the primary focuses of the revision, a complete service line inventory of both utility side and private side details. Saw the latest revisions to that earlier today and it looks quite good, so I think he's getting ready to get that out on the street. His group is meeting with municipalities as they've done for many, many years, but the Lead and Copper Rule revisions is a standing agenda item when he has those meetings with the municipal CEOs and their respective staffs.

What's going to be coming up soon, I'll go over it here in a couple of minutes, is the initiation of some field activities. We're kind of in that point now where we've done a lot of the internal records researching type of activities that we're going to get out into the field. Kevin's group is also developing communication specific to those activities so that when we step out into our neighborhoods, we're accompanying that work with some good information, good communication to our customers as to exactly what's going on and why. Kevin's been very busy with that. Jennifer, you can move maybe to the next page.

Tim:

Tom, if I could interrupt?

Tom B.:

Absolutely.

Tim:

Was there more or less a template for a website? Are all districts having to come up with their own way of presenting? How do we do the uniformity? We know we're doing it right? How's that happening?

Tom B.:

Yes, I mean, Tim, the issue of lead has been part of our website for many, many years, and I think we're just building on that information, and a lot of that information is coming from the primacy agency, the Connecticut Department of Public Health, and also from US EPA. We're taking a lot of that information. It's already in our, I'll call it our standard website available to everyone. We're kind of picking some of that information up and moving it over to a completely new website that at least initially will be managed by our consultant, Camp Dresser McKee, CDM is the acronym to that. They're going to be managing the majority of that.

We're in keeping, we're staying with the messaging of our parental agencies, if you will. We're not going off on a tangent anywhere, we're sticking to the program, sticking to the script, just trying to provide more information in an easier format. An interactive format, because one of the things we're doing is we're asking our customers to self-assess the service lines within their own basements or garages, helping us identify composition of those through a step-by-step process that Kevin's developed. It's going to be an interactive website as well. I think we're going to stick with what we know and kind of play it safe in that regard.

Tim:

Perfect. Thank you,

Sunny:

Tim. If I may just add to it, right, so I think you covered a lot of ground there. There are three components to three websites, which we will have. One is the identification related website, which kind of walks you through step-by-step. So you click on, I would say whatever it is you say, metal, non-metal, next. It kind of I would say walks you through. That will be released out to the public. The second would be the website that talks about the FAQs about the lead and copper program regulations, what we are doing and things of that sort that identifies the responsibilities of the homeowner, utilities, so all that stuff will be identified in the FAQs. The third portion would be the, once we identify the lead service lines in each of the houses, we have to make the public, as of October 2024, which is as per the LCRR.

There are three components to it, but you'll see the first one is already been, I would say, a work in progress for the last two or three years. On the existing website, there is a sub-page where you can navigate. The second one, we are going to roll it out very soon, in the next month or so, where the customers can go and self-identify, and scanning as QR code they can actually go through and identify that lead service lines. The third will be the one that will happen within a year or so when we are required or mandated by the EPA to make it public, so there is three components to it.

Tim:

Thank you.

Tom B.:

Just picking up on where Sunny left off, the first bullet here on the page that Jen just brought up is that third component, that's the GIS based mapping system, where we must display per the regulation requirements, we need to display what the nature of the both utility side and private side service lines are composed of. We're working with CDM Smith as previously mentioned. They have a subsidiary called Trinnex, and it's through that Trinnex subsidiary that will be developing that GIS mapping system that

will appear on our website. Again, will be very interactive with the public as it must be, again per rule requirement. That's the top bullet there.

Obviously, this is the Finance Committee. We're all interested in funding. We're going to be talking more and more about that. I'm sure there's going to be a lot of questions around the funding. Rochelle has been very busy for a number of years researching a lot of this. I am the first to admit I am not a finance individual, so a lot of this is Greek to me in so many words. But, I know Rochelle understands this thoroughly and will be able to answer questions. But, there's a couple of items in here that we're going to come back to, and I think one of those is the mention of the word gooseneck, and we'll come back to that in subsequent paragraphs.

Moving next to field investigations, this is something we're going to be stepping out into the neighborhoods in the very near future. Working with CDM and some internal staff, we've developed a project plan and a contract, in a manner of speaking, where we're working with McVac, they're a local New Haven vacuum excavation company, to do some potholing, some vacuum excavation. Primarily, at least initially, in New Haven and West Haven. The purpose of that, that vacuum excavation, is to physically remove the overburden, the overlying soil, so you can put eyes on service lines.

As you can appreciate, we have a lot of services in our distribution system, around 121,000. There are a number of those that we don't have real good information on, especially on the private side where we don't own it, we have no responsibility for it, those types of things. But, we're nonetheless tasked with identifying what those service lines are composed of, whether they're iron lines, brass lines, copper lines, et cetera. This vacuum excavation allows us, it's one tool in the toolbox that helps us to identify what the nature of the composition of those lines are. That contract, that proposal is now with Connecticut DPH. We're seeking their approval before a reward of contract. Once awarded, then we'll be able to step out and start doing work at about 500 homes here again in the greater New Haven, West Haven area.

One thing that you may have heard of, I don't know whether you're familiar with it, is the EPA Accelerator Program. This was an initiative that EPA developed for the purpose of assisting utilities in how to comply with the Lead and Copper Rule revisions, how to develop a service line inventory, what financial tools are available, talking about environmental justice specific issues. It's originally and currently still only rolled out in four states. Connecticut is one of those states, New Jersey, Pennsylvania, and Wisconsin are the other three. Now, within each of those states the respective primacy agency was given the opportunity to select 10 utilities to participate in the program, so we're one of those Connecticut utilities that was selected. That's really the Accelerator Program.

What we really hope to accomplish or benefit from is EPAs clarification, better hands-on data evaluation for how we can do this maybe a little bit better based on how those that have gone before us have fared. It's good to know what works, and equally important, what really hasn't worked at other utilities. We're hoping to benefit from a lot of their experience, and it also gives us an opportunity to further network with our peers, not only here in Connecticut, but with those other three states, to learn from how they're doing, what their initiatives have been, and how they have been successful or perhaps unsuccessful. We're hoping to glean a lot of information from that particular undertaking.

The last thing that I wanted to mention, and I'm going to go back to that issue around goosenecks. On August 10th, Connecticut Department of Public Health expressed their intention to include goosenecks, which are lead connective pieces from between the water main and on the first section of the service line. Their intent to include those within the definition of what constitutes a lead service, so that's going to have a fairly significant impact on replacement plans, because we replace goosenecks today, but we do it under the policy or program of replace upon discovery, and we've been doing that for decades.

When Connecticut finally includes goosenecks as a lead service line, they go from an elective program to a program where we have to go after them proactively, so they become lead service lines. I know that in past thoughts about how much this program is going to cost, a lot of the funding, I believe, and Rochelle step in and correct me if I'm wrong, but I think that you've already included those in a lot of the projections of cost.

Rochelle:

That's correct.

Tom B.:

Yes, so it's not a big mystery to us. We're kind of planning for this type of thing, but it's taken away any type of decision making on our part. It's now been a decision by our regulators, so they do in fact now count as lead service lines.

Another area where there's going to be a financial impact associated with their inclusion is as lead service lines upon replacement, we're going to have to distribute lead particulate filters to those homeowners to safeguard them from any lead that may be liberated during the replacement process. Also, accompanying those filter distribution is required lead testing during a six-month period. There's going to be some additional expenses associated with those types of activities now that goosenecks are formally part of a lead service line. I just wanted to make sure that we're mentioning that. That's kind of a very recent change to our program here in Connecticut, so worth keeping an eye on that ball. Any other questions at this point in time that I can assist with?

Tim:

Mr. Chairman, I had one. Does that still keep us within the 30% of what you're estimating in the unknowns, or does that potentially take it outside of 30%? What sounds more calculated?

Rochelle:

Do you want me answer that, Tom?

Tom B.:

Yes, if you don't mind, Rochelle.

Rochelle:

The 30% was an assumption that was made on the customer side. Unknown for the goosenecks, what we did is we actually had gotten best estimates of our remaining goosenecks and what type of material they're associated with. For the goosenecks, we actually, since the number was an estimate, we reduced that number just a little bit, but we pretty much took the best estimate of all the remaining goosenecks into the financial estimate that we did.

Tim:

Thanks.

Vin:

Any other questions?

Jeff:

I have a question.

Vin:

Thank you.

Jeff:

Thank you. Sunny, last week I had sent you, I think on Friday I had sent you that information about New London and you had emailed me back, thanks, right away that you guys had spoken to the town manager in New London.

Sunny:

Yes. We are having another conversation, Jeff, this week as well. On Thursday, Rochelle and I are connecting back with him to understand, I would say, the grants and how they were able to get a lot more percentage of grants. Because as you know very well, the grants are given, originally it was based on the SVI index, the socially vulnerable indices. They had done some calculations and we came out like 0.52 or .53, and anytime between 0.5 to one, and there is like 83, 86 variables that drive that SVI index. But now in the recent past, in the last two or three months, the goalpost has changed a little bit based on census tracts, and blocks, and DECD median incomes. We are still trying to get the data, and DPH is also working out the nuances to see how to fund this. As Tom mentioned, sometimes you get the grant in these economically disadvantaged areas if you replace both the utility side and the homeowner side. That is something that's happening.

With regard to New London, I believe they were one of the earliest communities, given the number of service connections they had was less, and they had a decent inventory done about a few years ago. They were one of the earlier ones to knock on the door. We do have a meeting with Joe, who is the town manager, town engineer. I'll get some more updates and try to see whether we can actually get even more grants.

One thing with the EPA Accelerator too, one of the kind of other request, so to speak, that we have placed before this consultant, Avanti group who helps out EPA for this, is we are looking for them to help us navigate through the feds and the EPA to see how we can actually get grants, because West Haven and New Haven were the two towns that we were selected under the Accelerator Program, where it comes under the elevated blood levels, pediatric blood levels. Being, that the case, we are trying to see whether we can actually use that as well to leverage more grants from the feds, as well as any other grants available through the state DWS out of funds. That's where we are right now, so we do have another conversation coming up in the next week. This week actually.

Jeff:

Yes, I was startled to see 74%, and that was a lot higher than I anticipated seeing for anybody, but it's also very relative.

Rochelle:

I think the other-

Tom B.:

Go ahead, Rochelle.

Rochelle:

I was just going to mention, I think the other thing, and one of the things we want to confirm, so even under the current intended use plan, you can get 75%, but it's capped at 5 million, if you're in a disadvantaged community. One of the things that we want to also confirm is the accuracy of the article as well.

Tom B.:

Right?

Jeff:

Yes, I mean I looked at that, I think I sent you that PowerPoint.

Tom B.:

Correct.

Jeff:

I don't know if you had seen that before, in terms of the outreach that they're doing.

Tom B.:

I have seen that report as well.

Jeff:

I thought they did a nice job with it.

Sunny:

Yes, [inaudible 00:21:15] PowerPoint was really good. I haven't seen that earlier, so it was good that you shared it. More so that was more informative than the article itself.

Jeff:

Right.

Sunny:

I think based on that, I've also sent our co consultant, CDM Smith, saying that, "Hey, you know what? What do you guys think?" Because, they have been working with Newark, Trenton, Chicago, and a couple of other major cities as well, doing this inventory for them. Newark and Trenton and most of New Jersey has been replaced, because the state considered that as a health, a public health concern,

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and they funded a lot of these initiatives through grants. Connecticut, DPH is a little bit behind the ball on that. We would like to see how they would like to help the cities and towns, but 74% was eye opening. But, Rochelle and I discussed about it and said, maybe there is more to it that meets the eye. We are taking a meeting to explore that 74%.

Jeff:

Great.

Sunny:

Thank you.

Jeff:

Thanks so much.

Sunny:

Thanks for sending the article, it was informative. The [inaudible 00:22:12] presentation was really informative.

Tom B.:

Yes, it was good.

Vin:

Any other questions?

Naomi:

Yes, I have a question. Sunny, I see here that you're meeting with the officials in each city. Do you know in New Haven whether the health department is involved in that?

Sunny:

I will have Tom answer the question. We are meeting with all the officials in most of the towns with the health departments, Tom and Kevin Watsey have been going through, as well as, I believe, Larry has also taken meetings with David with different towns and mayors, and they have, I would say at least 30,000 feet David and Larry have been explaining to them. But I think in detail, Tom and Kevin, and the earlier I would say communications director have been going through to these meetings. Tom, if you want to elaborate on Naomi's question.

Tom B.:

Yes. When Kevin's predecessor was here, I mean there were certainly meetings with the municipal folks and sometimes, depending on the municipality, sometimes the health staffs were present, and most times they were not. I don't know specifically in New Haven. I know that I meet on a quarterly basis with all eight health departments and districts, and this is a standing agenda item. I'm providing them with updates every quarter as to our activities and where we stand on them.



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Naomi:

Okay.

Larry:

Naomi, this is Larry.

Naomi:

Hi, Larry.

Larry:

Hi. When we met with Mayor Elicker in December of last year, Mike Piscatelli was present in that meeting, and we briefed him on the New Haven statistics about lead service lines and the like. I subsequently sent some follow-up information to the mayor at his request and included Maritza Bond on that information at the time.

Naomi:

Okay, thank you.

Sunny:

Just to follow up to that too, we do send all communications out to all the town officials, whoever is responsible for it, the health, as well as the mayors, and the councilmen, and all that, for them to review the postcards and any lead service line related communication so they can give us a feedback, and we incorporate the feedback before we send it out to the customer, Naomi. As part of what Larry sent to the mayor's office was also the communications package, so they also gave us input on some tweaks, and edits, and all that.

Naomi:

Okay.

Vin:

Any other questions? If not, thank you very much. We appreciate that report and the update.

Tom B.:

Thank you.

Sunny:

Thank you.

Vin:

Onto approval of the minutes of the August 14th, 2023 meeting. Is there a motion?

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Tim:

So moved.

Vin:

Second?

Jay:

Second.

Vin:

Are there any comments, corrections, or deletions? If not all those in favor?

Committee:

Aye.

Vin:

Anyone opposed, and abstentions? I will abstain. I was not at that meeting. All right, the quarterly, let's move on to the quarterly report. You Rochelle?

Rochelle:

Yes. Thank you. I'm just going to just highlight some of the key aspects. Not going to read through all the material, so if you do have questions, just let me know. From the Derby tank perspective, from a financing perspective, just a reminder, that project is going to be a drinking water state revolving fund funded project. We will expect that we will be able to begin working with DWSRF pretty soon on that particular project. We're currently anticipating completion around October of 2023. We did actually have some delays from a supply chain perspective on five butterfly valves in the valve vault, but that is now expected to arrive later this month. Again, we're anticipating in October 2023 and hope to be closing on the DWSRF financing sometime this fiscal year.

The West River Water treatment plant, this is also a DWSRF funded project. We're actually already working with DPH regarding the agreement and the timing. We're anticipating, I'll say final completion, November of 2023. Really good news here, the initial testing was actually started right before the end of the quarter, and we are now doing performance testing, which will be completed early this month. Great news on that project, really successful project, and as I mentioned, we'll be getting DWSRF financing including a grant, so that's good news.

The Lake Gaillard Water Treatment Plant clarifier portion of that project's also a DWSRF project. We're now anticipating completion of that project in November of 2024. The Lake Gaillard Water Treatment Plant HVAC and electrical improvements, this was actually our first from a finance perspective, was the first project that we submitted for congressional directed spending. We're pleased to share that we actually got an official award letter, so this project is going to be moving forward. We do need to make sure that we're incorporating all the requirements. The requirements under congressional directed spending are sort of slightly different than DWSRFs. We're wanting to make sure everything is incorporated and that project will be getting underway.

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The Lake Whitney damage spillway improvements, this is the phase one that was approved by the RPB, just the design project. We are, during the quarter, there's been continuing meetings relative to the early contractor involvement. The project is moving forward. Also, Sunny and I are working on getting some state bonded grant money, so a little bit more to come on that. But, it looks like we may get a small amount of money through that additional funding source.

The CIS project or the [inaudible 00:29:13] project still on target at this point to complete in September 2024. The analysis workshop and the analysis phase was actually completed in the mid-July timeframe. We're actually now in sort of the beginning to mid-part of the design phase, and the team is also working on all the integration requirements. Any questions?

Tim:

Rochelle, I had one question if I may. It was with regard to the Congressional directed spending. I know you got to fill it all out and figure out what it is, but I'm not sure I heard you say what the amount was.

Rochelle:

Oh, so for-

Tim:

Was that unclear?

Rochelle:

For the HVAC project, the amount is \$2 million that we're getting, so \$2 million will go towards construction in that project.

Tim:

It's a fairly significant number, so that's good. We have to pay a commission, is that why it's a little complicated? That was a very cynical question.

Rochelle:

No, the complication is everything that we really need to go through. The first step is what we've learned, just to share with the committee, what we've learned is the first step is filling out a pretty simple application and getting it into the bill, but that's really just the beginning. Then we have to fill out a lot more forms, understand what all the requirements are, and then actually get the official award letter, so it's a little more time-consuming.

Tim:

Understood. But, at least it's on the general taxpayer interest payments. Okay.

Vin:

Anyone else?

Tim:

Thank you.

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Vin:

Thank you. Anyone else with questions? Hearing none. Thank you, Rochelle, for that update. All right. Is there any new business to come before the body? Hearing none. Our next meeting is scheduled for October 2nd, 2023. Is there any motion to adjourn?

Tim:

So moved.

Tom:

So moved.

Vin:

It's been made and seconded. All those in favor?

Committee:

Aye.

Vin:

No one's objecting to that. I'm not even going to call. Thank you. I appreciate you all.