

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

COMPENSATION COMMITTEE

JANUARY 26, 2023

MEETING TRANSCRIPTION

[COMPENSATION COMMITTEE MEETING BEGINS AT 1:45 P.M.]

David:

Tony, you're muted. Got to be a way to unmute you, or if not, if you can. There you go. Why don't I handle going through the business then? Okay.

Tony:

Thank you. Appreciate that a lot.

David:

Okay, we're going to put you back on mute.

Suzanne:

Tony, I just want to say you are amazing. Your dedication to this organization is really untoppable. Thank you for being here.

Catherine:

I'll second Suzanne's comment.

David:

All right. Yes, the dedication is phenomenal.

David:

So we are meeting as the Compensation Committee and approval of the minutes. What's your pleasure on that?

Suzanne:

I'll make a motion to approve the minutes as presented.

Kevin:

Second.

David:

Second. Is all those in favor? Are there any additions, corrections, deletions?

No? Sensing you're ready to vote. All those in favor signify by saying Aye.

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Group:
Aye.

David:

Aye. Passes unanimously. All right. Next item is CEO Performance review format. I wonder, I think we're at a point now where we probably can say to our senior staff, this is really between us and Larry. He has a different format for you folks, so you folks can get on with other things today if you want. For the senior executive team, thanks for joining us.

Suzanne:

Thank you everybody.

David:

Thanks for your help and contributions.

David:

Yes, I know you all got other things to do. So that's for sure. All right. Okay, so CEO performance evaluation. I had talked to Tony about a way that we might consider having more board involvement in an interactive way. Unfortunately, it didn't get uploaded, didn't get sent in to be uploaded until this morning. So you may not have had a chance to look at it, but I'd like you to take a look at it. Give us your thoughts to Tony and I over the next month or so, if you're in favor of the new format. It has, I think it was eight areas. Let's see. I'm pretty sure it was eight areas of where we would rank the performance. The seven areas in general comments where we would rank performance on a scale of one to five, and put some notes as to our thoughts regarding that metric.

And we would sit and review it that way. It's probably a little less academic than some of what we've been doing, but I think it is potentially more interactive. And Tony has reviewed this over the last month or two. Then Larry reviewed it to make it fall in line with the areas of his goals and evaluation. And that's why there's seven different areas here. And we'd just like some of your thoughts about this again. I'm sure since it just got uploaded at the meeting time, you probably didn't look at it. But if you could let us know over the next couple months. The time for this would be to go out in probably early June, because we have it at our July meeting. So this would go out in early June where the fiscal year has just ended. So you'll have some fairly solid numbers for the prior fiscal year. And then the compensation committee in July would review the five of these that were handed in and evaluate.

Suzanne:

And David, you'll provide us with the metrics so that we can, again, do more than an academic.

David:

Yes, exactly. You...

Suzanne:

Okay.

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David:

You will get that and it'll correlate with this.

Suzanne:

Thank you.

David:

You're welcome.

Kevin:

Will Larry also start this off or add some information including or in addition to the metrics, as in previous types of evaluations? Or is this something that we're just going to do solely from start to finish on our own?

David:

Well, that's a good question, Larry, would you do a summary?

Larry:

Well, for each one of the objectives where it says key objectives, I would provide a summary of what had been accomplished under each category. So there would be that as a measurement device, but it won't be anywhere near as detailed and as long as the previous written reports were in the past.

Kevin:

Okay. Thank you.

David:

Just bullet format as opposed to 20 pages of prose.

Larry:

You'll get a feel for that today when I review the six-month highlights of accomplishments, which the subject matter ties to this performance review form, directly.

Kevin:

Okay. Thank you.

Suzanne:

Thanks, Larry. That frankly, was what I thought when I saw this performance evaluation. Ties right into your presentation.

David:

Good. All right. So yeah, get us your comments. Get them to Tony and I over the next couple of months. We've got plenty of time, but wanted to send this out. And if anybody was really vehemently opposed to

changing the format, then we certainly would have time to have a discussion before we have to do this. So we're planning well ahead. All right. Next item is item three, Willis Towers Watson Executive Compensation Bonus Plan. Tony's requested that we go and have another compensation study done for senior executives in the company, because the other one is very outdated, it's well past its time and usefulness and thought it would be good to get that. Especially in light of the fact that we have had issues with trying to attract some top talent with some of the factors we have to offer. And so, this was thought a way for us to be able to review Larry and his direct reports when we do that review at our July meeting by having this information should be helpful. Anybody object to Tony's request that we get an update on this?

Suzanne:

I don't object. I just felt like it was helpful and not helpful, because so much of it was not municipal water company. It was for profit water companies. And so it really is... Or maybe we have to have a statement of philosophy that we're going to compensate along those lines because that's who we're competing with for talent or what the story is. But I think it's hard to make those comparisons.

Larry:

Suzanne, that, in talking with the Willis Tower Watson individual, he had said that he had compared it with organizations like ours and would compensate, when he was looking at an investor owned utility, he would compensate for the revenues and et cetera. And it's because we do compete in an area where you may most likely draw candidates from the investor owned sector to join us. So it had to be competitive with what the private sector is paying. But he did adjust that to take into account our size versus their size.

Suzanne:

Okay.

David:

All right. Any other questions or comments? All right. Seeing no objection, then that'll be done and be ready. So then we move into item four, CEO Succession Planning. And then we'll also, after that, move into item five, which is a six-month CEO Evaluation. So for those items, because they are personnel review items, I'd like to have us go into executive session. And if you agree, would someone like to make that motion?

Kevin:

I make a motion that we go into executive session pursuant to Connecticut General Statute section 1-206 alpha to discuss matters concerning appointment and other personnel matters.

David:

Inviting the board members and...

Suzanne:

CEO...

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David:
Larry and....

Suzanne:
Including the board members, the CEO. And I think that's it, right?

David:
I think so.

Suzanne:
I second the motion.

David:
All right. Sensing you're ready to vote. All those in favor signified by saying aye.

Group:
Aye.

David:
All right. Unanimous. Greg, I'm not sure if you're still on, but thank you so much for being part of our meeting today.

[EXECUTIVE SESSION FROM 1:54 P.M. TO 3:06 P.M.]

Kevin:
Yes.

Suzanne:
Aye.

Catherine:
Aye

[COMPENSATION COMMITTEE ADJOURNS AT 3:06 P.M.]