

South Central Connecticut Regional Water Authority

September 22, 2022

Meeting Transcription

David:

It's 12:31, and I will call the regular monthly meeting of the Regional Water Authority to order for September 22nd. I'll ask that have a quick review of the safety moment. I think, Donna, we give you that, right?

Donna:

Yes. Fall driving dangers and tips to stay safe. Obviously, as you know, the fall season's approaching, which means that we have all sorts of types of hazards that can be happening with result of all of the leaves, so just a couple of things to keep in mind. As you know, with the fall, the darker... Here comes my Boston accent. The darker weather comes, so you want to make sure that you keep your headlights on. I don't know about all of you, but my vehicle actually automates my headlights, so sometimes I think that they're on, but they actually are off. And that's actually been just a safety thing that I've been recognizing, so that might be something that all of you want to keep in mind.

Obviously, the animals. We've got a lot of the animals crossing roadways. About two weeks ago, I actually had bears in my neighborhood. They're probably going to hibernate with the colder weather coming in, but they were coming down my driveway, so just something to be aware of with the squirrels crossing the roads and things like that.

The wet leaves can cause slippery roads, so just be careful in terms of how you stop and giving yourself enough time. My rule of thumb has always been about a car, car and a half-length away, so that way, if you do slip, you have enough time to be able to stop, check your tire pressures and the traction, especially coming into the winter. That's always the best practice. As we talked about with puddles and the colder weather and the snow coming, the dampness on the road, so just want to be careful with that. Use your low beams in the event that there is fog. That's the update for today.

David:

Thank you for that thorough explanation. Before we actually get into the Audit Risk, I just want to say one overall thing, because there's been some discussion about executive sessions among ourselves and RPB members, and the agenda looks slightly different.

An RPB member requested that the OCA review our reasons for going into executive session and was prepared to go to the FOIC because he said we're doing this wrong and believed that that's what the OCA told him. I met with the OCA, and the OCA said, "No, you didn't do anything wrong", but I will send, Jennifer, if you don't mind, a suggestion of what I used, because he represents multiple municipalities and is very FOIA current and conversant, and suggested that we put the verbiage on here, which clearly states why and the statute reflecting why we would consider going into an executive session.

Now, you see it throughout a lot of agenda items, and I really want to say to everybody, the Audit and Risk Committee. The only reason we meet with the auditor and executive session is a few minutes, because it's part of the process to have no management, just the auditors and the board together for ourselves, just to have an open dialogue about a few matters, if there are any that we need to discuss with each other. That'll be just a matter of a few minutes and standard. We've been doing that every year.

The item that's expected to be for executive session with regard to business updates is not going to need to be done. It was thought that there was a land matter that was going to have an update and it's not going to be necessary, but we didn't know that until this morning. So now we're ready to move on and it was on the agenda. We just won't have the executive session for that.

Then, commercial business update, obviously, we're discussing negotiations. There's a very clear reason why we should be in executive session for that. Further, tonight's RPB meeting is going to be having an executive session because they're going to be getting an update on security, similar to the update that we got last month. That was the bone of contention that I was told we were not allowed to meet in executive session for that purpose. Clearly, security is one, and not only that, we have items in our applications that are protected information because of matters of security.

Clearly, the OCA, not that it's his purview, but the OCA has the expertise in this area and has said things are fine. We're moving along in the slightly different looking format, but really, just to keep us up to date with the changes, because there were some recent changes in the recent legislation, and we are following things properly, so far as the imprimatur from the OCA means anything to any of us. Personally, I think it does, but we can have difference.

Anybody else have any questions or comments regarding that, because it was a bit of-

Tony:

Nothing for open session.

David:

Seeing that nobody has anything else, should we move right in? I'll ask if we could recess the Authority and meet at the Audit Risk Committee.

Kevin:

So moved.

David:

Who would like to move this? So moved by Kevin seconded by...

Catherine:

I'll second that.

David:

Catherine. All right. All those in favor signified by saying aye.

Group:

Aye.

David:

I heard all five of us. Very good. Okay. Catherine, it's your committee. Thank you.

[AUDIT RISK COMMITTEE MEETS FROM 12:36 P.M. TO 1:00 P.M.]

David: All right.

David: Thank you Catherine. For shepherding this through. We will move on with our agenda and we're at the consent calendar. What is your pleasure with that?

Suzanne: I'll make a motion to approve the consent agenda as presented.

David: Is there a second?

Kevin: Second.

David: All right. Seconded by Kevin. Are there any questions or points of clarification? Seeing none. Sensing you're ready to vote. All those in favor, signify by saying aye.

Group: Aye.

David: All right. Thank you. I did hear five ayes there. Little delays here with these internet connections. But finance, item D. We are at the quarterly financial report. Rochelle, it's all yours. The good news for the first quarter.

Rochelle: Yes. Jennifer, if you can show the balance sheet. I'm just going to highlight some of the key points as I go through the balance sheet and other sections. But if you do have additional questions, just let me know.

So, as one would expect on the utility plant, the net utility plant is up year over year by about 9.2 million. And the plant in service includes... This is a comparison between August of 2022 and August of 2023 and it does include all the projects that were put in service at the end of fiscal '22. So, that's why you see a pretty significant increase of the 34.8 million.

Going down to current assets. Current assets are actually down by 4.1 million. The biggest change, and this actually occurred at the end of the fiscal year as well, it actually occurred back at the end of January. The biggest change is in accrued revenue and that's really due to the conversion of monthly billing. So, our earned but unbilled is significantly lower. As you can see, cash and cash equivalence is actually up by 2.3 million. And that's primarily related to increases in the revenue fund, which you would expect over the course of the fiscal year.

From an accounts receivable perspective, a couple things I want to mention there. This is accounts receivable net of the allowance. And we were able to lower a little bit, our allowance, on doubtful accounts. And there's also an impact of the rate increase that we had back in January. I do want to mention that when you compare age receivables from August of 2022 to August of 2023, they are down a bit. They are still elevated from pre-pandemic levels and we'll be working on further reducing the age receivables.

For the restricted assets. This is somewhat similar to the situation at the end of the fiscal year. You can see that is up significantly year over year. And that is primarily driven by the increase in the construction fund. So, we had a year-end disposition of approximately 22 million. We do have, as of the end of August, we have about 25.1 million left of our 36 series bond proceeds that went into the construction fund. Actually, 48 million had gone in, in January. So, that's down to 25.1. We also did already do two DWSRF loans and grants. And so, those monies also go into the construction fund.

There are some other net changes, just to mention a few. The debt reserve fund and the capital contingency is up slightly. When we get the low cost DWSRF loans, we do utilize proceeds from those available funds to put into the debt reserve and the capital contingency. And those are really the primary drivers. Again, most of the increase is driven by the construction fund. If we now move over to the... Actually, before we do that, just scroll down a little bit more Jennifer, if you can. Yeah. The deferred charges on the pension in OPEB, that's all based on the actuarial reports that we get at the end of the fiscal year. And then we do amortize those balances throughout the months.

Moving over to the liability, couple things here that I want to highlight. So, overall liabilities are up by 27.9 million. Key areas. You can see that the revenue bonds payable, it's actually up 15.2 million, excluding the current portion. Keep in mind the good news is we actually got a lot of premium on our recent 36 series bonds, and we also made an additional principle payment on August 1st. So, that's why you don't see such a significant increase based on the 36 series.

Another key item, and this came up in what David presented. The net pension liability is up significantly based on the market situation at the end of fiscal '22, and actually currently, so we didn't have to increase that pension liability by 6.9 million. As also was mentioned, the net OPEB obligation did go down slightly due to primarily the healthcare cost for the retirees being a little less than the actuarial assumptions.

Moving down to the next portion. For a current, current is actually up by about 1.1 million. So, our August 1 of 2020, calendar '23, our principal payment will be just a little under 23 million. We do now have two new DWSRF loans. And so, there is a slight increase in the principal payments that will be made. Keep in mind for the DWSRF loans, we do actually make principal payments every month, along with the interest payments. Those are probably the key areas within the liabilities. And overall there is a increase in our net position for the first quarter. Here again on the liability side, the deferred inflows for a pension and OPEB are all part of we call it the convoluted accounting that we have to do for the pension in OPEB. And throughout this fiscal year, we'll just be amortizing those balances and then we'll update when we get our new end of fiscal '23 other report from the actuary.

If there's no further questions on the balance sheet, I'll move on to the P&L. And I think Jennifer, if you go to the next page after this one. So, from an overall operating revenue perspective, operating revenues in total are up by just under 4.5 million. That's about 12% over the budget. That is primarily being driven by the metered water revenue. We are seeing consumption levels higher than what we had anticipated. Not really surprising at this time in the fiscal year, our O&M expenses are currently running under our budget. A little bit later I'm going to go through some of the key drivers of that.

If we move down a little bit to interest income. A positive impact of the interest environment is our returns on our funds are actually higher than we expected. And that is the primary driver of the change versus budget in interest income. I do want to mention you see inter government revenues here. David touched upon that. We already have grants associated with the two DWSRF loans of just under 500,000 and we are expecting some additional monies from the federal government later this fiscal year. And you can see overall there is a net positive change in our net position through the first quarter.

If we go down to the maintenance test. Here we are now forecasting that we're going to be pretty considerably over in our interest income under the maintenance test. We are watching water sales very closely. Looking at a couple key patterns. We want to make sure that as we converted from quarterly billing to monthly billing, a month like September is not so much a seasonal month that it used to be when we were doing quarterly billing. So, we want to get through a couple more months. I will share we are currently over our budget from cash receipts, but I think it's a little early to update that forecast at this point.

Other changes that we made this early in the fiscal year is we are seeing slight reduction in pilot and we also had a slate reduction at this point in debt service, primarily due to the timing of those two recent DWSRF financings we had. At the time we did the budget, we thought we might close on those in May and we ended up closing on them in August. So, we are currently, I think, conservatively projecting a coverage of 116, which is over our budget of 114. If there's no further questions here, I'll go on to A2. And I just want to cover this... And if you go down a little bit more, Jennifer, to the maintenance test. This is where we do sensitivities. And we chose to do... Should actually be 4% up, 4% down. I'll have to correct that. And I think the key thing though that this really shows is even with very small changes in consumption, in our billings, in cash receipts, it can really make a difference on whether you have a draw or don't have a draw.

So you could see under the one scenario, 4% up, we would be at 120 and otherwise we would actually end up having a draw. This is why we like to watch this really closely because from a short-term operating and maintenance expense perspective, really there's variability in pump power and chemicals. And although we can take certain actions, there's not a lot of variable costs. So, this is really just highlighting what small changes do from at the top part of the

page from our based financials and from the bottom part for our regulatory reporting.

If there's no questions here, I'll move to the next page. So, here's where we layout the details of our O&M budget. And at this point from a projection perspective, we left it consistent with budget, but I will say that I'm sure by next quarter, we'll definitely make changes at the line items based on what we're seeing and what our projections are. But I just want to talk briefly about some of the key variances. So, payroll is primarily under because we are under hay count. So, that is helping financially, not necessarily operationally, but we are actually under our hay count.

From an employee benefit perspective. We are still seeing that we're under in medical. That's actually the biggest driver of that underrun there. For GNA, the bigger driver there of the 146,000 underruns primarily, which we think is timing, it's related to telephone services.

For pump power, we're actually under in pump power. And actually Jim and his team are taking a look at that. We do believe that there is some efficiencies. Some of it may be timing, but we are looking at that closely since we are actually over in our production, from what we anticipated. Not surprising at this point in the fiscal year outside services is under. That seems pretty much to be a pattern. Just want to go back a bit on collection expenses. We're actually not seeing the increases that we had budgeted post the conversion to monthly billing in our bank fees, but that's another area we'll be watching closely so far. That's good news versus the budget.

The central lab, we are still seeing a favorable impact on the ONM side. That's primarily due to the mix between internal and outside lab services. Maintenance and repair is another area that we are under. And that's primarily due to some expenses that were budgeted basically all in the first quarter. So, we'll be watching that. That's largely timing and there might be a portion of that that will become permanent savings for a fiscal '23.

There's no questions here. I'll go to the next page. And first maybe Jennifer, if we can go to the bottom, I just want to talk at the high level for a minute. With our capital forecast, we are watching the supply chain very closely. And at this point we are thinking that there could be approximately 3.5 million that will be back to the board to ask for approval to put those monies in reserve. And that would be associated with projects that we know that we need the funds from, but are being impacted by the supply chain. We're not quite ready to do that at this meeting, we've had some discussions about that. And that's because we want to watch things a little bit more. We're also looking to see if there's projects in fiscal '24, that we can move up into fiscal '23, if they're not impacted by supply chain. So, we're still working through that. So, that's why we held off in asking for an amendment to put money in reserve at this meeting, but you

will see here, we are sort of forecasting that. And with that assumption, we are forecasting to be at least the 96% target.

And now I'll just talk about some of the bigger projects that have variances. So, Jennifer, if you can go back up. We are actually under running a bit at this point in our West River improvement projects. So, that's under by about 383,000. For pipe, although at this point across multiple projects, we're basically projecting that by the end of the year, they will be roughly on budget. The Derby tank. At this point, it is under year to date. We are projecting at this point that we're probably not going to spend the full budgeted amount and that's why you see the 2.4 million. So, that's one of the areas that we might be back to you regarding putting that money aside and putting it into a reserve a little bit later in the fiscal year.

A couple other projects. Down below, just want to mention, if you can go down a little bit more, the LIMS project, that's our software in the lab. That's under by about 140,000 and that's really because we're finalizing requirements from the states in order to proceed and finish up that project by the end of the fiscal year. So, that's some of the bigger variances. And again, for the projection, here we've tentatively put some monies into the contingency, or we'll call it the reserve, but we're not quite ready to ask for your approval to do that. Go onto the next page,

Scroll down a little bit more. This is where we show what our returns are versus the budget. And from interest income, we're definitely doing better than we had anticipated. This is the positive side of the increasing interest rates. So, we're definitely seeing higher returns. We also are pursuing moving some money out of the stiff, into other securities that have higher rates. So, we're doing that I believe carefully. And we have been able to, in the last few months, I think it's a note at the bottom of this page, We've recently gotten some returns in the three to 4% and we're just doing another one that we're going to get like 5%. So, that's like positive. If you think back last year, I think we're still less than 1% at the time.

And if you go to the very next page on Jennifer. The very next page we'll have the actual on a cash basis, what we're seeing across the different funds. So, you can see that we are, even year to date, well over the budget. The construction fund doesn't count for the maintenance test, but we are only still maturing monies that we need to make our payments out of the construction fund. So, while those dollars are in the construction fund, they are earning interest. So, this is the favorable aspect of the rising interest rates. So I know I went pretty quickly. Are there any questions?

Tony:

Can I ask general question connected to the finances? And that's what's happening with the monthly billing? Are we getting any complaints? We having any problems? How is it flowing?

Rochelle: Maybe I'll answer from a financial perspective and Prem can answer from the customer care and the call. So, from a financial perspective, we are actually seeing monies coming in earlier than we had under quarterly billing, because we do monitor that. Whether it's quite a pattern yet, maybe still a little premature, but we are seeing more cash receipts on first and second month bills.

Tony: From an operations standpoint, what's happening

Prem: Coming from an operational standpoint, we don't have complaints per se. We actually have received a lot of customer appreciation as a matter of fact, and we have a lot of coolers that come in. But there are a few customers who come in to ask about, because this is new for them, right? And I'm talking when we actually went live, the first four to six months, they had questions and understanding, et cetera. But that whole thing had actually settled then. So, overall I think we're doing pretty good. We have asked billing as an example, we have avenues we have created where people can ask questions. So, I think overall it's a very successful project. In terms of call volumes. We haven't seen an increase in call volume just because we went from a quarterly to monthly perspective, but we have seen a trend that we have gone to a pre-pandemic levels.

If you remember, when we were hit with COVID, the number of calls went down. So, now we are back to the upper eight thousand number for the entire year as a projection, which is a good news. So, I think overall, I think it's a good news. And the other big thing that we did, that's helping us quite a bit, is our customer escalation and experience team that had put together. So, Louise, has been doing a fabulous job working with OCA and RPB members, et cetera, to make sure we address any escalation that comes through. So, that's another good thing that happened and we put the monthly billing in place. So all of that is helping us and all in all it's a good story. So, not much of a complaint if you will, hopefully that helps.

Tony: Doesn't quite jive with what I'm experiencing in the community. People are complaining, even if they won't talk to you about it. And part of that has to do with just the change. And I appreciate that, okay? But I have no way of telling whether there are substantial issues that they're complaining about. They don't know, we don't know, but we're keeping an eye on it.

Prem: Thank you. And I appreciate that comment, right? And anything that any of you here, please forward to me, myself, personally, and I'll make sure and I'll look into it and talk about it. And like you said, it's also the mere change that we got to get accustomed to. So, I appreciate that comment. Thank you.

Tony: Yep.

David: Any other questions or comments regarding the financial report? All right. Thank you, Michelle. Appreciate it. Back to the agenda here on here. Oh, now

we're in RPB committee assignments. So, let's see. September 12th, we had finance. Tony. Were you-

Tony: I missed it. I'm sorry. I was sick. Didn't make it.

David: Okay. Well we're glad you're better now.

David: I know Larry you always go. Was somebody else there or Larry, would you report for us?

Larry: Yeah, there we go. Maybe I might ask Rochelle to run that down if we could. It was a fairly benign meeting, but-

Rochelle: Yeah, I think at the Finance Committee meeting, we talked in executive session regarding updates relative to the headquarters building.

David: And there was no new information offered there?

Rochelle: No.

David: Okay. And then Land Use. Kevin, I know you attended.

Kevin: Yeah, I did. And it was at the well fields on 34 past the Yale boathouse. It was good to be back outside and be with the Land Use Committee. It was a very interesting discussion and presentation given about that history of that property, the river and the well fields themselves and how the RWA came to acquire those. And the amount of water that is pulled from those and many members on the committee had had several questions that were answered very well. It was an interesting, and it was a good meeting.

Tony: Kevin, was there any grumbling about what's happening with the executive sessions, and specifically around the police force issue?

Kevin: About whether we are holding appropriate executive sessions or not? That did take place at that meeting, yes. I'm sorry. David, did you have something?

David: No. You were frozen for a minute or, oh, maybe I just... I'm sorry. I missed the beginning.

Kevin: Yeah, Tony, it was brought up by one of the RPB members. Mark Levine had come to the meeting and at the end of the meeting, when the meeting was breaking up, brought up a concern that he's brought up several times that we were lucky that the public didn't attend our meetings and that we weren't in compliance with FOIA, that the OCA stated we were not in compliance with FOIA and that more members of the RPB should look into that and see if we're compliant with FOIA. And that the reasons we were going into executive session

were not in compliance with FOIA, which is the Freedom of Information Act Commission and statutes.

David: As I started the meeting explaining, I met with Jeff at Mark's request. Jeff called me and said mark would like to complain through me through him. And so, I did meet with him because I meet with him anyway as town attorney at Cheshire, we just met a little bit sooner at one meeting and he reviewed the statute, pulled him up right on his computer and they referenced here 210 and 200 for the various reasons. And I explained to him what the reasons were. He said they're absolutely valid. The security was the main issue, whether we were allowed to have a meeting regarding security of our property. And Jeff, at no uncertain terms, said that we were, and we have done that before, so...

Catherine: David, for what it's worth, I mean I've managed FOIA compliance for not only my former office at the treasurer, all FOIA compliance, I also managed the FOIA compliance for the city. Believe me, if I thought we were out of compliance, I would've raised it.

David: Well, I appreciate that. And Kevin will be leading the authorities report tonight because I actually have a personal matter and I'm not able to make it tonight. And so, if he needs help and support, make sure that we're all there for him please.

David: So the next meeting was Consumer Affairs this past Monday. Catherine, were you able to attend?

Catherine: Yes, I did attend. The meeting following the autumn safety moment and the approval of the minutes. Prem and Dana presented the committee with a customer's care business update. The presentation described Dana's transition into her new role as the customer care director following Laura Gonzalez's retirement in August. Members asked a number of questions about that transition and seemed pleased that there was a seamless transition arising out of the opportunity for Dana to overlap with Laura before she left the company.

The presentation then focused on efforts to improve customer experience, addressing customer queries and concerns efficiently. Some of the committee members raised questions about the interactive voice response system and asked for a demonstration of the RWAs IVR system in the future. So, that's something that might happen at a future meeting. Most of the concerns seem to be raised around annoyance of being caught in the endless loops at other companies, not ours, when they're trying to address their questions. And I fully admit, I hate those things too. It's like, I want to talk to a person. But there are some efficiencies with IVR systems.

Committee members also asked about the elevated receivables and inquired about the percentage of RWA accounts that were passed due. The presentation included a number of compliments from customers showing appreciation for

how customer service representatives handled matters. Next Attorney Donofrio, who's our OCA, provided his report, including the CIS application process, and he talked a bit about a challenging meeting with the new Haven environmental advisory council, which is the next item on our agenda so I'm not going to get into that, okay?

The committee approved the OCA's invoice of 15,682,000... Excuse me, \$15,682 and 50 cents. 10,000 of which was for the consultant who was engaged to assist with the review of the CIS application. Mr. Rescigno, I think I pronounced it correctly is-

David: Rescigno.

Catherine: Rescigno is... Okay. Thank you. Volunteered to attend this meeting. The next meeting of the Consumer Affairs Committee will be October 17th. That concludes my report.

David: You didn't recall or didn't choose to report who the member is coming next month?

Catherine: I don't recall.

David: Okay. Mark Levine.

Catherine: Oh, okay. Actually, I don't think that was discussed on the agenda, but okay.

David: Oh, okay. All right thank you for the reports one and all. And then we'll move on to the next quarter that we need to get ready. So, who is able to attend Finance Committee that comes up early in the month, on the third?

Tony: I can do that.

David: Very good. Now don't all jump at the next one.

Catherine: I know that I cannot do the 12th.

David: Okay.

Tony: I could do it if somebody needs to swap around things.

David: The 12th? Because that's an in person meeting Tony.

Tony: Oh, okay. Can't do that.

Suzanne: So do you need someone for the 12th, David? Is that where you are?

David: It sounds like... Yeah, because Catherine you're... Or Tony's going to do the Finance Committee. I mean, Suzanne you'll do Land Use and Consumer Affairs who is available for that?

Catherine: I can do that.

David: Okay. Very good. All right. And then we will go into... All right. I figured it out. Finance Committees early because of Columbus Day. I was trying to figure why I seemed out of kilter. All right, so November Finance Committee?

Catherine: I can do the 14th. That's fine.

David: All right. Land Use on the ninth?

Tony: I could do it. I could do it if needed.

David: All right. And then Consumer Affairs on the 21st?

Kevin: I can do that.

David: Okay, great. And fully into the holiday season, the Finance Committee on December 12th?

Suzanne: I can do that.

David: All right. Land Use on the 14th?

Catherine: I'll do that. I don't think I'm leaving before then. Okay.

David: Okay. And the Consumer Affairs on the 19th.

Tony: I could do that.

David: Okay. And then, perfect. That's great. Thank you folks. All right. The next item is for us to get a report on the meeting of the Haven environmental advisory council that was held recently. Catherine attended other members of the RPB attended and other RWA employees and managers of various departments and whatnot attended as well. So Catherine, I guess, as an Authority member, do you want to start with your thoughts? I put executive session in case we want to discuss some of the items that they talked about, and I'm not sure we're going to need to do that. If we can keep it at public matters for the time being, and then see if we have to go into executive session, if need be.

Catherine: I don't know that it's necessary to go into an executive session, but there's nothing that I'm going to say requires that. I thought it was a difficult meeting. And I actually felt like I was in an awkward position because not only am I a New Haven resident, so I'm there as an interested resident, I also work for the city of

New Haven. And I will tell you, and I don't have a problem saying this in a public meeting, I was embarrassed as a city resident with how a city commission treated employees of the regional water Authority, the RPB and this board. I thought it was a hostile meeting, but that aside, I do think there is some merit to looking at ways that the RWA can educate the public on a couple of things. I have heard on multiple occasions, well, at least three, that the RWA is not regulated. That's the statement. Because we are not regulated by PRA the statement is that we're not regulated.

So there is merit to... And I've heard this inside, from people that are residents of the city of New Haven, and also residents of out of towns outside of the city. So, I'm not saying it's just New Haven. I think there is merit for either the policy board or RWA management. I haven't figured out which arm of the RWA it should be, but there needs to be public education of our regulatory structure so that people understand that we are regulated and regulated by people that are definitely affected by our work and have an interest in the resources that we are supposed to protect. The other thing that I found disturbing was this view that the RWA can control how a purchaser of our water uses the water that they purchase. Most of that was centered again about Yale and how Yale uses water that it purchases from the RWA. There was a lot of concern about watering artificial turf. Which I can understand sounds counterintuitive, but we're selling water.

And the last thing, the last focus, I think, that's worth thinking about is there was a great deal of discussion about a need to have a rate making structure that focuses on conservation. And there seemed to be a lot-

Suzanne: I'm sorry, Catherine, that focuses on what?

Catherine: Conservation. In other words, discourages people... I'm hearing some background noise. I don't know if everybody else is. But the desire was to discourage people from using water. Jeff Donofrio did a great job of explaining the need to actually sell water so that we have revenue in order to meet the obligations of the Authority. He did a great job of discussing the fact that we do have resources. Based upon our significant acreage and the reservoirs that we have, that we have water to sell and we should sell it. So, that's pretty much... I think that covers the issues that I found most offensive.

Larry: I didn't attend the hearing, but I did listen to the link, to the hearing after the fact. And one of the other things that they really went off on a tangent on is that they are under the impression that we discount the price of water that Yale uses. And secondly, we promote water usage by having a declining block rates so that the more water you use, the lower price you pay, which of course is, as you all know, that is absolutely incorrect in both cases. So Rochelle and I had a follow up meeting last Thursday with Jeff and Dave Fox from RAF [inaudible] who does our cost of service studies because one of the items requested by the

council was to see our cost of service study because Jeff had referenced, that we set our pricing according to that cost of service study.

So, we had a discussion with Dave about providing that inf... And Jeff volunteered to provide that and appear at their next council meeting, if that's decided the way to go. But Dave is going to provide a summary of the cost of service study, point out some of the inaccuracies in their assumptions and will provide that with a cover note from Dave Fox and maybe even have him available. That's something we have to decide, but we may have him available for the... I think November is their next meeting.

Catherine: The Environmental Advisory Council is meeting in November?

Larry: That's what I thought, Catherine. When we checked the website, it appeared November was their next meeting.

Catherine: Okay. They normally meet quarterly, but... Maybe they moved it up because they don't want to meet in December, so...

Larry: Catherine, can I ask you, do they report to anybody in the city? Is there an individual or a political officeholder or department that they report to?

Catherine: The mayor does appoint people. And I will tell you that I had a discussion about that meeting with the mayor's office. But no, not to my knowledge. Well, I've already said it was inappropriate, so...

David: Yeah, don't... Yeah. All right. Other questions or comments related to that? So going forward, we will, as a nice gesture and as a good neighborly gesture, but not under any obligation, we'll be providing some information to help clarify some of their comments that need some clarification and correction.

Catherine: Yeah, I agree. And I think it's worth pointing people to the RWA website, which describes our regulatory structure. It's all there, it's just a matter of people taking the time to look at it. I mean, one of the responses that I heard during the meeting, which I was really took me back was, "Well, we don't have time to come to your meetings. We asked you to come here to report to us." We have public meetings. If you have an interest, you can come to the public meeting. So, yeah, it was a difficult meeting. I'll just put it that way.

David: Yep. Tony you're on mute. Did you want to say a comment regarding this?

Tony: Sorry. When information gets distorted like this, I usually find there's someone behind it that has an interest in distorting that information and has a purpose. Do we understand who that is or what the purpose is?

Catherine: I don't want to speculate well.

Tony: Okay, So it would be speculation. It's not clear.

David: Personally, I think it's clear, but I wasn't at the meeting, but... You've got to be more careful, Catherine, with your dual roles. I think it was pretty clear.

Tony: Tell me a little bit of more David or not.

David: I don't want to knock them because quite frankly, the general purpose of that group is very auditor. It's how they're going about it that is not professional in interactions with people, so...

Tony: I thought the whole approach to it in the beginning was presumptuous. That in fact, we had a responsibility to report to them about what we were doing and why we were doing it. And somewhere in the middle of that is someone who's feeling exploded and quite the large about themselves.

David: Yes. Exactly. Good observation. Good observation.

Tony: I don't know anything about this group. Do they have candidates in there?

Catherine: Not that I know of.

Tony: Okay.

David: No, it didn't seem it was political in the election type sense of the word.

Tony: Okay, fine. Thank you. I'll get withdraw. I got it.

David: All right, thank you. Other questions or comments regarding that topic on the agenda? All right. We are ready for... Do we want to take a break? It's only been an hour and a half, but... No? Well, let's get Larry's report done then maybe we'll do that before Kevin's committee, if that's all right. So business updates. Larry.

Larry: Sure. We'll have Donna provide the COVID update as we've had a little more activity. Donna, are you there?

David: She did say she has bad connection where she is.

Jennifer: Yeah she's having trouble with her connection.

David: Okay. Give us a short version then, I guess.

Tony: I'm not getting anything.

Larry: Yeah, I can go ahead and take that. As of the end of August, we had 105 confirmed cases. And you may recall that that is five new cases since our last

report. We're still have a vaccination rate of 85%. We're still on a enhanced cleaning, both in our treatment plants as well as in all of the shared work workspaces. And our office staff is continuing to work remotely, those that are in the building, for the foreseeable future, the way I'll put that at this point. Although there is a handful of people that do come into the office regularly. For instance, most of the leadership team members are in the office every day during the week or most of the days. And then there's selected departments like some of the IT people that are here periodically, some engineering. So, it's scattered throughout the building who's here periodically, but most everybody in the building is working remotely.

Larry:

Okay. So, next thing I'll provide a quick update on some activities. One of them, I just wanted to report on that I reintroduce what is called good to great sessions with the leadership team. These are quarterly meetings that are in addition to our twice monthly huddle meetings. And it's just part of my effort to build better engagement, communications and community among the executive team. And so, part of our session last week was interesting. We watched and discussed segments of a video that was offered through Vistage, which I'm a member of, that, as you know, it's a CEO peer group. And the video that they made available to us was featured Allen Mulally, who's the former CEO of Boeing and Ford. And he talked about leading transformation and the principles and practices for leaders and the rest of the organization to work effectively together and holding each other accountable for business results. So, that was good.

Then we spent the other half of the day with the leadership team presenting their fiscal 23 division goals and objectives, and we discussed interdependencies and what other divisions would need to provide in the way of support in order for another division in order to achieve it particular goals. We also talked about what metrics we should be tracking to ensure that, while we are working remotely, we can make sure the business is performing correctly. And rather than creating either a new set of metrics or a subset of the global metrics and the executive metrics, which you approve today in the consent agenda, we decided we had used all of those metrics as a way to monitor the business and make sure that we are performing appropriately while everybody is working remotely. So, that was a good decision.

And then I also reported on some site visits that I made with Jim Hill this past month. And we went to the West River Water Treatment Plant, saw the progress on the dissolved air flotation building and the sodium hypochloride onsite generation room that was there. We also watched an interesting exercise where employees switched from a gravity fed flow to a pumped flow so that they could get more water from the Watrous reservoir, that would be a higher quality, meaning it would contain less algae and that would improve the filter run time. So, that was a really interesting process. And then we watched a cross functional team from treatment and distribution and engineering exercise valves on a new 30 inch bypass raw water main at the [inaudible] water

treatment plant. And they used a valve exercising machine that we bought a few years ago, which takes all the manual labor out of exercising a valve in the street. So, that was good.

And then we watched construction crew change a 1913 service tap. That was part of our effort to coordinate with the city of Milford on their paving. So, we performed that work ahead of a paving project on a particular street. So that was interesting for us to watch them do that as well. And Jim very appropriately noted some things that he's going to bring up to the group, where he saw things that could be done differently that would reduce the likelihood of an inadvertent injury through handling tools and handing tools to other employees. So, that was useful from a number of standpoints. So those are all of my highlights, unless there's any questions.

David: Any questions? All right. So then next we can meet as the commercial business committee. Kevin, you want to do that or you want to take a break first?

Kevin: Whatever the rest of the members would like to do. Does anyone need a break or do we want to proceed? Go ahead, Suzanne.

Suzanne: I'd love a break.

David: Okay. Let's take a 10 minute break and we'll come back. Kevin, we will move to go to recess as the Authority and go into the Commercial Business update. Someone would like to move that so that when we come back from recess, you can just start the meeting.

Tony: I'll move it.

Suzanne: I'll second.

David: And there's the second [inaudible] signify by saying aye.

Group: Aye.

[COMMERCIAL BUSINESS COMMITTEE MEETS FROM 1:53 P.M. TO 2:40 P.M.]

David: All right. So we're back as the Authority. Thank you Kevin, that was a meaty meeting. Item I, act on matters arising of committee meetings. There were none. So we are now at a point where we're ready to adjourn. Just want to remind all of you that, unfortunately I've got a personal matter, so I won't be able to make the meeting tonight. Kevin will be taking the lead with Larry on explanation. I see your hand, Larry. And then Catherine, you'll also have a report regarding the audit, and finance committee will be reviewing it October 3rd anyway, which will be good. All right. Larry, what did you have before we-

Larry: I also neglected to mention in my updates that, Donna will provide a high level summary of the security report tonight. Primarily focusing on the introduction on the recommendations that she reviewed with you at the last meeting, which will provide the RPB an opportunity to either weigh in there, or at a subsequent meeting.

David: All right. Seeing that no other business to come before us, everybody is ready to move on and take a break before the next meeting, who would like to move to adjourn?
Suzanne, all right. Who's second? Catherine second it, so there it's going up quickly. All those in favor say aye.

Group: Aye.

David: We are adjourned.