

**SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY**

DECEMBER 15, 2022

**MEETING TRANSCRIPTION**

David:

It's 12:30, so I'll call the Authority board meeting for December 15th, 2022 to order. Jennifer, we're all set to start?

Jennifer:

Yes. All set.

David:

You're recording. All right. This is the safety moment, the 12 Days of Safety. So hopefully you'll have a little fun with that holiday message there. And we'll move on to public comment. Do we have anybody in the public who is here? I didn't notice anybody on that. I didn't see. Okay, that's good. So then we will move on to item C, Audit-Risk Committee. And I would ask that we recess as the Authority and meet as the Audit-Risk Committee. Who would like to move that?

Tony:

So moved.

David:

Seconded by?

Catherine:

I'll second it.

David:

Catherine.

David:

All right. And Suzanne right after. All right. All those in favor signify by saying aye.

Attendees:

Aye.

David:

All right. Catherine, it's all yours for a little while.

[MEET AS AUDIT-RISK COMMITTEE FROM 12:31 P.M. TO 1:03 P.M.]

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David:

Thank you. Thank you Catherine. Appreciate that. Now we're on the item of the consent agenda. What's your pleasure?

Catherine:

I did have a question.

David:

All right, well let's do questions first and points of clarification.

Catherine:

All right, so on the environmental and education update, item seven, how do we select the classrooms that participate?

Tony:

I believe there is certainly, I would say forms out clear Catherine, which they can fill in and request. I would say the sessions. And we do get requests from individual teachers as well as the schools. So based on I would say what they want to participate, they would actually reach out to the police who runs, I would say the Whitney Water Center.

Catherine:

Okay. Do we do any outreach particularly to inner city schools or afterschool programs?

Sunny:

We, I would say had two programs. One is a summer camp we run out of the Whitney Water Center. Then on the inner city, I would say outreach we did, I would say if you look at the last paragraph, the summer program is one that is there on the Whitney Water Center. If you scroll down, Jennifer, for the next I would say page. So this was something that we did earlier. It's called Hooked on summer program called Ops Words. And I believe till 2017, '18, we used to run this program and during COVID we had some disruptions where people were not able to come in and participate. But the program was still running, but there wasn't a lot of participation.

We intend to kick start this, I would say beginning this summer of 2023. And this has been brought up I would say during the land use committee meetings as well. So there are some challenges as I mentioned here with regard to staffing availability and also to see whether there would be participation from people. I would say kids who want to come in and based on all that, I think there is moment, I would say internally, we've been discussing with John as well as Jeff who used to run it, to see how we can actually go forward and bring this back in summer of 2023.

Catherine:

Okay. I just want to make sure that we're making an effort to include and cover kids from diverse populations.

Sunny:

Sure.

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Larry:

And Catherine, in addition to the comments that Sunny made, we also have a ongoing relationship with Common Ground High School.

Catherine:

Oh good.

Larry:

Which is as you know, they focus on studying the environment. And so we'll usually get somewhere around 20 of their students to come in to participate in that summer camp as well as others in the inner city that know or learn about it. And then I also have some comments later on where we will be partnering with the New Haven Police Department PAL program to bring inner city kids out into the forest area so we can talk about that there. So we're continuing to do that.

Catherine:

Thank you, Larry. I'm happy to hear that. I have no other is comments on the consent agenda.

David:

All right. Any other comments or points of clarification? Then what's your pleasure? Would we like to move this?

Suzanne:

Sure. I'd make a motion to move the consent agenda as presented.

David:

Thank you, Suzanne. Who would like to second that? Catherine's hand. All right, since it's not debatable, all those in favor signified by saying aye. Aye.

Tony:

Aye.

Suzanne:

Aye.

David:

As says unanimously. So we are on E, considered and... Sure.

Suzanne:

Point of information, David or a point of order, I'm not sure. If during the discussion if someone wants to pull an item out to put back on the agenda, they actually can.

David:

Right, we could make it a separate item.

Suzanne:

Correct.

David:

Exactly, yes. Thank you. All right, consider an act on regional water authority rules and regulations. And we have the six changes, sorry, that are being recommended. And who are we handing this to? Prem, are you handling this?

Larry:

Yeah, Prem will review the high level summary of those changes.

Prem:

Thank you. So I'm going to keep it very high level and please stop me if you have any questions. I'll focus on the key items only. As you know, we have done the rules and regulations revisions as we go through our rate change process. So as we are approaching that process, what we did was we looked at our existing rules and regulations that we visited in 2021 if you remember, and readjusted that a little bit to make sure we are aligning to what we are looking forward based on the rate change and also the practices that we had in place for this period of time. Very high level. Couple things we made as changes on, again, I'm not going to go through the whole details. Very high level. We did look at a couple items. More importantly, you see here item number three.

The first two are more minor rewarding changes. The third one that we have here, the billing item, we changed from a quarterly billing to a monthly billing because we are monthly now, as a matter of fact. And of course, one exception is our public fire, which is semi-annual. So that's all part of the verbiage there. That was a minor change we did. And then one thing, I think the big item that we really changed for this time was the meter location. There was a little bit of a clarity that was needed as to where the meter location is in the meter wall to the meter pit and then whose responsibility is that? The way we reworded that is we do expect the meter walls and the pits, which are customer responsibility to be in the frontline of the property and for the new constructions now, we don't have an issue.

We go through our approval process, RDP approves it. This becomes a challenge and especially for the older constructions and we cannot imagine where you find these meters nowadays. So we go from kitchen to a living room now to [inaudible 00:25:16] on the driveway. So it is crazy. So we did a little bit of a revision to make sure that the expectations are clear with the customer and then obviously, we realigned some wording there. So that's that item which is page 24 and 25, item number four.

And then one other small change, which is item number six that we have. Basically, we included some verbiage around pandemic protocols. This is especially important when it goes to testing the meter, et cetera. We did include this, so we are in compliance based on how things proceed from a COVID standpoint, so that was another minor change. Not as an issue, but more making it clear for our customer. So those are very high level, not significant changes compared to a rate change perspective, but overall, I think thee team did a good job. So any questions for me as you see through this memo or... It's pretty straightforward, I would say.

Suzanne:

Thank you Prem. I just want to mention thank you for the red line that just made the whole effort to understand what you were changing easier. And I assume that the major area where you redlined out a

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whole bunch of stuff really has to do with the fact that we have different meters now handled in a different way. So as long as that's the case and I understood that correctly, I'm all set. Thank you.

Prem:

Yeah, yeah. Thank you.

David:

All right.

Prem:

Great. That was pretty easy, pretty fast.

David:

Other questions or comments? All right, who would like to move that we approve this?

Catherine:

I'll move.

Tony:

So moved.

David:

Oh second.

Catherine:

Second.

David:

Catherine moved. Tony seconded. Any further discussion? All those in favor signified by saying aye.

Tony:

Aye.

Catherine:

Aye.

David:

Passes with the unanimous vote of the four of us here. Thank you. All right, we are ready to go right into finance. So Rochelle has some good news for us, as usual.

Rochelle:

So Jennifer, yes, if you start with the balance sheet that would be great. So I'm just going to cover some of the highlights, but if you have any other questions, definitely will let me know. So from a balance

sheet perspective, as you would expect, our net plant is up year over year. It's up by about 13 million and property plant and equipment is up by about 32 million. CWP is still on the high side, although it's down a little bit year over year. So this is comparing November calendar 2021, fiscal '22 to November '22, fiscal '23. And that's primarily because we do have still, several relatively large multi-year projects. So that's not really a concern that that's a bit high. On the current assets. You can see that we're over year, over year by about a little under 600,000. But a couple key drivers, so on a positive side, our cash and cash equivalence, which is primarily driven by the revenue fund is up about 6.5 million.

But as you've seen actually last quarter as well, the accrued revenue is actually down and that is due to the conversion to monthly billing. So that accrual is actually a lot smaller that is for earned but not yet billed. So now that we're on a monthly cycle, it is lower. So that's a key variance in that area. As far as restricted assets, that's another area that is up by about 39.5 million. That is primarily driven by the construction fund. So the construction fund is about 38.7 of that and that is really driven by, we had a strong year end disposition. We also do have some remaining bond proceeds. So the remaining bond proceeds from our 36 series is about 17.4 million as of the end of November. We also have some proceeds from the DWSRF financing that we did. Although there's some other changes within restricted assets the construction fund is really the primary driver there.

On all these deferred charges, the refunding is based on the 36 series and just our usual amortizations that we do every month. The deferred charge from pension plan at OPEB. Also, it's based on all the updates through the 5312022 actuarial report and now we're doing our monthly amortizations. That will change again when we get our 53123 actuarial report. On the liability side, you can see that non-current liabilities are up by about 27.3 million and that's primarily driven by the revenue bond payables and that is due to the 36 series partially offset by our August of 2022, fiscal '23 principle payment. So we make principle payments in August of every year on our RWA bonds.

The premiums are also up by about 5.6 million. That's also primarily due to the 36 series. No change since the last quarter on the pension liability and OPEB, they won't get updated again until the end of the fiscal year. And then the DWSRF loans are up a bit due to two loans that we had closed on in August of 2022, fiscal '23. On the current liabilities, our upcoming principle payment on our RWA bonds is higher than last year, so that's an increase of about 1.1 million. The current portion of the DWSRF loans is also driven by the two new loans that we closed on. Our interim financing, we haven't done anything more than the minimum. So that's it. 50,005, 500 and some other net changes within the current liabilities.

Current liabilities from restricted, the big change there is really due to just timing of our payables associated with our construction fund and also, the interest payable because our interest payments are actually up year over year. That's what's driving that year over year change. The deferred influence of resources that's driven by pension in OPEB. Right now again, we're just doing amortization, they will get updated again at the end of the fiscal year. And overall from a change in net position, we're up year over year by 27.4 million. Are there any questions on the balance sheet? Okay. Jennifer if you can go to, not the commentary but A1.

So here again, I'm just going to cover some of the key items. So our operating revenue, which is our earned revenue, is up about just under 3.2 million and that is definitely being driven by the metered water revenues. From a gross other revenue perspective, both other water and other proprietary are up by a total of about 321,000. That's gross revenue. The other revenue on a net basis is up by about 384,000 and the other revenues are primarily being driven by, jobbing is up. Non-operating revenue is up. Backflow testing is higher than budget and also, the lab and PipeSafe revenues are also above budget. On an O&M perspective, we're actually under budget by just under 4 million, that's about 12%. At this point, we are assuming that a large part of that is timing, although we'll get into where the

variances are and talk a little bit more about that later on in the presentation. And again, that's about 12% underrun.

The other item I just want to point out here is you can see intergovernmental revenues, we had 490,000 and that's based on the grants that we got from DWSRF. That too was a loan in a grant component that we closed on at the end of August. If you scroll down a bit, so from a maintenance test perspective, there is good news. We are now forecasting be it 123% our coverage. And that's really driven quite a bit by interest income. So we're now forecasting that to be about 2.4 million. That's actually the favorable side of the rising interest rate environments. And also, you might remember that last quarter I had mentioned that we wanted to get through October and September, see what the billings were now that we're on monthly billing and see what the seasonal impact is as the transition from quarterly to monthly. And so at this point we were comfortable raising our water revenue sales up by about 1.3 million.

And there's also some smaller variances in pilot as well as in debt service. And the debt service is primarily driven by the timing of another DWSRF loan that we expected to close a little bit earlier. We're just going through that process now and that's a relatively small loan for our RTU program. If you go to the next page, I'm not going to go through all... And scroll down a little bit more, Jennifer. I'm not going to go through all the details here, but what I want to point out, so this is basically very similar to the prior page, but this is where we do sensitivities and so earlier this year, we picked two sensitivities, what if consumption is up 4% and what if the consumption is down 4%?

A couple things I want to mention is that right now through the end of November draft, which is the indicator of consumption, is actually up year over year by just a little over 1% now, although it was much higher earlier in the fiscal year. And the key point I want to mention is at this point, even a relatively small change in the consumption and how it converts to cash in the door is quite sensitive. So whereas there's only about a little over a million dollar difference between the base case and up 4% and then about a little over a million dollars from the base case versus down 1%, it could actually pretty significantly impact your coverage. So coverage for what equates to less than a 1% change in our revenue can change coverage by about 2%. And I just want to point out, our coverage is very sensitive even to small changes and that is why we closely monitor what's happening and are even a bit conservative in our estimates because small changes can really make a pretty big difference on our coverage. If there's no questions on that-

David:

Just a comment, Rochelle. We're in the time period of the season of the fiscal year where we're more stable anyway, so there's less likely to have these big shifts that we would get in the summer weather now that these are the financials through November.

Rochelle:

Right. We were concerned about since our prior year was quarterly in that timeframe, we wanted to get through, to your point, the seasonality to see what the impact was of the conversion of monthly billing.

David:

Thank you.

Rochelle:

If you go to the next page, B. So here's where we show our O&M. So as I mentioned earlier, we're under by about 12% year to date, we will be going through a bottoms up re-projection as part of our budget process. I do expect that there's going to be some changes as far as individual line items. I do want to mention that we are now expecting to be in a position to recommend an additional pension contribution before the end of the fiscal year. So even though we're under now and we expect there'll be some erosion of that underage, we are anticipating that we'll be able to make be above and beyond pension contribution.

A couple of the key areas that I just want to go over. So payroll is under budget and that is primarily driven by, we are under headcount, even adjusted for our vacancy factor that we put into the budget. Employee benefits is another area that we're underwriting and medical is still pretty significantly lower than the budget. Another one of the larger variances is collection expense. And this is primarily driven by the bank fees. We had actually assumed that they would be up more significantly after the conversion of monthly billing. We have seen an increase, but not at the extent that we had expected. So we're monitoring that.

Business improvements that is under budget year to date. And that primarily is because we knowingly accelerated certain expenses into the end of fiscal '22 and they were budgeted in the first half of fiscal '23. Outside services also tends to be under across multiple areas. I do expect there'll be some erosion in that underrun as we go through the rest of the fiscal year. Maintenance and repair is another area that's under by just under 450,000 and that is primarily due to certain expenses that were budgeted very early in the fiscal year. Any questions on this schedule?

If you now move to schedule C. So first, at a high level what you see is that we are forecasting to meet our 96%, however, that does assume that we would move at this point, our estimate, and I'll talk about this a little bit more in a minute. That we would request moving about 6.6 million into the reserve due to supply chain challenges. We decided to hold off with some of the larger requests to move monies into the reserve because it is ever evolving in [inaudible 00:41:33] situation. So we're just going to hold off a little bit longer, but what we are portraying here in the schedule is what we currently think as far as our year end projections. So I just want to talk through some of the larger variances and on some of the projects where we think we're going to end from a fiscal year perspective.

So the Lake Whitney Dam, we are expecting that to underrun and within the 6.6 million that you see in that reserve contingency, we are expecting to move money from the project into reserve because we will need the money. It's just a matter of the timing of that project. For filter media, we are under year to date. That is timing. We're expected to use that budget before the end of the fiscal year. Treatment plant graphics upgrades is running under. We are expecting that we are going to end the year under. It's actually an amendment that was in the consent agenda that will move some of that money into the reserve because this project will actually go into fiscal '24.

The another one of our larger projects is the West River Water Treatment Plan improvement projects. That is under year to date by about 1.6 million. But we are cautiously optimistic that even with the supply chain challenges, that will pretty much come in on budget for fiscal '23. It is possible that the generators are going to lag a bit, although that isn't expected in fiscal '23, they would actually come in fiscal 24. But that project, Sunny and his team are monitoring the supply chain and managing through the challenges there.

Another project that I want to mention is that the water treatment plant valve replacement program, this is a project that's actually ahead. We will be proposing an amendment in an upcoming meeting to move about 1.2 million into that project. And that money is actually going to come from, you'll see it in a bit, from the derby tank. That even though that project is now moving forward, there is monies available



this year. And so, we're just going to move the monies around and then make sure we keep the money available for the derby tank in fiscal '24.

If you go to the next page, pipe right now is running under budget. That's really timing related. We are actually forecasting to be over the current budget, but there are a couple of amendments, including the ones that were in the consent agenda. The derby tank I had mentioned that, you see that's where the offset is to the monies that we're going to propose to move into the valve project. I should mention there is a hearing for the one lingering legal item and that hearing is scheduled for January 30th, but the project is moving forward.

If you scroll down a little bit further, Jennifer, the next page. From a general plant perspective, just a couple items I want to mention. The Working Asset management project that is really under budget right now. We are anticipating that there'll be an amendment. We are evaluating what that project should be. The CIS program, I just want to mention that the projected underrun here is just due to, through the contract negotiations, what the milestone payments are timed at versus what was assumed. So no change in the overall schedule just a change in the milestone payments. We will be proposing to move that money into reserves because we will need that money in fiscal '24.

I think the reserve, the primary change is we're definitely monitoring the capital program very closely. Supply chain is definitely a challenge. We're trying to work through that. And then from the last page, schedule D. Again, this is the favorable part of a rising interest rate environment. So we are well ahead of what the budgeted returns were. The budget was done at a time, well before the Fed started increasing the interest rate. So we're doing very well.

And if you go to the next page. This is from a cash perspective, and this is what our maintenance test is based on. We separated the two different pieces because the subtotal of the 902, that's what actually goes into our maintenance test. But also within the construction fund, we're well over what we budgeted and the interest income in the construction fund and in the growth fund actually stays within those funds. So those monies will be available to support both the construction program as well as uses of the growth fund. So that's why we separated out this way. So this is a highlight. It's definitely helping our coverage for our fiscal '23. And that's the end of this presentation. Unless there's any questions?

David:

No questions. All right. Thank you Rochelle. Good news. Watching the dollars carefully. Yes, Suzanne?

Suzanne:

The only thing that I would say is that, thank you very much, Rochelle for the presentation. Is that where there are issues related to timing, my opinion is I don't think Rochelle needs to explain those out. She can just say the five following issues are related to timing and then move on to the other ones just to save yourself some breath and time and energy.

David:

Yeah. Or even put a symbol next to some of those.

Rochelle:

That's a good idea.

David:

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Yeah. So I think you've done that in the past. Something like that. Okay, thank you. Thanks for the suggestion. All right, then we are on the next item on the agenda, which is G, election of officers for the calendar year, not including the chair. I'm in the middle of my first full term as chair. So we have the vice chair and the secretary to elect. The good news is I spoke to both of them and they would both like to continue. Well, I think it's good news, but what's your pleasure folks?

Suzanne:

I think we should nominate the existing vice chairman and the secretary to continue in their positions for what? Two years?

David:

One-year terms.

Suzanne:

One-year terms.

Tony:

I second it.

David:

A second. All right, very good. Any questions, discussion?

Suzanne:

No. I want to thank them for serving in the additional positions and taking on the extra effort that it takes to do that. So thank you very much.

David:

Thank you. That's what I was going to say after the vote, so thank you. We've moved things along. All those in favor signify by saying aye.

Group:

Aye.

David:

Aye. All right. It's unanimous. All right. Again, thank you Catherine, and we'll pass that on to Kevin as well. Appreciate that. All right, next item is RPB assignments. And we had December, we had Finance. Suzanne, I think I saw you on the meeting there? Oh, you're on mute.

Suzanne:

Yes. We actually had a nice productive meeting, and I actually have notes for this meeting, but you went so fast and I didn't know coming up, here it is. Okay. So most of the conversation was taken up by the dashboard, and I would say the most prominent question that Larry will think about and determine how to come back with some information for them is related to either customer satisfaction or customer complaints, resolution and timing of such and how long it takes to get them resolved. Just an interest in

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what the volume of complaints that come in and potentially how long they take to resolve, et cetera. And I think they were asking not to have new work be done by the administrative team, but is there existing reporting that they can do that would help give them information? And I think timing in terms of how frequent that information is available and other things were explained as potential challenges. But I think they'll figure out a acceptable means to communicate to the RPB. Other than that, I have nothing significant to report.

David:

All right.

Larry:

Suzanne, if I could just supplement that. The committee members were interested in some sort of a proxy on customer satisfaction because the customer satisfaction survey is only done once every couple of years. So water quality complaints and or customer complaints and resolution was one way that they thought we might be able to do that, which is under investigation, Prem and I have talked about that.

David:

All right, thank you. The next meeting was Monday, Land Use Committee. Catherine? Or no, last night. Catherine, you were able to attend?

Catherine:

I did attend the land use committee meeting last night. In addition to the typical approval of the minutes and the safety [inaudible 00:52:23]. There was an very interesting report by Steve Vico given on the reservoir safe yield analysis and the impact of the stream flow regulations that will be implemented in 2026. Not to bury the lead, the RWA has adequate supply sufficient to, according to the analysis, to sufficient storage to withstand multi-year drought. So that's the good news out of the study.

The next item on the agenda was the... Sorry, like Suzanne, I didn't have all my papers together. Okay. They did confirm that there would be a meeting on the budget in April 17th. So they addressed that and then as typical, Mr. Triana gave updates on the land and RWA properties. Highlights from that. His report is always very extensive. Everyone wants to know the reservoir level. So I'll say that it's at 73% at the end of October, which is above the historical average of 66%. The deer hunt ended at the end of November with a relatively lower harvest of, I want to say 24. I'm looking for the numbers.

Recreation. Recreation passes are down from our peak over the pandemic. And there was some discussion of, I beg your pardon. The Skiff Street property still is awaiting additional work with respect to the condemnation. Are there any questions?

Sunny:

What's going on with Skiff Street? What's holding everything up? It's been an awful long time. Hello?

Catherine:

Oh, sorry. It appears that there continues to be work that has to be... Or there've been communication with the town attorney regarding the status of the condemnation and they're still awaiting a response.

Sunny:

From the attorney?

Catherine:

It's says the town attorney.

Tony:

Do they know who that is?

Sunny:

Brendan Sharkey, I would say Tony.

Tony:

What? Sorry, Sunny?

Sunny:

Brendan Sharkey.

Tony:

Oh, okay. Fine. No wonder we're waiting. Thank you.

Sunny:

There was also, I think, the town planners and I would say there was some shuffle of staff there. So we have been in touch for a while, but last week, we did hear from, I would say Sharkey and he did put, I would say, one staff to assist. And I think John Triana had a conversation yesterday in the morning, so it is moving. So hopefully, we should be able to move through the process in a relatively quicker fashion than earlier. So I think that's where we are. As of November end, we had sent emails and we didn't receive any communications. During the first week of December, we saw some movement and Mr. Sharkey did get back to us. And he has also put in, I would say, a staff to help us out. So I believe we should be going through the condemnation and then go through the disposition process.

Tony:

We'll have an Easter celebration.

Catherine:

Okay.

David:

All right.

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Catherine:

The only other thing, there were some questions raised and answered about the status of where we are with respect to the police force. And it was reported to the committee that the positions have been posted and applications are in HR.

David:

Okay. Thank you Catherine.

Catherine:

Sure.

David:

And the next meeting is next Monday of Consumer Affairs. And Tony, you'll be attending that. So we will look forward to that update next month. Thank you.

Tony:

Thank you.

David:

All right, the next item on the agenda is updates. And we'll give this over to Larry, his section, and I think he's going to have Liz give us a COVID update.

Larry:

Right. We'll have Liz give a high level update on the COVID and then I'll do a couple of things.

Jennifer:

Larry, just sorry to interrupt. We have to do assignments for the next RPB committee.

Peter:

Oh, I'm sorry. Oh, thank you.

David:

Oh, I'm sorry. Okay. Thank you. All right. So January. Finance Committee, January 9th. Oh, Kevin here, you'll... Oh, Suzanne, you're on mute.

Suzanne:

Sorry, I just need to get my calendar open so-

David:

Okay, no problem.

Suzanne:

... You on this.

David:

Okay, we're moving right along here.

Suzanne:

I know. I know. Okay, fire away.

David:

Sorry. Okay.

Suzanne:

That's okay.

David:

Finance Committee. January 9th?

Tony:

I could do that.

David:

Okay, thank you. Land Use, January 11th?

Catherine:

I'll do Land Use.

David:

Okay. And Consumer Affairs Monday the 23rd?

Suzanne:

I can do Consumer Affairs.

David:

Great. That works out nice. Who needs Kevin? Just kidding.

Suzanne:

Let's assign one to Kevin.

David:

Exactly. Yeah, I think we could do that and February and March are far enough away that if one of us can't make something-

Suzanne:

Okay.

David:

February 13th is the Finance Committee.

Suzanne:

February 13th. I can do that.

David:

Okay, great. Land Use on the eighth?

Tony:

The eighth. I can do that.

David:

All right. And Consumer Affairs on the 27th?

Catherine:

Oh wait, let's see. I'm sorry-

Suzanne:

Why don't we give that to David? Not to David, to Kevin.

Catherine:

Yeah, I can do the 27th.

David:

Okay, so then we'll give him all three in March. No, let's... All right.

Tony:

Fair.

David:

Who hasn't been to Finance in a while? That could do March if you haven't?

Suzanne:

You know what? If you want, you can give Kevin Finance in February 13th and I'll take it in March.

David:

All right. And if he has trouble with that, he'll just let us know.

Suzanne:

Yeah, because I just did Finance.

David:

Yeah. Okay. Very good.

Suzanne:

So March. What's the March date? I'm sorry.

David:

13th also.

Suzanne:

Thank you.

David:

All right. Land Use on May, March 8th?

Catherine:

I could do that.

David:

Okay. And then Consumer Affairs on March 20th?

Tony:

I got it.

David:

All right.

Suzanne:

All right. And lest do you think you're done, I committed myself too quickly. I can't do the 13th in March. So let's put Kevin there.

David:

Kevin there. Fine, absolutely. Okay. Absolutely.

Suzanne:

Sorry about that.

David:

And you'll do February 13th then, Suzanne?

Suzanne:

I will.



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David:

Right. Okay. Very good. All right. Sounds like we're covered. All right. Now Liz, sorry. The quick update you have for us.

Liz:

Okay. Quickly just, we had one new case. So we're at 126, confirmed cases. Nothing else changes. We continue to still clean and make sure that we're doing all the protocols necessary. So nothing new.

David:

All right. Very good. Thank you.

Tony:

Liz, what is your email address?

Liz:

Sure. It's [ecalo@rwater.com](mailto:ecalo@rwater.com).

Tony:

Okay, thanks.

Liz:

You're welcome.

David:

All right. Then we'll move on with Larry's updates.

Tony:

Hello.

Larry:

Yes. In addition to my letter, I wanted to mention two meetings that we had this past week. And Catherine, thank you for helping to facilitate that. On Tuesday, we met with the New Haven Police Department Assistant chief there, David Zanelli and Jim Hill was present at that meeting, along with myself and some of Jim's key managers. But we talked about an early notification system if an officer cannot make a RWA job site where we need traffic control, we talked about collaborating with their involvement with the police, the PAL summer camp. So that will be a good way for us to bring inner city kids out to the forest area. We talked about having instituting program in partnership with the police department called Cops and Bobbers, which we thought was a clever program where the police will take kids from the inner city out to teach them how to fish.

We thought that'd be a good collaboration. And then the assistant chief also provided contact information for Paul to connect with the New Haven police officers who might be interested in working at the RWA when they retire from the New Haven Police Department. So that was a very productive meeting and we're going to have that on a monthly basis. And then yesterday, Jim and his key staff members met with the fire chief, and the deputy fire chief for New Haven. And in addition to exchanging

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contact information, they discussed training on using our hydrants and testing them. And come to find out the way the fire department does that and the way the RWA does that, is different. And their method could lead to having water quality complaints in the system. So Jim is going to have some of his staff go to the fire department and teach them how to operate our hydrants, and they're going to videotape that training and then they'll make that available to other firehouses.

Also, the city talked to us about replacing their fire hydrants. So they have about 91 that they want to replace. And so looks like they may be using RWA, they would pay us to replace those hydrants. They also talked about areas where the chief thought that fire flow was not as high as he would like and what we do about that. And we are going to be providing tours of the control room for some of the fire houses so they can understand the importance of the system and why we need to work together for our mutual benefit. And they will also be meeting on a monthly basis to discuss collaboration and coordination of activity.

So all in all, a really great meeting. And Regina Kittle who is a chief... Am I pronouncing that correctly, Catherine?

Catherine:

Regina Rush Kittle, yes.

Larry:

Thank you. The chief administrative officer attended those meetings, so she was a tremendous help. And again, Catherine, thanks for that connection.

Catherine:

You're welcome.

Larry:

So the other item that I want to just mention is just one quick update on the security, and I'll do that in our executive session because it is related to real estate matters.

David:

All right. Any questions of his report, both verbal and written before we-

Suzanne:

Yeah, I have a couple questions.

David:

Yes, sure.

Suzanne:

A first one is in the control room in terms of touring the control room. Do we have any limitations about who we let go in there to see it or not?

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Larry:

Well, first of all, you need to have a badge to access the room. So not anybody can just walk in unless they're already-

Suzanne:

No, that's not. I'm sorry. Let me be clear. When we offer to give a tour, let's say to the fire folks, is there a need to know criteria? I don't know. I don't who vets the folks who are on the fire department and whether they're appropriate to see our control room or not. This is a totally paranoid question.

Larry:

Yeah. Jim, do you want to jump in on that?

Jim:

Sure. We typically don't do a lot of tours of control room. We do more tours of the water treatment plants, and typically, it's all for school groups. As Larry said, in order to get to tour the control room, it has to be approved by RWA staff. So typically, it's either a school group or someone that has an interest in the water system in some way. So with the fire department staff, they're working with our system anyway, opening, closing hydrants. So in my opinion, they would be appropriate to have a tour of the control room.

Prem:

Yeah. I think if I may add. If you're thinking Susanna, about what they see, scale is a good example, the scale system we have. So we have ways where we could minimize et cetera, as to what they could and could not see. So we can do some of those things as well.

Jim:

We don't allow photos.

Prem:

Yeah. We don't allow photos [inaudible 01:06:54] there. We did have in the past, where we had construction diagrams, which is all tucked in. That was another recommendation way back when. So we did do all of those things. So I do see the point. If you're thinking about what they see, we can control what they see and the discussion. And to Jim's point, they are part of our system in terms of some of the work on fire hydrants, especially on operating that, not specifically on the pump station, other things, but it is part of the protocol, I would say.

Jim:

Yeah.

Larry:

Suzanne, does that answer your question or are you not...

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Suzanne:

It does. I don't know. It does. It technically answers the question. It's just for me, the average Joe who's a fireman, I don't know if his discretion rises to the ability, and I'm not degrading firemen. I would just say anybody, and I wouldn't just want anybody to go through the control rooms. Maybe the fire chief, maybe the officers of the firehouse or whatever, just some level of... I don't know. That's my only thought, but I'll let it go.

David:

Okay.

Suzanne:

I also read in your report a couple of other things. One of the things is that the water revenue is higher due to consumption. Are we beginning to see a trend and a change in this 1% precipitative decline?

Larry:

Well, we're still experiencing a bit of an abnormal reality be due to the COVID consumption because we still have a good percentage of people that are working at home full time. So there is still a bit more water consumption than what our normal annual 1% decline has been. But as we project revenues, we're still projecting that 1% decline overall.

Suzanne:

So we don't anticipate that that trend is changing. We still think it's an aberration due to-

Larry:

Correct.

Suzanne:

Okay. Next step was collection efforts. I know that because our monthly billing is new. When do you think all that work that you've been presenting to us about your collection efforts will start to make some meaningful impact that's worth reporting to the board? Is it a year? Is it two years? Is it-

Larry:

I honestly believe it's going to take us a year, Suzanne. Prem, Rochelle and I have had numerous conversations on what our collection strategies should be in order to selectively... And I say selectively because we don't want to go after people that are in a hardship situation, lost their job or something like that. So those accounts that we know are abusing the system, we have a strategy in place to go after them with either phone calls, notices, shutoffs, or leaning the property as necessary. Even though we have the right, there's an automatic lien that is placed on a past due account, we actually physically file a lien with the court because then the customer gets that notice. And so it puts some realism behind that. And of course, if they sell it, we'll get paid that way. So the strategies that we've talked about is a more aggressive version of what we've been doing softly during the pandemic when we could, and it wasn't prohibited. And I think it'll probably take close to a year, next year for that to really show some results.

Suzanne:

Okay. Thank you. And then I have two other questions. I think in your report, you also reported out some information on pipe safety year over year, or actually PipeSafe information, but it was month to month. And I was wondering if we could next time, see year over year, meaning how many people have enrolled and that kind of thing. And then secondly, there was also I think some information about repairs, number of repairs, cost of repairs in the month and in the year to date. And I was wondering how those numbers relate to the model of profitability, if you will, for the program. Are we well within our projections for the amount of costs associated with the insurance of PipeSafe? Or are we seeing... Because I noticed that we have an increase in repairs, or is our cost model being challenged by the number of repairs and cost of repairs?

Dennis:

Yeah. Larry, do you want me to take that?

Larry:

Okay. I do want to point out, Suzanne, that we are in the process of implementing an increase in our PipeSafe services. So any uptick will be covered by that. But Dennis, do you want to provide more detail on that?

Dennis:

Yeah, I was just going to articulate Suzanne. I don't have the numbers off the top of my head, but on a year to date basis, PipeSafe expenses are below the budgeted expenses. However, we did recognize that we are having supply chain challenges and increasing prices. So we took a hard look at the PipeSafe product itself and looked at pricing and we actually invoked both a product change. So increased coverage to the consumer as well as a price change offset in cost, and Prem's team deployed that in November. So yes, we keep a constant eye on those activities. They were running under budget, but with pressure. So we did modify pricing and coverage and the beginning of that took place in November, then it'll take a full year to come to fruition. Because as you know, we honored the existing contract and we changed them at terms. So performing properly with some pressure and we modified accordingly.

Suzanne:

Thank you, Dennis. And then last question, Larry, there was a little blurb on unaccounted water, and if my calculations are correct, it looks like we have about 4% of our daily usage that looks like it's unaccounted for. And I just was wondering, A, is my calculation correct? But B, is that a lot? Minuscule?

Larry:

Well, you've got to look at unaccounted for water in a couple of different ways. First of all, it can be physical leaks in the system, but it can also be used for firefighting purposes or other uses that the Department of Public Works may have. And that is non-revenue water from that standpoint. It can also be the difference between what we produce, water, and we keep records on a daily basis and how much we record has actually been sold. So that's a paper difference. So it can include all three of those numbers. So that's a gross number, number one.

Number two, the industry standard set by the American Waterworks Association overall is that no water utility should have more than a 15% unaccounted for water supply. Best practice is below 10%. And that's what we have set for our goal is to reach 10% and we have employed new technology that Sunny

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is working with Jim Hill on that is actually able to correlate leaks over, say 100 yards and pinpoint it within a few feet. And that technology is proving to be very valuable where we found some fairly large leaks that were undetected. So we'll be able to find the leaks faster using that technology. And now that we have the AMI system in place, that's all new meters. So that should tend to minimize going forward the paper losses that we're showing. So I think over a matter of time in the next year, we should get this number down on an overall basis so that it's closer to best practice.

Suzanne:

Okay. And then that would also include water main breaks is also another.

Larry:

Yeah, that's another factor, of course.

Suzanne:

Yes. Okay. Thanks very much, Larry.

Larry:

And that concludes my report in open session and then I'll have a quick update on security matters in executive session.

David:

All right. So then I would accept a motion to move into executive session for the purposes of discussing the security matter as well as real estate matters.

Suzanne:

I'll make that motion to move into executive session for security and real estate matters.

David:

And inviting the senior executive team and...

Suzanne:

Inviting the senior executive team and...

David:

Yay. Jennifer and Dennis, I'm not sure.

Larry:

And staff.

David:

And staff. Thank you that I knew there'd be a better one.

Suzanne:

And staff. Longest motion I've ever made.

David:

Yes. Is there a second.

Catherine:

Second.

David:

All right. All those in favor signify by saying aye.

Suzanne:

Aye.

David:

Aye. All right. Peter, we thank you very much for being with us and look forward to-

[EXECUTIVE SESSION FROM 2:33 P.M. TO 2:47 P.M.]

David:

I will entertain a motion that I actually just heard. [inaudible 00:00:13] All right, Catherine, you had the wording.

Catherine:

Okay. I move authorization of Larry and Sunny to enter into a non-binding memorandum of understanding with the developer and the City with respect to 90 Sargent Drive. Is that enough?

David:

As presented.

Catherine:

Perfect.

David:

Okay, perfect. All right, so that's a motion. There's a second. All those in favor signified by saying aye.

Group:

Aye.

David:

Aye. Passes unanimously. Thank you very much. All right, let's take a 10-minute break.

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[10-MINUTE BREAK]

David:

All right. And there it is. No, I don't have her correct number. Okay, I was looking for Suzanne's correct number to text. I had the house number. All right. Well, I'll accept a motion, since we've read the background. Nobody had any questions who's present. I'll accept a motion to approve this. Where's the resolution? It's the first one, I think.

Catherine:

Catherine.

David:

Is there a second?

Tony:

I will second it.

David:

All right. Any further discussion? Sensing you're ready to vote. All those in favor, signify by saying, "aye."

Group:

Aye.

David:

Pass is unanimous. Thank you. All right, we are on.

Larry:

Thank you everyone.

Catherine:

Thank you.

David:

All right, Commercial Business. Before we recess the Authority to meet as Commercial Business Committee... This is an update and we've got the information in there, right? All right. So then let's do that. Because Larry, I think we can get this done within a half hour and then the [inaudible 00:01:46] case...

Larry:

Okay.

David:

And still give us time. Is that reasonable?



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Larry:

That's reasonable. I think we can keep this pretty high level since you have had...

David:

Okay.

Larry:

Had the information beforehand.

David:

Okay. Then I'll accept a motion to recess as the authority and to meet as a commercial business committee.

Catherine:

So moved.

David:

Is there a second?

Tony:

I'll second it.

David:

All right. All those in favor? Signify by saying, "aye." Aye.

Group:

Aye.

[COMMERCIAL BUSINESS COMMITTEE MEETS FROM 2:47 P.M. TO 3:05 P.M.]

David:

Okay. Passage unanimously. So now we are on item L, act on matters arising from committee meetings and there are none. So we can move on to our last item on the agenda. Presentation of issuance, test rate application. Since this is a rate application and there are items in here pertaining to commercial and financial information, I will ask that we vote to go into executive session for this discussion, inviting those present. Sorry, Catherine, you are about to say that, right? All right, so moved. Is there a second?

Suzanne:

I'll second it.

David:

All right. All those in favor signify saying aye. Aye.

Group:

Aye.

David:

All right. Passes unanimously. Okay.

[EXECUTIVE SESSION FROM 3:05 P.M. TO 3:37 P.M.]

David:

OK, sorry, we are alright. I'll declare us out of executive session. We are now back in open session and we are still on item M and we have a motion about to come on the floor.

Tony:

Moving it onto the floor.

David:

All right, there's a motion to approve the rate case issuance test rate application. As presented, is there a second?

Catherine:

I'll second it.

David:

Second, alright. Is there any further discussion? Sensing you're ready to vote, all those in favor? Suzanne, did you?

Suzanne:

Yeah. I just would say for us on the record that the rate case was all the things that we have said in discussion is that it was well thought out. It was well executed. The process seems to have turned out to be a much more reasonable case than we thought originally, and for that reason we're pleased to have this outcome on behalf of our customers and willing to support it going forward.

David:

Well said. Thank you. Any other comments? The motion is there in written form on the screen and Tony moved and seconded by Catherine. All those in favor signify by saying aye.

Group:

Aye.

David:

Alright. Unanimously passed. That was the last item on the agenda. So prior to adjournment, I would wish us all happy holidays. Merry Christmas, Happy New Year, and Happy Hanukkah. I hope you all have a wonderful time with your family and friends and we will see each other tonight. But not to have a more intimate conversation like this. So I just wanted to say that to all of you.

Larry:

Thanks for the approval, David and members.

David:

Thank you. Alright. Who wants to move to adjourn?

Suzanne:

I'll move to adjourn.

David:

Second?

Catherine

Second.

David:

Alright.

[AUTHORITY MEETING ADJOURNS AT 3:39 P.M.]