

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

FEBRUARY 27, 2025

MEETING TRANSCRIPTION

David:

We'll call the South Central Connecticut Regional Water Authority's February 27th 2025 meeting to order. It is 12:30. Welcome everyone. A 100% attendance of the members. We have a safety moment. Essentially what I took away from that was get good sleep. So make sure that you recognize that winter is a different time for your body. That yet we're getting out of winter into the spring, which is awesome. All right, item two, public comment. Do we have any members of the public?

Jennifer:

No.

David:

No, okay. All right then, first main item, we meet as the Audit-Risk Committee. So we'd like to recess the Authority to meet as that committee.

Mario:

So moved.

Kevin:

Second.

David:

All those in favor, say aye?

Authority members:

Aye.

David:

Okay Catherine, it's all yours.

[AUDIT RISK COMMITTEE MEETS FROM 12:31 P.M. TO 12:49 P.M.]

David:

All right, we're back-

Catherine:

Back to you, David.

David:

Ok, we are now back as the Authority. Thank you. Next on the agenda is the consent agenda.

Suzanne:

I motion.

David:

Thank you. Is there a second?

Mario:

Second.

David:

Second. Are there any amplifications or questions or anything anybody wants to discuss? No? Sensing You're ready to vote then? All those in favor, signal by saying aye?

Authority members:

Aye.

David:

It passes unanimously. Now we're on to reports of RPB committees and let's see, February 10th was Finance. Mario?

Mario:

Yes. Very exciting meeting as always.

David:

They're getting longer and longer though. They're going to lose their reputation.

Mario:

Well, this one was quick.

David:

This one was quick?

Mario:

This one was light work.

David:

Oh, all right. They were back on track.

Mario:

It included the lead pipe inventory update that we had seen in our meeting by Tom Barger on the 14th. And Tom did a very good job. There were questions and he mentioned starting some of the real work later into 2025 and there were questions as to well what happens to the lead material? Is it an issue

with disposal and life and stuff? So everyone looks very entertained and most of the time, it's left in the ground. There's no problem with it most times.

Catherine:

I guess.

Mario:

And then Jamie, welcome as the attending this month. They went through as attending went and they put off a discussion on Five Member Authority third party compensation study. They moved that to May and they'll have more information in the next meeting which is March 11th.

David:

Are there any questions? All right, the next would be Land Use. And Kevin, that was-

Kevin:

Well, I'll go back to Consumer Affairs from the end of January.

David:

Oh, that's right. It was after our other meeting.

Kevin:

So that meeting was largely Prem talking about changes to the RWA's Rules and Regulations for Water Service and its rules and Prem went through a very detailed item by item list by list. It's listed out in the minutes from that Consumer Affairs Committee. A lot of them have to do with the changes to the enabling legislation. And other things that I guess were flagged as necessary to make changes to. And the RPB committee heard that and I don't think that they needed to vote on approving them.

Committee members also discussed copper tubing, customer billing, plastic piping and PFAS, change process. Other considerations in the frequency. The effective date of these changes is January 3rd, 2025. The revised rules are available to the public on the RWA website and Attorney Donofrio discussed the OCA's proposed budget of 50,000 with an additional 10,000 per potential consultant if needed. The budget will be contingent on fees that may be associated with Blue Drop for the remainder of FY2025 and 2026 proposed budget. So there was some caveat to that. So they adopted the OCA's FY2026 proposed budget. There were no pending consumer complaints or outstanding RWA applications to report on at that meeting.

And then Attorney Donofrio reported on a catastrophic water outage in Richmond, Virginia and surrounding areas; his son's down in that area as an attorney and he had his son tracking and providing information on it. He brought a couple of points and wanted to identify lessons learned from the Virginia catastrophe. He highlighted those. So that was it.

And then the Land Use Committee met on February 12th and that was a couple of experts on both sides with consultants and Ms. Rutledge with the Connecticut Agricultural Experiment Station, who provided a presentation of the various bugs in Connecticut. Reporting on the emerald ash borer, which is a highly destructive beetle specifically to our target's ash trees. I know Milford, we've had a significant problem with that, so I'm sure it's same with the rest of the region. The life cycle spans one year. First identified in 1990. So they've talked about current control measures, use of resistant plant varieties, natural

predators such as woodpeckers, release of parasitoids and various diseases alongside biocontrol strategies. Management efforts focus on monitoring multiple sites to assess tree health and the various stages of beetle's life cycle. Significant challenge ahead will be determining effective methods for the regrowth of ash trees.

And then there was an update on the spotted lantern fly by Ms. Rutledge again, which is another invasive species which you've probably heard of or seen. First appeared in Pennsylvania in 2012 and has been in Connecticut 2023. Originally from Northeastern Asia. Has notably affected the grape and wine industry in Korea, and the fly spreads through transportation corridors. Is currently found in Southern Connecticut. Has a considerable adult lifespan and could cause significant damage, primarily feeding on the tree of heaven but also targeting other plants such as multi flora, rose, grapes, apples, and peaches. And infestations can be identified by a sooty mold found on leaves resulting from sap consumption, which also attracts bees, wasps, and ants.

The control methods discussed include hack and squirt method or technique which eliminates tree roots and traps made from the shingle materials. And then they heard their standard update, which is provided.

David:

Typically very detailed, specific, in depth. Would you like to try again? I don't know.

Catherine:

I'm not sure. I really want to know what hack and squirt means.

Kevin:

I think it probably means cut it and spray it with something.

Catherine:

Interesting label.

Kevin:

Yes.

David:

All right, any other questions on that? Okay then. Consumer Affairs, Catherine.

Catherine:

Sure.

David:

The newest one. The most recent.

Catherine:

Consumer Affairs meeting was up held on the 24th of February following the usual safety moment and public comment. Approval of minutes. There was a very interesting presentation addressing the Customer Experience and Escalation process. The emphasis included a principal goal of resolving

customer questions and concerns in a fair and ethical manner in accordance with the rules which were described by Kevin. It's interesting that there is a fairly low rate of matters escalating to a level higher than your customer service representatives. The RWA has a approval rating of greater than 90%, the national average of 77%. Unfortunately, these rankings are non-public and so we cannot see how we compare to other Connecticut-based water companies, but that was interesting.

Jeff Donofrio talked about a, I don't know if it's quite an escalation, but it's an issue with a homeowner who wants to extend a service line for property or undeveloped land that his son wants to build a house on and it's quite a high expense and so they're looking at different ways to make it more affordable, but the challenge is that it's just going to be expensive. I think that's just it. Jeff's bill was approved and I think that's it.

David:

Okay. Any other questions on there or any comments? All right. Then we will move on to Finance. Two items. We have some amendments and then considering consideration of the refunding. Rochelle?

Rochelle:

Thank you. So first we'll do the type B3 amendment. So this is regarding CIS. So for CIS as we've talked about previously, the go-live date is April 2nd. There is though going to be some residual activity prior to June 2nd, so it's now expected that the final bill because we definitely don't want to pay before we know everything is done. So it looks like the final payment will be in fiscal 2026. So we're proposing to move \$522,272 into the project reserve and then we'll move it into fiscal 2026 in June.

The other part of this is something that really is just a correction to the budget. So two things are contributing to this. So the fiscal 2026 budget was done prior to ending the fiscal year 2025. '24, sorry. '25 was done before '24 and there was a pretty significant overrun in the expenditures in fiscal '24 and the budget, unfortunately we missed adjusting for that and there was also an amendment that was associated with '24 to '25 and so that needed to be corrected. So we're proposing we're going to move 1.6 million into the project reserve. This will make sure that the dollars for CIS tie totally to the approved amount of the 16,011 and change. And then the money that we're moving into the project reserve will either, it'll be available should we need it even later this fiscal year or we'll move it into '26 or if we don't need it, we won't move it. But this is important as it's just a correction to the budget that as we were going through everything and all the dollars that were previously spent, we wanted to correct to the two resolutions.

Suzanne:

Do we have questions there?

David:

Resolutions are there, so you can ask questions or somebody can present them.

Suzanne:

So just for clarification, so the 500,000, it's sitting in the CIS budget, there's a separate account for it or there's not?

Rochelle:

There is actually, yes.

Suzanne:

So it's sitting there and you're just putting it somewhere else so that when you pay that bill, it'll be where it needs to be from an accounting point of view. So it's in the right fiscal year if needed to be?

Rochelle:

Basically what we're doing is so we know that at this point, we know that it's not going to get paid this year. So we're putting into that project reserve that we created a few years ago. If you recall in June, we go through that whole process of carryovers and releasing project reserves and we don't want it counted twice, so we set it aside so it'll be available for fiscal '26.

Suzanne:

Okay. So the second question I have, so that seems to be like it's a timing issue, just getting it where we need to. Second question. You said that we want to make sure that what is spent and accounted for that the RPB approved stays within the limit, but this would be for residual costs. My only concern is this 1.6 million to keep us within the RPB limit for the project or are we supplementing that?

Rochelle:

The 16.6 is actually a reduction to the CIS budget because it needs to, when we looked back historically since '23, all the dollars that were spent including the overrun in fiscal '24, the budget couldn't go above 16.11, which is just to be clear, it's not what the RPB approved but it's within the 10%. So the new budget is 16.11. Unfortunately because we didn't adjust for the overrun at the end of last fiscal year, we need to address it. So this is not going to CIS, that's why we're handling it separately. We're just putting it aside in the project reserve and we'll use it for other projects if we have a need. And if we don't have a need, we rest.

Suzanne:

So I just want to make sure I understand. So after all your accounting, you're making sure the CIS project is within budget and approval levels with whatever, 10% contingency and because we have an extra amount of money, we're taking it out because it can't be in there and we're putting somewhere else for a rainy day?

Rochelle:

Yes.

Suzanne:

Okay, I got it. Thank you.

David:

That's right. Thank you for the clarification and the question. Any other questions before we'd like to present [inaudible 00:35:28]. We can further discuss if needed.

Okay, there's two of them. Was that plural?

Catherine:

So moved.

Mario:

Second.

David:

Thank you. All right, any further discussion?

Suzanne:

No further discussion.

David:

Well, they're on the topic amendments and they say yes.

Rochelle:

Yes, it's been resolved.

David:

So I think that's fine. They say yes for both of them.

Rochelle:

Okay.

David:

All right, any other questions or comments? Now since you're ready to vote, all those in favor say aye?

Authority members:

Aye.

David:

It passes unanimous. I know I said they and I raised my hand. I should've followed up and said which do you want?

Catherine:

Right. Thank you.

David:

Yes.

Catherine:

It's for the video recording, that's why.

David:

Yes. It's all right. And then the second item, Rochelle, the refunding?

Rochelle:

Yes. So we're actually already in the midst of our tender refunding, our 38 series and in fact, I have some documents to be signed. This is actually to be able to do a taxable refunding. So the final resolution was only to do the tax-exempt refunding. And this is really a contingency based on discussions with Josh [inaudible 00:36:49]. And it's because this is a tender refunding, it works a little bit differently and we want to make sure that in no single year, even though they'll be overall savings, that we won't have any of the savings. So we could A, advance refunding is no longer allowed for tax-exempt bond. So this will give us an opportunity only if we need it based on what the distribution is of the tenders to do a taxable refunding. So it's just a contingency because we don't want to have any dis. We definitely don't want to have dissavings in any one year.

Suzanne:

And dissavings means losses?

Rochelle:

Yes, it means your debt service is going up versus down even though your overall is down. Right now, the tender period hasn't ended but it's looking pretty good. We might not even need this but we definitely want [inaudible 00:37:47].

Suzanne:

Okay. Thank you.

David:

So any more questions or does someone want to present this motion?

Mario:

Yes.

Suzanne:

Second.

David:

Question?

Mario:

So is that why the value is 3 million?

Rochelle:

Yes, we probably won't even use the 3 million but that is why.

Mario:

Okay. Because I was confused with the dollar amounts in the various documents. I think we don't want to give them open-ended.

David:

No, no I'm fine with it.

Mario:

Or something. But taxable didn't sync in.

Rochelle:

Yes, That's the dis. So you already approved the tax-exempt but this is a taxable.

David:

Any other questions or comments? Sensing you're ready to vote? Oh no, nobody made the motion yet. Okay, great. Any further discussion? All those in favor, signify by saying aye?

Authority members:

Aye.

David:

Passes unanimous. Anything else under Finance?

Suzanne:

I have a question just related to bonding. So we had talked at some point about taking a look at the grand schedule of bonds. See the world as Rochelle sees the world. And again, is it an aspirational conversation? Is it something we have planned to do sometime in the future? Should we do it as part of strategic planning?

David:

That would be fine.

Suzanne:

Okay.

David:

Yes. Not during operating budget time. So spring as opposed to... Yeah, spring or summer.

Suzanne:

Okay, thank you.

David:

All right. Then we will move on to business updates. Sunny, you can start.

Sunny:

I think we'll start with the CIS updates and then we'll move on to the business highlights and then we go down.

David:

Okay.

Prem:

So I'll take the CIS.

Sunny:

Yes, you can take it.

Prem:

The CIS update, I think we are progressing well while we have meeting priorities. As you could imagine, we are trying to get to the closure of the project, so between training activities, testing activities at the same time closing some of those things which is actually good. So just a very few things to hit on. As you can see, the budget is still 16.01 on the foundation we had prior, so we're trying to tap on the budget. And accomplishment-wise, I think where we are right now, we have completed 50% of our end user training, which is pretty good in terms of where we are on our projects. One more month ago. So the training continues. We have had 95% completion on user acceptance testing, which is catered to be completed by end of the month. Very tight timeline, which is particularly frightening.

One thing I would like to share that I'm sure the board will be impressed, we are actually working on the Mock 2 dress rehearsal, we call it for data migration. Remember there was at the start, a question about the quality of good data. So we completed that and the lowest, it came down to 82 records to be fixed out of-

So we are 99.99% perfection in data. I've never seen it before. I've seen only 97%. So which also proves that the team is bringing a lot of a effort. We are doing all the work we need to do. So that's the good news there. We've already mentioning a full swing on communications. You probably see out here from our internal communications team, government affairs, we're actually putting out communications on water lines spill inserts. So we are doing full swing as a whole plan on communication from external customer perspective, which actually I have covered something in the back which is really good. So the team is working through that. Some of the great accomplishments are right there and we are getting ready for the go live now.

And then moving on to this next basis of things to do, we are going to be performing a final task for performance because we'll be going live for this system. So that's actually been catered for next week, which is coming. So we are fast progressing into that. Obviously, one thing I would say is the team has been putting fabulous amount of time in here, amazing to see 60 people working on the project, getting to the finish line. So there are some caveats, again, I don't want it to sound as if it's running green on the outside and on the inside.

So just to be a little clearer, there is a little bit of testing, UAT testing that's happening where we are deciding based on business impacts on user acceptance testing. There are a few scripts as the teams are going through, they're making sure that if there are things that we have to arbitrage now or go live versus something that could come after go live, they're actually talking about it because as we all know, every month is a million dollars burned on the project. So we have really to make those calls. So me and

Rochelle are tied to the hip. We are trying to go through the process of making sure we are getting ready for April.

One of the things that we also heard from this team in the past, we also have installed something called the Comfortability survey. Not just the training but really asking the people by name, how are they feeling in terms of getting ready for the go-live. So we have still some ways to go but we are seeing over 90% of the rate being very positive. So fingers crossed. So that's my update there high level.

Suzanne:

I'm sorry to interrupt you. Those are people who are working on the project who might be going home and night going, "Oh, boy." It's those folks, not the people we're anticipating to use the system?

Prem:

Yes, exactly. I think it's very amazing to see and there's definitely stress, I would say that because of all the parallel activities. But the team is working through that. I just had put out the next slide very quickly, I won't go through the details here. This is just focused on external communication. Go to the next slide. So very quickly as you could see, you're doing bill inserts, direct mail campaigns you're doing, you're sending email for the e-bill customers to communicate to them that this is coming. We have put out communication on website and portal saying that this is coming. So people are looking at all the information, what they need to do.

And then social media, we're trying to use Facebook, whatever we have from our perspective, we are using that to communicate to the customer. We are also looking at mitigating business impact. Just for the clarity, there is a time between March 21st till April 1st the systems are going to be shut down for go live. So we are taking extreme steps, me and Rochelle had a lot of conversations to make sure there's no cash impact. So we are giving customers clear instructions on how they can continue to pay so we can actually get the cash at the door. So we're making all those steps. And also as checks and balance, we are looking at how many people are registered today in online pay. Once we go live, we have a report to compare and contrast and let's say there are people who are not registered, we have a plan to call them or do whatever is required to get them on board because everybody has to re-register as part of this rollout.

So there's a whole thing. We have to be very careful and this is for everybody, not just us. There's compliance, we can collect critical information, et cetera. So we've got to do that. It's all good news, a lot of work, everybody's going forward to do whatever is required. That is my update.

Catherine:

What are the dates of the shutdown again?

Prem:

March 21st is when we take down the system.

Catherine:

March 21st? Okay.

Prem:

To 1st April. We do anticipate that we'll have a system back on April 1st, but we don't want to say that because we also want to make sure that anything that we record as transaction has to be in April so it goes to the right books. So we will have some time that the team can use to do all the manual entries, top set entry, whatever they need to do. So that's the plan.

Rochelle:

And there is concern because we're so close to the end of the fiscal year, that's why we're going to have a lot of discussions.

Prem:

Exactly.

David:

Sounds big.

Prem:

Thank you.

Mario:

So you had said that you're getting good feedback as far as comfort level is rising that you'll be able to make. Have you asked the question, how are the people doing? Because as you push, push, push, you get to a point where, yeah, I see the goal, we're going to make the goal and yet they don't make it because they fall apart on the way there.

Prem:

That's a great question now, you're right. So a couple of things we are doing along those lines. So training is one thing. We could train and then people learn differently and there's an adoption rate. So one of the things we're also doing is we're not just stopping at training, we're also giving them ways to play in the system. So we are actually the extent, I've never seen this tool before, so you're given time, schedule time for our people so they can go and actually do things in the system, not just sit in the training and you leave.

So things like that to gain that comfortability level even more. And I do believe that it's not going to be as soon as we go live, it's now going to be a beautiful scene there. So there's going to be some learning curve. We need to expect some bumps, but we are making sure there's no huge bumps, speed bumps. You want to make sure that people are adopting the solution they're working through. As a matter of fact, the refresher training has been planned already for even after the go live. So we are doing before go live, sometime to play and then after the go live, we got three months of refresher training. So it's almost like everything has been planned, a lot of effort going in. So there are areas now because we have to do career activities, that's also going to start in a couple weeks. Then we have to finish up our testing and then the training. So there are competing priorities coming in.

As a matter of fact, this weekend for the dress rehearsal, Rochelle and myself may also be end up being there just to look at their practicing what's going to happen on the go live. So we are actually practicing that now to see who needs to do what. And we are actually performing those tasks just to make sure

that everybody's comfortable and actually do the real time. So a lot of work going in. So from now on, I think it's going to be literally a tracking hour by hour basis as working.

Mario:

I guess my question is a little bit different is will they pass out from exhaustion on April 2nd because of all the energy they've put in. That's my concern.

Prem:

Yeah, I think there are certain points for recharge times. The way that we are looking at... There's also, for example, not everybody's doing every task at the same time. So there are times where let's say closing entries are happening at a certain time versus customer service testing are happening at a certain time or training happening at a certain time. We also have put in, let's say for example for training, only four hours of training every day. They're not blocked for the whole day. So we have planned for some recharge time within that. We also have given some time for people to take time off. So there's a whole process where people can take time off for example and it's part of the PMO process we have.

So there are avenues, but I do say that all that being said and done and being there, there's still that pressure in the mind because they want to see the light at the end of the tunnel, so totally agree with you. But we are trying to find ways to help the team. So hopefully that-

Catherine:

Hopeful they stay healthy. Fumes we're running out of.

Suzanne:

Yes.

Prem:

Yes, yeah. And we also have an army of people helping our consultants. The headquarters is here, we have people coming for the go live, so there will be a lot of handholding and all that. So yeah, they're very, very much in cautious onboarding and they don't want to be in trouble and you want to make sure that everybody is doing fine and they're able to execute their tasks. So yep.

Mario:

Sure.

Suzanne:

So when we started the project, a good amount of the budget for the project was going to be people. People to work on the development of the project, people to do the training, and people to help with adoption. And often what happens is when you get through the project, especially if you run into overruns, delays, whatever, you start chipping away at those resources. Do you have the resources that you thought you would at this stage of the game to do this stage of the process?

Prem:

I'll be honest, until April go live, I think we're good. So there's no question everything is all set and done, but there is a period after post go live life support. So typically, projects you don't full scale the resources for after the post go-live support. But we have made sure that we have people that can cover from that perspective. But in terms of resources, I would say post go-live support is three months. So we have resources for after into three months. So people have to learn, scale up, and we have people that cover and out for those reasons. But after that, we don't have because you have to go back to normalcy, right?

Suzanne:

Right.

Prem:

So it's a spike and the valley. So we have planned for that part of it, but once we are past the post go-live support, we would expect people to be up and running, at least that's the idea. So from that perspective, we are covered.

Suzanne:

Okay. And then second question is on the call center, I would say inevitably, customer volume is going to go up based on the fact that we're going through this process also. So do you have similar plans for them to be able to respond?

Prem:

Yes. As a matter of fact, we also have engaged to get couple temps to help as well during the time. So we are trying to make sure that we are scaling up. We do expect more calls to come in, so there's going to be more field support on the contact center, that we're going to have people placed. So things like raising flag to have people to help because they're learning. So we have plans for resource perspective from there. But one thing I would say is that we don't know what to expect because of the fact that literally, we are setting to ground zero for people to be registered for example. So that's one area. So we got 42,000 people that have actually registered for e-bill. So they may have still questions, they may still call. So we have scaled resources accordingly in terms of what we think we would expect.

And then we also have back office processes. So we will be manning more people on the calls than actually doing the back office processes. So we are trying to adjust. We cannot hire many, many people so we have to be careful about it. So we are mindful of that and the team had planned for that as well.

Suzanne:

My last question is how did we do budget? Did we stay within the approved limit? Did we stay in the budget? How much of the contingency did we use?

Sunny:

I can take it.

Suzanne:

Go ahead.

Rochelle:

I know my opinion about the contingency.

Sunny:

A good answer to when we started, the value was 14.88 million and then we had a contingency of the 10%, that gets to about 16.23 million. That's the magic number. So our current budget goes up to 16.01, which is still under the 10% contingency. But we are trying and striving to meet that, I don't believe they will be going over that and all the discussion we had prior, we're making sure that for the post go-live support and things like the final 22,000 we have going, we just paid for that. So we are under the budget and I would say with experience doing this eight times in my past life, this is probably one of the most challenging programs. It's transformative and I look at it in terms of how we have scaled on the budget, it is really good. And I benchmarked with people at Gartner, other people that we talked to and even Steve who's our quality auditor here, he has said the same thing.

So we have included a lot more staff in terms of the program, which is going to change how RWA operates. So it is definitely transformative. So from that perspective, I think we are doing really well per the budget.

Suzanne:

Can you give me the three numbers? Our estimate of the cost was 14?

Sunny:

14.88 was the original budget.

Suzanne:

And with 10% was 16?

Sunny:

16.23.

Rochelle:

63. Can I just clarify, that's not the contingency, that's the leeway that you have.

David:

We can go 10% over what they approved us for without having to go back for adjustments. We are going to hit that 10% over because of the extended time that it took.

Suzanne:

Well, it sounds like we're going to come in a little bit under.

David:

Maybe slightly under the extended.

Sunny:

16.01.

Suzanne:

So why are you making a point that it's not contingency? Was there contingency within the 14?

Rochelle:

Yes, there was definitely a contingency.

Sunny:

Yes, exactly.

Rochelle:

So that's to go up to 16.01.

Suzanne:

So what was the original budget?

Rochelle:

It was 14.8 With I believe a 10% contingency.

Prem:

Yes.

Suzanne:

So inside the 14, had a 10% contingency?

Sunny:

10%, yes.

Suzanne:

Thank you.

Sunny:

That's a good way to word it.

Suzanne:

So this was an expensive project.

David:

Yeah, it was.

Suzanne:

And they had plus 10% on top of the budget. So we used our 10% contingency and the 10% leeway?

Rochelle:

We're at 8%. The budget is slightly under 8%.

David:

Yeah, slightly under 10%.

Catherine:

Over the original 14.8 that was approved by the RPB.

Rochelle:

Yeah.

Suzanne:

So it's the original budget of what the project would cost without the contingency, we're over by 18%?

Rochelle:

You could say that. But however, and I remember going back to the time there was this, you wouldn't do a project like this without a contingency.

Suzanne:

Understood, understood. I'm just looking to understand what the numbers are. So it's about 18% over?

Sunny:

Typically, Suzanne, like I said, what you see in these program is 30%, 40% is the contingency. But the way we did this based on our capital planning process, we have 10% is what we usually use. So we put in the 10% contingency. But typically CIS standards mission program, we're looking at 30%, 40% contingency.

Suzanne:

Right, but your budget really put a lot of stuff in the budget that other people might have left to contingency. So okay, thank you. I got my numbers.

David:

Thank you. Jamie had a comment or a question?

Jamie:

The 1.6 million that you just moved over to reserve, was that from your budget? This budget that we're talking about?

Rochelle:

It was to get it back to the 16.11 overall. It was really a correction.

Jamie:

But you're moving it forward.

Rochelle:

No, the 16.6 is just moving it to this project reserve that we have.

Jamie:

The 1.6 million?

Suzanne:

They're moving it out.

Rochelle:

We're moving it out.

Suzanne:

It will go to [inaudible 00:56:25].

Rochelle:

You probably haven't seen it, but we have a project reserve. So we needed to get it out of the project because it did not belong to the project.

Suzanne:

It sounds like they may have paid some pieces of the project not inside that budget. They put that money back in, but then the water went too high. When she opens her code, she's got like 17.

Sunny:

There's a 542 amendment that is moving forward.

David:

Other questions, comments regarding CIS?

Rochelle:

522 amendment.

Jamie:

I'll take your word at it. I'm not going to lose sleep not knowing what that is. Yeah.

David:

Five weeks from today, Sunny, you'll give us a call and say, we had a good day. Prem told me it's okay.

Jamie:

Can I ask, are you going to do any sort of, for all the staff that you say are anxious on the day of or after, are you going to do any celebration or have caffeine and chocolate for-

Sunny:

Oh, I'm sure. Yes. We have plans for that too. Yes, absolutely. Yeah.

Jamie:

Okay.

Sunny:

Thank you.

David:

Depends on what kind of chocolate, how much money's left.

Jamie:

Right. Palmers or [inaudible 00:57:27].

Sunny:

If there's 2%, [inaudible 00:57:27].

David:

Yeah, that's right. That's it from CIS. Big project, system-wide project.

Sunny:

I'll just jump into a few of those. I think some of these we've already touched into more detail. Then we'll go the Blue Drop updates and into the strategic agenda. In terms of the regional supply strategy, we've been meeting quite a bit of folks, town leaders, senators, legislators, and all that. The meetings have been going really well, so we'll talk more into it as we go into them. The commercial services, we still continue to meet that 9.2 as well as the one lab, which we have been in discussions for the last maybe one and a half, two years. Rochelle and I had a conversation in the last few weeks as well. So we are advancing that conversation. Hopefully in the next few weeks or something, we should come to an understanding and see how that works out in terms of the strategic planning.

Suzanne:

Sorry to interrupt you, does that help you meet the 9.2 or that'll be in excess of 9.2?

Rochelle:

It'll be in excess and it won't happen until-

Suzanne:

You're talking about the YW?

Rochelle:

Yeah.

Sunny:

Yeah.

Suzanne:

Okay.

Sunny:

9.2 would be okay. The lab is going to be in the future anyways, and that's not going to add to the 9.2.

Suzanne:

Okay, very good. Thank you.

Sunny:

In terms of the strategic action planning, you will see much more under 9.2, so we'll discuss more on that. In terms of staffing efficiency, we had a cross-functional team that convened in the last few months where they looked at all the processes, people, resources with all the divisions and departments. They had a thorough exercise and took input from the various staff and they have developed a draft. Liz and I had a very quick peek into it. We still have to look at the findings and recommendations and in the next few weeks, once we finalize it, we will have some good recommendations coming out of it in terms of many suggestions where we could appropriate staff in a much more optimal fashion. So that is in the works. So we'll update you as we go into the next quarter.

Suzanne:

Is there anything in particular that drove you to do that?

Sunny:

Yeah, there was a feeling in the earlier stages of the last few years that maybe there were areas where there was skinnier areas and less skinnier areas. So given that prevalence of opinion, we chose to do this. Larry initiated this and it was a task that was on my KPI, so it progressed after COVID.

Suzanne:

Okay, thank you.

Sunny:

So we will come back to you next month on it. Engaging with employees, I still have the 60 with Sunny, which has been going extremely well. 15 to 20 people come in from all divisions. We've randomized the selections of staff. There has been extremely good, engaging conversations, many questions about the Blue Drop as well as what's going to happen strategically and things of that sort. Really interesting, I would say, conversations. In a small meeting, they're not afraid to ask questions. In a larger down hall, people refrain from asking questions and this one, I find much more meaningful conversations that happens. So far, the feedback has been very positive.

Suzanne:

Positive about?

Sunny:

Positive about the interactions, positive about what's going on in terms of communication. So overall, I think not just the interaction itself, the message they're getting is also positive. So they feel the direction is going above. Even with Aquarium, I'm sorry Blue Drop, there was a lot of rain. So you may want to delete that portion.

Suzanne:

And what are they concerned about?

Sunny:

The concerns, is it going to be both entities are going to operate or are they going to be purging? So all of those questions were responded to. Is it going to impact their everyday lives going forward if once we get the approvals of the regulatory bodies? So those are the kind of questions that come up through those more personal of how they're going to get impacted.

Suzanne:

You have a question?

Jamie:

Yep.

Sunny:

So I think we gave pretty candid, transparent responses in terms of what is out there. So they appreciate it.

Jamie:

Thank you. You think it was an overall morale builder?

Sunny:

Yes. I think it helps. And overall in terms of communication itself, they feel it is much more transparent. Sending emails, generally it's a little bit more impersonal. This one has a more personal interaction and having 15, 20 people, it gets to be much more a conversational approach.

Suzanne:

Yes, I think that's the magic of the size.

Sunny:

With that, I think...

Mario:

Yeah, go ahead.

David:

Oh, go ahead, Mario. You go first.

Mario:

I was a little surprised of the amount of distribution system flushing in January and then of course there's main breaks and [inaudible 01:03:16] and I'm like, "Okay, are the main breaks related to the flushing?" Because it's a tough time of year it is to be doing that.

David:

It is. Yeah.

Mario:

Is there a reason that you're to do that? The flushing in January?

Sunny:

It's probably related to it, but I'll have... Is Jim on?

Catherine:

Jim Hill is on, yeah.

Jim:

Yes. So with the main breaks, we have to flush parts of the system to ensure that customers receive clean water. So that's primarily what the uptick was. I think we had a record number of main breaks in January this year if you look at the five-year average.

Sunny:

Yes.

Catherine:

Due to weather?

Mario:

So the flushing is a result of the main repairs as opposed to the main repairs being required as a result of the flushing?

Jim:

So it's additional flushing due to main repairs.

Mario:

Okay, that makes sense. Thank you.

Catherine:

And the main breaks were related to the weather?

Sunny:

Typically, we see a big increase during-

Catherine:

Jim:

Yes, the main breaks were primarily ring cracks. So ring cracks only happen on ductile... Sorry, on cast iron pipe, not ductile iron pipe. So it is related to changes in temperature.

Rochelle:

Thanks, Jim.

Mario:

Thank you.

Sunny:

Great. Okay.

Kevin:

You may or may recall, in August of 2023, we voted to increase leadership team compensation, but we had also decided at that time to hold off until the union contract had been finalized. So the union contract is complete as far as I know right now, and I've had conversations with Sunny and Dave, and Sunny is going to implement those effective March 1st. The ones that we've previously approved.

Suzanne:

Contingent upon the resolution of our union.

Mario:

Yes. Which is another conversation.

Suzanne:

Which is-

Mario:

Yeah, that we approved it. So that's why it's just been sitting for almost about a year and a half. So that's going to take effect for March 1st.

Suzanne:

Okay.

Jamie:

Will they do retroactive or?

Suzanne:

No.

David:

Thank you for that.

Suzanne:

Can I ask a question?

David:

Oh, okay.

Suzanne:

Water production. We noticed that wholesale as a utility was down significantly from last year to this year?

Rochelle:

This is the reporting thing. We need to correct it. So a reporting anomaly that looks like it didn't get incorporated.

David:

Right.

Sunny:

I think you had actually questioned the same a few months ago. I looked into it, Suzanne. We did burning activities. It was a long time back. There were some anomalies which got carried over. So only in the last few months you would see these numbers have come down, but that's because they did not capture those numbers properly. So going forward, you'll see these numbers which are much more realistic. Originally, they counted the old numbers, which was included as part of those utilities.

Suzanne:

That goes up in the accounting?

Sunny:

Exactly. So it was a good catch you had a few months ago and I had to go check back with the team actually. Thank you.

Mario:

So we were counting the brokering account as a sale to?

Sunny:

Correct, yeah.

Suzanne:

On the PipeSafe program. I was just looking at it, looks like year over year, very slow growth. Just wanted to see if you had something.

Prem:

Yeah, I can talk about this. So for PipeSafe, I can remember one of the things that we have seen as a pattern, we have penetration rate over 54% for water. Plumbing is a new program for PipeSafe. So we are gaining customers on the plumbing side, but the market is coming to a stabilization on the water side. So we are trying to actually make sure that the puts and takes keeps the budget balanced. So there are a couple of things we're looking at and from PipeSafe water perspective, we have scenarios where we are looking at in terms of the main breaks that we just talked about. We do have pipe breaks too. And some of the jobs that we are getting are much more expensive. So we are looking at the customers and their enrollment thing. So we are being very cautious of the cost versus the enrollment.

Suzanne:

Well, we've been talking about that for a while. So we were going to look into insurance, we were going to look into how mitigate that. Have we made any meaningful progress on that?

Prem:

We looked into it. So I think one of the things we looked at is from insurance perspective, and then of course Amanda and the team are helping to see how we can improve in terms of insurance. That's not put in place, but it is still in progress that we are looking at. But one thing that I do know for a fact is from PipeSafe perspective, when the customers are enrolling, if you remember, we used to do a lot of checking, checks and balance before we enroll the customer. We have made that even higher to make sure that we are not enrolling somebody who may have pre-existing conditions. That's also restricting the amount of enrollments in a way. But insurance, I think we are not fully done yet, but we are going through that process. I think maybe next month when we meet, we may have some updates on how we are looking at.

Suzanne:

Yeah, I know the team's been under a lot of pressure for doing a lot of big stuff, CIS job, et cetera. So I understand. I just think it's an exposure from risk point of view that we should make sure we get our arms around sooner rather than later.

Sunny:

Just to add on to what Prem said, we are looking specifically at this, it's a pipe that burst, it's a polybutylene pipe, which was used in 1980s and '90s. It does become fragile and brittle over a period of time, we do see that in a few neighborhoods, especially Cheshire, we see that as well as a few other neighborhoods. So nothing that needs the chair, but we do see that. But going forward, we are examining in terms of what tactics and strategies work to mitigate the risk of us going back and spending again and again. Because if it's a 200 feet length of pipe, we go to bury it, but we are actually doing about 60 feet of copper to repair again, it could just open up in another place.

So there are, I would say concerns that if you take a step of dropping the customer, then we have to be really cognizant about the optics of how it comes out of whether it's a long-term customer or a short-term customer and how we go about this. So we are examining options. So I've been talking to Prem as

well as Dan who runs this in terms of how do you approach to reduce the risk, but as Prem said, we'll come back to you once we have some solution in terms of how to mitigate this risk.

Suzanne:

Okay. So one thought is given what you're saying and the sensitivity of customer impact is a surcharge for when you discover that when they enroll, if they have these kinds of pipes and even for the people who do have pipes, rather than just turning them off, just say, look, "Given the nature of this, we're going to now charge you surcharge." So they're charging surcharge for eggs. So it's a good way to supplement for that category. Anyway, feedback.

Sunny:

I think it's a good idea. I think some of those ideas we're considering in terms of a pool of ideas that we have. We want to keep the customer for sure. At the same time, we want to make sure that we mitigate this risk because it is getting to be expensive for us to go-

Suzanne:

We have to make money on it or else don't bother doing it. We certainly can't lose money or even breaking even. It's a lot of effort just to break even.

Mario:

So is there-

Suzanne:

Yeah, I have a question.

Mario:

Is there a record when somebody transfers their property and they're a PipeSafe customer and sell it to somebody new? How many new people you're picking up or how many people you're losing. And then do you reach out to the people that you lose in those addresses?

Prem:

At least there are two avenues that I can think of right away. One is when anybody comes in new as a customer, we actually have a whole package, a new customer package that we send out that actually has light safe in it. They just have a check-up and just goes into enrollment. The second thing is a win back campaign. So we do have reports that we look at who was there and then who was our new customer came in. So we have a mailer sent out in the next three months after first package. So there are a couple of things that we do to gain the customer back. There are legal things where we cannot transfer the program because we cannot do that. So we have to make sure that you're asking the customer before we sign them up. So there are things that we have. So talked to Martha about it. So working through in terms of the process.

Mario:

When you do a payoff for a property transfer, can you ask at the bottom of the bill or offer it to the new customer at that time? So they might buy it at the time of the closing?

Prem:

Great question because we ventured into that. We mostly deal with the seller attorneys because the person who's current customer and then the seller attorney works with the buyer attorney. So we have put in those processes in place. We actually have some paperwork in there. But what we are noticing is that as you know, they're signing off help during that closing process. So what happens in that process is that when the attorneys are present, being the buyer attorney, sometimes they say, "Oh, these are optional stuff." When that customer hears, they usually typically don't sign off on it. So it really depends on what happens. But we have created that avenue in the process where they can actually say, yes, I need it. And it just happens right then and there. So it's really good.

And as a matter of fact, we are monitoring that as well because as we continue to see the customer growth, especially in the plumbing side, it is very much... For example, we got like 8,000 or so customers and we have a penetration that we can go up to like 50,000 customers. So we are monitoring those levers and metrics to see how those things are coming through. But we do have that in the process.

Mario:

Okay. Thank you.

Suzanne:

I have a few more questions but not related to pipes.

Mario:

With the repairs on a PipeSafe, if you replace 60 feet and you still have another 30, 40 feet, have you looked at new age technologies to try and just if you find it, okay, well it's cheaper for us to just place it to the house without taking up the whole yard?

Prem:

We are actually trying a technology, I know Jim is all about it from Astra, where it's a satellite technology that we are using to figure out leaks per se. Not specific to this specific example, but we are finding leaks through that process and there's a whole team that's looking into that. But in perspective of what PipeSafe is doing, they're working with our PipeSafe water crew that are here and they are using those technologies to help them to make those decisions. So it's almost like-

Mario:

At the location?

Prem:

Yes.

Mario:

I'm talking about the actual repair. So once you know there's a leak.

Prem:

Yes. So for that, there's no technology right now. There's nothing that we're using for that process. But that being said, I know the team is exploring more to see if we can fly or repair and we'll probably experiment like we did for the flushing thing that we experienced a few years ago.

I think we will try and see similar things, but right now, we don't.

Mario:

Because have we have all the lead copper rule work that we have to have done. So we should probably have that expertise in house.

Sunny:

We do.

Mario:

And we can use it on both sides.

Sunny:

We do trenchless cover pools and a little bit of construction included on service lines as well.

Mario:

Okay.

Sunny:

So I think that is something that the same crews may not be working on PipeSafe, but that is something that we will look into.

Mario:

Okay. There you go. Sorry.

Suzanne:

My next question.

Sunny:

Okay.

Suzanne:

Rainfall?

Mario:

Yeah, very low.

Suzanne:

So are you doing some dances? Well, we're [inaudible 01:15:51] somewhere late last year. How are we feeling about the coming season?

Sunny:

Yeah, we should be okay. We've never had any major issues going back to the 1960s is when we actually had a drought. So in terms of our reading and safety at the moment, typically, we are on the center of the chain. It's not concerning at this time. Going forward, we should be okay.

Suzanne:

Okay.

David:

Aren't we at the historic average are of 76?

Suzanne:

We are at the historic average with the rain.

David:

Right. Yes. Yeah, okay.

Mario:

As you talk about the 1960s, we didn't have the stream flow regulations in place back then. So that's threw a big curve in everyone's safety. Keep that practice in what we're doing next.

Sunny:

On that. Not specifically on the topic, but we did do some modeling with Hazen and Sawyer for climate change related issues. So we modeled over three bigger periods going all the way to 2017 and we did all kinds of the statistical modeling. We don't really see us, regional water, we don't really see any issues for us even with the weather patterns or aura given say the stream flow regulations.

Mario:

Thank you.

Catherine:

When do we start the work on the Whitney Dam that's scheduled?

Sunny:

The permitting is in process as you heard last month. The construction, I'm anticipating that we will start sometime in 2026. The Army Corps takes at least 12 to 14 months to give us approvals. Once that's done, we should be able to start. The original anticipated date, I heard was maybe sometime late winter, early spring of 2026.

Catherine:

So then when we do that work, we're going to lose a large portion of the water because we have to let it flow down in order to build the cofferdam?

Sunny:

We would meet the stream flow regulations in terms of creating, if you remember the [inaudible 01:18:09] it was giving that. But we are creating this cofferdam on Davis Street, which is upstream. So the reservoir would still be full and we're going to have a pipeline to feed with the treatment. So that is an extra add-on pipe, which will be temporary and that'll actually get water from the David Street all the way moving to the treatment.

Catherine:

So we're not going to lose the supply?

Sunny:

We would still have that supply.

David:

And the silage reserve.

Sunny:

Yeah, that you're right. Part of it. Right. The basin between David Street and where it is right now would be almost drained.

David:

Questions or comments? I think we're ready to discuss Blue Drop. And for that I would like to first thank Jamie.

Jamie:

Do I come back or am I done?

David:

No, we try to put them all. So that's the thing you should not or would not be part of.

Jamie:

I have to say one thing.

David:

Sure.

Jamie:

I have to say kudos to you, Sunny and the team. Rochelle and Prem and Jim and folks here, Jennifer, who keeps it running for keeping their gargantuan tasks on our plate with Blue Drop and you're talking about the Whitney Dam and leaks and all these rules and we may not have money and federal chaos. And with the unexpected loss of Larry, you stepped in beautifully, but the whole team did to really fill in the gap and keep things almost, at least to my eye, seamlessly running. And I'm sure there's a lot of sweating behind closed doors and some crying probably.

But kudos to you as chairman of the RWA for working very closely with the folks here and getting the union contract resolved and keeping things going in this huge enterprise. A lot of the things that were

brought up are all great things, but they're little and there's so many big things happening too, so they shouldn't be forgotten. But really kudos to all of you. And I say that with my utmost respect. Very well done. Very well done. So thank you for... I know it's not a common 40-hour week. You guys can't be doing all this in a 40-hour week, so thank you. And thank you for your oversight for the RWA's board.

David:

Thank you.

Sunny:

Thank you.

Prem:

Thank you.

Jamie:

And with that, [inaudible 01:20:36].

Suzanne:

There's no such thing as a common 40-hour week.

Jamie:

Right, right.

Suzanne:

But also, I'd be remiss if I didn't pass on thank you to the RWA for being a really partner in the process.

Sunny:

Certainly have been helpful.

Suzanne:

It really is a very big team.

Sunny:

It is.

Jamie:

Thank you.

David:

Thank you.

Jamie:

All right. Enjoy your afternoon guys.

Sunny:

Thank you.

Catherine:

Thank you to our public guest also, who's going to have to leave as well.

Suzanne:

Do we still have a public guest?

David:

Yes. Yeah, that's when we were texting.

Suzanne:

Was that, that person?

David:

It was, yes.

Sunny:

They're not there.

Jennifer:

They're not there? They're gone now.

Sunny:

No. [inaudible 01:21:24].

David:

All right. Well, with that, let's take a 10... Well, nine minute break till 2:00. Then we'll come back to go into executive session mostly for the rest of the meeting.

[BREAK FROM 1:50 P.M. TO 2:00 P.M.]

David:

I'll call us back to order. First item would be that we want to talk about Blue Drop. So I would ask that we consider going into executive session. Who would like to make that motion?

Mario:

I move we go into executive session to discuss strategy [inaudible 00:01:23].

Kevin:

Second.

David:

Second it is. All those in favor, signify by saying aye.

Authority members:

Aye.

David:

I see it's unanimous. All right, we're in the executive session for the Blue Drop update.

[EXECUTIVE SESSION FOR BLUE DROP UPDATE FROM 2:00 P.M. TO 3:06 P.M.]

David:

We are out of executive session.

Sunny:

I think John should be here momentarily.

David:

Okay.

David:

Okay. So, hey John.

John:

Hello. How are you.

David:

Good afternoon. All right so we're on considering an act of land acquisition, and since this is the process of negotiation, who would like move to go into executive session?

Catherine:

So moved

David:

Okay, second?

Suzanne:

Yes.

Speaker 2:

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

Authority members:

Aye.

David:

And inviting John.

[EXECUTIVE SESSION REGARDING LAND ACQUISITION – DURHAM ROAD, MADISON FROM 3:08 P.M. TO 3:13 P.M.]

Suzanne:

I'd like to make that motion [inaudible 00:00:04]

David:

All right, is there a second to that motion?

Kevin:

Do you want me to read it into the record or no?

David:

No. All right. All those in favor signify by saying aye.

Authority members:

Aye.

David:

Passes unanimous. Thank you very much.

John:

Thank you very much. Have a good day.

David:

I think you were right.

We're ready to meet as the Strategic Planning Committee, so who would like to move that.

Kevin:

So moved.

David:

Who wants to second that?

Catherine:

Seconded.

David:

South Central Connecticut Regional Water Authority
February 27, 2025

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

Authority members:

Aye.

David:

Passes unanimous. We are now in the Strategic Planning Committee.

[STRATEGIC PLANNING COMMITTEE MEETS FROM 3:13 P.M. TO 4:24 P.M.]

David:

All right. We are completed with our agenda, so I will accept a motion to adjourn [inaudible 00:00:16]
Authority.

Catherine:

Mr. Chairman, [inaudible 00:00:19].

Kevin:

Second.

David:

All right. All those I favor signify by saying, "Aye."

Authority members:

Aye.

David:

Thank you.