

## REPRESENTATIVE POLICY BOARD

SEPTEMBER 26, 2024

### MEETING TRANSCRIPTION

Bob:

Hello, everyone. Welcome to the Representative Policy Board meeting for September 26th, 2024. There is going to be a presentation.

Larry:

Well, yes we have Kevin Watsey here who is going to be presenting an award that we received from the Governor.

Bob:

Should we do this now?

Larry:

Sure, might as well do it now.

Bob:

Ok, then we can have the meeting as we go along. I have to share, if you have something to say, the meeting is being recorded, but you have to turn on your microphone, the dot will turn green, okay? And if you're not going to be saying anything, probably best to keep it off. Okay. Everybody ready?

RPB members:

Yes.

Kevin:

Okay. So from the state of Connecticut by his Excellency Ned Lamont, Governor, an official statement:

"On behalf of the State of Connecticut I, Ned Lamont, Governor, take great pleasure in congratulating South Central Connecticut Regional Water Authority and its predecessor company, New Haven Water Company in recognition of its 175th Anniversary.

For 175 years, South Central Connecticut Regional Water Authority has served the citizens of the State of Connecticut with great distinction.

The 175th anniversary of South Central Connecticut Regional Water Authority commemorates the legacy of Eli Whitney II and his vision and commitment to make life better for people through serving safe water to the City of New Haven and surrounding regions. Providing sustainable water supply for generations to come through their cutting-edge water filtration plants, South Central Connecticut Regional Water Authority raises the standard of excellence in the State of Connecticut.

The employees of South Central Connecticut Regional Water Authority and its predecessor New Haven Water Company, have demonstrated a sound commitment to environmental stewardship, thereby

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preserving the purity of the water supply. I commend them all for their enthusiasm, leadership, and dedication to excellence. Congratulations on this remarkable milestone and may the South Central Connecticut Regional Water Authority continue to work toward improving Connecticut's future for years to come.

Therefore, I, Ned Lamont, Governor of the State of Connecticut, do hereby officially convey honor and recognition upon South Central Connecticut Regional Water Authority and its predecessor company, New Haven Water Company in the State of Connecticut."

RPB Members:

Hear hear. Very nice.

Larry:

I'm going to hang this right out front so that the public can see it.

Bob:

Okay, we'll move on to the safety moment. That has to do with avoiding listeria. I'll let you all read that, because I know we're going to be a little pressed for time. Next is public comment. We'll have a time limit for each speaker; three minutes. Residents and customers may address the board. I don't know if there's any public here who will share anything.

Hearing none, we'll move on to the approval of the minutes from our August 22nd, and also our September 5<sup>th</sup> meetings, separate or think of a joint passing, if we dare.

Greg:

So moved.

Mike:

Second.

Bob:

Any discussion regarding the minutes from the two meetings?

Mike:

Second.

Bob:

Thank you, Mike. All those in favor of passing them as they've been presented, please say aye.

RPB Members:

Aye.

Bob:

Any opposed? Okay. Communications, the Nominating Committee did send out their Criteria to be Utilized in Recommending an Appointment of a Candidate to the Five Member Authority. You should

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have all gotten that. And another item for consideration now is the Finance Committee's recommendation for the approval of Drinking Water State Revolving Fund Resolution. Tim, is that you?

Tim:

I'll take care of the resolution.

Bob:

Thank you.

Tim:

Okay. This is a resolution approving the issuance of bonds:

"Whereas, the South Central Connecticut Regional Water Authority (the "Authority") proposes to issue its Bonds which may be issued as Project Loan Obligations delivered to the State of Connecticut (the "Bonds") in accordance with Special Act 77-98, as amended, of the General Assembly of the State of Connecticut (the "Act") and the Water System Revenue Bond Resolution, General Bond Resolution, adopted by the Authority and approved by the Representative Policy Board of the South Central Connecticut Regional Water District (the "RPB") on July 31, 1980, as amended and supplemented (the "General Bond Resolution"); and whereas, the Act authorizes the Authority to issue its bonds from time to time but subject to the approval of the RPB.

Now therefore be it resolved that: 1) the Bonds shall not exceed Eight Million Five Hundred Thousand Dollars (\$8,500,000) in aggregate principal amount or so much as may be necessary after deducting grants or other sources of funds available for the Project (as hereinafter defined). It is expected that the Authority will receive grant funding in the amount of 75% of the contract cost but not exceeding \$5,000,000, 2) the Bonds may be issued as obligations in one or more series pursuant to the General Bond Resolution and a supplemental resolution to be adopted by the Authority for each series of Bonds, each of which shall specify the amount of the Bonds, the purposes for which the Bonds are to be issued, the date or dates, maturities, sinking fund installments if any, interest rates, series, denominations, form, redemption prices, security provisions and such other details of the Bonds as the Authority shall determine in accordance with the limits established by the General Bond Resolution and hereby, 3) the purposes of the Bonds shall be (I) to finance or refinance the cost of planning and efforts associated with inventory development for certain capital improvements to the water system of the Authority related to the Lead Service Line-Planning Project; (II) to provide funds for deposit to the Capital Contingency Fund and the Debt Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and (III) to pay costs of issuance (the "Project"), and 4) the Bonds may be sold by negotiation as serial or term bonds with stated maturities and may be sold in a private or direct placement to a bank or the State of Connecticut."

Bob:

All those in favor of the resolution please say aye.

RPB Members:

Aye.

Bob:

Any opposed? Any abstentions? Thank you very much. Next up we have reports from the committees. Finance Committee, Tim with Finance, again?

Tim:

Our last meeting was September 9th and we met largely to discuss what was just presented as a motion. The Finance Committee found it to be complete and recommended it be forwarded to the RPB for the vote and other considerations thereof. So we took care of that and then basically went ahead and had a review of some of the projects which included the Lake Gaillard water treatment plant, the Lake Gaillard HVAC and electrical improvements, updates on the Whitney Dam and spillway improvements and customer information system and the Derby Wellfield facility and the Lake Whitney water treatment plant chemical feed improvements. We had a review of those projects which are in motion, underway, and so far so good, and the meeting was adjourned and we went home. That's essentially my report.

Bob:

Thank you. Are there any questions for Tim in Finance? Okay, next we'll move on to Land Use. Mark?

Mark:

I'm here. Just had to get my papers together. Hold on. I'm coming. Let me put my picture back up. Okay. We had a regular meeting of the Land Use Committee was held on September 11th, 2024. Lake Saltonstall, look at the progress of the Furnace Pond, the water chestnut invasive species in the pond. This year they harvested more than they've ever took out or destroyed or took out or harvested more than they've ever have. Very interesting situation. We have to keep those invasive species out of the reservoir Saltonstall. And that was about it on our meeting. I mean, we had the water ... you're going to get a water report from Larry. Does anybody have any questions about the Furnace Pond? Okay.

Also, just want to remind everybody, very important next month is the pizza meeting at Lake Saltonstall. And if you ever go out there in October, it is beautiful and since we're the stewards of the land, we should come out and look at it. It's going to be a great time and Jennifer's going to get great pizza for us, so I encourage you all to come out to Saltonstall on our meeting date. Thank you.

Stephen:

Hey Mark. This is Stephen. Yeah. If we're taking this invasive species out of the pond every year, why is the amount increasing? Are we not cutting it back?

Mark:

No, we increased the amount we took out. This is the most we've ever taken out.

Stephen:

But there's still enough to generate more.

Mark:

It's a never-ending battle of truth, justice, and the American way. They multiply. They have so many seeds that when you take them out, you have to continue to do and just fight back and fight back and some years you get ahead of it. I should have had them distribute the pictures of furnace pond before and after. They've made some serious progress, but still have to do it every year.

Stephen:

Okay, thanks.

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Mark:

No problem. I'm sorry I didn't have pictures brought. Maybe in the Saltonstall, I'll try to get pictures. Thank you.

Bob:

Okay, next we'll move on to Consumer Affairs. Naomi?

Naomi:

Hi everybody. The Consumer Affairs Committee met on Monday, September 16th via remote access.

Mr. Barger, the RWA Water Quality Manager provided an update on the Lead and Copper Rule. To date, approximately 2,500 to 3,000 evacuations have been completed in several different towns with Branford and North Branford expected to begin soon.

He also stated that RWA has been approved and are securing funds through the Drinking Water State Revolving Fund and other loans. The RWA will be submitting inventory for the Connecticut to the Connecticut Department of Public Health by October 14th. We also, our OCA reported that he was working with our rate application, which was submitted. It was confirmed that I would be attending the meeting for September on the 26th. I also am working with Prem and we are going to be looking at different things to bring to our committee for the next several months. The next committee meeting will be held on Monday, October 21st at 5:30 P.M. via Teams. The meeting was adjourned at 5:54 P.M.

Bob:

Thank you. Any questions for Consumer Affairs? Hearing none, we'll move on to Authority and management.

Tom:

Nominating Committee.

Bob:

I'm sorry, I forgot the Nominating Committee. Sorry, Tom.

Tom:

We do have the minutes on file. I'll refer those to you, your review. When we met, we adopted the criteria for the Five-member Authority, refining this year compared to credits own it. And as such with the input from Mr. Bingaman the CEO from Dave Borowy, the chairman of the Five-member Authority and Mr. Donofrio from Consumer Affairs Consumer Council.

We've added a couple of other items to the criteria based on this changing landscape or one deal with the significant growth of AI, artificial intelligence, in the workplace. So someone who has those particular skills certainly would be of assistance to us. Another is in the area and field of merger and acquisitions and post-merger integration. So those we've added to the criteria. I know we comply with the requirement that these be submitted 10 days before this meeting. I don't know if anyone has anything else to add to that.

Stephen:

Tom, this is Steve.

Tom:

Yes, Steve. How are you?

Stephen:

Yeah, on what you added J and K with mergers and acquisitions, a lot of this has already taken place. I was just going to suggest that you might broaden this to include more of a business background with these criteria as a possible part of that background, especially the part of integration, since we're now into for-profit that has not been consolidated. These are kind of specific to me. That's just the way I'm reading it. So it's just a suggestion.

Tom:

We appreciate that, Steve, and will take into account, the concept itself and certainly our endeavors in terms of the utility, but it's worthwhile. I appreciate that. We do have ... just to add additionally, we're going to be meeting with the incumbents at Sachs on Monday for an in-person interview with a nominating committee. And that's my report from the nominating committee.

Bob:

Thank you, Tom.

Tom:

Thank you.

Bob:

Now we'll move on to Authority and management.

RPB Members:

We're ready whenever you are.

Tom:

Okay, now would be good?

David:

Important and good to hear Tom's report. We had a full robust meeting. Quite frankly, it ran very smooth because Kevin ran it because I was on remotely and I figured it was going to be difficult for me to do it and he was there in person, so it worked out very well. But our first item on the agenda was the meeting as the Audit-Risk Committee and Catherine's chairman of that.

Catherine:

Thank you very much, Mr. Chairman, members of the RPB. The Audit-Risk Committee did meet today. The primary item on our agenda was the discussion and review of the fiscal 2024 audit scope and results from our auditors, Clifton Larson Allen. The most important takeaway from the meeting is that we have a clean audit. I was very pleased to read that there were no noted incidents of non-compliance in our federal audit or been in all of the reviews that the audit firm did undertake for us. Do you have any questions? Okay.

David:

Good news always go fast. That's good. Clean audit.

Catherine:

Yes, clean audit.

David:

Clean audit. Continue to have improvement each year. We also met as the Commercial Business Committee and Compensation Committee and Kevin shares both of those, so I'll turn it over to him for a report.

Kevin:

Thanks, Dave. Good evening, Mr. chair and members of the board. Both of these meetings were in executive session. With the Commercial Business Committee meeting, we discussed our commercial strategy. We had an update from management. We discussed the fiscal year '25 goals, including our own organic growth. We had a merger and acquisition update and our fiscal year '25 results. The commercial net revenues ended at 123% of budget for the first quarter of fiscal year 2025. The first quarter results exceeded quarter one budget, primarily driven by the HSV and also partially due to timing.

We discussed the FY25 focus areas, including HSV integration and mergers and acquisitions in order to achieve the \$9.2 million goal per our strategic plan, 2020-2025 strategic plan. We also had an update on the acquisition, potential acquisition.

And then we met also as the Compensation Committee and we discussed with Larry at length his self-evaluation and there were many strong comments and support of the work that Larry's been doing over the past year. We do this annually and we will be producing a formal report to Larry based on these conversations and other board members' comments. And pending your questions, that's my update.

David:

Any questions? Thank you Kevin. With that, I'm going to hand it over to Larry for his business report, but we did want to give you an update on the acquisition. If it's going to be in public, it's going to have to be very, very general and very little, but I don't know if you've got time, Mr. Chairman. 10 minutes? That might be enough time. [inaudible 00:22:28] Well, we can make it fit the time. All right. Do you want to do your business report?

Larry:

Sure, sure. Good evening everyone. After three months of actual results through August 31st, operating revenues are under budget by about \$250,000 due primarily to meter water being lower than budget. Other revenues are about \$1.3 million above budget. That's jobbing facility charges and HSV as well. When you do ... and then the operating and maintenance expenses are about \$1.4 million under budget. And right now at this being the beginning of the fiscal year, most of that, almost all of that is timing at this point. But when you do the puts and takes, we are projecting it at this point coverage of 117% with no shortfall compared to a budgeted coverage of 114%.

And then as of September 16th, raw water storage was at 83% compared to a long-term average of 71% for the same period. We're in good shape there. Use plenty of water. So we have nine minutes. I suggest we go into executive session.

Bob:

Jeff, did you have anything.

Jeff:

No.

Tom:

I move that we convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information, inviting those present.

Jamie:

Second.

Bob:

All those in favor, say aye.

RPB members:

Aye.

[EXECUTIVE SESSION FROM 6:53 P.M. TO 7:00 P.M.]

Bob:

We are now out of executive session. I want to share that there is a public hearing probably in about two minutes. And also the Derby Tank dedication is going to be happening on Thursday, October 10th, 10:00 A.M. I believe there's flyers in your packets. You need to respond so that they know you're going to be there, I guess. With that, I'll accept a motion to adjourn.

Greg:

So moved.

Naomi:

Second.

Bob:

All those in favor, please say aye.

RPB Members:

Aye.