

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

MARCH 23, 2023

MEETING TRANSCRIPTION

David:

I'll call the Regional Water Authority meeting for March 23, 2023 to order at 12:30 and we will start with the Safety Moment.

Liz:

March thaw, fluctuating temps, obviously Spring is here. Woo. Woo. Temperatures can fluctuate between above and below freezing temperatures, so we have to be mindful of our driving conditions, right? Black ice, icy roads and sidewalks. So we just have to be mindful of our surroundings, drive slowly, stick to the major routes and slow it down a little bit, walking and driving. So just be mindful and aware of your surroundings and the weather conditions [inaudible 00:01:17].

David:

All right. Thank you very much. All right, so now we come to public comment, and this time we granted if anybody in our district would like to speak before us. I see we do have a member of the public. I don't know if she's interested in saying anything to us or presenting anything.

Kathryn:

I am.

David:

Okay. Well, if you wouldn't mind stating your name so we know officially, and welcome.

Kathryn:

My name is Kathryn Czarnecki. I'm actually here with my husband Daniel as well. We are trying to, in addition to several members of our neighborhood, get the information out there of a concern in our town at this point. If you're not aware, an application has been submitted to the town of Prospect by the local gun club for the construction of a 36 lane outdoor shooting range. As a side note, it'll be open, they're intending it to be open seven days a week, 9:00 AM to dusk with a clubhouse open, 8:00 AM to midnight, seven days a week. They want to build it on a piece of property, specifically 178 New Haven Road in Prospect, excuse me that is fully in the Council of Government, central Naugatuck Valley public watershed area. It has wetlands on the property. It is adjacent to a reservoir owned by the water company.

It is one of the highest peaks too in the town. It is a highly residential area with 23% of the homes and Prospect all being within a one-mile radius of the proposed range. We are obviously, given all this, there's clearly more than the typical noise pollution concerns. So that is an issue. We are looking to provide the information to you. Obviously, we have a lot of research that we've been doing. I'm sure you're familiar. Lead ammunition, deposits, arsenic, lead, other heavy metals into the soil. I mean, there's studies that are even posted on the CDC website, the Department of Interior showing how toxic chemicals or these specific toxic chemicals end up in the water on the property and depending on the

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topography of the property, can end up contaminating the groundwater and wells of surrounding properties. So we wanted to take a moment just to provide the information in its most basic form but also give our contact information.

We're happy to share any of the research that would be helpful but we're looking to you as another authority who is obviously interested in the environmental impacts in our surrounding area. You can understand our concerns as residents. I mean, you've got 860 homes all within that one mile radius. The large majority of whom are very concerned. We've had an issue in the past with a brown site not too far from some of these homes and a lot of those people ended up with cancer. So we know the aquifers, there are aquifers running throughout the area that do tie to over where that property is. So there's an upcoming meeting on April 5th with the planning and zoning with the town.

Obviously it's public hearing open for public comment but we were wondering if you would be willing to look at the project and provide a letter validating some of these concerns, recommendations, or requirements that would need to be in place and just in effect, that I'm sure you are familiar with a lot of that research. So if you can see some of these serious red flags and would be willing to at least document those so that the board that is receiving all these comments is also getting some from authorities who recognize that there are concerns that should be validated.

David:

Well, thank you very much Mr. and Mrs. Czarnecki. I appreciate you being here. We appreciate hearing about this. We have land management people and real estate people that do track developments within the areas that we are concerned about within aquifers and within areas that are of concern to us. We do, if they are in an aquifer area that's under our protection, we certainly do have a right to give comment and review. I'm sure our people will be in touch whether we do or not. We'll make sure that our proper people get in touch with you to let you know that we are aware of it and let them tell you what it is that they plan on doing and reviewing it if it's within our purview to do so.

Kathryn:

That would be greatly appreciated. Yes, if I could give you, or if someone could record my phone number, that would be a great help.

Kathryn:

No matter what is there, just to add on, there is some concern about inaccuracies that are being recorded. So if there is a letter or anything that would be sent, if it's possible for me to also receive a letter so that I could actually read it into the minutes at the public hearing to provide verification that that letter is received and that the information is conveyed accurately.

David:

Well, we'll make sure that our land use person and our land management people do get in touch with you regarding the logistics of this. But in the meantime, I'm going to ask our administrative assistant, Jennifer, do you have Mrs. Czarnecki's phone number?

Jennifer:

I do, yes-

David:

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And name? Okay, very good. So we'll make sure that it gets to the proper people and you'll receive a call in the next few days. Okay?

Kathryn:

That would be fantastic. Thank you very much everyone for the time.

David:

Okay.

Kathryn:

And if there's anyone that you know, who's anywhere in the area, I don't know if you just, we're just continuing to try and get the word out. There is a website they can go to for additional information at preserveprospect.com as well.

David:

All right. Well, thank you very much-

Kathryn:

Thank you again for your time-

David:

You're very passionate about this and we appreciate your time. Thank you.

Kathryn:

Well, thank you. Take care. Bye-bye.

David:

So Larry, you'll hand that on to the right people to make sure and I'm assuming it's actually, I don't know who it would be.

Larry:

Well it would be probably John Triana and maybe some of the other folks in our environmental planning department, which regularly review proposed developments of any kind that might have an impact on the watershed. It may be that that particular site may be within Connecticut Water's service area. We'll touch base with Connecticut Water as well to see if they have any concerns or filed concerns and maybe we can coordinate with them if that's the case.

David:

All right and if we could just reach out to the Czarnecki's within the next few days to let them know that we are at least looking into it. Okay?

Larry:

Sure. We'll have Sunny take a look into that and then we can move forward from there.

David:

All right. Thank you so much.

Larry:

Okay.

David:

All right. So the next item, item C, is The Claire C. Bennitt Watershed Fund. Kate, I saw your name that you'll be here, but I haven't seen you yet. Are you here?

Kate:

I am here.

David:

Great. Welcome back. It's good to know you're here. You'd like to ask us to consider adding a couple more board members, I guess.

Kate:

We would.

David:

Well, tell us a little bit about that.

Kate:

Susan Addis and I are the Nominating Committee of The Claire C. Bennitt Watershed Fund and we have talked to both Brian Kelahan and Amanda Schenkle and would like to recommend both of them as new board members to the Watershed Fund. Brian worked for Common Ground as a teacher and then as, kind of an administrative role for about 10 years. It looks like he retired in 2021. He has quite a background, an amazing background in social studies, geography, history, but also in Middle Eastern studies. He's really excited about the possibility of being on the board.

We were looking for someone who had experience with Common Ground because we have given them so many grants over the years. We just thought that it would be great if we could get somebody from Common Ground on the board but not a current employee so Brian fit that bill very well. Then with my retirement from RWA and Rob's retirement from the Watershed Fund board, there is no RWA employee on the board at this time. From my perspective, it was really helpful as an employee to be able to sort of straddle the two organizations and understand both sides of whatever we were considering, making sure that it fit in well with RWA and also fit in well with the Watershed Fund. So Amanda has been suggested to us, Amanda Schenkle, who has worked for RWA since 2017 and is the Environmental, Health, Safety and Risk Manager, I believe. She is also very excited about the possibility of being on the board.

David:

That's good. Folks, are there questions?

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Kevin:

I make motion to approve the proposed resolution dated March 23, 2023 for Brian Kelahan and Amanda Schenkle be elected as Directors of the Watershed Fund pursuant to that written proposed resolutions.

David:

Right. Moved by Kevin. Is there a second?

Catherine:

I'll second the motion.

David:

Catherine, a new member herself of the Watershed Fund board. That's great. I see Tom is shaking his head. Tom Clifford, you concur as well sir, as a member from the RPB

Tom:

I certainly do.

David:

Great. Any further discussion? This will bring you up to still below the maximum allowed. Correct, Kate?

Kate:

Correct.

David:

One below.

Kate:

I believe this brings us to 12 and I think we're allowed 15.

David:

Yes. Okay.

Catherine:

David?

David:

Yes.

Catherine:

If I can just say that I attended the last meeting of the Watershed Fund board and I was very kindly welcomed to that last minute meeting and I just want to say I appreciate it. I have reviewed the resumes of these two individuals and participated in the discussion and I strongly support the passage of this resolution.

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David:

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

Directors:

Aye.

David:

Passage unanimous of the three members present. All right. Thank you very much. Kate, is there anything else you wanted to report to us while you're here?

Kate:

No, just thank you very much. I appreciate it.

David:

Very good. Well, you have a great rest of your day. Thank you so much for your good work.

Kate:

Thank you.

David:

Now comes a time where we're set to meet as the Environmental Health and Safety Committee. So I'll accept a motion to recesses as the Authority and meet as EH&S Committee.

Catherine:

So moved

Kevin:

Second.

David:

All right. All those in favor signified by saying Aye.

Directors:

Aye.

David:

Passes Unanimous. All right, Kevin, it's all yours for the first of two times today.

[ENVIRONMENTAL, HEALTH & SAFETY COMMITTEE MEETS FROM 12:44 P.M. TO 1:22 P.M.]

David:

All right. So next item we have is consent calendar. What's your pleasure with that?

Catherine:

Mr. Chairman, I move approval of the consent agenda.

David:

All right. Is there a second?

Kevin:

I second that.

David:

Thank you, Kevin. Any items we want to take off or any points of clarification? All right. Sensing you're ready to vote. All those in favor signified by saying aye.

Directors:

Aye.

David:

Passes unanimously. We are now into item F, which is Finance, Quarterly Financial Update. Rochelle, it's all yours, I believe. Unless Larry, you wanted to do some lead in?

Larry:

No, Rochelle can take it from here.

Rochelle:

Thank you. I just want to mention, I'm just going to cover some of the highlights, but if you do have additional questions, just let me know.

Jennifer:

Can everybody see that?

Rochelle:

Yes, if you can go to the balance sheet and maybe make it a little bit bigger? Thanks.

Okay, thank you. So, starting with the asset portion, and I think it's the upper right, or upper left for me, as you would expect, our year-over-year net utility plant is up by about 18.6 million. From the utility land perspective, there was just a very minor change, which just has to do with what we're looking at here, is February of calendar 2023 versus February of calendar 2022, and that had to do with a portion of the ice street disposition that happened between fiscal 2022 and fiscal 2023. No change on the non-utility land and as you can see, construction work in progress is up year-over-year, we do expect that. It is on the high side and we are having multiple multi-year projects. Some of our larger projects are multi-year, so we do look at cwip on an ongoing basis and to make sure that we're putting in service, everything that reaches that appropriate stage to move it from construction work in progress to property, plant and equipment.

From current asset perspective, current assets are up about 2.6 million. That is primarily driven by the increase in cash and cash equivalents. That's up by 3.7 million and that is really primarily due to the increases in the revenue fund from last year into this year. And it is also, last year might recall we moved some money from the general fund into the growth fund and also moved some money into the growth fund, that's also impacting the 3.7 million.

The accounts receivable here is actually up, or down, year-over-year and part of this we believe is due to our conversion to monthly billing. We also do have a small increase in our allowance reserve. Accrued revenues is actually up now year-over-year. You might recall that subsequent to the conversion to monthly billing, we actually saw a reduction as we change from quarterly to monthly, but now we're comparing monthly billing to monthly billing at least for the most part. And so the accrued revenue is actually showing that year-over-year increase. From the restricted assets that are down 12.8 million year-over-year, here the primary driver is actually in the construction fund. So since last year to this year, we have used a significant amount of our bond proceeds that we issued in January of 2022.

We've also, of course, expended for the capital program and so the primary driver of the reduction is actually in the construction fund and there's actually been some smaller increases since February of last year and that would include putting additional money into the operating reserve as we do at the end of our fiscal year and some small increases in debt reserving, capital contingency when we did our last two DWSRF financings, but largely it's being driven by the construction fund. The regulatory assets, that's probably made up of amortization of both our cost of issuance as well as our amortization of our existing regulatory assets. The deferred charge on pension and OPEB, what we're doing now after we get our year-end report is we amortize those balances and then we'll be making updates based on the 5-31-2023 actuarial report. So in between that period we're amortizing the balances.

You now go over to the asset side? I'm sorry, the liability side. So revenue bonds payable, they're actually down by 24 million and you may recall that on our RWA bonds we make principle payments in August of each year. So you can see that reduction and again, since we had issued our new bonds in January of 2022, the only change February to February is due to the principal payment. You can see that there is a reduction in the premiums on our bonds and that has to do with primarily amortization as well as some impact of the the refinancing that we did in May of last year.

DWSRF is up a little bit. We did two relatively small DWSRF financings early this fiscal year. The current liabilities you can see is actually up about 2.2 million. That's largely driven by the higher upcoming principle payment, which we'll make in August of 2023. That's a little over a million dollars higher than our last principle payment. And as you know that we put money into that debt service fund. So before the payment is due, we have the monies already set aside to cover that payment.

From the, just again hiring, focusing on some of the highlights we have from liabilities payable from restricted assets, that's up just a little bit, little over 300,000 and that's primarily due to accounts payable from construction. And one of the drivers there is the retainage that we hold back on our larger construction programs. The inflows from resources, pension and OPEB again, what you're seeing over the period of the year we're doing amortizations on the balances and when we get our new actuarial report, we will update those balances and start the Emirate session.

And overall our net position year-over-year is up by a little over 30 million, so that's a positive sign. And with that, you can go to the next page.

Catherine:

Rochelle, before we jump to the next page, can we just go back to... Shoot, where was it? On the liability side there was like almost a \$7 million variance on pension liability.

Rochelle:

That's actually from last year's report.

Catherine:

So it's market driven?

Rochelle:

That was definitely driven by the decline in the market.

Speaker 4:

Just wanted to confirm that. Yes.

Rochelle:

So here again, I'm just going to cover some of the highlights, but if you have other questions, let me know. So overall our operating revenues are up by about 2.5 million. That's approximately a 2.4% increase. That is primarily coming from metered water and to a smaller degree, from wholesale and fire service. So those together are up by about 2.3 million, which is also about 2.4%. Liz, do you have a question?

Liz:

No, sorry, I did that by accident.

Rochelle:

O&M is actually running under by about 4.8 million, that's about 10%. I'm going to get into more detail a little bit later in this presentation on the makeup of that under run and what we're projecting for the end of the fiscal year. You could also see a couple other things here though that I want to point out. Interest income is up by about 3.8 million and that is primarily driven by the higher interest earnings that we have versus the budget. Also want to point out that the 490,000 that you see for intergovernmental revenue, that's regarding the grants that we got from DWSRF on our most recent DWSRF financing.

If you go down to the maintenance test, maybe go down a little bit more, Jennifer. Okay, so for the maintenance test, we've made just a small amount of changes since last quarter. We actually are projecting to be at 126% coverage, that is primarily coming from the increase in interest income and to a lesser degree, from water sales versus budget. We are now projecting to come in a little bit under our O&M budget. Again, we'll get into a little bit more detail later on in the presentation. And I made, I think, a small, very small change since last quarter on our pilot projection and a very small change relative to debt service, which is being driven by the timing of our upcoming DWSRF financing. So last quarter we are about 123%, we're now forecasting to be at 126% coverage.

Go to the next page. So the difference between this schedule and the schedule I just covered, this is where we look at sensitivities. So early in the fiscal year we had picked looking at, well what if consumption is 4% higher and what if it's 4% lower? That was actually based on back in August, our production was actually a little over 4% higher than the prior fiscal year. That has now dropped down to being just slightly above through February our production last fiscal year versus this fiscal year. But we're still showing, so you could see what happens with the change in consumption and the change

from the conversion of cash from a maintenance test perspective. So that's what we're showing here. And if you go down to the maintenance test, maybe scroll over a little bit, you could see that even with just a quarter to go, there's still even a 1% change in our coverage with just a 4% change in our conversion of cash.

So as the fiscal year goes on, the impact is less and less, but it does still demonstrate that even a small change in our billings and in its conversion of cash can have an impact on what our coverage is at the end of the year and when we're closer to that 114%, whether or not we have a drawer or not, which is why we watch everything and monitor everything carefully.

Go to the next page. So first I'm going to cover just the key areas of operating expenses where we have some of the larger variances and I'm going to talk briefly about what we're projecting. So one of our larger variances is payroll and we are still significantly under our headcount budget. From an employee benefit perspective, the primary driver there is still medical expense and as you know, that could go sort of either way because we're primarily self-insured. But the last couple years, including this fiscal year, we have come in under due to lower medical claims than what we've budgeted.

Pump power, we are seeing favorable variances there due to lower usage and, to some degree, timing. And just as a reminder, we're currently paying a very low electric service rate for generation and that is one of the things that's going to change next fiscal year. Collection expense is another area that's actually running under what we budgeted and that is primarily due to, we just haven't seen the expected significant increase in our bank fees with a conversion of monthly billing. So we are seeing an increase but definitely not as significant as we thought. That's also the case relative to postage.

Outside services right now is one of the areas across multiple areas is under budget. I'm going to talk about that in a minute when I talk about the projections. The couple other areas I just want to cover, insurance is coming in lower. That's primarily due to our reserve requirements. We do reserve for various, highly likely items under our various insurance coverages including the captive and our reserve requirements have definitely gone down since February of last year, last fiscal year. Maintenance and repair is now running under and that is primarily due to certain expenses that we had forecasted earlier in the fiscal year related to third party flushing with a NO DES company, that actually did not occur at that time and is now longer expected to occur this fiscal year. We're hopeful that we will actually get the NO DES vehicle before the end of the fiscal year and then we'll have the vehicle and we'll be able to use our own team to do the flushing using that vehicle.

Couple things on the projection side. So our budget this year is the 63,492. We are now projecting to come in at 62,955. You'll see that in the budget package that you received. A key thing that I do want to mention, the 62,955 does include a lease at this point as a placeholder because we still have a little bit of time to further refine our estimate recommendation for an additional pension contribution. But we have included, within the 62,955, a \$2 million additional pension contribution and that will actually help with what we're seeing relative to the market decline. We'll be talking about that I believe at the April meeting with the pension committee. Couple other things that I want to mention relative to the forecast, we are now showing some of the line items, the permanent reductions that we're anticipating and other areas, outside services in example, although we're now projecting to be a little bit under budget, we are anticipating some increases in that line versus our current run rate, especially due to the CIS back fills, many of them are now in place.

So those are a few key things that I want to point out here. Is there any question on the O&M detail? First, from a sort of high level perspective, we are currently forecasting to come in just a little bit over our 96% target. However, that is based on the consent agenda and the next item on the agenda regarding approval to move some additional monies into the reserve that we'll need next fiscal year. So with that change, although there will be some challenges, we are still projecting to meet our target. I

just want to talk about some of the larger variances at the project level. So you could see at the top of the chart here, for filter media is one of the areas that is currently over budget. What we had planned to do is now complete, there is an amendment processed for that overage and one of the things that we're going to be looking to do is possibly doing some additional filter media this fiscal year, sort of accelerating from fiscal 2024.

Another one of the larger variances is a treatment plan graphics upgrades. That's under by about 230,000. That's primarily due to a delay with a professional service agreement that needs to be signed. It has now been signed and that project is progressing. The Lake [inaudible 01:12:51] raw water flow control valve replacement, that's actually over by about a little over a hundred thousand and that project is progressing now and is ahead of schedule. The chemical treatment system improvement is under by about 236,000. That is one of the areas that we are seeing some material delays and the impact of supply chain. The West River improvements, that is under right now by a significant amount, by about 1.7 million. That is due to contractor delays and other related delays, but there has been an amendment for that project that's already been approved. So we are now expecting that project to come in at a little under 10 million this fiscal year and will continue into next fiscal year.

Another one of the projects I just want to mention that is under is the Seymour Well Field Generator Replacement Project, that's under by about 157,000. This is one of the projects that is, we got approval through Congressional directed spending. So we were getting some grant money for this project and we've been in conversation with EPA to make sure that we're following all the guidelines. So the project is being rebid to make sure we incorporate all the requirements under congressional directed spending, and we're looking forward to getting that grant money as the project progresses. On pipe, the primary reason that pipe is under running through February of this year is really due to one of our larger projects under Municipal Pipe, which is Route 34 in Derby, and that's primarily due to the work that's actually happened throughout most of the beginning of the fiscal year was actually the work that we're getting DOT reimbursement for.

And this is the portion of the budget that our RWA will need to fund for the betterment portion and that work will begin in the latter part of the year, but that's the primary driver of that current under run there. Capital Pipe Service Connections though is one of the areas that's actually offsetting that. That's currently over the budget and it's my understanding that the volume of work for service transfers related to our capital program has definitely increased this year significantly more than last year. Going down to the latter part of the page here, in general plan I think the two primary areas I just want to mention is, you will see an under run in the CIS program and that relates to the amendment that's going to be the next item on the agenda, which has to do with the timing of that project, primarily the milestones.

And the other item I just want to mention is actually under vehicles. You can see that that's under expended by almost 460,000, and a good part of that is what I mentioned relative to NO DES. I know the team is working with NO DES to see if we can get that vehicle, I'll call it, or equipment in that we're going to use for flushing before the end of the fiscal year. And at this point we're not sure if we're going to be able to do that or not. So those are the key variances that I just went over, and I'm still looking to make the little bit over 96% withholding some money in reserve for next year.

You go to the next page. This is showing our interest earnings, and this is sort of a highlight of fiscal '23. Our interest earnings are significantly up. This is the positive part of the interest rate environment. So way back, about a year ago, interest rates were extremely low. We were using 0.15 on our projection for many of our funds that we keep liquid. And even some of our longer term investments, we thought we were doing good if we were at one or 2%. So the environment has significantly changed. So you can see here that as of February 28th-

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Rochelle:

Here as of February 28th, you can see what the stiff rate was at 4.61. It's actually a little bit higher today, and what our interest earnings is. So this is definitely contributing to our higher coverage, and there could still be volatility. I know there's different opinions about what's going to happen with interest rates over the longer term, even into fiscal 2024, but this is definitely helping us with our coverage.

And if you go to the next page, we added this additional page few years ago, and this actually, this is cash-based, but it actually shows what our interest earnings are on a cash basis. And even though the construction fund does not come into play with our maintenance test, we are now only taking money out of the construction fund to meet each funding that we have. So we're also earning fairly significant interest on our construction fund. About little over, we have almost 1.5 million in interest earnings on the construction fund. Any questions?

Suzanne:

Yeah, Rochelle, it's Suzanne, I have a question. On the interest for the short-term debt, versus the long-term debt. Why is the short-term debt so much higher than the long-term debt?

Rochelle:

So the long-term debt is still being driven, primarily, with the lower securities that we purchased when we thought we were doing well last year. More recently, and I think it's one of the notations on the page. More recently, we've been getting closer to 5% on that longer term rate. So it has to do with a mix of the securities. And what's also happening right now is those liquid short-term rates are actually quite high. And we are careful about, there's only certain funds where we will use generally three to five year investments. Because for example, the revenue fund has to be kept liquid, because that'll be moved through the year in disposition.

Suzanne:

So are you saying because we locked into some investments in prior years of lower interest rates on the long-term debt, you're still holding onto those, and there's no way to trade them in and get the shorter term rates?

Rochelle:

Yeah, there's no favorable way to trade those in. And again, because some of those securities were purchased at a time, where if you were getting 1-2%, you're doing really well. But more recently, we've been able to lock in, on a careful basis, some of the higher rates, which are still not that much higher than even what we're getting from STIF.

Suzanne:

Okay.

Rochelle:

So some of the securities now that we're able to invest in have like 5% coupons.

Suzanne:

Thank you.

Rochelle:

Any other questions there? I guess serious.

David:

Sorry, I had it on mute.

Rochelle:

Okay.

David:

I don't have a question. I was just going to say, okay, I guess we're ready to go on to the type B3 amendment, which deals with the CIS project.

Rochelle:

Yeah, so we're requesting approval to move \$1,324,000 into our project reserve fund, and this is primarily due to the timing of the project, and in particular, the timing of the milestones. So we are still projecting to need the funding consistent with the application, but the timing has changed. So we want to put this into the project reserve, which will basically in effect move it into fiscal 24 to be available. So we're asking for the authority to do that.

David:

Okay. Are there questions on this? It's actually... Yes, Suzanne?

Suzanne:

Yes, I just want to know a little bit more about why the timing has changed.

Prem:

So maybe I'll take that one. Suzanne, when we actually negotiated the contract in the business case, if you remember, we had solid in terms of the payments for the various milestones in the contract. So as a matter of fact, the contract negotiation was more favorable. So for example, there are certain phases in the project, like analysis, design, development phases. Those milestones moved into the next fiscal year based on the negotiation, so it's really the timing of it. But overall, contract value is still the same, and the schedule is still the same. So it's basically the milestone shifted towards based on when the deliverables were coming by. So that was the reason.

Suzanne:

So I'm not sure I'm following. So the schedule hasn't changed, but the payments have?

Rochelle:

Well, maybe I'll clarify that. It's still an 18-month project. Those 18 months, though, have moved out from what was envisioned several, several months ago.

Prem:

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That's right. So the schedule, the number of months didn't change, Suzanne, but the actual start date has shifted. So it's still eight-month project, but the start date shifted to February. That's what happened.

Suzanne:

Okay. So then can you just share why it didn't start? It shifted to February. That's what I'm really looking for. Why did it get off to a late start?

Prem:

The main reason that we actually had a late start is based on the contract negotiation. So we were going through a lot of legal, if you will, making sure that the contract is a win-win contract. There are a couple of things that we did discuss in the contract phase. For example, while this is a CIS project, there were a couple other levers. Like, we use KUBRA, as an example, as a payment vendor, we are changing KUBRA to payment. This is one example.

So when we negotiated the contract, we had to make sure that the contract is really done, and with all the parties. So the contract negotiation took a little longer than expected, but at the same time, we wanted to make sure that it's a win-win contract for both sides. So between the legal and the contract negotiation, it took a little longer. That's what happened.

Suzanne:

Thank you. So how much longer are we? February was supposed to be what?

Prem:

We were supposed to kick it off in end of November, so we kicked off in February. So basically, the product start date was, technically, was in the business case was slated for November. Now we actually kicked it off last month, in February. So that's what happened, the shift. So basically, the end date of the project also shifted accordingly. Fine.

Suzanne:

So we took four extra months for a negotiation of the contract?

Prem:

Basically three, with Christmas and everything was in the middle. So that's what happened.

Suzanne:

Okay. Thanks very much.

Prem:

Thank you.

David:

All right. Other questions or comments? Right, then what's your pleasure? We have a motion to take action on, as we see on the screen.

Suzanne:

I'll make a motion to approve the capital budget transfer Type B3 Amendment.

David:

Thank you. Suzanne. Is there a second?

Kevin:

Second.

David:

Kevin? All right. Any further discussion? Seeing none. All those in favor, signified by saying aye. Passes unanimously the four of us.

Rochelle:

Thank you.

David:

All right. Well my other one timed out-

Suzanne:

It would be helpful if the minutes just say the reason why. Okay?

David:

Very good. Thank you. All right. So the next item is the business updates. Larry, are you ready?

Larry:

Yes. I just wanted to make a couple additional comments on my board letter. And as you know, we normally talk about what the COVID incident rate is at the RWA, that's contained in the board report. So I won't comment on that. But earlier this month, David, and Mario, and I met with the first Selectman of Branford, which was a good meeting, just to catch up on things going on between the RWA, and in the town of Branford. No issues were raised. And tomorrow, we're meeting with the first Selectman of Woodbridge along with Mark Levine. And in my conversation with him, there's no issues that he's aware of in town that pertain to the water company, although he did ask for an update on a few items that we are currently researching. So we'll let you know how that goes.

And finally, in my board letter, I note that I had initiated contact with the president of AdvanceCT, which is the organization that succeeded the Connecticut Economic Resource Center. And their primary job is to recruit businesses to the State of Connecticut. And we approach them about using water resources, specifically in the RWA service area, although there are other large water utilities that also have a surplus supply. But using that surplus water as a recruiting tool, and as a follow-up to that initial discussion, Sunny and I will be meeting with the AdvanceCT staff on Monday to present a white paper that we had previously sent to the president of AdvanceCT. So hopefully, we can help them understand why water resources can be a recruiting tool, and let them know that we are very long on water, and perhaps New Haven County can become more of a target for their recruitment efforts. That was all I wanted to add to the business updates.

David:

All right. Any questions regarding any of the eight pages of report in there?

Suzanne:

I had a question.

David:

Sure.

Suzanne:

Larry, can you just talk a little bit more about the increase water consumption that we keep? I don't know, we're in our third year of higher than expected water consumption. And have we done anything to nail down details about why that's happening? I know we've generally pointed to the pandemic, and more people being at home, but have we spent any time or energy trying to get a little bit more detail about that?

Larry:

Well, we are seeing the rise start to decline again. So the trend is now heading downward and we believe that, as I said, the only thing we can really determine is that there has been increased water usage because people were home. There is also a lot of building going on within the city of New Haven, in terms of apartment buildings, and in other parts. So that may have a contributing factor, but again, we are starting to see the decline heading in that 1% direction. Again, as you track the water consumption on the graph.

Rochelle:

Maybe I just can add one other thing. We also saw strong consumption in the summertime, which is often weather-related.

Suzanne:

Okay. Thank you.

David:

Great. Other questions regarding the monthly report? All right, let's go on to the RPB Committee assignments for March. Let's see Suzanne, were you able to go to Finance last week?

Suzanne:

I was.

David:

Good.

Suzanne:

In summation, they reviewed the audit plan with the auditors, and there were no significant questions. They discussed the financials of various RPB approved capital projects in CIS. The committee also

discussed the Derby tank litigation, DWSRF, and contractor status of Lake Collard projects. They wanted an update. And they went into the executive session to discuss our WA compensation for board members. And while I was not there when they returned, out of executive session, I did look over the minutes, and there was a recommendation of no increase in compensation for board members, for reasons discussed in executive session. And that was it.

David:

All right. Any questions? All right, then we'll move on to Land Use Committee. Catherine, you were able to attend there?

Catherine:

I did attend the March 8th meeting of the Land Use Committee. I also want to, when I finished this, I also attended the meeting of the Consumer Affairs Committee, which occurred on February 27th, which we haven't reported on because it came after our last board meeting.

David:

Right.

Catherine:

Land Use Committee meeting on March 8th, the primary focus of that meeting was a presentation by Mr. Kay, who is... He manages beekeeping activities on RWA properties. Very interesting presentation. He talked about challenges that honeybees are having based on pesticides, environmental issues, and those challenges, and the difficulties that he's had as a person managing a beekeeping business. It was actually quite fascinating. Then, Mr. Triana gave his usual extremely thorough report on the land we need for the Water We Use program. He talked about we were at a point of acquisition of property. No, I'm going to forget which... It's in Prospect.

Yes, in Prospect. Sorry, I'm looking at different notes than those I took during the meeting. There was additional discussion about some small increase in the amount of mapped invasive species. Members of the committee continue to raise concerns. Ah, I found my other notes. Yay. As additional questions, and in increase their interest in making sure that there's sufficient amounts of money available for our educational program. And there was a report on plans for this summer with kids from inner city coming to RWA properties. Tom Clifford was reported to have gone hiking. Since you're here, I thought I'd mentioned that. I think those are the highlights. Did anybody have any questions about the Land Use Committee? Okay.

In addition to that, I attended the Consumer Affairs Committee, which there was an excellent presentation by Ms. Campbell, with respect to the deer hunt. It's very comprehensive presentation, which we have seen. That was the third one that I experienced. And so you have all seen that. If you have any questions, please let me know. Then, the committee undertook a discussion of a request from Attorney Donofrio, to increase his hourly rate by \$25 an hour. Went into executive session, and following the executive session, they came out and recognizing the value of Mr. Donofrio's services to the RPB, and frankly, to the RWA, they voted to increase the OCA's hourly rate from \$225 an hour, to \$300 per hour. So they gave him more than he asked for, which is probably the first time I've ever seen that happen with a lawyer. But they were very complimentary comments. And the OCA's bill was approved at \$2,195 for the last billing period. That concludes my reports.

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David:

Okay. Thank you. Any questions? Follow up, for that? All right, then we have our consumer affairs from this past Monday. Kevin, were you able to attend the March one?

Kevin:

Yes, I attended, and the main event on the agenda was the educational resource, or officer update, Lisa DiFrancesco. And she gave a excellent presentation about the educational program, Whitney Water Center. What they're offering, what they've been doing during COVID, and post-COVID. A little bit of a background in history, especially for some newer members. The participation rates, the impact of COVID, and certain trends that she's seeing. Digital improvements that they're creating, or working on. And there was a lot of questions and interest at the meeting. It was a well done presentation.

And then secondarily to that, was just, it sparked a conversation. Mario Ricozzi, the Chair of the RPB, was in attendance. It was about the budget meeting, and Mario had brought up putting out that whatever's important to members of the RPB, now is the time to look at it in the budgeting process, and see if there's something that they would like to comment on, and that this is their opportunity for that. And then there was a discussion that followed that as well. That was it.

David:

All right, thank you. Any questions or comments? All right. Next is our last item on the agenda, unless there's action for the full body to take, which there probably will be. So I'd like to ask if we could take a little break. Why don't we take a break until 2:20? Is that all right?

Jennifer:

We have to do assignments for the next quarter.

David:

Oh, I'm sorry. Okay. You're right. Thank you. Let's get that completed. Yeah, I had it open too, and I still missed it. All right. So April, who's available for a Finance committee? Now this is the April 10th, the regular meeting, not the combined budget workshop. You could do that, Suzanne?

Suzanne:

Yeah, I just do that, David. Yeah.

David:

Okay, great. All right. So Suzanne, will do Finance and then Finance Committee and Land Use Committee budget workshops are the next two items. And generally-

Kevin:

I'm going to be attending that those anyway, Dave, so if someone else...

David:

Right, okay. I will as well. Probably remotely because of the dates that they are, but I will.

Kevin:

Yeah.

David:

Yeah. So that's great, all right. And of course, other authority members are welcome as well, but it's good to hear the different questions, and the different focuses on the two different days with different RPB members. All right. So May we have Finance Committee, Monday, May 8th. Yes, Catherine?

Catherine:

Don't you need somebody for Land Use in April?

David:

That's their budget workshop as well, though.

Catherine:

Oh, right, okay. On the 19th?

David:

Yes, 19th. It's a workshop.

Catherine:

I'll definitely attend that. Yeah.

David:

Yeah. Okay, very good. We'll have a plethora of Authority members, which is great to hear from the RPB directly. May, the Finance Committee?

Kevin:

I can do that.

David:

Okay. Land Use, who wants to go on a field trip? The May Land Use Committee meeting Wednesday, May 10th.

Suzanne:

I can do that, Catherine, you've been doing a lot of Land Use, so I'll do that.

Catherine:

Okay. All right. Thanks, because I think I'm unavailable on the 10th.

David:

Okay. How about on Monday, May 15th?

Catherine:

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I will attend.

David:

Okay, very good. So then we have June Finance Committee, Monday the 12th?

Suzanne:

I can do that.

David:

Okay, very good. And then land use field trip again on Flag Day, June 14th?

Kevin:

I can attend that if you need me.

David:

Okay. And then Consumer Affairs on Monday the 26th?

Suzanne:

I can do that, David.

David:

Okay, great. This works out nice. All right, so with that, we took a few more minutes. Let's take a break until 2:25 then, all right? All right, very good. We'll see you all shortly.

[BREAK FROM 2:12 P.M. TO 2:25 P.M.]

David:

All right, so we're at the point in the agenda where we'll recess as the Authority and meet as the Commercial Business Committee. Who would like to move that? Catherine, I saw your hand. Who wants to second?

Suzanne:

I'll second it.

David:

All right. Seconded by Suzanne. All those in favor signified by saying Aye.

Directors:

Aye.

David:

All right. Kevin, it's all yours. Thank you.

[COMMERCIAL BUSINESS COMMITTEE MEETS FROM 2:25 P.M. TO 3:15 P.M.]

David:

All right. We are back to the authority and last item on the agenda is the consideration of items referred by Committees. The only item we have referred by the committees is from the commercial enterprise committee. And we have the following motion resolved that the Authority hereby accepts the application dated March 23rd for the purchase of assets building and land of Target one, the confidential plumbing company, et cetera. We've had discussion on this, although we certainly can't have it again if we'd like, but what's your pleasure here? Would someone like to move this?

Catherine:

David? I move approval of the resolution for adoption of the, by the Regional Water Authority as written.

David:

Thank you. Is there a second?

Kevin:

I will second that.

David:

All right. Is there any further discussion?

Kevin:

I will. I'm in support of it for the reasons stated in committee and also based on information, confidential information discussed during executive session.

David:

Okay, very good. The record will reflect that. Any further discussion? Sensing you're ready to vote. All those in favor signified by saying aye. I heard four ayes. Okay.

Rochelle:

Jennifer, I think we have to do the protective order, correct?

David:

Pull up the protective order.

Kevin:

From the Committee.

David:

From the Committee, yes. They recommended it to us. So we will take action.

Suzanne:

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Yes. I'd like to make a motion to adopt the recommended protection order from the Commercial Businesses Committee.

David:

Thank you, Suzanne. Is there a second?

Catherine:

Second.

David:

Okay. Any other questions or comments? Catherine? A question or an issue?

Catherine:

No.

David:

No. Okay. Sensing you're ready to vote. All those in favor signified by saying aye. I heard four affirmative votes and that was, I believe, the last item because it's the Committee voted on two. So that would be the full RPB would vote on two to complete the transaction and the application to the RPB. All right, Larry, question, because this came up when I was talking to Mario the other day. How long until this gets in the hands of the RPB and specifically the Finance Committee members? So will they have time to look at this before their April 10th meeting?

Larry:

Yes, we should be able to get this to the RPB within the next few days. It would then get referred to the Finance Committee, probably thinking maybe by the end of next week.

David:

Okay. So give 10 days or so before their meeting, which is great. That was a logistic question.

Suzanne:

David.

David:

Yes, Suzanne?

Suzanne:

Just ask how long it'll take to get the side by side from Dennis?

Dennis:

Probably a week at minimum.

David:

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Okay. We'll get you back before the Finance Committee reviews it. We'll have that backup information. The Finance Committee will review it for completeness on April 10th, and then the full RPB at their meeting on the 27th. On their meeting of the 27th, they'll call public hearing for May for this. That would be the plan right now?

Rochelle:
Correct.

David:
Okay. All right. Seeing this, we have no other business before us. Who would like to move that we adjourn?

Suzanne:
I will.

David:
Thank you, Suzanne.

Kevin:
Okay.

David:
There a second? Second by Kevin. All those in favor signified by saying aye. Passage is unanimous. Thank you folks.

[AUTHORITY MEETING ADJOURNS AT 3:19 P.M.]