

**Representative Policy Board
Finance Committee
South Central Connecticut Regional Water District
Via Remote Access****

AGENDA

Regular Meeting of Monday, September 14, 2020 at 5:00 p.m.

1. Safety Moment
2. Approval of Minutes – August 10 , 2020 meeting
3. Monthly Billing Project: P. Singh
4. RPB resolution authorizing interim financing for a draw down note: R. Kowalski
5. Quarterly Report on RPB approved projects
6. New Business
7. Adjourn

Note: As a reminder, the next meeting of the Finance Committee will be held on Monday, October 5, 2020 at 5:00 p.m. (regular meeting).

******In accordance with the Governor Lamont’s, Executive Order No. 7B for the Protection of Public Health and Safety during COVID-19 Pandemic and Response, the public hearing will be held remotely under the requirements of Paragraph 1 of Executive Order No. 7B - Suspension of In-Person Open Meeting Requirements. Members of the public may attend the meeting via conference call, videoconference or other technology. For information on attending the meeting via remote access, and to view meeting documents, please visit <https://www.rwater.com/about-us/our-boards/board-meetings-minutes?year=2020&category=1435&meetttype=&page=>. For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

Topic: RPB Finance Committee Meeting

Time: Sep 14, 2020 05:00 PM Eastern Time (US and Canada)

Join Meeting (*via conference call*)

Dial by your location

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 646 876 9923 US (New York)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

Meeting ID: 816 8921 7213

Passcode: 824741

Find your local number: <https://us02web.zoom.us/j/kqsg6g0C>

SAFETY MOMENT

September – Dog Bite Prevention

There are about 4.5 million people in the US bitten by dogs each year. Of those, 20 percent of bite victims require medical attention. Dog bites account for one third of all homeowners liability insurance claims. Please review the following Do's and Don'ts to help prevent dog bites.

Do's

- Be suspicious of ALL dogs.
- Position yourself sideways and round out shoulders when greeting a strange dog.
- Keep eye contact soft and fleeting, look away frequently.
- Drop your hand to your side palm facing down. Let the dog walk into your hand.
- Remain calm if faced with an aggressive dog.

Don'ts

- Approach a dog that doesn't approach you first, especially if sleeping or lying down.
- Reach over the dog and try to pet and touch them on top of the head.
- Stare at the dog, avoid direct eye contact.
- Use quick, jerking motions.
- Approach a strange dog near food, bones, or toys.
- Run away from a strange dog



TapInto
Safety



Regional Water Authority

Service – Teamwork – Accountability – Respect – Safety

Safety is a core company value at the Regional Water Authority .
It is our goal to reduce workplace injuries to zero.

 Regional Water Authority

**Representative Policy Board
Finance Committee
South Central Connecticut Regional Water District
Via Remote Access**

MINUTES

Regular Meeting of Monday, August 10, 2020 at 5:00 p.m.

ATTENDEES: **Finance Committee Members:** Tom Clifford, Charles Havrda, Jay Jaser, Vincent Marino, Tim Slocum and Michelle Verderame
RPB Member: Mario Ricoszi
FMA Member: David Borowy
Management: Larry Bingaman and Rochelle Kowalski
OCA: Jeffrey Donofrio
Staff: Jennifer Slubowski

Chair Slocum called the meeting to order at 5:00 p.m. He reviewed the Safety Moment distributed to members

On motion made by Mr. Clifford, seconded by Mr. Havrda, and unanimously carried, the committee approved the minutes of its July 13, 2020 meeting.

Ms. Kowalski, RWA's Vice President of Financial Services, led a discussion on the RWA's Ten-Year Model scenarios and impacts. She stated that the presentation would include background information and an overview of last year's scenarios and asked committee members for input and suggestions for the upcoming model in October.

Discussion took place regarding depreciation, post-employment benefits, rate increase, federal program opportunities and relief packages, rate impacts, flexibility, and timing.

Attorney Donofrio, Office of Consumer Affairs, stated that given the uncertainty of the pandemic at this time and the unknown financial impact it will have on customers, he finds the scenarios presented as reasonable.

Mr. Bingaman, the RWA's President and Chief Executive Officer, provided an update on the impact of tropical storm Isaias on RWA's Water Treatment Plants.

At 5:52 p.m. on motion made by Mr. Marino, seconded by Mr. Havrda, and unanimously carried, the meeting adjourned.

Timothy Slocum, Chairman

Note: As a reminder, the next meeting of the Finance Committee is scheduled for Monday, September 14, 2020 at 5:00 p.m.

Monthly Billing Conversion Update

Finance Committee Presentation

September 14, 2020

Agenda

- AMI Alignment
- Benefits of Monthly Billing
- Financial Walk-Through
- Cost Impact Summary

AMI Benefits Plan

Summary of Application to RPB
for Installation of
Advanced Metering Infrastructure

Regional Water Authority Meeting
March 20, 2014
Ted Norris, Jean Zanella-Dyer

Executive Summary/Statement of Application

- AMI will:

- Enable monthly billing
 - Reduces the size of customers' bills & easier to pay
 - Reduces arrears and collections
 - Enhances cash flow
 - Timely information to customers regarding water use
 - Potentially reduces calls regarding high bill
 - Customer can budget monthly
 - Compare water against other monthly utility bills

 Regional Water Authority

- Initiatives in Support of AMI Project Objectives
 - Billing Process Enhancements FY20
 - Water Watch (HomeConnect) FY20
 - Revenue Recovery FY21
 - Water Loss Calculation Tool FY21
 - Flexnet Deployment FY21
 - Bill Presentment & Redesign FY21
 - **Monthly Billing Conversion** **FY22**

- Monthly Billing brings service, process, and financial benefits to both customers and the company
- Monthly Billing aligns with our strategic goals
 - Goal 5: Embrace innovation and adopt state of the art technology to drive performance. Operationalize and optimize AMI for customer experience

Benefits of Monthly Billing

Business Case Overview

Monthly Billing Delivers a Positive Customer Billing Experience, Realizes a Key AMI Project Objective and Supports Increased Technology Utilization

Better Customer Experience

- Increased communication opportunities for marketing & engagement
- Smaller, more affordable bills
- Increased customer satisfaction
- Bill Redesign - Simpler, easier to understand bill

Company Benefits

- Increased cash flow
- Reduced A/R and bad debt expense
- Reduction of leak adjustments
- Less time on bill explanations & bill research/resolution

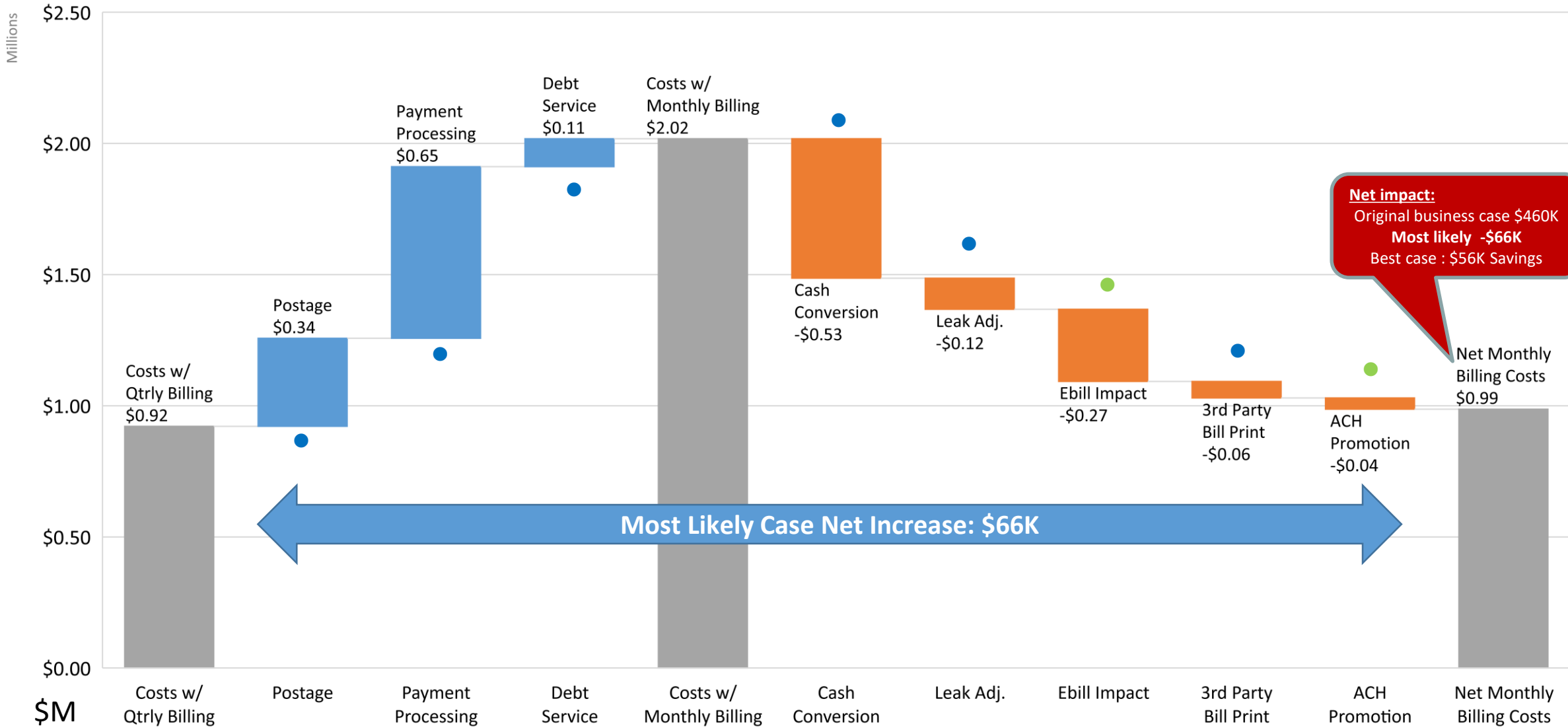
Strategic Initiatives

- Proactive communications to offset calls
- Increase Ebill participation (+17%)
- Optimize payment processing w/ACH promotion (+20%)
- Evaluate in-house printing capability needs

Monthly Billing Financial Walk-through: August 2020

Confidence Level:
 High: ●
 Med: ●
 Low: ●

■ Increase ■ Decrease ■ Total



Conversion O&M Cost Impacts

	Original Business Case*	Year 1	Year 2	Most Likely Case	Best Case
Annual Costs: Quarterly Billing Cycle		\$921,147	\$921,147	\$921,147	\$921,147
Postage				\$336,000	\$336,000
Payment Processing				\$654,000	\$654,000
Debt Service				\$106,286	\$103,034
Cash Conversion				\$(531,000)	\$(611,000)
Leak Adj.				\$(118,963)	\$(118,963)
Ebill Impact		\$(189,937)	\$(225,297)	\$(274,800)	\$(303,088)
3rd Party Bill Print				\$(62,820)	\$(62,820)
ACH Promotion		\$(25,580)	\$(31,975)	\$(38,371)	\$(49,029)
Annual Costs: Monthly Billing Cycle		\$1,089,133	\$1,047,378	\$987,216	\$865,017
Net Annual O&M Impact	\$460,000	\$167,986	\$126,231	\$66,069	(\$56,130)

**REPRESENTATIVE POLICY BOARD
OF THE
SOUTH CENTRAL CONNECTICUT REGIONAL WATER DISTRICT**

PROPOSED RESOLUTION

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 RPB hereby approves the issuance of the Authority’s Bonds in an aggregate principal amount not to exceed Five Million Dollars (\$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 to finance or refinance the cost of certain capital improvements to the water system of the Authority from approximately September 1, 2020 through December 31, 2021 in accordance with a certain capital improvement plan adopted by the Authority on June 18, 2020, as may be amended from time to time, to provide funds for deposit to the Capital Contingency Fund, Debt Reserve Fund, and Operating Reserve Fund, as necessary pursuant to the General Bond Resolution and as permitted by the Internal Revenue Code of 1986, as amended and to pay costs of issuance.
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.

South Central Connecticut Regional Water Authority
 90 Sargent Drive, New Haven, Connecticut 06511-5966 203-562-4020
 http://www.rwater.com

TO: Tim Slocum
1285 Lilac Court
Cheshire, CT 06410

DATE: September 4, 2020

RE: Quarterly Update of RPB
Approved Projects

ATTN: _____

We are sending you Enclosed Under Separate Cover via E-Mail Hand Delivery the following items:

- Prints Shop Drawings Data Sheets RPB Report
 Sketches Specifications Brochures _____

COPIES	PREPARED BY	REFERENCE NO.	DESCRIPTION
1		June – August 2020	Quarterly Report

THESE ARE TRANSMITTED:

- As Requested For Your Information _____
 For Your Use For Review and Comment

Remarks: Enclosed please find the first quarter Fiscal Year 2021 status report of all RPB-approved projects.

Very truly yours,

Regional Water Authority

- Copies to:** Anthony DiSalvo
Joseph A. Cermola
David Borowy
Suzanne Sack
Kevin Curseaden
Mario Ricozzi
Larry Bingaman
Rochelle Kowalski
Beth Nesteriak



Edward O. Norris, III, P.E.
 Vice President – Asset Management

**STATUS OF RPB-APPROVED PROJECTS
FIRST QUARTER FISCAL YEAR 2021 REPORT
JUNE – AUGUST 2020**

Ansonia-Derby Tank

Date of Initial Approval by the RPB: November 2012
Date Re-approved by the RPB: February 2019
Amount Initially Approved by the RPB: \$4,900,000
Revised Amount Approved by the RPB: \$5,100,000
Amount Expended to Date: \$1,108,847
Estimated Final Cost of Project: \$5,100,000
Scheduled Completion: February 2020
Anticipated Completion: December 2021

On July 15, the court conducted a status conference, and set a trial date for September 22. The trial date is related to the appeal of the Planning & Zoning site plan approval. Also during the quarter, the apparent low bidder agreed to extend the bid for an additional 180 calendar days until resolution of the litigation.

Brushy Plains Water System Improvements

Date Approved by the RPB: July 2016
Amount Approved by the RPB: \$4,700,000
Amount Expended to Date: \$4,482,502
Estimated Final Cost of the Project: \$4,561,000
Scheduled Completion: June 2018
Anticipated Completion: August 2020

During the quarter the final phase of the project was completed. This included the demolition of the Brushy Plains Tank and site restoration work.

Final payment was made to the contractor, Kovacs Construction, in August.

System-Wide Radio Telemetry (RTU) Upgrades

Date Approved by the RPB: July 2018
Amount Approved by the RPB: \$5,700,000
Amount Expended to Date: \$3,665,243
Estimated Final Cost of the Project: \$5,700,000
Scheduled Completion: May 2020
Anticipated Completion: August 2021

As a result of the COVID-19 shutdown, the cutover that was planned to begin March 16 remains delayed. The cutover is now planned for January 2021 as a result of capital budget constraints. The contractor, Knapp Engineering, continues to perform field work such as antenna and network box installation. Our consultant, EMA, continues to review submittals and memos from the contractor.

Branford Hill Service Area Improvements

Date Approved by the RPB: April 2020
Amount Approved by the RPB: \$2,400,000
Amount Expended to Date: \$2,405,151
Estimated Final Cost of the Project: \$2,405,151
Scheduled Completion: May 2020
Anticipated Completion: December 2020

Negotiations with CDOT regarding possible additional pavement restoration were put on hold as a result of the pandemic. It is anticipated that negotiations will resume during the second quarter of FY 2021.

North Sleeping Giant Wellfield Facilities Improvements

Date Approved by the RPB: June 2020
Amount Approved by the RPB: \$2,100,000
Amount Expended to Date: \$102,831
Estimated Final Cost of the Project: \$2,100,000
Scheduled Completion: August 2021
Anticipated Completion: August 2021

During the quarter, the project received approval from the Representative Policy Board following a public hearing. Award and execution of a contract with the low bidder, Associated Construction Company, also occurred. A preconstruction meeting was held, and mobilization and construction is anticipated to begin during the second quarter of FY 2021.