

REPRESENTATIVE POLICY BOARD

FEBRUARY 27, 2025

MEETING TRANSCRIPTION

Bob:

I'd like to call the meeting to order. Starting with the safety moment. That is the impact of winter fatigue on work due to feeling sluggish. Lack of sunlight could reduce your levels of vitamin D, so in order to quench some of that it says to get light, open the curtains, get outside. Add exercise to your routine and try to get seven to nine hours of sleep.

I don't know if there's any members of the public here tonight, but if so, we'll grant them three minutes to speak. They can address the board but I don't see any. Approval of last month's minutes?

Greg:

So moved.

Jamie:

Second.

Bob:

Any discussion, corrections? All those in favor of last month's minutes please say aye.

RPB members:

Aye.

Bob:

Any opposed? Any abstentions?

Jamie:

Chairman, Carolyn would be abstaining.

Bob:

Yes. Branford Rep would be abstention of the vote. And while we're talking of Carolyn, I guess I would like to take this time to introduce Carolyn Mancini who is the new Branford representative.

It's very nice to have a representative from Branford here, right, Mario?

Mario:

Whatever you say, sir.

Bob:

Okay. Move on to communications and that the Report of the Code of Ethics went out. I don't know if you've all had a chance to read it. I would encourage that.

Representative Policy Board
February 27, 2025

Items for consideration; Findings of Fact and Conclusions of the Law file decision for RPB approval of the Authority's application for the disposition of 56 Squantuck Road in Seymour. Peter, would that be you?

Peter:

That would be me. Would you like me to read the resolution?

Bob:

Yes, please. And I think we have it in front of us too.

Peter:

Okay. Good evening, Mr. Chairman and board members. "The Representative Policy Board of the South Central Connecticut Regional Water Authority. February 27th, 2025, proposed resolution disposition of 56 Squantuck Road, Seymour, Connecticut, resolved that the proposed findings of fact, conclusion of law and final decision of the Representative Policy Board, the RPB, with respect to the South Central Connecticut Regional Water Authority, RWA, application for disposition of 56 Squantuck Road in Seymour, Connecticut dated October 28th, 2024. Application which copied is attached hereto be hereby approved in the form submitted to the meeting and further resolved that the RPB hereby approves the application and authorizes the RWA interim president and chief executor the CEO to execute all the necessary documents to finalize the transaction. In the absence of the interim president and the CEO, the RWA real estate manager is authorized to sign in his place." That's it.

Bob:

Okay, that would be in the form of a motion from you, Peter?

Peter:

That's a formal motion, yes.

Bob:

Okay.

Greg:

Second.

Bob:

Seconded by Greg. Any discussion? Hearing none, all those in favor please say aye.

RPB members:

Aye.

Bob:

Any opposed? Any abstentions, Carolyn? I guess it's vote so ordered then. Thank you very much everyone. Next would be Consumer Affairs Committee, Naomi.

Naomi:

"Representative Policy Board South Central Connecticut Regional Water Authority proposed resolution February 27th, 2025, whereas the South Central Connecticut Regional Water Authority submitted proposed revisions to its rules and regulations for water service and its rules and regulations and rates serving the extension of water mains [inaudible 00:09:14] Policy Boards RPB for its consideration and approval and whereas the Representative Policy Board Consumer Affairs Committee reviewed the proposed revision at its January 27th, 2025 meeting and recommended the changes to the RPB for approval. Now therefore we have resolved that proposed [inaudible 00:09:35] to South Central Connecticut Regional Water Authority's rules and regulations on water service and its rates are largely included. Regulations and rates serving the extension and water mains being and hereby are approved substantially in the form submitted to the meeting."

Bob:

And that is a form of a motion I hope.

Naomi:

Yes.

Bob:

Thank you. Do I have a second?

Tim:

I'll second.

Bob:

Tim, thank you. Any discussion at this time? Okay, all those in favor?

RPB members:

Aye.

Bob:

Any opposed? Vote so ordered. On to reports, we go on to the Finance Committee, Vin.

Vin:

Yes. Good evening, Mr. Chairman. The Finance Committee met on February 10th and we were provided with an update regarding the lead service line inventory by the RWA's water quality manager and we had a briefing on a vacuum excavation program that was initiated using data from the legacy tap cards and service line inventory submitted to the DEP, the Department of Public Health, I'm sorry, and that was the primary focus of the discussion at the meeting. Following that update, we did some administrative stuff by approving our minutes, reviewing our committee assignments for attendance at the Authority meetings. And we will be addressing the Five-Member Authority Compensation Study at the May meeting after we get through our budget review and then we adjourned. Our next meeting is scheduled for March 10th. If anyone has any questions, happy to address them.

Representative Policy Board
February 27, 2025

Bob:

I don't see any, thank you very much.

Vin:

Thank you. Absolutely.

Bob:

Land Use Committee, Mark.

Mark:

Hello, everybody. We had a meeting on February 12th, very interesting meeting with a person, Ms. Rutledge of the Connecticut Agricultural Experiment Station provided a presentation of invasive bugs in Connecticut. The first was the emerald ash borer, you know all the destruction they've done in the state. And because of that they're kind of on their way out and now they're looking to see if the ash trees will rejuvenate and it's called a significant challenge ahead will be to determine an effective method for the regrowth of the ash trees. She also talked about providing an update on the spotted lantern fly. You've all seen that it's a very colorful bug, which is an invasive species that first appeared in Pennsylvania in 2012. It hits grape trees, grape winery type things, apples, grapes, multi-floral roses and trees from heaven and they're working on something now to eradicate or take control of this invasive species. Very interesting, I can't go into the whole thing because it was very long but very interesting and that was about it and our water was at 76%. So anybody have any questions? Thank you very much, Mr. Chairman.

Bob:

Thank you, Mark. We'll move on to Consumer Affairs Committee, Naomi.

Naomi:

First we met on January 27th and we met after the regular meeting. If anybody has any questions whatever, they can refer to our minutes from that date on the 27th. We also met again as a committee on February 24th. We had Prem and his team that came in and they were the new chief information digital office and vice president of Consumer Care. So they in turn they had four topics in which they discussed, they did the background and process. They did various installations and locations. They did customer service interactions and charts and reporting. They also discussed [inaudible 00:14:07] different things in each category. So if you want that I can also provide that information for you. We also had the OCA who came in, discussed with us the four matters, which have come to him in the past. One was from Milford, one was Ansonia, one was in New Haven, the other one was in Derby. Let's see, oh, we received an email from Jennifer which was sent out.

It was talk about the corporate responsive report which she sent out, which had a lot of good things in it. So if anybody was interested or are still interested, she could always resend the email but everybody does have a copy that they should have. Our next meeting will be held on Monday, March 17th at 5:30 and we will not be [inaudible 00:15:02].

Bob:

Okay, now we'll move on to the Authority and management, David.

Representative Policy Board
February 27, 2025

David:

Thank you. Yes, we met this afternoon, had a long important meeting. First item, we met as the Audit Risk Committee and Catherine will have a report on that.

Catherine:

Mr. Chairman, members of the RPB, good evening.

Bob:

Good evening.

Catherine:

The Audit Risk Committee did meet today to talk about the very important thing, fascinating beginning of our 2025 audit. The auditors from CliftonLarsonAllen, David Flint and Gabriel Epstein informed us or actually we knew about this but I think we talked briefly about yet a new audit standard, GASB 101, which had all the accountants in the room gasping that we are now at 101. And it's related to the necessity of accounting for compensated absences, things like sick leave, vacation leave, and also parental leave, jury duty and things like that. So this is yet a new or an additional thing that we have to consider with respect to our audit. The fiscal 2025 audit will be the third year of the implementation of the lease accounting requirements from GASB 87, and the second full year of implementing the subscription based information technology arrangements, which is GASB 96. All of these accounting standards require a complete inventory of all lesser and less see arrangements and all subscription based technology arrangements. These arrangements then need to be evaluated as prescribed and then financially recorded, incorporating any modifications of these arrangements into the audit for the fiscal year.

Are there any questions? Okay, thank you.

David:

Thank you.

Bob:

Thank you.

David:

Thank you. We also met as a Strategic Planning Committee and Suzanne will have a report on that.

Suzanne:

Hello, everyone. Can you hear me?

Bob:

Hi.

Suzanne:

Very good. The Strategic Planning Committee met today. The interim CEO and the members of the leadership team shared with the Five Member Authority the mid-year status of our organizational fiscal

'25 strategic action initiatives. Just to give you an update, 12 of the 24 goals in the 20 to 25 strategic plan have already been successfully achieved. 12 fiscal and 25 strategic actions are currently being pursued to finish out the plan, which sunsets on May 31st of this year. And the results of the plan and the completion of it are a real testament to our management team and our employees for focusing on these goals and moving RWA successfully toward its vision. So I want to extend a real hearty thank you to everybody who works together to make all this happen. In addition to that, the global metrics range from safety performance to customer satisfaction to coverage the requirements. And so the performance targets serve as a benchmark for the organization's discretionary bonus program as well for all of our eligible employees so there is a built-in incentive.

The one exception that we experienced was that zero preventable injuries, our safety goal, which management has continued to update us on as of December 1st, 2024, the RWA did experience three preventable injuries up to that point. Management has introduced new safety initiatives including encouraging greater participation in near miss reporting, as well as renewed focus on technical training for our excavator operations. Turning to fiscal year 2026, strategic planning included an outline of fiscal '26 strategic planning process and a timeline. The strategic plan will only be for a one-year horizon given all the things that are going on at this point. Again, the focus will be on customer and community service and workforce planning and development, financial stability, utility assets and natural resources and strategic technology. 13 strategies with 34 car spending targets, many based on industry benchmarks and stretch goals were reviewed as metrics for successful achievement throughout fiscal year '26. So fiscal year '26 strategic plan and global metrics will encompass June to 2025 through May 2026 and will be shared with the next RPB executive committee meeting.

We also discussed strategic planning in general and the board looks forward over the next year to stepping back and doing some longer range strategic planning for the organization. So we look forward to sharing more about that when we do have more to share about that and that's it for me this evening, unless anybody has any questions.

Bob:

Thank you.

Suzanne:

Thank you.

Bob:

Don't see any questions. So with that, I will give the floor over to Sunny for him to give the business updates.

Sunny:

Thank you. Good evening, everyone. As part of the management updates, we updated on the regional supply strategy, which where Rochelle and I are meeting almost on a daily basis with many of the town's legislators and a whole bunch of folks to explain the transactions. In terms of the strategic action, I think Suzanne updated the board with regards to what we are doing, what we are planning for this year, as well as going into the next year. In terms of engaging with employees, I do have micro mini town halls, which I do almost on a bi-weekly basis where I meet the employees so those are three or four major updates. When it comes to the financial updates, the operating revenues are over budget by \$3.527 million, about 3%. The total water revenues being under by \$407,000. Other revenues are above budget

by \$3.934 million. Operating and maintenance expenses are down by \$2.197, which is almost 5%. Primarily impacted by payroll being under, information technology license and maintenance fees lower by 400, close to it. Pump power being down, pump power is over budget due to unforeseen statutory charges that the State of Connecticut has imposed.

Outside services are lower by \$288,000 and maintenance and repairs are lower by \$268,000. There are other miscellaneous impacts for ups and downs. With regards to the projected coverage, we are at 119% with no shortfall. Budgeted coverage was 114%. These are being impacted by the May 2024 refunding, the drinking water SRF closings, some acquisitions and higher interest incomes, et cetera. With regards to storage and rainfall, as of Feb 10th, the water storage is at 77%. This compares to the long-term average of 80% for the same period. For fiscal 2025 to date, the rainfall totaled 27.13 inches or about 4.69 inches lower than the long-term average of 3182.

Bob:

And that's-

Jamie:

[inaudible 00:24:21].

Sunny:

Of course.

Jamie:

I was going to ask the statutory, what was that? The statutory was a new-

Sunny:

Right, I think that's part of I think during COVID and there was a lot of incentives that was given in terms of the electricity fees and charges that were given. I think the state imposed certain, I guess, added surcharges, which goes to our bills as well. So we end up paying, which was not originally budgeted, but it was done as part of surcharges, which adds to our power cost.

Jamie:

But this is the public benefit charge.

Bob:

Yes.

Jamie:

I'm sorry, I didn't know what one I thought.

Tim:

You should have it too. Anything they call a public benefit is [inaudible 00:25:12]. It is.

Mark:

It even affects us, not only the residential customer who's got to pay for it in their electric bill, but even big companies that you don't realize what it must be a big effect to us because we use a lot of electricity.

Greg:

Sunny, you said that payroll is under budget?

Sunny:

Payroll is under budget. It's predominantly due to headcount, under runs and some O&M, non-O&M mix.

Greg:

Okay. And you're holding meetings with the employees?

Sunny:

Yes.

Greg:

Is there any particular concerns that they have or recurring concerns?

Sunny:

Most of the questions pertain to the transaction, and a lot of other questions in terms of how we're doing overall for this year because given the rules and transition periods with, I would say, Larry's passing away and all that. So some of the questions pertain to it, but it relates to the transaction in terms of how they feel, whether it's going to affect them on an individual basis.

Greg:

Any updates on Aquarion?

Sunny:

Pretty much what we have actually done in the last month and a half, Rochelle and I have been meeting the town CEOs, some of the state legislators. And tomorrow too we have a few more meetings with the OCC, DEEP and all that. There have been questions similar kind of questions on pilot. Questions that come on the rate impacts, questions that come on the synergies between the two authorities. We've been kind of answering that. We give them a fact sheet that we developed which addresses the salient points of the enabling legislation. The other questions which does come up is how RPB members get nominated and things of that sort. Pretty standard questions at this time. First few meetings are interesting, but after that it's pretty much we have memorized the responses.

Tim:

Sorry, just a follow-up to Greg's question. If you had to give an assessment of state management including [inaudible 00:27:25] a Five-Member Authority, so [inaudible 00:27:28] can speak to that. How are you weathering if you had to give a group assessment, do you feel like you think you need to be in

consistent strenuous time anyway and it's different when the leadership is shockingly readjusted, how do you think it's going?

Sunny:

I think it's going well. It's challenging, busy and that's pretty much. One of the reasons if you ask me personally, I think [inaudible 00:27:59] or Rochelle can actually kind of opine on how they feel about it. But for me personally, I think it's great. It's a nice more than a few balls to bounce, which is always good to have at this time of where my career is. So I'm excited and that's one of the reasons why I even took this job in the first place so I was excited.

Mark:

When do you hear from PURA?

Bob:

Oh, hold on, Mark.

Mark:

Okay.

Bob:

Excuse me, Mark. Just one more.

Mark:

Sorry.

Tim:

I caught and noticed just Greg, that probably everyone else you mentioned the town halls you were having with staff, which I think is an excellent thing and probably necessary. I'm glad you guys are doing that and we said it before we saw this county Authority [inaudible 00:28:46].

Sunny:

I think it's great. I mean having all your help in terms of guidance, because I do keep calling David if I need to bounce something off. We call Jeff and we lean on so many folks here and I think that's a great help. It's a great support system that we have and I've enjoyed it right from day one so I think it's been great.

Tim:

If I could?

Bob:

Go ahead.

Tim:

Do we have a timeline as to when we might expect that the application would go before PURA?

Sunny:

Right, we have the draft applications that we've prepared [inaudible 00:29:28] and we hope to submit those by sometime in March, Tim. And after that they have 200 days to make a decision so we are expecting the decisions to come sometime in October.

Tim:

Thank you, Sunny.

Bob:

Mark, did you have a question?

Mark:

That was my question.

Bob:

Okay.

Mark:

Sorry. I just wanted to know when it was going to PURA, but the other thing is I've participated in a meeting with Sunny and Rochelle with my town executive First Selectman, and I thought it went very well. I thought Sunny and Rochelle put on a good front, put on a great presentation. Answered all the questions, and I thought it was very informative and good to do with all the town. He's running into a little problem with the other towns in the district taking over, but most of the towns, as I heard, are being receptive. My first selectman was receptive to it.

Bob:

Steve, do you have a question?

Stephen:

Yes. Sunny, I was just wondering temperature-affected water processing.

Sunny:

Temperature normally it affects water main breaks to a greater extent. There are temperature effects on the surface water reservoirs during summer and all that, where there is a lot more algae that forms, based on the temperature variations between where we draw water. But our environmental planning folks keep an eye on how the temperature behaves. And typically on the treatment side of it, you're not going to see that much. The raw water quality side of it, you would see a lot more impacts on the temperatures.

Tim:

Take one final request if you could. That fact sheet you spoke to.

Sunny:

Yes.

Tim:

Would you mind sharing that with the RPB members?

Sunny:

Not at all. I would be more than happy to send it over, yeah.

Tim:

That would be beneficial.

Sunny:

Yes.

Tim:

It's good to have it for us as well.

Sunny:

Absolutely, will do.

Tim:

Thank you.

Bob:

Very good suggestion, Tim. I was going to say. Every once in a while he comes up with a good one. David, do you have anything else?

David:

No, that was it. We had a lot to do. There is a lot going on now, but we are energized and we are excited about the opportunities that are coming to us.

Bob:

Okay, thank you. Jeff, OCA, you have anything? Anything you want to share?

Jeff:

No, no, nothing from the OCA. Thank you.

Bob:

Okay, thank you. I guess I would like to share that our next meeting is going to be on Thursday, March 27th, and also a reminder of the budget review meetings. Finance will be Monday, April 7th and then Consumer Affairs and Land Use jointly meeting on Thursday, April 17th. That is all I have at this time. Anyone else have any other sharing or I'll accept a motion to adjourn?

Tom:

So moved.

Representative Policy Board
February 27, 2025

Mark:
Second.

Bob:
Second, okay. All those in favor, please say aye.

RPB mebers:
Aye.

Bob:
Thank you very much everyone.