

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

**COMMERCIAL BUSINESS COMMITTEE**

JUNE 22, 2023

MEETING TRANSCRIPT

[COMMERCIAL BUSINESS COMMITTEE MEETING BEGINS AT 3:45 P.M.]

David:

Kevin, it's all yours. See if you could beat the amount of time I took for my committee meeting.

Kevin:

That'll be tough. There is the minutes of the last committee meeting. Is there a motion for that approval?

Suzanne:

Chairman?

David:

Second. I'll second that.

Suzanne:

Okay. I moved approval.

Kevin:

Moved and seconded. Any discussion or corrections? Okay. All in favor? Aye. I'm not hearing anybody from the office.

David:

It was unanimous.

Kevin:

Oh, okay. Thanks. Got it. Review and adopt committee charter. This, let's see. I think there was some minor revisions maybe from last year, but nothing significant.

Prem:

That's right.

Kevin:

Okay. Is there any discussion on the CBC Charter?

Catherine:

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I read it, but I didn't know what was changed. And it looks fine to me.

Prem:

No, I think the revisions was really changing, adding the management. If you look at the first line, there's this one word. Literally, "the management team" was just added. That's about it. There's really not really any change. We looked at it because we adjusted it last year, Suzanne, so it kind of is really relevant for this year as well. So we just kept it the same way. That's all.

Catherine:

I actually, because it wasn't redlined, I read this whole thing very carefully, and I do have comments. You look at committee responsibilities, number three, "work with management to identify changes required in the Enabling Legislation," et cetera, et cetera. It made me think that the committee should also work with management to ensure compliance with the law policy and contractual obligations. And the reason I say that is if... I think... I'm back, I don't think. I know that's what you're doing in terms of the vetting process, but we probably should actually put it in the charter that this is something that's important to make sure that whatever we're doing is in compliance with law policy and our contractual obligations as well.

Larry:

Okay. We'll make that revision.

Suzanne:

That's a recommendation.

Kevin:

Sure.

Prem:

Thank you. Yep. We'll take care of that.

David:

It says adopt. Mr. Chairman, I'll move the adoption of this with the comment that Catherine made.

Kevin:

Excellent. Is there a second?

Catherine:

Yes, that's good.

Kevin:

There's a motion made as amended with Catherine's comments. It's seconded. Any further discussion? All in favor?

Committee:

Aye.

Kevin:

Aye. Okay. For whatever reason, I'm not hearing the comments. I hear the comments during the course of discussion, but not on the votes, so.

David:

We all said aye.

Suzanne:

Yes.

Kevin:

Okay. I believe you. The, okay. So what we have up next is, we have the update, the public facing update. And we'll start with that, continue with that. Thank you.

Larry:

Okay. Thanks Kevin. So well on the commercial enterprise strategy, public facing, we'll review a quick recap of our strategy where some of the activities that we have done at over the past year or so. And then we'll talk a little bit about our products and markets that we're focusing on. And then our future plans all at a high level that can be discussed in a public session. After that, we'll go into executive session and excuse some of our other participants. So with the strategy, you'll recall that the whole pursuit of the commercial enterprise is to generate additional funds so that we can invest in the utility infrastructure.

And likewise, to mitigate future rate increases for our customers by putting the revenues into the construction fund. Our objective is to build our 2023 framework to contribute toward the \$9.2 million ultimate goal, which will be a bit of a stretch because we will be going from \$5.8 million to 7.2, and that will be a bit of a stretch. But we also want to use our commercial business to provide turnkey water related solutions, not only our customers, but also to the rest of consumers in Connecticut where we have a specialized knowledge such as in well services, water quality testing, and [inaudible 00:13:10].

So a very high level strategy to capitalize on what we know and what we think we do best to serve consumers within Connecticut. With that, I'll turn it over to Dennis, who will talk about some of our activities in the past, just a year and a half.

Dennis:

Yes. So we'll move quickly through the next three slides. But it's really, how did we get here, how do we think about the markets, and where do we think we're going? And then we'll have some things for some confidential items that we need to move into session for. But how did we get here as a bit of a reminder? We've had three acquisitions that have been performing well. We have two pending ones as you know. We have advanced two partnerships on the pipe safe side. We've introduced one new product. We've modified, in terms of well safe, we modified the pipe safe program, if you will. We have internalized some of our M&A capability in terms of building valuation models and the like.

We have formalized and set up marketing capabilities for commercial activities. And as has related to our investments as it sits today, they're exceeding targets. In terms of how we think about the markets, it's really about pulling the protection plan relationship with the customer, as well as the on demand and the servicing of those protection plans. Really in uniquely two different markets. The well services markets who are not on distribution system, and then the plumbing markets and the like that are on distribution systems. So owning protection and the on demand service in both plumbing and well services.

Larry:

And I might add, we're actually fulfilling a need well services side. The Connecticut Department of Public Health, things are missing in the state of Connecticut, and that is private well owners having their wells tested on at least an annual basis to make sure that there are no contaminants that have gotten into it, or bacteria and that. So we are fulfilling of a need there.

Dennis:

And then in terms of where we're going, a critical year in terms of the well services growth and integrating the activities that we stood up there. The PipeSafe Expansion remains critical towards our strategic goals. Really monetizing all of our efforts with some really robust and disciplined marketing efforts, and keeping our eye on new product potentials and emerging markets as it relates to the markets we talked about on the previous slide. Back [inaudible 00:15:39].

Kevin:

Are there any... Yes. I'm sorry, Dennis. Go ahead.

Dennis:

I was going to say what you were going to say, "That concludes this part of the session."

Kevin:

Are there any comments or questions while we still have the public with us before we go into executive session?

David:

That's what I'm hearing.

Kevin:

I don't hear or see any, so thank you. Thank you. Dennis.

David:

You want a motion to go into executive session to discuss?

Kevin:

I believe that that's the next step. Correct. Yes. With the stated reason and who you're inviting to stay.

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David:

Yes. I'm inviting the senior executive team and Jennifer, and for the purpose of discussing proprietary information. And our guest and future member elect, our member elect team and chairman of the RPB.

Kevin:

Great. Is there a second on that?

Kevin:

Thank you. All right. We're in executive session.

[EXECUTIVE SESSION FROM 3:53 P.M. TO 5:00 P.M. AND ADJOURN]