

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

APRIL 27, 2023

MEETING TRANSCRIPTION

David:

it's 12:32, I will call the Authority's meeting for April 27th, 2023 to order. And I will note that in attendance we have Suzanne Sack, Catherine, and myself, David Borowy. Kevin is having connection issues and final member of the board at the moment. To save a moment, we'll just zip right by the safety moment, sorry Liz, and ask everyone to read it. Of course we'll see you later anyway. So now we'll go to public comment.

Jennifer:

No public members are present.

David:

Nobody. Okay, Jennifer. All right. So nobody from the public here, so we will move on to recess the Authority and meet as the Pension and Benefit Committee. Who would like to-

Suzanne:

I'd like to make a motion to meet as the Pension and Benefit committee, David.

Catherine:

Second.

David:

All those in favor signify by saying aye. We are now in the Pension and Benefit Committee Suzanne, it's all yours.

[PENSION & BENEFIT COMMITTEE MEETS FROM 12:33 P.M. TO 2:12 P.M.]

David:

Okay, we are on item D, which is act up matters arising from the committee. The charter is strictly a committee item, however resolutions for the two pensions, and the resolution for the VEBA and the resolution for the additional pension contributions. Those three items are now on the table for consideration. So what is your pleasure? Do you as chairman want to move those?

Suzanne:

Sure. I'd like to move the three resolutions that were made in the committee, recommended by the committee for the board to consider and approve.

David:

Technically it was four because one, it was three items for the four resolution, for the salary, for the-

Suzanne:

Yes, thank you four.

David:

Two motions. Okay. Then the VEBA was another motion and the additional pitching.

Suzanne:

Right. Thank you.

David:

It's on the floor. Is there any second to that?

Catherine:

I'll second.

David:

Catherine will second that. Is there any further discussion that we didn't already have at the committee? Sensing you're ready to vote. All those in favor signified by saying aye.

Board:

Aye.

David:

All four votes unanimous. Thank you very much.

Suzanne:

And David, I just want to make sure that we thank Rochelle and her whole team for all the work that gets done in support of the Pension and Benefit Committee. So thank you Rochelle and your team and everybody else who works on it as well.

David:

There's a lot going on with this and I saw some of the emails, but I know you folks did a lot of work on that, so thank you.

Suzanne:

And David, I'm sorry to intervene, but I do need to step away for just a little while. I'm not sure how long, but my attention is due somewhere else for the moment. Okay.

David:

In fact, we will hold an item that we have later. It's not coming up next anyway.

Suzanne:

Okay.

David:

But I would like all four of us if we can, to be part of it.

Suzanne:

Yes. And text me if it comes up and I'm not back. Okay?

David:

I'll do that. Thank you.

Suzanne:

Thank you. Thanks very much everybody.

David:

Let's go to the Consent calendar because I expect that might be quick.

Catherine:

Mr. Chairman?

David:

Yes.

Catherine:

I move the approval of the consent agenda.

David:

Thank you Ms. LaMarr. Is there a second to that?

Kevin:

Second.

David:

Thank you. Any questions? No, sensing you're ready to vote, all those in favor signify by saying aye.

Board:

Aye.

David:

Unanimous. Good. All right. We're on finance. Let's take a break. Because I thought it was committee meetings next, but it's not. It's finance next so let's take a 12 minute break till 25 after.

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

David:

I'll call us back to order and we'll go to item F, Finance, consider and act on a loan subsidy regarding the system wide radio telemetry unit. This is DWSRF funding, right?

Rochelle:

This is DWSRF for the RTU project. This is consistent with a rate application and with a budget. I just will mention we kept the 5.7 consistent with prior authorizations based on bond council's recommendation. The loan is expected to be approximately \$1.2 and we will be getting over a \$400,000 grant.

David:

Good.

Rochelle:

This is authorization to enter the loan agreement as well as to enter the project loan.

David:

Correct, and this is typical of the other dozen or so that we've done. Okay, good. Would someone like to move this and then we can ask questions?

Catherine:

I'll move approval of the resolution.

David:

Catherine moves, would someone like to second it? Keep in mind, there's only three.

Kevin:

Second.

David:

Thank you, Kevin. Are there questions or comments? Pretty straightforward.

Rochelle:

Pretty straightforward.

David:

A dozen or so other once we've done. All right, we're sensing you're ready to vote. All those in favor signify by saying aye.

Board:

Aye.

David:

Very good. All right. The next item is the 37th series resolution. This includes a refinancing, or is that a separate resolution?

Rochelle:

It's within the same resolution.

David:

Okay, good.

Rochelle:

This is for the new money as well as, we're really pleased that we're going to be able to do a small refunding. It's a small savings, but it's still worth doing. We'll incorporate it into the financing. Here again, we kept the \$37 million consistent with the rate application. That will be made up actually of the 37 series quarter revenue bonds, we'll do a small component of green bonds, and we'll also do some QWSRF. That was all consistent with the rate application.

David:

Great. What's your pleasure?

Catherine:

I move the approval of the resolution.

David:

Great. Is there a second?

Kevin:

Second.

David:

Is this what I signed the other day that they sent me by courier?

Rochelle:

No, that was for [inaudible 00:05:35] term financing [inaudible 00:05:35].

David:

Okay.

Rochelle:

There will be more documents.

David:

All right. Any questions or comments? Sensing you're ready to vote. All those in favor signify by saying aye.

Board:

Aye.

David:

Is there three of us present? Is there the next resolution, too, that supplemental one?

Rochelle:

The supplemental is really an attachment that's referenced. But the only other thing that I do want to mention here is we did provide you the preliminary official statement in substantially the same form as well as the consulting engineer's report. That will be an attachment to that. I believe that the resolution includes approval of that.

David:

Okay, so we have to do that as there's a resolution in there?

Rochelle:

It's part of the same resolution.

Rochelle:

It's included. I just want to point that out.

David:

So we already did that. All right.

Rochelle:

If you do have any comments, there is still some time to make any final updates to the preliminary official statement.

Larry:

You might want to point out that the consulting engineer's report was very favorable to the operation and maintenance of the RWA distribution and treatment system. We were pleased to see that. I think it

shows a tremendous effort on the part of lots of divisions within the company, particularly Jim Hill's and Sunny's areas along with others, too. It was a very, very upbeat report.

David:

Good.

Catherine:

It's also quite dense.

Rochelle:

Yes. We're working it into a [inaudible 00:07:26] statement.

David:

Putting government engineering and upbeat in the same sentence.

David:

All right, so we're all set with that topic. Okay. Then we'll move on to reports of RPB committees and Finance. Suzanne's not here. Not to put you on the spot, but Tim, do you remember what your committee did at your regular meeting in April?

Tim:

I think we were talking about the recommendation of the funding we're bringing forth tonight.

Rochelle:

Yes, I think that was the commercial-

David:

Oh, okay. The commercial-

Tim:

Yeah, the commercial-

David:

Okay. So that they complete the [inaudible 00:08:03].

Tim:

That's essentially what we discussed other than ordinary [inaudible 00:08:08].

Rochelle:

I think, was it the quarterly financials?

Tim:

Yes, quarterly financials.

David:

Okay, thank you.

David:

There was a special meeting with the Consumer Affairs Committee. Kevin, you and I were both at that. Do you want to report on anything?

Kevin:

The budget was presented and there were questions asked. There didn't seem to be anything too ... I think everyone here potentially was there, or most of us. There wasn't really anything substantial as far as any issues that came out of it. Everyone would seem to be generally pleased with what was presented as far as the RPB goes,

David:

That was my take as well. That there were questions, but they were information gathering questions as opposed to comments in the next [inaudible 00:09:13] anything. So it was good. That dovetails with Jeff's, the OCA's comments that we got yesterday.

Rochelle:

Yes.

David:

Which was [inaudible 00:09:22]. Kevin, you were the only one that went to the Land Use because Catherine was ill and I just couldn't make it. So there was-

Kevin:

Yes.

David:

Anything interesting at that meeting?

Kevin:

It was somewhat similar. I think there were a few more questions by some of the RPB members that were more specific, but those had been anticipated by management, and Mario Ricoszi highlighted to the board that now that they can't really vote the budget up or down, but they have an opportunity to comment specifically on the capital aspect of the budget. That would be one way in order for them to influence rate increases in the future. Mario Ricoszi had reminded the members that were present there of that fact. I also believe that most of the members, if not all of the RPB, were complimentary of management's presentation and I think, overall, of this year's budget.

David:

Okay, that's good to hear that.

Catherine:

Sorry, I couldn't attend any meetings. I was so sick.

David:

Yes.

Catherine:

I was out of the country for two of them and then sick for the other one.

David:

Yeah, Kevin always-

Catherine:

Thanks, Kevin.

David:

And traditionally I do as well go to these. It was great that he did. Thank you, Kevin.

Catherine:

Yes.

David:

All right. Then that is item. I'm going to move item I to next because Suzanne's just texted me that she'll be back with us at three o'clock.

Tim:

And this is ... I saw a note here for this part. Excused at eight.

David:

Yes. Okay. All right. Just one minute with that. Well, H, that's going to be something that we have to talk about as well, the commercial acquisitions. That's going to be without an RPB member as well. I think, yeah, I guess.

Tim:

Well, yeah, it sounded like. I mean, I took my marching orders. Well, thank you. I really appreciate the opportunity to have a good meal with you guys.

David:

Good. Well, we appreciate you being here.

Tim:

See you tonight.

David:

That's what we'll do, then. We'll just keep going in order. But I didn't want the Commercial Enterprise's acquisition item to go without Suzanne. But the other items that Paul's here for is fine, because he's not here for that. Thank you.

David:

All right. We're at H, which is Updates, so I'm going to actually just hand it to Larry and let him work through these. We will go into executive session to discuss commercial and financial information and communications privileged by the attorney-client, inviting Authority members, management, and Paul McCary. Do I have a motion?

Catherine:

So moved.

Kevin:

I second Catherine's motion to go into executive session.

David:

All in favor? Passes unanimous.

[EXECUTIVE SESSION FROM 2:36 P.M. TO 2:56 P.M.]

David:

We're going to start item I, the non-substantial Land Use Plan Amendment, the moving of a trail. I think we've actually heard about this before. This has been in the works for a long time, I think. Unless there was another trail that was moved?

Sunny:

I think this is the trail that was [inaudible 00:00:22]-

David:

Oh, yeah. It was taken a few years ago.

Sunny:

A few years ago.

David:

Oh, so this is a different one than that?

Sunny:

Absolutely.

David:

But the memo was self-explanatory.

Catherine:

Yeah, the team slate should be in there. Okay, bye. Yeah, he's coming.

David:

All right, are we ready for this topic now? We've all read the memo. Hopefully it's self-explanatory.

Orville:

I'm ready.

David:

Good. All right. He's on his way here.

Suzanne:

John?

David:

John, yeah.

Sunny:

It looks like John's on.

John:

I am here. Can you hear me?

David:

Hey, John. Yes, I can hear you. Can you hear us?

John:

Yes, I can hear you.

David:

We just called the item up, which is the Non-substantial Land Use Plan. You sent us the memo, which was self-explanatory. I think we'll leave it to... If anybody has any questions. Kevin, Suzanne, Catherine, anybody have any questions for John?

Catherine:

The recreational activity permit from the Department of Public Health has a lot of restrictions on it. Are we comfortable with all of those?

John:

Yeah, those restrictions are typical for all the recreation activity permits that we have from DPH. There's nothing unusual in there.

Catherine:

But we have people that are riding motorbikes on our property. Well, we're trying to stop that anyway.

John:

Right. We don't allow that.

Catherine:

No, I realize we don't allow it. I'm just aware that... I don't want to have the permit pulled because we can't control it.

John:

No, that hasn't been an issue at all. I think DPH has been understanding that we control what we can.

Catherine:

Okay.

David:

Other questions or comments from members? All right. Who would like to put this on the floor?

Kevin:

Mr. Chairman, I move the approval of the Land Use Plan Amendment for relocation of the New England Trail on Authority property.

David:

Is there a second?

Catherine:

I'll second that, David.

David:

Further discussion or questions? Hearing none, I sense you're ready vote. All those in favor of signify by saying aye.

Board:

Aye.

David:

It's unanimous. Thank you. Thanks, John.

John:

All right, thank you.

David:

All right, so we're on the application for the Derby Wellfield improvements, item J, the last item on the agenda. And who's... Sunny is this...

Sunny:

No, I will do a small introduction, and then... [inaudible 00:04:04]. Okay, so this is for the Derby Wellfield, right? So we have one well that is still outstanding. I would say that's still running. We had originally three, so two of them are non-functional at this time, but there's a lot of capital improvements, which has been projected to do for the past. I would say it's in the five year, 10 year, it was in the five year, 10 year. And now for this year, 90% design is complete. Orville has been managing the design. So what I will do is I will have Orville take over the presentation.

Hey, Orville, are you there?

Orville:

Yes, I am. Thank you, Sunny. All right. Good afternoon everyone, and thank you for the opportunity to present the Derby Wellfield Chemical Improvement Projects application to you today. As Sunny said, I'm Orville Kelly, I'm Manager of Design and Construction here, I'm in the engineering department. Second slide please.

So the project background. The wellfield is located in Derby, Connecticut. It serves over 700 RAA customers in the Ansonia-Derby Service Area, as well as an additional 500 plus customers for Aquarion Water Company and their East Derby system where this wellfield is the primary source of supply through an interconnection. The treatment facility was originally constructed in 1950 with three wells active and later upgraded in 1988 with only one active well that produced 0.66 MGD, million gallons per day, that is. There has been no major upgrades to the system since acquired by the Regional in 2008, however, we have made some necessary adjustment to the chemical treatment pumps et cetera, just to keep it functional. The chemical treatment at this facility consists of hypochlorite for chlorination, caustic for pH adjustment, phosphate for corrosion, and fluoride for tooth decay. Next slide please.

So the project scope. The Chemical System Improvement includes the replacement of the fluoride, phosphate and caustic, as well as the hypochlorite systems. Each of these systems includes new bulk storage tanks, day tanks, transfer pumps, meter and pumps, piping valves and instrumentations for control. This wellfield will be fully automated and optimized as per the RAA latest standard for grown water facilities.

Building upgrades, this includes replacing the roof, brick, masonry repointing, concrete, house keeping pads, roof access above pumps and infill of demolished skylight and wall openings. In terms of the HVAC,

heating, ventilation, and air conditioning of the building will provide climate control for the spaces and chemical rooms, such as new exhaust fans, unit heaters, vents, and a dedicated control panel. The safety equipment includes new tempered water piping, backflow switches, chemical [inaudible 00:07:08] in the chemical rooms, lighted fixtures in the injection chamber and the chemical rooms, with much better layout as well as safety hand wash showers. Next slide, please.

Thank you. So the project needs. Replacing the chemical system will improve the reliability, the safety and consistency of this facility. The station will be more reliable because new equipment will replace obsolete equipment and components that have exceeded their useful design life, will reduce staff labor and maintenance issues, which can be intensive due to the room sizes. New equipment and piping will prevent chemical leaks and bring this facility up to current updated RAA safety standard by optimizing the room size and piping layout, preventing trip hazards, as well as making it easier for operators and staff to navigate or maneuver around the rooms. Repairing the roof will also prevent potential leakage on equipment as well as avoiding slip, trip and fall hazards. Consistency, by installing new equipment, the wellfield cannot be fully automated with equipment that are similar to other RAA wellfield facilities as well as familiar to staff, thus reducing risk of user errors. Next slide please.

So the summary of alternative analysis that were looked at. In determining the best course of action for improvement to the wellfield, three different alternatives were evaluated during the design. Alternative one, status quo, which is take no action. This alternative was not acceptable and quickly dismissed as it does not provide any means to address the known issues at the facility. If not improved and left online, equipment would potentially fail. Equipment chemical leaks from aging piping and fittings, and health concerns or hazards and safety hazards risk would remain.

Alternative number two, a chemical system improvement. Replacement with new chemical feed system will provide long-term solution as well as reliable and safe operation by eliminating equipment and components failure. However, the alternative was dismissed because it did not address optimizing the existing building footprints by reconfiguring the existing chemical rooms and piping, as well as addressing the roof leaks which could potentially damage equipment. Alternative number three, which is chemical system replacement with building improvements. Replacing the new chemical feed system, which provides all the same benefits to alternative number two and implementing other building improvements which would provide permanent solutions to components that are in need of replacement, such as tempered eye wash station and the full replacement of the roof, which would eliminate leakage and could potentially damage our instrumentation equipment.

Alternative number three was selected as the most favorable alternative as it meets all the project objectives in safety, consistency and reliability. By optimizing the building footprint, the potential will significantly improve safety by reducing slip, trip and fall hazard. It also addresses the roof leaks and miscellaneous building improvements. It is also the most cost-effective and ease of construction as all of this work will be done while the wellfield is completely shut down. Next slide, please.

Budget and schedule. The project budget is estimated to cost \$3.3 million, which includes a 20% contingency. It also takes into account recent prices escalation, as well as we are still experiencing some effects from the pandemic it seems. Previous spend is \$142,000 with \$3.16 million budgeted in to be spent in FY24 and FY25. It is expected that the project will be funded using RAA's bond and internally generated funds. In terms of the proposed schedule for the project, we're doing RPB submission and hopefully approval between April and July of this year, 2023, with final design bid and award to be done during August of '23 through to October. The construction going on are starting from November '23 to April '25. And the reason for that construction is that most of the work ex is expected to be done during

the low demand season, and so that is going to take over two seasons just to get that work done. Next slide please.

So permitting and unusual circumstances. Permits. This project involve replacement of existing chemical systems and roof replacement to an existing facility, thus, no major permitting is anticipated. There are no process changes, therefore, we anticipate only the DPH water treatment plan general permit, as usual, as well as local building permits will be the only ones required. Unusual circumstances. Unusual circumstances is due to the fact that we had originally estimated and budgeted this project in FY22 where it was under the RPB threshold limit of \$2 million, but is now over that \$2 million threshold due to recent inflation and material price increases. Next slide please.

So the Derby Wellfield was last updated in 1988, and it is a critical facility serving over 700 RAA customers, plus an additional 500 plus Aquarion Water Company East Derby customers, where this wellfield is their primary source of supply. Hence, the proposed project will replace aging chemical feed system and equipment that has reached the end of its useful life, optimize construction and project cost, improve stability, safety, and reliability of this wellfield, and it is consistent with and advances the policies and goals of the RAA.

Thank you very much for your time. If there are any questions, I'll take them.

David:

Anyone have any questions? Well, I will say, I asked Sunny a question just quietly, I'll let you all know the answer. It looked like a long construction time, so that's why I asked about it. It's two, four-month periods because it'll be when it's down to work around peak. So it's not actually a year and a half to do this. That was my question.

Orville:

Well, that's partially it, and also, with what we've been seeing recently, material lead time, you get one thing before bid and during the process where we have issues getting some of the materials. That's all. But it's typically during those four months for the active. There will be some stuff that could be done during the summer months while the wellfield is back online. Yes.

Catherine:

What's the four-month period?

Sunny:

It's being shut down during the winter.

Catherine:

I see.

Sunny:

Typically we work from November to March for this shutting the Derby down. So you get only a window of November to March. So we will do in 2025, 2024. So you'll have the 10 months of [inaudible 00:15:59].

Catherine:

I'm sorry, I'm if I'm asking a stupid question, but if we're shutting down for four months, where are people getting their water?

Orville:

So those are considered your low demand period. And during low demand period, then the Seymour Wellfield will be able to substitute that, so we have other water substituting it. I know I did state in the presentation that the Derby Wellfield is the primary source for the particularly East Derby, which is fed through Aquarion Water. It is not the sole source, it is only the primary source. And so during low demand period, we are able to substitute that or provide enough water for that system.

David:

All right. Any other questions?

Catherine:

I think I read that.

David:

All right, sensing somebody is ready to put these various motions. There's a couple of proposed resolutions in there, which include a protective order as well as the application itself and the confidential documents. Would somebody like to move this forward?

Catherine:

In which order would you like the...

David:

Let's do all of them together since it's one project.

Catherine:

Oh, what a lovely idea. Mr. Chairman?

David:

Yes, Miss LaMarr.

Suzanne:

I'll make that motion, David.

David:

Oh, all right. Moved by Suzanne. Seconded by Catherine.

Catherine:

I second it.

David:

All right. Any other further questions or discussions? Okay. Since you're ready to vote, all those in favor of the application and related items signified by saying Aye.

Board:

Aye.

David:

I saw Suzanne's hand.

Suzanne:

I'm slipping down in my chair here.

David:

Okay. That's all right [inaudible 00:17:51].

Kevin:

Aye.

David:

Thank you Kevin and Suzanne. All right. This brings us to the end of our meeting.

Catherine:

Mr. Chairman?

David:

Yes.

Catherine:

I move we adjourn.

David:

I would second that, but won't. Who wants to second that?

Suzanne:

I'll second that.

David:

All those in favor, signify by saying.

Board:

Aye.

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David:

Passed unanimously. We are done. Thank you so much everybody.