

REPRESENTATIVE POLICY BOARD

NOVEMBER 21, 2024

MEETING TRANSCRIPTION

Bob:

Okay. I think I'm going to start the November meeting of the Representative Policy Board of the South Central Connecticut Regional Water District. And I would like to start it off with a moment of silence so we can remember Larry Bingaman.

Okay. Thank you. Safety moment tonight has to deal with preventing flu in the workplace. Flu season is upon us most likely. It peaks during December and through February, although it can last into spring. Flu symptoms often mimic cold symptoms making it hard to identify at the onset of the symptoms, but the flu is far more severe, attacks the body more quickly and is often accompanied by a fever. Recovering from the flu can take anywhere from a few days to a couple of weeks or even longer. So to prevent the flu, we promote that hand washing take place, clean all surfaces and objects before touching them, arrange for flu clinics at your offices. Get a flu shot, educate workers of flu signs and symptoms, and review your corporate wellness program. So hopefully stay safe.

Public comment tonight will be limited to three minutes. Any residents can address the board. I don't believe we have any persons from the public here tonight. So we'll move on to communications. Regional Water Authority, Ethics and Gift Profit Disclosure Report has been in your packets. We still have some time until November 30th, but if you're not receiving anything, please fill it out, hand it in so that Jennifer can have it on file.

Peter:

Mr. Chairman did we do the minutes for October 24th?

Bob:

Thank you. So yes, we'll move back to last month's minutes and see if anyone has the desire to accept them.

Tom:

I'll make that motion.

Mike:

Second.

Bob:

Any discussion regarding the October minutes? Hearing none.

All those in favor of the minutes as they've been presented to us, please say aye.

RPB members:

Aye.

Bob:

Any opposed? Any abstentions? Thank you.

We've already spoken about the Ethics and Gift Disclosure Report, so we'll move on to the next item, which is the consideration of the Land Use Committee. Mark?

Mark:

Yes. Would you like me to read this, Mr. Chairman?

Bob:

I think that would be great.

Mark:

Okay. Can everybody hear me?

Bob:

Yes.

Mark:

Okay. Whereas the South Central Connecticut Regional Water Authority on October 28th, 2024 filed an application with the Representative Policy Board (the RPB) with a disposition of 4.9 acres of unimproved Class III lands located at 56 Squantuck Road, Seymour Connecticut, that is part of Land Unit SE 5, and whereas the Land Use Committee of RPB reviewed the application and recommended the application to be accepted by the RPB as complete, and whereas the Land Use Committee recommended that the public hearing be conducted by a presiding member, and whereas the Land Use Committee proposed a public hearing date of January 23rd, 2025, 7:00 PM in accordance with Special Act 77-98, as amended in the RPB Bylaws and Rules of Practice.

Now therefore be it resolved that the RPB accepts the Land Use Committee's recommendation to consider the Authority's application and determined to hold a public hearing to be conducted by a presiding member on January 23rd, 2025 at 7:00 PM in accordance with Special Act 77-98, as amended in the RPB Bylaws and Rules of Practice. And further resolved that the chairperson hereby directed to give notice of said hearing in accordance with Section 11 and the Rules of Practice, as amended.

Greg:

I second.

Bob:

Greg seconds it.

I don't know if there's anyone who wants to have any discussion. If not, all those in favor of passing the proposed resolution, please say aye.

RPB members:

Aye.

Bob:

Any opposed? Any abstentions? Great.

So yes, we will be having a public hearing in January. We will be looking, because it is a disposition of land in the town of Seymour, we need to have the hearing in that town, Seymour. I know Jennifer has been looking into places where we can have it and we still have some time to find one that will work well for us.

Mike:

If you want to have it in my auction hall, let me know.

Bob:

We'll consider that Mark. Thank you.

Okay. Also in your packet is our calendar for the RPB meeting dates. I don't know if anyone has any problems with those, but there they are. And also is each of the Finance, Land Use, and Consumer Affairs committee dates. So hopefully they will all work well. Next we'll move on to... Well, I don't know if we need to approve them as the dates.

Tom:

We have to move that one.

Bob:

Yes, let's have a motion to adopt the dates.

Brian:

So moved, Mr. Chairman. So moved.

Bob:

Thank you.

Mike:

Seconded.

Bob:

Any discussions? Hearing none. All those in favor of adopting the proposed dates as they've been printed, please say aye.

RPB members:

Aye.

Bob:

Any opposed? Any abstentions? Fantastic.

Okay, next we have committee reports. First one we'll have should be the Finance Committee.

Vin:

Yes, Mr. Chairman, the Finance Committee met on November 4th at 5:00 PM. We went into executive session after approving our minutes so we're not going to be reporting on what we discussed. We came out of executive session and we reviewed the proposed 2025 calendar, proposed meeting, regular meeting dates and we adopted those meeting dates, and there was no new business. Our next meeting is December 9th, 2024 at 5:00 PM and then we adjourned.

Bob:

Any questions of the Finance Committee? Thank you. Next would be Land Use.

Vin:

Thank you.

Bob:

Mark?

Mark:

How you doing? Okay, we met on... Let me see the date. Hold on. We met on November 13th and we had a discussion from the Engineering Environmental Service and Technology. Mr. Barger from the [inaudible 00:10:35] provided an update on the Lead Service Line Inventory Program. This is where they have been evacuating land on the street side, just about the street side in front of people's houses, to try to determine how many lines have lead or galvanized lines that we're going to have to deal with in the future. Very interesting report. They've done over 3000 sites already. They've gathered this information, thrown it into a computer. They've learned a lot but they still, you know, don't know exactly how many problems there are out there. So as they keep working on it, they're looking to get some kind of grant money or some kind of money to help pay for the remediation of this problem. And that was about it. It was a very interesting discussion.

Bob:

Any questions of Mark?

Stephen:

Bob, this is Steve.

Bob:

Yes, Steve.

Stephen:

I was just wondering if they're finding less than they expected.

Mark:

I think they're finding, they're finding what they thought that it would be out there. They're just having to determine exactly how many are there, you know?

Brian:

Mark? This is Brian. I think he said that there was a little bit less than they expected.

Mark:

Little bit less. Okay.

Brian:

When I asked that question.

Mark:

Thank you very much Brian. I'm getting old. I forget things.

Stephen:

Thanks Brian.

Mark:

Thanks very much Brian.

Bob:

Any other questions? Hearing none, we'll move on to Consumer Affairs. Naomi?

Naomi:

Consumer Affairs met this past Monday in executive session to review the 10-year Model with management. The OCA reported no pending consumer matters at this time. The Committee approved the OCA's bill, which was \$2,412 and adopted the 2025 calendar year meeting dates. We adjourned at 6:20 PM.

Bob:

Any questions for Consumer Affairs? All right, thank you. We'll move on to Authority Management Report. David?

David:

Thank you Mr. Chairman. Good evening everybody. As you would imagine, we had a solemn meeting. We all are together collectively here in the company are grieving, but business does move on. And the company does have water that we provide to our 125,000 homes and businesses. We move on with that. After our moment of silence, similar to what you had, we had our report for the Environmental Health and Safety Committee. And Chairman of that, Mr. Ricoszi, there you are.

Mario:

Good evening, Mr. Chairman and members of the RPB. We covered a few topics in Environmental Health and Safety today. The first one is HazWaste Central, which runs from mid-May until the end of October. There were 7,610 households that utilized the system this year, so a slight rise of about 7% in increase. So it came down after COVID. It went up during COVID because everyone's homes going to pull

out all these nasty things you were finding in the basement. So we're kind of stable out to pre-COVID time. And we also had several satellite collections which really where the increase was. Guilford had one. Orange, Fairfield, Woodbridge, Milford and Merritt. So that's what the satellite collections for. And those are open not just to the people of those towns, but if you're in an adjoining town you can go to the satellite collection there is what's convenient.

There's also some capital work that's contemplated during the off season. You know, replacing the above ground storage tanks that we have to do periodically and the roof over the collection area. Now that all comes out of the capital reserve fund that is all part of HazWaste Central. It is not paid for out of our Authority's capital budget. So the towns all get charged by the number of residents that attend and then the costs of the capital project gets added to that. So each town that's participating pays for, in a sorts, with the number of residents that utilize it. We also have been, for several years now, collecting from small quantity generators. You know, not the huge hazardous waste producers, but the little guys that need to really find someplace to get rid of it at a cost-effective manner and so they can make an appointment and come in and get rid of their materials. They get charged also so that's a revenue stream. We didn't have these kind of programs started.

We discussed the Lake Whitney dam project. We've gotten through the 90% design on that. Had a bunch of public meetings, trying to keep the residents informed. They're working towards getting to 100%. Actually in some of the detail we did find one plant, a Lumix Maritimus that we have to preserve and replant after we're done in a specific location, but that's not bad. You're doing a project this size the chance of finding something that you have to protect and preserve be very, it happens often, so. And we're also looking at a temporary traffic signal so that we have all the construction equipment that's going to be put on and off, not necessarily where you would expect it to. So there'd be a temporary signal, that's in Hamden, so we don't have to worry about managing it. And we're still working with all the utilities.

The project is still holding in around \$60 million revenue, so. And we will be putting together an update for DRDP because it's been a long time since you approved \$5 million that has been used for the design. So before we submit an application we'll get kind of an update on where it is. People who are more in detail on it.

The third topics we discussed were lead service line, which you just heard a brief overview from the Land Use Committee. We have been finding fewer lead and galvanized service lines needing replacement. So the budget will, going forward, that capital numbers come down somewhat. We are getting about a 75% grant towards the costs. So that's a big plus. The team is working very hard to get those monies and make sure we do everything to qualify. After the first round, which was submitted October 16, 8,000 letters went out to people that we're still trying to get more information from.

So the more people who respond to those letters with detail, the less homes that we'd have to send staff out to verify what type of pipe is actually entering into the basement, so. The next focus will come in Milford and meeting with mayor of New Haven and hopefully the health department to try and talk about what's coming up. There was a new rule that came out, they adjusted it as EPA is bound to do, and that rule we're still within compliance for lead coming into the homes. We're still, even though they lowered the limit, we're still on a system-wide basis, we're in good shape. And people have been cooperative.

You'll see more communication going out to people in your towns as we need to go out and do more inspections. We also discussed briefly PFAS, if we're in compliance with the sampling requirements that EPA came out with. So we're working along that line. We're trying to pilot a bunch of different options and get one that we can plan that has the largest [inaudible 00:19:43] in the worst of New England.

Trying different treatment technologies to try and find real cost-effective way to do it. Whether you're aware of or not, I can't go into details, but we are one of the plaintiffs in class action suit against some of the manufacturers of PFAS materials and so we're hoping we get something out of that, as far as gain from the manufacturers. And then our lab, as you know, does testing for other people. So we're working on additional certifications in the area of PFAS so that we can do more testing for other water utilities and other companies that may want that. So that's it unless there's any questions.

Tim:

Just out of curiosity, the plant that you have to move at Lake Whitney, who came up with it? Was that a consumer that said you had to pull it, or?

Mario:

No, the state has this thing called the Natural Diversity Database that they create. When they get an indication of some species or some plant that's endangered, they may go out and find it and then they put it on this map, and if you look at it's just a circle. The reason they don't want to pinpoint it to a spot is if somebody owned that property that didn't want to have it there, they would know and it would disappear. So they say this is in an area. So when you do a large project, especially one involving funding from the state or the federal government, you have to look at this map and determine are any of the circles near you? And then the state will say, "Yes, and these are the species you have to look for," and then you have to hire the specialist who goes out and actually does the investigation. So this isn't someone just, oh we're going to throw a plant in the ground and say, "Look! Look what we did!"

Tim:

So does that. [Crosstalk 00:21:59].

Mario:

So, because it's a plant and it's able to be moved, you can save and replant it. It doesn't add a million dollars. If it was something else, which I won't talk about in detail, that could be a million dollars.

David:

Thank you.

We also met as a Strategic Planning Committee, and that's led by Suzanne and she has a report for us on that.

Suzanne:

Hi everyone. I had a meeting today. Management outlined the fiscal year '26 strategic planning process. It'll have a limited one-year horizon from June 25 to May 26 due to the pending outcome of Blue Drop Regional Supply Strategy and other factors. The fiscal year '26 strategic focus will continue to include the original areas of quality service, workforce planning and development, fiscal resilience, resource optimization, and technology and innovation. And within these, they'll take a look at risks, opportunities, emerging trends, et cetera. This one-year plan will be a continuation of the fiscal year 2025 plan that's just coming to conclusion, and will continue to use the balance scorecard, performance management system, and contemplate the potential public ownership of Blue Drop. It too will be a living document. The one-year horizon will be monitored and adapted as needed according to policies, planning and

analysis, other current business issues, and any operational priorities. It was brief presentation, brief meeting of the strategic planning committee. All things considered, we thought a one-year bridge would make a lot of sense until we do some deep dive and do some more planning for the future. Any questions?

Bob:

I don't see any questions here. Thank you Suzanne. All right, with that, we'll have the business part of the meeting and the numbers, and the lucky Rochelle is here tonight to give us those.

Rochelle:

Thank you. So through the first five months of fiscal 2025, our overall operating revenues were just over \$1 million or about 1.5% over budget. That's made up of total water revenues. It's actually under budget by about just under 1.4 million, it's about 2% variance. But other revenues is actually up by 2.4 million and that's primarily due to HSV home safety valve. That was not part of the original budget. And job aid is also operating from an operating expense perspective. We're currently under budget by about \$2 million. That's approximately 7%. At this point, most of that we are considering finding. We will be kicking off our budget in the process, so we'll be hearing more of a bottoms-up assessment of where we're going to end the year. From a coverage perspective, similar to the last month, we are projecting coverage of 117% versus out of budget recovery, out of 114%.

There is a few key factors that are leading to that. You might recall we did a refinancing at the end of May last year and that has not left a favorable impact on our debt service. The other net revenues, primarily due to HSV, are also favorably impacting our budget. Also higher interest rates. We have had higher interest rates for a longer period of time and there's a small variance in PILOT. This is partially offset by, we are projecting lower water revenues. The other thing that I want to mention regarding our projections, we haven't yet factored in, gone over the application, the bonds have not yet been issued or priced, so we will be doing that over the next several months.

But for the news, 117 versus budget of 114 drought of a [inaudible 00:26:44] fund. For the storage and rainfall, so water storage is at 69% compared to a long-time average of 66%. That is as of November 18. And for rainfall, rainfall for the fiscal year totaled 79 inches. That's 3.43 inches lower than the average of 21.3 inches. Any questions?

Tim:

Rochelle, but we saw a drop still in water usage. Even in this drought? We're seeing... [Crosstalk 00:27:20].

Rochelle:

So it really is coming really from the summer period.

Tim:

Okay. So we're looking at further? [Crosstalk 00:27:32] It was a little wetter.

Rochelle:

Not as much as the prior year, but we'll be watching that, and water revenues for purposes of the coverages. It's actually [inaudible 00:27:41]

Tim:

Quick question. And jobbing has to do with water sales targeting other companies? Is what you mean by job?

Rochelle:

No jobbing is actually like large-diameter or fire or domestic service installation. Some merchandise sales, like thousands. There's actually... The revenue is well above budget, but the margins are, most of it is at cost and there's just a small amount of margin on [inaudible 00:28:13].

Tim:

And that has to do with type of construction? If the structure excels? It's being upgraded?

Sunny:

It's more like putting in a fire service.

Tim:

Oh.

Cost, connection, inspection.

Gotcha. Okay.

Bob:

Any other questions? Well that's a great point, thank you.

Okay. Thank you. Office of the OCA? Jeff?

Jeff:

Nothing to report.

Bob:

Okay, thank you.

Just a little notes that our next meeting is going to be December 19th. It's been moved up a week earlier due to Christmas. The code of ethics form we spoke about earlier need to be into Jennifer by the 6th of December and Jennifer is still accepting donations for the United Way. I think that's all we have for tonight, unless anyone has any other sharing they'd like to discuss.

Stephen:

Hey Bob, it's Steve.

Bob:

Yes, Steve.

Stephen:

Jennifer did a great job on that gift basket.

Bob:

Yes.

Jennifer:

Thank you.

Stephen:

Excellent.

Bob:

Thank you, Jennifer.

Tom, did you have something?

Tom:

Yeah, just briefly. On behalf of the RPB, I came here in 2008 under David Silverstone and Larry has been just a transformative leader in the industry and certainly with our operation. So it is a grievous loss. We've lost Tony DiSalvo, who was the chairman of the Five-member Authority for a number of years, and now Larry. So I just want to acknowledge the great contributions that he's made. He brought in his own team in terms of leadership, and we'll continue his work. I'm confident. And I just want to note this as a point of grieving that it is a significant loss to the organization. Thank you.

Bob:

Thank you very much, Tom. Anyone else had any other sharing or anything?

Jennifer (board room):

I have a question.

Bob:

Oh,

Tim:

In light of Larry's unexpected passing, [inaudible 00:31:04]. We didn't discuss any of the continuity of what's in place or any things like that. I'm not sure if I should say something now or... Obviously this is a solid organization, my estimation and my observation. But a family organization, a big piece of it, has left us for greener pastures and better place. So what's that all about? Just not prepared? It's not appropriate? Obviously all the checks get signed, everything gets oiled out, the rudder's not lost because there was a steady ship in place, but it's gone.

Bob:

Well, building on what Tom said, Larry brought in a good team, a solid team. When he went out on sick leave, he put Sunny and Rochelle in charge of the day-to-day operation for the company and we've been in solid shape for about a month. So now he's been out and we are working on some details and some things to work out to continue that.

Tim:

Yeah, and I didn't put any pressure on anyone or anything, but I would like to also add that I think I love that I see you sitting at the table. I think it's always been very strong, very old to the board and I wouldn't expect that to change. Everything else that I supported, showing everyone what works well. Thank you.

Bob:

Anything else from anyone? Hearing none, I'll accept a motion to adjourn.

Greg:

So moved.

Bob:

Second?

Naomi:

Second.

Bob:

Naomi. Thank you. All those in favor, please say aye.

RPB members:

Aye.

Bob:

Any opposed? Thank you.