

REPRESENTATIVE POLICY BOARD

APRIL 24, 2025

MEETING TRANSCRIPTION

Bob:

I'm going to start the meeting of the Representative Policy Board of the South Central Connecticut Regional Water District. First, we'll have the safety moment. That is tick awareness. Ticks can be dangerous, and the populations are booming but their numbers aren't the only things proliferating. So are mythologies about whether they can make you sick, where they like to live, how to get rid of them. There's several things that you need to know, most of it if put on your own person that we need to be doing things to defend ourselves from the ticks. So I would encourage you all to read that, especially those of you on the Land Use Committee because you go out on the land where the ticks live.

Jamie:

I actually was in the hospital with anaplasmosis, which is [inaudible 00:04:28], in January. So no one looked for tick bites in January and it was when my oxygen dropped down to 82, and it was a tick bite. They finally went through all these other tests and everything and then finally she said, "Have you been bitten by a tick recently?" And I said, "Yeah, actually I did." And they looked and sure enough I had... and anaplasmosis you don't get a ring like you do with Lyme disease. It was bad.

Mark:

Usually we're here on this committee and I got bit [inaudible 00:05:06] and then they gave me that suit to wear from now on.

Jamie:

You sat on that ledge.

Bob:

Okay. Next is public comment where we roll out people from the public to talk for a maximum of three minutes, and I don't believe we have any public here tonight, so we'll move on to item number three and that is the approval of our minutes from March 27.

Greg:

So moved.

Bob:

Greg. Do I have a second?

Jay:

Second.

Bob:

Jay, thank you. Any discussion regarding those minutes? Okay. All those in favor please say aye.

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RPB members:

Aye.

Bob:

Any opposed? Any abstentions? Vote so ordered to approve them.

Communications, there is going to be some letters going out to the chief elected officials for our representatives that terms are expiring July 1. Those towns are Ansonia, Cheshire, Derby, Hamden, Milford and Seymour. Those letters will probably be going out within the next couple weeks. Also, there's some past due expirations that is for East Haven, North Brantford and the Governor's representative. Those members have been on because their chief elected official has not named someone to replace them, so they stay on.

Okay. Next is volunteers for the RPB and that will be coming up probably next month. Our quarterly matrix, everybody got a copy of it? If you see any corrections, I hope you've gotten them to Jennifer and also for mileage, you can submit your mileage form to get reimbursement. Okay. So much for communications.

Moving on to number five, that is items for consideration and action, and that is the Executive Committee met and we're looking to forming a nominating committee for an additional person to the Authority. I believe I should probably call it the [inaudible 00:08:04] that's what it is. If anyone would like to be on that Nominating Committee, please reach out. I have heard from some people already, but if there are other people that are interested in doing that. Please reach out to me or get a message to Jennifer, and also keep in mind that probably next month I'll also be looking for nominees for Nominating Committee for the RPB officers.

Tim:

And can I just clarify, Bob, it's the Regional Water, not the new...

Bob:

Correct. Okay. Moving on we have our Representative Policy Board first quarter compensation. Everybody has seen the matrix and I just spoke about it, so-

Mark:

I'll make a motion to accept.

Greg:

Second.

Bob:

Greg. Is there any discussion on the first quarter 2025 compensation? Okay. Hearing none. All those in favor of it, please say aye.

RPB members:

Aye.

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Bob:

Any opposed? Any abstentions? Thank you very much.

Greg:

Can I ask a question?

Bob:

Sure.

Greg:

What was the February 11 ad hoc meeting that [inaudible 00:09:50] management update? That wasn't on my [inaudible 00:09:55].

Bob:

Did you get a tick mark for it?

Greg:

No. No. No. I'm not on it. I was curious to what.

Bob:

That was the Lake Whitney meeting.

Greg:

The dam.

Bob:

Yes.

Greg:

The dam update-

Bob:

So that's-

Tim:

I had attended, that's why I know what it was.

Greg:

Yeah, I've been a few years. I forgot.

Tim:

It's obligated by the original agreement [inaudible 00:10:26] some people there that sort of reside there for the Authority, and then some town representatives.

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Greg:

Oh, so it's not the annual meeting.

Tim:

No.

Greg:

Okay.

Tim:

And Steve was there. [inaudible 00:10:42] whatever it was, I think it was my first.

Jamie:

I went a couple of times and they said this time it's going to be the same presentation as last years.

Okay. Anyway, thank you. I'm sorry.

Stephen:

How many residents showed up?

Tim:

It was [inaudible 00:10:58].

Stephen:

Really?

Tim:

It was very, very low attendance, and they had actually talked about that, the two members of the staff. I don't recall their names at this point. And they more or less indicated they thought that it was, I don't want to say outrun its useful life, but there might be a different way, even public concern and interest in treatment plant. All that stuff was [inaudible 00:11:28] and the dam topic was underway. It was not singly part of their regime, so they thought maybe in the future it was considered to be constituted [inaudible 00:11:45]-

I know all the invitations went out to all the members here. I had just decided to go and Steve was almost surprised to see me.

Stephen:

It was originally formed because the neighbors [inaudible 00:12:02].

Tim:

And I think what they were indicating staff side is that [inaudible 00:12:10] got on there. But it doesn't have that public participation it initially started out with.

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Jamie:

Well, a couple years ago it was a packed room, standing room only.

Tim:

I wonder if that was the beginning of the [inaudible 00:12:25].

Jamie:

Yeah. Well, and I think that our representatives that were there did, and they were excellent. Of course, I don't remember who it was that was there, but they were excellent and they were very calm in their response and they sounded like they knew what they were doing. I think they represented that-

Jay:

Well, they talked a lot about the band and the treatment center?

Jamie:

Yeah.

Mark:

They were all upset that the façade would be changed.

Bob:

Right.

Jamie:

Yeah, but I think everything is-

Bob:

I think there two people that represented some environmental interests [inaudible 00:13:08] that spoke to the importance of [inaudible 00:13:14] asking for some support for their position.

Jamie:

Thank you.

Bob:

It was a pretty short-

Mark:

I guess the turnout really shows that we're doing a good job in the community [inaudible 00:13:28] how we're doing.

Tim:

And it was a beautiful night, no weather issues or anything. Wasn't even cold. I still think we should have a tour of the treatment plant.

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Tim:

You've never asked them?

Bob:

No.

Jamie:

Yeah, [inaudible 00:13:46]. Didn't we-

Bob:

No, you have, but I missed it. I thought we have a meeting scheduled and mentioned [inaudible 00:13:59]. So you'll take that under advisement or I should take that under... I didn't mean to distract. I'm up for reappointment.

Okay. Moving on. Reports. Finance Committee. Vin?

Vin:

Yes, Mr. Chair. The Finance Committee met on April 7 at 5:00 p.m. and management presented its presentation for the fiscal year 2026 budget. We were provided an overview of the fiscal year 2026 capital budget. We were then provided an overview of the fiscal year 2026 operating budget. The presentation included an overview of water revenue assumptions, cost drivers, external pressures, employee-related expenses, efficiency improvements, maintenance tests and opportunities and vulnerabilities.

This was the longest meeting of the Finance Committee in recent history. At 7:05 we went into executive session to discuss matters pertaining to commercial and financial information. We then came out of executive session and we reviewed the quarterly financial report for the third quarter of fiscal year 2025. We then reviewed the RPB dashboard metrics for the third quarter that ended February 28, 2025, and our next meeting is scheduled to be held on Monday, May 12, 2025 at 5:00 p.m., and it will be a hybrid meeting.

There was no new business, and that is the report of the Finance Committee.

Bob:

Thank you. Any questions for Finance? Seeing none, we'll move on to Land Use. Mark?

Mark:

Thanks. Land Use met on April 9, and we had a presentation with Mr. [inaudible 00:16:14] and Mr. [inaudible 00:16:16], the Department of National Resources and Environment at the University of Connecticut. It provided presentation of multi-temporal monitoring for forest regrowth using drone technology of the [inaudible 00:16:33]. The presentation included types of data collected, sensor specifications, data collection and analysis, vegetation response and changes over time.

I must say that it was a little above my head. It was very technical. The person had an accent. It was very hard to understand, or I thought so, and it sounded like a great presentation. It was a good presentation.

Brian:

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It was a good presentation. I understood it.

Mark:

Thank you, Brian. That was about it. The rest of our minutes were mailed to you or in the internet, so you can look at them if you want, but that was the main thing of the meeting. Thank you. Any questions, you got to ask Brian.

Bob:

Okay. Seeing none, we'll move on to Consumer Affairs. Naomi?

Naomi:

Okay. The Consumer Affairs Committee met on April 21. We convened at 5:30. We in turn had a presentation from the CIS system, which was in executive session. We came out of executive session and then we moved on to the OCA's report. He apparently has two items in front of him, one is from [inaudible 00:18:11] in Derby, the other one is from a customer in East Haven. That's all he had. He also reviewed the filings from PURA. Then we went into [inaudible 00:18:34] a motion was made and that was accepted.

We also had to approve the OCA's invoice for the month of March that was for \$2,148 -- that was approved. I reminded the members of the upcoming RPB meeting for today for April 24. I also reminded our members, or anybody, for our next meeting with [inaudible 00:19:01] on May 19 at 5:30 p.m. We adjourned at 6:26 p.m.

Bob:

Questions of Naomi?

Greg:

Yeah, Naomi, what did the customer [inaudible 00:19:11]?

Naomi:

For the one in Derby, customer business, something that we spoke about before. The customer's looking for [inaudible 00:19:19] some connection in and I guess the water company, they went out and they met with him and they gave him a price but he's not happy with the price, so they're trying to negotiate a better price, getting to a better price. And the second one is from a customer with payment. She had a high water bill, she was very concerned, so she just thought that the bill was too high, so they're currently reviewing it and they will get back. Once they get back, we may have to schedule a hearing with her.

Greg:

Thank you.

Naomi:

There was also a joint meeting [inaudible 00:19:49]. You can do it.

Bob:

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Do you want to do it?

Mark:

Yes, please.

Bob:

Thank you.

Mark:

Well, the joint meeting consisted of on April 17, and everything that Vin said of the meeting with the budget hearing and all that, I repeat, just listen to what he said because the exact same thing happened at our meeting. There's one that I do plus [inaudible 00:20:23] I've been going to budget hearings for a long time. I thought that the staff put together a very concise, understanding presentation, and I think that the presentation was excellent, and even I could understand it and [inaudible 00:20:44].

Bob:

Any other questions regarding that? The Executive Committee also met on Wednesday the 16th and we had a very good meeting. We discussed several things. We went into executive session where we discussed some of the reasoning behind possibility of increasing five-member authority, and that's why looking for people to become on the non-meeting committee or a sixth member. It was very good. There was nothing regarding any problems regarding any other committees, and we were finished at 6:30. So we had some good discussions regarding a five-member authority.

Mark:

We had the presentation too.

Bob:

We also had a presentation regarding the transition bringing in the [inaudible 00:22:02] gave us a good talk.

Jamie:

I thought she was terrific.

Bob:

Okay. Moving on, we'll go on to Authority Management.

David:

Good evening. Thank you for your support of [inaudible 00:22:21] consideration, and also thank you for your diligence in attending the budget workshops and attentions and questions, and we appreciate that. We met this afternoon and first sign of business was to me as the pension and benefit committee and I'll let Catherine give you the news for that.

Catherine:

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Good even, Mr. Chairman and Representative Policy Board. Today we had the dueling actuaries and asset managers. Our actuaries presented summaries on the January '25 evaluation reports, assumptions and contribution that we used for fiscal 2026.

The funding level as of the evaluation was reviewed, there was not a change in the mortality tables or the [inaudible 00:23:22] used for calculating the fiscal 2026 contribution. The accrued fiscal 2026 contributions for the pension plans is \$3,220,109, and this is consistent with the proposed fiscal 2026 budget. Contribution is above the actuarially requested or recommended contribution and supports a strategic initiative of getting the pension plans to fully funded status.

Fiscal 2026 [inaudible 00:24:00] contribution is the actual recommended cash contribution of \$1,570,000 [inaudible 00:24:09]. Morgan Stanley also reviewed the quarterly performance of the pension and viva plans. Return for the quarter was pleased that it wasn't as bad as [inaudible 00:24:24]. My editorial comments. [inaudible 00:24:30] the quarter, including the viva and pension, by 6%, which is 1.36 basis points lower than the actuarial return for the quarter of 1.96%. And that was it. I thought it was going to be worse. A lot of market volatility.

For the period June 1, 2024 through March 31, 2025, which is our fiscal year today, the return was [inaudible 00:25:09] which is 18.7 points higher than the actuarial return of 5.63%. For the trailing 12-month period, March 2024 to March 2025 the reported return was 5.68%, which is 1.07% points below the actuarial return of 6.71. However, the return was not inconsistent [inaudible 00:25:49]. And then [inaudible 00:25:56] returns for the trailing five years March 2020 to March 2025, it was reported 9.08% return. And since December 15, 2015 6.82%.

Morgan Stanley also discussed allocation [inaudible 00:26:23] given the market environment. We also reviewed the fiscal 2026 forecast. I know you have questions, so [inaudible 00:26:37].

Jamie:

[inaudible 00:26:38] allocation, what was the recommendation? Do we share, and in general terms, [inaudible 00:26:47]?

Catherine:

No. What we discussed was the post plan and that we might think about the future, we ship to [inaudible 00:27:07].

Tim:

You said that is was one point something that we had to keep our pensions. What was it last year?

Catherine:

I don't think [inaudible 00:27:44].

Tim:

That's okay.

Catherine:

Well, these are in a separate [inaudible 00:28:07], so the contribution for the [inaudible 00:28:15] last year was \$2,109,176. I'm sorry, that's the determined contribution.

Tim:

Well, I figured the 1.6, what was that compared to this year?

Catherine:

1.75.

Tim:

1.75?

Catherine:

Yes.

Tim:

Is that catching us up so that our pension isn't getting-

Catherine:

The meat of it is the [inaudible 00:28:47]. The others are [inaudible 00:28:52] as of January 2025, [inaudible 00:28:53] 89.0% funded and the [inaudible 00:28:57] is like...

Mark:

Well, no. Yeah, sure. I mean, it's better than it's been in years.

Bob:

It's getting better.

Mark:

Thank you. It's getting better.

Bob:

Well, we're striving.

Catherine:

The thought is that [inaudible 00:29:36].

Greg:

How many people do we have on the pension?

Catherine:

Currently drawing of the pension? The union plan has 207 participants, 55 of those are active. The salary plan has 204 participants, 64... and [inaudible 00:30:18] 576 participants, 107 are active and 208 are [inaudible 00:30:24]. Are there any other questions?

David:

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The Authority also approved an application for Lake Gaillard and Lake Saltonstall electrical improvements and pumps and so that is going to be forwarded to you folks. And then with the business end of things, I will hand it over to Sunny.

Sunny:

Thank you. Thank you, Chair. Thank you, RPB, and let me just dive a little bit into the CIS update, which is part of the update that we gave. I think you also saw pretty much the elaborate presentations during the exhibit sessions. But in terms of numbers as of today, um, it's almost three weeks into it. So far it's going pretty decent. We are on track to complete the 90-day stabilization, which will happen in the next two months or so. After 10 days of operating the system, we generated about 52,000 bills, and as of today it'll be about 117,000 bills, which is pretty good.

In terms of call handles, we have done about 4000 calls, which is twice the average because of the backlogs and all that. In terms of customer sign-up, [inaudible 00:31:45] enrollments, it's almost close to 3500. Cash [inaudible 00:31:55] million, about one-fourth of it is electronic payments. There have been 500-plus service orders completed and 1000 customer emails processed under the new [inaudible 00:32:09].

Going pretty good. A couple more things that [inaudible 00:32:14]. In terms of the other major ones that needs to go in the next few weeks, maybe by June 2 we will start rolling out the delinquencies and [inaudible 00:32:25]. So the first ones are gone, so the second ones will go. They CSR folks are getting trained and they're getting better every day. I think you saw one of the calls being handled -- it was pretty good.

With that, any questions?

Jamie:

Can I just say the presentation that we received with [inaudible 00:32:50] and I was really impressed with your take, which is really impressive.

Sunny:

Thank you.

Jamie:

Just wanted you to know. I worked with a lot of customer service and operations throughout my career, and getting people to do something like you just... the condition you're going through, it's always significant and there's always pick-ups and the preparation that Fred and your whole team put into play with getting that ready and doing a practice run for the table things, [inaudible 00:33:22] does an excellent job with preparing people for these big transitions, and I think that really helps smoothing the ripples. And also, we put in issues going down to the public that we were advised that was [inaudible 00:33:39] and it reduced the complaints. I think a bunch of you were in that presentation [inaudible 00:33:45].

Mark:

It was actually [inaudible 00:33:51] wonderful job. [inaudible 00:33:54] the job, they made it a game. They made it like a football rally and it was like rah-rah, let's go [inaudible 00:34:03] okay.

Sunny:

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Thank you.

Jamie:

But anyway, [inaudible 00:34:15] and I think having staff being called and happy going in and making it fun, people [inaudible 00:34:24] make it more fun, and you guys really went the extra mile and it is all the customer service [inaudible 00:34:32], so well done.

Sunny:

Thank you. Any other questions? I will pass on that message to the team and I'm sure they will be happy. The other day I [inaudible 00:34:45].

Mark:

You can include my message too if you want.

Sunny:

Certainly will do. A significant amount of resources went out and participated to make this happen. There was [inaudible 00:34:58] field services, customer service. For two and a half years they burned the midnight oil, so [inaudible 00:35:05]. It's been really, even for the first few days stressful, now you could see there was a lot more, I'd say people being more relaxed [inaudible 00:35:16]. The rates are getting better and I think there was a lot less stress [inaudible 00:35:25]. So I think this has come a long way.

With that, I'll jump into any other questions [inaudible 00:35:33]. With that, I'll jump into the normal, usual [inaudible 00:35:37]. The operating revenues are over-budget by almost 5.27 [inaudible 00:35:43] 4%, primarily due to HSB and [inaudible 00:35:46]. In terms of the [inaudible 00:35:49] expenses, we are under budget, about 1% [inaudible 00:35:53] 1.584 million. Primarily the over-budgets on the expenses side is due to pump power and fuel, which is privately [inaudible 00:36:06]. The under runs are predominantly payrolls, maintenance and repairs, business improvements, IT licensing and maintenance fees, collection expense, G&A, chemicals and training and continued education and outside services.

With that, pretty much that concludes the revenues and expenses. In terms of the draw, we are at 120%. The budgeted coverage was 140, so we are doing much better. In terms of the storage and rainfall, storage is 93%. This is the long-term average matches up to 93%, so almost close to 93%. For the fiscal 2025 to date rainfall total of 35.76 inches, which is about six inches or five and a half inches lower than the long-term average.

Any questions? Tim, you had some questions?

Tim:

I do have a question, and it has to do with against the policies that are being enhanced here in the administration and one of them, which I know one state is actually been able to put into effect, and it has to do with fluoride, which I don't have. It's just a case of in the event this becomes something that other utilities begin to adopt for whatever reason they decide to put results are [inaudible 00:37:37]. It's probably easy not to put fluoride in the water, but is it easy to leave fluoride in the water when suddenly you have customers that [inaudible 00:37:48] this is not an answer that you can probably place here, but there's all kinds of things that go into people's minds and we're not mind readers. I don't know what the impact might be on [inaudible 00:38:01]. That's all.

Bob:

It won't be our choice. That would be the Department of Public Health.

Tim:

And I guess that's so, and maybe Utah was just doing it voluntarily because there hasn't been a word, but I know they have a statement that made that determination.

Mark:

But it's law, right? It's law?

Tim:

I think it's been a law since-

Sunny:

For a long time. [inaudible 00:38:29]. DPN and DPH says to use it or increase it, we will pretty much follow.

Tim:

So it'll just be based on what they say. It's not like one utility do-

Sunny:

No.

Tim:

Yeah. So just with anything on that.

Sunny:

Like any other [inaudible 00:38:47] or anything else.

Greg:

As long as we don't become a Flint, Michigan.

Bob:

Is there any other questions of management? Okay. Jeff, the OCA?

Jeff:

Nothing from the OCA. Thank you.

Bob:

Oh, that's good. Okay. Our next meeting is going to be May 22, and I think that's all we have for tonight. I know Tim, you did mention the fact of possibly going touring with me, facility. I know we've been talking about it for a while. Jim's back there hiding.

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I didn't know if a broad audience are meeting there. The last meeting we had there was a land use. Sometimes having a full RPB there might be a problem, so I don't know if... I believe Land Use has something planned for this May, but it might be something we can look into for June.

Mark:

Sure. So am I not going to get [inaudible 00:40:44]? Want me to call a couple people for you?

Bob:

Okay. But we are looking into that, and if something were to happen, we could make a special invitation for it. Okay. Anything else from anyone, sharing or anything? If not, I guess I'll set a motion to adjourn.

Tim:

So moved.

Mark:

Second. Second.

Bob:

All those in favor, please say aye.

RPB members:

Aye.

Bob:

Okay. Thank you.