

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

AUGUST 24, 2023

MEETING TRANSCRIPTION

David:

All right. It just hit 12:30 and we are all present, so I will call the Regional Water Authority's meeting of August 24th, 2023 to order. We will start with the Safety Moment. Back to school. Glastonbury just started yesterday. They were in the news, when do you start?

Suzanne:

Next week.

David:

Oh, okay. Yeah, ours starts next week as well. So, everybody just be careful. Be careful on the roads. All right. Public comment. Jennifer, is anybody here from the public?

Jennifer:

No, there's none.

David:

Okay. They're always welcome. All right. With that I will ask to recess the Authority and meet the Compensation & HR Committee. Who would like to move that?

Suzanne:

I'll move that.

Catherine:

Second.

David:

All right. All those in favor signify by saying, "Aye."

Authority:

Aye.

[COMPENSATION COMMITTEE MEETS FROM 12:31 P.M. TO 2:57 P.M.]

David:

Moved. Now, back to the Authority and I'll take a motion to meet as Strategic Planning Committee.

Catherine:

I'll make that motion.

David:
Second?

Kevin:
Second.

David:
Second by Kevin. All those in favor signify by saying aye.

Authority:
Aye.

[STRATEGIC PLANNING COMMITTEE MEETS FROM 2:47 P.M. TO 3:26 P.M.]

David
All right. And now we are back to the Authority and I would ask for the Authority to recess and meet as the Environmental, Health, and Safety Committee.

Kevin:
So moved.

David:
All right, is there a second?

Suzanne:
Second.

David:
All those in favor signify by saying aye?

Authority:
Aye.

[ENVIRONMENTAL, HEALTH & SAFETY COMMITTEE MEETS FROM 3:26 P.M. TO 4:20 P.M.]

Mario:
During this meeting, return to the general meeting. We have a motion and a second. Thank you very much. We are back.

David:
All right. We're back to the Authority. Thank you Mario. Very good first meeting.

We are now on act on matters arising from committee meetings and we have a recommendation from the Compensation Committee on the CEO's compensation.

Larry:

And contract.

David:

No, compensation. Right. And what's your pleasure? I'm chairman of that committee, but I'm not going to be chairman of this and move the motion please.

Catherine:

Mr. Chairman, I move we approve the chairman's compensation. I'm sorry-

David:

The CEOs.

Catherine:

I don't know why I keep saying that.

David:

I'm still liking it, too.

Catherine:

I move. We approve the CEO's compensation as discussed in the executive session and as approved by the committee.

David:

All right. Recommended.

Catherine:

Recommended by the committee.

Suzanne:

I'll second.

Kevin:

I second.

David:

Second. Okay. Several seconds. That's good. We had discussion in the Compensation Committee in public and summarize some of it, but is there any other comments you want to make now or are those-

Suzanne:

Comments from the committee stand as good representation of the board's.

David:

I like the way you worded that. Very good. Thank you. All right. Sensing you're ready to vote. All those in favor signify by saying aye.

Authority:

Aye.

David:

Passes with unanimous vote. Is Brian around?

Jennifer:

I just sent him a text to join. He should be here any minute.

David:

Do we want to take a five-minute break? Yes.

Suzanne:

Do we need to have everything else that's on the agenda, stay on the agenda for the rest of the meeting?

David:

Well, we can actually skip over that. We go right to consent agenda because that's pretty much, nothing else is of significance, but we should do them.

Suzanne:

Okay.

Catherine:

Because we want to do the-

David:

Why don't we go right to consent calendar then.

Mario:

Motion to approve the consent from that calendar as presented.

David:

Is there a second?

Catherine:

Second.

Kevin:

Second.

David:

All right. Any points of clarification? Sensing you're ready to vote. All those in favor signify by saying aye.

Authority:

Aye.

David:

All right, we can keep moving. Type B Amendment. Lake Gaillard under drain replacement. Basically the North service territory expansion had a little bit of underspend because it's not quite as designed and ready to go, and they want to do some under draining work where they're already doing work. Sound right?

Mario:

Sounds right.

David:

All right.

Catherine:

[inaudible] some other project.

David:

Motion to approve by [inaudible] a second?

Catherine:

Second. Thank you.

David:

All right, anybody want any real technical answers as opposed to my general answer?

Speaker 3:

I just want to know that whoever's an engineer on the board-

Mario:

[inaudible] motion.

David:

All right. Sensing you're ready to vote. All those in favor signify by saying aye.

Authority:

Aye.

David:

Is Brian here?

Jennifer:

No, he's not here yet.

David:

Okay, then we'll go on to committee meetings. And we had finance. Kevin, you attended finance?

Kevin:

I did attend Finance. And Rochelle RWA's Vice President & Chief Financial Officer, provided an update on the CliftonLarsonAllen's audit proposal. There was a discussion by that on the committee that was issued in May of 2023 that the fee structure originally quoted for a five-year renewal remained the same for a three-year renewal, but would include conditions related to multiple single audits and acquired companies. Rochelle stated that management is recommending a three-year commitment with the option to renew for two additional years.

The committee members had discussions about the next steps and various options and the federal single audit requirements. And after discussion, it's decent discussion on motion made by Mr. Slocum the committee voted to recommend to the RPB a three-year commitment of auditing services with CLA beginning in fiscal year 2024 with the option to renew for two additional years. And then we had a presentation on the 10-year model. That went well. There was some discussion on it. It was relatively short presentation and discussion. There was concerns and questions about the lead and copper rule, which we heard more about today. And after that the discussion took place regarding the pension sensitivities, market changes and effects of the lead and copper rule, communications impact areas and updates at future RPB board meetings to have conversations about. And that was the extent of the meeting.

David:

Okay. Any questions on that?

Suzanne:

No. Thank you.

David:

Okay. Thank you. Yes. And that item that they voted on, the auditor is on their agenda tonight.

Mario:

So [inaudible] the full RPB.

David:

And Land Use?

Catherine:

I did attend the Land Use Committee meeting and in the interest of time, I'm going to make this short.

David:

Thank you.

Catherine:

After the approval of the minutes of the safety moment, Cody Savoy, who is the project manager for the derby tank gave a really interesting talk about how the tank was constructed, it's a million gallon, very large structure that is here to help stabilize the pressure and reduce the low pressure at peak demand dates.

The hospital is hugely pleased that this enhancement in the infrastructure will help manage their ability to have water, which is critical in a hospital. And I will say from my personal perspective, I cannot understand why anyone was opposed to that structure. You can't see anything, you can't see it from anywhere. There are no residential properties anywhere near it. So I don't get it. But that's my opinion about that.

Then John Triana did his usual comprehensive report on land use. The one thing I would like to highlight, a couple things I would like to highlight, the property on Skip Street, where the town was going to pay us nothing is now considering \$5,000, which seems low, but considering how much it would cost to fight this, it probably makes sense.

And on the recreation side, 50 kids from Hampton Hall Camp were fishing and hiking at Maltby Lakes and the New Haven Paddle Program brought its camp kids to the Maltby lakes for fishing twice. And Mark Levine wants to go with them the next time. And that concludes [inaudible] board. Any questions?

David:

Thank you. Mario?

Mario:

I attended Consumer Affairs and management did an update on the CIS project, which was very informative and the committee had several questions and he gave a good explanation of how he's proposing to launch it and do it in a manner that would run basically, two systems at the same time. It made Consumer Affairs very comfortable and happy.

Jeff Donofrio reported on a very interesting property owner who thought the property had a tax sale potentially from foreclosure, at a very low number. Had a tenant in it, nobody knew about owing money to the RWA, never paid the bill. RWA shut off the water, property owner had the water turned back on because of course they had tenants, so the tenants...water, and then RWA shut off the water and they had the water turned back on and RWA shut off the water and they poured concrete in the box, after

turning the water back on. The property owner did. So they're trying to come up with a resolution of how to get the property water in the manner that the person would pay and that...

Catherine:

So a lien had been put on the property?

David:

Yes.

Catherine:

So in the property search, they should have found the lien?

Kevin:

He couldn't sell the property. But with just one correction from Jeff, because the property owner misrepresented that the tenants were there. He pretty much knew that he owed money, but actually the tenants moved after he knew that. So technically he misrepresented. But it's his home. And only one more point to that, Mario. I think Jeff did mention, which he put concrete into the curve box so that they can't shut the water off anymore. So that's where it kind of got [inaudible].

Mario:

That's what destroyed..destruction of property there.

Kevin:

There's a number of...

Mario:

But the tenant owns the curve box. Hopefully they put newspaper down first before they put in the concrete and the valve at the bottom. I doubt it. So that's going to be interesting. They also approved Jeff's invoice and they had some interesting questions during the business, but I was unfortunately caught in traffic, George Washington Bridge and they were escaping me, because I wasn't able to write back. But there are certain items that Jeff is looking to, we may hear more about [inaudible] through the meeting, right.

David:

Thank you. Good report.

Mario:

And Chairman Mark did a wonderful job sharing. He told me to say that.

David:

All right. Thank you. So with the reports, then we will move on. Brian, have you joined us?

Brian:

I have.

David:

Great. Thank you. We're glad to have you. Sorry you didn't come in person, we would have had lunch for you.

Brian:

I didn't know I could come in person, but I have to tell you that I'm glad I didn't.

David:

Well, yeah, it's been quite a long agenda and I apologize and I thank you for your patience, but we have a report from you. We'd love to hear if you have any highlights you want to present or talk to us about.

Brian:

Yes, I have about 50 minutes.

David:

Okay.

Brian:

Only kidding.

David:

Hey Brian, it's you, if you need that much time.

Brian:

I haven't changed, Dave.

David:

No, it'll be like the Finance Committee meeting, more than 12 minutes, if it's longer than that, it's no good.

Brian:

Right, exactly. So I think we had a pretty successful year. The watershed funds, we gave out 11 scholarships totaling \$52,500, we gave out 11 grants totaling \$144,250. That's a lot. And it's kind of pent up from Covid, so we got a lot of applications. [inaudible] make me the happiest. Pardon me?

David:

Kind of fading in and out a little. Maybe if you turn the camera off you might get a stronger signal and we can still hear you?

Brian:

Okay. So as I was saying, we did...\$144,250 in grants and my lights just went out because I'm on a timer. There we go. And two that I'm proudest of are: 1) Our first land acquisition grant in many, many years. \$20,000 to help the purchase of 43 acres in Prospect. And then \$40,000, which is the first installment of a five-year, \$200,000 grant to the school of business at Southern Connecticut State University in conjunction with the Authority and their grant to the school to both support the Utility Management Program, which the school of businesses has started, as well as what I think is an excellent commitment to environmental studies as part of the management program. In fact, as part of the whole school of business, the golf tournament was a great success again this year. You can hear me?

David:

Yes. We can hear you just fine.

Brian:

The golf tournament was a tremendous success this year and generated \$45,000 in proceeds to the Watershed Fund and we owe a great deal of thanks to Steve Vitko. In fact, we can't...the golf tournament was canceled because of weather concerns, rescheduled and actually held on a very rainy, crappy day, and still not one group canceled. Every group was there to participate, which is pretty remarkable and says a lot about Steve Vitko and his team of volunteers from the RWA. So we owe them just tremendous thanks. And that's really about all I have to report on. The only other thing obviously is, I'm here today because the terms of four of our members have expired. It is Gordon Geballe, Catherine LaMarr. Catherine, are you there?

Catherine:

I'm here.

Brian:

Marco Mutonji and Reverend Scott, all of whom have indicated their desire to continue for another term on the board. And we're recommending to the Authority that you approve them for an additional three-year term.

David:

Great.

Suzanne:

Would you like someone to make that motion? I have that motion to approve the...how many members is it? Four? Four members of the board for the [inaudible] fund and as presented.

David:

Great.

Mario:

Second.

David:

Is there a second? All right, there's a second. All those in favor signify by saying aye.

Authority:

Aye.

Catherine:

I'll vote yes for the other group.

David:

Good, okay. All right, thank you. Anything else you want to?

Brian:

No. Thank you very much. I'm going to get back to work and I hope you're almost done.

David:

We are, we had a couple of things with...but yes, thank you. We greatly appreciate...you know what it's like.

Brian:

Absolutely.

David:

All right, thanks for all your hard work, your volunteer effort. Your group is wonderful. Thank you.

Brian:

Thanks, Dave.

David:

All right, take care.

Brian:

Bye, everybody.

David:

Take care.

Catherine:

All right, thank you.

David:

So the only thing between us and adjournment is the business updates. No pressure, Larry, but...

Catherine:
[inaudible]

Larry:
We were going to have Dana do a quick overview on the RWAY project.

David:
That's fine.

Larry:
Yes. [inaudible] and have that project go first so she can give a high level report of those items that are highlighted in blue.

David:
Very good.

Dana:
We'll keep it quick so that you guys can move on. So the CIS project, as you all know, has been underway. We kicked off in February. What you're looking at is the Foursquare update, we've resurrected this from the A-Arrive project. Again, trying to keep a format similar so that's easy reference for all of us as we're talking through project progress. In the top section of the slide, you'll see the high level timeline. We are currently in the design phase and scheduled to go live in September of 2024. The project health indicators are all on track as you can see in the sort of top third box of the slide itself. And I'll move quickly over to the accomplishment section. This is a slide that builds on itself so that every time we're presented to you, you can see some of the history as well as any new progress.

And you'll find those latest updates highlighted in blue, as Larry points out. As we did complete the analysis phase, one of the key deliverables and end activities for that phase is what's called a gap list review. This is an opportunity for us to assess and reconcile the scope of the project against the functionality of the solution. It sounds complicated, I suppose, but it's really an opportunity for us to look at the ways that the solution is meeting all of our functional requirements and how any gaps...so things that we might need to look at in terms of how we're going to meet that, whether it's through configuration, a module, or some type of integration enhancement and things like that. So we completed that review and the team is continuing to work through that. And of course, as part of the project, we will be migrating data from SAP into the new UMAX solution.

So the other blue item you see in the accomplishment stocks is the data mapping and conversion. We completed the second mapping session of the ETL process. ETL is extraction, transform, and load. This is the mechanism used to get data out of SAP; map it and configure it in a way that the new UMAX solution can consume that data and then loading it up into the new solution. We have completed ETL One, I think we reported it on previously, but was very successful. We had an 89% successful conversion. Industry standard is typically between 70 and 75% on these conversions, so we were really excited about the success the team had with that. And again, we'll continue to become more evolved and complicated in these mapping sessions. And again, we were prepared for the ETL Two session scheduled for later in this phase.

Moving into the current activities, of course we're in design set, a design phase, so we're working with a lot of workshops, tightening up some of the configurations and working on, with the PMO on some of the resource and capacity demands on the team. One of the big accomplishments that we have, or are currently working on, sorry, is the analysis phase final gaps. So that gap-less that we talked about, we're in the process of doing a true up to review the closure. So again, for the proposed solutions on those gaps, the project leadership is reviewing those potential solutions and making decisions about the best path forward. We would expect to be able to provide updates on those once we have worked through all of that decision making process. On the right hand, upper box decisions, risks, and issues. One of the key areas that the team is currently looking at from a risks perspective is the commercial services scope and impact analysis.

Again, this was raised as part of the gap analysis discussions. And for just a little bit of background on that, we're really looking at how we can incorporate some of the key functionality that the commercial services programs require in order to support the growth objectives of that area. Particularly we're looking at shopping cart functionality in terms of how there can be some checkout and bundling of their packages. We're also looking at some opportunities that UMAX solution has presented in terms of options of how we can manage those projects in their system.

And we're certainly looking at how all of the price objectives that we have set out for flexibility are going to be met by the solution. So we're continuing to monitor that and work closely with the UMAX and commercial team to make sure that all of those objectives are being met. And in terms of next phases within the design or next steps within the design phase, we are continuing on the data migration scope and acceptance criteria. So as we're moving through those mapping activities and conversion, we'll be working with those components to establish the criteria. And we'll continue with the functional design gaps. We have some omni-channel, which is chat, text, email, all sort of incorporated into one tool for our contact centers. We're looking at how do you automate some of the write-off functionality similar to the way we do it today in SAP. And of course, the commercial phase focus or the commercial services functionality that we're looking at there. It went really quick on purpose. So if there are any questions or any other details you guys want to dive into, I'm happy to help answer any questions.

David:

So it's on time, on budget, and working smooth.

Dana:

Yes.

David:

Good. Sure, we do have a question though. I

Suzanne:

I have a question. Is the commercial, was the commercial services a part of the original scope?

Dana:

Yes. So commercial services...oh, I'm sorry, go ahead.

Suzanne:

Yes, it's fine. And secondly, and I'm not looking to cut you off, but I just really wanted to know if that was yes or no. And two is, is any of that presenting gap challenges that were unexpected? Any surprises?

Dana:

Yeah, I'm going to try to answer it succinctly. I think that the growth objectives and some of the flexibility that we are requiring in order to achieve those objectives is greater than what we had in the RFP at the time we were doing it. If you think about our commercial strategy and growth has really kind of...I'll use the word blossomed and solidified into some really core and aggressive strategic objectives around meeting revenue. And it is a slightly different vision of commercial than what we included when we RFP, which was a little bit more straightforward about flexibility around pipe-safe type programs. So I hope I'm answering that okay. But yes, there are some gaps to the way we envisioned commercial and commercial growth support now than the more simplistic approach we had articulated in our RFA. I think that's [inaudible] certainly if you have anything else-

Catherine:

Right now, no. I just wouldn't let this tail drive the dog.

Rochelle:

And also mentioned to the extent that we need to use growth fund money to fund this that would be the plan.

Suzanne:

But I think this project is expensive enough and I wouldn't let this dry scope change first one. I mean, I don't know what the challenges are and I wouldn't make that decision without that information, but I could see it driving and it's such a small part of the whole world. So right now, perhaps it can be dealt with later.

Dana:

And if I could offer, I think that assessment of the best path forward in terms of cost scope, time implications, is all part of that gap analysis and the risk evaluations we're doing around commercial. And I'm sure our sponsors would be keeping all of that feedback in mind as we're trying to make those decisions at the team.

Suzanne:

We are talking about like phase one, phase two, like day two. That's appropriate.

David:

Okay. Any other questions? Thank you, Dana. Appreciate it.

Dana:

Of course, yeah. Appreciate the opportunity. I'll talk to you guys later. Thank you.

David:

Thank you.

Dana:

Bye.

Speaker 16:

[inaudible] your report?

Larry:

Yeah, nothing on the letter itself, but two additional items. One, on yesterday, Catherine, Rochelle, and I met to discuss the pension RFI that we're going to be looking at, and Angel had given us a draft of RFI document, which ran through. We discussed that, provided some comments and input on that, making sure that competitive pricing, given that we're a nonprofit, make sure the custodian is taken into account and things like that. So we've got a project plan in place and we're going to move forward with that and get that out the door as soon as we can with Angel essentially handling the process, given that they've done that so many times before and for a very reasonable price.

David:

And the expectation is that they'll call it down to two or three that we as a board would review?

Larry:

They're going to give us some recommendations on who we should go after, who we should solicit.

David:

Okay.

Larry:

And we'll...you, Catherine, or if you have any recommended firms, we'll make sure that they're included. They'll help us sort through that. The idea is that when companies respond to this, they have the belief that they will be interviewed. So depending on how many we go after, whether that be four or five, that we'll have to at least do an initial cut.

David:

Okay. All right. And the timing of this is this Fall-

Larry:

-before the end of the year-

David:

-in October, November-

Larry:

-because part of this is, it may be changing custodian, you don't want to have two 1099's go out. So we'll need to get that done by the end of the year if the new custodian is involved.

David:

Okay.

Catherine:

Suzanne we'll take your input on the draft.

Suzanne:

Sure. I think the FR advice, is fine per se. The only thing we did talk about was getting some analysis done for us as we think about this, because we've not only over the last seven years paid what we paid in agent fees and management fees, but we also made contributions, additional contributions. So how much does this really cost us in either the cost of money, of the contributions, the additional contributions, what rate of return do we really get for all that? So we really understand this whole thing in terms of what really got delivered to us or what price.

So that when we go to do this again, obviously no one can guarantee what they're going to provide with the rate of return. But I don't see how we can make our benchmark when we have the asset allocation that we have period. Because fixed income just can't, it will always be a drag on the portfolio unless we get into very high percentages of fixed income returns. So we have to figure that piece out to understand what we're really trying to accomplish before we make a decision about changes or anybody else and what it's going to cost us. Does that make sense?

Larry:

And we do have that information. We have a lot of that just as part of our disclosures.

David:

And any more questions on that?

Larry:

And then the second thing is that I'd like to request that the Authority meet for a special meeting in the next week or two because we have a parcel of land that we want to buy in Cheshire. The developer there came to agreement just this past week to buy the property. We think it's a good acquisition for us. So we'd like to have a special meeting in order to discuss that. So I'll coordinate with Jennifer to get that on the calendar. And that's it.

David:

All right. Anything else anybody has or updates? All right, I'll accept a motion to adjourn.

Suzanne:

Make that motion.

David:

Is there a second?

David:

No. No second. Not going to second. We like being here with you.

David:

Likewise, I'm sure. But I'll relinquish the chair to you, Kevin, and I'll second the motion. All right. All those in favor signify by saying Aye.

Authority:

Aye.

David:

We are adjourned.

[AUTHORITY MEETING ADJOURNED AT 4:50 P.M.]