

## REPRESENTATIVE POLICY BOARD

MAY 23, 2024

### MEETING TRANSCRIPTION

Bob: Welcome everyone to the May Regional Water Authority's Representative Policy Board meeting. We're going to start with the safety minute we have for tonight. It has to do with heat illness prevention. With the one day we had yesterday, could have happened. That is to be aware of heat-related illness increases. Some of the signs include cramping, exhaustion, heat stroke. Take the following steps to avoid heat-related illness. And that is to eat regular light meals, stay hydrated, take frequent breaks in cool, shaded, or air-conditioned areas. Stay cool with wet towels or water spray, drink plenty of fluids, and stay away from alcohol. And if you do develop symptoms, you should soak the individual with cold or cold water, use ice packs or ice under the arms, [inaudible 00:02:29] anything by mouth to an unconscious person. So I guess we're preparing for heat.

I would also like to share the public comment. I don't know if we have any public in attendance, they will be limited to three minutes. Hearing none we'll move on to the approval of the minutes of our last meeting.

Greg: So moved.

Tim: Second.

Bob: Any discussion? I hearing none. All those in favor of accepting the minutes, please say aye.

RPB members: Aye.

Bob: Any opposed? And we have one abstention. Are there any others? Okay, thank you. Communications. Several RPB members with terms that are expiring at the end of June. Some of them have had their elected officials have responded with letters. We're doing well. So far Naomi has been reappointed and they only got hers from last year, I guess. Myself, Mark Levine, Charles, and Joe Oslander have all had their letters of reappointment come in. We're still waiting on some from Tony Rescigno, Michelle Verderame. Branford does not have a rep yet. Pete DeSantis, Greg Malloy, and Ben Marino Governor's room. So there's still time. Okay.

Tony: I'll check with my First Selectman tomorrow.

Bob: All right. Thank you. Next is items for consideration. Findings of facts from the Authority's application for Lake Whitney Water Treatment Plant Chemical Improvements Project. I'll let you speak for that.

Tim: Should I move this resolution?

Bob: Will you please?

Tim: Sure, that'd be great. This is a Representative Policy Board of the South Central Connecticut Regional Water Authority, dated May 23rd, 2024, proposed resolution. Resolved that the proposed findings of fact conclusions of law and final decision of the Representative Policy Board, attached hereto, with respect to the South Central Connecticut Regional Water Authority's application for approval of the Lake Whitney Water Treatment Plant Chemical Improvements project, dated January 25, 2024, be and hereby approved in the form submitted to the meeting. That's the proposed motion.

Jay: Second.

Bob: Okay, any discussion? Hearing none. All those in favor of the proposed resolution, please say aye.

RPB members: Aye.

Bob: Any opposed? Any abstentions? Great. Next we'll move on to the Finance Committee's recommendation regarding the budget.

Tim: Yes, in Vin's absence, he's asked me to propose to advance the proposed motion, dated May 23rd 2024. The South Central Connecticut Regional Water Authority's fiscal year 2025 proposed budget. Whereas the South Central Connecticut Regional Water Authority, "Authority," requested the Representative Policy Board, "RPB," review the Authority's 2025 proposed capital, operating and commercial budgets, and whereas the RPB held workshops on April 8th, 2024, and April 15th, 2024, at which time management and the Authority presented a proposed budget and responded to questions from the RPB members, and whereas the RPB has a duty to review the budgets and to comment, but has no other statutory obligations for authority.

Now therefore be it resolved that the RPB wishes to express its appreciation to the management and the Authority for their professionalism of their presentation and express its overall support of the FY 2025 proposed budgets, and further resolved the RPB also agrees with the recommendations contained in the OCA's budget review letter dated April 22 2024. Further resolved, the RPB consensus regarding the proposed budgets is that they are reasonable and supported, and further resolved that the RPB believes the Authority's overall financial funding and execution of its long-term plan provide financial health to achieve its overall mission of providing high-quality water products and services at reasonable prices.

Greg: Second.

Bob: Any discussion? Hearing none, we'll vote. All those in favor, please say aye.

RPB members: Aye.

Bob: Any opposed? Any abstentions? Fantastic. All right, moving right along. Next, is the Nominating Committee's report, Charles?

Charles: Nominating Committee has a proposed resolution, be it resolved that the following officers are hereby elected to serve for the year July 1st, 2024 through June 30th, 2025, or until their expected successors are duly elected and qualified. Chairperson, Robert E. Harvey Jr., Vice Chairperson, Stephen Mongillo, Secretary, Jamie Mowat Young, Treasurer, Timothy Slocum. And I so move.

Greg: I second.

Bob: Is there any discussion? I guess all those in favor of the Nominating Committee's recommendation, please say aye.

RPB members: Aye.

Bob: Any opposed? Any abstentions? All right. Thank you very much. I guess now we'll move on to the report of the Finance Committee.

Tim: Yeah. Finance met on May 13th, 2024 at 5:00. It was hybrid. Some were on board way of Teams, and essentially the conversation to take place was the budgets and where we landed. It was a relatively short meeting over in seven minutes, and essentially there were no additional demands brought upon management or anyone else for that matter. And we closed out our meeting with a solid support for a next ten-minute meeting to take place on June 10th, 2024. And we also did, just as an aside, it had come-up that our regularly scheduled meeting July 9th was a potential conflict with the golf tournament, which it no longer is, but we deemed it to be not in our best interest to change the date so we can land on the scheduled date. So that's the end of my report.

Bob: Any questions for Tim? Second? Think we're good. Moving on. Next would be the Land Use Committee.

Peter: That'll be me. We met on May 9th at Lake Saltonstall. Ours was an hour long or more. Everyone's [inaudible 00:11:17] I ended up having a problem. I couldn't make that. [inaudible 00:11:23] sometimes, right? So we ran over our safety moment and it was unique because we had John Triana giving us an oak tree species update and pointing out all the oak trees around Lake Saltonstall. I didn't think there were so many.

Bob: Neither did I.

Peter: Yeah, so I thought I knew trees, I don't... But that was interesting. It's all in the minutes. Then of course he went over our RWA properties, invasive species update. Other land items, nothing. The only thing I will bring up is the chair position is coming up in July, so reach out to me or Bob or Jennifer. But I'm just telling you I'm going to be petitioning this because it's my fourth year is over and I want to stay. So I started a petition. So anyone that wants to sign, let me know. [inaudible 00:12:39] I think I'll get the votes. What's that?

Greg: I don't think there's any limits on being a chair.

Peter: Yeah, there is. Four years. I forgot to do a petition. Jeff's not here. I had it all figured out. And a serious note, I enjoy being chair, obviously. I'm not going nowhere. Anyone that's interested, come forward and we'll pass the gavel. Our next meeting is Wednesday, June 12 at 5:30. We don't know exactly where yet. And I think that's it. Any questions?

Tim: Peter, I do have one and it is based on something I read. It has nothing to do with if Regional Water Authority properties, but we do have a fair amount of forest land and I thought if we could pass along the question to John or anyone else in the Authority management level.

The article I had read was talking about the level of unhealth in our forests with the lack of acorns being produced in large forests, whereas we're all swimming in them in the lawn. So the places like that so we think there's health and bumper crop. But where it really matters in forest floor for turkey populations which are somewhat moderating in a little bit of a decline, they've sort of peaked and stuff like that. I'd just be interested to know if there's been any assessment or look into that. I'm not sure what you do about it.

Peter: You're right, though. But the wildlife, we're getting a little more overpopulated, and that's why in the forest there are more there than your yards. But I'll follow up on that. Anyone else with questions from Land Use?

Tim: Well, it's just like an evidentiary kind of reporting-

Peter: No, no- it's not the end. I get it. But there's issues where we'll talk to [inaudible 00:14:49]-

Tim: Yeah. And then the second thing, because I read about this and this is crazy scary. There's some kind of crazy worm that is a very large worm that can jump and climb. It's a super earthworm in a manner of speaking. Because what it does is, what it does is it does what earthworms do. They go through their casts, which are, they're proved as deemed to be valuable, but really it does not create a more fertile forest. But these guys have super casts and they deplete the forest of all value on the forest floor and it's a real threat to forests. And they're naturally marched in from, they're coming from the Midwest basically and they're a product of another country and it's very deep. If you pick one up it breaks in half and if you try and kill it can become two. It's just an amazing marvelous and people are going to be seeing them everywhere and the state wants you to kill it. And that's soapy water.

Peter: Hey Brian, did you hear all this, Brian?

Brian: Yes, I did, and I've heard about the worm before. I think it's a Chinese jumping worm is the name of it. It's been [inaudible 00:16:19].

Naomi: Imagine an 11 inch worm.

- Peter: But no. And what was the other worm, Brian? John said we have it under control but that passage just wiped out for us.
- Brian: A Worm? No, John mentioned there's been various diseases such as chestnut blight, the emerald ash borrough, which isn't the worm, and now there's a beach disease, which is a... might be a [inaudible 00:16:51].
- Peter: Right, right. Well, we're trying to protect [inaudible 00:16:59] Thanks, Brian.
- Brian: Tim, I would encourage you to go west and investigate what is happening out there.
- Tim: Well, these are just things I read very recently so I also remember that.
- Peter: Well I think you should go out west and see what you got. [inaudible 00:17:27] scary. Yeah, we need a report back.
- Brian: Just looked it up. It's the Asian jumping worm is the name of the invasive.
- Bob: Okay everyone [inaudible 00:17:50], any other questions? I am not going to be able to sleep tonight. They make it very clear. They're going to be in a yard next to yours. Any other questions of Peter? Hearing none. We'll go on to consumer affairs. Mark?
- Mark: Hi, how you doing? We met on... What's the date? May 20th. We had a presentation by Prem about how the whole organization is [inaudible 00:18:22] to a training program of Delivering Service Excellence that the whole staff, everybody in the water company, took part in this. And it's in alignment with the five year strategic plan. The six point service plan ties to vision and strategic plan, employee survey, fiscal year 2024, global metric and multiphase journey and expected outcomes. The whole staff is learning how to say no. But that was the one thing that I thought was... They were taught how to say no, and I think that's a hard thing to do when you're an organization like this, to a customer say no. But anyway, it was very interesting how they're all taking this excellence program in delivering service excellence and Prem did a great job. There was also a report by Mr. Donofrio about a condominium association that is behind in their bill over a hundred thousand dollars that has declared bankruptcy, and how the water company is going to deal with this remains to be seen. Okay, anything else?
- Bob: Hey Mark, where's the condominium association located?
- Mark: I think it's New Haven. It is New Haven. Any other questions? Thank you.
- Bob: Just one question, if they file bankruptcy, that doesn't affect us, does it?
- Charles: We'd be one of the creditors [inaudible 00:19:56]
- Mark: Well, I mean, not to get into details, but the management company, the condominium association and the management company are going at it with each other and that's the

problem. The management company should have taken care of it and the condominium association is upset that they haven't taken care of it. Just to give you as brief as I can about it. It has something to do with that. Thank you.

Bob: Thank you. Charles, I don't know if you have anything else to share from Nominating.

Charles: Not really. I mean we met on the May 8th and at that point in time we had surveyed the membership if there was any interest in becoming an officer. There were no responses there. I contacted the incumbents, all of them were prepared, willing, and able to continue and move forward unanimously with resolution I presented earlier.

Bob: Thank you. We're hearing that. Move on to Authority and management. David?

David: Good evening, everybody. Can't touch the worms as the topic here. Seriously though, I want to congratulate you officers that were reelected. Thank you for your service and look forward to continuing to work with you. I also want to thank you for your support of the budget and your involvement in the budget process. It's always been very important and helpful to us, so thank you. We'll be meeting after this meeting to decide what to do. And good news, we didn't vote on any applications to send you. Now with that, we met as the risk audit committee to start our meeting, and that's why Catherine, very timely, worked her way right up here to give you a report.

Catherine: The Audit Risk committee met for more than 10 minutes, a little bit more than 10 minutes. The first topic, much of what we discussed was in executive session, but the first topic was deal with the critical cybersecurity update. The memorandum was presented by Prem Singh, our chief information digital officer and media customer service. That was reviewed. Due to the contents of that memorandum was confidential and therefore I can't really tell you much about it. But the program included examples of cybersecurity measures conducted to protect against cyber threats, new technologies implemented as part of RWA cyber security, improvements to the program's documentation, and third party assessments were performed, which are kind of interesting and which are concerning, but I can't.

Then Kevin Schnaittman, who's the Enterprise Security Manager, was available to answer any questions regarding that memorandum. He also went through the risk management update, which was prepared by Amanda Schenkle, who's RWA's Manager of Environmental, Health, Safety and Risk. Due to the contents of this memorandum, it's confidential. We can't tell you a great deal about it, but the involving risks included new and updated regulatory directives, regulatory compliance and litigation risk, natural resource impairment, commercial business risk. And the committee discussed the risk tolerance for whether we were, our tolerance was aggressive, moderate, [inaudible 00:23:39]. I can say you this much. We're all conservative. Surprise, surprise for any utility.

Our second significant topic was I attended a master class given by the National Association of Corporate Directors, and I gave a report on that and the program

coverage, it was entitled Technology and Innovation, but largely it was all about what is happening with AI, and I can tell you that it was a very informative two days of my time. It was like taking in information through a [inaudible 00:24:25] and a lot of what we discussed and recommendations and thoughts for the board. Our population was also, it was an executive session, so I really can't give a lot of information about it, but happy to chat with people if they want to.

Finally, we approved the work plan for 2025. That was out of executive session. We did add a couple of volumes to the update which we'll look at and consider for future meetings. One of those will be looking at artificial intelligence and that the policy and adding it to potential risks for the organization, and also there will be some additional information with respect to future security report. Do I have any questions?

Mark: Yeah, it's not a question but about the cyber security. I don't know if everybody saw what was going on in the news yesterday, I think it was the day before, about water companies are the prime target for terrorists and other not so nice countries, and water companies, they said, are not up to snuff, most of them. When I listen to reports like this, it sounds like we're on top of this situation and I hope that we continue to be on top of this situation. It's pretty scary on what these bad guys can do to our system if they penetrate. And so I hope we continue to elaborate on our number one priority. It's almost as much as delivering water. Thank you. Just wanted to say that.

Catherine: Thank you. I absolutely agree with everything you just said. Any other questions? Okay, thank you.

Bob: Thank you very much. Thank you. We also met as the Environmental Health and Safety Committee, and Mario chairs that, so we'll ask him for a report.

Mario: Thank you very much. Good evening, everyone. We covered a couple of topics. They were not in executive session so I can answer questions if you want. The first is the enterprise work and asset management update. Those who've been around know that RWA has been working on their asset management plan for a while. It kind of got into a little bit of suspension. Tiffany Lofton presented where we are. It kind of got kick-started about a year ago. They've really been working on a collaborative effort between operations, financial, and engineering and other groups in order to all come together and what basically doing is created and enterprise-wide system to identify all the assets, put them into a database, and they're working on doing that so that we can then utilize that data on the maintenance to determine what have data behind what needs to be replaced in the budgeting process.

It's been a long time coming. They really have done a nice job in the last year in kick-starting that and really getting the effort going. Some of it actually took place during COVID when they put all horizontal lessons in. It's all applied for. It's still a multi-year project and once all the data is entered, then it's going to take a little while for it to come to fruition with the data to support the budget. But at least it's on the move again and it sounded like a good report. Any questions on that?

The second topic was the legislative session update. I think Nicoletta Blevins gave that update. You should have all received an email that said that our bill updates for our enabling legislation was passed. That is being forwarded to the governor's office for signature, hopefully. If not, unless it becomes veto, it rolls into the law by default. Trying to get an update on when those dates occur.

RWA also with the CWWA looked at several items and monitored house bill 5290, which various revisions to the public health statute that we supported in the past. Act concerning the use of PFAS in certain products, that was also passed. And then act concerning dam safety passed. The dam safety established a committee, and we're part of that committee to get permitting done more quickly at the state level and try to improve the permitting process for dam because it just takes long for us to get a project going and through that process.

And then we also oppose several bills amending the state constitution regarding environmental rights, foreclosure assignment and other enforcement actions for unpaid sewer assessments. Artificial intelligence, there was a bill that they threw in language at the last minute, believe it or not, Hartford to change it that would affect us negatively then died. And the implementation of certain climate change measures also died without getting approved by both houses. So those are the majority of the items that were monitored. I believe there were about 33 to 35 bills that monitored throughout the session. So questions on that?

Charles: I don't have a question on [inaudible 00:30:41], but I got thinking about when you were discussing assets and, needless to say, the AI technology has potential risk, but it also potential for positive uses. And I was just thinking when you were talking about asset or facility management, is there any plans going forward to utilize any of that technology?

Mario: So that would be a next step because obviously the information that we gather is that as the mechanics, if you will, go out and do work on a pump, let's say, we create that history. Now we have-

Charles: AI would tell you when that pump's going to fail.

Mario: And we would want to be able to utilize AI in order to look at the other similar pumps and do that data crunching. So there is a definite benefit. I'm not sure that the person at the other end of this table is-

Catherine: I see lots of benefits.

Mario: There's lots of benefits, but it is a matter of trying to get-

Charles: It's new.

Mario: ... the handles around it and make sure that we're doing it in a controlled fashion. And then is it fair to mention that as part of the legislative update and I mentioned

Connecticut Water Works Association, their new chair president is as of tomorrow I believe will be Sunny. He's getting ready to go to Vermont to give his acceptance-

Jamie: Congrats.

Larry: Congratulations, Sunny.

Charles: Congrats.

Sunny: Thank you.

Mario: Any other questions before? All right, we'll go with that. With that, we'll go into the business report.

Larry: Okay, thank you. And before I get into the business report, just want to thank the RPB for their approval of our applications on Lake Whitney Water Treatment Plant Chemical Improvements project. So thank you very much for your approval of that particular project. And before I get into the finances, I'm going to have Liz discuss a change in our current employment practices. Currently, as you know, many of our employees are able to work at home 100% of the time. That's proved to be effective. We've met all of our metrics. But with that, even with that, about 70% of our employees are on campus at any given time. So Liz, why don't you talk about the proposed change that we are looking at.

Liz: Sure. Hi everyone. So just quickly, we have revised the remote hybrid policy to change. It is going to be driven by department, division, and role, whether they'll be on site two to three days or more. Like Larry said, 70% or more are already doing that. But the CSRs were completely 100% remote in that team. We have addressed with Prem and Dana, we've come up with a schedule. They're going to be coming back on site three days a week, Tuesday, Wednesday, and Thursdays for now, based off of a business need and the project and some new training that's coming out. There are some questions and concerns from the union and we're addressing those, and as they come up and we're partnering with them and hopefully we're going to work out those specific accommodations if they need to be met. But other than that, that's going to go into effect on June 1st. So we're excited about seeing a few more friendly faces walking around RWA. Any questions?

Larry: Well, I just want to add that we will be opening the lobby for customers so that will become part of our normal operation again.

Tim: Thank you.

David: Any questions of Liz?

Stephen: Hi, this is Steve. Yeah, I have a question for Liz. What is it that the union has an issue with?

Liz: So we let them know as of April 1st. So there's some challenges with being brought back for if they have their child care, if they're putting their kids on the bus, school's out as of the summer. So challenges maybe with daycare, getting them in limited space. So we're working off, those are one offs. It's a very small population, but they are there. So we're addressing those and making sure that we're trying to provide the right accommodations when possible.

Stephen: Okay, but I mean those aren't obligations of the Authority that you ever had, correct?

Liz: No, no. But we just want to be empathetic towards some of, being April the issues with child care and so just hearing what they have to say and just trying to drive that partnership with them.

Stephen: Okay, thank you.

Liz: You're welcome.

Larry: Okay, well with that I wanted to provide our financial results after 11 months of operation through April 30th. So operating revenues are slightly under budget by about \$198,000 dollars. Total water revenues, though, are a under budget by about \$1,173,000 dollars. Other revenues are above budget by about \$975,000 dollars. That's due to jobbing, meter reading, and collection charges, Pipesafe, our outside lab services and the like. And our operating and maintenance expenses are under budget by about \$3 million dollars, and that's about half and half at this point through April of about being permanent or deferred savings for timing.

And when you do all the puts and takes on the various charges, we are projecting coverage now of 127% with no shortfall. As you know, budget is 114%. Other factors leading to that favorable result is our interest income is still very favorable because, as you know, we budgeted at a fraction of the interest rate. So advantage of the higher interest rate in climate is we are earning more. So now we're projecting with that interest income that our total water revenues will only be slightly under budget. So that was despite our being uneasy, the overall economic environment, given what's going on in the Fed playing with the interest rates, we're looking positively at the end of the year. As of May 20th, the all water story, we've got 97% compared to a long-term average of 94% over the same period. So with that, be glad to answer any questions you might have.

Tim: We had questions again more of something I read recently and it had to do, I think this was actually this week that the NLA was making its three month forecast on the weather. And they were forecasting once again that this would be an above average temperature season, which sounds great, but it could also be potentially a wetter season for the Northeast. And I know that's where we lost all shirts last year. So I guess there's nothing we could do about it. I just thought they're probably all aware of it. I just don't know what you guys actually do to forecast, if you just sort of live and learn the rest of us or how it's all handled.

Larry: Well, and I've read weather reports that say that this summer in this area is going to be a neutrally warmer than what it normally is. So hopefully that'll bode well in terms of the water wholesale. But that's something that we watch on a regular basis. And then at the end of the first quarter, which is about the end of the summer, if it looks like we need to make some adjustments in operating expenses, we'll tighten the belt until we feel like things are getting back to normal. We did that this year. We actually had, began in the early fall tightening the belt and then in the early spring of this year we were able to loosen that a bit and so that we were able to navigate through that, and that's really all we can do. The

Tim: The other thing I wanted to ask was again, a report, I think it came out this week, that they expect across the country, brownouts and the northeast was indicated to be this summer very vulnerable from brownouts and it only made me think about a 24-7 operation such as ours. Maybe it would never an impact in our territory. No clue. But how do we prepare for lower electrical capacity?

Larry: The good news is that we have backup generators for all of our facilities like treatment plans, pump stations, and the like. So we are well prepared to handle any sort of-

Tim: And they go on and you know that they're running on diesel.

Larry: That's right. Whatever they are, that's right.

Tim: And they just do [inaudible 00:40:19]

Larry: That's correct. And the same place we have generator notice, we have generators [inaudible 00:40:30].

Tim: Who knows if it's materializes. [inaudible 00:40:35]. Thanks.

Larry: Thank you.

Jamie: Larry [inaudible 00:40:43]

Larry: [inaudible 00:40:47] in fact on LinkedIn, I'm seeing on a regular basis postings that water reg is going to be somewhere for a weekend event. So it's still available and if you contact, I think Kevin Watsey's group handles that. Or call my office and we'll get you connected with someone.

Jamie: Okay. Thank you.

Bob: Any other questions? Thank you. Jeff, do you have anything you want to share as the OCA?

Jeff: No, not really. I think Chairman Levine pretty much covered the consumer issue that I'm involved in other than to add that there's also a leak involved. So that complicates it a little bit.

Bob: Thank you. Anyone else have anything else to bring up or share?

David: We got to get Tim some better reading.

Tim: Well, I'm optimistic. [inaudible 00:42:06] it shows up. [inaudible 00:42:16]

Bob: Hearing nothing, motion to adjourn.

Greg: So moved.

Tom: Second.

Bob: All those in favor of [inaudible 00:42:30].

RPB members: Aye.