

South Central Connecticut Regional Water Authority
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AGENDA

Regular Meeting of Thursday, June 27, 2024 at 12:30 p.m.

- A. Safety Moment
- B. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
- C. Meet as Strategic Planning Committee: S. Sack
 - 1. Approve Minutes – February 22, 2024 meeting
 - 2. Review FY 2024 Year-end Strategic Action Plan Update & Global Metrics
 - 3. Review FY 2025 Strategic Action Plan & Global Metrics
 - 4. FY 2025 Work Plan
 - 5. RWA Self-assessment Results
- D. Consent Agenda
 - 1. Approve Minutes – May 23, 2024 meeting
 - 2. Capital Budget Authorization - July 2024
 - 3. Key Performance Indicators – FY 2024 Q4
 - 4. Accounts Receivable Update – May 2024
 - 5. FY 2025 RPB Weighted Vote Calculation
 - 6. RPB Dashboard Report
 - 7. FY24 Customer Satisfaction Index & Brand Image Results
- E. Finance: R. Kowalski
 - 1. Fiscal Year-end Financial Report
 - 2. Allocation of Year-end Revenue Balance
 - 3. Proposed Revisions to FY 2025 Capital Budget Projects and Release of Project Reserves
 - 4. Rate Application Schedule
- F. RPB Committee meeting assignments and reports on RPB Committee meetings
- G. Business Updates: L. Bingaman
 - 1. RWAY/CIS Update: P. Singh
 - 2. *Monthly Business Highlights - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(D), pertaining to real estate matters.*
 - 3. Strategic Initiative Discussion - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E), to discuss matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.*
- H. Meet as Commercial Business Committee: K. Curseaden
 - 1. Approve Minutes – March 28, 2024 meeting
 - 2. Commercial Business Strategy, Goals & Updates: R. Kowalski - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.*
- I. Act on matters arising from Committee meetings

*RPB Member (C. Havrda) will be excused at item G.2

** Members of the public may attend the meeting in person or by conference call. To view meeting documents please visit <http://tinyurl.com/3h4tm38z>. For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com.

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South Central Connecticut Regional Water Authority
Strategic Planning Committee

Minutes of the February 22, 2024 Meeting

The regular meeting of the Strategic Planning Committee of the South Central Connecticut Regional Water Authority took place on Thursday, February 22, 2024, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chairwoman Sack presided.

Present: Committee Members Present – Mss. Sack (R) and LaMarr, and Messrs. Borowy, Curseaden, and Ricozzi
Management – Mss. Kowalski and Calo (R), and Messrs. Bingaman, Hill (R), Lakshminarayanan, Perugini (R), and Singh (R)
Staff – Mrs. Slubowski

The Chair called the meeting to order at 2:22 p.m.

On motion made by Ms. LaMarr, and seconded by Mr. Curseaden, the Committee voted to approve the minutes of its November 16, 2023 meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 2:24 p.m., on motion made by Mr. Borowy, and seconded by Mr. Curseaden, the Committee voted to convene in executive session pursuant to C.G.S. Section 1-200(6)(E), to discuss matters covered by Section 1-210(b)(5)(B), concerning commercial or financial information and C.G.S. Section 1-200(6)(E), to discuss matters covered by Section 1-210(b)(19)(i)(ii), pertaining to security risk. Present in executive session were the Committee members, Messrs. Bingaman, Hill, Lakshminarayanan, Singh and Mss. Kowalski, Calo, and Slubowski

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

At 3:00 p.m., Mr. Perugini entered the meeting.

At 3:14 p.m., the Committee came out of executive session. No votes were taken in, or as a result of executive session. On motion made by Mr. Borowy, and seconded by Mr. Ricozzi, the Committee voted to adjourn the meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

Suzanne Sack, Chairwoman

(R) = Attended remotely.



 Regional **Water** Authority

FY24 (June 2023-May 2024) Strategic Initiatives & Global Metrics Update

June 27, 2024



Perspective & Strategy	2025 Strategic Goal & Related Key Fiscal 2024 Strategic Actions
<p>Customers & Constituents: Improve Customer Satisfaction</p>	<p>Goal – Customer Satisfaction: Maintain RWA best-in-class 91.8% Customer Satisfaction Index by May 2025</p> <ul style="list-style-type: none"> ✓ Reduce the number of customer water-quality complaints 10% from a baseline average of 610 complaints a year through flushing improvements and increased system maintenance.
<p>Customers & Constituents: Utilize Technology to Enhance the Customer Experience</p>	<p>Goal – Technology Obsolescence: Develop technology roadmap to ensure technology obsolescence and single points of failure are eliminated by May 2025</p> <ul style="list-style-type: none"> ✓ Achieve 100% of Project RWAY’s 3 key phase gates on time to ensure success of CIS implementation: 1) analysis, OCM and UMAX installation (Q1 FY24); 2) design and data migration scope (Q2 FY24); 3) development and integrated system test design (Q3 FY24). <p>Goal – Self Service: Ensure 42% of customer base is using self-service options for billing and more by May 2025</p> <ul style="list-style-type: none"> ✓ Enroll 39% of residential customers in E-billing and 20% of residential customers in AutoPay.
<p>Employee Learning & Growth: Advance Workforce Safety</p>	<p>Goal – Safety: Achieve zero recordable injuries by May 2025</p> <ul style="list-style-type: none"> ✓ Reduce workplace hazards by researching best-in-class corporate safety practices and deploying a plan that decreases recordable injuries to zero.
<p>Employee Learning & Growth: Develop Employees by Improving Knowledge, Skills and Abilities</p>	<p>Goal – Succession Planning: Implement succession planning and knowledge capture that addresses 75% of the potential loss of institutional knowledge by May 2025</p> <ul style="list-style-type: none"> ✓ Conduct a needs analysis to identify mission-critical roles at risk of retirement over the next 1-3 years and implement a Talent Matrix that addresses 50% of the potential loss of knowledge, skills and abilities.
<p>Employee Learning & Growth: Foster a Diverse, Inclusive and Engaged Workforce</p>	<p>Goal – Engagement: Grow workforce engagement to strengthen commitment to the organization and individual success as evidenced by a 20% increase in an Employee Engagement Survey by May 2025</p> <ul style="list-style-type: none"> ✓ Implement an employee participation plan that drives engagement and gauge employee sentiment by demonstrating a 10-percentage point annual improvement over FY23 Cooleaf employee survey baseline of 75.5%.
<p>Financial: Expand Commercial Revenue Sources to Mitigate Rate Increases</p>	<p>Goal – Commercial Enterprises: Increase commercial service net revenue to \$9.2 million by May 2025</p> <ul style="list-style-type: none"> ✓ Deploy Well Services products and PipeSafe partnerships and integrate 2 acquisitions to achieve a \$7.4 million budget.
<p>Internal Business Process: Effectively Manage and Maintain Our Core Business</p>	<p>Goal – Asset Management: Ensure 100% of our assets are linked to an enterprise asset management system by May 2025</p> <ul style="list-style-type: none"> ✓ Map the remaining 50% of vertical assets and develop a comprehensive preventative maintenance program that focuses on the integrity of our 35 pump stations. ✓ Refine the number of customer-side lead service lines and develop a communications strategy and work plan to replace lead pipe.
<p>Internal Business Process: Sustainably Manage Our Natural Resources to Deliver Reliable, Clean, Safe Water</p>	<p>Goal – Water Quality: Ensure levels of disinfection by-products are at least 10% below regulated limits by May 2025</p> <ul style="list-style-type: none"> ✓ Protect raw water quality standards by employing 3 new high-gain areas for natural resource and infrastructure management: 1) protect 1 additional watershed; 2) utilize new technology/infrastructure to guide management of Lake Salt Pond. ✓ Complete an evaluation of alternative PFAS remediation techniques for South Cheshire wellfield and determine the most cost-effective solution.

Customers & Constituents Perspective

STRATEGY	FY24 GOAL METRICS	FY24 RESULTS	FY24 YEAR-END STATUS
<p>Improve Customer Satisfaction</p>	<ul style="list-style-type: none"> Reduce water-quality complaints 10% from a baseline average of 610 complaints a year. 	<ul style="list-style-type: none"> Deployed improvements to flushing program as well as increased system maintenance; customer water-quality complaints through Q4 is 672, over target FY24 goal metric of 549. 	<ul style="list-style-type: none"> Missed goal metric due to a reduction in flushing during first-half of FY24 because of mechanical issues with NO-DES flushing truck and larger than anticipated broken valve replacements found during flushing operations.
<p>Utilize Technology to Enhance the Customer Experience</p>	<ul style="list-style-type: none"> Achieve 100% of Project RWAY's 3 key phase gates on time to ensure success of CIS implementation. 	<ul style="list-style-type: none"> Completed on schedule Phase I (Analysis); Phase II (Design); and Phase III (Development). 	<ul style="list-style-type: none"> Met goal metric.
	<ul style="list-style-type: none"> Enroll 39% of residential customers in E-billing and 20% of residential customers in AutoPay. 	<ul style="list-style-type: none"> E-bill: 42.1% AutoPay: 18.7% 	<ul style="list-style-type: none"> Exceeded goal metric for E-bill; experienced 3% growth in AutoPay

Employee Learning & Growth Perspective

STRATEGY	FY24 GOAL METRICS	FY24 RESULTS	FY24 YEAR-END STATUS
<p>Advance Workforce Safety</p>	<ul style="list-style-type: none"> Reduce workplace hazards by researching best-in-class corporate safety practices; deploy plan that decreases recordable injuries to zero. 	<ul style="list-style-type: none"> Researched best-in-class corporate safety programs. Encouraged more participation in near-miss reporting. Provided safety training for leaders. Procured new 24/7/365 tele-nurse hotline for non-emergency injuries. Increased awareness and training of proper bend/lift techniques. 	<ul style="list-style-type: none"> Missed goal metric – 9 recordable injuries, all essentially attributable to strains/sprains; new safety initiatives and training introduced throughout FY24 aimed to decrease strains/sprains.
<p>Develop Employees by Improving Knowledge, Skills and Abilities (KSAs)</p>	<ul style="list-style-type: none"> Conduct a needs analysis to identify mission-critical roles at risk of retirement; implement a Talent Matrix that addresses 50% of the potential loss of KSAs. 	<ul style="list-style-type: none"> Conducted needs analysis to identify mission-critical roles at risk of retirement. Implemented Talent Matrix that addresses 50% of KSA loss across enterprise. 	<ul style="list-style-type: none"> Met goal metric.
<p>Foster a Diverse, Inclusive and Engaged Workforce</p>	<ul style="list-style-type: none"> Implement an employee engagement plan; gauge employee sentiment by demonstrating a 10 percentage-point annual improvement over FY23 Cooleaf employee survey baseline of 75.5%. 	<ul style="list-style-type: none"> Introduced new platform that captures real-time employee sentiment; conducted 3 surveys over FY24 and doubled participation rate from FY23; FY24 employee sentiment score is 82.7%, just short of FY24 goal due to protracted union contract challenges. 	<ul style="list-style-type: none"> Missed goal metric by 2.8% related to protracted union contract challenges.

Financial Perspective

STRATEGY

FY24 GOAL METRIC

FY24 RESULTS

FY24 YEAR-END STATUS

Expand Commercial Revenue Sources to Mitigate Rate Increases

- Increase **commercial revenue** to achieve **\$7.4 million** budget.

- Increased **commercial revenue** to **\$8.3 million** in FY24.
- Closed on **James Carboni** acquisition; **post-close integration** in concert with cross-commercial **integration** initiatives completed for all **3 companies**.
- Ensured **Well Services' financial** performance was **better** than **budget**.
- Had **conversations** with towns of **Wolcott, Middletown** and **New Britain** to bring **PipeSafe** to their residents.
- Made **product** and **pricing amendments** to **WellSafe** program.
- Certified **outside lab** services performance **improved**.
- Strategized **organic** and **inorganic** ideas to **grow** commercial business to **\$50 million** over **3-5 years**.

- Exceeded goal metric.

Internal Business Perspective

STRATEGY	FY24 GOAL METRICS	FY24 RESULTS	FY24 YEAR-END STATUS
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Effectively Manage and Maintain Our Core Business

- Map remaining 50% of **vertical assets**; develop **preventative maintenance** program for **35 pump stations**.
- Refine number of **customer-side lead service lines**; **work plan** to replace lead pipe.

- Completed **preventative maintenance** for **35 pump stations**.
- Finished mapping **horizontal assets** and **25% of vertical assets** – half of FY24 goal.
- **Refined** number of **customer-side lead service lines**.
- Completed **4 major work plan milestones**: 1) uploaded data and integrated with **GIS**; 2) received DPH approval for **vacuum excavation** in East Haven, Hamden, Milford, Ansonia, Derby, North Haven and Woodbridge; 3) engaged **community health departments**; 4) mailed **postcards** to residents in New Haven, West Haven, East Haven, Hamden, Milford.

- Met goal to complete preventative maintenance for 35 pump stations; 100% of horizontal assets mapped with 25% of vertical assets mapped.
- Met goal metric.

Embrace Innovation and New Technology

- Protect **raw water quality standards**; employ 3 new high-impact areas for **natural resource and infrastructure management**.
- Complete evaluation of **alternative PFAS remediation techniques** for South Cheshire wellfield; determine **cost-effective solution**.

- Completed **acquisition of land parcels** in Branford, Hamden and Cheshire.
- Procured **24-hour remote buoy monitoring system**.
- Identified **15 distribution locations** that are benefiting from **water quality** advances.
- Mapped **PFAS plume** at **South Cheshire wellfield** and collected samples.
- Performed **jar test** with alternative methods that led to **100% PFAS removal**.
- Implemented additional testing with **repeatable results** and determined cost-effective solution: **Powder Activated Carbon**.

- Exceeded goal metric.
- Met goal metric.

FY24 Global Metrics Results

as of May 31, 2024

Measure	FY24 Year-End Results	Status
<ul style="list-style-type: none"> Maintain RWA's Customer Satisfaction Index at 91.8% (+/- 4% margin of error) 	<ul style="list-style-type: none"> Achieved 88.1% CSI (within margin of error) 	Met Metric
<ul style="list-style-type: none"> <i>Delivering Service Excellence</i> assessment baseline survey; 100% of employees trained in Service Essentials 	<ul style="list-style-type: none"> Established 70.5% service assessment baseline; trained 100% of employees in Service Essentials 	Met Metric
<ul style="list-style-type: none"> Employee engagement at 3 RWA-sponsored civic events; maintain brand image index of 70.9% 	<ul style="list-style-type: none"> Employee participation at 6 RWA-sponsored civic engagements; attained brand image index score of 74.1% 	Exceeded Metric
<ul style="list-style-type: none"> Achieve zero recordable injuries 	<ul style="list-style-type: none"> Experienced 9 recordable injuries 	Missed Goal Metric
<ul style="list-style-type: none"> Maintain best-in-class competitive turnover rate of $\leq 10\%$ 	<ul style="list-style-type: none"> Sustained competitive turnover rate of 3.11% 	Met Metric
<ul style="list-style-type: none"> Meet 118% coverage with no shortfall 	<ul style="list-style-type: none"> Attained 133% coverage 	Exceeded Metric
<ul style="list-style-type: none"> Ensure 96% of capital budget benefits customers 	<ul style="list-style-type: none"> Achieved 97.4% of capital budget 	Exceeded Metric
<ul style="list-style-type: none"> Identify \$750,000 in annualized operating efficiencies 	<ul style="list-style-type: none"> Realized \$907,833 in operating efficiencies 	Exceeded Metric



FY25 Strategic Action Plan & Global Metrics

June 27, 2024



2020-2025 Strategic Plan

The Leadership Team reviewed the 2020-2025 Strategic Plan, assessed the progress made to date against the strategies and goals the organization needs to successfully complete by the end of FY25, and engaged employees to help validate and provide feedback on our FY25 Strategic Action Plan.

Five-Year 2020-2025 Strategic Plan

- Developed five-year strategy in FY19
- Based on 4 perspectives of Balanced Scorecard: Customers & Constituents; Employee Learning & Growth; Financial; Internal Business Process
- Adjusted periodically to address customer expectations, technology advancements, the external and competitive environments; employee engagement; the economy and other factors

FY25 Strategic Planning Process

- Ensured our FY25 objectives are aligned with the 2020-2025 Strategic Plan
- Encouraged employee engagement and participation in strategic action planning
- Leadership Team finalized FY25 actions and made Global Metrics/KPI recommendations

Five-Year Strategic Plan

Fiscal Years 2020-2025

Updated June 2021



 Regional Water Authority

Solid Strategy Continues to Evolve

Our vision: To be an innovative water utility and environmental services company that sustains life, strengthens our communities and protects natural resources for future generations.

PERSPECTIVE	SUMMARY OF FY20-25 STRATEGIES
Customers & Constituents	<ul style="list-style-type: none">• Improve customer satisfaction• Utilize technology to enhance the customer experience• Increase constituent support of the RWA
Employee Learning & Growth	<ul style="list-style-type: none">• Advance workforce safety• Develop employees by improving knowledge, skills and abilities• Foster a diverse, inclusive and engaged workforce
Financial	<ul style="list-style-type: none">• Expand commercial revenue sources to mitigate rate increases• Improve the financial operating performance of the RWA• Strengthen pension and retirement funding
Internal Business Process	<ul style="list-style-type: none">• Effectively manage and maintain our core business• Sustainably manage our natural resources to deliver reliable, safe water• Embrace innovation and new technology

Perspective & Strategy	2025 Strategic Goals & 12 FY25 Strategic Actions
Customers & Constituents: Improve Customer Satisfaction	Goal – Customer Satisfaction: Maintain RWA best-in-class 91.8% (+/-4% margin of error) Customer Satisfaction Index by May 2025
Customers & Constituents: Improve Customer Satisfaction	Goal – First Contact Resolution: Establish a First Contact Resolution baseline and drive a 15% improvement by May 2025
Employee Learning & Growth: Advance Workforce Safety	Goal – Safety: Achieve zero recordable injuries by May 2025
Employee Learning & Growth: Develop Employees by Improving KSAs	Goal – Succession Planning: Implement succession planning and knowledge capture that addresses 75% of the potential loss of institutional knowledge by May 2025
Employee Learning & Growth: Develop Employees by Improving KSAs	Goal – Professional Development: Fully execute the Management Training roadmap by May 2025
Employee Learning & Growth: Foster a Diverse and Engaged Workforce	Goal – Engagement: Grow workforce engagement to strengthen commitment to the organization and individual success as evidenced by a 20% increase in an Employee Engagement Survey by May 2025
Financial: Expand Commercial Revenue Sources	Goal – Commercial Enterprises: Increase commercial service net revenue to \$9.2 million by May 2025
Internal Business Process: Effectively Manage & Maintain Core Business	Goal – Asset Management: Ensure 100% of our assets are assessed and linked to an Enterprise Asset Management system by May 2025
Internal Business Process: Sustainably Manage Our Natural Resources	Goal – Water Quality: Ensure levels of disinfection by-products are at least 10% below regulated limits by May 2025
Internal Business Process: Sustainably Manage Our Natural Resources	Goal – Unaccounted for Water: Implement a plan to ensure unaccounted-for-water is less than 10% by May 2025
Internal Business Process: Embrace Innovation & New Technology	Goal – Technology Roadmap: Link 100% of Technology Roadmap to capital and operating budgets by May 2025
Internal Business Process: Embrace Innovation & New Technology	Goal – Innovative Solutions: Facilitate 16 process improvements in the 4 perspectives of customers, employees, financial and internal business by May 2025

Perspective & Strategy	Completed Fiscal 2020-2025 Strategic Actions at FY24 Year-End
<p><i>Customers & Constituents:</i> Improve Customer Satisfaction</p>	<p>Goal – Customer Transactions: Introduce transaction surveys and establish a baseline for improvement by May 2025</p> <ul style="list-style-type: none"> ✓ Transaction survey deployed in FY22; baseline established at 81.8%. ✓ Real-time training deployed to address areas of opportunity. ✓ Survey results as of FY24 YE show 84% customer satisfaction.
<p><i>Customers & Constituents:</i> Utilize Technology to Enhance the Customer Experience</p>	<p>Goal – Self Service: Ensure 42% of customer base is using self-service options for billing and more by May 2025</p> <ul style="list-style-type: none"> ✓ Exceeded goal at FY24 YE with 42.1% of customers enrolled in e-Billing.
<p><i>Customers & Constituents:</i> Increase Constituent Support of the RWA</p>	<p>Goal – Stakeholder Outreach: Increase overall support of RWA with key stakeholders; introduce three new targeted outreach initiatives by May 2025</p> <ul style="list-style-type: none"> ✓ Three outreach programs completed: 1) Municipal Outreach Liaison Program; 2) South Central Regional Land Conservation Alliance; 3) Arbor Day Tree Plantings with service towns. <p>Goal – Recreation Program: Add three new recreation programs by May 2025</p> <ul style="list-style-type: none"> ✓ Three new recreation programs added: 1) Kayaks at Lake Saltonstall; 2) Fishing Program; 3) Fishing at Lake Chamberlain.

Customers & Constituents Perspective

STRATEGY

FY25 GOAL METRICS

OUTCOMES TO THE BUSINESS

FY25 STATUS

Improve Customer Satisfaction

- **Increase** RWA's Customer Satisfaction Index **Company Characteristics** Within **4 Percentage Points** (+/- 4% MOE).
- **Achieve** a **15% improvement** for **First Contact Resolution** from **baseline of 77%**.

- **Enhance communications** with consumers to further build a **positive narrative** and improve overall **public perception**.
- **Increase** customer **views** of RWA's **affordability, innovation/modernity** and **environmental stewardship**.
- **Enrich** the overall **customer experience** and satisfaction through **increased knowledge** and ability to **resolve** customer **inquiries** at **first contact**.

Employee Learning & Growth Perspective

STRATEGY	FY25 GOAL METRICS	OUTCOMES TO THE BUSINESS	FY25 STATUS
<p>Advance Workforce Safety</p>	<ul style="list-style-type: none"> • Reduce workplace hazards by implementing best-in-class corporate safety practices and plans that decrease recordable injuries to zero. 	<ul style="list-style-type: none"> • Advance our commitment to workplace safety and self-care to ensure every employee goes home in the same condition they came to work. 	
<p>Develop Employees by Improving Knowledge, Skills and Abilities (KSAs)</p>	<ul style="list-style-type: none"> • Conduct a needs analysis to identify mission-critical roles at risk of retirement over the next 1-3 years and implement a Talent Matrix that addresses the remaining 50% of the potential loss of KSAs to achieve 100% of goal. • Fully execute the Management Training Roadmap. 	<ul style="list-style-type: none"> • Establish continuity and understanding of the organization's competency levels so we can better recognize high potential and overall workforce development as well as ensure succession planning for mission-critical roles. 	
<p>Foster a Diverse, Inclusive and Engaged Workforce</p>	<ul style="list-style-type: none"> • Implement employee engagement initiatives to drive collaboration and internal customer service by demonstrating a 10-percentage point annual improvement over FY24 employee survey result of 82.7%. 	<ul style="list-style-type: none"> • Foster an accountable workforce comprised of employees who are productive, united and empowered. • Offer strategic engagement opportunities to employees to come together and support the community. • Support a high-performance culture that delivers outstanding internal service. 	

<p>Perspective & Strategy</p>	<p>Completed Fiscal 2020-2025 Strategic Actions at FY24 Year-End</p>
<p><i>Financial:</i> Improve the Financial Operating Performance of the RWA</p>	<p>Goal – Fiscal Efficiency: Reduce debt-to-capital plant ratio to 82% by May 2025. ✓ Based on FY24 YE projections, we have exceeded this goal and will continue to monitor results.</p> <p>Goal – Capital Efficiency: Achieve an average of 3% capital efficiency each year through May 2025. ✓ At FY24 YE, we have sustained an average of 3% capital efficiencies per year.</p>
<p><i>Financial:</i> Strengthen Pension and Retirement Funding</p>	<p>Goal – Pension Funding: Achieve 100% funding of pension obligation by May 2025. ✓ At FY24 YE, we contributed above the ARC funding of pension by \$2.1M and will continue to contribute above the ARC in FY25.</p> <p>Goal – Retirement Benefits: Increase funding of OPEB/VEBA plan to 35% by May 2025. ✓ As of FY23 YE, increased funding level of OPEB/VEBA to 37% and we expect the funding level to be more than 35% for year-end FY24.</p>

Financial Perspective

STRATEGY

FY25 GOAL METRICS

OUTCOMES TO THE BUSINESS

FY25 STATUS

Expand Commercial Revenue Sources to Mitigate Rate Increases

- Increase **commercial service net revenue** to achieve **\$9.2 million** through well services **organic expansion, lab enhancements, PipeSafe growth** and **M&A** activity.

- Ensure **financial flexibility** in our **year-end disposition**, which will **benefit** the core utility's **Construction Fund** and our **customers**.
- Bolster our overall **financial strength** to support our **increasing capital program**.
- Leverage **legacy utility commercial offerings, customer relationships** and **distinct capabilities** to deliver **commercial business growth** to benefit our customers through **lower water rate increases**.
- Provide **back-office operation integration** synergies that foster headroom for **growth, future investments** and access to **new commercial ventures**.
- Offer more **innovative products and services** to **new customers** and clients in **Connecticut and beyond**.

Perspective & Strategy

Completed Fiscal 2020-2025 Strategic Actions at FY24 Year-End

Internal Business Process:
Embrace Innovation and New
Technology

Goal – 3Rs: Review and approve 50% of risk perspectives within Risk Register with a focus on mitigating risk, improving redundancy and safeguarding resiliency.

✓ As of **FY24 YE**, completed **100%** of risk perspectives.

Goal – Cybersecurity: Continually implement cybersecurity best practices across RWA with full implementation achieved by May 2025

✓ As of **FY24 YE**, material parts of **cyber roadmap** successfully implemented.

Goal – Technology Obsolescence: Develop technology roadmap to ensure technology obsolescence and single points of failure are eliminated by May 2025

✓ As of **FY24 YE**, some **14-technology obsolescence**/single points of failure were **eliminated**. While the technology roadmap is continuously executed, this goal has essentially been met.

Internal Business Perspective

STRATEGY	FY25 GOAL METRICS	OUTCOMES TO THE BUSINESS	FY25 STATUS
<p>Effectively Manage and Maintain Our Core Business</p>	<ul style="list-style-type: none"> • Ensure 100% of our assets are evaluated and linked to our Enterprise Asset Management System. 	<ul style="list-style-type: none"> • Add more rigor and standardized business practices to the way we operate and maintain the distribution system and critical assets. 	
<p>Sustainably Manage Our Natural Resources to Deliver Reliable, Safe Water</p>	<ul style="list-style-type: none"> • Ensure levels of disinfection by-products are at least 10% below regulated limits. • Ensure unaccounted-for-water is less than 10%. 	<ul style="list-style-type: none"> • Protect public health and safety. • Achieve cost savings by reducing unaccounted-for-water by utilizing new technology and work to calibrate master meters as well as synchronize data to AMI. 	
<p>Embrace Innovation and New Technology</p>	<ul style="list-style-type: none"> • Link 100% of Technology Roadmap to capital and operating budgets. • Facilitate 16 process improvements within the four perspectives of customers, employees, financial and business process. 	<ul style="list-style-type: none"> • Ensure greater infrastructure reliability and optimization of operations and new technologies. 	

Fiscal 2025 Global Metrics & Board KPIs

KPI	Description	Target	Level
Customer Satisfaction	Increase RWA's Customer Satisfaction Index Company Characteristics within 4 percentage points from FY24 baseline of 79.6%.	79.6% -- 83.6% (+/- 4% margin of error)	Global
Service Excellence	Achieve $\geq 75\%$ Service Assessment Index rating in all-employee survey following six-month Delivering Service Excellence training and practice.	$\geq 75\%$	Global
Safety	Continue the safety journey toward achieving zero recordable injuries.	0 Recordable Injuries	Global
Training & Development	Complete 12 hours of training and development per employee.	12 hours	Global
Cash Collections	Meet 118% coverage with no shortfall.	$\geq 118\%$ Coverage	Global
Capital Efficiency	Ensure that at least 96% of capital budget benefits customers.	96% of Capital Budget	Global
Operating Efficiency	Identify at least \$750,000 in annualized operating efficiencies and savings.	\$750,000	Global
Commercial Services Revenue	Achieve commercial net revenues of \$9.2M.	\$9.2M in Revenue	Executive
Water Quality	Maintain 100% compliance with drinking water standards by ensuring that 90% of disinfection by-product tests are at least 10% below maximum drinking water thresholds.	100% Compliance	Executive
Unaccounted for Water	Reduce unaccounted for water leakage by 125MG.	125MG Reduction	Executive

Strategic Planning Committee

FY2025 Work Plan

The Strategic Planning Committee, in collaboration with the CEO and management team, develops and recommends the overall strategic direction for the enterprise, monitors progress, reviews results as a basis for setting new strategy, and recommends actions to the Regional Water Authority (RWA) consistent with the Strategic Plan.

June 2024

- Review FY24 Year-End Strategic Action Plan Update & Global Metrics
- Review FY25 Strategic Action Plan & Global Metrics

August 2024

- Succession Planning Update

November 2024

- Commercial & Utility Financial Health Update

February 2025

- Review FY25 Six-Month (June-November 2024) Strategic Action Plan Update & Global Metrics
- Update on FY26 Strategic Planning Process

RWA Self-Assessment - May 2024

	High				Low	2024 Average	2021	2019	2017	2014	2012
1. Determine the Organization's Mission and Purpose	5	4	3	2	1						
1.1 All RWA members support the current mission statement	3	2				4.6	5	4.8	5	5	4.8
1.2 RWA's policy decisions reflect the mission	4	1				4.8	4.75	4.6	5	5	4.4
1.3 Organization's programs and services reflect the mission	3	2				4.6	5	4.8	5	5	4.4
1.4 Vision Statement captures the long-term direction of the organization	3	2				4.6	4.75	4.6	4.7	4.6	4
2. Engage in Strategic Planning											
2.1 RWA has a clear understanding of whom it is serving	3	2				4.6	4.75	4.6	5.7	5	4.8
2.2a RWA has a strategy for how the organization should be evolving over the short term (3-5 years)	3	1	1			4.4	4.5	4.5	4.3	4.8	3.9
2.2b RWA has a strategy for how the organization should be evolving over the long-term (6-50 years)	2		3			3.8	4	3.8	3.7	4.2	3.3
2.3 RWA periodically engages in a review of how the organization should meet new opportunities and challenges	3		2			4.2	5	4.3	4.3	4.8	3.9
2.4 RWA has identified key measures for tracking progress toward the organization's strategic goals	2	1	2			4	4.75	4.6	4.2	4.4	4
3. Approve and Monitor the Organization's Products and Services											
3.1 RWA is knowledgeable about the organization's current products/services	4	1				4.8	4.5	4.3	4.8	4.8	4.6
3.2 RWA knows the strengths and weaknesses of each major product/service	1	2	2			3.8	4	4	4.3	4.4	4
3.3 RWA periodically considers adopting new products/services, and modifying or discontinuing current products/services	3		2			4.2	5	4.2	4.5	4.6	3.8
3.4 RWA has an effective process for tracking performance	3		2			4.2	4.75	4.3	4.2	4.6	4.3
4. Provide Effective Fiscal Oversight											
4.1 RWA ensures that the budget reflects the priorities established in the strategic plan or annual plan	4	1				4.8	5	4.8	4.8	4.8	4.6
4.2 RWA receives financial reports on a regular basis	5					5	5	4.8	5	5	4.6
4.3 Financial reports are understandable, accurate, and timely	5					5	5	4.8	5	5	4.6
4.4 Management has instituted appropriate financial controls	5					5	5	4.8	5	5	4.6
4.5 RWA considers all recommendations made in the annual report and management letter of the independent auditor	5					5	5	4.8	4.7	5	4.6
4.6 RWA has established appropriate investment policies	3	1	1			4.4	5	4.8	4.8	4.8	4
5. Ensure Sound Risk Management Policies											
5.1 RWA has approved policies that enable the organization to manage risks and reduce them to a tolerable level	3	1	1			4.4	5	4.5	3.5	4.8	3.9
5.2 RWA identifies and assures methods in place to manage risks	3	1	1			4.4	5	4.3	4.3	4.8	3.9
6. Select and Support the Chief Executive and Review His Performance											
6.1 RWA assesses the chief executive's performance in a systematic and fair way on a regular basis	3	1	1			4.4	5	4.6	4.8	4.8	4.6
6.2 Process for determining the compensation of the chief executive is objective and adequate	2	3				4.4	4.75	4.8	4.8	4.6	4.4
7. Understand the Relationship Between FMA and Management											
7.1 Respective roles of the RWA and Management are clearly defined and understood	2	1	2			4	4.5	4.5	4.8	4.8	4.1
7.2 Climate of mutual trust and respect exists between the RWA and chief executive	3	2				4.6	4.75	4.8	4.8	5	4.6
7.3 RWA gives the chief executive enough authority and responsibility to lead the Management and manage the organization successfully	4	1				4.8	5	4.8	4.8	5	4.6
7.4 Responsibilities of RWA committees and Management assigned to assist each committee are clearly understood	4	1				4.8	5	4.6	4.8	4.8	3.5
7.5 RWA members refrain from attempting to direct the work of Management members	2	3				4.4	4.25	4.6	4.5	4.2	4.2
7.6 RWA has ensured that Management has adopted adequate and up-to-date human resource policies	2	2	1			4.2	4.33	4.2	3.8	4.2	4

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8. Enhance the Organization's Public Image											
8.1	Organization has an effective public relations and marketing strategy	3	1	1		4.4	4.75	4.8	4.3	4	3.8
8.2	RWA members promote a positive image of the organization in the community	3	2			4.6	4.75	4.3	4.3	4.2	4.4
9. Carefully Orient New RWA Members											
9.1	RWA provides new RWA members with comprehensive orientation to RWA resp. and organization's programs and finances	4	1			4.8	5	4.6	4.8	4.8	4.5
10. Organize Itself So That the RWA Operates Efficiently											
10.1	RWA members receive clear and succinct agendas and supporting written material sufficiently prior to RWA and committee mtgs	2		3		3.8	5	4.6	5	4.8	4.4
10.2	RWA focuses its attention on significant policy issues rather than administrative matters	1	3	1		4	4.75	4.5	4.5	4.8	3.6
10.3a	RWA members have adequate opportunities to discuss issues and ask questions	2	2	1		4.2	5	4.8	4.5	4.8	4.2
10.3b	Frequency of RWA meetings is appropriate for the responsible discharge of the RWA's responsibilities	2	2	1		4.2	4.5	4.8	4.3	4.8	4.2
10.4	RWA members are actively engaged in the work of the RWA	3	2			4.6	4.75	4.5	4.5	4.6	4.6
10.5	RWA periodically reviews its policies, procedures, and bylaws (? X2)	3	1	1		4.4	4.75	4.6	3.8	3.6	4.2
10.6	RWA has in place an effective conflict of interest policy for itself and the Management	4	1			4.8	5	4.6	4.8	4.8	4.6
10.7	Current committee structure contributes to RWA productivity	3	1	1		4.4	4.5	4.5	4.5	4.8	3.4
10.8	Each committee and task force has a stated purpose and a plan of work	4	1			4.8	5	4.8	4.8	4.6	4
11. Coordinate and Collaborate with the RPB											
11.1	RWA members regularly attend meetings of the RPB	4	1			4.8	4.75	4.5	5	4.8	4.4
11.2	RWA meetings open to RPB members with appropriate notice	4	1			4.8	5	4.8	5	5	4.8
11.3	RWA communicates to the RPB clearly and openly	4	1			4.8	5	4.8	5	5	4.2
11.4	Relationship of the RWA toward the RPB is functional and cooperative	4	1			4.8	5	4.8	4.8	4.6	4.2
12. INDIVIDUAL MEMBER											
12.1	understand the organization's mission?	3	2			4.6	4.25	4.8	5	5	
12.2	support the mission?	2	2			4.5	4.75	4.8	5	5	
12.3	are knowledgeable about the organization's major programs and services	2	3			4.4	4.75	4.8	4.6	4.8	
12.4	follow trends and important developments in the water industry		4	1		3.8	4.25	4.4	4.4	4.2	
12.5	read the organization's financial statements?	3	2			4.6	5	4.8	4.8	4.8	
12.6	understand the organization's financial statements	2	3			4.4	5	4.8	4.6	4.8	
12.7	act knowledgeably and prudently when making recommends about how funds are invested/spent	4	1			4.8	4.5	4.8	4.8	4.8	
12.8	advise and assist the chief executive when your help is requested	4	1			4.8	4.75	4.8	5	4.8	
12.9	have a good working relationship with the chief executive	4	1			4.8	4.5	4.8	4.6	4.8	
12.10	have a good working relationship with other FMA members	4	1			4.8	4.75	4.8	4.6	5	
12.11	prepare for and participate in FMA and committee meetings as well as other activities of the RWA	2	3			4.4	4.75	4.8	4.8	4.8	
12.12	complete all assignments in a responsible and timely manner	1	3			4.25	4.75	4.8	4.8	4.8	
12.13	respect the confidentiality of the FMA's executive sessions	5				5	5	4.8	4.8	5	
12.14	suggest agenda items for future FMA and committee meetings		4	1		3.8	4.25	4.4	4	4.4	
12.15	focus your attention on long-term and significant policy issues rather than short term admin. Matters	2	3			4.4	4.75	4.6	4	4.8	
12.16	ensure that any communication with mgmt below the CEO level does not undermine the relationship between CEO and management	4	1			4.8	5		4.8	5	
12.17	avoid, in fact and in perception, conflicts of interest and disclose any possible conflicts	4	1			4.8	5	4.8	5	5	
12.18	follows trends and developments in the area of best practices of corporate governance	3	1	1		4.4	4.75	4.6	4.6	4.4	
						64	283.75	300.58	291.3	292	298

COMMENTS

1 **Determine the Organization's Mission and Purpose**

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High

Low

2024 Average

2021

2019

2017

2014

2012

Our mission is clearly stated and we work towards it together

I believe the members are committed to the RWA's success. I do think there are different views of how to achieve the goals. These views sometimes create conflict.

2 **Engage in Strategic Planning**

We have a solid roadmap and review it regularly

I am not sure we've ever talked about the company's very long term future (scores of years) and we should. All policies should consider very long term, sustainable organizational stability.

3 **Approve and Monitor the Organization's Products and Services**

We are well served with useful and helpful reports and updates on various topics we should know

I have had the pleasure of hearing about innovation and weaknesses.

3.4 Performance tracking has been revised and improved consistently, including with OCA's input

4 **Provide Effective Fiscal Oversight**

Our budget process is open and transparent, with the RPB and OCA as well

I would love to hear about opportunities for the RWA to participate in impact investments, especially opportunities to address climate risk.

4.6 Regular scheduled thorough investment policy discussions held

5 **Ensure Sound Risk Management Policies**

We receive regular risk updates and mitigation reports

6 **Select and Support the Chief Executive and Review His Performance**

We may not all agree with outcome, but all members have an opportunity to be heard

7 **Understand the Relationship Between FMA and Management**

Authority and RPB committee systems work well with management. HR has seen a solid, positive turnaround

7.1 Sometimes blending or spillover btw management and FMA roles

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High

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2021

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8	Enhance the Organization's Public Image
	We as individuals do promote RWA where possible and do not reflect negatively on the organization with our outside activities.
	In many ways, the RWA is unknown in many communities. In some ways, this is good because the RWA delivers a reliable, excellent product and, therefore is under the radar except for the few who are paying attention. I would love to see the RWA's successes have greater visibility.

9	Carefully Orient New RWA Members
	New members, rare though that happens, do orient well

10	Organize Itself So That the RWA Operates Efficiently
	Our structure has weathered the test of time, but we should always be open to some updates
	I could have done a better job with the IPS amendment. There are times that committee structure creates work for management that may not be completely productive. We could be a bit more focused at times.
	10.3b Could be a few less meetings annually

11	Coordinate and Collaborate with the RPB
	There continues to be a very productive, fruitful relationship between RWA and RPB
	While far from a rubber stamp, the relationship is professional and productive.

12	Individual Member
	I could make more of an effort to know about water industry developments. I read a good deal, but I could do more. I may rely too much on senior management to set committee agenda, although I have suggested topics from time to time. I have taken steps to learn more and make myself a better board member.
	12.12 All assignments but this self-assessment timely