

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

NOVEMBER 21, 2024

MEETING TRANSCRIPTION

David:

It's 12:30. so I'll call the Regional Water Authority's meeting for Thursday, November 21st, 2024 to order, it is 12:30. First of course with the sadness of Larry Bingaman's passing, we'd like to ask if we could have a moment of silence to honor his memory.

Thank you. I think he'd be upset if we had it for more than a moment. He'd want us to keep moving and keep the company going. He was so integral and so important here in the 15 years that he managed the Eli Whitney Company, that's something that he was proud of and knew and I think he did an awful lot of good for the company, we're in much better shape than we were 15 years ago. All those who he brought in that he developed a strong team and strong work ethic here and the company is in much better shape because of him and his visionary, which we're in the middle of now and Rochelle will report on later some of the changes that we're about to do and have done that have been positive. So, he will be sadly missed.

Others have anything? No? All right, move on. Safety moment. Preventing the flu. Next is public comment. Is there anyone here from the public, Jennifer remotely?

Jennifer:

No.

David:

Okay. Then we'll move right into the Environmental Health and Safety Committee if the chairman is ready. All right, so motion to recess as the Authority meet as that committee?

Catherine:

So moved.

Mario:

Second.

David:

Second? All those in favor say aye.

Authority members:

Aye.

David:

Passes unanimously. All yours, Mario.

[ENVIRONMENTAL, HEALTH & SAFETY COMMITTEE MEETS FROM 12:31 P.M. TO 1:39 P.M.]

David:

All right. Thank you very much, it was a good discussion and I'm glad we had the time with you relating to a major item and there were a lot of good news in there. Consent calendar.

Suzanne:

So moved.

David:

Second?

Kevin:

Second.

David:

Any items you want pulled off or any points of clarification? Sensing you're ready to vote then? All those in favor to say aye.

Authority members:

Aye.

David:

Passes unanimously. RPB Committee reports. Let's see what we got here. We are in November now, right? We didn't miss any October when I think they were late. No?

Kevin:

I attended the Finance Committee meeting.

David:

Finance, perfect.

Kevin:

Hybrid meeting. Most of it was in executive session to discuss commercial and financial information and on personnel matters. The meeting lasted about an hour, and they tabled discussing Authority compensation into another meeting.

David:

All right, any questions? All right. Land Use, Mario.

Mario:

Land Use was a good meeting, they got a lead pipe inventory update at a level before the level that we just received. Not a lot of questions on that, but it was very well received. They did review the application for disposal of local lands in Seymour, 66 Squantuck Road and they approved submitting that to the total board in the RPB. They did have one comment and that was we just need to be much more

vigilant in the application to make sure that we identify what the authorization, under what act we are authorized to submit this application to get approved. It was something that ends up in the resolution for them to approve. But we should just make sure we put that in there. And John Triana gave a very good lengthy report. And that was basically the bulk of the meeting.

David:

Okay. Any questions? Thank you. Suzanne, Consumer Affairs.

Suzanne:

Consumer Affairs is good. We had a brief moment of silence in memory of Larry to start the meeting. Most spent time in executive session during the [inaudible 01:14:36], nothing, unless Rochelle disagrees, nothing material came up as [inaudible 01:14:42] matter. We shall discuss in that meeting. [inaudible 01:14:47]. And lastly, the Consumer Affairs Office had [inaudible 01:14:55].

David:

Great. Questions? Thank you. Then let's do finance before we take a break if that's all right. So, we'll go into finance and Rochelle, we'll hand it over to you.

Rochelle:

Sure. So, the first item on the agenda is for the 39th Series. So, this is the series associated with the recently approved rate application. I do want to make a couple of points here. The 45 million does include both DWSRF as well as Water System Revenue Bonds. So, approximately half of the 45 million will be 39th Series Water System Revenue Bonds. And we are planning to go through the process with the rating agencies. The meetings will be in the early part of December. We did provide you a draft of the preliminary official statement and we are planning on executing the rates as well as the 39th Series issuance probably the second or third January. And this is just the formalization that we require Authority approval [inaudible 01:16:18].

Mario:

So moved.

Catherine:

Second.

Catherine:

I do have a question. You want to answer?

Rochelle:

Sure.

Catherine:

How do we select our underwriters?

Rochelle:

So, our underwriter that we had been using, not their firm but the individual Ms. Anthony retired. So, for this particular one, we are planning on using [inaudible 01:17:30]. I think for a couple reasons it will give us, this is small but it gave them an opportunity to work with us given the Blue Drop situation, they did come back with a [inaudible 01:17:49], not sure if they're interested in doing that work.

Catherine:

I do think it's always good to have banks compete against each other.

Rochelle:

Yeah, and share them all.

Catherine:

Exactly.

Rochelle:

Given how much we issue.

Catherine:

And usually this is relatively small, so we didn't have two underwriters but sometimes we do have two [inaudible 01:18:17].

Mario:

I mean, this, is pronouncing C, the company, CDE company? It was just the registered over the bonds. They've been throughout, right? Okay. Since you dropped me these files if I remember it before, or no?

Catherine:

Been doing that for 100,000 years.

Mario:

Okay. So, I don't live in the space that long I'm sorry.

Rochelle:

And if you do have any comments on the POS, feel free to, I'll provide them [inaudible 01:18:57].

Suzanne:

Yeah, and I think in terms underwriting is the issue that you often [inaudible 01:19:14] making sure that since we have so much opportunity to do is to give the companies led by women and minorities and other diversified groups as the opportunity presents itself.

Catherine:

And based in Connecticut.

Suzanne:

And based in Connecticut, yes.

Catherine:

Spend their money here where we can.

Suzanne:

Catherine, you're thinking, just to clarify this, you're thinking about seller's group.

Catherine:

That's a selling group issue, yes. But it is always nice to have people competing for our business.

Suzanne:

Yeah, right. And getting to know us, right?

Catherine:

Yes.

Kevin:

Mario made a motion which was seconded by Catherine, and we've had some discussion on it but it's [inaudible 01:20:01] on a resolution.

David:

I don't need to vote?

Speaker 17:

No, we wanted to wait for you.

David:

Thank you. Suzanne told me not to. Okay. Thank you. Since your name's in the bottom, yeah. Well, but spending money, I'm not going to vote for this so no more bottling-

Suzanne:

Are you joining that's an approval?

David:

No.

Suzanne:

Okay.

[inaudible 01:20:25].

Mario:

I'm in favor.

David:

All in favor.

Authority members:

Aye.

David:

All right, thank you. The budget schedule. Do we have a decision to make as a board?

Rochelle:

Yes, we have a decision to make. So, I've highlighted, actually there's two decisions to make. So, last year you might recall that we had the budget meetings as part of the regular meetings, but it was a long meeting. And this year, the way the calendar falls to do that, we would actually have to be able to get the budget out to the authority on March 10th, which is a bit early. So, the alternative, if you want to go back to a special meeting is it would actually give us to March 17th to get the budget out and then the special meeting, it would be potentially on the 31st if that works or a date surrounding that we would still meet all the remaining dates. So, I didn't know if you wanted a special meeting.

David:

Well, what's better for you?

Rochelle:

What would be better for us would be to give us a little bit more time to get the budget out on the 17th, then cut it close on the time.

David:

So, we have our regular meeting Thursday, March 27th and you would like to have the special meeting Monday, the 31st, maybe Tuesday the 1st.

Rochelle:

Right, yeah.

David:

Wednesday the second at the latest but you want it in that range. You don't want to wait until another Thursday?

Rochelle:

Correct.

David:

Okay.

Suzanne:

Do we customarily have to approve this?

David:

Well yeah, this matters a lot how they move forward with this so we kind of do have to let them know.

Suzanne:

Yes, no, I'm just saying do we have to formally approve it?

David:

I don't think we're going to vote on this, no.

Rochelle:

Just to get, make sure we're on right track for the ...

David:

Yeah.

Suzanne:

So, we're just making sure.

Rochelle:

And the other item I want to mention and it's in bold italics is, is the board okay with doing electronically sending you the budget material as opposed to doing like a man fetching the binder?

David:

I'm personally okay with that, but that's.

Catherine:

Fine. Yeah, everything's electronic as it is, that's fine.

Suzanne:

I need to defer to see the printed version, but maybe I could be the one person.

David:

Well, then Mario, you're the tiebreaker, what's your preference?

Mario:

Well, you can do split, right?

David:

We do split, yes. I mean, certainly it could be printed out.

Mario:

Yeah, I actually prefer printed, it's easier to go through it.

David:

Especially that one with the longer pages. Well, the tabs too but the longer pages, I've tried to do the town budget online with COVID and it's just very difficult.

Catherine:

I would be honest with you, I always have to look it on the screen and then I blow it up 'cause I can't read all the tiny numbers, but getting the paper is a waste of paper for me so don't bother sending it to me. I have a very large screen, I just blow it up on the screen.

Rochelle:

So, it sounds like it's mixed.

Mario:

Yeah. If that's not too much to ask.

David:

If it's a lot of trouble to be mixed, then if you did it just electronically, we could just print it out admass as opposed to the fancy books. I mean, that might be that's a compromise.

Catherine:

Oh yeah, fancy book binder or anything like that.

David:

Yeah.

Catherine:

That helps a lot.

David:

Yeah, that helps because I know the assimilation of that is a lot of work.

Mario:

Yeah, that's time-consuming.

David:

Yeah.

Rochelle:

And do you think it is your view the RPB would be okay with electronic work?

David:

I think you're going to find a very mixed answer to that one.

Rochelle:

We'll plan on a combination.

David:

Yeah. Okay.

Suzanne:

Sorry, Rochelle.

David:

And they want the neat booklet, I think.

Mario:

Yes.

Rochelle:

Oh, okay.

David:

The binders with the dividers and all of that to make it easier for them. So, I guess ...

Rochelle:

It's okay.

Sunny:

Yeah, do a mix.

Catherine:

But check in because maybe not-

David:

Yeah, maybe, yeah.

Sunny:

So, it will save a lot of time.

David:
Right.

Rochelle:
Did you want to think about the 31st or ...

David:
Do we want to commit now? I mean ...

Mario:
I don't know, it doesn't find-

David:
Does anybody have a standing Monday where it couldn't be that Monday morning and block out the whole morning kind of thing? 8:00 AM and be out of here by lunch?

Rochelle:
I do not.

David:
Okay. It's far enough ahead that we probably should be able to say, "That's it." All right, good.
All right. Thank you. All right, well do you want to take a break?

Catherine:
Yes, please.

David:
All right, 'til five after. We'll take a little break and then we'll go into business updates.
[inaudible 01:25:50].

[BREAK FROM 1:55 P.M. TO 2:05 P.M.]

David:
All right, it's five after, so everybody is still here. So let's get going. Without objection, I'd like to move Strategic Planning to current so that Joe can be part of it. Because I don't think there's really going to be a need for executive session unless we ask questions. So with that, I'll accept a motion to recess as the Authority of meet as the Strategic Planning Committee.

Mario:
So moved.

Kevin:
Second.

David:

All those in favor say goodbye by saying aye.

Authority members:

Aye.

David:

Passes unanimous.

[STRATEGIC PLANNING COMMITTEE MEETS FROM 2:05 P.M. TO 2:13 P.M.]

David:

Back to the Authority.

All right. So the next item, and last item on the agenda is age for business updates. See how the experts are... Right, you want less aversion. So Prem, do you want to give us an update on that? April 2nd still there?

Prem:

Yes. Yeah, absolutely. Yeah, I think that.

David:

Okay, thank you.

Prem:

So one of the things I want to quickly mention is we have made some changes. I know Mario, we took your input last time. We changed the schedule into a [inaudible 00:14:35].

Mario:

Thank you.

Prem:

So we are recognizing that. A couple of things I want to mention is the budget is still intact. 16.01 million, we are just keeping monthly with that. We are tracking very, very closely to every dollar, which has been a lot of focus here for us. Some key accomplishments as well. I want to quickly mention.

So the color of plan. We actually practiced what we call as a mock plan, where we exercised a typical scenario of a going live where we shut down SAP, how things will happen. So the team did that exercise, it went pretty well. So we learned some lessons from that, and we are going to be doing other plans, which is good.

The team also put together an end-user training plan. So typically, this thing starts mid-December all the way through go live. So it's almost a three-month plan, a schedule of almost literally every day what's happening by pieces by the different functions and groups. But just for the scale, there are close to 80 people that are getting trained. So almost a third of the company in some shape or form. And then there

are certain areas like field, where everybody's going to get trained. But in a very sub-scale level, like a service owner, all that.

So the team had put together a good overall end-user training plan, so we're tracking through that. So those are some, I would say, high-level critical things that needs to come in. Now people are getting to realize we are getting closer, so a lot more stuff needs to get done. So there's a big push that's coming. And one thing I would mention is that there are parallel activities, and just quickly moving towards the right. Just want to touch upon the key risk areas. What we are trying to see is we are actually working through our testing, and training and the schedule. So there are definitely resources that are being shared between testing and some of them obviously are trained. So we are monitoring that.

There's definitely a resource pool. Again, we are also trying to keep up our lights on with all the day-to-day operations as well. So we are closely monitoring that, so I wouldn't make it as an alarming thing now. With leadership team's support and help, we are working through the plan. So more to come on that, and nothing crazy at this time. But we need to be monitoring.

One thing I would also say is we have been diligent about not adding any more changes because the change means now you got to test the whole thing. And so we are really focused on important stuff versus good to have stuff. So we have been telling the team, and really focused on making sure the important stuff gets done. So I just want to quickly mention that. I know the team had highlighted that as a item to really focus on as a risk. We are on top of that.

The biggest thing I would say of all of this is that testing, IST2 integration system testing is planned to complete by end of December. So that's the biggest, and that's going to give us a reality check. Because all of the stuff needs to get done, and we are really ready for us to start moving towards deployment phase. Current plan, training, et cetera, et cetera. So that's actually in the current activity section where IST2 has been a focus. But to be honest with you, the team is doing a fabulous job. A lot of pull and push. And with the limited team that we have, we are trying to get a lot done. So to be honest with you, that is my update. So any questions for me?

David:

So a question. So Prem, I understand not making the changes, that makes sense. Do you have an opportunity once this goes lives, and goes live, and six months later there's a nice to have? Is that something that can be adjusted then?

Prem:

Yes, yeah. To honest with you, it's a very good question. Because a lot of times, the team feels okay. So we are saying, "This is not important, but can we get it done after?" So there is a phase two of the problem.

David:

Okay, right. Oh, okay, right.

Prem:

So we have looked at in terms of all the requests that are coming in. But I want to be careful, because this is a huge program with many projects underneath it. It's very easy to get lost into oh, I want this extra thing, and we don't want to be working on that when the focus should be the important stuff.

So I think we do have a subsequent phase two of the project, with functionality that is really called out for. I can think of me and Rishabh talking shopping cart, and things that the team wants. But it's all good to have. So we do have those projects that have been lined up.

David:

You got them lined up, got it.

Prem:

Yeah, it's going to be a continuous improvement. So as we keep putting new stuff, there'll be other things. AI is another thing. I know we touched upon it earlier as well. So there are things that we are trying to talk about as the future implementation. So, I accept it.

Mario:

Question. So I recall part of this is a work order type system, or at least-

Prem:

Yes. Field service nationally.

Mario:

Field service, okay.

Prem:

Yeah.

Mario:

Have you tested, or are you going to be testing that integration, and taking the existing appointments and try and make sure they flow seamlessly?

Prem:

Yes, yes.

Mario:

And I would just suggest that maybe that field service group get their training early, because I have seen some utilities that will remain nameless, where everything in the billing customer service side really went well. But no one could get a service representative to their house because they had the training there. And it's like, "Okay, but the meter is leaking and I need to really get someone here." And they're like, "Well sorry, we don't know how to do that part of the program." So that was [inaudible 00:20:00] utilities.

Prem:

That's a good question, and I think what we are planning to do is something of service link. I remember when you talked way back when, we didn't want to buy a bunch of different systems and we wanted everything to be in one place. So the service link that we pick is already integrated to the UMAC

solutions. Not from us, but from other clients too. So it's already been already tested, but one thing they're doing as part of the training is there's a whole specific section for training our field service people, and they'll be doing that.

And actually yeah, that's a good question. Because one of the things they also asked is really making sure that if there are service hours out there, so how are we going to handle that? Are we going to close all of them so we can have freshmen start off? If we close them, what we do with it? So we really have gone to the level of detail. And I know Jim Hill is also on the call. So to be honest with you, of all areas, that area is far ahead of the game. They've completed all of their testing already.

They're working through the one area that we are really focusing on, is collections and delinquencies. And we've been talking about it.

Mario:

Reporting.

Prem:

Yes, reporting. Yeah. See, I don't want to forget reporting.

Mario:

That's fine.

Prem:

But that means that one of the focus, what we are having is... Let's just make sure all the day one reports work well before we jump onto all these different reports and stuff that we need. So definitely there's a lot of focus. So those are the areas. But service, I made a note of it. I'm going to go back and check, Mario.

Mario:

And this program has been implemented successfully by several municipal type utilities or regional governmental utilities.

Prem:

So city of Baltimore.

Suzanne:

We're not talking about them.

Mario:

No. It's just when he went through his description, I was like, "Ooh, I think I asked it before but I'm not sure."

Prem:

Yes. No, you're absolutely right. We have city of Tallahassee, we have city of Baltimore. So they've all done the same thing. Yes, absolutely. Yeah.

Suzanne:

Okay.

Mario:

Sure.

Suzanne:

Capital budget, anything you want to add? It's yellow still, so is it going to stay yellow until you're done and you're under budget?

Prem:

Yeah. [inaudible 00:22:04] yes.

Suzanne:

And do you have any indications that... What can go wrong that would put your budget at risk?

Prem:

The biggest thing I would think of is really change. So if we keep asking more changes, then the vendor is going to say, "I need more money to do it." So that's why we are in fact making sure that we're keeping that and trying to control the change side of the house. But the reason it's yellow, and like you said, it's going to be yellow post-schedule and budget, it's going to be yellow all along.

The original budget was 49.8 million with that 10% thing. That's why we have it at 16th. And we don't want to exceed that, and it doesn't seem like we're going to exceed that. We are actually trying to crack that. So the one big thing is the change, and that's where we want to be careful.

Rochelle:

And time, and time.

Prem:

And time, yes. Yep.

Sunny:

And just to add on to one more point, Prem. Right, so we are bringing now the external consultant to do a third party audit sometime in December, just to do an X-ray of how I would say things are. So in that way, we get to have a good feel for the cost as well as the timing. We'll get to see how. Because there are constraints as Prem mentioned in this one, where there are resources that are doing both. How do we actually navigate this given the holiday weekends and things of the sort? I think that's one of the reasons why I think this gentleman came in even a few months ago, and gave us really good recommendations and input. So we are bringing him back again sometime around the 15th of December.

Suzanne:

Well that's good to hear. I was going to say, "Bringing him in December is so late." But he's coming back too.

Sunny:

Yeah, he's coming back. Yeah, yeah.

Prem:

The good thing is he was the one who suggested and approved it. This is Steve Pazaza from back in time at OCH. So we hired the same consultant to come and do this audit frequently. The good news is, every time we have him come and do this stuff, the recommendation gets implemented, and that's how we've been trying to track around. So he's coming again December 15th, so we'll see what he has to say.

And one of the things that he suggested was if you can have big stuff done after the holidays and everything is done, then you can focus on just deployment, just training. So that's why the whole thing, IST2 completing the end of December. She's going to be coming along the same lines, and have that whole assessment done for us. So change is the biggest thing. That's what scares me more than the technology stuff. People adopting the change and training themselves. Being ready, and then I think that's the biggest piece, I think.

Suzanne:

And so when you say change, you don't mean change the system, you mean people adopting the change?

Prem:

Yes. Yes, yeah. The whole thing on people adopting the change, and really being... I still remember Larry when he told me way back when. The other thing he said, the day that we put SAP in place, people struggle to pick up a phone call, create a work order. And I think that is a disaster, so we don't want to be in that same state. So that's why I've been fully focused on the change, and making sure it's all there. People are ready, so yep.

Suzanne:

You turn it into a video game when you have it solved. It's fine.

Prem:

Yep. Thank you, yeah.

David:

I just have one question, and I don't know whether it's for you or Rochelle because it's budget. I'm a little nervous that we've only expended a quarter. Well, it's budgeted so far. And I know it's because it's a little delayed from what we had expected, but now we have a set target. Is that billing is delayed, or is it-

Prem:

No, I think it's a milestone. Remember, one of the things is we are holding the vendor accountable. Our bigger milestone is testing, where we will be paying a big dollar. So we are holding it until IST2 is done. So you'll see that come through.

David:

So a little bit of a hold back, and a little bit of a strategy.

Prem:

Yes, yeah, yeah.

David:

All right.

Prem:

Exactly, yeah.

Suzanne:

You'll see a major check that you have to sign that's more zeroes than you ever looked at.

David:

Yes, right. All right.

Prem:

Yep.

David:

Any other questions regarding this? All right, thank you very much.

Prem:

Thank you.

David:

Then the next item is-

Suzanne:

This very exciting, and I really wish you the very best through the last final eighth of a mile here.

David:

Thank you, thank you.

Suzanne:

And knock on wood, we all know well and it'll be very exciting to make it go live.

Prem:

Yes. Yeah, thank you so much. Thank you.

David:

All right, well said.

Prem:

Thanks, Joe.

David:

Thank you, Joe. And that was the cue, Joe.

Joe:

Well, it's been my pleasure.

David:

Yes, sir.

Joe:

I think the people's water in Nueva is in good hands.

David:

Yes, I think so. I think so.

Joe:

And the harmony between the two groups here is workable, which is what I like to see.

David:

Thank you.

Joe:

All right, all right. Have a good day.

David:

You too. Have a great, thanks. Good night.

Mario:

It's definitely a safe place.

David:

Yeah.

Rochelle:

And going over the board report.

David:

We're not used to it.

Rochelle:

At all.

David:

I know.

Sunny:

It's the thought that counts. I'm just going to touch up on a few of these.

David:

Well, let's do about the highlights first, or the forward report. I don't think there's going to be an awful lot there because first of all-

Sunny:

Right. I think only a few things. Again, it goes back to the legacy that Larry, I would say spearheaded some of these initiatives. One is the commercial enterprises, the homeowner safety valve. The integration is still ongoing, and I think it's been pretty decent so far. The other one is the alternative funding and financing, which Rochelle gave a quick insight. We are still pursuing. The Derby tank papers are being done right now, so we should be getting that loan, and as well as the grant associated with it. There is a significant grant component for it, almost 39%, \$1.5 million for the Derby tech.

Then this one was an initiative that Larry and Phil worked on. This is the promoting water as an economic asset. So there's going to be multiple large screens. It's a digital campaign to promote the quality, quantity as well as the economic development rates that we have at the regional. So this again has Larry's signature on this. So I think this was one of his later priorities in the last month he was working on it, Phil, so I think we're going to deploy that.

The annual report is almost done. I think David signed off on it, so it's under print. We should be going out pretty soon. And that's pretty much the significant highlights. Any questions on the monthly report? Yes.

Suzanne:

And also, just to remind myself.

Sunny:

Oh.

Suzanne:

Oh, the big difference is we sell water usage from last year to this year. Did you have anything you like to say about that?

David:

Why are we using so much less? They're buying so much less?

Suzanne:

They're buying so much.

David:

Yeah, they're buying a quarter of what they bought last year in October.

Suzanne:

Yeah.

David:

Interesting, because they're low on water. Crazy. I know it comes soon.

Sunny:

Oh, I know. This is the one that we'll have to look into. Is this Aquarian, Rochelle?

Rochelle:

I know there is going to be an Aquarion true up upcoming. I don't have the info for that, but I think we would look at it. Yeah, we billed them. They pay the minimal based on their maximum, and then it gets trued up. So that could be, but I know there is a drop.

Suzanne:

So can we just make sure it's reported in next month? Will a month's time correct that?

Rochelle:

I think the true up normally happens in December.

Suzanne:

Okay, work. Collection activity.

Rochelle:

And from the collection perspectives, I think we actually had the... In the five-member AR report, it was actually pretty good at the 28%. So in receivables, what we're tracking for the RTB dashboard as well. Receivables, were actually below the pre-pandemic levels, which is great.

Suzanne:

And that does get great, thank you. That's fine. I would say protection. My observation was it looks like the program continues to be pretty steady in terms of not losing a whole lot, not gaining a whole lot. Is there anything else you want to add related to that?

Prem:

I think, I believe the most important thing is the penetration level in the market. So we are 54%. They say it's the top of the class. One of the things you remember that we tried to do was going outside the territory, the volume management. I think the number is 511 customers or so that we have, but we are trying hard to really get the marketing going on that. But it's really up there. So I think when you compare that to HSV as an example, that's 18%. We are 54%.

So I think one of the key things we're trying to do now is the build that campaign, the customers. So as an example, we used Mr. Ruder. He was just here today, and we are talking about how we can improve the numbers. When they're going out there to a customer. If you look at the numbers too, plumbing is catching up. That's a pretty new program compared to other programs. So if you can market that more the help of our own marketing and other suppliers and partners we use, we are trying that as well. So like you said, it is definitely... Penetration is up there so it's going to get hard and we are trying to find ways to improve the numbers in other ways. So yeah.

Suzanne:

Okay. And then total repair costs continue to decline.

Prem:

Yes. That's one area of focus that we have. You look at the number of planes that we have, the number of jobs have been more, like cigarettes as an example. But that also seems to be a pattern. The same pattern you see also on the HSV side. So across that, it seems like the number of jobs that are coming, especially last summer, has been almost an anomaly compared to the prior year. So we are trying to contain the cost.

The only good news in that is we looked at... If you remember last year's performance, we were way under budget on the expense side. So the budget-wise, we have the numbers. But we are trying to control the expense side of the house, so you can keep it low so you can put more money in our pocket. So this year has been a little bit more on the upscale, and we are trying to... Again, as you know, it's not in our control. It vibrates, people are going to call and have a claim. So it's almost like we are trying to watch that.

The other good news that we see with the sewer and the home plumbing side is that we use Mr. Ruder, and it's a fixed-price contract. So we have not increased the prices for almost 10 years now. So we are trying to contain that, but sheer number of the breaks has that uptick in it.

Suzanne:

So this is what's been going on. Yeah, I think. So we're business of pipe setting. At some point, when does it change from this is a problem, we're watching it, to do something different about it? So that's the only thing I'd be looking for.

Prem:

Yes, for sure. One thing I do remember from the board's perspective, if you remember we did an economic adjustment that actually looked at cost of service, what are we doing? So we did a price increase which helped. Our numbers bumped almost about a half million. But then now we are looking at doing another adjustment, probably not after the go live. We probably give another time, or maybe another year. We plan to do every three years or more, so that will be a time around. So there's definitely that, that's a plus. But then at the same time, I want to be careful on not losing more customers. So there's been that campaign and other things which will help.

Suzanne:

Or losing more money, right?

Prem:

Yes.

Suzanne:

That correction.

Prem:

Yep, yep.

Speaker 8:

You said that we're working on a fixed rate contract with Mr. Ruder?

Prem:

It's always fixed rate for the past 10 years. Sorry if I-

Suzanne:

The same rate?

Prem:

Yes.

Suzanne:

So you renegotiated that how often?

Prem:

I think the last one we did, Rochelle, year before last year.

Rochelle:

Every two years, it actually gets looked at and rebid. He's been the vendor for some time now.

Prem:

Yes.

Mario:

And so you actually bid it?

Prem:

Yes.

Mario:

Okay.

Prem:

Yes, yes. Yeah, yeah.

Speaker 8:

And at least you're getting competitors?

Prem:

Yes.

Rochelle:

Now we have the HSB vendor, and now we'll be looking at bidding that. I think we had talked about we want to get more experience with them, and then we would want to get them under [inaudible 00:34:27] and price that.

Mario:

Okay.

Prem:

That's our initiative we have for this year, where we are trying to put the same model for HSB too. Because they are T&M today, and we got multiple contractors. We're trying to bring in the same fixed price model. But as contractors, they know they're losing money if it's fixed price bid. So we want to still engage. And as a matter of fact, we involve Mr. Ruder with some of the HSE work now. So we are into those models. We are trying to put them in place.

David:

Oh, yeah.

Catherine:

[inaudible 00:34:50] is starting to go into that.

David:

Yeah.

Catherine:

It's a new conversation.

David:

Yeah.

Rochelle:

[inaudible 00:34:58].

Catherine:

That could be-

Prem:

Oh.

David:

... a little careful. Thank you.

Prem:

Thank you.

Suzanne:

Can I ask one other question?

David:

Sure.

Suzanne:

If we could see. Main breaks. Three this year, versus one last year. Yeah, I mentioned.

Sunny:

When it comes to main breaks, we are one of the lowest in terms of the main breaks itself. So it could just be something that we are keeping an eye on in terms of the age of the pipe and what it is. I don't know if Jim is on. He might be able to give some idea on the additional two breaks actually.

Jim:

Yeah.

Suzanne:

I'll be [inaudible 00:35:35] last year actually.

Jim:

Typically, most of our breaks are ring cracks. We've made improvements to the system, so we don't have any longitudinal splits caused by hydraulic surges. And they do vary from month to month. Typically, we'll have more in the winter than we do any other season.

Suzanne:

And the increase this year is just an anomaly?

Jim:

Yeah.

Suzanne:

Or lack of a flow.

Sunny:

Just the month.

Jim:

Yeah.

David:

Yeah, just the month.

Sunny:

Yeah.

Suzanne:

Okay, thank you.

David:

Any other questions? Catherine, did you have something? No, okay. All right, so we're done with the board report then. And next item is Blue Drop acquisition update and discussion of personnel, and those will require executive session. So we'll do Blue Drop first. So who would like to move and go in executive session for that?

Mario:

So moved.

David:

Thank you. So it's for the statutes as listed on the agenda. All right, so Jennifer can cut and paste from her agenda.

Suzanne:

Second.

David:

There's a second. All those in favor in inviting the management that's here. All those in favor signify by saying aye.

Authority members:

Aye.

David:

Passes unanimous.

[EXECUTIVE SESSION FROM 2:36 P.M. TO 2:56 P.M.]

David:

We are not out of executive session. And we have another executive session related to personnel. Who would like to move that we go into executive session for the statutes sited in the agenda?

Kevin:

So moved.

Suzanne:

Second.

David:

Ok, moved and seconded. All those in favor signify by saying aye.

Authority members:

Aye.

David:

Passes unanimous. We are now in executive session.

[EXECUTIVE SESSION FROM 2:56 P.M. TO 3:45 P.M.]

David:

We are now out of executive session. No actions are taken from the committee meetings. Can I get a motion to adjourn?

Mario:

So Moved.

Suzanne:

Second.

David:

All those in favor say aye.

Authority members:

Aye.