

## REPRESENTATIVE POLICY BOARD

JUNE 27, 2024

### MEETING TRANSCRIPTION

Bob:

Good evening. I'd like to welcome you to our June 2024 Representative Policy Board meeting. First is the safety moment. That has to do with yard cleanup tips. And I guess everybody would like to have a nice looking yard so that they can water their grass, but that is in there. Please take your time and read it. Moving onto public comment. We'll allow three minutes for any member of the public, residents or customers who may want to address the board. Don't know if we have any.

Jennifer:

No.

Bob:

None are present yet. Okay, we'll move on to the approval of the minutes. We have May minutes, May 23<sup>rd</sup>, and also June 11th special.

Greg:

So moved.

Mike:

Second.

Bob:

Is there any discussion regarding either of those meetings? Hearing none. All those in favor of accepting the minutes please say aye.

RPB members:

Aye.

Bob:

Any apposed? Hearing none, we'll accept them as they've been presented. Communications. In the packet is our weighted vote computation. I don't believe there's any changes [inaudible 00:01:28] as is. I'm looking to find people's committee preferences. Please get them to Jennifer soon so that I can make the committee assignments before the committees meet in July. Thank you very much for that. Re-appointment updates. We're still waiting on, looks like four RPB members. There is a vacancy in Branford and then Ms. Verderame and Mr. DeSantis and Mr. Marino, and we have not heard from their appointees or appointors, so we'll see what happens. But you're all still on the board until someone else is re-appointed to fill. Moving on further, I guess we'll go into reports. Finance committee.

Vin:

Yes, Mr. Chairman. On June 10th, we met as the Finance Committee. Rochelle reviewed the quarterly report with us on RPB approved projects. We had a discussion on that and then we adjourned. But

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before we adjourned, I pointed out our next meeting will be held on Tuesday, not Monday, Tuesday, July 9th. It will be hybrid. And that concludes the report.

Bob:

That was short and sweet. Any questions? Hearing none. We'll move on to Land Use.

Peter:

Yes. Good evening, Mr. Chairman. Hello everyone. We met on June 12th at 5:30. Reviewed our safety moment and approval of minutes. We met at the Lake Glen in Woodbridge, 26 acres of beauty that the Regional Water Authority owns. John Triana gave us a good update on that, a little history, and he also did the Regional Water properties and invasive species updates. There were no other planned items. We are having our election of a new chairman in July. Our next regular meeting is July 10th at 5:30. We didn't pick a spot yet, but I'm sure one of our beautiful locations will be intact and then we adjourned. Any questions?

Bob:

Thank you, Peter.

Peter:

Okay, you're welcome.

Bob:

Consumer Affairs.

Mark:

We met on Monday and we had a meeting that went into executive session about the CIS program. So I can't tell you much about that, but all I can tell you is they're working hard to make sure that program comes out, and that there are no problems with it once it comes out. Once it gets up and running, they don't want any problems and they want it to be running perfect. And so that's what I can tell you about that.

The other thing, we had a Consumer Affairs report from two guests at our meeting from a condominium in Fairhaven who has a water bill that is very, very big. The condominium association apparently went bankrupt. The RWA is working on a settlement. Jeff D'Onofrio said he was going to look into it and try to figure out a solution that will make everybody happy. I don't know if he can do it, but we've got a report next meeting about that, and that was about it. Any questions?

Bob:

Thank you, Mark. Moving on to Authority and Management.

David:

Mr. Chairman. Thank you. Good evening everybody. Welcome. We had a long meeting this afternoon as some of them have been. We started up meeting as the Strategic Planning Committee. So Suzanne is ready with a report for you.

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Suzanne:

Hello everybody and happy Independence Day. Today, the Strategic Planning sub-committee met and the members of the leadership team reviewed the year-end status of our 2024 strategic action initiatives, and how they connect to the five-year strategic plan. 11 of the fiscal 2024 strategic action initiatives connect back to the 2025 strategic plan and the four perspectives that are on our balance scorecard. With only very few exceptions, essentially all the fiscal 2024 action initiatives were accomplished. And I would have to say that this is a continued reflection of the testament of our entire leadership team working very effectively as a team and employees focusing on the strategic strategies and the goals and to successfully advance the RWA toward its longer-term plans.

The leadership team also reviewed the fiscal year 2024 year end global metrics, and the global metrics range from safety performance to employee engagement to coverage requirements. They were also linked to the 2020/2025 strategic plan and the fiscal 2024 actions and initiatives. And seven of the eight global metrics were successfully achieved in fiscal year 2024. So it was a very successful year and we're marching on very successfully toward our 2025 long-term strategic plan.

Also linked to that the one exception was the zero preventable injuries safety goal, which management has continued to update us on and to provide strategies to mitigate and improve our performance in this area as we go forward, and to maintain a goal of 0% injuries. For fiscal year 2025 the leadership team again reviewed the fiscal 2025 strategic action initiatives and global metrics to ensure that employees were involved and engaged in the strategic planning process early in the calendar year. Members of the leadership team held employee town meetings and their work groups to share the strategic initiatives and the organizational needs, so that they could pursue their fiscal 2025 to successfully complete and accomplish the full strategic plan that ranged from 2020 to 2025.

Very exciting time. 12 of the 23 action initiatives to focus on in the fiscal 25 to successfully accomplish and fulfill the 2020/25 players. So essentially what it's saying is that 12 action initiatives next year will help us close the gap on the 2020 to 25 overall strategic plan, and many of them have already been met. Linked to the 2025 strategic plan and the fiscal 2025 actions and initiatives, the board reviewed global metrics for fiscal year 2025, again based on the four perspectives. And the global metrics range from safety performance to water quality to financial coverage requirements, all things that we've been talking about consistently for the last four to five years, and beyond that in the history of the RWA. And that's it for the strategic planning subcommittee unless there are any questions?

David:

Okay, don't see any questions. All right, then we'll move on. We also met as the Commercial Business committee and Kevin, if you want to give a report.

Kevin:

Thank you Dave. Good evening Mr. Chairman, members of the Representative Policy Board. We met today as the Commercial Business Committee. We have very good news and I'd like to echo Suzanne's comments about complimenting the leadership team. And if I list individual names, I'll miss somebody, but it's been the entire leadership team management and all of their supporting staff and employees working very hard. They exceeded the commercial business target budget of... or exceeded the goal that was 7.4 million and achieved 8.3 million net revenue, which is really good news, especially based on how long we've been working on this, and how many years that it's been in the making. So that's great news and I want to thank everybody and congratulate everybody.

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We discussed commercial strategy, the fiscal year 24 highlights, key achievements, fiscal year 25 goals including organic growth. We had a mergers and acquisitions update and fiscal year 24 results, which I just discussed. We discussed about a strategic roadmap for organic growth and actions with respect to PipeSafe and well safe protection plans, while services, companies and lab services, as you know, with the enabling of legislation passed for sustainable manufacturing, that was within the past few months, I believe it was February. We also discussed FY25 focus areas, including the safety valve integration and mergers and acquisitions to achieve the goal for the 2025 strategic plan, 2020-2025 strategic plan. That goal is 9.2 million. So we haven't achieved the net revenue of 8.3 million this year. And pending your questions, that was our meeting.

Mark:

I have a question.

Kevin:

Yes.

Mark:

Which business did the best return?

Kevin:

Well, PipeSafe.

Mark:

PipeSafe did the best return?

Kevin:

Yes, if you're talking just overall, it was PipeSafe. Yes.

Mark:

And the plumbing companies, are they up over last year or not up over last year?

Kevin:

I believe up over last year, Mark, but I can confirm that information and get back to you.

Mark:

Okay.

Peter:

They are ahead of budget.

Kevin:

Yes.

Mark:

Okay. Just checking and want to see how they were doing. And how about our lab work?

Kevin:

The lab, that's a great question because we had that a little bit more in-depth discussion about the history of the lab over the past three to five years. And the lab is untracked. It's profitable. It's in the black in my understanding, and it's on track to become even more profitable in the future, especially with the changing in the enabling legislation for the sustainable manufacturing.

Mark:

Thank you.

Kevin:

Yes.

David:

Any other questions? Seeing none. All right, then we'll move on to the good news that Rochelle gets to deliver regarding finance and other parts of the meeting.

Rochelle:

So after 12 months of results, so this is through the end of our fiscal year. Although as you know, the results are still preliminary until we get through the audit. So operating revenues are up about 1.2 billion and that's about 1%. Total water revenues, which are metered water, wholesale and fire, that was actually a little bit over by just a tad, about 1%. However, you might recall, that's actually a pretty big improvement from what we were seeing earlier in the fiscal year, where our metered water was running under budget. And then other revenues, which were just talked about, we're actually above budget by almost a million dollars. And that's primarily due to jobbing was higher, meter reading, collections and related charges and type save offerings also held the revenue there. O&M expenses are just a little bit under, about 1.7 million. And just to put that in context, that's only like 1.5%.

I'm not going to get into the details. We did have various line items that were under budget, but then we did have some that were over budget. So the net out was a little bit under what we had previously expected, but a variance of only 1.5%. Good news on our coverage, so we are projecting coverage of 133%. And you might recall that the budget was up one 14. Couple key things there, May billings were very strong, stronger than in the budget. Cash receipts have also continued to be very strong. We had very strong cash receipts in April and May. And you'll notice when you see the dashboard, when we go through that AR is down. So a lot of that AR converted into cash, so that's good. Interest rates remain favorable throughout the year, so that helped. The timing of our drinking water state revolving funds were later in the fiscal year. So we also had favorable variance for our debt service and also a little favorable variance for our pilot. So good news. And we were able to have a strong year-end disposition.

Then for storage and rainfall. So actually we're now in our new fiscal year, so through June 17th our water storage was 96%. That's versus the long-term average of 91%. The rainfall was like that six seven through June 16. That's actually lower than the long-term average. And just to share where we ended the fiscal year, our storage was 98% versus our long-term average of 93% and rainfall was considerably higher. So we talked about what we experienced during the summer months. So it was higher by 17 inches.

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Greg:

Do you think the improvement in collections is because we went to monthly billing?

Rochelle:

I think we definitely are seeing a different pattern of getting more cash on recent billings. But I think the other thing, there's been a real concerted effort on collections. So we've been comparing where we were pre-pandemic to where we are now from age receivables, and we're actually a little bit under the pre-pandemic level. So a lot of that did convert to cash.

David:

Thank you. Other questions? There is also a part of our update we'd like to give you that would be regarding commercial information. So as you noted in your agenda, that was added after we requested. In order to do that, that you'd consider going into executive session.

Charles:

I move that go into executive session.

Tom:

I'll second that.

Bob:

All those in favor of going into executive session, please say aye.

RPB members:

Aye.

Bob:

Any opposed? Okay, we are in executive session.

[EXECUTIVE SESSION FROM 6:49 P.M. TO 7:24 P.M.]

Bob:

I don't know if there's anything else to share from authority management.

David:

No, [inaudible 00:00:09] sir. Thank you.

Bob:

Jeff, do you have anything under OCA you want to talk about?

Jeff:

The only thing I would just preach you on is there was mentioned by Mark in his report on consumer affairs, the consumer matter involving the condominium association that bankrupt in New Haven.

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They made an offer that by the Authority and bankruptcy approval bankruptcy court approvals required. Once that happened, then be a resolution of that [inaudible 00:00:50] good deal.

Bob:

I don't know if anyone else has anything else. I guess I would like to reiterate, I'm looking for all the RPB members preference for committee assignments. I would like to hear from everyone soon so that I can make those committees before the July meetings. I guess the first committee would be Land Use on the second Wednesday. So we'd like to have all RPB members preferences into Jennifer soon. Does anyone else have any other questions, comments?

Tom:

Move to adjourn.

Mike:

Second.