

QUARTERLY REPORT OF THE INDEPENDENT CONSUMER ADVOCATE FOR THE
METROPOLITAN DISTRICT COMMISSION

July- September 2018

CONSUMER BILLING CASES

During this quarter, ten individual consumer billing issues were handled. These included high bill complaints, sewer back ups, shut off notices, and estimated bills. In addition, complaints regarding metering accuracy and sewer user charges for large customers were handled. These complaints suggested broader issues which required further investigation beyond the individual complaints.

Regarding metering accuracy, the Advocate has researched the AWWA and Connecticut standards for how often meters should be replaced and/or tested for accuracy. Information on how many meters have been replaced/tested has been examined. In recent years, the program has slowed somewhat from an average of approximately 7,000 tests/replacements per year to about half that. This is due in part to resources being devoted to installing automatic reading devices on all MDC accounts. It is still unclear to the Advocate whether the MDC program comports with AWWA standards on an ongoing basis. Efforts on this matter continue and a determination should be able to be made next quarter.

Regarding the sewer user charge for large customers, this charge was enacted in 1981 apparently at the request of the U.S. Environmental Protection Agency. Prior to that all sewer expenses were recovered through ad valorem assessments on each member municipality. That is, member municipalities paid for sewers through property taxes. The sewer user charge was designed to assess additional fees for those customers whose sewer use (either due to volume or nature of discharge or tax exempt status) exceeded the estimated amount of sewer costs collected via the property tax. The advocate researched the ordinance (Sec 12) authorizing the charge, met with MDC to discuss its assessment and is awaiting the additional information requested. It is anticipated that a fuller report of how this charge has been assessed will be included in the next quarterly report.

LONG RANGE INTEGRATED PLAN

The MDC entered into a Consent Order with EPA and DEEP to reduce sewer overflows. Over the last ten years the plan has been modified from relying heavily on separation of storm and sanitary sewer flows to one relying on the construction of large storage tunnels to store sewer overflows to more evenly spread out the amount of sewerage flow reaching the processing plant. The MDC is preparing a further modification to this plan called a Long Range Integrated Plan which attempts to address sewer overflow issues by construction of new facilities such as the storage tunnels and the rehabilitation/renewal of existing sewer assets. In addition to addressing the need for rehabilitation of sewer assets, it also will permit the rehabilitation/renewal of water assets in an efficient and cost effective manner. The Advocate has spent considerable time understanding the plan and its objectives. The final draft of the plan will be issued shortly and then be subject to public hearing with submission to DEEP expected by the end of 2018.

This plan has a very substantial price tag and, if approved and implemented will substantially affect sewer rates for at least the next twenty years. Hence, careful scrutiny is warranted. In concept, the Advocate endorses the approach of the plan but details need to be examined.

BILLING PRACTICES

Prior to the appointment of the Advocate the MDC adopted monthly billing for its customers. It required payment within thirty days to avoid late charges. Due to the timing of receipt of payment and preparation of the next month's bill, payments made late in the thirty day period were not posted in time to avoid being included as a 'past due charge' on the following month's bill. As a result the call center received a number of calls questioning why the charge was shown as past due when in fact it had been paid in a timely manner. These calls caused an inordinate queue of calls which contributed to a very high call abandonment rate. To avoid this result, the payment period was reduced to 25 days.

Unfortunately this reduction in the time to make a payment has caused considerable confusion among customers who believe that the reduction in the time to make a payment meant that the frequency of billing would increase from monthly to every 25 days.

Additional customer education has been discussed with MDC and should be forthcoming.

BUDGETS AND BOND ISSUE

About 35% of the annual water and sewer budgets are attributable to financing costs—payment of interest and principal on bonds used for capital programs including compliance with the Consent Order discussed above. The Advocate has spent considerable time understanding the nature of the bond program—short and long term—and determining if there might be a way to lessen its consumer impact. The MDC capital finance program has been complicated by the state of the finances of the City of Hartford, its largest member, and to a lesser degree by the state of the finances of the State of Connecticut. The Advocate will continue its focus on this issue.

Work has begun on the 2019 Budget. Preliminary numbers and projections have been reviewed and one meeting has been held. Additional attention to this matter will occur in the next quarter.

OUTREACH

During the quarter, one community has been held at the West Hartford Senior Center. There has been continued monitoring of the Operation Fuel pilot program. Preparation for the annual Advocate meeting required by statute began.