



**MDC Integrated Plan / Financial Update
Presentation to the Bloomfield Town Council
October 23, 2017**

Clean Water Project (CWP) requires CSO Long-Term Control Plan (LTCP)

- 2005 LTCP approved by CT DEEP in 2007
- LTCP required to be updated every 5 years
- 2012 LTCP Update approved by CT DEEP in 2014
- Next LTCP Update due to CT DEEP December 2018

Next CSO LTCP Update/ Integrated Plan

- EPA guidance from 2012 allows for Integrated Planning
 - CSO Consent Order – CT DEEP Approval
 - SSO Consent Decree – EPA Approval
 - \$450M for investigations/repair (CMOM)
 - \$35M/yr Sewer CIP
 - Stormwater (i.e., MS4)
- Consider affordability analysis



National Pollutant Discharge Elimination System (NPDES)

Integrated Planning for Municipal Stormwater and Wastewater

On this page:

- Overview
- Resources
- Technical Assistance

Overview

EPA, states, and municipalities have achieved real progress in implementing the Clean Water Act (CWA) (PDF) (234 pp, 571 K, About PDF) and protecting public health and the environment. However, today there are many factors stressing the implementation of CWA programs. Stressors include population growth, aging infrastructure, increasingly complex water quality issues, limited resources, and other economic challenges. Currently, EPA, states, and municipalities often focus on each CWA requirement individually. This may not be the best way to address these stressors and may have the unintended consequence of constraining a municipality from addressing its most serious water quality issues first.

An integrated planning approach offers a voluntary opportunity for a municipality to propose to meet multiple CWA requirements by identifying efficiencies from separate wastewater and stormwater programs and sequencing investments so that the highest priority projects come first. This approach can also lead to more sustainable and comprehensive solutions, such as green infrastructure, that improve water quality and provide multiple benefits that enhance community vitality.

The integrated planning approach is not about changing existing regulatory or permitting standards or delaying necessary improvements. Rather, it is an option to help municipalities meet their CWA obligations while optimizing their infrastructure investments through the appropriate sequencing of work.

Resources

- Memorandum: Achieving Water Quality Through Integrated Municipal Stormwater and Wastewater Plans
- Integrated Municipal Stormwater and Wastewater Planning Approach Framework – Provides guidance for EPA, states, and local governments to develop and implement effective integrated plans under the CWA. This framework was finalized after extensive public input including a series of workshops across the country.
- Combined Sewer Overflows - Guidance for Financial Capability Assessment and Schedule Development (FCA Guidance) – Provides an aid for assessing financial capability as part of negotiating schedules for CWA requirements for municipalities and local authorities.
- Financial Capability Assessment Framework – Provides greater clarity on the flexibilities built into

MDC Integrated Plan Buckets

*Approx. \$2.5B identified over next 12 years



CSO LTCP
\$700M (12 Years)



SSO Master Plan
\$140M



General Collection System
\$20-25M Annually



Pump Stations
\$30M (5 Years)



CMOM \$450M+



Stormwater & Flood Control
\$100M (5 Years)



WPCFs
\$75M (5 Years)



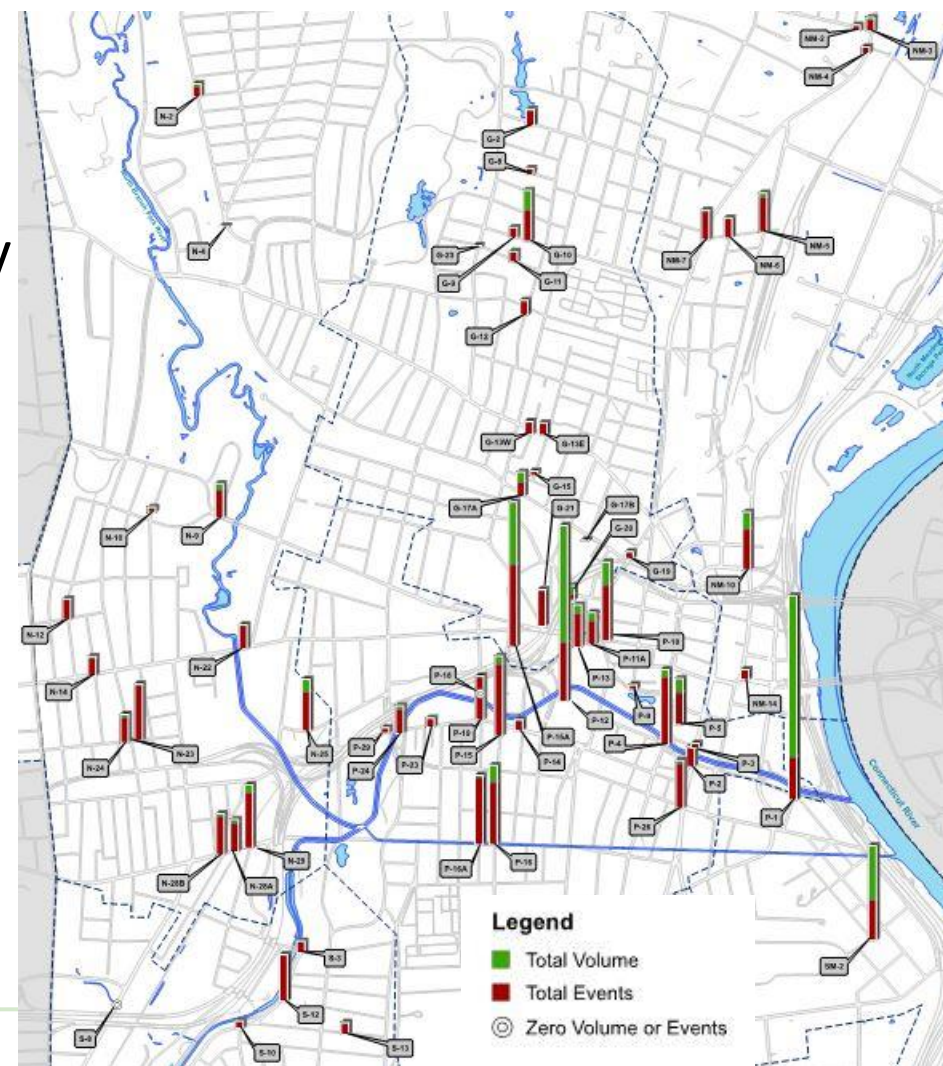
Institutional/Organizational
\$20-25M Annually



Drinking Water
\$25M Annually

Integrated LTCP Update

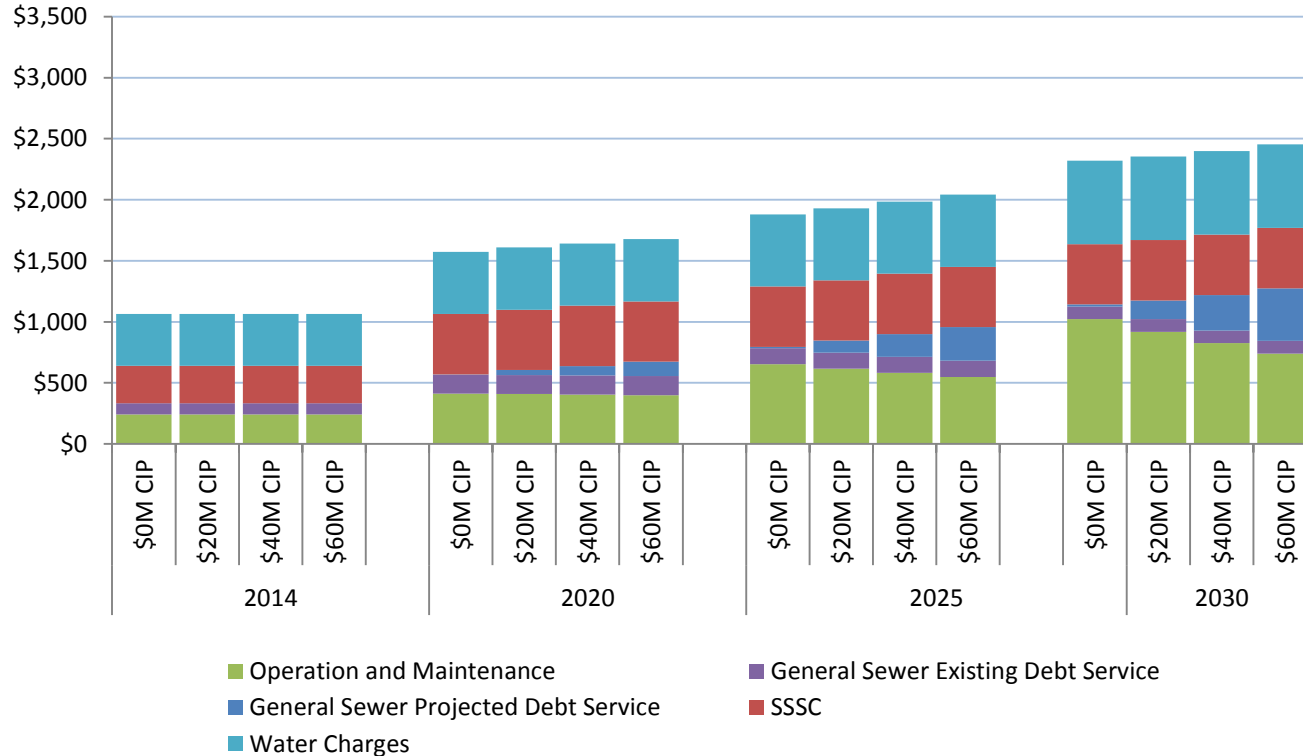
- Varying CSO volume/frequency
- Viable CSO LTCP Alternatives
 - Partial Sewer Separation
 - Additional I/I Reduction
 - Consolidation/Relief
 - HWPCF Capacity Upgrades
 - Satellite CSO Storage/Treatment
 - Green Infrastructure
 - Tunnel Storage



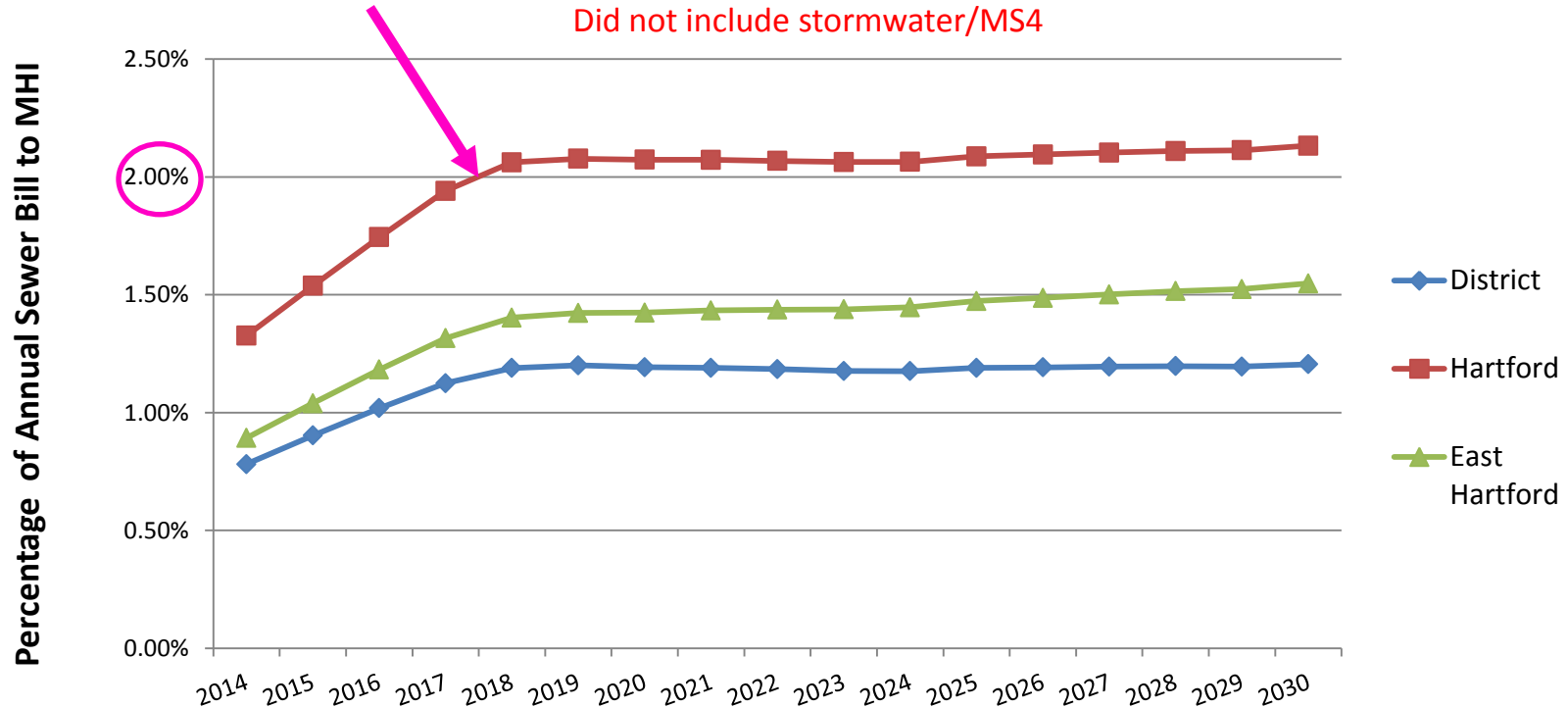
Integrated Plan Prioritization

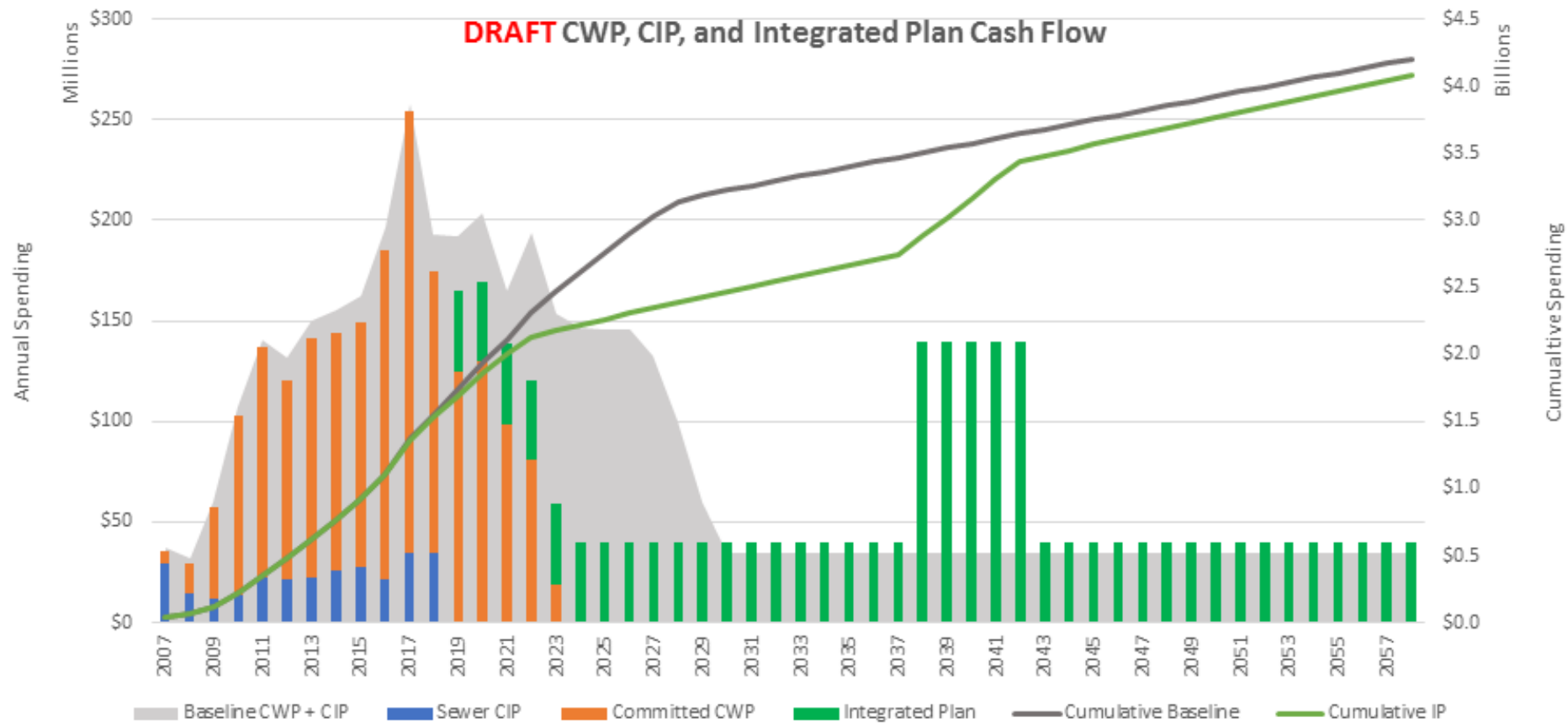
- Capital cost
- O&M cost
- Water Quality impacts
 - Permitting, Regulatory, Public Health
 - Sewer backups
 - Street flooding/drainage
 - Sewer overflows
- Implementation flexibility
- System flexibility
- Constructability
- Community impacts
- Public acceptance
- Sustainability

District Wide Projected Total MDC Cost Per Household (from 2014)

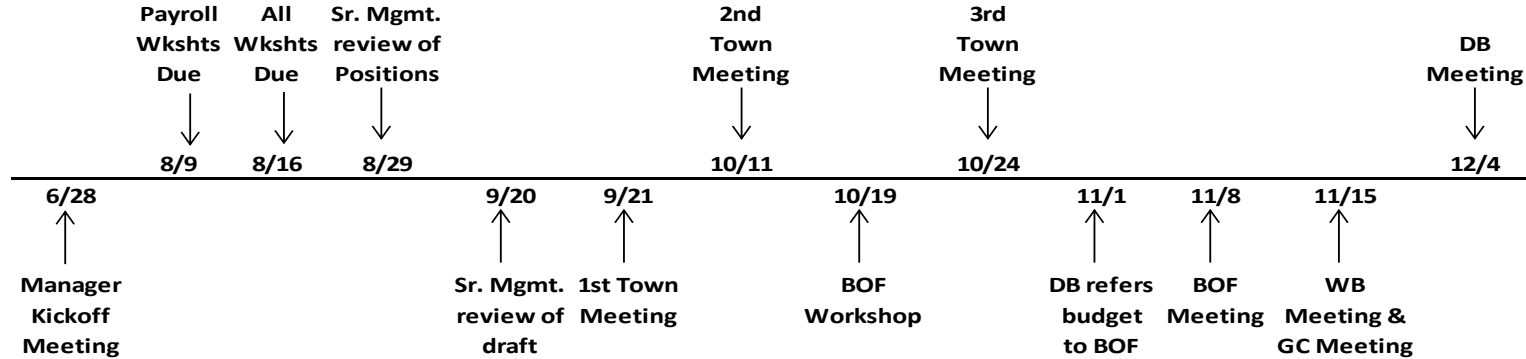


Projected Household Burden--\$20M CIP based on Average Cost Per Dwelling Unit (from 2014)





Budget Timeline



1. November 1 - District Board (DB) refers budget to Board of Finance (BOF).
2. November 8 - BOF to review/amend/recommend budget to the DB
3. November 15 - Water Bureau (WB) to review/amend/approve Water Supply ordinances
4. Budget published for 3 consecutive days (11/20, 11/21, 11/22)
5. November 15 - Government Committee (GC) to review/amend/recommend CWP ordinance
6. December 4 - GC to consider and approve Water Supply Ordinance & refer to DB
7. December 4 - DB to review/amend/adopt budget
8. Publish ordinance revisions 2 days

Expenditures by Category

CATEGORY	2016 Actual	2017 Adopted	2017 Projected	2018 Proposed	CHANGE	% OF BUDGET
Payroll Related	\$59,458,053	\$59,286,900	\$59,422,100	\$61,568,900	\$2,282,000	36.80% (a)
Debt	40,411,310	48,289,600	47,430,700	56,332,600	\$8,043,000	33.67% (b)
General Operations	12,622,586	14,417,000	15,180,000	15,806,300	\$1,389,300	9.45% (c)
Contingency	-	-	-	2,550,000	\$2,550,000	1.52% (d)
Utilities	7,172,905	7,808,600	8,017,900	7,745,200	(\$63,400)	4.63% (e)
Maintenance	6,750,834	7,056,600	6,920,100	7,013,400	(\$43,200)	4.19%
Insurance	4,001,856	3,993,900	3,993,900	4,062,200	\$68,300	2.43%
Chemicals	1,818,134	2,101,700	2,046,300	2,096,000	(\$5,700)	1.25%
Taxes & Fees	3,029,194	3,110,000	3,110,000	3,300,500	\$190,500	1.97%
Legal	2,222,120	2,308,700	2,308,700	2,308,700	\$0	1.38%
Special Agrmts & Prgms	2,126,982	2,325,300	2,325,300	3,573,000	\$1,247,700	2.14% (f)
Nitrogen Credits	1,330,783	1,061,000	1,061,000	950,000	(\$111,000)	0.57%
Riverfront Park	586,923	609,000	1,224,000	-	(\$609,000)	0.00%
	\$141,531,680	\$152,368,300	\$153,040,000	\$167,306,800	\$14,938,500	100.00%

(a) Includes 2.5% COLA, Steps, fewer positions, increased medical, pension and OPEB

(b) Reflects Nov 2016 DS Issuance (Principal amortized over 19yrs)

(c) Colebrook Reservoir Lease, Ash Disposal, Postage, Outside Services

(d) Revenue reserve

(e) Increase electricity use

(f) Riverfront Recapture

Water Utility 2018 Revenues

Description	2016 Actual	2017 Adopted	2017 Projected	2018 Proposed
<u>OPERATING REVENUES</u>				
Sale of Water	\$71,202,432	\$77,669,700	\$73,404,700	\$80,183,400
Other Operating Revenues	3,877,958	3,738,700	4,040,000	4,265,000
Total Operating Revenues	75,080,390	81,408,400	77,444,700	84,448,400
<u>NON-OPERATING REVENUES</u>				
Non-Operating Revenues	\$6,053,135	\$2,134,800	\$2,130,000	\$2,403,200
Other Non-Operating Revenues	0	0	0	1,270,400
Total	6,053,135	2,134,800	2,130,000	3,673,600
Total Operating Revenues	\$81,133,525	\$83,543,200	\$79,574,700	\$88,122,000

Sale of Water

Variable rate increased from \$2.77/ccf to \$3.14/ccf or 13.5%

No increase in Customer Service Water

Assumes consumption of 18.4M ccfs

Other Operating Revenues

Increase Fire Protection Fees

Non-Operating Revenues

Increase of Interest Income and Bill Jobs

Other Non-Operating Revenues

Use of Bond Premiums

General Fund 2018 Revenues

Description	2016 Actual	2017 Adopted	2017 Projected	2018 Proposed
<u>OPERATING REVENUES</u>				
Member Municipalities	\$38,944,300	\$41,670,400	\$41,670,400	\$45,004,000
Other User Revenue	7,274,780	6,826,000	7,230,000	11,038,400
Total Operating Revenues	46,219,080	48,496,400	48,900,400	56,042,400
<u>NON-OPERATING REVENUES</u>				
Other Government Agencies	\$5,335,422	\$4,530,000	\$4,130,000	\$4,530,000
Other Sewer Revenues	13,983,366	13,644,700	13,418,000	13,710,900
Investment Income	72,125	40,000	372,000	450,000
Other Financing Sources	0	2,114,000	2,114,000	4,451,500
Total	19,390,913	20,328,700	20,034,000	23,142,400
Total Operating Revenues	\$65,609,993	\$68,825,100	\$68,934,400	\$79,184,800

Member Municipalities

Assumes 8% Ad Valorem rate increase

Other Use Revenue

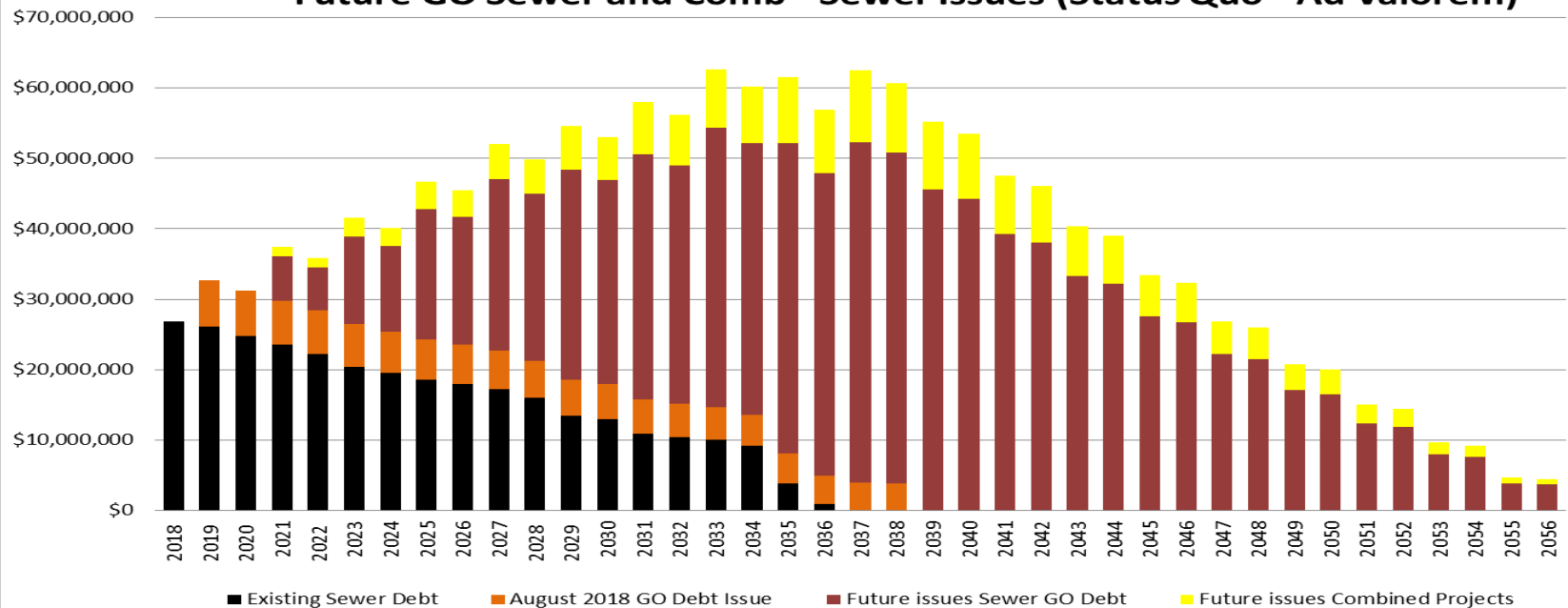
Assumes a \$3/month sewer customer service charge

Other Financing Sources

Use of Bond Premium

Use of Assessable Sewer Fund for \$2.0M

MDC Sewer Debt Service - Existing, Aug 2018 GO and Future GO Sewer and Comb - Sewer Issues (Status Quo - Ad Valorem)



MDC Sewer Debt Service - Existing, Aug 2018 GO and Future GO Comb - Sewer Issues (Integrated Plan - Ad Valorem)

