

**METROPOLITAN DISTRICT COMMISSION
SPECIAL MEETING
WATER BUREAU
WEDNESDAY, AUGUST 28, 2019
5:30 P.M.**

<u>Location</u>	<u>Commissioners</u>	
Board Room	Buell	Ionno
District Headquarters	Camilliere	LeBeau
555 Main Street, Hartford	DiBella (Ex-Officio)	Pane (VC)
	Gardow	Salemi
	Hall	Sweezy (C)
	Holloway	Taylor
		<u>Special Representative</u>
		Carrier

Quorum: 6

- 1. CALL TO ORDER**
- 2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS**
- 3. APPROVAL OF MEETING MINUTES OF APRIL 1, 2019 AND PUBLIC HEARING MINUTES OF JUNE 26, 2019**
- 4. CONSIDERATION AND POTENTIAL ACTION RE: LAYOUT AND ASSESSMENTS IN GLASTONBURY AND PROPERTY OWNER OBJECTIONS THERETO**
 - A. RAYMOND ROAD**
 - B. DAYTON ROAD AND KIMBERLY LANE**
 - C. CHESTNUT HILL ROAD, COLEMAN ROAD, LENTI TERRACE AND MOSELEY TERRACE**
- 5. CONSIDERATION AND POTENTIAL ACTION RE: INDEPENDENT CONSUMER ADVOCATE REPORT ON ADOPTION AND IMPLEMENTATION OF CROSS CONNECTION CHARGE**
- 6. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS**
- 7. COMMISSIONER COMMENTS AND QUESTIONS**
- 8. ADJOURNMENT**

**RAYMOND ROAD, GLASTONBURY
REPORT OF HEARING AND LAYOUT AND ASSESSMENT**

To: The Water Bureau for consideration on August 28, 2019

On May 28, 2010, the District received a petition from a property owner on Raymond Road, Glastonbury, requesting that a public water main be installed in the street. Recently, the Town of Glastonbury requested the District to identify potential water main projects within Glastonbury that could be constructed on an accelerated basis. This petition from 2010 was reexamined for that purpose.

There are nine properties on Raymond Road that this project would serve. Eight out of the nine properties will be subject to assessment. The unassessed parcel is unbuildable due to land conservation restrictions.

A public hearing chaired by Commissioner Pane was held on June 26, 2019. None of the property owners from Raymond Road provided comment at the hearing but one property owner submitted written comments in opposition to the proposed water main. Four other property owners previously responded to a canvas in favor of the proposed water main and three responded opposed. The current public response is four properties in favor, four opposed and one that will not be assessed which did not register an opinion. Out of the four properties that oppose the project, three of the parcels are owned by the same individual with a house located on one of the three parcels and the other two are vacant.

The Town of Glastonbury's Town Manager and Health Department were contacted prior to the public hearing and had no comment.

Water customers in a non-member town pay a general surcharge and a capital improvement surcharge designed to recover the full cost of building an assessable water project in a non-member town: and these charges are in addition to the normal rate charges that are paid by all MDC water customers.

This project consists of approximately 700 linear feet of new water main at an estimated construction cost of \$800,000. Staff has completed an estimated assessment list; which totals \$98,040; leaving an estimated project deficit of \$701,960. The balance of the \$701,960 would be borne by either the Town itself or by a non-member capital improvement surcharge, levied on all the ratepayers in the Town of Glastonbury over a twenty year period. By virtue of the fact that the Town has not stated a position of need, it also has not indicated the method of recovery for this project.

Based on the information presented at the public hearing and the opinions of the property owners, your staff and the Commissioner present at the hearing recommend that layout and assessment proceedings for his project, as proposed, not be initiated at this time.

After consideration of the above and any other comments by the Commissioner present at the public hearing, it is RECOMMENDED that it be

VOTED: That no further action by the Water Bureau take place due to the public response to the proposed layout of a water main in Raymond Road, Glastonbury and no water main be constructed unless and until a future petition for water service is received and public response from the properties to be served is in favor of the project, and the District Clerk be instructed to write to the property owners affected and to Town of Glastonbury officials, informing them of this action by your Bureau.

Respectfully submitted,

Scott W. Jellison
Chief Executive Officer



Exist. Water Main (TYP.)

NEW WATER MAIN (TYP.)

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17

O
29

PF
39

F
51

F
20

O
28

O
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O
48

★
LOT
E-3

- ★ THIS AREA MAY BE SUBJECT TO FUTURE MONETARY CHARGES
- F FAVOR
- O OPPOSED
- D PETITIONER

RAYMOND ROAD

GLASTONBURY

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Latest Revision: 7/17/19

TO ILLUSTRATE WATER
BUREAU AGENDA

KIMBERLY LANE AND DAYTON ROAD, GLASTONBURY REPORT OF HEARING AND LAYOUT AND ASSESSMENT

To: The Water Bureau for consideration on August 28, 2019

On September 4, 2018, the District received a petition from nine property owners on Kimberly Lane, Glastonbury, requesting that a public water main be installed in the street.

The nine property owners are members of the Kimberly Lane Well Association and have informed the District that they are in need of public water due to a failing well system and the presence of contaminants in the well water. There are eight properties on Kimberly Lane and four on Dayton Road that this project will serve. All eight properties on Kimberly Lane and three on Dayton Road will be subject to assessment. The original project design also included installing a water main in Dayton Road from Main Street to Kimberly Lane to serve an additional five properties.

A public hearing chaired by Commissioner Pane was held on June 26, 2019. Four property owners from Kimberly Lane attended the hearing and all spoke in favor of the proposed water main in Kimberly Lane. There was one additional property owner that submitted written comments in favor of the proposed water main in Kimberly Lane. Three other property owners previously responded in favor of the proposed water main in Kimberly Lane. One resident on Kimberly Lane has now submitted written comment in opposition to the project.

For the portion of the project in Dayton Road, seven of the nine property owners that would be served by the water main appeared at the public hearing and spoke in opposition. Two property owners in the southern portion (south of Kimberly Lane) have since written in favor of the project. Due to the public response to the proposed project in the northern portion of Dayton Road, it is staff's recommendation that the northern portion of Dayton Road from Main Street to Kimberly Lane not be included in the project and no water main be installed.

As part of this project, the proposed 8-inch water main will serve all nine properties on Kimberly Lane and four on Dayton Road (one part of the Kimberly Lane Water Association), and upon completion, allow the Kimberly Lane Water Association to cease operations.

In a letter dated August 31, 2018, Lori Mathieu, Public Health Section Chief, Drinking Water Section of the State of Connecticut Department of Public Health, stated that a connection to the Metropolitan District water line available at the bottom of Kimberly Lane on Route 17 (Main Street) is in the best long term interest of the association due to the age of the system, elevated uranium levels and upcoming expenses for upkeep of the well system.

After the public hearing, the District Clerk received a written request from the owners of 141 Dayton Road seeking extension of the project to provide water service to their property due to concerns about their existing well. Since 141 Dayton Road was not included in the original project layout and formal assessment process, the property would not be assessed but rather pay a connection charge at the time of connection to the water main. The connection charge is calculated in the same manner as an assessment.

Based on the information presented at the public hearing, the favorable opinions of the property owners on Kimberly Lane and southern Dayton Road, and the supplemental request for water service from 141 Dayton Road; your staff and the Commissioner present at the hearing recommend that the water main in Kimberly Lane and the southern portion of Dayton Road to 141 Dayton Road be approved, but no water main be installed in the northern portion of Dayton Road.

The District Clerk received appeals of the proposed assessments from the owners of 73 Dayton Road and 125 Dayton Road. The Clerk informed the owner of 73 Dayton Road that since it is staff's recommendation to remove the northern portion of Dayton Road from the project, they did not need to appear at the Water Bureau meeting to pursue their appeal. If the Water Bureau is considering installing the proposed water main in the northern portion of Dayton Road, the vote on approval of this project must be delayed so that the owner of 73 Dayton Road is given the opportunity to express their objection prior to voting on the layout of a water main in Dayton Road. The owner of 125 Dayton Road has since provided a written statement in support of the project and wants the water main installed in Dayton Road so that it is accessible at his property; however, his appeal seeking a reduction of the assessment for his property remains pending.

The estimated cost and benefit summary for this project is as follows:

ESTIMATED CONSTRUCTION COST:

1,400 feet of 8-inch	\$ 983,640.00	
Contingencies (10%)	<u>\$ 98,360.00</u>	
Total Estimated Construction Cost	\$1,082,000.00	\$1,082,000.00

ESTIMATED OTHER COST:

Legal Advertising	\$ 1,500.00	
Blueprints, Maps & Charts	\$ 500.00	
Soil Borings and Investigations	\$ 7,000.00	
Work by District Forces	<u>\$ 10,000.00</u>	
Total Estimated Other Costs	\$ 18,000.00	<u>\$ 18,000.00</u>

TOTAL ESTIMATED PROJECT COST: \$1,100,000.00

The source of funding summary is as follows:

Estimated Direct Assessments to be Accrued to the Assessable Water Fund \$ 140,011.95

Deficit to be collected from the non-member capital improvement surcharge or reimbursed by the Town of Glastonbury \$ 959,988.05

TOTAL ESTIMATED PROJECT COST: \$1,100,000.00

As the Bureau is aware, Water Ordinance W1f requires that any deficits incurred on capital improvements in non-member towns be added as a surcharge to each user's water bill in that non-member town. Therefore, the estimated deficit of \$959,988.05 will be incurred by the ratepayers in the Town of Glastonbury, or by the Town of Glastonbury itself if the Town so chooses, before the end of the District's fiscal year during which construction takes place.

After consideration of the above and any other comments by the Commissioner present at the public hearing, it is RECOMMENDED that it be

VOTED: To transmit to the District Board a resolution to layout and authorize construction of a Class II water main in Kimberly Lane and a portion of Dayton Road, Glastonbury, as set forth in the layout and schedule of assessments by the Water Bureau, and payment for the same is authorized from the Assessable Water Fund.

AND

VOTED: That the water main layout extend to serve 141 Dayton Road but the northern portion of Dayton Road be removed from the layout and therefore no property owners on the northern portion of Dayton Road will be assessed.

AND

VOTED: That the Controller be requested to make tentative allocations for this project pending passage of the layout by the District Board, and pending determination of actual costs, in accordance with the following schedule, which schedule is based on the Engineer's estimated cost and on the estimated assessment, as follows:

Direct Assessment to be Accrued to the Assessable Water Fund	\$ 140,011.95
Deficit to be collected from the non-member capital improvement surcharge or reimbursed by the Town of Glastonbury	<u>\$ 959,988.05</u>
Total Estimated Project Cost:	\$1,100,000.00

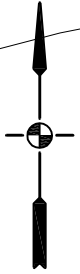
AND

VOTED: That after completion of the construction of a water main in Kimberly Lane and Dayton Road, Glastonbury, a final schedule of assessments based on the following preliminary assessments using the schedule of flat rates adopted December 10, 2018 and effective January 1, 2019 at \$95.00 per front foot or adjusted front foot, be declared due and payable and published with notice to any property owner aggrieved by these proceedings that he or she may appeal from the actions of The Metropolitan District and its Water Bureau to the Superior Court.

<u>Property now or Formerly of</u>	<u>Street Number</u>	<u>Frontage</u>	<u>Adjusted Frontage</u>	<u>Assessment</u>
<u>Kimberly Lane- North Side</u>				
Susan D. Pawloski	39	150.73	(120.00)	\$11,400.00
Beverly Cleaveland	57	253.33	(200.00)	\$19,000.00
James J. Jr. & Pauline A. Graef	77	118.50	(130.00)	\$12,350.00
<u>Kimberly Lane- South Side</u>				
Thomas R. & Christina Villecco	28	140.23	(120.00)	\$11,400.00
Scott VanSicklin	38	115.96	(110.00)	\$10,450.00
Jeane K. Tomasiewicz	46	119.06		\$11,310.70
Christopher P. & Karen E. Carta	56	128.80		\$12,236.00
Nicholas Schmidt	70	95.00	(110.00)	\$10,450.00
<u>Dayton Road- East Side</u>				
Paul Silvergleid	109	150.00		\$14,250.00
Thomas M. Bassel	125	175.95		\$16,715.25
<u>Dayton Road- West Side</u>				
Reverend Cathy S. Rohrs	126	110.00		\$10,450.00

Respectfully submitted,

Scott W. Jellison
Chief Executive Officer



- ★ THIS AREA MAY BE SUBJECT TO FUTURE MONETARY CHARGES
- F FAVOR
- O OPPOSED
- P PETITIONER

KIMBERLY LANE AND A PORTION OF DAYTON ROAD

GLASTONBURY

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Latest Revision: 8/21/19

TO ILLUSTRATE WATER BUREAU AGENDA

CHESTNUT HILL ROAD, LENTI TERRACE AND COLEMAN ROAD, GLASTONBURY REPORT OF HEARING AND LAYOUT AND ASSESSMENT

To: The Water Bureau for consideration on August 28, 2019

In 2010, the District received a petition from a property owner on Chestnut Hill Road in Glastonbury, requesting that a public water main be installed in the street. In 2006, the District previously received a petition from a property owner on Coleman Road requesting that a public water main be installed in the street. Their petitions requested a water line extension to serve their homes, which are currently on one combined well on Coleman Road and one private well on Chestnut Hill Road, and are unreliable, contain contaminants including radon and uranium, and are costly to maintain.

Recently, the Town of Glastonbury requested the District to identify potential water main projects within Glastonbury that could be constructed on an accelerated basis. Due to receiving the prior petitions, the condition of the existing wells and the Town of Glastonbury's request for water main projects; these petitions were reexamined for that purpose.

There are sixteen (16) properties on Chestnut Hill Road, Lenti Terrace, Coleman Road and Moseley Terrace that this project will serve. Thirteen (13) of the sixteen (16) properties will be subject to direct assessment and two will be subject to connection charges. The unassessed parcel is unbuildable due to land conservation restrictions.

A public hearing chaired by Commissioner Pane was held on June 26, 2019. Six property owners attended the hearing with two speaking in favor of the proposed water main project and four opposed. There was one additional property owner that submitted written comments in favor of the proposed water main. Six other property owners previously responded to a canvas in favor of the proposed water main project. The current public response is nine properties in favor, four opposed and two did not register an opinion.

As part of this project, the proposed 8-inch water main will serve all fifteen properties on Coleman Road, Chestnut Hill Road and Lenti Terrace that are currently not served. The original layout included the installation of an 8-inch water main on Mosely Terrace, however, the property owner located at 20 Mosely Terrace has requested to be connected through a mutually owned strip of land off of Coleman Road, so this length of pipe will be eliminated from the final layout. Upon completion of this project, the Coleman Road combined well association will be able to cease operations.

Based on the information presented at the public hearing and the favorable opinions of the property owners, your staff and the Commissioner present at the hearing recommend that the water main in portions of Chestnut Hill Road, Lenti Terrace and Coleman Road be approved.

The estimated cost and benefit summary for this project is as follows:

ESTIMATED CONSTRUCTION COST:

2,810 feet of 8-inch	\$1,528,640.00	
Contingencies (10%)	<u>\$ 152,860.00</u>	
Total Estimated Construction Cost	\$1,681,500.00	\$1,681,500.00

ESTIMATED OTHER COST:

Legal Advertising	\$ 1,500.00	
Blueprints, Maps & Charts	\$ 500.00	
Soil Borings and Investigations	\$ 7,500.00	
Work by District Forces	<u>\$ 10,000.00</u>	
Total Estimated Other Costs	\$ 18,500.00	<u>\$ 18,500.00</u>

TOTAL ESTIMATED PROJECT COST: \$1,700,000.00

The source of funding summary is as follows:

Estimated Direct Assessments to be Accrued to the Assessable Water Fund	\$ 261,528.00
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Deficit to be collected from the non-member capital improvement surcharge or reimbursed by the Town of Glastonbury	<u>\$1,438,472.00</u>
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TOTAL ESTIMATED PROJECT COST: \$1,700,000.00

As the Bureau is aware, Ordinance W1f requires that any deficits incurred on capital improvements in non-member towns be added as a surcharge to each user's water bill in that non-member town. Therefore, the estimated deficit of \$1,438,472 will be incurred by the ratepayers in the Town of Glastonbury, or by the Town of Glastonbury itself if the Town so chooses, before the end of the District's fiscal year during which construction takes place.

After consideration of the above and any other comments by the Commissioner present at the public hearing, it is RECOMMENDED that it be

VOTED: To transmit to the District Board a resolution to layout and authorize construction of a Class II water main in portions of Chestnut Hill Road, Lenti Terrace and Coleman Road, Glastonbury, as set forth in the layout and schedule of assessments by the Water Bureau, and payment for the same is authorized from the Assessable Water Fund.

AND

VOTED: That the Controller be requested to make tentative allocations for this project pending passage of the layout by the District Board, and pending determination of actual costs, in accordance with the following schedule, which schedule is based on the Engineer's estimated cost and on the estimated assessment, as follows:

Direct Assessment to be Accrued to
the Assessable Water Fund \$ 261,528.00

Deficit to be collected from the non-member capital
improvement surcharge or reimbursed by the
Town of Glastonbury \$ 1,438,472.00

Total Estimated Project Cost: \$ 1,700,000.00

AND

VOTED:

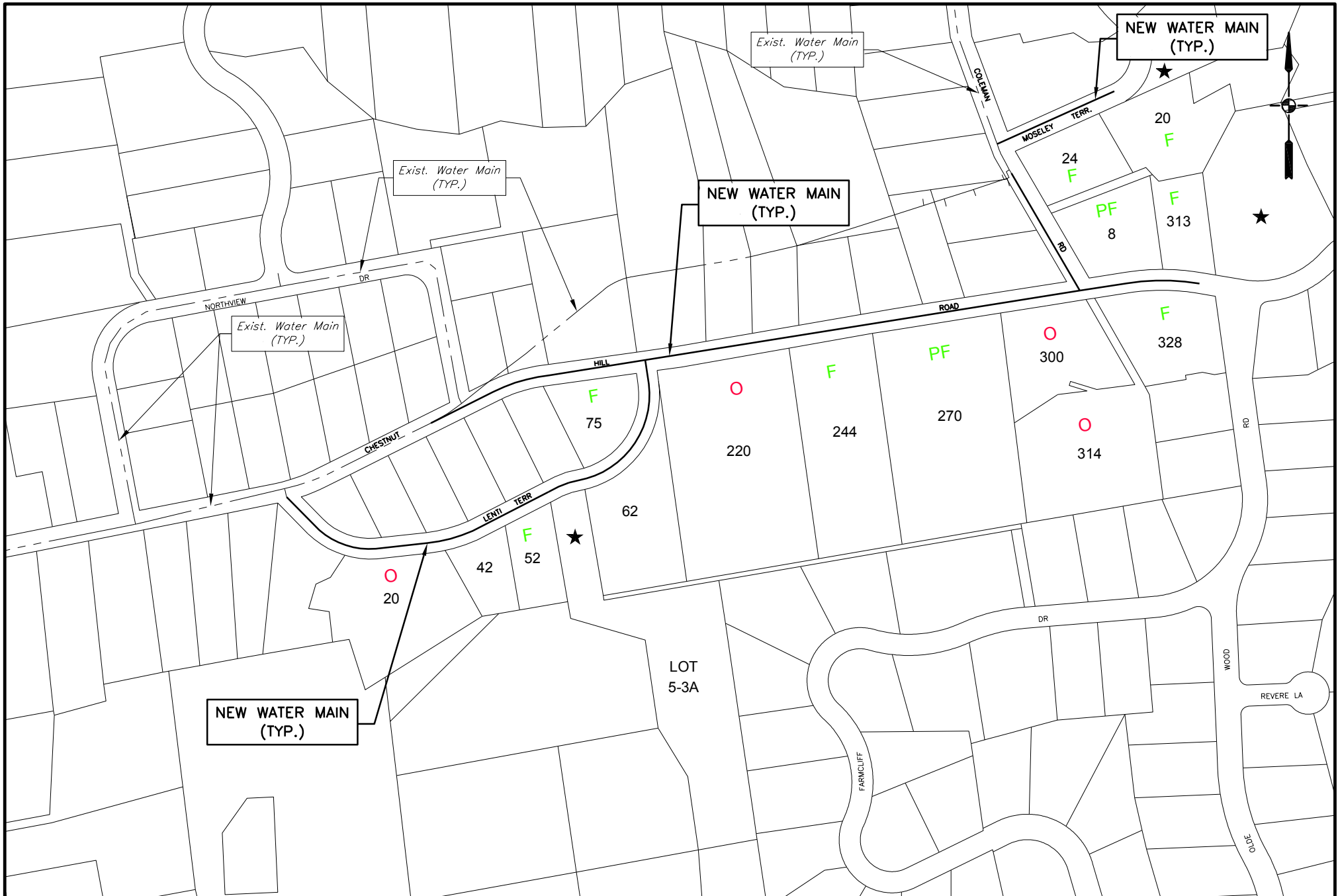
That after completion of the construction of a water main in portions of Chestnut Hill Road, Lenti Terrace and Coleman Road, Glastonbury, a final schedule of assessments based on the following preliminary assessments using the schedule of flat rates adopted December 10, 2018 and effective January 1, 2019 at \$95.00 per front foot or adjusted front foot, be declared due and payable and published with notice to any property owner aggrieved by these proceedings that he or she may appeal from the actions of The Metropolitan District and its Water Bureau to the Superior Court.

<u>Property now or Formerly of</u>	<u>Street Number</u>	<u>Frontage</u>	<u>Adjusted Frontage</u>	<u>Assessment</u>
<u>Chestnut Hill Road- North Side</u>				
Harold W. & Adele C. Finer	313	128.50	(120.00)	\$11,400.00
<u>Chestnut Hill Road- South Side</u>				
Kerry A. Sevigny & Uyen Phan	220	316.19		\$30,038.05
Kurt L. Lang	244	200.00		\$19,000.00
Glastonbury's Tower View LLC	270	300.00		\$28,500.00
Nils E. & Janine E. Swanson	300	210	(230.00)	\$21,850.00
Erika J. Dworkin	314	21	(320.00)	\$30,400.00
Sharon L. Poulin	328	181.98	(190.00)	\$18,050.00
<u>Coleman Road- East Side</u>				
Daniel D. & Julie A. Caron	8	176.74		\$16,790.30
<u>Lenti Terrace- North Side</u>				

Scott & Lisa Chandler	75	222.70	(180.00)	\$17,100.00
<u>Lenti Terrace- South Side</u>				
Thomas W. Witherington & Holly Jean Bray	20	240.85	(270.00)	\$25,650.00
Randall & Rhonda J. Finucane	42	155.37	(125.00)	\$11,875.00
Peter Stanchfield	52	120.83	(115.00)	\$10,925.00
John B. & Maureen L. Berruti	62	338.26	(210)	\$19,950.00

Respectfully submitted,

Scott W. Jellison
Chief Executive Officer



- ★ THIS AREA MAY BE SUBJECT TO FUTURE MONETARY CHARGES
- F FAVOR
- O OPPOSED
- PF PETITIONER

**LENTI TERRACE, PORTIONS OF
CHESTNUT HILL ROAD, MOSELEY TERRACE,
AND COLEMAN ROAD
GLASTONBURY**

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Latest Revision: 7/18/19

**TO ILLUSTRATE WATER
BUREAU AGENDA**

CONSUMER ADVOCATE REPORT ON ADOPTION AND IMPLEMENTATION OF CROSS CONNECTION CHARGE

To: Water Bureau for consideration on August 28, 2019

From: David Silverstone, Independent Consumer Advocate



STATEMENT REGARDING ADOPTION AND IMPLEMENTATION OF CROSS CONNECTION CHARGE

INTRODUCTION

In January 2019, the MDC District Board adopted a cross connection charge of \$150 payable by each customer for which it had information that the customer had a cross connection requiring inspection per Department of Health Regulations. It adopted this charge based on cost causation principles. That is, the MDC incurs a cost to do these inspections and the customers who cause such a cost to be incurred should pay such costs. All other customers of the MDC who do not have cross connections should not be burdened with this cost.

The Independent Consumer Advocate supports the concept that rates should be based on cost causation principles, with the potential for adjustment for other important public policy considerations. These other public policy considerations might include cost of administration, impact of significant rate changes on various customer classes, and affordability, to name a few of such considerations.

Unfortunately, the MDC effort to apply cost causation principles fails in this instance for three reasons:

1. It was adopted in violation of the MDC's own ordinances;
2. It levies a charge for a service which may or may not be delivered at some uncertain point in the future;
3. It is being applied inequitably.

THE MDC VIOLATED ITS CHARTER IN ADOPTING THE CROSS CONNECTION CHARGE

In November 2018, the Water Bureau held a hearing on rates and charges for water service to be effective in January 2019. In the published version of the proposed rates and as adopted by the Water Bureau after a public hearing, there was a charge of \$200 for "Backflow Prevention Device Testing" and \$90 for "Cross Connection Service". At the District Board meeting in December, the Board received a report from the Water Bureau recommending these rates. The District Board adopted the resolution as recommended by the Water Bureau.

Then in January 2019, without notice or hearing and without action by the Water Bureau, the District Board again took up the issue of water rates and charges for 2019. According to the minutes, staff claimed that two rates were intended—one for cross connection and one for backflow prevention device testing—and the resolution adopted in December 2018 only included one for \$90 for cross connection service.[NOTE: This statement is incorrect. As noted above, the resolution recommended by the Water Bureau and adopted by the Board in December 2019 included a \$200 charge for backflow prevention device testing and a \$90 charge for cross connection service.]

As a result of this claim, the Board voted in January to amend the previously approved rates and include a \$150 fee for “cross connection inspection” and a \$90 backflow prevention device testing fee. Thus, the cross connection service fee of \$90 was changed to a cross connection inspection fee of \$150 and a backflow prevention device testing fee of \$90 was added. Interestingly, the previously approved backflow prevention device testing fee of \$200 remained. No explanation was provided as to why a cross connection service fee was changed to a cross connection inspection fee or why there are now two fees for backflow prevention device testing.

The MDC Charter is clear as to which MDC entity does what. Section 5-4 states, “The Water Bureau shall have the power to establish rates...subject to the approval of the District Board.” In November the Water Bureau established rates which were subsequently approved by the District Board in December. In January 2019 the District Board acting entirely on its own changed what the Water Bureau had “established” per the Charter and which the Board had approved and finalized in December.

The changes were not the mere correction of typographical errors or a drafting clarification. The minutes of the Board in January state that one rate was adopted when two were “intended”. The minutes don’t state who so “intended” but neither the November or December Water Bureau or Board minutes show any such intention by either body. Further the Board also changed the cross connection charge from a “service” to an “inspection”. Again, no reason was given for this change but certainly the words imply a charge for something different than brought before the Water Bureau. Finally, the claim that one rate was adopted when two were intended is just plain wrong. There were two rates established by the Water Bureau in November and two rates approved by the Board in December—one for backflow prevention device testing and one for cross connection service.(It should be noted that the backflow testing is optional for customers who can arrange for a private, qualified party to test the devices. The cross connection fee is mandatory).

Following proper procedures is not just a technicality. There are sound reasons for the Water Bureau to examine proposed rates and charges in greater detail than might be possible for the full Board to address. The various subbodies of

the District Board such as the Water Bureau, Public Works and Finance Committee for example, often fully vet various proposals and bring them to the District Board for final action. The District Board in turn, often relies on these various subbodies to have fully vetted various proposals. Given the myriad of issues which by law must come before the District Board reliance on this system of subbodies is essential to the ability of the MDC to govern. In this instance, the Board short circuited the Charter mandated process to the detriment of this system and ultimately to the customers of the District.

THE IMPLEMENTATION OF THE CHARGE IS DEFECTIVE

The MDC has implemented this charge in a strange sort of way. Apparently, it waited from January to June 2019 to address this change in rates. It then sent out letters to customers who it believed had cross connections and announced that beginning with July bills, such customers would be charged either \$12.50/month or \$2.50/month depending on whether MDC intended to inspect the cross connection annually or every five years as mandated by DPH. In effect, this charge will be recurring on these bills every month forever. There is apparently no notification to the customer when and if the inspection has in fact been performed. Presumably, even if the inspection is missed for some reason or occurs less frequently than annually or every five years, the charge will still appear on the customers' bills. If the customer removed the cross connection (e.g. removed an irrigation system or demolished the building served), it is unclear whether that customer still owes MDC for the prior inspection or was due a refund since it had 'prepaid' a portion of the inspection fee which is now longer necessary. While the effort to spread the cost out for the customer making payment easier is admirable, there does need to be some care taken in how the charge is implemented. That was apparently not done here.

The method used for this charge is unlike any other the MDC has adopted. For example, all customers are charged \$6.00 per month for sewer service (plus a per ccf charge). This charge is based on the fact that MDC does a certain amount of work on individual sewer connections each year and this charge is an effort to collect the cost of this work from the customer class—sewer customers—who caused the MDC to incur the cost. That is, while any individual sewer customer may not have the work performed in any individual year, as a class the work will be performed.

The cross connection fee is handled far differently. It is a charge only to those customers who have an identified cross connection and is an effort to collect monies from them for an inspection that may or may not have occurred or which may or may not occur in the future.

THE IMPLEMENTATION OF THE CHARGE IS INEQUITABLE

As stated above the Independent Consumer Advocate welcomes the adoption of cost causation principles. However, in this instance, the MDC apparently lacks sufficient information to levy the charge equitably. It appears that the only cross connections the MDC is aware of are those where either the customer or the tester has reported on the test results of the backflow prevention device. (Every cross connection should have a backflow device installed). Therefore, if a customer has not reported the test results or if no backflow device was ever installed, the customer will not be charged the cross connection fee. There does not appear to be any information as to how many such uninspected, untested, or non-existent backflow devices there might be. It simply isn't fair that those who play by the rules get assessed a \$150 fee for a service that may or may not have been done or may or may not be done in the future while the 'scofflaws' pay nothing.

If there were some indication that the number of such scofflaws was relatively small, then maybe there would be some justification for the charge on others. There is no such indication here. Indeed, there appears to be at least some anecdotal evidence that the number of reported cross connections is a small percentage of the overall number of cross connections. (As a result of such a small percentage and the lateness of the rollout, the fiscal impact on 2019 revenues of rescinding this charge appears to be minimal).

CONCLUSION

The Independent Consumer Advocate recommends that the following steps be undertaken:

1. The Water Bureau recommend to the Board to rescind the action of the Board in January 2019 approving the cross connection inspection fee of \$150 and the December Board action approving the cross connection service fee of \$90. The result will be that the backflow prevention device testing fee of \$200 will remain.
2. The Water Bureau discuss the issues raised herein and determine what if any rate it should "establish" for cross connection inspections and how such a rate should be implemented especially given the apparent lack of data about the number and location of cross connections.
3. If the Bureau votes to "establish" any such rate it then be submitted to the Board for approval.

Respectfully Submitted,



David Silverstone, Independent Consumer Advocate
July 11,2019

**PROPOSED RESOLUTION FROM THE INDEPENDENT CONSUMER
ADVOCATE**

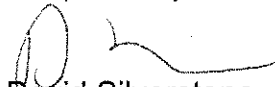
It is therefore RECOMMENDED that it be

VOTED: That the Water Bureau recommends to the District Board passage of the following resolution:

RESOLVED: That the District Board rescind its approval of January 2019 of the cross connection fee of \$150 and its approval of December 2019 of the cross connection fee of \$90; and

BE IT FURTHER
RESOLVED: That the District Board direct the Water Bureau to further study the implementation of an equitable cross connection fee for 2020.

Respectively submitted,



David Silverstone
Independent Consumer Advocate