

BUREAU OF PUBLIC WORKS
The Metropolitan District
555 Main Street, Hartford
Monday, February 3, 2020

Present: Commissioners Andrew Adil, Donald Currey, Allen Hoffman, Maureen Magnan, Alphonse Marotta, Dominic Pane, Bhupen Patel, Raymond Sweezy, Alvin Taylor, Richard W. Vicino and District Chairman William DiBella (11)

Absent: Commissioners John Avedisian, James Healy and Byron Lester (3)

Also

Present: Commissioner Avery Buell
Commissioner David Ionno
Commissioner Gary LeBeau
Commissioner Jacqueline Mandyck
Commissioner Scott W. Jellison, Chief Executive Officer
Christopher Martin, Chief Financial Officer
Christopher Stone, Assistant District Counsel
Steve Bonafonte, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Chief Operating Officer
Robert Schwarm, Director of Information Technology
Robert Zaik, Director of Human Resources
Nick Salemi, Communications Administrator
Julie McLaughlin, Communications Administrator
Phil Schenck, CDM
Carrie Blardo, Assistant to the Chief Operating Officer
Victoria S. Escoriza, Executive Assistant

CALL TO ORDER

Assistant District Counsel Christopher R. Stone called the meeting to order at 3:01 PM.

ELECTION OF CHAIRPERSON

Assistant District Counsel Christopher R. Stone called for the election of the Chairperson. Commissioner Adil placed Commissioner Richard Vicino's name in nomination, Commissioner Hoffman seconded the nomination.

There being no further nominations, the nominations were closed. Commissioner Vicino was elected Chairperson of the Bureau of Public Works for 2020 and 2021. Chairman Vicino assumed the Chair and thanked the Bureau of Public Works.

ELECTION OF VICE CHAIRPERSON

Chairman Vicino called for the election of the Vice Chairperson. Commissioner Magnan placed Commissioner Allen Hoffman's name in nomination, and the nomination was duly seconded.

There being no further nominations, the nominations were closed. Commissioner Allen Hoffman was elected Vice Chairperson of the Bureau of Public Works for 2020 and 2021.

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

David Silverstone, Independent Consumer advocate, submitted the following written comments:

COMMENTS REGARDING AGENDA ITEM 6: ECONOMIC DEVELOPMENT RATE FOR THE CLEAN WATER PROJECT CHARGE

The special Revenue Committee has proposed what it terms an economic development rate which it believes will encourage additional water use. It is restricted to the very largest customers—those using more than 20,050 ccf per month. It appears that there is currently only one customer who approaches this threshold. The rate is in two parts. Water consumed above this threshold in any given month will be charged 80% of the water rate or \$3.18/ccf instead of the rate paid by everyone else of \$3.97. This part of the rate has been approved by the water bureau.

The second part of the rate, which is before you tonight, affects the clean water project charge (cwpc) of the customer bill. For water consumption above the threshold, there will only be a cwpc imposed on that portion of the water consumption which is in fact discharged to the sewer as measured by a sewer meter. For example if a customer used 21,050 ccf of water and only discharged 25% of the water into the sewer, the customer would only pay the cwpc on 25% of 1000ccf (the portion of the water consumption above the threshold) or 250ccf. The result would be a 75% discount from the cwpc paid by every other customer. (Of course the customer would be paying the full cwpc rate on the first 20,050 ccf of consumption).

The Independent Consumer Advocate favors true economic development rates. He also favors the decoupling of the cwpc from water consumption in those instances where the water is demonstrably not being discharged into the sewer system. It is indeed the coupling of these rates which has caused the 'death spiral' referenced in comments on the budget. However, this proposal meets neither of these worthy objectives.

First, it appears, at least in the short run, that this proposal will only be available to one customer. For any other customer, existing or new, to take advantage of this rate, substantial building by that customer would need to occur. There is nothing to suggest that there are very large customers waiting to start construction until this rate is approved. Second, new customers who are contemplating a move to one of the member towns (or for that matter a customer contemplating a significant expansion) want some certainty that a rate that exists today will exist tomorrow. For example, when a municipality grants a tax deferral or tax abatement to attract a new taxpayer, it grants it for a fixed number of years and based on clear requirements: meet the requirements and for the fixed number of years get the tax savings. An economic development rate needs the same certainty if it is to be effective.

The decoupling being proposed is only for the one customer. There are numerous other identifiable customers whose consumption is not being discharged into the sewer system. Customers with irrigation systems, who can be readily identified due to the requirement of registering and paying the cross connection inspection fee, is one such class. (It should be noted that to the extent the MDC has had difficulty insuring that irrigation systems are properly registered and the cross connection fee is paid, any decoupling will provided a powerful incentive.) For example, a year ago, the Advocate was

contacted by a condominium association who separately metered its irrigation water. It sought relief from the cwpc for such consumption. It was denied on the grounds that all water consumption needed to pay the cwpc. The association was planning to cut back its irrigation as a result.

This restriction of the decoupling raises the issue of who will 'make up' the revenue loss if the decoupling is approved in its current form and the hoped for additional consumption does not occur. Based on MDC reports, if this rate had been in effect in 2019, the customer would have had a reduced bill of approximately \$214,000 for the 11 months through November. December would had added to the bill reduction since it has been reported that consumption for December was above the threshold. Most of this reduction would be due to the reduction in the cwpc. If the rate is implemented during 2020, and the 2020 consumption is the same as 2019, how will this deficit be made up? Will every other customer have its bill increased to make up the difference or will the MDC run a deficit?

It is likely that, at least in the short run, the revenue loss of \$214,000 will not be made up by increased consumption. Assuming the same consumption pattern in 2020 as occurred in 2019 and further assuming that 25% of the water is discharged into the sewer (as has been reported by MDC staff at the revenue committee meeting), this customer will have to increase its overall water consumption by 20% for the MDC to break even. That is, if the customer averaged 700ccf a day, this amount would need to increase to 840ccf a day for MDC to reach break even.

This rate, in its current form, must be rejected. It is not going to have the intended result of increasing water revenue and it is unfair to all other customers.

The Advocate does believe that there are good designs for economic development rates that will serve to increase water revenue without risking a burden on other customers. Fixed terms for rate incentives, use of the rate stabilization fund in a creative way, and other approaches should be considered to bring about the worthy objective.

Respectfully Submitted

David Silverstone

Independent Consumer Advocate

January 31, 2020

Judy Allen of West Hartford submitted the following written comments:

Bureau of Public Works
Public Comments
2/3/2020

I believe we are in a partnership, the MDC and its customers. We rely on you for a crucial service and you in turn rely on your customers to pay for it so you can provide this service. Therefore I'm going to use the word "we" whenever possible to emphasize that we are in this together.

The CWP charge is so high that we believe, and rightly so, that it keeps large volume water users from using more water or relocating into member towns. Tying that charge to water consumption is probably not the best. How many times has it been said in this room that it's not the water rates causing the problem it's the CWP charge. Would anyone need a discount on water if you could fairly find a way to decouple the CWP charge from water consumption?

But what is proposed is not fair to all. Why can't a golf course be able to make use of a discount for the CWP charge when water consumption never makes it to the sewers at all? Why would we create relief just for Niagara and not others? That's not fair.

If there is any question that this rate is designed only for the benefit of Niagara, this is our CEO, Scott Jellison at the last Water Bureau meeting.

"We know large water users, and we have one and we all know it's Niagara has built out infrastructure to do X, which is 1.8 million gallons of water a day. They are not there, they are using much less. The answer to why, we don't know, is it market, is it, whatever it might be, the question is, if it's associated with the water rate and/or the CW surcharge, which is a major component to expenses, then obviously this would benefit and we would see them use more water."

The creation of an Integrated Plan as part of the submission for an updated Long Term Control Plan is part of the overall problem as well. Integrated Planning is a good concept and would/will help in controlling costs. But the one that has been submitted has major flaws.

The response from DEEP to the submission was that the plan needed to include further information and changes and that it did not meet the requirement for a separate LTCP update. Rather than rewrite the whole thing, DEEP allowed submission of an executive summary. An executive summary was submitted but still did not meet all the requirements asked for by DEEP. The plan continues to be unapproved and we must continue with the current approved plan until it does.

From the beginning MDC failed to include some of the major stakeholders in the planning for and creation of the Integrated Plan. Input from the public only occurred after the plan was created and no changes were made as a result of those comments, the majority of which pointed out the same issues DEEP has with the IP. 30 years for completion of the project is too long, and assuming that full funding at the level you currently receive is not realistic. The availability of funds by the state even 10 years ahead cannot be guaranteed, in fact the funds could dry up completely. So how much are we paying the consultant to continually rework this plan? The consultants to the State Water Plan were paid \$1 million for 2 years worth of work. The longer this takes, the more the costs of having to follow the currently approved plan.

Not listening to public input is also part of the problem.

Full funding at the level received in the past is the bedrock of the Integrated Plan. Without this funding the plan falls apart. Relying on pressuring everyone to make the state guarantee these funds is not realistic. The reality is, the funding asked for is not going to happen. Is there even any planning happening right now in case funds are not available? Is there work happening for a plan B?

Due to the nature of the changes you are proposing, the consent order will most likely need to be renegotiated (taking more time in which you have to keep sticking to the current plan) and therefore have to go through another round of public hearings.

When the very first LTCP was designed, environmental groups participated. As a result they were invested in the plan and advocated on your behalf for significant state funding. It only makes sense to involve them now in making the changes DEEP requires. By working together you can again have their support in advocating for your plan, not their opposition.

Some see the environmental community as an enemy. There may be disagreements, but environmental groups understand the problems of funding as many of them rely on donations and grants themselves (without any ability to do any bonding). They are supportive of the concept of an integrated plan. They can be our ally, not our enemy.

Wouldn't we rather see letters of whole hearted support?

This would require that we actually let them have input, that we listen to what they say. If we expect them to listen to us, they should be able to expect the same in return.

The longer it takes for approval of a new plan, the more it costs. The Clean Water Charge is going to go up greater than your integrated plan had assumed. And your customers will have to pay for your lack of planning. Why then would you consider discounts on the CWP charge for anyone? Especially Niagara. One could argue that because they contribute to the world's plastic pollution problem, they should especially be charged the full freight. The next time you see a picture of a bird or fish with plastic in its stomach, remember you almost gave discounts to Niagara.

You may luck out when you have to go to the next referendum. People's memory of what was promised at the last may have faded. They were told that indeed the CWP charge would increase, even dramatically over the next few years, but you anticipated a cap of about \$5. Then that would then decrease over time until there would be no CWP charge at all.

We are certainly far off from that promise. The CWP charge has become a permanent reality. Can you really tell customers that this is a surcharge while trying to fold in the regular maintenance they would be paying for anyway?

As you plead poverty to the state, member towns and customers, can you also plan to give a break on the CWP to Niagara that no one else can have, the rest of us taking up the slack.

Our Independent Consumer Advocate suggested there are ways to decouple the CWP charge from water consumption that is fair and doesn't send the ad valorem skyrocketing. I can already hear what the response will be "That's not possible. It would require a charter change".

Then let's do a Charter change.

If the MDC can't do realistic long term planning, then oversight is needed. If the MDC can't effectively and fairly address the concerns of its customers, then oversight is needed.

In a nut shell commissioners have been told, "we have to incentivize people to use more water while convincing people we are for conservation". That's not possible. You can't give me an apple and try to convince me it's an orange. It's far from transparent. It's not the solution. It makes people angry. We know an apple when we see one. We know you can't put a label of economic development rates on discounts for one customer only and fool everybody. A discount is a discount whatever label is put on it.

Judy Allen
West Hartford

Paula Jones of Bloomfield submitted the following written comments:

Comment on “Economic Development Rate” for MDC Bureau of Public Works Meeting, February 3, 2020, 3PM

Commissioners,

You are considering today an “economic development rate” for the Clean Water Project Charge (CWPC). As proposed, it would be available to only one customer, Niagara Bottling.

I know that the MDC Independent Consumer Advocate has submitted comments for your consideration today regarding the discount. I urge you to read them if you haven’t already done so. I don’t always agree with Mr. Silverstone, but I do think he’s expressed a number of ideas worth pursuing. In particular, linkage of the CWPC to water consumption is one factor contributing to the “death spiral” referenced in his comments regarding the 2020 budget. The MDC needs to think about doing something different.

My view is that if the MDC were to offer an “economic development rate” it would need to meet several criteria:

- Any discount should be time-limited and available to a variety of users.
- It must have buy-in from MDC Member towns, including citizens.
- Financial analysis must demonstrate that it will indeed raise revenue and not just shift costs to other ratepayers.
- It has to be clearly allowable under the charter. The ordinance you’re considering states that the CWPC rate is uniform, EXCEPT if water usage is over 20,050 ccf for the month. Then the rate varies by user since it is calculated based on discharge to the sewers. A rate that discriminates based on use is contrary to the charter and unfair to other customers.

I could talk about lots of additional reasons why you shouldn’t endorse this, but time is limited. This discount was a bad idea initiated by Niagara in 2015 when the company threatened not to locate in an MDC town unless they were given rate relief first on the CWPC and then on the water rate. It was a bad idea again in 2018, and it’s still a bad idea. I’ve provided a copy of the Bloomfield Town Council’s resolution of November 13, 2018 opposing these discounts. I urge you not to endorse this as it’s completely contrary to a conservation ethic as well as unfair to other customers.

Paula Jones
Bloomfield, CT

Valerie Rossetti of Bloomfield spoke in opposition of the economic development rate and submitted the following written comments:

Board members and Commissioners:

I am speaking in opposition to the proposed discounts for MDC's CWP charge for water use over 500,000 gallons/day through a single meter. CWP charges have always been implemented in a uniform way in order to fund the Clean Water Project and remediate MDC's sewage overflows into the CT River. They have always been billed based upon water utilization for customers without their own septic systems. There has been no discount based upon whether that water goes to irrigate farmland or gardens or lawns or golf courses and never enters MDC sewers. In these cases, water at least flows back into our watersheds. This proposal affords discounts to ONE high volume water user transporting water in bottles out of our watersheds by trucks. Not only do MDC customers without septic systems pay into the fund in order to protect our major river and Long Island Sound, the citizens of CT- through Clean Water bonds- have paid millions upon millions of dollars into the project, perhaps close to 50% of the project's cost to date. They use no MDC water or sewers, but support the environmental goal of a clean CT River and a viable Long Island Sound. On November 23, 2015, MDC provided a water capacity analysis to Niagara in which it plainly stated the policy of the MDC to bill "a special sewer service charge based on the ccf of METERED WATER CONSUMPTION".....just like every other MDC customer using sewers. It also added that "since Niagara will be paying for sewer discharge via the high sewer flow charge, the MDC will provide a refund for the portion of the annual property taxes paid to the town for sewer charges". Could you provide for us the rebate Niagara is already receiving for its sewer use - unlike any of the town residents paying through their property taxes for MDC's ad valorem.? This proposal does NOT meet the standard of rate equity, which is espoused by your own American Water Works Association. It is designed to directly elicit increased water consumption by one high-volume water user which already profits off the water infrastructure which CT residents and MDC rate payers have paid for over decades. That one user-Niagara- has already received generous tax abatements from local property owners. In addition, our state will be paying millions of dollars to repave roads burdened by water heavy tanker trucks, each of which is equivalent to 5500 cars as well as paying to remediate millions of single use plastic bottles polluting landfills and rivers or languishing in recycling streams that China no longer wants. We have heard in the past that you are MDC Commissioners- that it's not your job to police plastics in the environment or make decisions about what consumers want or don't. Neither is it your job to vote to unfairly subsidize a select industry's use of CT's Class A water resources.

Valerie Rossetti
88 Kenmore Rd
Bloomfield, CT 06002

Beth Kerrigan of West Hartford spoke in opposition of the economic development rate.

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Sweezy and duly seconded, the meeting minutes of November 25, 2019 were approved. Commissioners Patel and Magnan abstained.

**ECONOMIC DEVELOPMENT RATE FOR THE CLEAN WATER PROJECT CHARGE
f/k/a SPECIAL SEWER SERVICE CHARGE**

To: Bureau of Public Works for Consideration on February 3, 2020

At a meeting of the Committee on Revenues on January 8, 2020, the Committee recommended to the District Board the passage of an economic development rate for the water used charge (§ W1a) and special sewer service charge (§ S12x).

It is RECOMMENDED that it be:

Voted: That the Bureau of Public Works recommends to the District Board the following:

Resolved: That the District Board approve the following economic development rate for the special sewer service charge (§ S12x)

**SEC. S12x SPECIAL SEWER SERVICE CHARGE FOR CAPITAL IMPROVEMENTS
TO THE SEWERAGE SYSTEM**

- a.) For customers of The Metropolitan District who utilize the District sewer system and are furnished water directly by The Metropolitan District there shall be a special sewer service charge at rates established annually through the budget approval process as set forth in Chapter 3 of the Charter of The Metropolitan District. Except as provided in subsection S12x(b), S12x(c) and S12(d) said rates shall be uniformly applied to, and be proportional to the quantity of water used by, the affected customers.
- b.) Notwithstanding the foregoing, The Metropolitan District may, through its annual budget, allow for a reduction in the special sewer service charge otherwise payable by owners of commercial or industrial properties in the event said properties, and the commercial or industrial operations located thereon, are serviced, in whole or in part, by an on-site wastewater collection, treatment, and disposal system that does not discharge into the sanitary sewage system of The Metropolitan District. The amount of said reduction shall be based upon the sewer usage metered and reported pursuant to Section S12e and determined by the Board of Commissioners of The Metropolitan District during its annual budget approval process for any ensuing year.
- c.) Customers subject to the provisions of this Section 12x, other than customers subject to Subsection S12x(b) above, shall be subject to the special sewer service charge as follows: 1) for the first ~~20,050~~ 24,060 hundred cubic feet of water consumed from a single water meter per month, the special sewer service charge shall be assessed at the rate established by The Metropolitan District against each one hundred cubic feet of water

consumed; and 2) for all water consumed in excess of ~~20,050~~ **24,060** hundred cubic feet per month from a single water meter, the special sewer service charge shall be assessed at such rate against each one hundred cubic feet of sewer flow generated by the water used in excess of ~~20,050~~ **24,060** hundred cubic feet per month metered at a location approved by the Metropolitan District. This excess sewer flow shall be calculated via the proportion of sewage discharged to water consumed for the month, with this proportion applied to the volume of water consumed in excess of ~~20,050~~ **24,060** hundred cubic feet per month and billed pursuant to Section S12f. The special sewer service charge assessed pursuant to this subsection shall be billed monthly.

- d.) The proceeds from the special sewer service charge, as aforesaid, shall be used exclusively for capital costs associated with any and all measures necessary to comply with a certain consent decree executed by and between The Metropolitan District and the United States Environmental Protection Agency in a case filed on August 15, 2006 in the United States District court for the District of Connecticut captioned United States of America and State of Connecticut vs. The Metropolitan District of Hartford, Connecticut and a certain consent order executed by and between The Metropolitan District and the State of Connecticut relating to the reduction of nitrogen discharged from District Wastewater Treatment Facilities as required by State of Connecticut Department of Environmental Protection Nitrogen General Permit issued December 21, 2005, as such decree and order may be amended from time to time, and specifically for payment of capital expenditures in connection with compliance with the decree or order, or payment of debt service on indebtedness of The District incurred for purposes of funding expenditures in connection with compliance with such decree and order. For this purpose "indebtedness" shall mean bonds, notes and other loans and obligations, including, without limitation, State of Connecticut Clean Water Fund loans and "Debt service" shall mean any obligation that would constitute "debt service" if incurred with respect to bonds issued under the special obligation indenture of trust, dated June 1, 2013, between The District and U.S. Bank National Association, as trustee, as amended and supplemented from time to time, as the term "debt service" is used in such indenture, whether or not such obligation is incurred with respect to indebtedness under such indenture.
- e.) The special sewer service charge shall appear separately on the water bills of the District and shall be due and payable at the same time as the water bills are due and payable. Collection and payment of such charge shall be subject to and in accordance with sections S12m, S12n, and S12o of this part.

Respectfully submitted,



Scott W. Jellison
Chief Executive Officer

Commissioner Pane moved to amend the resolution, as shown above in blue text. The amendment was adopted by majority vote. Commissioner Magnan opposed the amendment.

On motion made by Commissioner Sweezy and duly seconded, the report was received and the resolution, as amended, adopted by majority vote of those present. Commissioners Currey, Magnan and Vicino opposed.

REQUEST OF CONNECTICUT LIGHT & POWER d/b/a EVERSOURCE FOR AN EASEMENT OVER DISTRICT PROPERTY LOCATED AT 231-255 BRAINARD RD, HARTFORD

To: Bureau of Public Works for Consideration on February 3, 2020

As you know, the Clean Water Project (CWP) includes extensive improvements at the Hartford Water Pollution Control Facility (HWPCF) on Brainard Road and a deep rock tunnel running from West Hartford to the HWPCF. At the tunnel terminus point, the District is also installing a large pump station designed to pump tunnel flows up from approximately 200 feet below ground to the surface for conveyance to the expanded treatment facility at the HWPCF. As you can expect, the District's electric power needs for the pump station and ancillary facilities are significant.

Staff has been working with The Connecticut Light & Power Co., doing business as Eversource ("Eversource"), to provide the necessary easements to Eversource for the following purposes:

1. Allow Eversource to distribute power to the billboards on MDC property;
2. Memorialize the relocation of their high voltage ductbank across the property; and
3. Provide for the location of their switchgear which feeds the new tunnel pump station.

The affected District properties include those properties commonly referred to as 231-255 Brainard Road, Hartford. The easements in question are for the benefit of the District, and have been located so as to compliment and enable, rather than interfere with, District infrastructure.

The easements are set forth in the attached and incorporated exhibit.

It is RECOMMENDED that it be:

Voted: That the Bureau of Public Works recommends to the District Board the following:

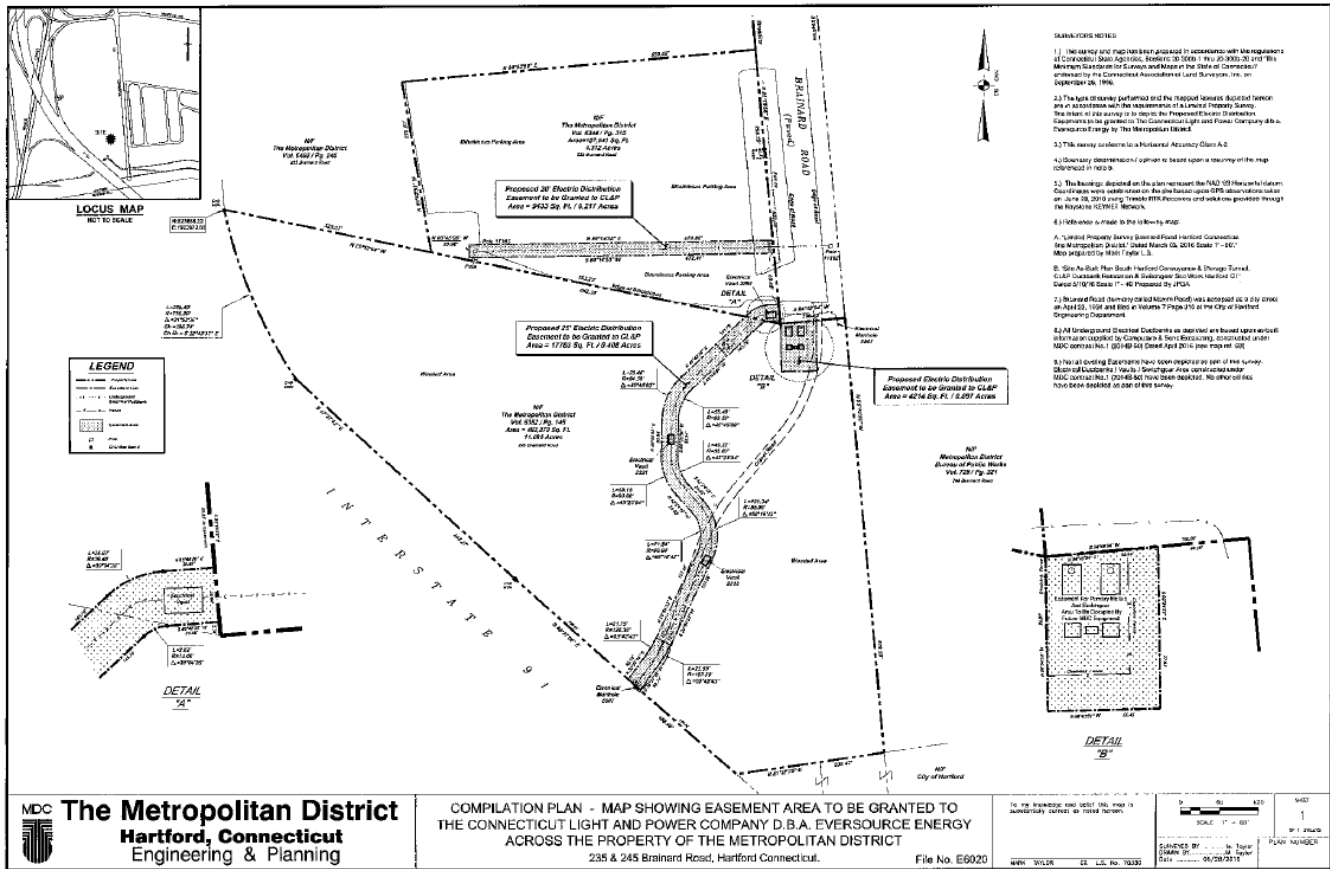
Resolved: That the Metropolitan Bureau of Public Works recommends to the District Board that the Board, in furtherance of the Clean Water Project, authorize the Chairman, or his designee, to execute any and all documents, in form and substance approved by District Counsel, reasonably necessary to convey the described easements as set forth in the attached exhibit, to Eversource.

Respectfully submitted,



Scott W. Jellison

Chief Executive Officer



On motion made by Commissioner Sweezy and duly seconded, the report was received and resolution adopted by unanimous vote of those present.

UPDATED ON HARTFORD LANDFILL DECLARATORY JUDGMENT ACTION

Assistant District Counsel Christopher R. Stone gave an update on the Hartford Landfill Declaratory Judgment

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

Judy Allen of West Hartford voiced concerns about the economic development rate and suggested a Charter change.

Valerie Rossetti of Bloomfield spoke regarding drought mandated limitations and the MDC's water supply plan.

Paula Jones of Bloomfield spoke about the eligibility of the economic development rate and the Bloomfield Council's endorsement of Integrated Planning.

Beth Kerrigan of West Hartford suggested giving incentive to small users and discussed ineligibility of the economic development rate for customers with multiple meters.

Alex Rodriguez of West Hartford spoke regarding water supply, public trust and green infrastructure plans.

Deborah Levine of West Hartford suggested finding more creative solutions for a broader range of customers and spoke about a recycling crisis.

COMMISSIONER QUESTIONS AND COMMENTS

Commissioner Sweezy spoke in favor of the economic development rate because he understands the drastic need for revenue. He stated that it will benefit every member town, and will help small users by lowering water rates.

Commissioner Adil suggested that customers go to the legislature to voice their concerns about plastic and recycling initiatives.

Commissioner Patel spoke regarding market conditions of water.

Commissioner Taylor spoke in favor of the economic development rate and stated that Niagara Bottling is providing jobs and benefits to a member town community. He also spoke regarding the amount of water discharged into the Farmington River each day.

Commissioner Vicino asked for an update on backflow prevention devices at a future meeting.

ADJOURNMENT

The meeting was adjourned at 4:32 PM

ATTEST:

John S. Mirtle
District Clerk

Date of Approval