

**THE WATER BUREAU
SPECIAL MEETING
The Metropolitan District
Remote Meeting
Monday, November 23, 2020**

Present: Commissioners Andrew Adil, Avery Buell, Peter Gardow, Georgiana Holloway, David Ionno, Gary LeBeau, Jacqueline Mandyck, Dominic Pane, Raymond Sweezy, Pasquale J. Salemi, Alvin Taylor and District Chairman William DiBella (12)

Absent: Commissioners Daniel Camilliere, Diane Lewis, Jon Petoskey and Special Representative Michael Carrier (4)

Also

Present: Commissioner Allen Hoffman
Commissioner Bhupen Patel
Scott W. Jellison, Chief Executive Officer
Christopher Stone, Assistant District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Christopher Martin, Chief Financial Officer
Susan Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Tom Tyler, Director of Facilities
Robert Zaik, Director of Human Resources
Lisa Remsen, Manager of Budget and Analysis
Nick Salemi, Communications Administrator
Carrie Blardo, Assistant to the Chief Operating Officer
Julie Price, Professional Level Trainee
David Silverstone, Consumer Advocate

CALL TO ORDER

The meeting was called to order by Chairman Sweezy at 4:01 PM

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

APPROVAL OF MEETING MINUTES

On motion made by Commissioner Pane and duly seconded, the meeting minutes of November 17, 2020 were approved.

2021 DISTRICT WATER RATES

To: Water Bureau for consideration November 23, 2020

The 2021 budget in support of Water Operations calls for the water use rate to increase to ~~\$4.09~~ **\$4.05** per hundred cubic feet (CCF). The changes will become effective January 1, 2021.

A discussion of several rates that comprise the proposed schedule for 2021 and the recommendations pertaining to each follows:

Water Used Charge – Treated Water

Staff recommends that the rate charged for the use of treated water based on actual metered consumption increase from \$3.97 per CCF to ~~\$4.09~~ **\$4.05** per CCF.

<u>CURRENT RATE</u>	<u>PROPOSED RATE</u>
\$3.97/100 Cu. ft.	\$4.09 \$4.05 /100 Cu ft.

Customer Service Charge

Revenues from this customer service charge are intended to support a portion of the fixed operating, maintenance and debt costs associated with water operations. There are no proposed changes to the Customer Service Charge for 2021.

<u>SIZE OF METER</u>	<u>MONTHLY BILLING</u>
5/8"	\$14.98
3/4"	\$14.98
1"	\$14.98
1 1/2"	\$48.60
2"	\$77.80
3"	\$145.89
4"	\$243.55
6"	\$486.07
8"	\$771.16
10"	\$1,777.77
12"	\$1,896.38

Surcharge Outside The Metropolitan District

A fixed "surcharge" rate is added to all accounts for service outside the boundaries of the District. The surcharge is based on the size of the meter that serves each delivery point. Revenues from this charge are for the reimbursement of assets deployed. The surcharge rates have been set at the same rates as the Customer Service Charges. There are no proposed changes to the surcharge for 2021.

<u>SIZE OF METER</u>	<u>MONTHLY BILLING</u>
5/8"	\$14.98
3/4"	\$14.98
1"	\$14.98
1 1/2"	\$48.60
2"	\$77.80
3"	\$145.89
4"	\$243.55
6"	\$486.07
8"	\$771.16
10"	\$1,777.77
12"	\$1,896.38

Water Used Charge – Untreated Water

The District provides untreated water to other agencies and water companies for a fixed rate based on actual consumption. The current rate for this untreated or “raw” water is \$1.50 per hundred cubic feet of consumption. It is recommended that the charge for untreated water remain at the rate of \$1.50 per hundred cubic feet.

Surcharge Outside the Metropolitan District for Capital Improvements

A surcharge is added to the water rate to recover the cost of major capital improvements and/or upgrades such as water main extensions, pump stations, etc. in non-member towns. The surcharge is calculated based on the aggregate hydraulic capacity of each meter size in each non-member town.

Private Fire Protection Charge

Rates for private fire protection are charged to all fire service accounts, including combination services, based on the size of the service connection. Staff recommends monthly service charges for the 1”, 2”, 3”, 4”, 6”, 8”, 10”, 12”, 16”, 20” and 24” meters rates increase to \$5.00, \$22.85, \$33.75, \$60.00, \$135.00, \$240.00, \$375.00, \$540.00, \$960.00, \$1,500.00, \$2,160.00 respectively.

Conclusion

Staff believes that the foregoing rate change recommendations are justified, reflect the sound financial administration that has earned the District support among credit rating agencies and financial advisors, and are consistent with the policy direction of the Commission.

After reviewing the information contained herein

It is **RECOMMENDED** that it be

Voted: That the Water Bureau, acting under Section 5-4 of the District Charter, establishes revised water rates effective with the meter readings rendered on

and after January 1, 2021, as set forth in the following “REVISIONS TO WATER SUPPLY ORDINANCES.”

Further Voted:

That the following rates shall be charged to all customers and appear as a separate line item on customer bills:

- 1. State of Connecticut Department of Public Health primacy fee of \$0.16 per month

Further Voted:

That following the public hearing held on November 16, 2020, as required by Special Act 01-3 adopted by the General Assembly of the State of Connecticut, and Section 2-14 of the Compiled Charter of The Metropolitan District, the Water Bureau recommends to the District Board, through the Committee on MDC Government, approval of the following “REVISIONS TO WATER SUPPLY ORDINANCES” by the enactment of said proposed ordinances. (Additions are indicated in red and deletions by strikethrough).

**REVISIONS TO WATER SUPPLY ORDINANCES
W-1 WATER RATES**

SEC. W1a WATER USED CHARGE (TREATED WATER)

For customers which do not resell treated water, the WATER USED CHARGE is the quantity of water used as read at the meter, as follows:

<u>BILLS RENDERED</u>	<u>RATE</u>
<u>MONTHLY</u>	\$3.97 \$4.09 \$4.05 per 100 Cubic Feet

The WATER USED CHARGE for such customers subject to § S12x of The Metropolitan District Sewer Ordinances who purchase more than 802ccf of water per day, as averaged over a monthly billing period, as follows:

For each of the first 802ccf of water used per day:

<u>BILLS RENDERED</u>	<u>RATE</u>
<u>MONTHLY</u>	\$3.97 \$4.09 \$4.05 per 100 Cubic Feet

For each ccf of water used per day in excess of 802ccf:

<u>BILLS RENDERED</u>	<u>RATE</u>
<u>MONTHLY</u>	\$3.18 \$3.30 per 100 Cubic Feet

For customers which, by agreement with the District or otherwise, resell treated water, the WATER USED CHARGE is the quantity of water used as read at the meter, as follows:

BILLS RENDERED
MONTHLY

RATE
~~\$3.97~~ ~~\$4.09~~ **\$4.05** per 100 Cubic Feet

SEC. W1f SURCHARGE OUTSIDE THE METROPOLITAN DISTRICT FOR CAPITAL IMPROVEMENTS

In towns outside the limits of The Metropolitan District for which capital improvements or layout and assessment projects are constructed, in addition to the charges set forth in SEC. W1a, W1b and W1c, there shall be a surcharge on the water rates determined from the size of the meter installed on the premises, as follows:

1. On or before the end of each fiscal year, The Metropolitan District shall determine the actual cost of each capital improvement constructed for each non-member town and the net cost (cost less assessments) of layout and assessment projects constructed for each non-member town. The costs and/or net costs, as applicable, shall be allocated to the towns for which the work was performed and shall be a surcharge on the water rates of the users located in such towns.
2. The annual surcharge to be added to each user's water rate shall equal the total amount of the costs and/or net costs, as applicable, allocated to the town in which such user is located [excluding costs which the town has paid as set forth in Section W1f(3)] amortized over a twenty year period using an interest rate computed by the District which approximates the District's long-term cost of funds for its General Obligation Bond portfolio—multiplied by the percentage of hydraulic capacity of each user's meter size (based on the American Water Works Association meter size capacity) of the aggregate hydraulic capacity of all meters in such town. The surcharge shall be billed in either quarterly or monthly installments, as applicable, commencing with the first bill sent out in the fiscal year succeeding the fiscal year in which the work was performed and continuing over the twenty year period.
3. The District shall, as soon as possible after the completion of each capital improvement project or separate phase thereof, provide to the non-member towns for which a capital improvement was constructed a compilation of the costs associated with the construction of such project(s). If, on or before the end of the District's fiscal year in which such construction was completed, a non-member town agrees to pay and does in fact pay all or a portion of the cost of a capital improvement constructed for such town, then the amount paid by such town shall be deducted from the total amount of costs and/or net costs allocated to such town as described in Section W1f(1) and used to calculate the individual surcharges as set forth in Section W1f(2).

Farmington

<u>SIZE OF METER</u>	<u>MONTHLY BILLING</u>	<u>MONTHLY BILLING</u>
5/8"	\$1.07	\$2.23
1"	\$2.14	\$4.47
1 1/2"	\$4.27	\$8.94
2"	\$80.13	\$167.53
3"	\$186.97	\$390.91
4"	\$320.53	\$670.13
6"	\$427.37	\$893.50
8"	\$1,068.43	\$2,233.76

Glastonbury

<u>SIZE OF METER</u>	<u>MONTHLY BILLING</u>	<u>MONTHLY BILLING</u>
5/8"	\$1.57	\$1.81
3/4"	\$2.35	\$2.71
1"	\$3.13	\$3.62
1 1/2"	\$6.26	\$7.23
2"	\$117.44	\$135.59
3"	\$274.03	\$316.37
4"	\$469.77	\$542.34

South Windsor

<u>SIZE OF METER</u>	<u>MONTHLY BILLING</u>	<u>MONTHLY BILLING</u>
5/8"	\$0.34	\$0.34
3/4"	\$0.67	\$0.51
1"	\$1.01	\$0.67
1 1/2"	\$1.35	\$1.35
2"	\$25.29	\$25.27
3"	\$59.00	\$58.96
4"	\$101.15	\$101.07
6"	\$134.86	\$134.76

Manchester

<u>SIZE OF METER</u>	<u>MONTHLY BILLING</u>	<u>MONTHLY BILLING</u>
5/8"	\$2.43	\$2.89
1"	\$7.29	\$5.78
3"	\$425.28	\$506.04
6"	\$972.07	\$1,156.66

SEC. W6f CHARGES FOR PRIVATE FIRE PROTECTION SERVICE

Charges for metered or unmetered connections to water mains supplying water for fire protection including combination services, shall be in accord with the following table:

<u>SIZE OF CONNECTION</u>	<u>MONTHLY CHARGE</u>	<u>MONTHLY CHARGE</u>
1"	\$5.00	\$5.00
2"	\$22.85	\$22.85
3"	\$29.74	\$33.75
4"	\$44.64	\$60.00
6"	\$74.88	\$135.00
8"	\$240.00	\$240.00
10"	\$375.00	\$375.00
12" & Larger	\$540.00	\$540.00
16"		\$960.00
20"		\$1,500.00
24"		\$2,160.00

Respectfully Submitted,



Scott W. Jellison
Chief Executive Officer

District Chairman DiBella made a motion to amend the 2021 water rate from the publicly posted proposed rate of \$4.09 to \$4.05 as shown above in redline.

On motion made by Commissioner Adil and duly seconded, the resolution, as amended, was adopted by majority vote of those present.

Commissioner Salemi exited the meeting at 5:09 PM.

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

ADJOURNMENT

The meeting was adjourned at 5:12 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval