



**WATER BUREAU
SPECIAL MEETING
WEDNESDAY, FEBRUARY 17, 2021
4:00 PM**

**IN ACCORDANCE WITH GOVERNOR LAMONT'S EXECUTIVE ORDER #7B
THIS MEETING WILL BE A REMOTE ONLY MEETING
Dial in #: (415)-655-0001; Access Code: 43808661#
[Meeting Video Link](#)**

The general public is welcome to call into the meeting. Everyone on the call will need to mute their phone to limit background noise disrupting the meeting.

<u>Location</u>	<u>Commissioners</u>
Dial in #: (415)-655-0001;	Adil Lewis
Access Code: 43808661#	Buell Mandyck
Meeting Video Link	DiBella (Ex-Officio) Pane (VC)
	Holloway Petoskey
	Kambli Salemi
	Ionno Sweezy (C)
	Lebeau Taylor
	 Quorum: 7

1. CALL TO ORDER
2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
3. APPROVAL OF MEETING MINUTES OF JANUARY 20, 2021
4. DISCUSSION RE: WATER SUPPLY PLAN DROUGHT STAGES
5. DISCUSSION RE: WATER BILL RECEIVABLES
6. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
7. COMMISSIONER COMMENTS & QUESTIONS
8. ADJOURNMENT



Drought Contingency Plan Update
MDC Water Bureau
February 17, 2021

Drought Contingency Plan

Stages

- Advisory
- Watch
- Warning
- Emergency



- Stages are based upon remaining water supply
- Actions taken as supply decreases reduce water demand and prolong supply
- Component of Water Supply Plan Update
- District staff worked with Milone & MacBroom

Drought Stage Discussion

Proposed Drought Stage Triggers

Drought Stage	% Available Capacity of Reservoirs	Remaining Available Reservoir Capacity	Days Remaining @ 60 MGD with No Recharge	Days to Next Trigger with No Recharge
Drought Advisory	70%	27,840 MG	464 Days	66
Drought Watch	60%	23,890 MG	398 Days	66
Drought Warning	50%	19,920 MG	332 Days	100
Drought Emergency	35%	13,920 MG	232 Days	-

- Recognition of District's robust water supply
- Importance as potential regional supply
- Prolong Existing Water Supply, Avoid Costly Temporary Investments

When a Change in Stage is Triggered

- Communication to :
 - DPH
 - MDC Commissioners & towns
 - Customers – press release, E-Blast, website, bill inserts, PSA's
- Monitor/adjust flows from each reservoir
- Reduce MDC water use – flushing, leak detection, maintenance work
- Manage potential emergency supplies & flow releases

Drought Advisory

70% Usable Supply

- Voluntary conservation program – 10% reduction goal
- Provide conservation tips to customers
- Request plan from top water users for 10% reduction
- Discuss & draft ordinances with MDC Commissioners
 - Water use restrictions
 - Water rate surcharge
- Discuss water use restriction ordinances with towns

Drought Watch

60% Usable Supply

- Mandatory conservation program – 15% reduction goal, all customers
- Ban lawn irrigation from 7:00 AM to 8:00 PM, limit to 2 days per week
- Coordinate enforcement with towns
- Request plan for 15% reduction by large users, conduct weekly reads
- Implement water use restriction ordinances with Water Bureau & Board
- Review revenue status with Commissioners
- Identify infrastructure and vendors needed for emergency water supply
- Suspend recreation in Lake McDonough
- Monitor & discuss flow releases with downstream stakeholders

Drought Warning

50% Usable Supply

- Mandatory conservation program – 20% reduction goal, all customers
- Ban non-essential water use – lawn irrigation, vehicle washing, recreational uses
- Coordinate enforcement with towns
- Request plan for 20% reduction by large users, conduct weekly reads
- Review water revenue status with Commissioners, surcharge
- Approve emergency funding, if needed for emergency sources
- Install infrastructure for use of emergency sources
- Monitor & discuss flow releases with the downstream stakeholders

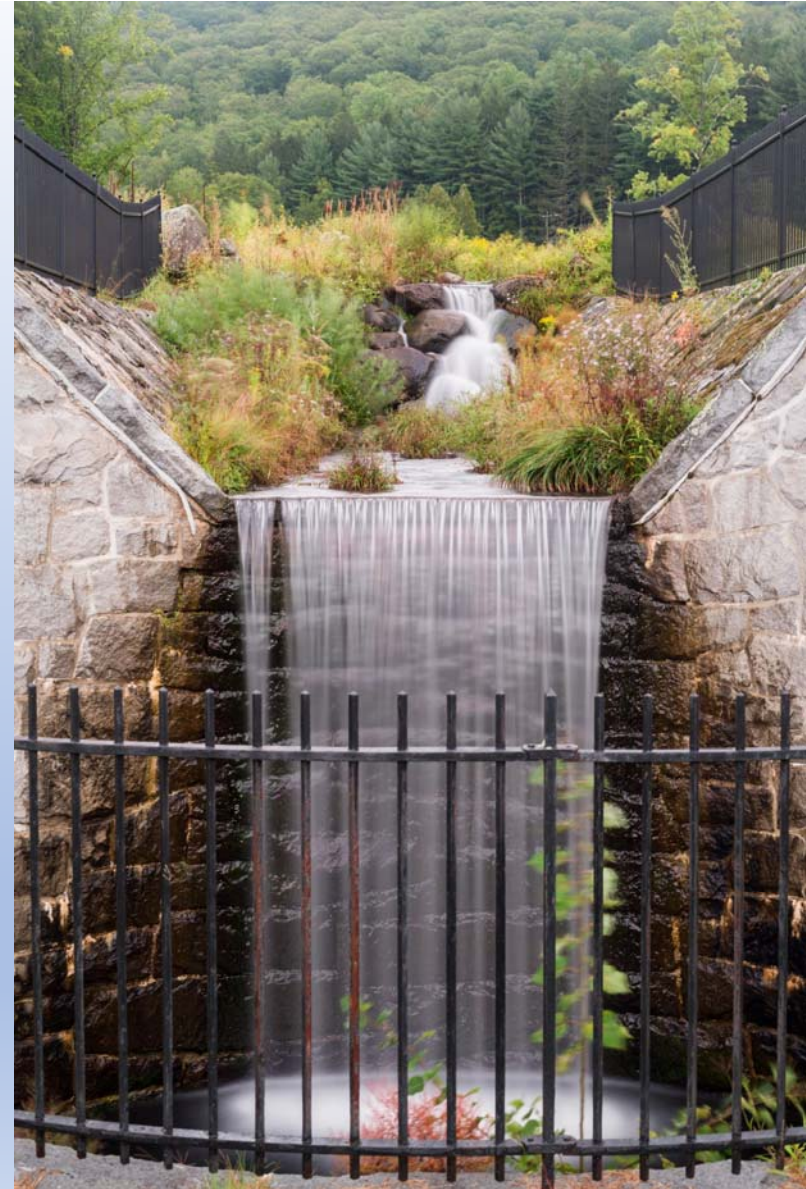
Drought Emergency

35% Usable Supply

- Mandatory conservation program – 25% reduction goal, all customers
- Continue ban on non-essential water use – lawn irrigation, vehicle washing, recreational uses
- Coordinate enforcement with towns
- Request plan for 25% reduction by large users, conduct weekly reads
- Review water revenue status with Commissioners, surcharge
- Activate infrastructure for use of emergency sources
- Monitor & discuss flow releases with the downstream stakeholders
- Make provisions for delivery of water to critical customers
- Work with DPH, Governor's office to discuss potential of ceasing service to non-essential commercial & industrial users

Coming Out of a Drought

- Avoid bouncing between stages
- Move out of drought stages once the reservoir levels are above the stage for at least 30 days





To: Scott Jellison, Chief Executive Officer

From: Robert Constable, Manager of Treasury

RE: Monthly Cash Flow Report, 1/31/2021

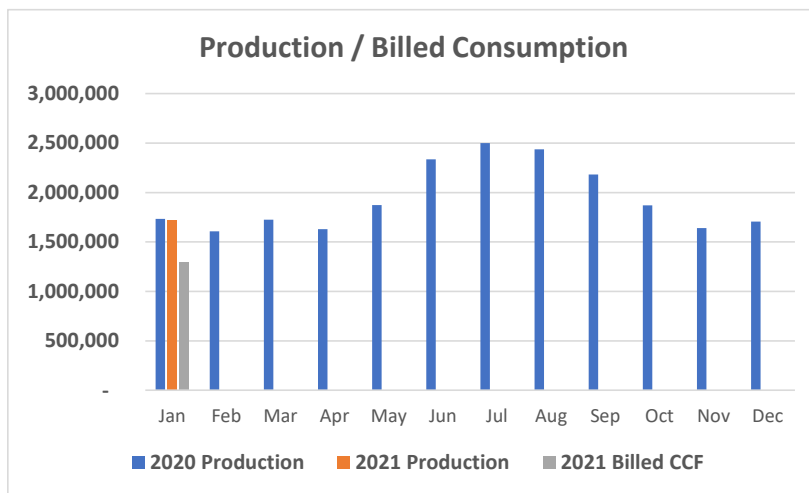
The following provides an overview of the District’s cash status. The primary cash receipts received by the District come from Ad Valorem payments and water related payments. Ad Valorem payments from the member communities are received on a set quarterly schedule. No member community has ever failed to make its quarterly payment to the District.

The primary focus is on the District’s monthly per ccf water rate, which includes Production, Consumption, Revenues and Cash Receipts. Monitoring water receipts provides the most insight as to MDC’s overall collection rate.

Water Production / Consumption

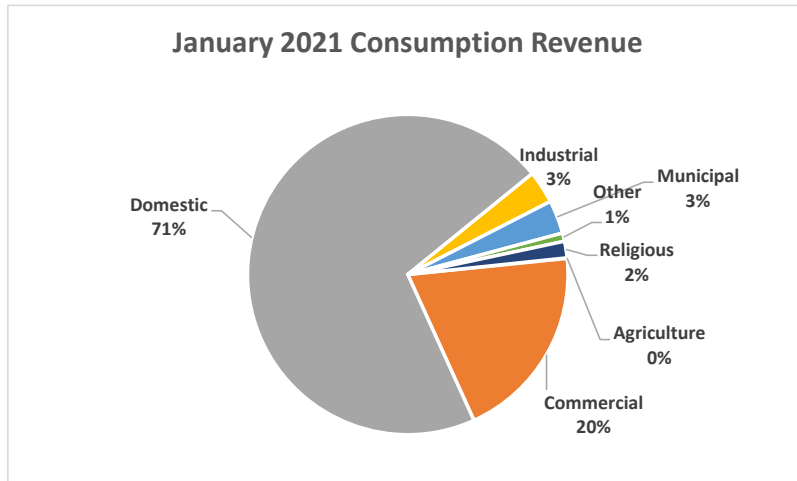
Production represents the water that is processed and treated at the water treatment facilities. Consumption is the amount of treated water that is metered and billed. This metered Consumption does not include water consumed by the MDC, lost water due to water main breaks, and water used for fire protection, etc.

January Production for 2021 is in line with 2020. The billed Consumption for January 2021 is below billed Consumption for 2020. This is due to the fact that the billing for January 2020 included additional days from 2019. With the January 2020 SAP System Upgrade, a decision was made to accelerate a portion of the December 2019 collections into 2020 to allow for a more orderly conversion process which artificially inflated the January 2020 collection number.

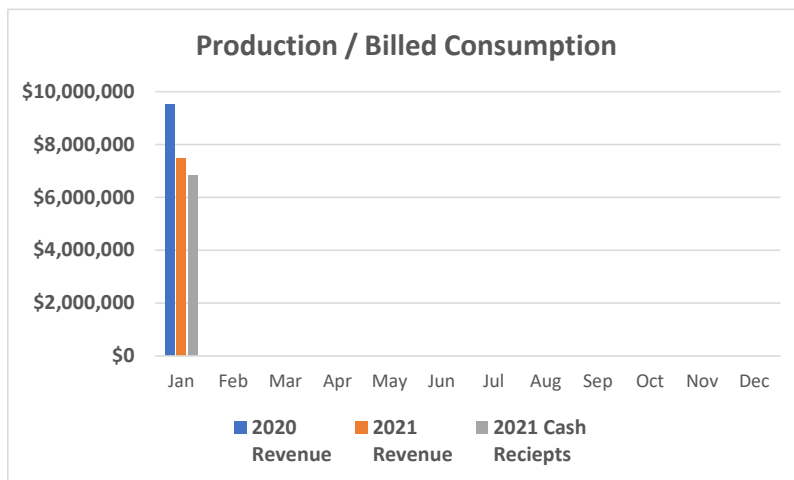


Revenues / Cash

As stated above billed Consumption was higher in January 2020 due to the timing of the billing, which means revenues in January 2020 were also higher than January 2021. This was a one-month anomaly. The breakdown of Water Revenue sales is illustrated in the chart below. The percentages by each category are similar to the trends in 2020.

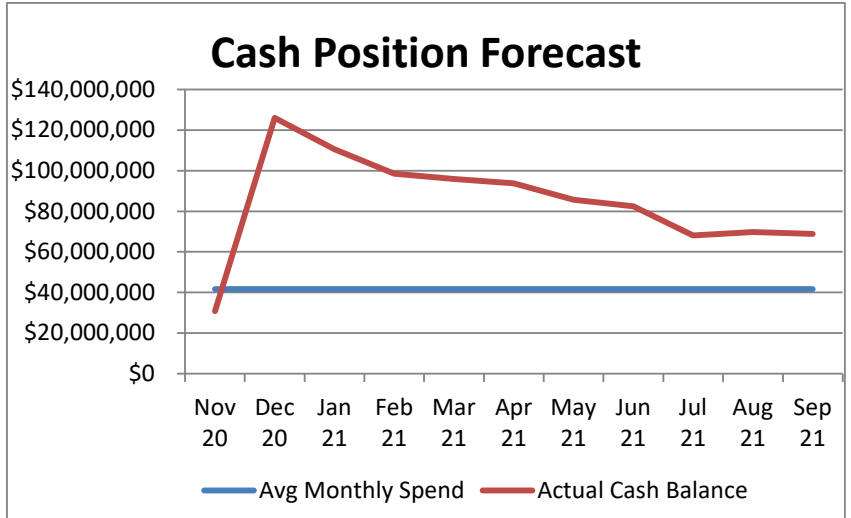


Cash Receipts for 2021 are running ahead of last year. This is due in part to the SAP Upgrade because we are realizing additional efficiency with getting bills out more quickly and having greater success collecting past due balances. Our collection rate for water billing is still over 90%.



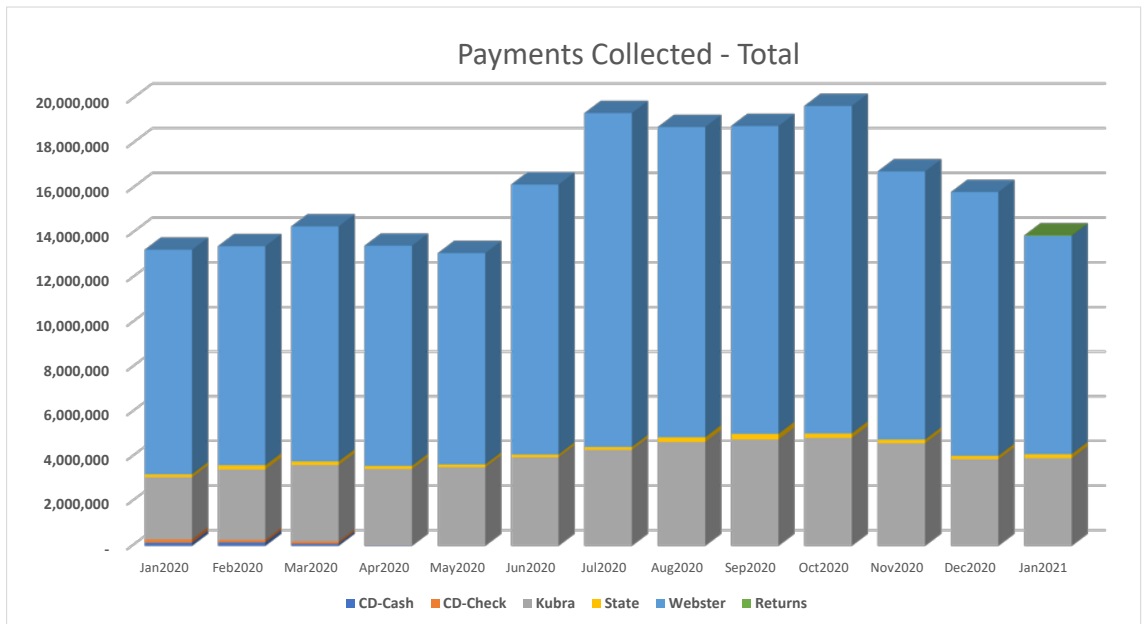
Cash on hand is currently \$110M compared to \$62M in 2020 at this time, and is currently above the average monthly spend.

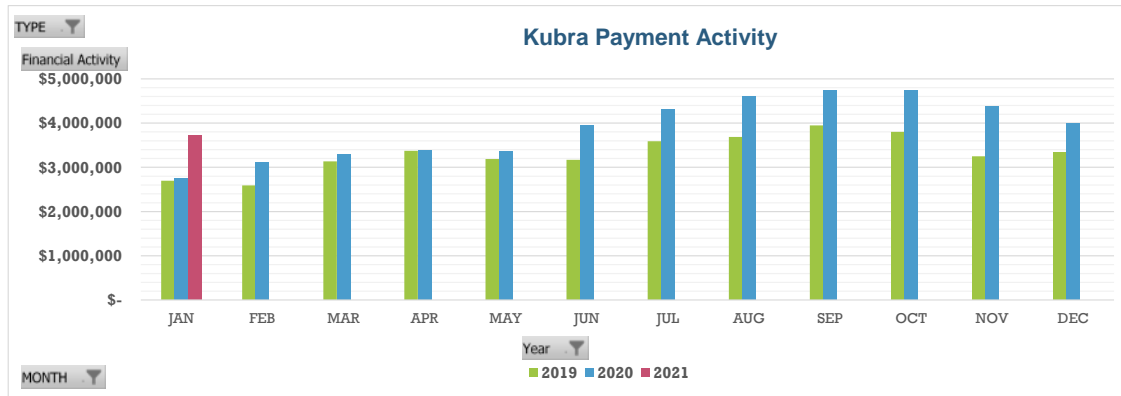
It is expected that the MDC will replenish its pooled cash in the fall of 2021 with a General Obligation Bond Issue, that permanently finances the Bond Anticipation Notes (BANs) undertaken this past year and includes funds sufficient to fund the 2021 CIP. The Finance group will also be reviewing proposals for additional refinancing opportunities with its advisors for both CIP and Clean Water Project.



Payments

The majority of customer payments are received via US Mail by our primary depository, Webster Bank as lockbox payments, while a growing number of MDC’s customers utilize their on-line banking portals to make direct electronic payments to MDC through Kubra, our payments vendor.





Accounts Receivable (AR)

In addition to monitoring Cash Receipts the Treasury Department manages past due accounts and aging of the accounts receivable. As shown on the table below the normal 30-day balance due averages \$10-12M. The large amount in the over 91-days category is related to the past due disputed balance with the State of Connecticut Department of Energy and Environmental Protection’s contamination of the Hartford Landfill.

	Open Item Aging 0-30 Days	Open Item Aging 31-60 Days	Open Item Aging 61-90 Days	Open Item Aging >91 Days
Amount Due	\$ 10,103,999	\$ 2,238,254	\$ 2,181,663	\$ 26,082,770
Percent of Outstanding	25%	6%	5%	64%

Customer accounts are identified in a variety of ways such as Single-Family, Multi-Family, Large Commercial etc. Management has identified Multi-Family customers as a growing area of concern, in part because of the effect of the current pandemic on their ability to make timely payments. MDC continues to provide support for these as well as other customers through negotiated payment plans and our partnership with Operation Fuel which provides direct support for customers, many of which are Multi-Family customers.

Premise Type	# of Contract Accts	# of Contract Accts with Balances over 60 Days Past Due	% of Accts of 60 Days Outstanding	Amount Due	Amount Due over 60 Days Past Due
UNCATEGORIZED*	15,310	4,650	30%	\$ 3,836,116	\$ 2,030,543
LARGE COMMERCIAL/INDUSTRIA	2,290	436	19%	\$ 4,593,415	\$ 2,147,038
SMALL COMMERCIAL/INDUSTRIA	1,455	229	16%	\$ 12,713,825	\$ 11,935,943
MULTI FAMILY RESIDENTIAL	11,246	3,406	30%	\$ 10,960,649	\$ 6,891,319
MUNICIPAL	277	35	13%	\$ 267,310	\$ 69,151
SINGLE FAMILY RESIDENTIAL	72,689	8,347	11%	\$ 7,756,709	\$ 4,843,483
OTHER	467	151		\$ 478,661	\$ 346,957
Totals	103,734	17,254	17%	\$ 40,606,685	\$ 28,264,433

11070778	DEPT OF ENERGY & ENVIRONMENT	\$ 11,770,017	\$ 11,456,286
11070787	CONNECTICUT AIRPORT AUTHORITY SUITE 160	\$ 861,122	\$ 646,470

*The Premise Type for these records needs to be updated

\$ 27,975,547 \$ 16,161,677

The table below shows the Multi-Family AR accounts by town. Of the total Multi Family accounts, 33% of the accounts have balances over 60 days.

Location	Contract Accounts	Contract Accts with Balances over 60 Days	Amount Due	Amount Due over 60 Days
BERLIN	-	-	\$ -	\$ -
BLOOMFIELD	268	64	\$ 240,510	\$ 82,409
EAST HARTFORD	915	475	\$ 897,523	\$ 697,308
FARMINGTON	11	-	\$ 19,900	\$ -
GLASTONBURY	133	45	\$ 36,499	\$ 11,820
HARTFORD	8,384	2,871	\$ 8,586,824	\$ 5,606,975
MANCHESTER	2	2	\$ 86,438	\$ 68,932
NEWINGTON	173	32	\$ 173,326	\$ 23,328
ROCKY HILL	74	18	\$ 121,524	\$ 23,872
SOUTH GLASTONBURY	4	3	\$ 17	\$ (84)
SOUTH WINDSOR	152	11	\$ 37,915	\$ 2,305
WEST HARTFORD	653	151	\$ 486,133	\$ 273,036
WETHERSFIELD	207	32	\$ 68,663	\$ 5,391
WINDSOR	268	81	\$ 204,645	\$ 96,028
Totals	11,244	3,785	\$ 10,959,917	\$ 6,891,319
Percent of Multi Family Housing Accts Outstanding		33.7%		