



The Metropolitan District
water supply · environmental services · geographic information

**DISTRICT BOARD
555 MAIN STREET, HARTFORD, CT
REGULAR MEETING
MONDAY, JUNE 7, 2021 5:30 PM**

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.

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MEETING MINUTES OF MAY 3, 2021
4. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
5. REPORT FROM DISTRICT CHAIRMAN
6. REPORT FROM CHIEF EXECUTIVE OFFICER
7. REPORT FROM DISTRICT COUNSEL
8. REFERRAL OF BYLAWS TO COMMITTEE ON MDC GOVERNMENT
 - A. COMMISSIONER COMMUNICATIONS TO STAFF
 - B. § B1j- TELEPHONIC ATTENDANCE AT MEETINGS
9. REPORT FROM CDM SMITH RE: WATER AND SEWER RATE FINANCIAL MODELS
10. PERSONNEL, PENSION & INSURANCE COMMITTEE- CONSIDERATION AND POTENTIAL ACTION RE: EXTENSION OF DISTRICT COUNSEL CONTRACT (POSSIBLE EXECUTIVE SESSION) (May 12, 2021)
11. BOARD OF FINANCE- CONSIDERATION AND POTENTIAL ACTION RE: CLOSEOUT OF CAPITAL IMPROVEMENT PROJECTS (May 12, 2021)
12. DISCUSSION RE: HARTFORD LANDFILL
13. COMMITTEE ON ORGANIZATION- CONSIDERATION AND POTENTIAL ACTION RE: APPOINTMENT OF DISTRICT TREASURER AND CHIEF FINANCIAL OFFICER/DIRECTOR OF FINANCE (POSSIBLE EXECUTIVE SESSION) (June 7, 2021)
14. OTHER BUSINESS

15. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

16. COMMISSIONER COMMENTS & QUESTIONS

17. ADJOURNMENT

The Metropolitan District Financial Projection Model

District Board Meeting

Joe Ridge
Brian Porter

June 7, 2021

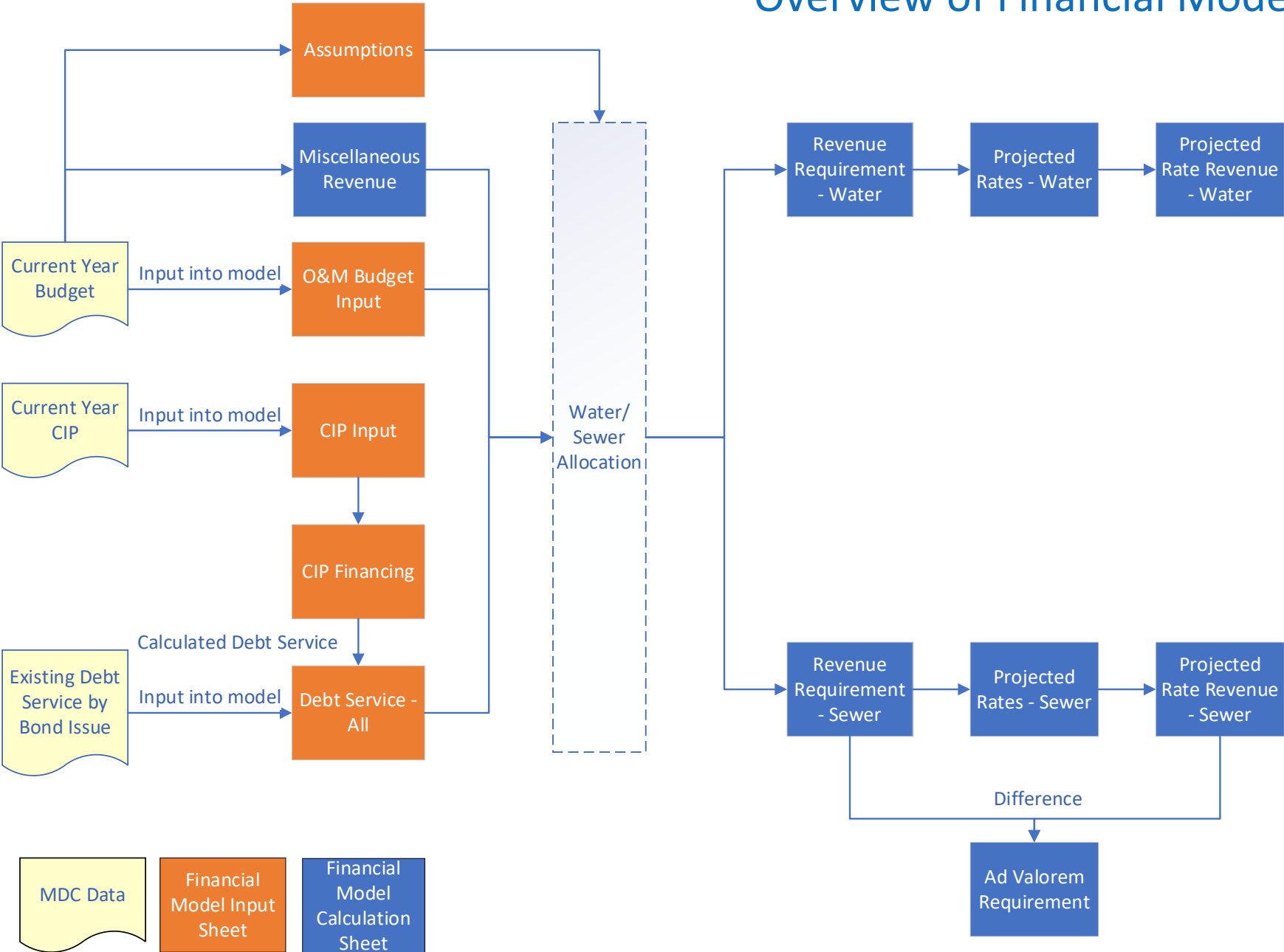


**CDM
Smith**

Background

- CDM Smith has been working with MDC to develop a long-term water and sewer financial projection model
- Model projects water and sewer revenue requirements through 2040:
 - Non-Clean Water Project Charge sewer user charges
 - Ad Valorem projections
 - Water rates and charges
- Lamont Financial maintains Clean Water Project Charge model and projections

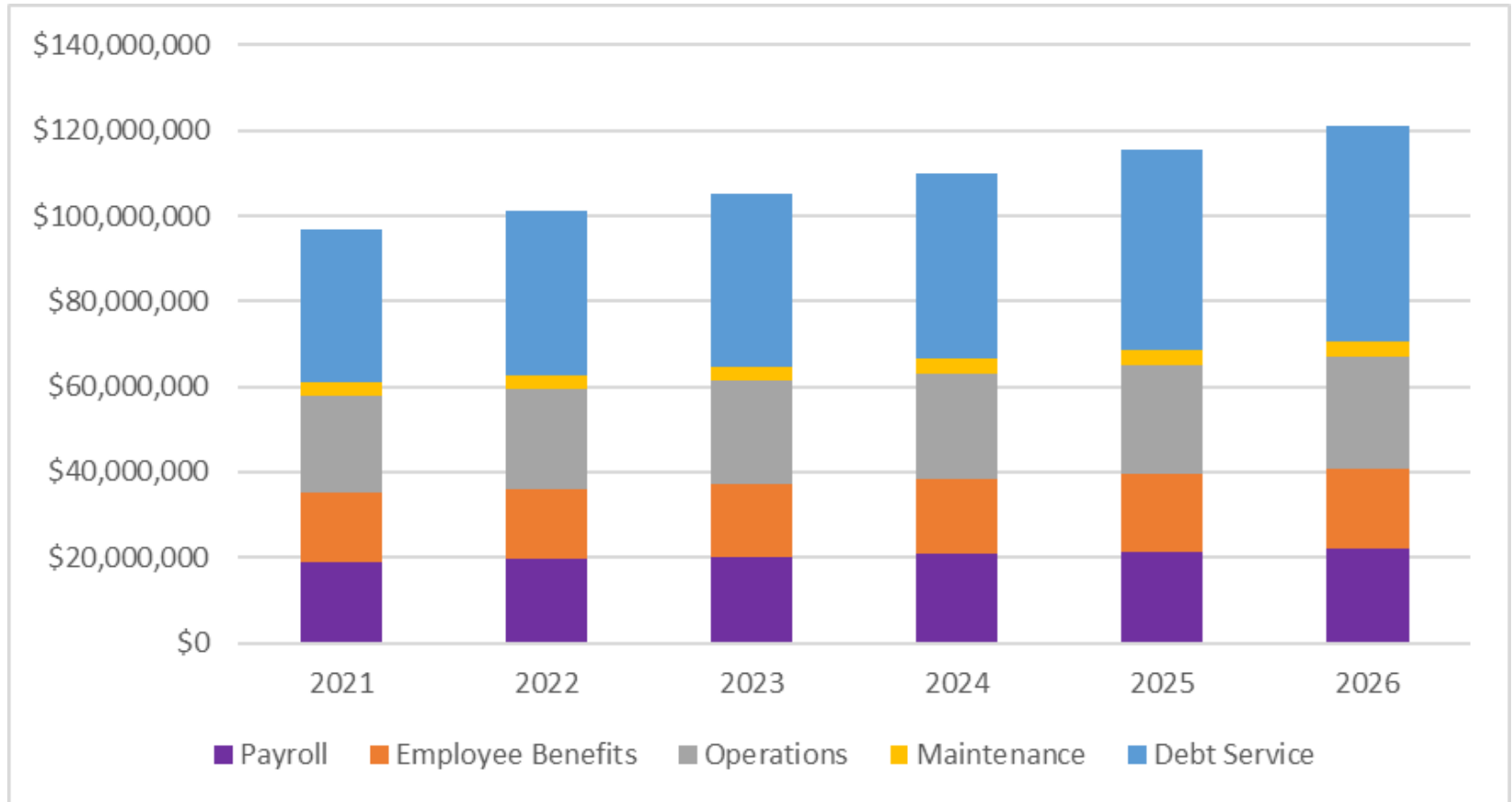
Overview of Financial Model



Projections

- Developed 5-year projections in the model based on the following:
 - 2021 Budget
 - Capital spending of \$90M per year
 - \$40M per year for Water Projects
 - \$35M per year for Sewer Projects
 - \$15M per year for Combined Projects
- As the 2022 Budget is being developed, the model and numbers will be updated/refined

Expenses by Category - Sewer

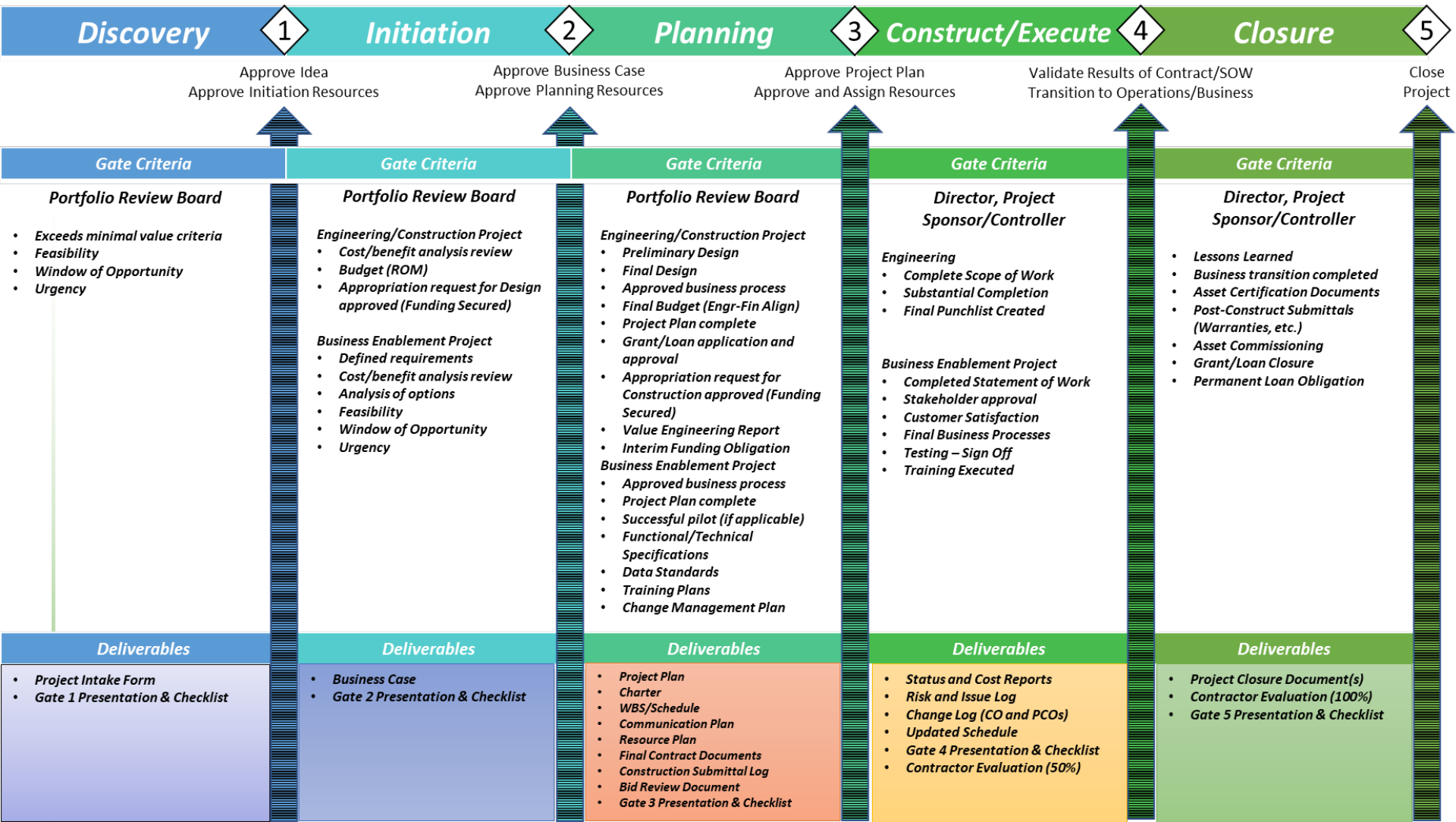


Capital Improvement Process

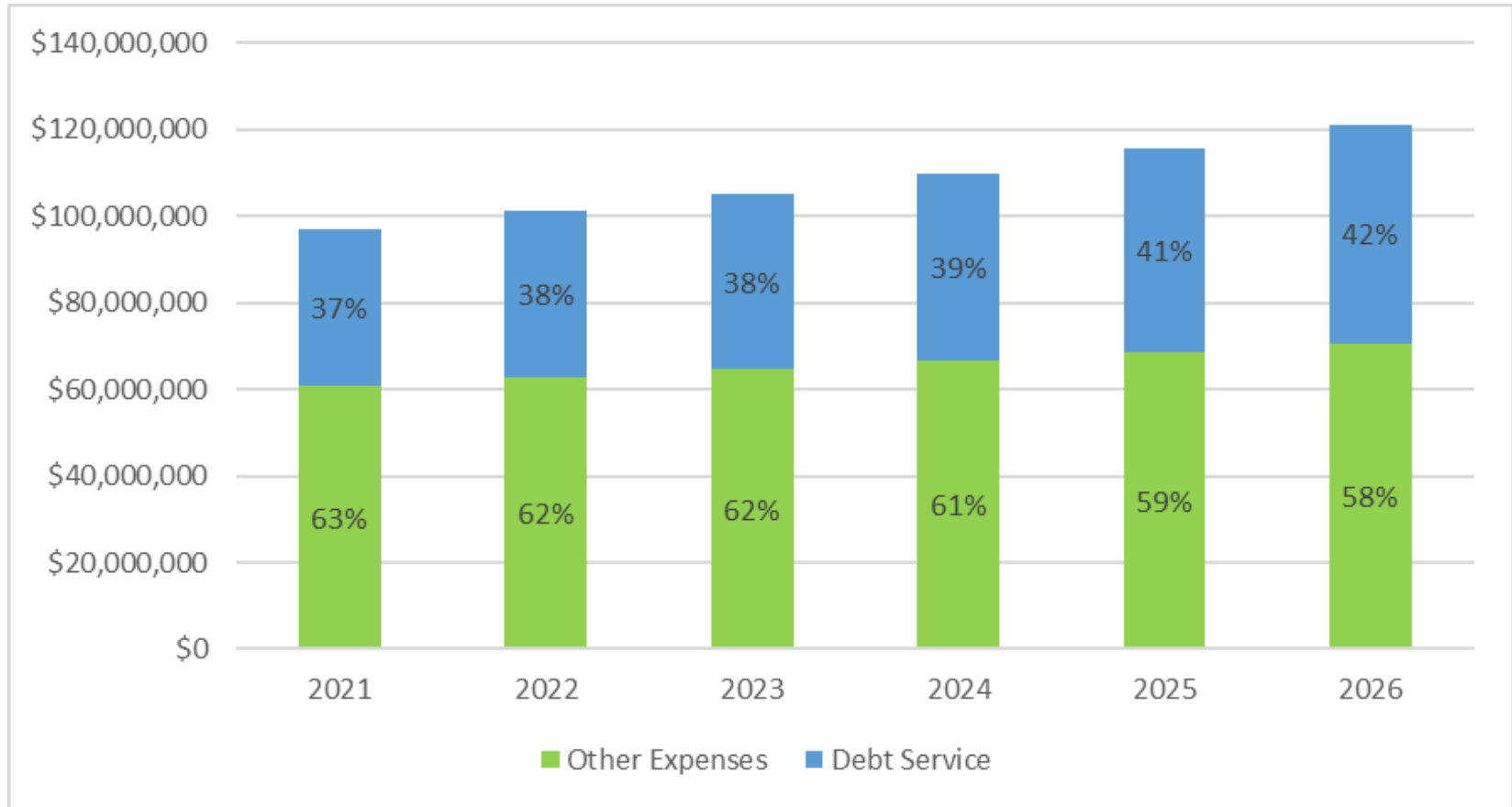
- Project Identification/Discovery
 - Use of MDC's Water and Sewer Asset Management Programs and Prioritization Scoring
 - Long Term Control Plan and Integrated Plan
 - Support of Town Pavement Programs
 - Identification of Asset Failures (Water Main Break History, CCTV Inspections, Facility Equipment Failures, Vehicle Maintenance)
 - Facility Master Plans and Asset Lifecycle
 - Information Technology Master Plan and Business Administrative Needs
- Project Review/Recommendation and Board Authorization
 - MDC Staff review new and ongoing projects throughout the year and develop project list and appropriation request for Board Approval
 - MDC staff seek any applicable grant and low interest loan opportunities for projects
- Project Execution and Completion
 - Project progress is reviewed during execution, all changes are reviewed in a change order committee.
 - Projects are cash flowed and aligned with scheduled and future Bond issuance.
 - Debt Service Payments are forecasted for future year based on current spending and outstanding debt. Future payments are incorporated into future rate adjustments.
 - At project completion, all unspent bond proceeds are returned and/or reallocated.
 - Periodically projects are officially closed out with Board approval

Portfolio Review Board

- In 2020, MDC staff formed a Portfolio Review Board, consisting of Chiefs, Directors and Senior Project Management staff to review MDC's portfolio of projects on a bi-weekly basis.
- Allows MDC to select the right projects, execute at the right time and monitor the efficiency of resources.
- Leverages our evaluation method to prioritize projects against MDC's objectives and within our known budgetary and resource constraints
- Most importantly, to communicate the need for specific projects, the impact of these projects and to obtain alignment and support across all departments in delivering a successful project.
- The review process allows staff to ensure all requirements and approvals are being met through a series of phase tollgates and to address immediate capital needs with an improved understanding of impacts to other projects.

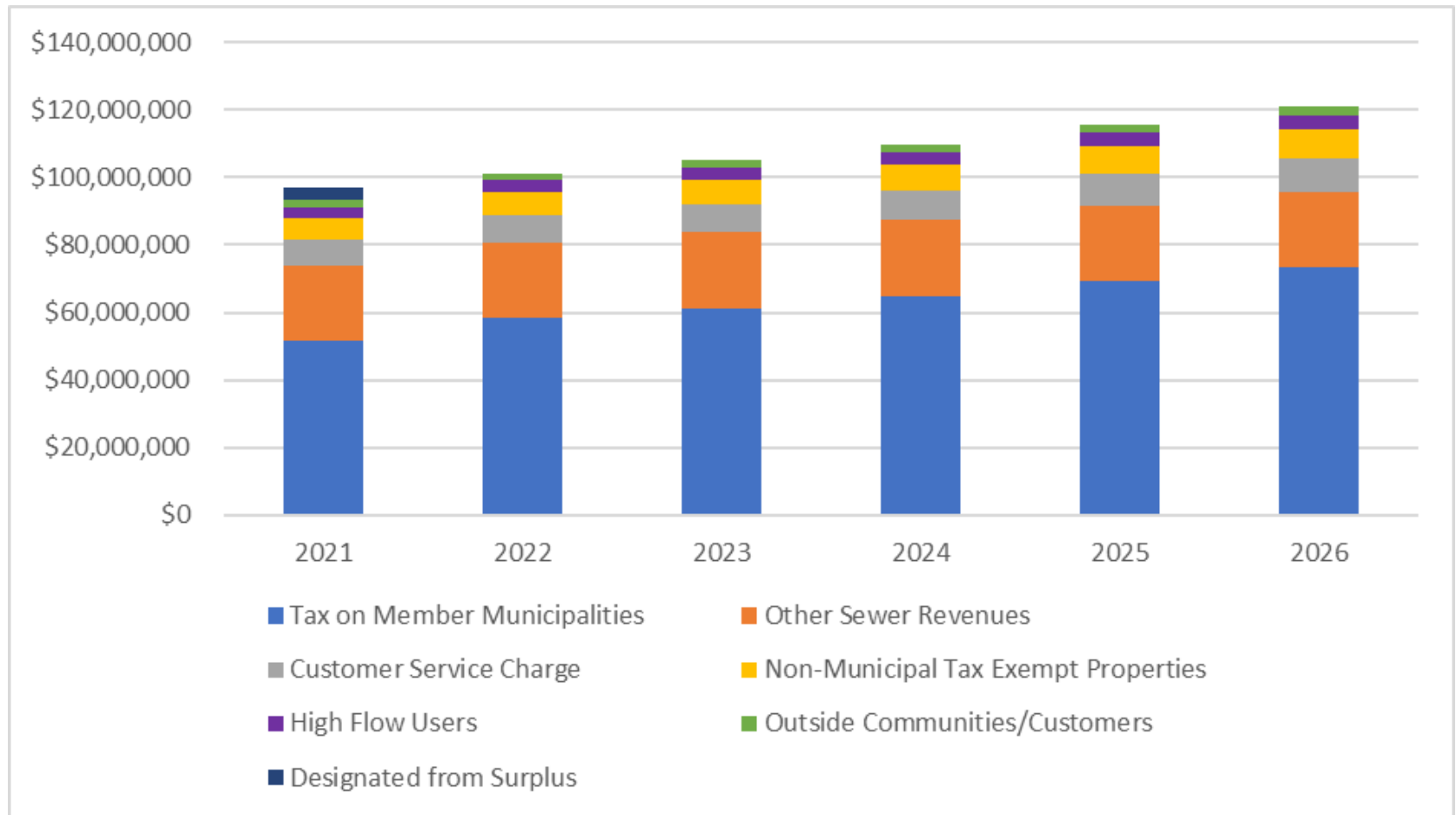


Debt Service to Total Expenses - Sewer



Note: Emergency Sewer On-Call Contracts have added \$500K-\$700K per year (cumulatively) since 2016.

Revenues by Source - Sewer

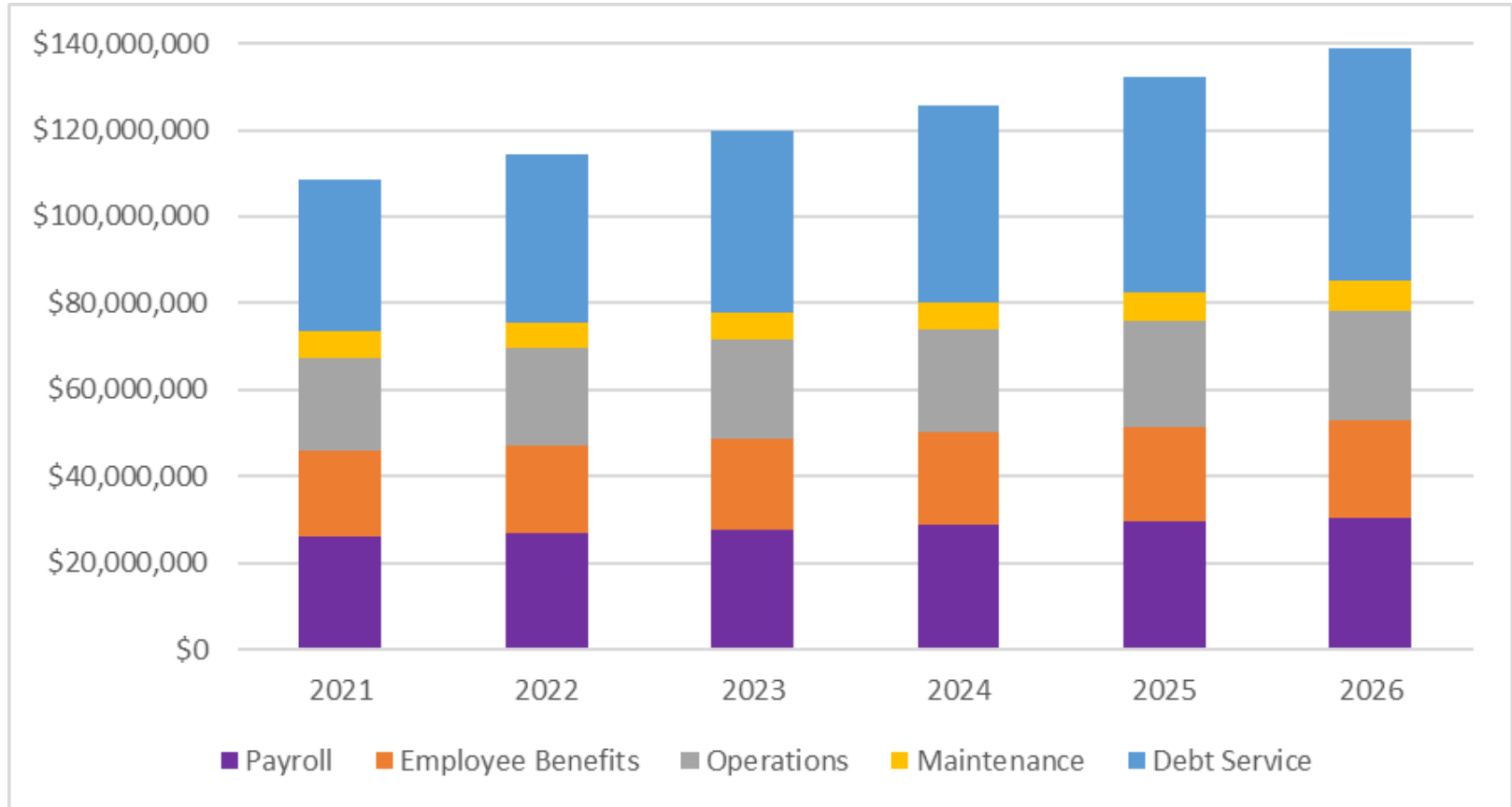


Sewer User Charge – 5.8% average annual increase

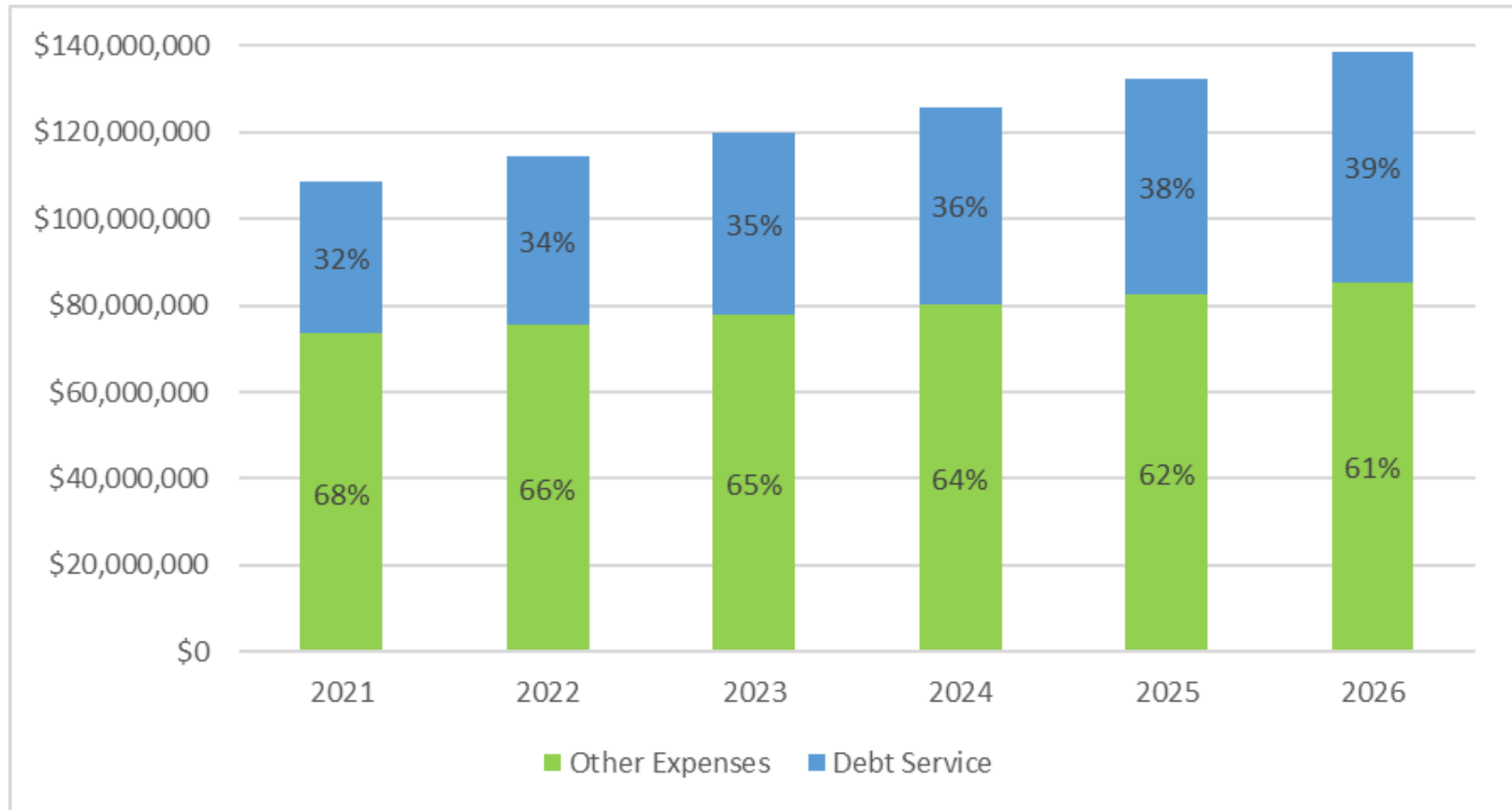
Tax on Member Municipalities (Ad Valorem) – 7.3% average annual increase

Based on 2021 Budget assumptions and inflation factors

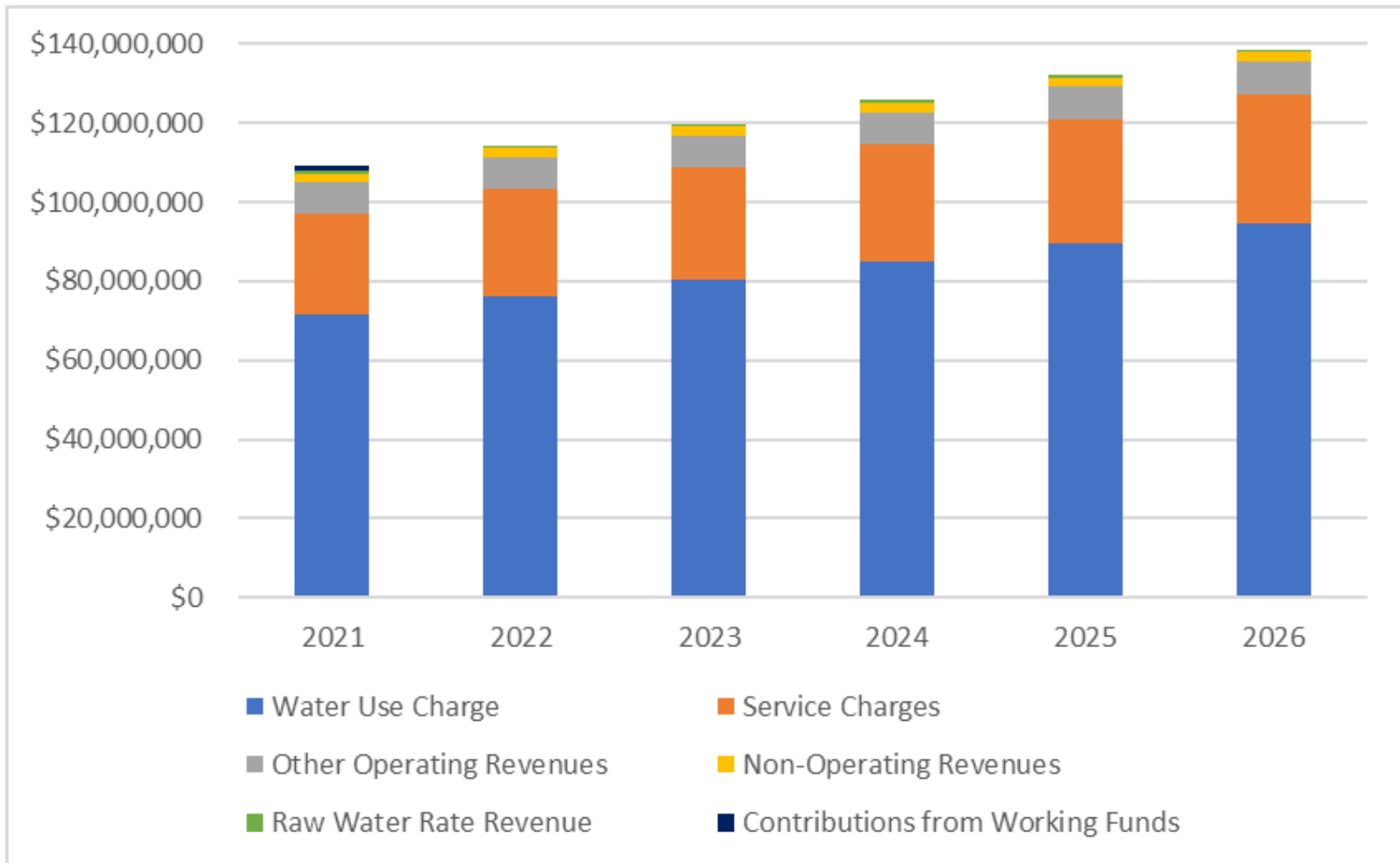
Expenses by Category - Water



Debt Service to Total Expenses - Water



Revenues by Source - Water



Water Rates and Customer Service Charge – 5.8% average annual increase

Based on 2021 Budget assumptions and inflation factors



Financial Model Walkthrough

Demonstration

- Model Overview

Alternative 1 – Reduced Inflation Rates

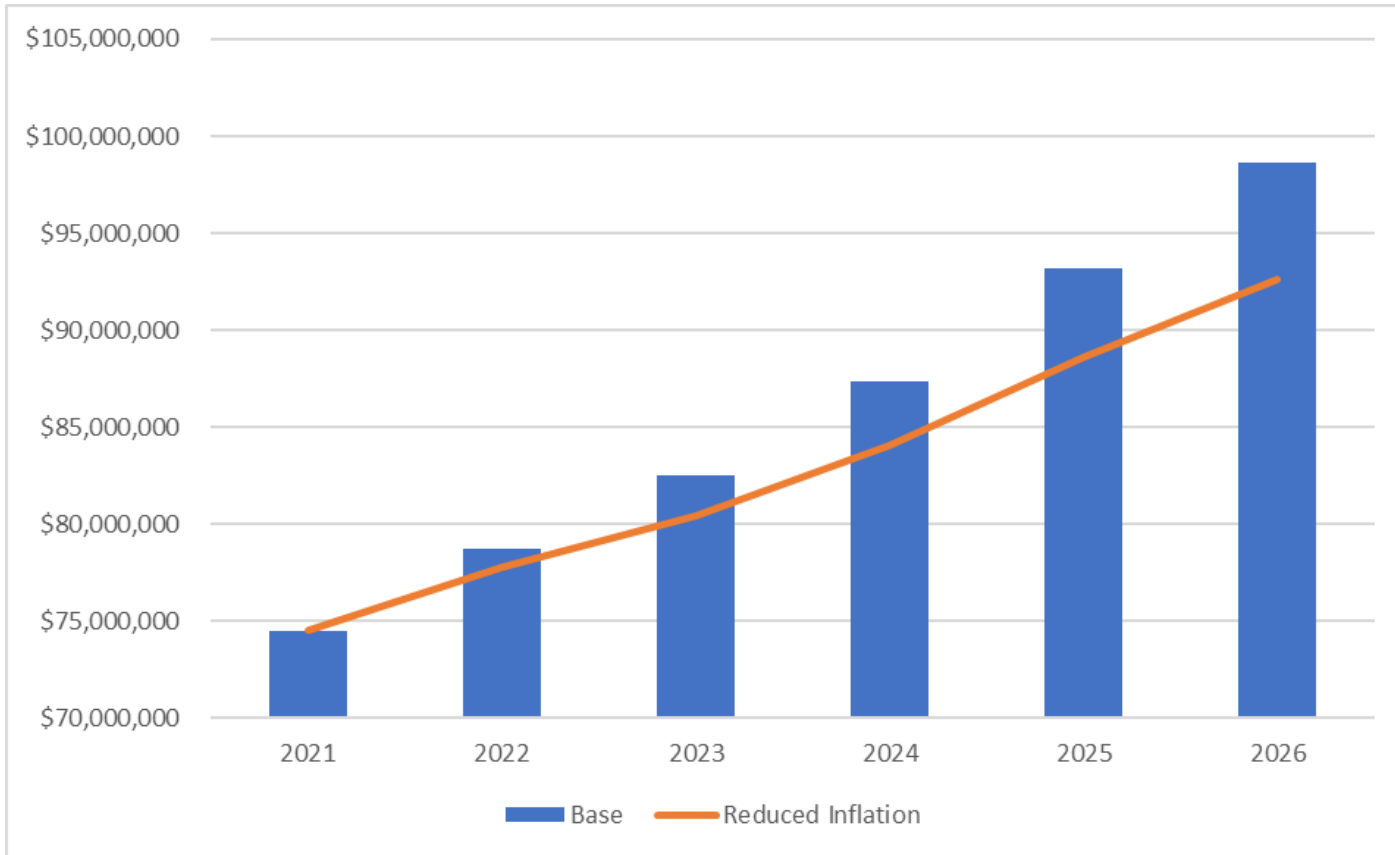
- Base
 - 3.0% O&M Inflation Rate
 - 4.0% Capital Inflation Rate

- Alternative 1 – Reduced Inflation Rates
 - 1.5% O&M Inflation Rate
 - 2.5% Capital Inflation Rate

- Model Run

Alternative 1 – Reduced Inflation Rates

Sewer Revenue Requirement



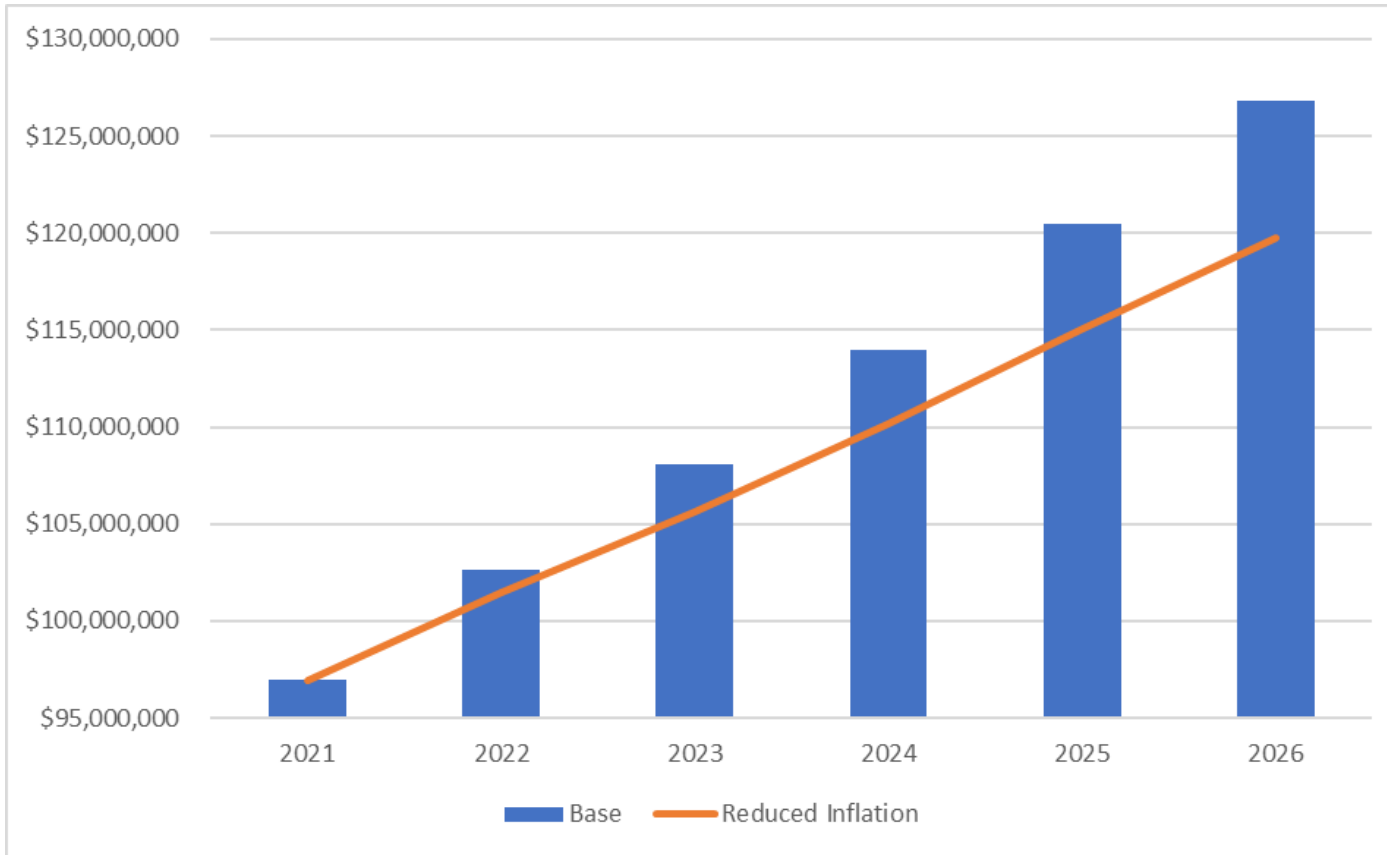
Average Annual Increase:

Base – 5.8%

Reduced Inflation – 4.4%

Alternative 1 – Reduced Inflation Rates

Water Revenue Requirement



Average Annual Increase:

Base – 5.5%

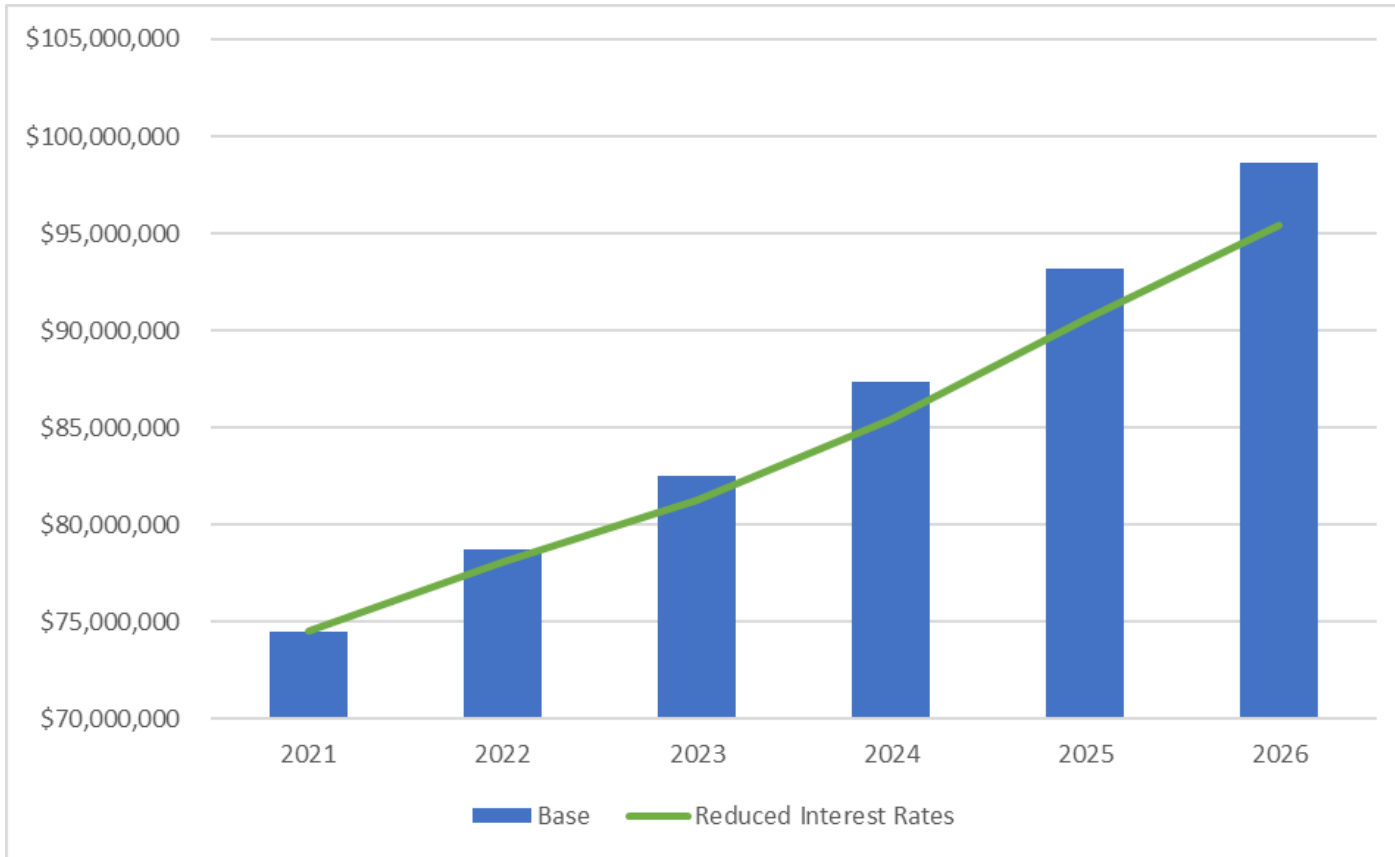
Reduced Inflation – 4.3%

Alternative 2 – Reduced Interest Rate

- Base
 - 4.0% General Obligation Interest Rate
- Alternative 2 – Reduced Interest Rate
 - 2.5% General Obligation Interest Rate
- Model Run

Alternative 2 – Reduced Interest Rate

Sewer Revenue Requirement



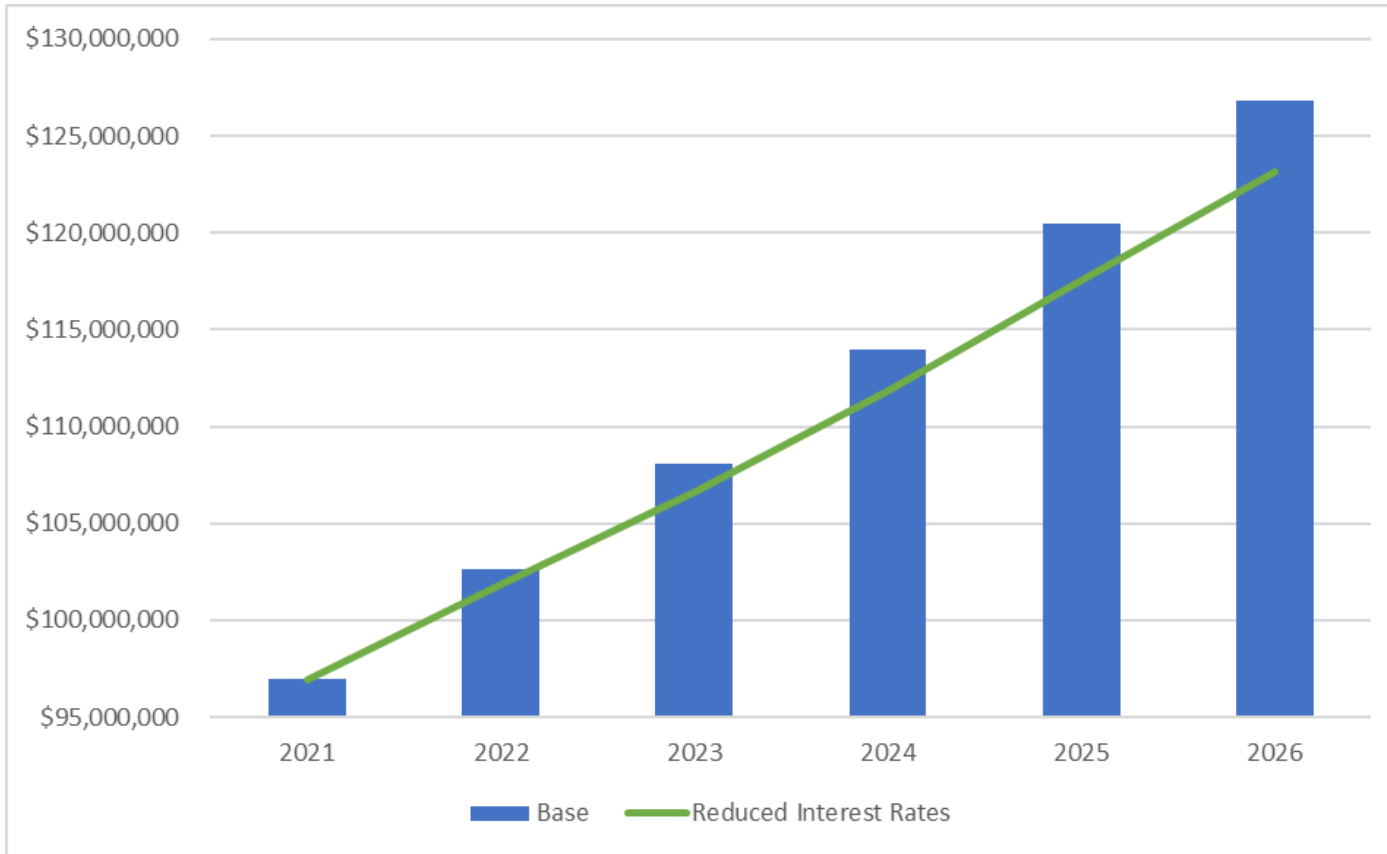
Average Annual Increase:

Base – 5.8%

Reduced Inflation – 5.1%

Alternative 2 – Reduced Interest Rate

Water Revenue Requirement



Average Annual Increase:

Base – 5.5%

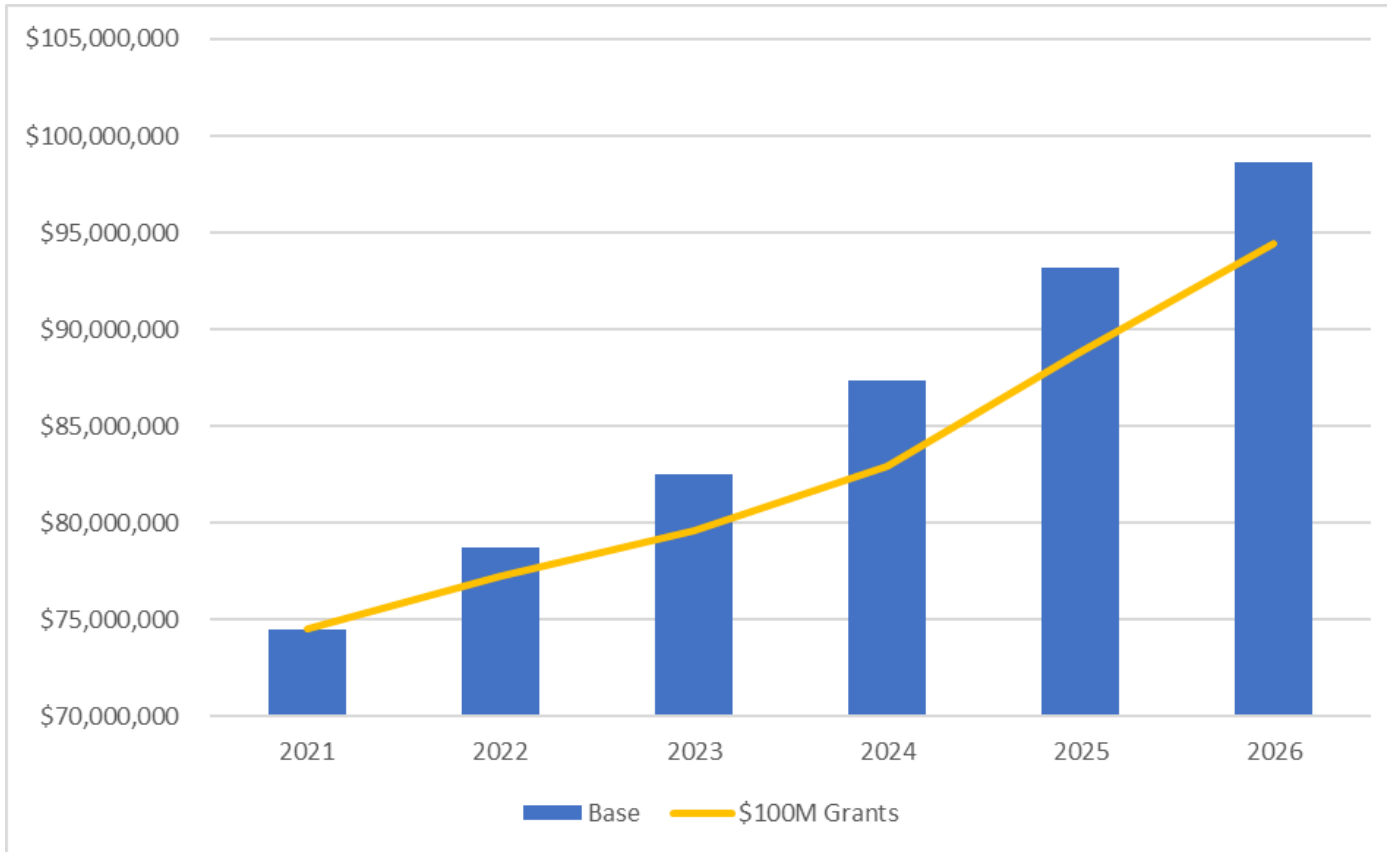
Reduced Inflation – 4.9%

Alternative 3 – \$100M Grants

- Base
 - \$0 in total grants available
- Alternative 3 - \$100M Grants
 - \$100M in total grants available over next 3 years
 - \$50M water, \$50M sewer
- Model Run

Alternative 3 – \$100M Grants

Sewer Revenue Requirement



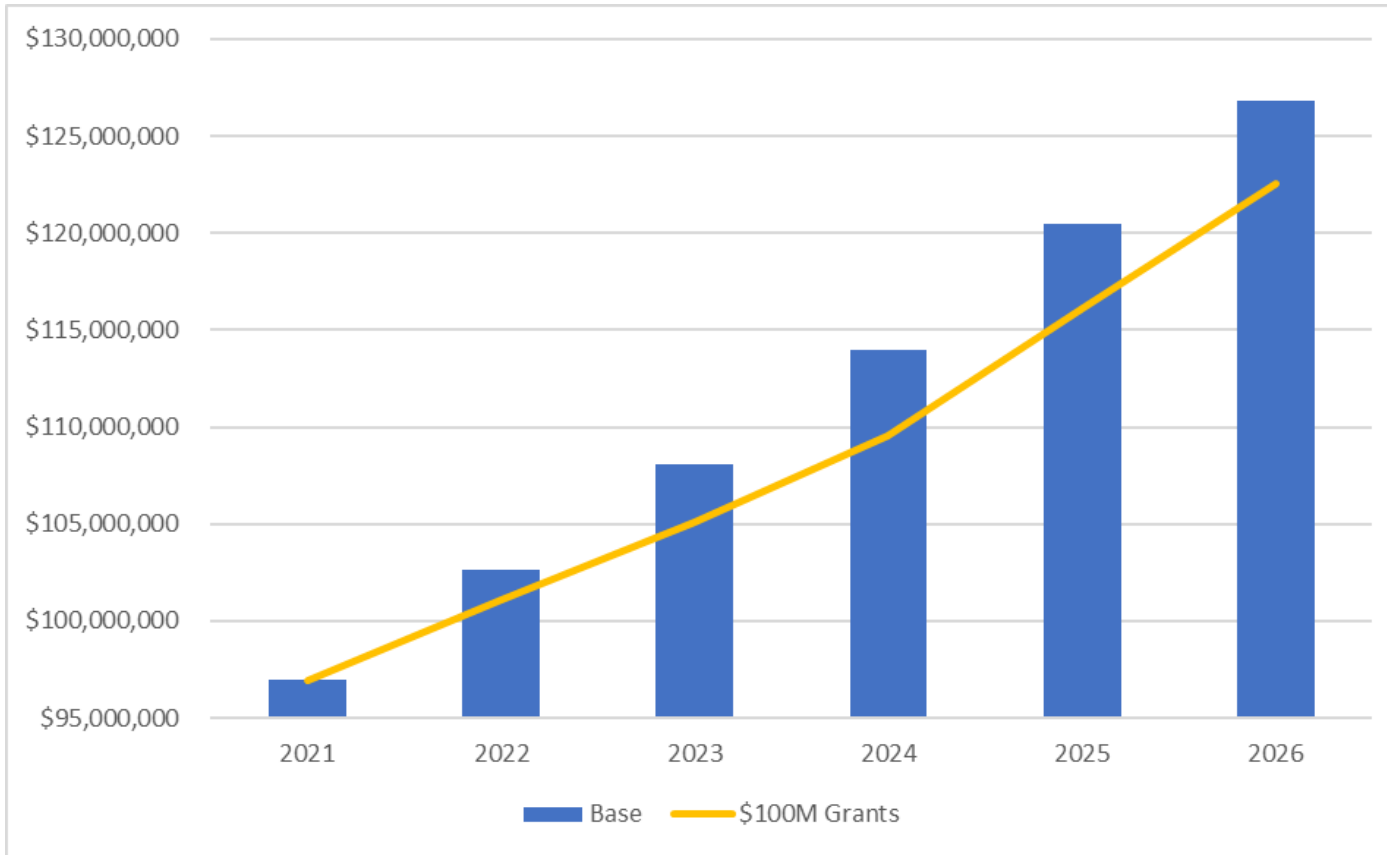
Average Annual Increase:

Base – 5.8%

Reduced Inflation – 4.9%

Alternative 3 – \$100M Grants

Water Revenue Requirement



Average Annual Increase:

Base – 5.5%

Reduced Inflation – 4.8%

Next Steps

- CDM Smith to complete final model refinements, prepare documentation and deliver model to MDC staff for use
- MDC to incorporate information being developed for 2022 Budget into financial projection model
- MDC to develop 5-year projections of rates and charges



Questions

CLOSEOUT OF CAPITAL IMPROVEMENT PROJECTS

To: District Board

June 7, 2021

From: Board of Finance

The District has undertaken the task of updating its Capital Improvement Project (CIP) records. The task includes the identification of projects which have been completed, cancelled, or had a change of scope. Based upon the review, District staff now recommends that the following projects be closed.

WATER CAPITAL IMPROVEMENT PROJECTS

Proj. Definition	Year	BA	Project Description	Town	Budget	Expended Amount	Remaining Balance (UnAuthorize)
C-10003/WAT.CW1246.01	2010	2120	WM Replacement Htfd	Hartford	\$ 1,000,000.00	\$ 549,742.16	\$ 450,257.84
	2010 Total				1,000,000.00	549,742.16	450,257.84
C-11000/WAT.CW1308.01	2011	2120	Water Supply & Watershed Land Imp	Various	1,600,000.00	1,563,239.47	36,760.53
C-11001/WAT.CW1309.01	2011	2120	Water Pump Station Improvements	Various	1,200,000.00	870,896.86	329,103.14
	2011 Total				2,800,000.00	2,434,136.33	365,863.67
C-99M13/WAT.CW1358.01	2013	2120	Meter Replacement	Various	5,000,000.00	3,277,388.61	1,722,611.39
	2013 Total				5,000,000.00	3,277,388.61	1,722,611.39
C-14001/WDS.DM0014.01	2014	2120	General Purpose Water	Various	3,500,000.00	3,282,924.15	217,075.85
C-14004/WDS.TM0014.01	2014	2120	Various Transmission Main	Various	2,100,000.00	969,808.41	1,130,191.59
C-14006/WDS.TM0414.01	2014	2120	Transmission Main Ext Newington	Newington	3,500,000.00	1,461,372.68	2,038,627.32
	2014 Total				9,100,000.00	5,714,105.24	3,385,894.76
C-15000/WDS.BL0015.01	2015	2120	WHWTF Water Storage Improvements	West Hartford	2,900,000.00	2,662,336.47	237,663.53
C-15002/WDS.TM0015.01	2015	2120	Various Transmission Main	Various	2,000,000.00	1,241,236.07	758,763.93
C-15005/WDS.TM0215.01	2015	2120	Garden St Area WMR	Wethersfield	3,000,000.00	2,166,823.80	833,176.20
C-15008/WDS.PS1815.01	2015	2120	Puddletown Booster WPS	New Hartford	3,300,000.00	515,481.90	2,784,518.10
C-15018/WSH.RW0015.01	2015	2120	Raw Water Pipeline Improvements Ph 2	Various	5,000,000.00	-	5,000,000.00
C-15019/WTF.BN01515.01	2015	2120	Reservoir #6 Basin Improvements	Bloomfield	1,000,000.00	-	1,000,000.00
C-99M15/WDS.MT0015.01	2015	2120	RFA Meter Reading Program	Various	4,500,000.00	1,972,788.01	2,527,211.99
	2015 Total				21,700,000.00	8,558,666.25	13,141,333.75
C-16001/WDS.DM0716.01	2016	2120	Simmons Rd Area WM	East Hartford	3,800,000.00	1,942,228.14	1,857,771.86
	2016 Total				3,800,000.00	1,942,228.14	1,857,771.86
C-17001/WDS.DM0117.01	2017	2120	Bond St Area WM Replacement	Hartford	5,100,000.00	3,728.04	5,096,271.96
C-17009/WTF.BN0517.01	2017	2120	Reservoir #6 Filtered Basin Rehabilitation	Bloomfield	6,500,000.00	-	6,500,000.00
C-17011/WTF.TP1017.01	2017	2120	WHWTF Pipe and Valve Replacement	W. Hartford	1,500,000.00	-	1,500,000.00
C-99H17/WDS.EQ0017.01	2017	2120	Hydrant Replacement Program	Various	1,600,000.00	236,933.18	1,363,066.82
C-99M17/WDS.MT0017.01	2017	2120	Meter Replacement	Various	1,500,000.00	509,633.56	990,366.44
C-99P17/WDS.DM0017.02	2017	2120	Paving Program	Various	3,500,000.00	2,904,203.38	595,796.62
	2017 Total				19,700,000.00	3,654,498.16	16,045,501.84
C-99M18/WDS.MT0018.01	2018	2120	Meter Replacement	Various	1,000,000.00	601,973.46	398,026.54
	2018 Total				1,000,000.00	601,973.46	398,026.54
	Grand Total				\$ 64,100,000.00	\$ 26,732,738.35	\$ 37,367,261.65

SEWER CAPITAL IMPROVEMENT PROJECTS

Proj. Definition	Year	BA	Project Description	Town	Budget	Expended Amount	Remaining Balance (UnAuthorize)
C-07000/WWA.CS1140.01	2007	2110	WPCF Security & Communications	MDC	\$ 3,200,000.00	\$ 2,587,466.24	\$ 612,533.76
	2007 Total				3,200,000.00	2,587,466.24	612,533.76
C-08000/WWA.CS1128.01	2008	2110	WPC Infrastructure R&I	MDC	2,000,000.00	1,868,664.71	131,335.29
	2008 Total				2,000,000.00	1,868,664.71	131,335.29
C-09002/WWA.CS1134.01	2009	2110	WPC Infrastructure R&I	MDC	4,455,000.00	4,341,413.96	113,586.04
	2009 Total				4,455,000.00	4,341,413.96	113,586.04
C-10005/WWA.CS1154.01	2010	2110	Dividend Brook Area	Rocky Hill	4,800,000.00	423,071.84	4,376,928.16
	2010 Total				4,800,000.00	423,071.84	4,376,928.16
C-13006/WWA.CS1206.01	2013	2110	Meadow St Sewer Pump Station	Newington	620,000.00	519,687.51	100,312.49
C-13007/WWA.CS1211.01	2013	2110	Oakwood Ave Sewer	West Hartford	4,560,000.00	1,978,884.07	2,581,115.93
C-20016/WWA.CS1214.01	2013	2110	2013-General Purpose Sewer	Hartford	61,866.57	61,866.57	-
	2013 Total				5,241,866.57	2,560,438.15	2,681,428.42
C-14014/SCS.SR0014.03	2014	2110	Sewer Rehabilitation Program	Various	5,000,000.00	3,512,918.30	1,487,081.70
C-14017/SCS.SR0114.02	2014	2110	Madison Ave Sewer Rehab	Hartford	1,000,000.00	236,663.51	763,336.49
	2014 Total				6,000,000.00	3,749,581.81	2,250,418.19
C-15015/WPC.FA0115.04	2015	2110	HWPCF SPB Electrical Upgrade	Hartford	4,600,000.00	4,522,724.51	77,275.49
C-15023/SCS.SR0015.03	2015	2110	Folly Brook Sewershed	Various	5,000,000.00	1,463.81	4,998,536.19
C-15026/SCS.SR0015.07	2015	2110	Various Sewer Pipe R&R	Various	5,000,000.00	4,913,542.56	86,457.44
C-99P15/SCS.SR0015.08	2015	2110	Paving Program	Various	2,500,000.00	2,135,258.16	364,741.84
	2015 Total				17,100,000.00	11,572,989.04	5,527,010.96
C-16006/SCS.SR0016.02	2016	2110	Various Sewer Pipe R&R	Various	1,000,000.00	755,069.13	244,930.87
	2016 Total				1,000,000.00	755,069.13	244,930.87
C-17013/SCS.SR0017.02	2017	2110	Dividend Brook Dam Area	Rocky Hill	5,600,000.00	-	5,600,000.00
C-17017/SCS.SR0017.07	2017	2110	Various Sewer Segment R&R	Various	2,000,000.00	1,824,855.57	175,144.43
C-17018/SCS.SR0117.01	2017	2110	Bond St Area Sewer	Hartford	400,000.00	-	400,000.00
C-99P17/SCS.SR0017.04	2017	2110	Paving Program	Various	1,500,000.00	750,800.76	749,199.24
	2017 Total				9,500,000.00	2,575,656.33	6,924,343.67
C-18012/SCS.SR0018.05	2018	2110	Various Sewer Pipe R&R	Various	4,000,000.00	3,901,409.49	98,590.51
	2018 Total				4,000,000.00	3,901,409.49	98,590.51
	Grand Total				\$ 57,296,866.57	\$ 34,335,760.70	\$ 22,961,105.87

COMBINED CAPITAL IMPROVEMENT PROJECTS

Proj. Definition	Year	BA	Project Description	Town	Budget	Expended Amount	Remaining Balance (UnAuthorize)
C-13017/COM.CFP179.01	2013	2113	Land Improvements	MDC	\$ 1,000,000.00	\$ 604,478.53	\$ 395,521.47
	2013 Total				1,000,000.00	604,478.53	395,521.47
C-15030/COM.EQ0015.01	2015	2113	IT Finance Modules	MDC	5,000,000.00	5,000,000.00	-
C-15031/COM.EQ0015.02	2015	2113	IT Operational Modules	MDC	5,000,000.00	4,999,193.58	806.42
C-15032/COM.EQ0015.03	2015	2113	IT- BT SAP Upgrade	MDC	5,000,000.00	4,955,455.32	44,544.68
C-99F15/COM.VE0015.01	2015	2113	Fleet Replacement	MDC	2,100,000.00	2,080,910.13	19,089.87
	2015 Total				17,100,000.00	17,035,559.03	64,440.97
C-16009/COM.TK0016.01	2016	2113	UST Removal	MDC	800,000.00	640,577.85	159,422.15
	2016 Total				800,000.00	640,577.85	159,422.15
C-99F18/COM.VE0018.01	2018	2113	Fleet Replacement	MDC	800,000.00	788,819.40	11,180.60
	2018 Total				800,000.00	788,819.40	11,180.60
COM.OT0019.01	2019	2113	Construction Services	MDC	3,500,000.00	2,149,159.50	1,350,840.50
COM.OT0019.02	2019	2113	Engineering Services	MDC	2,500,000.00	2,297,449.95	202,550.05
COM.OT0019.03	2019	2113	Survey & Construction	MDC	5,000,000.00	4,183,802.92	816,197.08
COM.OT0019.04	2019	2113	Technical Services	MDC	3,400,000.00	3,353,371.46	46,628.54
	2019 Total				14,400,000.00	11,983,783.83	2,416,216.17
	Grand Total				\$ 34,100,000.00	\$ 31,053,218.64	\$ 3,046,781.36

CLOSEOUT OF ASSESSABLE SEWER PROJECT

Proj. Definition	Year	BA	Project Description	Town	Budget	Expended Amount	Remaining Balance (UnAuthorize)
C-10006/WWA.CSA446.20	2010	2130	Back Lane	Newington	\$ 256,000.00	\$ 14,127.34	\$ 241,872.66
Grand Total					\$ 256,000.00	\$ 14,127.34	\$ 241,872.66

At a Board of Finance meeting held on May 12, 2021, it was:

Voted: That the Board of Finance recommends to the District Board passage of the following resolution:

Resolved: That the District Board approves appropriation closeouts for the projects listed above.

Respectfully submitted,



John S. Mirtle, Esq.
District Clerk