

**COMMITTEE ON MDC GOVERNMENT
SPECIAL MEETING**

555 Main Street
Hartford, Connecticut 06103
Monday, December 5, 2022

Present: Commissioners John Avedisian, Avery Buell, Peter Gardow, Allen Hoffman, Jean Holloway, Alvin Taylor and District Chairman William A. DiBella (7)

Remote

Attendance: (0)

Absent: Commissioners James Healy and Maureen Magnan (2)

Also

Present: Commissioner Donald Currey
Commissioner Joan Gentile (Remote Attendance)
Commissioner Jackie Mandycyk
Commissioner Bhupen Patel (Remote Attendance)
Christopher Stone, District Counsel
John S. Mirtle, District Clerk
Christopher Levesque, Chief Operating Officer
Kelly Shane, Chief Administrative Officer
Robert Barron, Chief Financial Officer
Jamie Harlow, Director of Human Resources
Robert Schwarm, Director of Information Services
Tom Tyler, Director of Facilities
Piotr Kryzk, Financial Analyst
Victoria Escoriza, Executive Assistant
Dylan Pecego, IT Consultant (Remote Attendance)
Joseph Szerejko, Independent Consumer Advocate (Remote Attendance)

CALL TO ORDER

Chairman Hoffman called the meeting to order at 4:03 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

Judy Allen of West Hartford submitted the following written comments:

“As you consider water and sewer rates for 2023, I must again call your attention to the discounts for large volume water users. Currently only one customer can make use of the discount. No other customer is even close to using that amount of water. It is clear that this customer buys water in response to market conditions and not because of discounts.

Therefore, since the establishment of these discounts, the MDC has lost over \$1,033,000 in revenue.

This discount has been called an economic development rate, yet this large volume user rate has no end date. A typical economic development rate is gradually lessened over time such that eventually the business is paying full freight just as all other customers do.

While there is nothing preventing you from reducing the amount of the discount, in the past 2 years there has been no indication that a reduction over time is being considered.

This rate has failed to accomplish its goal. It has not attracted any new industry to the MDC member towns, it has not resulted in Niagara Bottling buying extra huge amounts of water.

The action you should take is quite clear. Either decide to eliminate the large volume user rate, or begin to reduce it.

What is proposed for next year is a rate for large volume users that is \$.75 less than the rest of us pay. Take one baby step toward making this a true economic development rate, reduce the large volume water rate by just one nickel. At least have a discussion about the discounted rates in public. Niagara is here, it is established, they aren't moving out.

MDC is abundantly fortunate to have plentiful water. Other parts of our state are in dire need of potable water. Please set an example of being good stewards of our water and don't give away water while others struggle."

Thank you,
Judy Allen
West Hartford

APPROVAL OF MINUTES

On motion made by District Chairman DiBella and duly seconded, the meeting minutes of November 2, 2022 were approved.

REVISION DISTRICT ORDINANCES

To: Committee on MDC Government for consideration December 5, 2022

District staff, through the Office of District Counsel, submits the following ordinance revisions and additions to The Metropolitan District Water and Sewer Ordinances for consideration by the Committee on MDC Government.

Therefore, it is **RECOMMENDED** that it be

VOTED: That the Committee on MDC Government recommends to the District Board passage of the following resolution:

RESOLVED: That the following revisions and additions to The Metropolitan District Water and Sewer Ordinances be adopted as follows:

WATER SUPPLY ORDINANCES:

§ W1a “WATER USED CHARGE (TREATED WATER)”

§ W1f “SURCHARGE OUTSIDE THE METROPOLITAN DISTRICT FOR CAPITAL IMPROVEMENTS”

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 MONTHLY</u>	<u>RATE</u>
	\$4.09 \$3.80 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 MONTHLY</u>	<u>RATE</u>
	\$4.09 \$3.80 per 100 Cubic Feet

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

<u>BILLS RENDERED MONTHLY</u>	<u>RATE</u>
	\$3.34 \$3.05 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:

<u>BILLS RENDERED MONTHLY</u>	<u>RATE</u>
	\$4.09 \$3.80 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).

MONTHLY BILLING

SIZE OF METER	Farmington		Glastonbury <u>Amendment</u>			South Windsor		Manchester	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
5/8"	\$2.26	\$1.84	\$1.76	\$1.63	\$1.60	\$1.33	\$1.46	\$2.84	\$2.79
3/4"			\$2.64	\$2.44	\$2.39	\$2.00	\$2.19		
1"	\$4.52	\$3.68	\$3.53	\$3.25	\$3.19	\$2.67	\$2.92	\$5.68	\$5.57
1 1/2"	\$9.04	\$7.36	\$7.05	\$6.50	\$6.39	\$5.33	\$5.85		
2"	\$169.44	\$138.08	\$132.24	\$121.93	\$119.74	\$99.95	\$109.67		
3"	\$395.36	\$322.20	\$308.55	\$284.51	\$279.39	\$233.24	\$255.90	\$496.79	\$487.54
4"	\$677.76	\$552.33	\$528.95	\$487.73	\$478.96	\$399.79	\$438.68		
6"	\$903.68	\$736.45			\$638.61	\$533.05	n/a	\$1,135.52	\$1,114.38
8"	\$2,259.20	\$1,841.12							

SEWER ORDINANCES:

§ S12X “SPECIAL SEWER SERVICE CHARGE FOR CAPITAL IMPROVEMENTS TO THE SEWERAGE SYSTEM”

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

- ~~a.)~~ (1) 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), and 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.)~~ (2) 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.)~~ (3) 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 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 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 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 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.

~~e.)~~ (4) 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) 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; (b) and a certain consent order (Consent Order No. 5434) executed by and between The Metropolitan District and the State of Connecticut on or about November 6, 2006 relating to the reduction of combined sewer overflows; (c) 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 October 5, 2018; and (d) a certain consent order (Consent Order No. COWRMU22002) executed by and between The Metropolitan District and the State of Connecticut relating to the implementation of an integrated planning concept dated September 12, 2022, as such decree and orders may be amended from time to time, and specifically for payment of capital expenditures in connection with compliance with the decree or orders, or payment of debt service on indebtedness of The District incurred for purposes of funding expenditures in connection with compliance with such decree and orders. 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: (i) 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; and (ii) any obligation of The Metropolitan District incurred in furtherance of compliance with Consent Order No. COWRMU22002, including, but not limited to, any indebtedness incurred or capital expenditures made pursuant to Public Act No. 15-114.

~~e.)~~ (5) 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

***Chairman DiBella moved to amend the resolution as shown above in blue text.
The amendment was adopted by unanimous vote of those present.***

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

OPPORTUNITY FOR GENERAL PUBLIC COMMENTS

No one from the public appeared to be heard.

ADJOURNMENT

The meeting was adjourned at 4:15 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval