

## QUARTERLY REPORT OF INDEPENDANT CONSUMER ADVOCATE

### METROPOLITAN DISTRICT COMMISSION

JANUARY-MARCH 2019

#### INDIVIDUAL CONSUMER ISSUES

Approximately eleven individual consumer complaints/inquiries were addressed during the quarter. As usual, several involved high bill issues or claims of improper billing. At least two of these resulted in bills being reduced. One new theme which appeared was the potential for health impacts resulting from the installation of automatic meter reading devices on District water meters. These devices represent an operational cost savings to the District as well as greater billing accuracy, especially after the advent of monthly billing. However, there have been claims of adverse health impacts as a result of the increased radio waves. Research has indicated that several states/localities have addressed these issues but no jurisdiction has banned the use of these devices. Several jurisdictions, including California and Utah localities have required that customers be given the option of not having such devices installed. In all known instances of the 'opt out' option being offered, customers have been required to pay an additional fee due to the added cost of manual reading. A suggestion has been made to the District to consider such opt out options.

In addition to the foregoing, another notable pattern has been complaints related to the substantial increase in private fire protection connection charges for larger connections-8 inches and above. These charges were tripled based on the additional flow of these larger connections. Any adjustment to these charges will be addressed in the next budget cycle for the 2020 budget. However, investigation of at least complaint resulted in a substantial reduction in private fire protection charges due to a mistake in counting the number of such connections. The MDC billing had been based on there being four fire connections when in fact there were only two. As a result a small condominium community in West Hartford received a \$12,000 bill credit for 6 years of overbilling.

#### LONG TERM CONTROL PLAN AFFORDABILITY

As in prior quarters, the financial affordability of the Long Term Control Plan(LTCP) was addressed. Additional research demonstrated that the affordability calculation in the LTCP understated the financial impact of the plan on customers in Hartford and East Hartford. While the total affect on affordability was modest, it was sufficient to drive the affordability above the 2% limit that the EPA has established for sewer rates.

In addition to the above research, there was considerable discussion on the use of ad valorem taxes vs. the Clean Water Project surcharge to support the cost of the LTCP. After discussion between the ICA and MDC counsel it was established that the LTCP could be supported by either or both of these charges.

## AD VALOREM STUDY

In 2017, the MDC and member towns undertook a study of the Ad Valorem tax as set forth in the MDC charter and as administered by the MDC. The results of that study were distributed during the quarter. It demonstrated different ways the costs of sewers could be allocated by different methods of calculating the ad valorem tax as well as transitioning from an ad valorem tax to user fees, i.e. actual users would pay through their water and sewer bills for the entire cost of the sewer system. (Currently customers are billed for clean water project charges while the other costs associated with sewers are largely paid for by ad valorem taxes.)

The ICA has raised a number of questions regarding the assumptions used for this study and the impacts of those assumptions on the results. For example, the study assumed equal average use of water (and therefore sewer) throughout the District. That is, it assumed that the average customer in Hartford used the same amount of water as the average customer in West Hartford. In addition the amount of average use per customer of 72ccf appears inconsistent with average use calculated by the District.

A meeting of the member towns, MDC, and the consultant who undertook the study has been scheduled for late April where these issues should be addressed.

## PUBLIC OUTREACH

The Advocate participated in a meeting of the Windsor Conservation Commission via a presentation and response to questions. The meeting was attended by approximately 30 people. The focus of the meeting was the LTCP, its possible modification, and its cost implications for customers over the long term.

As a follow up to the statutorily required consumer meeting in October, 2017, a daytime meeting has been scheduled in West Hartford for May. It has been advertised by notices on bills throughout April billings and postings at various senior centers.

There have been two interviews with local press.

## POSSIBLE LEGISLATION

MDC proposed a bill regarding the undertaking by the District of storm water responsibility which is currently within the purview of member towns. The proposal had far ranging cost and environmental potential impacts on customers of the District. The Advocate provided an analysis of the bill's potential impacts to customers and town officials. It appears that the bill will not go forward this session.

## PLAN FOR NEXT QUARTER

The Advocate, in addition to individual complaints, will focus its efforts in the second quarter on the affordability issues raised by the LTCP and the implications of the Ad Valorem study.