Monday, November 19, 2018
Board of Finance
Public Hearing Statements

The following public comments were made at The Metropolitan District Board of Finance public hearing held on November 19, 2018 regarding the District’s proposed 2019 budget. The District’s responses to the comments are in red below.

“$1.8Mil or 17.3% increase in Ad Valorem tax proposed would be highest Ad Valorem increase the town of West Hartford has ever seen. The increase would almost double West Hartford’s Ad Valorem tax that was paid 10 years ago. Last year’s increase was $1Million or 10.8%. This is the 2nd highest increase in any expenditure category in West Hartford’s town budget in 2019”

The 2019 proposed ad valorem tax on West Hartford is $11,859,800. In 2009, the ad valorem tax comprised 3.3% of West Hartford’s adopted budget while in 2019 it will comprise 3.7%.

“A significant portion of the proposed budget increase is related to a robust capital plan to repair and replace the aging sewer system infrastructure.”

A large portion of the ad valorem increases are due to debt for capital improvements to the sewer system. The aging infrastructure and increasing number and expense of sewer collapses puts a strain on capital spending in a productive “fix it before it breaks” mentality. By moving ahead with an Integrated Plan the District is hoping to make improvements in the sewer system that are needed in order to comply with a consent decree and consent order by the State and Federal Environmental Departments and pay for them by using the Clean Water Project Charge and not ad valorem. The Metropolitan District has drafted the 5 year update required under these orders, and is submitting it for public comment this month. This plan attempts to mitigate cost increases by focusing on all of the various needs of the region’s sanitary and storm water systems, and extending the duration of the CWP and timetable for the identified CIP priorities order a longer period of time to address the financial and affordability concerns of both the water customer and our member towns.

“Due to the recent changes in Federal tax laws, many residents cannot deduct their share of the Ad Valorem in their tax filings. The accepted and practiced method is to actually charge all users the full cost of water consistently and fairly” not through Ad Valorem. Sewer User Fee methodology is used by virtually every other sewer and water authority in the country.”

The Ad Valorem System is mandated under Section 3-13 of the MDC Charter. If the system of paying for Sewer Use is to be changed, it can only be changed through an Act of the General Assembly. The sewer user charge study, which the MDC funded but did not control, is due to be completed in the near term.

“Section 1.1 of the MDC Charter states that the MDC is capable of suing and being sued. So this means the citizens and/or member towns can sue the MDC. There is nothing in the Charter of the MDC stating that the
MDC has anything to do with Economic Development, its job is to provide water, not promote the use or waste of water or create jobs/economic development.”

Section 2-12b “Miscellaneous Powers (Bonds) states: “The exercise of the powers granted hereby shall be in all respects for the benefit of the inhabitants of the district, for the increase of their commerce and for the promotion of their safety, health, welfare, convenience and prosperity”

While the MDC may be sued, any suit against the MDC must relate to a recognized cause of action.

“The Charter also states in section 5-4 that the MDC has to provide uniform rates for service, not varied or staggered rates dependent on the level of use or category of consumer.”

Section 5-4 provides that rates shall be uniform throughout the district. This section does not prohibit varied or staggered rates so long as they are uniform throughout the district.

“The MDC is treating water as a free commodity that the agency can use to raise revenue.”

The Metropolitan District water rates are based on the cost of production. The District Commissioners are not paid, and there is no profit distribution to any shareholders or member town(s).

“Each year rates increase, Ad Valorem increases, debt services increases.”

Since 2008 the rate charged for water has increased from .003 cents per gallon to .004 cents per gallon.

Since 2008, the Clean Water Project Charge, the fund used to pay for the State and Federally mandated improvements to the sewer system, has increased from 35 cents per ccf to $3.80 per ccf, more than doubling an MDC customer’s water bill.

The MDC is attempting to mitigate the necessary increases in both the Clean Water Project Charge and the Ad Valorem Tax by proposing an integrated plan as part of its five year, Long Term Control Plan update to be submitted to DEEP which would focus on rehabilitation of existing infrastructure. There is a public hearing scheduled for the Long Term Control Plan update on December 11, 2018 at 6pm at the MDC Training Center 125 Maxim Road, Hartford, CT.

“In 2006 MDC entered into an agreement that by the end of 2021 they would eliminate sewer discharges into the North Branch Park River (NBPR). The discharges contain harmful microorganisms, bacteria, viruses and parasites. They flow through Hartford residential neighborhoods in Hartford, containing schools and residential facilities. This agreement was extended to 2029, but now the MDC wants to extend it 40 years as a way to decrease the Ad Valorem (through the proposed Integrated Plan).”

At the time that MDC entered into the agreement on the North Branch of the Park River, both DEEP and the MDC believed that if the MDC discharges were eliminated, 80% of the total harmful impact would be eliminated. This belief was based on a theoretical model created by the engineers at Fuss and O’Neill. Over the past two years the MDC retained the same engineers at Fuss and O’Neill to take actual measurements of impairment from all sources contributing to the NBPR. The engineers found that if the MDC discharges were
eliminated, only 27% of the total harmful impact would be eliminated. In other words, unless the other, non-MDC sources of harmful bacteria are eliminated, there will be no discernable change in the characteristics of the Park River and the limitations on its useful recreational enjoyment would remain. This does not translate to the MDC retreating on its commitment to eliminate Park River CSO’s; rather, it lends strong support to the MDC that we need to prioritize the monies to be spent to improve the entire sewer infrastructure, putting projects that result in the greatest system benefit ahead of those of limited utility. Even with this reprioritization, the MDC still intends to ultimately eliminate the combined sewer discharges to the North Branch of the Park River, as part of a long term affordable plan which emphasizes improvements of existing sewers. A copy of this plan is available on the MDC website.

“800 million gallons of raw sewage goes into the CT River every year.”

The combined sewer system in Hartford collects the rainwater from every storm, and provides a system for treating over 50 million gallons of sewage each day.

The system was designed and permitted to allow overflows during rain events, overflows of combined rainwater and sewage. During dry days, the sanitary system does not overflow into the Connecticut River.

When the Clean Water Project started, approximately one billion gallons of combined sanitary sewer and stormwater overflowed during rain events through the permitted discharge mechanisms. This combined total during rain events has been reduced to just over 500 million gallons per year as a result of the work done to date. The vast majority of the overflow is stormwater, not raw sanitary sewer discharge.

The MDC does not discharge 800 million gallons of raw sewage into the CT. River, and quite frankly never did. The Clean Water Project is progressing, and will greatly reduce the combined overflow and bacteria attributable to the MDC’s combined system in the river.

“Highest E.coli in the CT River that the CT River Conservancy has tested is off the Glastonbury Boathouse.”

Many municipalities north of Hartford discharge combined sewage into the Connecticut River. The Metropolitan District has spent far more on improving its system than any of these other municipalities, attempting to improve the system to a one year level of control. The City of Springfield is only improving its system to a 3 month level of control, 25% of the total controls of the MDC.

“In one rain storm there can be 15 million gallons discharged into the North Branch of the Park River.”

See comment above. Most of this discharge is rainwater. The overflows into the North Branch of the Park River occur much less frequently than many other combined sewer discharges in the Hartford area. The North Branch of the Park River exceeds clean water standards for bacteria upstream of the MDC discharges, in both dry and wet weather conditions. Elimination of the CSO discharges will not improve the water quality in this river enough to make recreational use of the river a reality because most of the bacteria in the NBPR, in both wet and dry weather, is unrelated to MDC’s discharges.
The MDC has been and is working diligently to improve this system, spending since 2008 over a billion dollars in rehabilitating sewer pipe, building new sewers, and starting construction of a massive storage tunnel.

“Commissioners have stated in the Board Room ‘We don’t get why people don’t want us to sell to water bottling companies’”

The Metropolitan District sells water to all. The District does not have the legal right to deny water to a water bottling company.

“MDC legal money is being used to counter water as a public trust and drought protection against shipping water bottles out of state when there’s a drought.”

The Metropolitan District participated in the drafting of the state water plan, with both District Counsel and the Director of Facilities taking active roles. When the issue of public trust was raised after the committee upon which the MDC served was disbanded, the MDC asked for further definition of what was intended, as the same phrase has been given very different interpretations in other states. The proponents of inserting this term into the water plan have not provided an explanation of what they believe the ramifications of the insertion will be. The MDC remains committed to using its assets to benefit the public, and will continue to operate at cost, with no profit, and no pay for the appointed MDC Commissioners who maintain this trust.

“Half of funding to clean up the Connecticut River is provided by state and federal clean water drinking funds so all Connecticut taxpayers are paying towards the clean-up.”

Neither the state nor the federal government provides any funds for the maintenance or repair of the existing sewer system. The maintenance and repair costs over 40 million dollars each and every year and is paid through the District’s operating budget and capital funds, the debt of which is paid by our member towns’ ad valorem payments. Neither the state nor the federal government provides any funds for the inspection and operation of the sewer system, despite requiring such inspections under the CMOM program. The federal government provides a subsidy of approximately 20% for the federally mandated eliminations of sanitary sewer discharges, while the state provides grants from the clean water fund of up to 50% for approved improvements to the state mandated changes in combined sewers.

The residents of the eight member towns are paying far and away the highest percentage of the cost of the Clean Water Project. The non-member towns of Glastonbury, East Granby, Farmington and South Windsor do not pay the clean water surcharge.

“Water Utility Planning Conference – South Central Connecticut towns identified as having a potential water shortage in relatively near future (East Hampton, Tolland, Southington).”

The MDC participated in the Water Utility Coordinating Committee since its inception, and remains actively committed to this enterprise, hosting the meetings of the Central Region, and providing chairmen for both the Western and Central Committees. The Committee has drafted and sent to the Department of Health a detailed plan in which water supply service areas are delineated, and many of the issues involving water supply are addressed. The MDC favors using its resources to alleviate shortages in other areas of the state.
“Water is a public trust.”

See comment above.

“In 2016 – 44% of Connecticut was in extreme drought levels according to a US Drought Monitor Report.”

The towns served by the MDC in 2016 had more than an adequate supply of water; no water use restrictions were required due to the capacity of our system. The lowest the MDC’s reservoirs dropped during the 2016 drought was 75% of capacity.

“Some EPA rule says we can afford 2% of income to pay for water/sewer fixes.”

The MDC board is deeply concerned with the cost impact of the clean water project on the region’s poorest households. The District Board believes that unless a well-considered long term integrated plan for maintenance, repair, replacement and improvement of facilities for collecting storm water and sewage is adopted, the 2% affordability threshold will be breached in several of its member towns.

David Silverstone – Independent Consumer Advocate

“$189 million proposed budget, or increase of about 13%. $73mil proposed CIP. Customer bills increase about 10.99%. Ad Valorem increase 15%. 40% of budget increases are from Capital Improvement. Wage/Benefits represent about half of the budget increase.”

“In 2018, approximately 12 job vacancies existed at any given time and we should take that into consideration when budgeting.”

“Section 12 of the MDC Sewer Ordinances lists a mandated sewer user charge, as does various acts since 1981 required by the EPA. MDC sewer Ordinance 12t states that a cost of service study must be conducted by the MDC in accordance with applicable federal water pollution control regulations not less often than every 2 years but the MDC has not conducted one in at least 10 years. 24% increase in sewer user charges is proposed in the budget.”

Each year, in calculating the charge for the various sewer users the MDC examines the cost of services, the amount of water sold, the cost of provision of services, including labor and management, the cost of repairs and improvements, and then makes recommendations to the various committees and the board concerning the amount of the fees. The MDC completed a cost of service study in preparation for the proposed 2019 budget and it is available on the MDC’s website.

“Little or no cost analysis is shown to link up a specific customer or customer class rates to the cost incurred to serve that customer. There is no evidence that there is a recovery of charges/cost of maintaining meters, reading meters, printing bills, sending bills, etc. and it is a cardinal principle that rates are to meet their cost causation elements.”

See comment above.