



**MDC Committee on Government Public Hearing  
February 26, 2020**

**Budget & Water Rate with and without Economic Development Rate**

Year	Budget Water Sales	Actual Water Sales	Water Revenue Loss*	Actual Niagara Revenue	Additional Niagara Revenue with Economic Development Rate (@ 1.8 mgd)	Adopted Water Rate (\$/ccf)	Water Rate % Increase	Water Rate with the effect of increased water sales (\$/ccf**)
2017	\$55,400,000	\$51,184,432	\$4,215,568	\$440,494	\$1,505,777	\$2.77	-	\$2.69
2018	\$57,776,200	\$54,557,459	\$3,218,741	\$619,117	\$1,587,125	\$3.14	13.3%	\$3.05
2019	\$63,902,000	\$61,054,831	\$2,847,169	\$1,017,590	\$1,441,597	\$3.50	11.5%	\$3.40
2020 Adopted	\$70,380,000	\$70,380,000	-	\$0	\$1,524,253	\$3.97	13.4%	\$3.85

\*Water Use Sales only

\*\*Increases effecting rate increase lower consumption, increase in debt service, medical contributions and property taxes

\$25,571  
 \$119,438  
 \$145,009

If this economic rate was given in 2019 it would have resulted in less than a .01 cent increase in the water rate.

# 1.8 MGD – Annual Revenue Comparison

<u>2019 Revenue</u>	<u>Full Rate Applied</u>	<u>With Economic Dev. Rate After 600,000 GPD</u>
• <u>Water Revenue</u> \$1,018,000	• <u>Water Revenue</u> \$3,487,000	• <u>Water Revenue</u> \$3,024,000 (87%)
• <u>Clean Water Program Revenue</u> \$1,192,000	• <u>Clean Water Program Revenue</u> \$3,601,000	• <u>Clean Water Program Revenue</u> \$1,440,000 (40%)
• <u>Total Revenue</u> \$2,210,000	• <u>Total Revenue</u> \$7,088,000	• <u>Total Revenue</u> \$4,464,000 (63%)

# MDC & RWA Comparison

<b>Comparison of Average Annual Residential Water Bill</b>		
80 CCFs per year with 5/8" water meter		
<b>MDC</b>	<b>RWA</b>	<b>MDC rate \$3.97/CCF RWA rate \$4.406/CCF</b>
\$ 179.76	\$ 244.56	Customer Service Charge (Based Upon Meter Size)
\$ 317.60	\$ 352.48	Water Consumption Charge
<b><u>\$ 497.36</u></b>	<b><u>\$ 597.04</u></b>	<b>Total, Average Annual Residential Water Bill</b>
		<b>20% RWA Higher than MDC</b>
<b>Comparison of 1.8 MGD Industrial Customer</b>		
878,284 CCFs per year with 8" water meter		
<b>No Reduction - Full Rates Applied</b>		
<b>MDC</b>	<b>RWA</b>	<b>MDC rate \$3.97/CCF RWA rate \$3.468/CCF</b>
\$ 9,253.92	\$ 11,611.92	Customer Service Charge (Based Upon Meter Size)
\$3,486,785.64	\$3,045,887.31	Water Consumption Charge
<b><u>\$3,496,039.56</u></b>	<b><u>\$3,057,499.23</u></b>	<b>Total, Annual Industrial Water Bill</b>
		<b>13% RWA Lower than MDC</b>
<b>With MDC &amp; RWA Economic Development Rates Applied</b>		
		<b>MDC rate \$3.97/CCF &amp; \$3.18/CCF over 600,000 GPD</b>
<b>MDC</b>	<b>RWA</b>	<b>RWA rate \$2.774/CCF with 20% Ec. Dev. Rate</b>
\$ 9,253.92	\$ 11,611.92	Customer Service Charge (Based Upon Meter Size)
\$3,024,198.35	\$3,045,887.31	Water Consumption Charge
	\$ (611,499.85)	RWA 20% Reduction - Economic Dev. Rate
<b><u>\$3,033,452.27</u></b>	<b><u>\$2,445,999.38</u></b>	<b>Total, Annual Industrial Water Bill</b>
		<b>19% RWA Lower than MDC</b>
<b>After 5 Years (RWA Economic Development Rate Ends)</b>		
<b>MDC</b>	<b>RWA</b>	
<b><u>\$3,033,452.27</u></b>	<b><u>\$3,057,499.23</u></b>	<b>RWA &amp; MDC within 1%</b>

# Comparison of Reduced Water Rates

Every other large water system in CT (30,000 or more services) has a reduced water rate

	Standard Residential Rate \$/CCF	Reduced Rate \$/CCF	Reduction at 600,000 GPD \$ per year	Reduction at 900,000 GPD \$ per year	Reduction at 1,350,000 GPD \$ per year	Reduction at 1,800,000 GPD \$ per year
Metropolitan District	\$ 3.97	\$ 3.18	\$ -	\$ 154,187.55	\$ 308,375.11	\$ 462,562.66
Aquarion - Eastern Div.	\$ 4.23	\$ 2.08	\$ 468,682.06	\$ 940,977.80	\$ 1,413,273.55	\$ 1,885,569.29
CT Water Co.	\$ 6.76	\$ 5.03	\$ 506,476.84	\$ 844,128.07	\$ 1,181,779.29	\$ 1,519,430.52
Regional Water Auth.	\$ 4.40	\$ 3.46	\$ 275,195.51	\$ 458,659.18	\$ 642,122.85	\$ 825,586.52

## Additional Regional Water Economic Development Rate

- New customers using over 500,000 gallons per year charged 80% of rate
- Increases to full rate after 5 years
- \$2.77/CCF Reduced Rate for 8-inch Meter

## Other Water Utilities with Reduced Rates

- New Britain Water Dept.
- Groton Utilities
- Jewett City Water Co.
- Southington Water Dept.
- Torrington Water Co.
- Watertown Fire District
- Winsted Water Works
- Cromwell Fire District

Projected Water CWPC Scenario Constraints to New Existing Customers

	Year						
	2020	2021	2022	2023	2024	2025 <sup>~</sup>	
Water Rate* (\$/ccf)	\$ 3.97	\$ 4.37	\$ 4.80	\$ 5.28	\$ 5.81	\$ 6.39	
Clean Water Project Charge (\$/ccf) <b>with</b> Integrated Plan (Loan only on rehabilitation)	\$ 4.10	\$ 4.76	\$ 5.42	\$ 6.08	\$ 6.74	\$ 7.40	
Total Effective Water Rate (\$/CCF)	\$ 8.07	\$ 9.13	\$ 10.22	\$ 11.36	\$ 12.55	\$ 13.79	
* assume 10% annual increase							