



The Metropolitan District
water supply · environmental services · geographic information

**WATER BUREAU
REGULAR MEETING
WEDNESDAY, JUNE 24, 2020
4:00 PM**

**IN ACCORDANCE WITH GOVERNOR LAMONT'S EXECUTIVE ORDER #7B
THIS MEETING WILL INCLUDE TELEPHONIC ATTENDANCE**

Dial in #: (415)-655-0001; Access Code: 35580947#

The general public is welcome to call into the meeting. Everyone present on the conference call should mute their phone to limit background noise.

<u>Location</u>	<u>Commissioners</u>	
Board Room	Adil	Lebeau
District Headquarters	Buell	Mandyck
555 Main Street, Hartford	Camilliere	Pane (VC)
	DiBella (Ex-Officio)	Salemi
	Gardow	Sweezy (C)
	Holloway	Taylor
	Ionno	
	Quorum: 7	

1. CALL TO ORDER
2. PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS
3. APPROVAL OF MEETING MINUTES OF APRIL 28, 2020
4. DISCUSSION RE: UPDATE ON WATER CONSUMPTION AND BILLING
5. DISCUSSION RE: UTILITY SHUTOFF MORATORIUM
6. DISCUSSION RE: LAKE McDONOUGH AND RECREATION
7. DISCUSSION RE: CROSS CONNECTIONS
8. DISCUSSION RE: COLEBROOK RIVER LAKE DAM (POSSIBLE EXECUTIVE SESSION)
9. OPPORTUNITY FOR GENERAL PUBLIC COMMENTS
10. COMMISSIONER COMMENTS & QUESTIONS
11. ADJOURNMENT

2019 Cross Connection Summary

- Devices Testing and Property Inspections
 - # of Devices = 13,119
 - # of 1YR Inspections = 1,365
 - # of 5YR Inspections = 4,075 (Typically Lawn Irrigation Systems)
- 2019 Inspections
 - Total = 2,521
 - 1YR (High Hazard Potential) = 1,365
 - 5YR (Low Hazard Potential) = 1,156
 - Notice of Violations
 - Failed Device Testing = 200 Reported / 200 Unresolved
 - Failed Inspections = 149 Found / 79 Unresolved

Identifying Properties with Cross Connections

- Identifying Unreported Cross Connections (Current)
 - Meter Reading (AMR)
 - Public Records (Plumbing Permits)
 - Physical Property Inspections
- New Methods
 - Meter Reading (AMI)
 - 15-minute interval readings (near real-time)
 - Multiple Objective Property Inspections
 - Multi-Disciplined Inspectors and Maintainers when accessing properties are being trained to identify cross connection issues and/or equipment that requires backflow prevention during meter installs and wastewater discharge compliance inspections.

Review of the Effect on CWP Revenue at Current Irrigation Season Consumption (May-October)

Percent Irrigation with CWP Charge	CCF	Total Water Revenue at Current Rate (\$3.97/ccf)	Total Water Revenue at Discount Rate (20% Discount)	Water Revenue Loss with Discount Rate	CWP Revenue Loss (\$4.10/ccf)	Adjusted CWP Rate to Recover Loss (\$/ccf)
10%	206,344	\$ 819,183.91	\$ 655,347.13	\$ 163,836.78	\$ 846,008.57	\$ 4.15
20%	412,687	\$ 1,638,367.82	\$ 1,310,694.25	\$ 327,673.56	\$ 1,692,017.14	\$ 4.20
30%	619,031	\$ 2,457,551.72	\$ 1,966,041.38	\$ 491,510.34	\$ 2,538,025.71	\$ 4.25
40%	825,374	\$ 3,276,735.63	\$ 2,621,388.51	\$ 655,347.13	\$ 3,384,034.28	\$ 4.30
50%	1,031,718	\$ 4,095,919.54	\$ 3,276,735.63	\$ 819,183.91	\$ 4,230,042.85	\$ 4.35
60%	1,238,061	\$ 4,915,103.45	\$ 3,932,082.76	\$ 983,020.69	\$ 5,076,051.42	\$ 4.41
70%	1,444,405	\$ 5,734,287.36	\$ 4,587,429.88	\$ 1,146,857.47	\$ 5,922,059.99	\$ 4.46
80%	1,650,748	\$ 6,553,471.26	\$ 5,242,777.01	\$ 1,310,694.25	\$ 6,768,068.56	\$ 4.52
90%	1,857,092	\$ 7,372,655.17	\$ 5,898,124.14	\$ 1,474,531.03	\$ 7,614,077.13	\$ 4.58
100%	2,063,436	\$ 8,191,839.08	\$ 6,553,471.26	\$ 1,638,367.82	\$ 8,460,085.70	\$ 4.64

Costs for Additional Meter Infrastructure

Customer Participation	Unit Cost for Meter/ERT Install	Expected Installation Costs
1000	\$ 425.00	\$ 425,000.00
1500	\$ 425.00	\$ 637,500.00
2000	\$ 425.00	\$ 850,000.00
2500	\$ 425.00	\$ 1,062,500.00
3000	\$ 425.00	\$ 1,275,000.00
3500	\$ 425.00	\$ 1,487,500.00
4000	\$ 425.00	\$ 1,700,000.00
4500	\$ 425.00	\$ 1,912,500.00
5000	\$ 425.00	\$ 2,125,000.00

Additional Irrigation Consumption Scenarios

Additional Residential Customer Participation	Annual Consumption Increase (36 ccf/yr)	Additional Annual Revenue at Discount Rate
500	18,000	\$ 57,168.00
1,000	36,000	\$ 114,336.00
1,500	54,000	\$ 171,504.00
2,000	72,000	\$ 228,672.00
2,500	90,000	\$ 285,840.00
3,000	108,000	\$ 343,008.00
3,500	126,000	\$ 400,176.00
4,000	144,000	\$ 457,344.00
4,500	162,000	\$ 514,512.00
5,000	180,000	\$ 571,680.00

True Costs to Customers with Irrigation Systems with Two Meters

Year	Installation Cost	Annual Cross Connection Fee	Annual CWP Savings	Total Costs	Payback/Breakeven
1	\$ 425.00	\$ 150.00	\$ 147.60	\$ 427.40	\$ 427.40
2	\$ -	\$ 150.00	\$ 154.98	\$ (4.98)	\$ 422.42
3	\$ -	\$ 150.00	\$ 162.73	\$ (12.73)	\$ 409.69
4	\$ -	\$ 150.00	\$ 170.87	\$ (20.87)	\$ 388.83
5	\$ -	\$ 150.00	\$ 179.41	\$ (29.41)	\$ 359.42
6	\$ -	\$ 175.00	\$ 188.38	\$ (13.38)	\$ 346.04
7	\$ -	\$ 175.00	\$ 197.80	\$ (22.80)	\$ 323.24
8	\$ -	\$ 175.00	\$ 207.69	\$ (32.69)	\$ 290.55
9	\$ -	\$ 175.00	\$ 218.07	\$ (43.07)	\$ 247.48
10	\$ -	\$ 175.00	\$ 228.98	\$ (53.98)	\$ 193.50
11	\$ -	\$ 200.00	\$ 240.42	\$ (40.42)	\$ 153.08
12	\$ -	\$ 200.00	\$ 252.45	\$ (52.45)	\$ 100.63
13	\$ -	\$ 200.00	\$ 265.07	\$ (65.07)	\$ 35.56
14	\$ -	\$ 200.00	\$ 278.32	\$ (78.32)	\$ (42.76)
15	\$ -	\$ 200.00	\$ 292.24	\$ (92.24)	\$ (135.00)

Colebrook River Dam & Colebrook Hydro Update



Colebrook Hydro: Activity to Date

- Presentations to Water Bureau in 2018/19
 - 50 Year Lifecycle Cost Analysis of Capital and Operating Expenses to Revenue
 - Not included in Safe Yield for Water Supply
 - Following previous drought, identified that water supply would not be available when needed.
 - Escalating maintenance costs from USACE project (term over in 2019)
 - Defined path for exit from USACE agreements
 - Water Bureau adopted resolution to decommission Colebrook Hydro
- Submitted letter to terminate agreements – August 2019
- MDC staff have removed Hydro equipment and have identified method of removal for remaining equipment
- MDC staff currently reviewing USACE Maintenance Costs
 - Submitted letter to USACE disputing 2020 Maintenance Costs in May 2020
 - Non-payment being referred to US DOJ
 - Opportunity to expedite termination of agreement with DOJ

Lake McDonough & Recreation Update

MDC Staff and MDC Insurance Carrier (Peoples) met on 6-12 for site visit to review opportunity for opening Barkhamsted recreation area.

- Recommended limited opening of Boat Launch
- Recommended keeping the beach closed and reviewing as social distancing restrictions are lifted by the Governor

Boathouse

- Plan to open on Monday, July 6
- Restricted to Private Boats Only, No Boat Rentals, No Fishing Tournaments

East Beach

- Determining availability of lifeguards, training & certification requirements
- Developed schedule for earliest open date: 7/26, dependent on Lifeguard Availability, Typical end of season: 2nd week of August.
- Need to develop policy for keeping staff and patrons safe with COVID requirements. Review of other Facility Policies.
- Follow 2019 Operating Schedule, Open: Thursday-Sunday

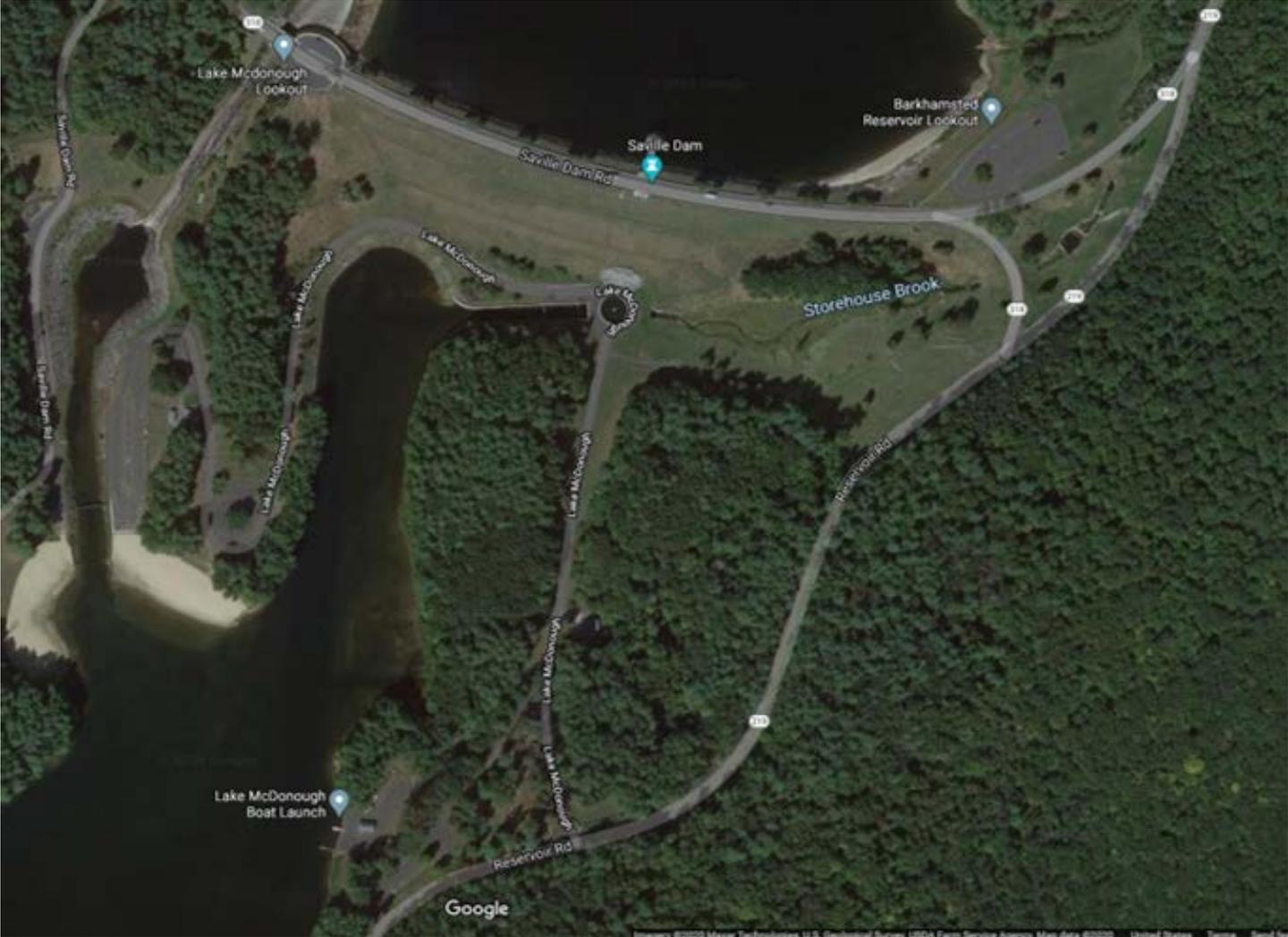
Upper Parking Lots

- Currently reviewing date for opening lots, earliest opening date: Monday, July 6

Stancliff Cove (Barkhamsted/New Hartford Town Beach)

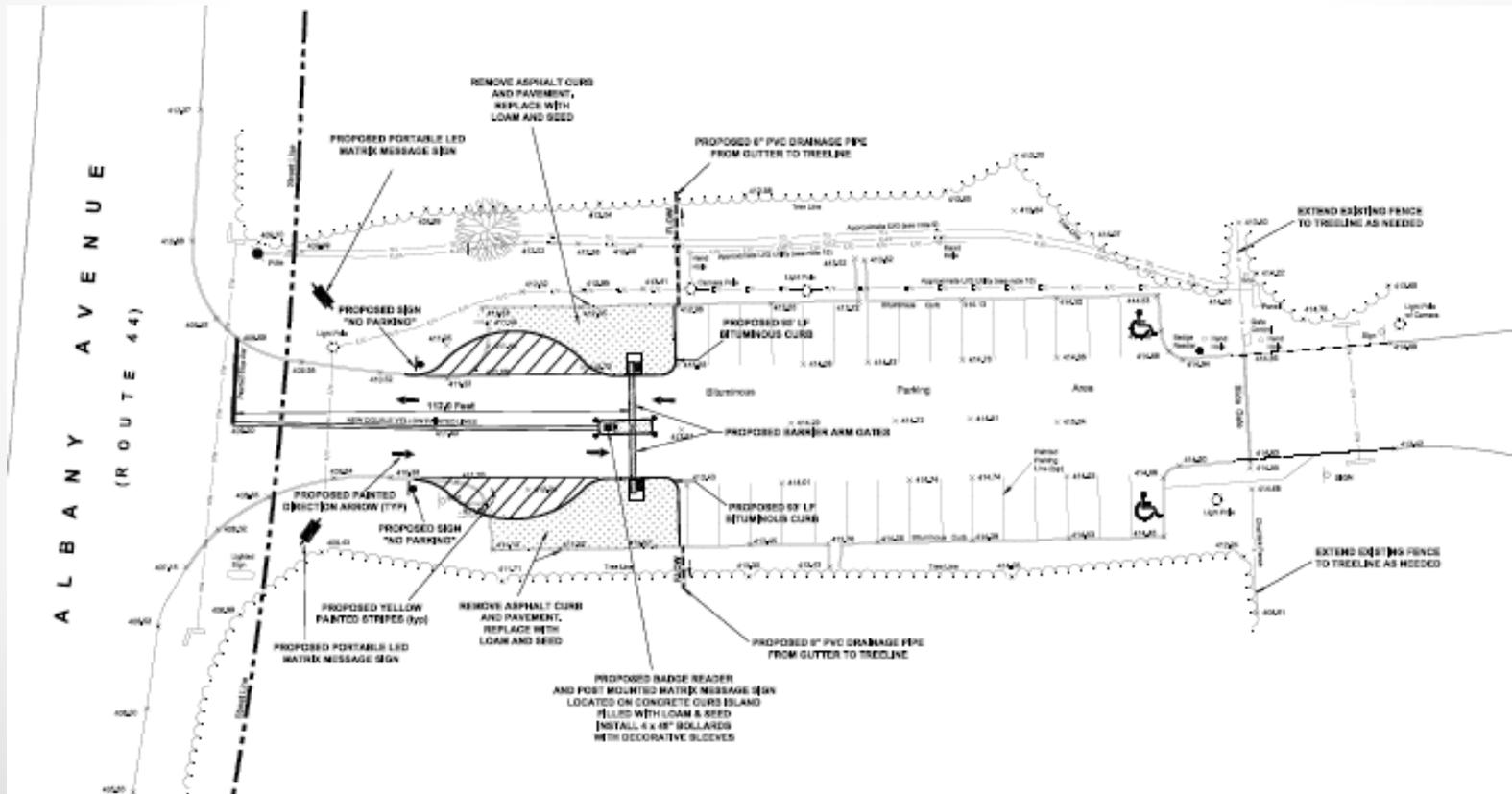
- Review opening for swimming
- All boating from MDC Boathouse
 - Town to submit plan for future boating request from Town Beach

Saville Dam/Lake McDonough



Reservoir No.6 Security and Safety Improvements

Objective: Provide safe entrance and egress to/from Reservoir No.6 public parking area. MDC identified safety concerns following large influx of public use and inadequate turnaround space in mid-March. MDC patrol has been managing traffic at the SR44 intersection for the past few months. Improvements will allow public to safely exit the facility when the lot is full as well as eliminate unauthorized vehicles access to MDC Water Supply and Water Treatment infrastructure.





May 14, 2020

Eric Pedersen
Deputy Chief of Operations
US Army Corps of Engineers
696 Virginia Road
Concord, MA 01742

Dear Mr. Pedersen:

The Metropolitan District ("MDC") restates and reaffirms, once again, its position that the operative underlying 1965 agreement entitled "Contract Between the United States of America and The Metropolitan District for Water Storage Space in the Colebrook River Reservoir" ("Agreement") expired upon the MDC making its final capital payment in January, 2019. This was discussed with representatives of US Army Corps of Engineers ("ACOE") as early as September, 2018, confirmed in an initial correspondence dated January 25, 2019, restated in several meetings thereafter, and again reduced to writing in letters dated August 26, 2019 and September 25, 2019. Based upon the MDC's interpretation of the Agreement, it is not obligated to reimburse the ACOE any operational expenses associated with the project beyond December 31, 2019.

Notwithstanding the foregoing, on March 3, 2020, the MDC received 2020 billing support information from ACOE referenced as "COSTS ALLOCATED TO THE METROPOLITAN DISTRICT" ("Cost Allocation") for the Colebrook Reservoir Project ("Colebrook Project"). We have yet to receive an actual invoice, which we typically receive in December of the year preceding the billing period.

The MDC has several questions relating to the 2020 Cost Allocation given this billing has raised significant concerns as to the allocation method and process in which ACOE has been charging the MDC recently under the Agreement. We pose these questions without prejudice to our consistent position that the Agreement is no longer in effect and that no monies are owed by the MDC to ACOE for 2020 and beyond.

We would also like to bring your attention to the fact that the amount of the annual cost allocation attributable to the MDC has taken a precipitous rise over the past several years; in fact, approximately doubling each year from 2016 to 2020. We have expressed this concern with both the amount and justification for these increases previously (see January 25, 2019 correspondence), yet nothing has changed.

To that end, and pursuant to Article 7.e(3) of the Agreement, we would greatly appreciate your providing us with the following additional information regarding the 2020 Cost Allocation and similar information for the preceding years back to 2016:

ACTUAL COSTS FY 2019

- 1. Please provide a general description, with examples, of what types of costs are carried in each of the ACOE's five main billing categories. Please explain, for example, what is included in the "DAMS & RESERVOIRS" category, which appears to be strictly a labor charge, and why "Dams and**

Reservoirs” represents only 1% of the total project cost, while 99% of total project cost is charged to other categories.

BILLING CATEGORY- TOTAL COST	\$ ACTUAL TOTAL COST FY 2019	35.49%
WATER CONTROL	\$ 146,316.93	\$ 51,927.88
SERVICE FACILITIES	\$ 570,780.13	\$ 202,569.87
MAINTENANCE	\$ 202,149.93	\$ 71,743.01
CONDITION & OPERATIONS STUDIES	\$ 54,225.73	\$ 19,244.71
DAMS & RESERVOIRS	\$ 9,977.85	\$ 3,541.14
TOTAL ACE COSTS-COLEBROOK RESERVOIR	\$ 983,450.57	\$ 349,026.61

2. **Please provide a general description, with examples, of what types of labor costs are carried in each of the five main billing categories. Please explain, for example why the “DAMS & RESERVOIRS” labor category, is only 1.5% of the total project labor cost while 98.5% of ACOE labor is charged to other categories.**

On the ACOE spreadsheet named “FY 2019 Labor Charged- Colebrook Reservoir”, we note charges for dozens of ACE staff, many of whom we are not familiar with and who are not stationed at the Colebrook Project site. Please explain who each of these ACOE staff members are and the role they played in FY 2019 that was of benefit to the MDC.

Generally, please confirm whether or not the ACOE and/or your funding agencies capitalize any of its labor costs.

BILLING CATEGORY	\$ ACTUAL LABOR COST FY 2019	35.49%
WATER CONTROL	\$ -	\$ -
SERVICE FACILITIES	\$ 456,176.94	\$ 161,897.20
MAINTENANCE	\$ 167,319.57	\$ 59,381.72
CONDITION & OPERATIONS STUDIES	\$ 14,957.37	\$ 5,308.37
DAMS & RESERVOIRS	\$ 9,977.85	\$ 3,541.14
TOTAL ACE LABOR COSTS-COLEBROOK RESERVOIR	\$ 648,431.73	\$ 230,128.42

3. **Please provide a detailed description of each of the itemized non-labor billing sub-categories listed below, explaining how each billing item is related to an MDC water supply allocation in the Colebrook Project.**

Please explain, for example, why no non-labor subcategories are allocated to the “DAMS & RESERVOIRS” billing category, and if each of these non-labor categories would be considered an O&M charge, or a “capital improvement”.

BILLING SUB-CATEGORY- NON LABOR COSTS	\$ ACTUAL TOTAL COST FY 2019	35.49%
RCC	\$ 136,250.00	\$ 48,355.13
Water Quality	\$ 8,207.49	\$ 2,912.84
Radio	\$ 1,859.44	\$ 659.92
WATER CONTROL-NON LABOR	\$ 146,316.93	\$ 51,927.88
Utilities	\$ 8,603.72	\$ 3,053.46
Othconsvc	\$ 11,956.70	\$ 4,243.43
Supmatrl	\$ (546.60)	\$ (193.99)
Gtruck-GP2	\$ 6,378.40	\$ 2,263.69
Gtruck-GP3	\$ 6,086.30	\$ 2,160.03
CTRKGP1	\$ 786.23	\$ 279.03
MntctrkGP1	\$ 560.91	\$ 199.07
GPCNonapp	\$ 3,425.01	\$ 1,215.54
Equipment	\$ 2,457.22	\$ 872.07
Constsvcs	\$ 63,431.70	\$ 22,511.91
Ersmarine	\$ 6,000.00	\$ 2,129.40
Mpgsedans	\$ 225.00	\$ 79.85
Heating Oil	\$ 5,238.60	\$ 1,859.18
SERVICE FACILITIES-NON LABOR	\$ 114,603.19	\$ 40,672.67
Othconsvc	\$ 19,942.30	\$ 7,077.52
Constsvcs	-	-
Survey	\$ 12,995.00	\$ 4,611.93
GPCNonapp	\$ 1,893.06	\$ 671.85
MAINTENANCE- NON LABOR	\$ 34,830.36	\$ 12,361.29
Damsafety	\$ 9,664.75	\$ 3,430.02
Geotech	\$ 29,603.61	\$ 10,506.32
CONDITION & OPERATIONS STUDIES-NON LABOR	\$ 39,268.36	\$ 13,936.34
DAMS & RESERVOIRS	0	0
TOTAL ACE NON LABOR COSTS-COLEBROOK RESERVOIR	\$ 335,018.84	\$ 118,898.19

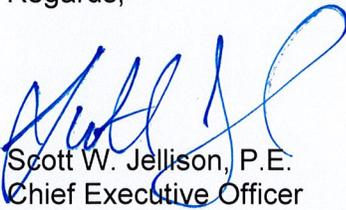
ESTIMATED COSTS FY2020

Please explain and justify the 15% "Supervision & Administration" ("S&A") mark-up on all work categories, that was used to develop the estimated \$803,525 FY20 MDC SHARE (35.49%) of total costs, which ACOE has added as a "PLUS" to the FY 2019 "STATEMENT OF COSTS".

Please provide an explanation as to what this "S&A" factor actually is and whether it is equally applied arbitrarily to both labor and non-labor costs.

Thank you for your help.

Regards,



Scott W. Jellison, P.E.
Chief Executive Officer