



**Presentation to South Windsor  
December 16, 2019**

**Member Town Manager/  
Finance Director Workshops**

**Already held:**

9/10, 9/26, 10/10

**MDC Board of Finance  
Commissioner Workshops  
already held:**

9/19, 10/21, 11/8, 11/26

**Coordinating 8 Council  
Presentations Dates with  
MDC Board Budget vote**



The Metropolitan District  
water supply • environmental services • geographic information

**2020 MDC BUDGET MEETING SCHEDULE**

**All meetings held in the Board Room at  
District Headquarters, 555 Main Street, Hartford**

**Wednesday, November 6, 2019 at 5:30 P.M.**

District Board Meeting

*Purpose: To refer budget to Board of Finance.*

**Friday, November 8, 2019 at 12 P.M.**

Board of Finance Workshop

*Purpose: To review proposed 2019 budget.*

**Wednesday, November 13, 2019 at 5:30 P.M.**

Public Hearing

*Purpose: Public hearing for 2020 budget, rates and ordinance revisions.*

**Monday, November 18, 2019 at 4:00 P.M.**

Water Bureau Meeting

*Purpose: To consider and approve 2020 water rates and refer to District Board.*

**Monday, November 18, 2019 at 5:00 P.M.**

Board of Finance Meeting

*Purpose: Consideration of proposed 2020 budget and rates.*

**Monday, December 2, 2019, TBD**

MDC Government Committee Meeting

*Purpose: To consider and approve ordinance revisions and refer to District Board.*

**Monday, December 2, 2019 at 5:30 P.M.**

District Board Meeting

*Purpose: To adopt the 2019 proposed budget.*

-----

# 2020 Budget Drivers

- DEEP approval of Long Term Control Plan (LTCP)
- Incremental Capital Cost as a result of a migration to CIP from CWP
- Proactive maintenance of infrastructure
- OPEB Trust funding options and long term implications
- Continue to do more with less
- Deployment of solutions/strategic investments
  - Healthier workforce
- Resolve impasse with DEEP re Hartford Landfill
- Increase water main replacement from 1-2 miles per year to 8-10 miles per year (capital spend will go from \$6 M to 26M a year)
- Phase 2 of the Raftelis Study
- Funding for the litigation settlements
- Riverfront Transition Plan
- Master Plan for Water Infrastructure (\$750M)

The Metropolitan District  
 2020 Proposed Budget Sensitivity Analysis  
 Ad Valorem and Customer Service Sewer Charge

**Overall 4.3% budget increase**

**Billed Water Consumption**

17.7M CCFs - 3.6% lower than 2019 adopted of 18.4M CCFs

Customer Service Charge - \$7 (Decreases ad valorem  
 by \$7 million per year)

Ad Valorem - 6.9%

**2019: 18.4M CCFs - \$2.5 million loss**

	2017 Actual	2018 Actual	2019 Adopted	2020 Proposed	Increase
--	----------------	-------------	--------------	---------------	----------

**REVENUES \$6 per month CSC Sewer Charge**

Tax on Member Municipalities	\$41,670,400	\$45,004,000	\$48,153,100	\$53,449,900	\$5,296,800 11.0%
Customer Service Charge	\$0	\$3,320,800	\$6,641,600 \$6.00	\$6,641,600	\$0 \$0.00

**V16 Proposed Budget**

**REVENUES \$7 per month CSC Sewer Charge**

Tax on Member Municipalities	\$41,670,400	\$45,004,000	\$48,153,100	\$51,475,700	\$3,322,600 6.9%
Customer Service Charge	\$0	\$3,320,800	\$6,641,600 \$6.00	\$7,656,300	\$1,014,700 \$1.00

## Average Customer Water Bill

<b>Member Charges</b>	<b>CCFs</b>	<b>2019 Rates</b>	<b>2019 Billing</b>	<b>2020 Rates</b>	<b>2020 Billing</b>	<b>Change</b>
Water Use Charge	100	\$ 3.50	\$ 350.00	\$ 4.01	\$ 401.00	14.57%
<b>CWP</b>	<b>100</b>	<b>\$ 4.10</b>	<b>\$ 410.00</b>	<b>\$ 4.10</b>	<b>\$ 410.00</b>	<b>0.00%</b>
Water CSC		\$ 14.98	\$ 179.76	\$ 14.98	\$ 179.76	0.00%
Sewer CSC		\$ 6.00	\$ 72.00	\$ 7.00	\$ 84.00	16.67%
Total Bill			\$ 1,011.76		\$ 1,074.76	
Annual Change					<b>\$ 63.00</b>	<b>6.23%</b> \$5.25

<b>Non-Member Charges</b>	<b>CCFs</b>	<b>2019 Rates</b>	<b>2019 Billing</b>	<b>2020 Rates</b>	<b>2020 Billing</b>	<b>Change</b>
Water Use Charge	100	\$ 3.50	\$ 350.00	\$ 4.01	\$ 401.00	14.57%
CSC		\$ 14.98	\$ 179.76	\$ 14.98	\$ 179.76	0.00%
GS		\$ 14.98	\$ 179.76	\$ 14.98	\$ 179.76	0.00%
Total Bill			\$ 709.52		\$ 760.52	
Annual Change					<b>\$ 51.00</b>	<b>7.19%</b> \$4.25

*CSC = Customer Service Charge*

*GS = General Surcharge Outside of District*

\$1074.76

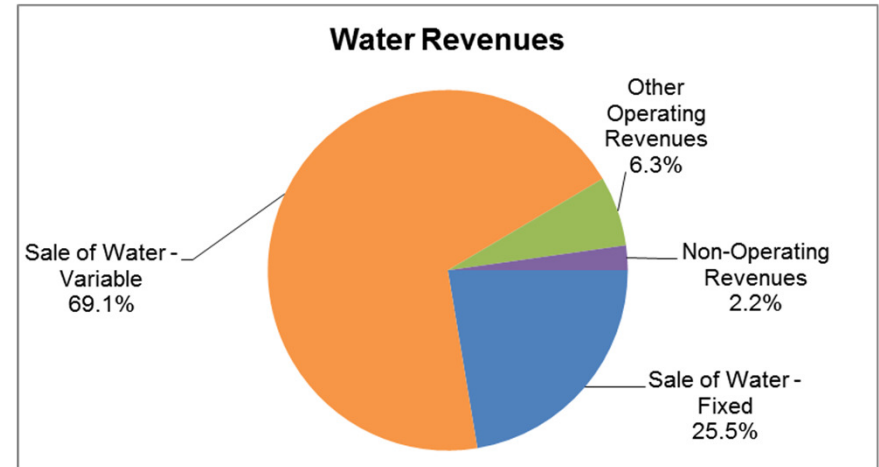
- 410.00

**\$664.76 without CWP charge**

## Cost of Water affected Declining water sales

### WATER REVENUES

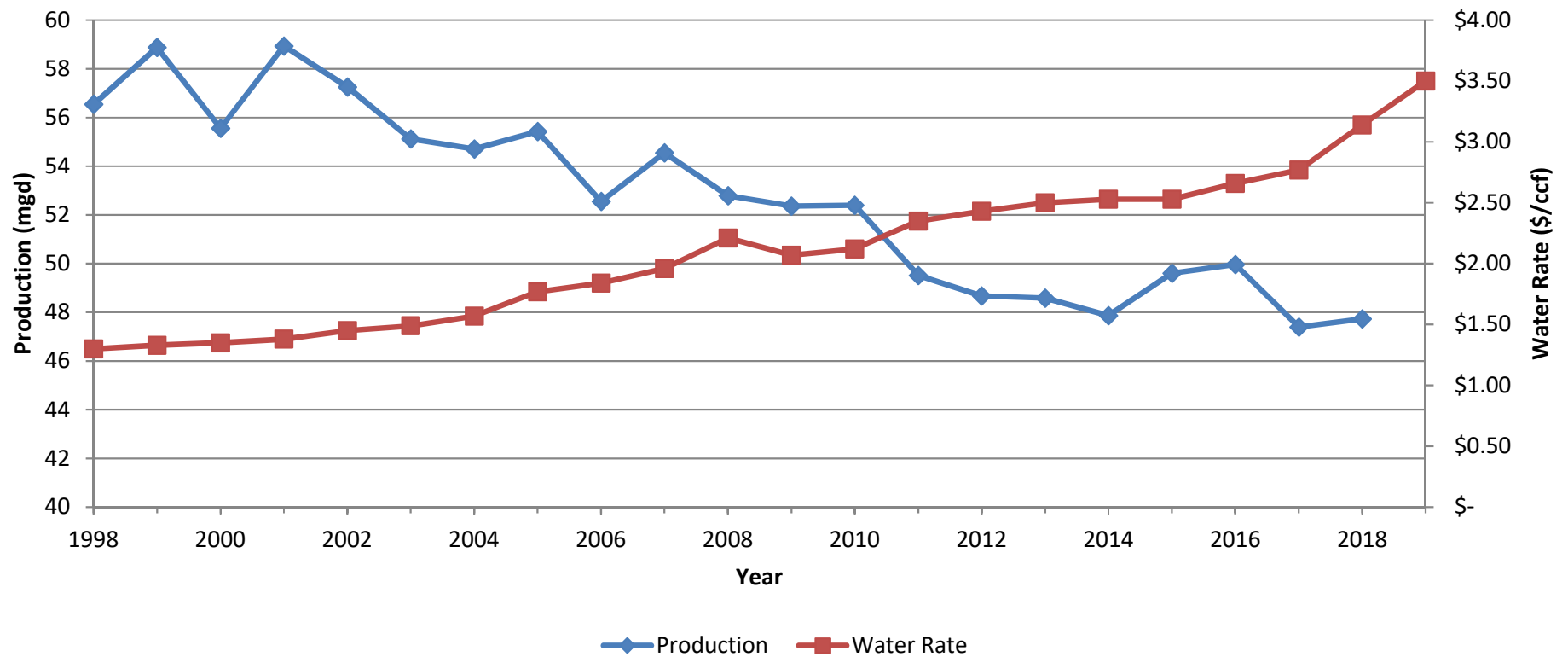
Sale of Water - Fixed	23,003,500.00	22.4%
Sale of Water - Variable	71,090,100.00	69.1%
Other Operating Revenues	6,450,000.00	6.3%
Non-Operating Revenues	2,282,600.00	2.2%
Contr./Transfers from Other Funds	-	0.0%
Contr./Transfers from Other Funds	-	0.0%
Total Water Revenues	102,826,200.00	100.0%



### \$0.51 cents increase breakdown

- \$0.25 cents of the water rate increase is due to the reduction in consumption estimate from 18,400,000 to 17,737,600 ccf's, accounting for 7% (or half) of water rate increase.
- \$0.08 cents is due to the increase in debt service of which \$0.045 cents is attributable to the accelerated water main replacement program, which will increase the amount of water mains replaced to 10 miles in 2020.
- \$0.05 cents increase is attributable to employee benefits specifically medical, pension and opeb.
- \$0.13 cent increase is the result of proposed increases in operating expenses.
- Every \$1 million in revenue equates to \$.05 decrease in water rate

## MDC Production (mgd) vs. Water Rate (\$/ccf) 1998-2019





# 2019 Water Rate Comparison

## (typical 5/8 residential meter)

Water Utility	2019 Water Rate per CCF (748 gal)
MDC	\$3.50
Aquarion (topstone division)	\$6.87
CT Water	\$6.76
Regional Water Authority	\$4.40

Year	MDC	Regional
2020	\$4.01	N/A
2019	\$3.50	\$4.40
2018	\$3.14	\$4.14
2017	\$2.77	\$3.95
2016	\$2.66	\$3.68



## Residential (5/8" Meter) Customer Monthly Water Bill Comparison

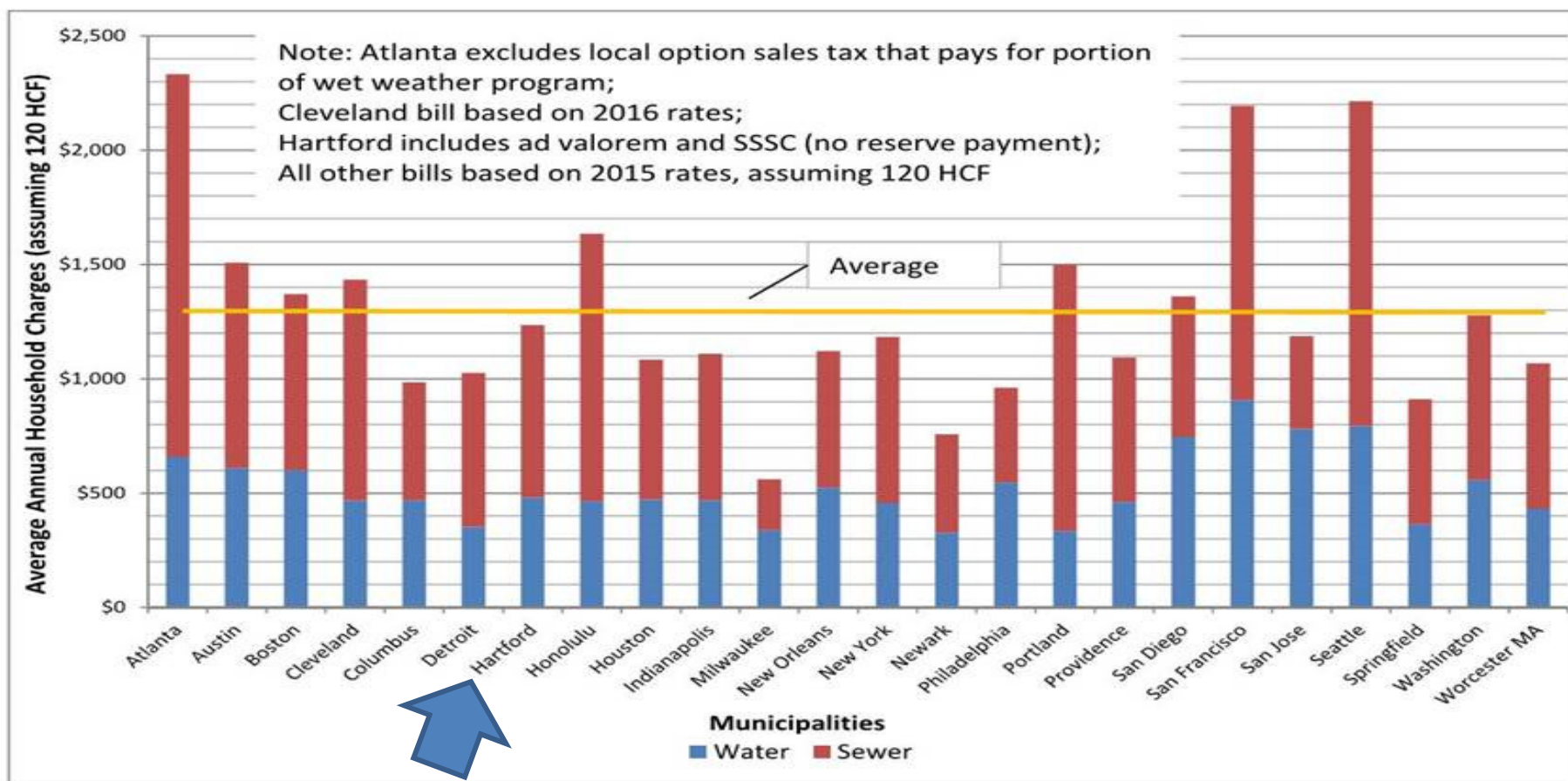
Water Company	Service Charge	Water Rate (\$/ccf)	Consumption (ccf/mo)	Average Monthly Bill (100ccf/yr)	Average Annual Costs	Effective Date
CT Water	\$11.83	6.76	8.3	\$68.19	\$818.26	8/15/2018
Aquarion Water (Topstone division)	\$12.89	\$6.87	8.3	\$70.14	\$841.68	4/1/2019
Regional Water	\$20.38	\$4.40	8.3	\$57.10	\$685.16	7/2/2019
MDC	\$14.98	\$3.50	8.3	\$44.03	\$528.36	1/1/2019

# Charges to Towns (Fire Services and Hydrants)

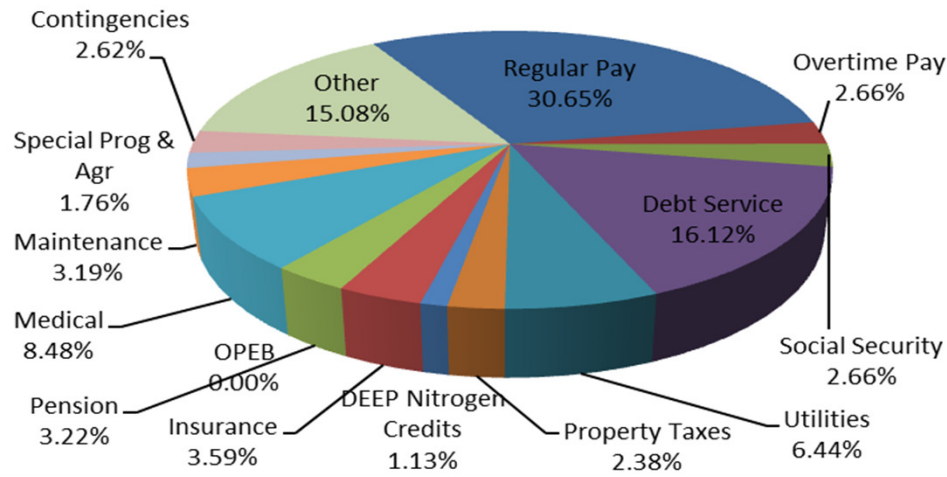
Water Company	Hydrant Maintenance Fee (\$/Hydrant)	Cost for Hydrant Maintenance (based on 10,156)	Public Fire Protection (\$/Inch-Foot)	Cost of Public Fire Service (based on MDC assets)	Annual Bill
CT Water	\$247.20	\$2,510,563.20	\$1.252	\$8,922,475.01	\$11,433,038.21
Aquarion Water	\$264.58	\$2,687,074.48	\$0.092	\$6,095,800.00	\$8,782,874.48
Regional Water	\$171.00	\$1,736,676.00	\$0.083	\$5,478,436.89	\$7,215,112.89
MDC	\$135.00	\$ 1,371,060.00	\$ -	\$ -	\$1,371,060.00

**Scenario if MDC Adopted Public Fire Protection Fee  
and Higher Hydrant Fee**

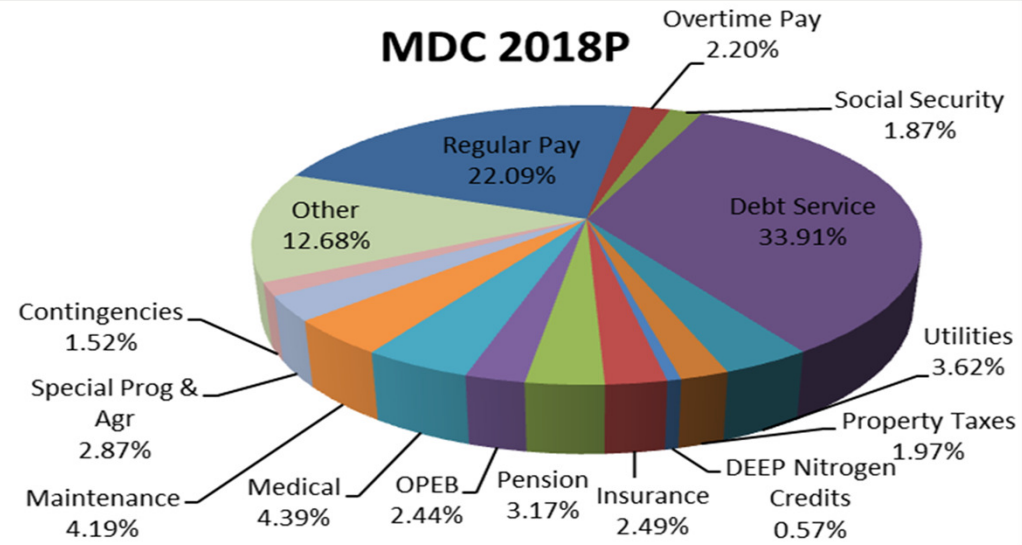
<b>Water Company</b>	<b>Expected 2020 MDC Rate</b> (Based on 17.7 CCF)	<b>Revised 2019 MDC Rate</b> (Based on 18.4 CCF)
CT Water	\$3.36	\$2.88
Aquarion	\$3.51	\$3.02
Regional Water	\$3.60	\$3.11



### MDC 2007



### MDC 2018P



- The MDC has operated within a challenging economy while facing operating and capital expense increases. With these increases, the MDC has faced challenges in their efforts to keep rates down. As you can see in the chart 37% of our costs are payroll related.
- Given fixed expenses almost 80% of our budget is payroll and debt service.
- In 2007 MDC Spent \$5 Million on CIP water & sewer
- In 2018 MDC Spent \$75 Million on CIP water & sewer and \$120 million on the Clean Water Project

Headcount			
<b>2008</b>	680	<b>2014</b>	549
<b>2009</b>	667	<b>2015</b>	557
<b>2010</b>	670	<b>2016</b>	548
<b>2011</b>	588	<b>2017</b>	512
<b>2012</b>	559	<b>2018</b>	485
<b>2013</b>	538	<b>2019</b>	481

Retirements	
2017	47
2018	17
2019	16
Projected 2020	38
Projected 2021	69
Projected - 2022	100

- Implemented cost containment initiatives, and strategically assessed our organizational structure and reorganized in a continuous effort to do more with less.
- Reorganization of departments helps us become more efficient and allows us to maximize the utilization of staff in order to accomplish the work.
- Negotiated more than 60 separate and distinct labor potions, converting them into 12 multi-tasking conversions
- Reduced our headcount over the last 10 years by approximately 200 people.
- (In 2011 as part of CRRRA contract ending there were 45 layoffs and MDC absorbed another 35)

# Union Contract Changes

## **New Employees**

- Pension contribution increased to 7.5% of regular compensation
- No spousal or dependent medical/dental coverage upon retirement
- Retiree will pay the cost of coverage for life insurance upon retirement
- New employees enrolled in Health Savings Account(HSA)
- Must work at least 10 years to qualify for retiree medical
- Eliminated Medicare Part B reimbursement
- Spouses and dependents pay 100% of the premium. Assumes that 25% of retirees will elect spouse/dependent coverage

## **All Employees**

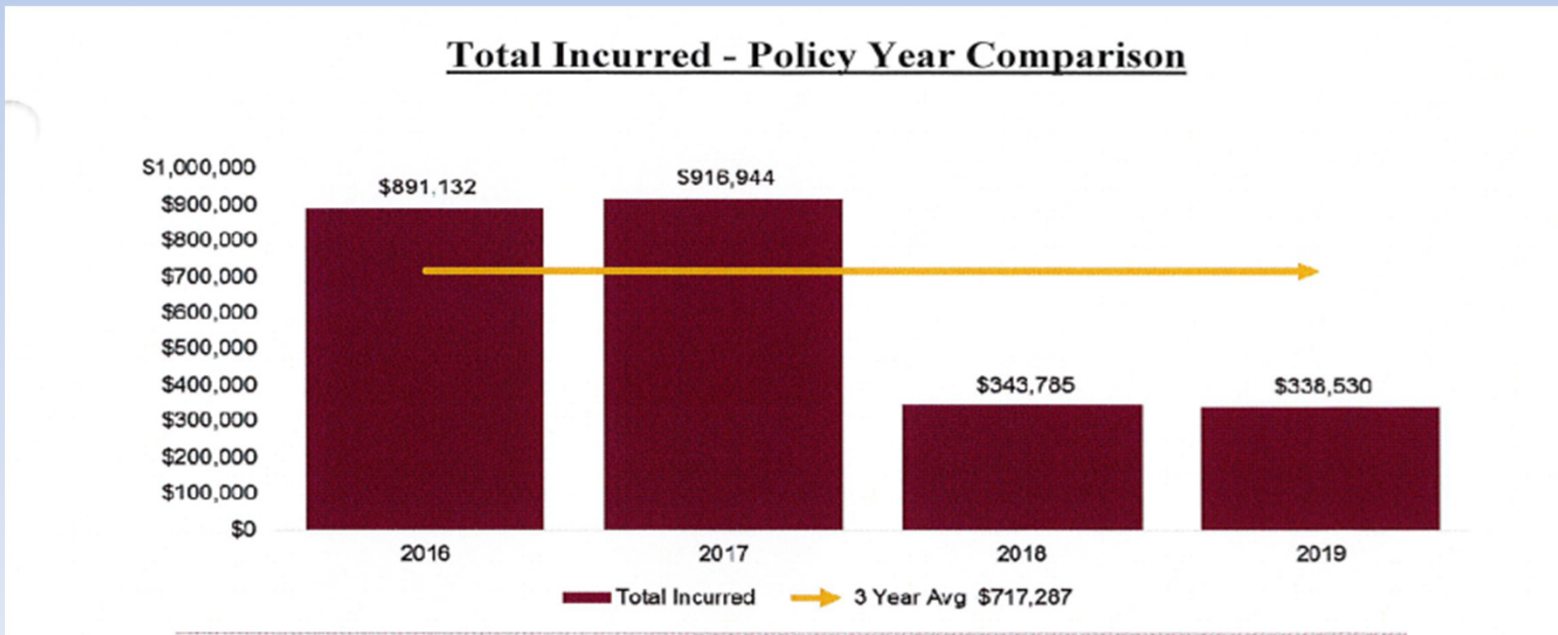
- Moratorium on pension negotiations extended to December 31, 2025
- Existing employees can opt to change to the High Deductible Medical Plan
- Health Insurance premium cost share shall be advanced over the term of the contract to 18%
- All future retirements the District will buy out the base Life Insurance by paying the retiree a lump sum
- Classification request moratorium extended to December 31, 2022
- All employees will pay 1% of regular wages into the OPEB Fund

***Savings of \$40 million in OPEB liability***

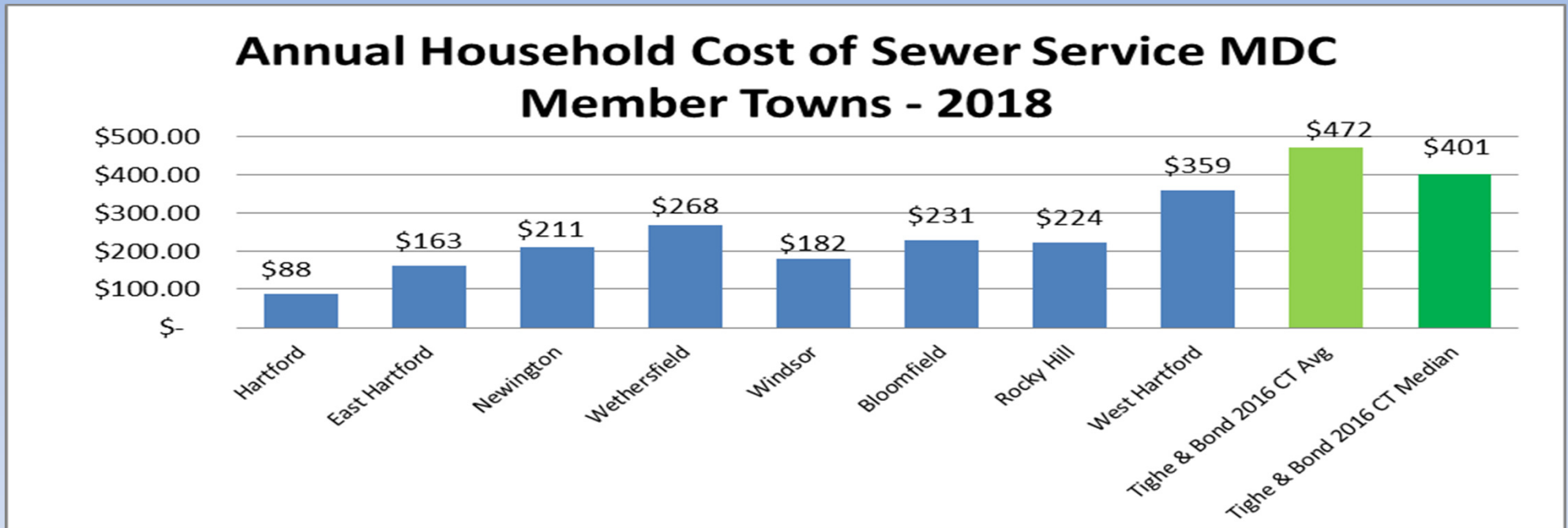


# Workers Compensation

- In 2018, Contracted with Workers Comp Trust to administer WC and FMLA programs
- The purpose of having a Workers Comp Administrator is to reduce the workers compensation costs by using cost containment measures to keep expenses to a minimum while providing quality medical care to the injured worker.
- The medical care plan has brought more control by limiting the network of medical providers and control over costs and unnecessary medical procedures. These changes have greatly reduced overall claim costs.



# Ad Valorem Rate/Charge Comparison



- Average annual sewer charges range from \$88-\$359, lower than the CT average of \$472 and CT Median of \$401 (Tighe & Bond 2016)\*

\*excludes charges for Clean Water Project Charge (a.k.a. Special Sewer Service Surcharge)

## **Public Act 13-78**

- Allows private water companies expanded authority to charge fees to recover revenue lost due to conservation
- Exempts municipal water companies from submitting an annual report to PURA

# Special Act 14-21



***Substitute Senate Bill No. 332***

***Special Act No. 14-21***

***AN ACT AMENDING THE CHARTER OF THE METROPOLITAN DISTRICT IN HARTFORD COUNTY.***

MDC is the only municipal water company that submits an annual report to:

Governor's Office  
Office of Fiscal Analysis  
Auditors of Public Accounts

## **The 2018 Metropolitan District Commission Report**

**As Required by Senate Bill No. 332**

Contained within this report are the following:

- 2018 Water Revenues & Expenditures Report
  - Water revenue & expenditures by source, category and type
- 2018 Bonds Issued Report
  - A list of all bonds issued for 2018, for each issue, including the financial advisor, and underwriters, whether it is competitive, negotiated or privately placed and the issue's face value and net proceeds
  - A list of all projects receiving financial assistance during the 2018 fiscal year, including each projects purpose, location, and the amount of funds provided by the district
  - The cumulative value of all bonds issued, and the value of the outstanding bonds and capital projects associated with such bonds
- 2018 Personnel Report
  - MDC's Affirmative Action Policy Statement
  - Description of the District's affirmative action efforts
  - Total number of District employees at the end of each quarter for calendar year 2018
  - Listing of District positions vacated and positions filled during each quarter for calendar year 2018
  - A description of the composition of the District's workforce by race, sex, and occupation
  - The positions estimated to be vacant and the positions estimated to be filled at the end of the fiscal year

# Bill Re-Design: Previous Versions

**The Metropolitan District**  
555 Main Street, P.O. Box 800  
Hartford, Connecticut 06142-0800  
Telephone (860) 278-7850

**Customer Name:** [REDACTED]  
**Account Number:** [REDACTED]  
**Service Address:** [REDACTED]  
**Invoice Number:** 200030018082  
**Invoice Date:** 11/18/2015

**Billing Period:** 08/18/2015 - 11/18/2015  
**Due Date:** 12/18/2015  
**Amount Due:** \$ 127.32

**Meter Number:** 10444802  
**Previous Meter Reading:** 416  
**Current Meter Reading:** 432  
**Water Use CCF:** 16

**Current Charges:**  
Water Used Charge @ \$2.530 X 16 CCF 40.48  
Water CSC Domestic Charge 40.44  
Clean Water Project Charge @ \$2.900 X 16 CCF 46.40  
Total Current Charges: \$127.32

**Billing Summary:**  
Past Due \$0.00  
Current Charges \$127.32  
Current Balance: \$127.32

Please return this portion with your payment. Please bring entire bill when paying in person.

**Service Address:** [REDACTED]  
**Account Number:** 200030018082  
**Invoice Number:** 200030018082  
**Invoice Date:** 11/18/2015

**Make Check Payable to MDC**  
**Due Date:** 12/18/2015  
**Please Pay this Amount Due:** \$127.32

1% PENALTY ADDED IF NOT PAID BY DUE DATE  
Pay Online at [www.themdc.com](http://www.themdc.com)

Send Payment To:  
The Metropolitan District  
P.O. Box 990082  
Hartford, CT 06199-0092

000000001273212182015000108710340000070591444100150001892024

Original

**MDC The Metropolitan District**  
555 Main Street, P.O. Box 800  
Hartford, Connecticut 06142-0800  
Telephone: (860) 278-7850  
[www.themdc.org](http://www.themdc.org)

**Invoice Number:** 200020791808  
**Invoice Date:** 08/28/2018  
**Page:** 1 of 2

**Service Address:** 12 EAST NEWBERRY RD, BLOOMFIELD CT  
**Customer Name:** ROMCO CONST INC  
**Billing Period:** 07/27/2018 - 08/24/2018 (29 Days)

**EXPLANATION OF CHARGES**  
**Water Used Charge:**  
Water used (ccf or gls) at currently approved rate.  
1ccf (hundred cubic feet) is equal to 748 gallons.  
**Water Customer Service Charge:**  
Charge based on Meter Size to recover operations, maintenance and debt cost associated with water operations.  
**Sewer Customer Service Charge:**  
Recovers certain sewer costs, including private property sewer work to investigate backups, unclog sewer laterals, excavate and repair sewer laterals and for 24-hour sewer emergency response. This work is separate from the treatment and disposal of sewage released from a property that is paid for via the Ad Valorem tax method.  
**Department of Public Health (DPH) Drinking Water Fee:**  
Assessment fee imposed by the CT DPH as mandated by the State budget not to exceed \$4.00 per service connection, per year.  
**Clean Water Project Charge:**  
The CWP charge funds the financing of the Clean Water Project. Referendums passed in 2006 and 2012 authorized the spending of \$1.74 billion for the Clean Water Project.

**BILLING SUMMARY**  
Previous Balance: \$34.62  
Payments Received: \$34.62  
**Outstanding Balance:** \$0.00  
Current Charges: \$41.14  
(see details on next page)  
**Total Amount Due:** \$41.14  
Due Date: 09/27/2018

If bill is not paid by Due Date, 1% interest (monthly) will be added to outstanding amount due.

**CUSTOMER INFORMATION**  
• Go PAPERLESS! Sign up at [www.themdc.org](http://www.themdc.org)  
• Please bring your entire bill when making a payment in person.  
• Please allow up to three (3) business days for payments to post to your account.

To review a complete list of current charges or to pay your bill online, go to [www.themdc.org/customers/billing-services](http://www.themdc.org/customers/billing-services)

Keep this portion for your records.  
Please return this portion with your payment. PLEASE BRING ENTIRE BILL WHEN PAYING IN PERSON. Make check payable to The Metropolitan District or MDC.

**MDC The Metropolitan District**  
555 Main Street, P.O. Box 800  
Hartford, Connecticut 06142-0800

**Account #:** [REDACTED] **Invoice #:** 200020791808  
**Service Address:** [REDACTED]

☐ Check box for Address Change  
List new address on back

**Amount Due by 09/27/2018:** \$41.14  
**Total Amount Enclosed:** \$

Send Payment To:  
The Metropolitan District  
P.O. Box 990082  
Hartford, Connecticut 06199-0092

00000000041140927201800010410496000007022278100180062156871

1<sup>st</sup> Re-design, effective, Nov. 2016



Effective  
January 2020



## Your water bill has a new look!

Effective January 2020

**MDC** The Metropolitan District  
water supply • environmental services • geographic information  
555 Main Street, PO Box 800  
Hartford CT 06142  
Tel. 860 278-7850  
[www.themdc.org](http://www.themdc.org)

Account No.: 21001488  
Invoice No.: 1000004409  
Customer Name: John Smith  
Service Address: 555 Main St  
Hartford CT 06103-2915

Page: 1 of 3  
Invoice Date: 10/20/2019

**CUSTOMER ACCOUNT  
NUMBERS** are changing.

### Billing Summary

**Billing Period**  
09/18/2019 - 10/17/2019 (30 Days)

**Previous Billing Details**  
Previous Balance \$171.93  
Payments Received \$0.00

**Current Billing Details**  
Previous Outstanding Balance \$171.93  
Current Charges \$84.28

**TOTAL AMOUNT DUE \$256.21**

Due Date: 11/14/2019 **\$256.21**  
Total Amount Due

1% INTEREST ADDED IF NOT PAID BY DUE DATE.

### Usage Summary (CCF)



**NEW GRAPH**  
lets you see how  
your water usage  
compares to  
previous months.

### CUSTOMER INFORMATION

- Go PAPERLESS! Sign up at [www.themdc.org](http://www.themdc.org)
- Please bring your entire bill when making a payment in person.
- Please allow up to three (3) business days for payments to post to your account.



Keep this portion for your records. Go Paperless. Pay online at [www.themdc.org](http://www.themdc.org).

Please return this portion with your payment. Please bring entire bill when paying in person. Make check payable to The Metropolitan District.

**MDC** The Metropolitan District  
water supply • environmental services • geographic information  
555 Main Street, PO Box 800  
Hartford CT 06142  
Tel. 860 278-7850  
[www.themdc.org](http://www.themdc.org)

Invoice No.: 1000004409  
Service Address: 555 Main St  
Hartford CT 06103-2915

### PAY YOUR METROPOLITAN DISTRICT BILL WITH CASH AT PARTICIPATING STORES

Please bring your entire bill when making a payment.  
Please allow up to 3 business days for payments to post to your account.

#### Retailer Instructions:

1. SCAN the customer's barcode.
2. The register will PROMPT you to enter an amount.
3. ENTER the amount the customer wants to pay.
4. COLLECT the desired cash amount (and fee, if applicable).
5. When the transaction is COMPLETE hand customer the receipt.



By accepting or using this barcode to make a payment, you agree to the conditions, available at [www.themdc.org](http://www.themdc.org). After successful payment, you may receive your full detailed receipt at [www.themdc.org](http://www.themdc.org). Contact MDC's Customer Service Call Center at 860-278-7850.



**NEW PAYMENT OPTION!**  
Pay your bill in person at any of  
these participating retailers.

### CHANGES TO YOUR WATER BILL

Effective January 2020, the water bill will have a new look.  
Improvements include a usage summary and new  
payment options for added convenience.

It is important to note, **all customer account numbers will be changing** beginning with the first billing cycle in January 2020. If you pay your MDC bill through another financial institution you will want to make them aware of this change.

Amount Due By 11/14/2019 **\$256.21**  
Total Amount Enclosed \$

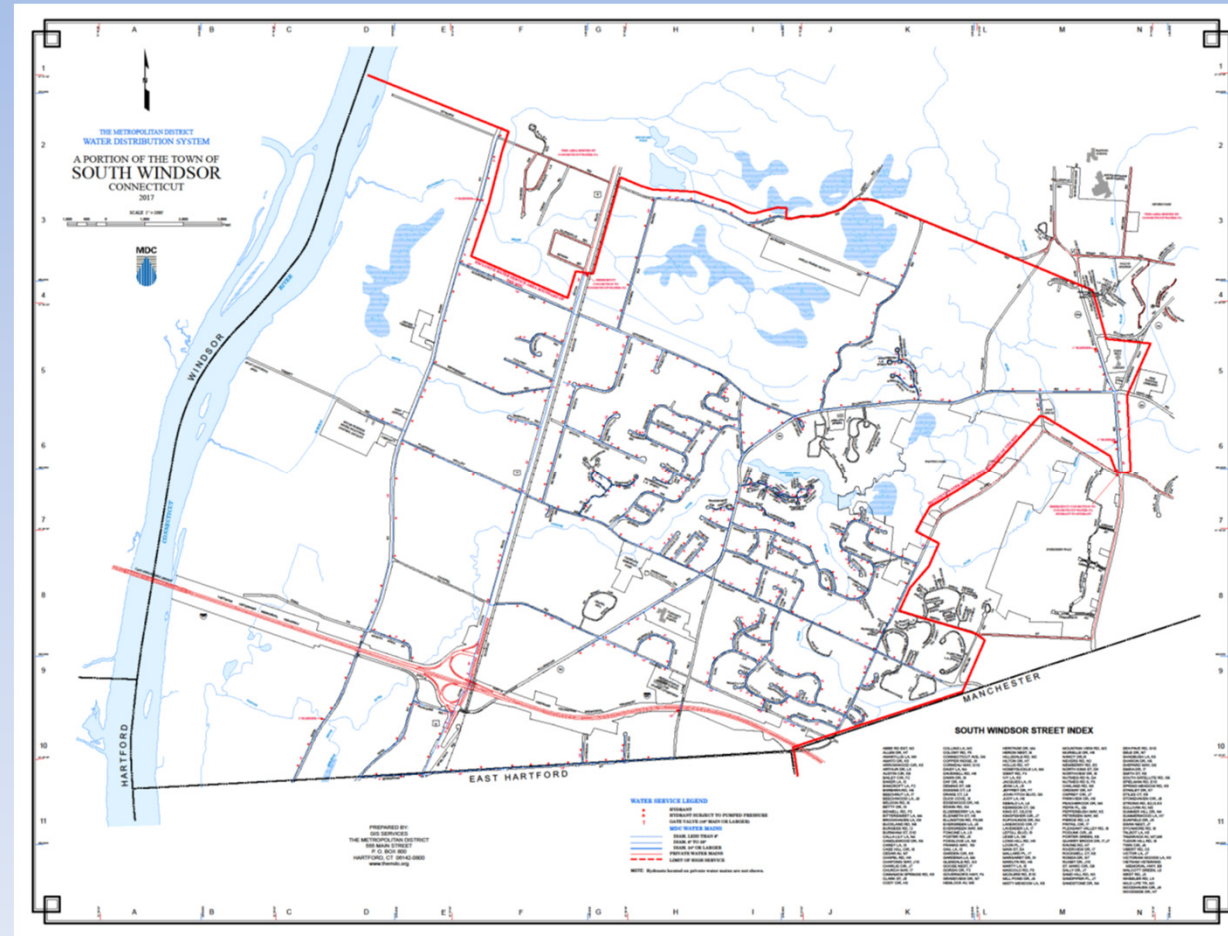
### SEND PAYMENT TO:

The Metropolitan District  
P.O. Box 99092  
Hartford, CT 06199-0092

1001488200100000440961

# South Windsor Water Customers

- MDC - 2086
- CT Water Co. - 5393





# Questions

