

## TOWN MANAGER'S REPORT

TO: Honorable Town Council Members

FROM: Karl F. Kilduff, Town Manager

DATE: December 16, 2020

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Please find my report concerning various items of interest to the Town Council and community.

### 1. Council Business:

- a) FY21-22 Budget: Staff level budget preparation remains in process. Capital will likely be an area of concern with the need to address communication equipment as well as respond to the recent Police Accountability Act which calls for body cameras and cameras in cruisers.

As I noted previously, the Town Council should give consideration to the need to maintain the Capital Expenditure Committee. It is a purely advisory body to the Town Manager (previously advisory to the First Selectman).

- b) Bonding Preparation: Work remains on-going to prepare for Bond Anticipation Note (BAN) issuance in February. Our plan is to "roll" the BANs from last year one more year and include additional funds to meet the anticipated needs for the Pleasant Valley River Bridge and Kelseytown Bridge. Pleasant Valley has a state contribution of 50% which is front loaded. Kelseytown has a 75% contribution but is a reimbursement program.
- c) County Equivalency: As I reported earlier, the councils of governments in Connecticut were looking at achieving "county equivalency" in the eyes of the federal government. The attempt was not to bring back county level government, but to open the door to additional federal funding which currently goes to counties that Connecticut has missed out on. Many federal programs are tailored for a county-style government operating between a state and municipalities. Attached is an FAQ sheet for more detail. Now that the request is working its way through a formal process, there is a public comment period. A letter of support will be coming from the River COG with the hope that all towns endorse a letter of support for the change.

### 2. River COG:

The River COG met virtually on December 2, 2020. The highlights of the meeting included:

- Election Report: The regional election monitor noted that the election process was generally smooth and the lessons learned from the primary were applied.
- Transit Study: A follow-up discussion was held regarding the transit study to merge 9 Town Transit with Middletown Area Transit. The merger process is back on track with the regional service study and service improvement plan completed. Both districts are working together on a memorandum of agreement (MOA) process that will outline the road map for any merger as

well as the funding commitments needed from the DOT to make the plan a reality. The funding resources and their source (state vs federal funds) need to be ironed out.

- Legislation: A meeting will be held with regional legislators on December 15 to review the state legislative concerns for the region. The intent is to have a short, focused legislative agenda given the anticipated number of competing concerns during the 2021 legislative session. The CCM legislative agenda (which I shared previously) is likely going to be the guide for major areas of concern.
- COVID: A general discussion was held regarding COVID concerns as the region moves in to the second wave of the pandemic. One concern was increasing accessibility to testing to avoid traffic concerns at the Old Saybrook drive-thru testing facility. It was reported that an additional testing facility would be put into operation at Hammonasset State Park with a run through March.
- Regional Plan of Conservation and Development: As I passed along to the Council already, the COG is going to host a series of workshops that will focus on themes in the regional plan – changing demographics, brand/vision for the region for economic development purposes, and land use maps for the future. The idea is to use a virtual format that will also allow for interest members of public to discuss each topic in a virtual small group.
- Regional Affordable Housing Plan: I have reported on this item previously. There is strong interest at the COG level for a regional affordable housing plan which would then have local annexes (much like the Hazard Mitigation Plan) that can be approved locally to satisfy a state mandate to have an affordable housing plan in place. An RFP for a planning consultant to perform the work will be issued by the COG by the end of the calendar year.
- Natural Hazard Mitigation Plan: This plan is working through final edits and should be ready for submittal to the State. The next step in the process would be to wait for feedback from the State on the draft plan before further action is taken.

### 3. CCM:

CCM held its Legislative Committee meeting on December 3, 2020. The majority of the meeting was focused on discussions with Matt Ritter, Speaker of the House Designee and Vin Candelora, House Republican Leader-Elect. The intent of the discussion was to get a feel for the process for the next legislative session, priorities and areas where CCM could be more involved in the process to advocate for the needs of local government.

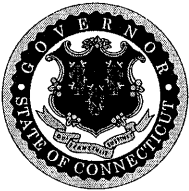
### 4. Miscellaneous:

- a) Budget Survey: The budget survey went “live” on Friday, December 11 and will be available into January. By Saturday morning, we were registering a number of completed survey responses. The plan remains for the Morgan School students to compile the survey results so a report can be presented at the same time as the Town Manager’s Recommended Budget.
- b) Kelseytown Road Bridge Bid Opening: Bids were opened for the bond-authorized replacement of the Kelseytown Road Bridge. This is another infrastructure project that was approved by public referendum and enjoys a significant amount of cost sharing with the State. Bids are under review by the project engineer and the DOT for compliance with bid documents and State requirements. A bid award decision is expected once State feedback is complete. Immediate

cash flow needs for the project would be included in the bond anticipation notes described above before being financed as bonds in 2022. The State's financial participation is a reimbursement. The State's participation on Pleasant Valley is front loaded at the beginning of the project.

- c) Radio Committee: The need to replace the Town's radio and dispatch equipment has been reported here previously, as well as in Council Liaison reports on the Police Commission. This will be a significant cost item in the FY21-22 capital plan given the fact that the dispatch console is no longer supported by the manufacturer. Discussions at a staff level have been taking place with the Police, Fire and Public Works Departments for our local needs and delivery of a new and better system. In the short term there is an anticipated funding need for this project as radio mapping will need to be updated and a consultant may need to be engaged to frame the project prior to going out to bid the whole project.
- d) Water Company Rate Request: Attached to this report is a letter that arrived from the Connecticut Water Company seeking a rate increase from the Public Utility Regulatory Authority (PURA). The letter addresses the rationale for the rate increase to fund operations and infrastructure improvements. As a consumer of water, this increase will also fall on the Town and will have to be factored into the FY21-22 budget as we move forward.
- e) COVID: There still remains a high level of community spread throughout the State and in Clinton. Masking and other safety protocol still need to be a part of daily life. Even now that one vaccine is working its way into circulation, a vaccine for the general public will not be in circulation until the summer.

The Department of Public Health is now holding bi-monthly calls with local officials to provide a briefing on the next steps, both in terms of vaccination planning and other steps to control spread. In terms of testing, a new drive-up testing offering has been set up at Hammonasset State Park and is slated to offer testing 7 days per week.



## Census Bureau County Equivalency Status For Connecticut's Planning Regions Frequently Asked Questions (updated 12/11/2020)

### 1. What is happening and why?

The State of Connecticut has requested, and the U.S. Census Bureau has proposed the addition of Connecticut's Planning Regions to its list of geographic units that are treated as county equivalents for statistical purposes. This will align Census Bureau tabulations with the nine Planning Regions established and used by the State of Connecticut for the Regional Councils of Governments (COGs). This change is slated to begin in 2023.

Connecticut's request can be found here: <https://portal.ct.gov/-/media/OPM/IGP/ORG/County-Equivalency/County-Equivalency-Request-Letter-to-US-Census-Bureau-81419-signed.pdf>

The Census Bureau proposal can be found here: <https://www.census.gov/programs-surveys/geography/technical-documentation/county-changes.html>

### 2. What are the benefits of this proposal?

The proposal will put Connecticut on a level playing field with other states by:

- a. Aligning data released by the Census Bureau with the Planning Regions used by the state rather than with defunct, historical geographies. This will improve the ability to use census data for planning and decision-making.
- b. Allowing more entities in Connecticut to apply for competitive federal grants. Often federal grant programs are designed for and around counties. The lack of regional geographies recognized as county equivalents by the Census Bureau makes cities and towns in Connecticut ineligible to apply for many federal grants that are limited to counties. Planning Region county equivalency will allow municipalities to more easily collaborate on federal grants submitted through their COGs, eliminating redundant grant administration and potentially leading to more competitive applications.

### 3. Is this a return of county government?

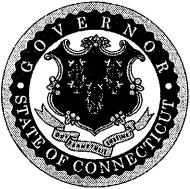
No. Connecticut dissolved county government in 1960. The proposal will not change this nor establish new regional authorities. The proposal does not change federal or state law or change municipalities' existing relationships with their COGs or with the state and federal governments. The proposal clarifies that the Planning Regions are Connecticut's county equivalent for federal statistical purposes.

### 4. Will this affect home rule or local control?

No. This proposal does not affect home rule, local control, or the municipalities' relationships with federal, state, and regional governments. The proposal does not change federal or state law.

### 5. What will the proposal cost Connecticut?

The State of Connecticut has worked with the Census Bureau to avoid costs. Census data products are set to be replaced beginning in 2023. The implementation date of 2023 was selected to coincide with this, so that no additional data transition will be necessary. The proposal has the potential to bring in new revenue to Connecticut over the medium- and long-term by making the state eligible for more federal funds, and by making it more competitive in applying for federal funds.



**6. Is this done anywhere else?**

A county equivalent is a regional geography that the Census Bureau treats as statistically equivalent to a county in an area without traditional county government. The Census Bureau recognizes over 200 county equivalents nationwide.

**7. What are Planning Regions?**

Planning Regions are regional groups of municipalities in Connecticut. Planning Regions were designated by the State of Connecticut after consultation with the state's municipalities.

Each Planning Region is served by a COG. COGs are public agencies that bring together the Planning Regions' Mayors and First Selectmen to discuss and address matters of shared interest. COGs are active in transportation planning and funding, economic development, emergency preparedness and management, information technology, land use planning, and municipal shared services.

COG meetings are open to the public, and public attendance and comment are welcome.

**8. What COG does my city/town/borough belong to?**

A list of COGs, together with their member municipalities, can be found here:

<https://portal.ct.gov/-/media/OPM/IGP/RPOs/listingoftownsbyregionxlsx.xlsx>

A map of the COGs is here: <https://portal.ct.gov/lib/opm/igp/org/cogs/rcogs.png>

**9. What do COGs think of this proposal?**

The boards of state's nine COGs, comprising the Mayors, First Selectmen, and Town Managers of their regions, have voted unanimously to support this proposal.

**10. Have the federal and state governments been informed of this proposal?**

Yes. This proposal was developed jointly by the Census Bureau, the Connecticut Office of the Governor, Connecticut Office of Policy and Management, the Connecticut Association of Councils of Governments, each Regional Council of Governments, and the CT Data Collaborative, Connecticut's State Data Center.

The proposal has also been shared with the state's Congressional delegation (U.S. Senate and House) and their staffers, leadership and members of Connecticut General Assembly (both chambers), the Connecticut Conference of Municipalities, the Connecticut Council of Small Towns, and others.

**11. Will this proposal increase my taxes?**

No. This proposal does not change any statute regarding taxation. Census Bureau recognition of Planning Region county equivalency does not create new authority for taxes at any level of government.

**12. Can I continue to use historic county names and boundaries?**

Yes. The Census Bureau's use of Planning Regions for statistical purposes instead of counties does not erase the historic county boundaries. Individuals, businesses, and organizations will remain free to use the county names and boundaries for as long as they wish.



**13. How will this impact the 2020 Census?**

The proposal will not go into effect until 2023, so 2020 Census data sets will not be impacted. Census products released from 2023 on will use Planning Regions instead of counties. Users of Census Bureau data and products will have years, potentially up to 2032, to transition.

**14. What if I need to use data aggregated by county after 2022?**

The proposal does not limit the right of state/local governments, businesses, organizations, and individuals to use geographic units of their choice in data aggregation. The proposal will replace counties in Connecticut with Planning Regions in census data products beginning in 2023. Most of these products are aggregated from municipal data and, as such, can be reaggregated to any combination of municipalities (including historic counties). The COGs and CT Data Collaborative, which serve as Census Bureau partners in Connecticut, are available to assist data users with this transition.

**15. Is there somebody I can talk to about this?**

Yes! The staff of your COG, the CT Data Collaborative, and the CT Office of Policy and Management would be happy to answer any questions you may have. They can be contacted at:

Connecticut Office of Policy and Management

Martin L. Heft, Acting Undersecretary

Telephone: (860) 418-6355

E-Mail: [Martin.Heft@ct.gov](mailto:Martin.Heft@ct.gov)

Connecticut Data Collaborative

Michelle Riordan-Nold, Executive Director

Telephone: (860) 937-9056

E-Mail: [info@ctdata.org](mailto:info@ctdata.org)

Capitol Region Council of Governments

Lyle Wray, Executive Director

Telephone: (860) 522-2217, ext. 232

E-Mail: [lwray@crcog.org](mailto:lwray@crcog.org)

Connecticut Metropolitan Council of Governments

Matt Fulda, Executive Director

Telephone: (203) 366-5405

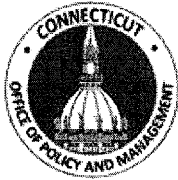
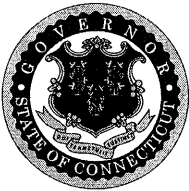
E-Mail: [mfulda@ctmetro.org](mailto:mfulda@ctmetro.org)

Lower Connecticut River Valley Council of Governments

Sam Gold, Executive Director, *Chair of the Connecticut Association of COGs (CTCOG)*

Telephone: (860) 581-8554

E-Mail: [sgold@rivercog.org](mailto:sgold@rivercog.org)



Naugatuck Valley Council of Governments

Rick Dunne, Executive Director

Telephone: (203) 757-0535

E-Mail: [rdunne@nvcogct.gov](mailto:rdunne@nvcogct.gov)

Northeastern Connecticut Council of Governments

John Filchak, Executive Director

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E-Mail: [john.filchak@necog.org](mailto:john.filchak@necog.org)

Northwest Hills Council of Governments

Rick Lynn, Executive Director

Telephone: (860) 491-9884

E-Mail: [rlynn@northwesthillscog.org](mailto:rlynn@northwesthillscog.org)

South Central Regional Council of Governments

Carl Amento, Executive Director, *CTCOG Vice-Chair*

Telephone: (203) 234-7555

E-Mail: [camento@scrcog.org](mailto:camento@scrcog.org)

Southeastern Connecticut Council of Governments

Jim Butler, Executive Director

Telephone: (860) 889-2324

E-Mail: [jbutler@seccog.org](mailto:jbutler@seccog.org)

Western Connecticut Council of Governments

Francis Pickering, Executive Director, *CTCOG Secretary & Treasurer*

Telephone: (475) 323-2060

E-Mail: [fpickering@westcog.org](mailto:fpickering@westcog.org)

**16. Will the public get an opportunity to comment on this proposal?**

Yes. The Census Bureau is expected to post Connecticut's county equivalency proposal to the Federal Register on December 14, 2020 for public comment. The 60-day public comment period will run through February 11, 2021 during which anyone or any organization will have the opportunity to submit comments on the proposal.

Please check <https://www.federalregister.gov/> under posted by the U.S. Census Bureau on December 14, 2020 for more information.





December 3, 2020

Karl Kilduff  
Town Manager Town of Clinton  
54 East Main Street  
Clinton, CT 06413

**RECEIVED**

**DEC 10 2020**

**Town Manager's Office  
Clinton, CT**

Dear Karl:

The Connecticut Water Company (Connecticut Water) is planning to file a general rate case (GRC) application with the Connecticut Public Utilities Regulatory Authority (PURA) to amend its rate schedule. As required by Section 16-1-22(b) of the Regulations of Connecticut State Agencies, we have made formal notification today to the Governor, PURA and local elected officials in our service communities of our preliminary notice of our intent to file within the next 60 days. We wanted to immediately share the same information with you as you represent communities that we serve.

The need for the increase is largely driven by company-funded infrastructure investments of about \$255 million that have not yet been included in customers' rates since the company's last full rate case in 2010. The proposed increase would add about 35-cents per day or \$10.50 per month to the bill of a typical residential water customer that uses 3,780 gallons of water per month.

Connecticut Water, with our Connecticut headquarters and management team, has more than 225 local, experienced employees dedicated to serving the interests of our customers. Our teams know our service towns and regularly coordinate with community leaders. Decisions to prioritize our investments in infrastructure are made to maximize the benefit to public health, safety and economic development for the 106,000 customers or 360,000 residents served across 60 Connecticut communities.

Our investment in drinking water treatment, storage, distribution systems and information technology are a direct benefit to our customers day-in and day-out to ensure reliable service and safe drinking water –including during major storms and the COVID-19 pandemic.

We are seeking recovery on those investments so that we can continue to maintain and build water systems that serve the needs of current and future generations. Further, we need to adjust our rates to cover increased operating costs for things such as power and chemicals.

Overall, Connecticut Water will be seeking to increase annual revenues above those in effect at the time of the filing by about \$20 million, or about 19.9%<sup>1</sup>. The percentage increase in some communities or operating divisions and by customer class (residential, commercial, industrial, public authority) will vary from the overall average increase. This will be done to more closely align the rates in each of those areas to reflect their respective cost of service.

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<sup>1</sup> In the event that the Water Infrastructure and Conservation Adjustment application pending before PURA in Docket 09-12-10WI27 is not approved as of the date the general rate application is filed, the request increase would be just over \$21 million or 21%.



Further, we may seek to introduce rate structures that are designed to further promote water conservation in Connecticut and support the state's broader energy policy. PURA will determine the ultimate level and actual distribution of the rate increase.

We recognize that the pandemic has created ongoing financial hardships. Here, too, we have been ready to help by implementing the PURA moratorium on shut-offs for non-payment and the extended payment plans for our customers. Further, for more than a decade, Connecticut Water has had its own *Help To Our Customers* (H<sub>2</sub>O) financial assistance program to assist those with ongoing and one-time financial challenges to maintain their water service.

Further, as a commitment to our Connecticut customers in our 2019 merger with SJW Group, the Company agreed not to file for a general rate increase that would have new base rates in effect before January 2021. In view of the pressures on our customers from the pandemic, the filing was further delayed so that new base rates will not take effect before July 2021. Based on another merger commitment, our requested increase in annual revenues in this case has been to reflect synergies and savings from the combination with the larger SJW Group organization.

Additionally, since our last GRC, Connecticut Water customers benefited from two temporary rate reductions that put a combined \$14.7 million back in their pockets. The temporary rate reduction in 2014 – 2016 was related to a federal income tax refund based on our adoption of repair tax treatment. The temporary rate credit in 2019 was related to synergies expected from our merger with SJW Group.

Connecticut Water has a strong commitment to environmental stewardship and community involvement. We maintain high quality water supplies and have more than 6,000 acres of lands to protect those sources. We work to promote water conservation and sound land use policies that protect the environment, and over the past 20 years, Connecticut Water has either donated or sold at bargain sale process more than 1,000 acres of land as protected open space.

We understand that a rate increase is never welcomed. However, we believe the value of safe reliable water service we provide is well worth the final cost of a little more than a penny per gallon.

By copy of this letter, the chief executive officers in each of our service towns are being notified about the rate application and our staff will be available to meet with them. State elected officials are also being contacted regarding our intention to amend rates and customers will be notified directly prior to any public hearings.

I would welcome the opportunity to meet with you or your staff to further discuss our application. In the meantime, should you or any of your constituents have questions or concerns regarding the application please feel free to contact me at [mwestbrook@ctwater.com](mailto:mwestbrook@ctwater.com) or (860) 664-6055.

Sincerely,



Maureen P. Westbrook  
President



Connecticut Water is proud to provide water service to 106,000 customers across 60 Connecticut communities to support public health, safety and economic development in those communities. This is done through one wastewater system and over 60 water systems ranging from as few as 22 customers to nearly 40,000 customers. This includes the former Avon Water and Heritage Village Water companies that were merged into Connecticut Water Company earlier this year. Our customers are served by a network of water mains stretching more than 1,700 miles as well as pumping, storage and treatment facilities to maintain water quality, reliability and service.

**The application includes \$225 million invested in infrastructure projects that are not covered in rates for:**

- Water treatment technology to enhance treatment and operational efficiency, meet increasingly stringent water quality standards and continue to provide safe, reliable drinking water to customers and communities.
- Additional water storage for improved service to customers and volumes necessary for public fire protection.
- IT systems that support business and operations and include cybersecurity measures to protect critical data.
- Backup generators at all critical facilities ensuring water availability during power loss.

During that same time, the Company also invested in infrastructure to enhance water quality and service that has been folded into rates or surcharges including the \$36 million Rockville Drinking Water Treatment Facility in Vernon and over \$175 million since 2009 to replace more than 150 miles of water main that had an average age of 75 years, or were no longer adequately sized to support the residential and business growth since it was originally installed.

**We care about serving customers:**

- Independent surveys in 2019 of residential and business customers, local and state officials show 90% satisfaction with Connecticut Water, a world-class satisfaction rating.
- Customer surveys show 88.0% say Connecticut Water meets their expectation all or most of the time, and 85.3% say the price of water service at about one penny per gallon is “very good” or “good.”
- 90% of elected officials, business and municipal leaders say we provide safe, reliable service and 88.2% had a favorable opinion of our response to emergencies (surveyed prior to the COVID-19 pandemic).

**We are strongly committed to environmental stewardship:**

- Connecticut Water owns and maintains 6,000 acres of lands to protect our drinking water sources.
- More than 1,000 acres of non-watershed land have been donated or sold at bargain sale as protected open space over the last two decades. Coordinated effort is underway with Save the Sound, municipalities and conservation organizations on additional opportunities to preserve or provide recreational opportunities on water company lands.
- Partnerships in our communities promote sound land use policies and review land use proposals to protect watershed lands and drinking water sources.
- Promote water conservation with customers and through classroom educational program on the importance of protecting and conserving drinking water supplies.
- Party to unique partnership with the Town of Southbury, and the Pomperaug River Watershed Coalition to raise public awareness of the impact that public and private water use can have on the Pomperaug River’s ecosystem.

**We value and support our community:**

- Company and employees engaged in volunteer activities and \$120,000 donated locally in 2020, supporting charitable organizations, food banks, fire departments and schools. Donations are not funded by customers.
- More than \$10.6 million in state and local taxes paid in 2019. We are among the top 10 taxpayers in many of our service towns.