

TOWN MANAGER'S REPORT

TO: Honorable Town Council Members
FROM: Karl F. Kilduff, Town Manager
DATE: August 18, 2021

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

1. Council Business:

- Blight Subcommittee – The Blight Subcommittee is continuing their work. Additional language was reviewed and discussed. A draft has been given to the Town Attorney for review and comment before bringing a final draft to the full Council.
- Connecticut Water Rate Case – Attached to this report is a copy of an email and overview document which describes PURA's decision regarding the rate increase sought by Connecticut Water.

2. CCM:

CCM does not have a Legislative Committee meeting scheduled during the summer months while the General Assembly is out of session. Their next regularly scheduled meeting is in September.

In the lead up to their regular schedule of meetings, Policy Committees are starting their process to develop consensus positions on legislation CCM will be seeking to impact in the session. I am involved with the Land Use, Housing and Community Development Committee which will be meeting for the first time later in August.

3. River COG:

The Council of Governments did not meet in August. Their next meeting is scheduled for September 22, 2021.

4. 9 Town Transit:

The Board of 9 Town Transit will meet on August 20, 2021.

5. Miscellaneous:

- Climate Corps – We have another opportunity to use UConn students to assist with an environmental planning project. Similar to the Storm Water Corps program, student could perform important leg work that would support larger planning – in this case related to impacts associated with climate change. The Town has to apply to UConn and have its project selected. As for a scope of work, the plan was to have students collect data to create a baseline that could support a coastal resilience plan, as was described in the Natural Hazards Mitigation Plan. The students will see the list of projects in the Fall and do the work in the Spring Semester.

- Storm Water Corp – Based on the report prepared by the UConn Storm Water Corps, it makes the most sense to focus on a rain garden project at Parks & Recreation. It is the one project area that has the biggest impact in terms of controlling storm water and, as a highly visible site, allows for public education.

Karl Kilduff

From: Daniel Meaney <Daniel.Meaney@ctwater.com>
Sent: Tuesday, August 10, 2021 2:11 PM
To: Daniel Meaney
Subject: Update on Connecticut Water rate case
Attachments: Connecticut_Sheet_FINAL3_8.2.21.pdf

Good Afternoon.

We want to update you on Connecticut Water's rate case application.

The Public Utilities Regulatory Authority (PURA) has issued its final decision on our application. PURA authorized an overall annual revenue increase of 5.1%, which will mean an increase of about 9 cents per day, or \$2.60 per month, for our average residential customer. The amount of the increase will vary by customer class and by which water system serves a customer, and preparation of detailed rate schedules to reflect the decision is now underway.

For communities that receive public fire protection from Connecticut Water, the increase will be capped at 5% over current charges. This is consistent with the estimates provided earlier this year for most communities. We will provide updated information to communities where there is a significant difference from the earlier estimates.

Aside from the financial decisions, there were a number of other important and significant measures approved by PURA that will benefit customers and the environment.

- PURA commended and thanked Connecticut Water for proposing the Water Rate Assistance Program, or WRAP, which will provide a 15% reduction on the water bill for income-eligible customers. We believe this is the first program of its kind in Connecticut and is a great addition to the financial assistance tools already available to our customers.
- PURA also approved our proposed rate design intended to promote water conservation. The new water conservation rate has a higher rate for residential customers' water usage in excess of 200 gallons per day on average. The goal is to encourage water conservation, as consumption above that amount is typically discretionary use related to lawn watering and irrigation.
- There were various modifications to our Special Charges and the Company Rules and Regulations to make them consistent across all of our Connecticut operations. There were updates to certain sections of the Rules and Regulations with clarifying language, including fire charges, customer security deposits and new fees for customers who fail to comply with mandatory water use restrictions.

PURA recognized Connecticut Water as a well-performing water utility and was complimentary of our operations and service.

You can be assured that the 200+ employees of Connecticut Water are committed to the company's vital public health and safety mission: delivering a reliable supply of safe drinking water to families and communities across the state, ensuring fire hydrants have a robust water supply, being good stewards of the environment, and providing world-class customer service.

Also, attached is a sample bill insert that will be included with the bills of residential customers who are metered quarterly as new rates are phased-in. Similar materials are being developed

Please let me know if you have any questions.

Dan

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IMPLEMENTING NEW RATES & CHARGES

Customer Assistance • Water Conservation • Other Billing Changes

(Effective 7/28/21)

CUSTOMER ASSISTANCE

Water Rate Assistance Program (WRAP)

Connecticut Water now offers a **Water Rate Assistance Program (WRAP)** for income-eligible customers. It is the first program of its kind offered by a water utility in Connecticut. Through WRAP, income-eligible customers can get a **15% reduction** on their entire water bill, excluding Linebacker service.

WRAP complements our existing **H₂O** and **Operation Fuel** assistance programs. For more information on our financial assistance programs, please visit ctwater.com/H2O or call us at **800-286-5700**.

CHARGES BEING REMOVED FROM YOUR BILL

DPH Safe Drinking Water Fee

The **state-mandated fee** on water utility customers to support the Connecticut Department of Public Health's administration of state and federal drinking water regulations **has ended and has been removed from all bills**.

WICA Reset to Zero

With the new base rates approved, the **Water Infrastructure and Conservation Adjustment (WICA) charge has been reset to zero**, and this line has been eliminated from the bill. WICA charges will resume only when eligible drinking water infrastructure and conservation projects are completed and approved by PURA.

WATER CONSERVATION

Water is a precious and limited natural resource that needs to be used wisely. Every drop of water delivered to the tap or fire hydrant is one less drop in the natural environment for the ecosystem.

Water Conservation Rate

To encourage wise water use, Connecticut Public Utilities Regulatory Authority (PURA) approved a slightly higher rate for Connecticut Water residential customers who use more than an average of 200 gallons of water per day in a billing period. **Only usage above the 200 gallons per day average will be billed at a higher rate**. Usage at or below the average of 200 gallons per day will be billed at the normal rate. This *inclining block rate* is intended to encourage residential customers to use water wisely, especially for irrigation and lawn watering.

Some divisions already had inclining block rates. The conservation rate threshold is now 200 gallons per day average for all divisions. For rates for your division, please visit: ctwater.com/rates.

Mandatory Conservation Requests

Connecticut Water has a new tool to ensure compliance with mandatory conservation requests.

During periods of prolonged drought or water supply emergencies, it may be necessary to call for mandatory water conservation measures. PURA approved changes to our *Rules and Regulations* that allow Connecticut Water to **levy a fee on customers who do not comply with mandatory conservation** requests to ensure water is available to meet essential public health and safety needs.

Other changes to Connecticut Water's Rules and Regulations were also authorized. The updated version can be found at ctwater.com/customers/rules-and-regulations.

How the Rate Change Is Represented on Your Billing Statement

New water rates, as authorized by the Connecticut Public Utilities Regulatory Authority (PURA) were approved effective July 28, 2021.

- A portion of this bill will have water service at rates that were in place prior to July 28th, and the remaining portion, starting July 28 through the invoice date, will be at the new rates.
- Your next water bill for this account will be entirely at the new rates.

Understanding the transition to new rates

Your bill will continue to include line items for the Daily Basic Service Charge and Water Usage for water and for sewer if you are a wastewater customer. There will be **two lines for each of these charges** on the statement during the transition to new rates. **①** will be at the rate in effect **prior to July 28th** at the **old rate** and **②** will be at the **new rate** for service **after July 28th**. The number of days before and after July 28th will be multiplied by the appropriate rate.

For example, if the billing period was 90 days long and a bill was issued on August 27th (30 days after July 28th) and a total of 22,000 gallons was used, an average daily amount would be calculated ($22,000/90 = 244$), and then 60 days of usage, or 14,740 gallons, would be billed at the old rate and 30 days of usage, or 7,260 gallons, billed at the new rate for total billing of 22,000 gallons.

Detailed Account Activity						
Premise Served:	xxxxxxxxxx					
Customer Type:	Residential					
Billing Period:	05/30/21 to 08/30/21					
Billing Frequency:	Quarterly					
Usage Gals	22,000					
Avg Daily Use Gals	244					
Type of Reading:	Actual					
Current Charges	Meter Size/#	Meter Reading	# Days/Usage	Rate	Amt	
① Daily Basic Service	5/8"		60	Old Rate	-	
② Daily Basic Service	5/8"		30	New Rate	-	
① Water Usage	52704846	2331	14740	Old Rate	-	
② Water Usage	52704846	2331	7260	New Rate	-	
③ Water Usage	52704846	2331	1320	Conservation Rate	-	
④ Revenue Adjustment Credit				Unchanged	-	

③ Conservation Rate: For residential customers whose usage exceeds an average of 200 gallons per day (gpd) in a billing period, a higher rate will apply for usage above the 200 gpd average after July 28th. This new rate is designed to encourage wise water use, especially for outdoor water use such as lawn watering. Using the same example above, the rate will apply only to amounts above the 200 gpd usage billed after July 28th. Using the same example above, a customer would pay the conservation rate on 1,320 gallons (30 days multiplied by 44 gallons, which is the daily amount over 200 gallons). The first 200 gallons per day would be billed at the new base non-conservation rate.

④ Water Revenue Adjustment Credit/Surcharge (WRA): The WRA authorized by PURA for **Connecticut Water and Heritage Village Division customers will continue** at the levels set in April 2021. To reconcile the company's actual annual usage versus what was approved in rates, we will continue WRA, a percentage applied for all customers' bills across the company. Customers of the **Avon Water Division do not currently have a WRA**; however, it will be implemented in 2022.

Two charges that were previously on your bill are now removed: DPH Safe Drinking Water Fee and WICA.

Updated rate schedules have been posted to ctwater.com/rates. Customers who also receive sewer service from Connecticut Water can find full rate information at that web address as well.

For additional descriptions of **WICA** and **WRA**, please see the back of the billing statement.

Connecticut Water