



Monthly Meeting #14

Coordinated Water System Plan Central Region

MDC Training Center; 125 Maxim Road; Hartford, Connecticut | July 19, 2017

Agenda



1. Welcome & Roll Call (5 minutes)
2. Approval of June Meeting Minutes (5 minutes)
3. Review of Formal Correspondence (5 minutes)
4. State Water Plan Presentation (40 minutes)
5. Review and Adopt Integrated Report Approach (10 minutes)
6. Integrated Report Module #2 – Financial Considerations (20 minutes)
7. Integrated Report Module #3 – Coordination of Planning (20 minutes)
8. Public Comment Period (10 minutes)
9. Other Business (5 minutes)



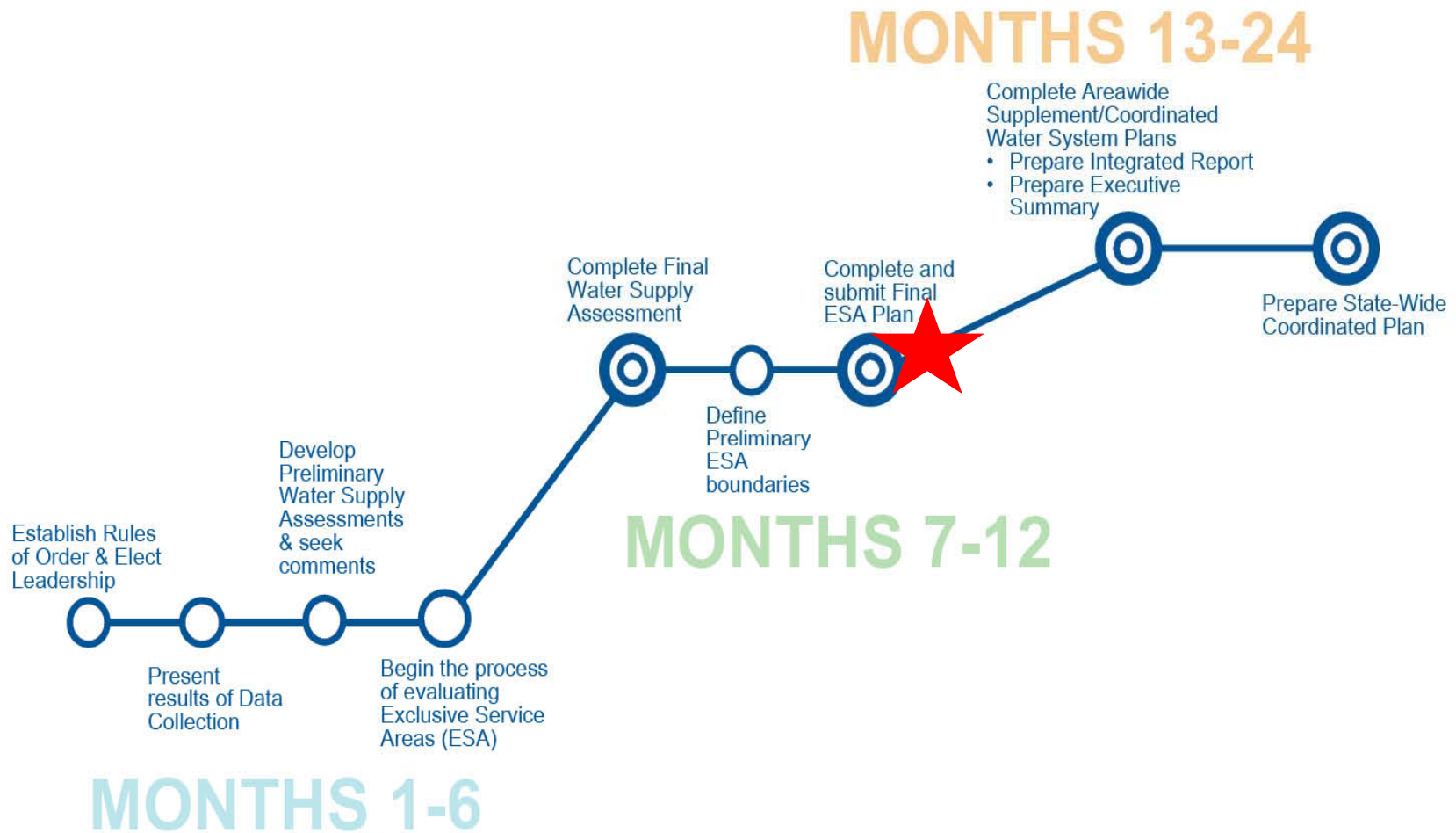
1. Welcome and Roll Call

Taking Stock



- ***What Have We Accomplished?***
 - ✓ The Final Recommended ESA Document was sent to DPH and posted
 - ✓ A draft syllabus for the Integrated Report was developed
- ***What Are We Doing Today?***
 - ✓ State Water Plan presentation from Water Planning Council
 - ✓ Discussing suggested updates to the Integrated Report syllabus
 - ✓ Discussing Asset Management, Financial Considerations, Coordination of Planning
- ***What's Next?***
 - ✓ Additional Integrated Report Topics

WUCC Time Frame



2. Approval of Meeting Minutes

3. Formal Correspondence

Formal Correspondence



Date	From	To	Main Topic(s)
6/15/2017	MMI	CT DPH	Final Recommended Exclusive Service Area Document for posting and distribution

4. State Water Plan Presentation by Water Planning Council

5. Review and Adopt Integrated Report Approach

Topic Schedule



WSA	Stat.	Reg.	Task	Jun	Jul	Aug	Sep	Oct	Nov	Dec
			State Water Plan summary	X	X					
			Request and receive data from utilities	X	X					
✓			Maintenance and replacement of existing supply sources / asset management (aging infrastructure)	X	X					
✓		✓	Financial Considerations / declining revenue vs. increasing costs		X					
✓	✓		Coordination of planning (between systems, with towns, across ESA boundaries)		X					
✓		✓	Source Water Protection							
	✓	✓	Joint Use, Management, or Ownership of Facilities, Shared Resources							
✓			Lack of fire protection							
✓	✓		Water Conservation / Drought Planning / High volume users / Increasing peaking ratios							
✓	✓	✓	Satellite Management / Small System challenges and viability							
	✓	✓	Minimum Design Standards							
✓	✓	✓	Future Sources / Raw Well Water Quality / Acquisition of land for new stratified drift wells							
✓	✓	✓	Future Interconnections and Impact (including WQ) / disjointed service areas / integration							
✓			Impacts of Climate Change							
✓			Impacts of Existing and Future Regulations							
	✓	✓	Potential Impacts on Other Use of Water Resources, including WQ, Flood Management, Recreation, Hydropower, and Aquatic Habitat Issues							
		✓	Regional Population and Service Ratio, Consumption by Demand Category, Safe Yield (Impacts of Streamflow Regulations), Excess Water							
	✓	✓	Compatibility with local, regional, and state plans							
✓			Other issues							

Integrated Report Syllabus



- ***Comments from Regional Water Authority (red text):***
 - ✓ Consolidate interconnection questions
 - ✓ Ask questions unrelated to data request
 - ✓ Ask open-ended questions rather than yes/no questions
 - ✓ Ask how the WUCC can be involved moving forward, esp. regarding communications and inter-agency agreements
 - ✓ Address questions to both large and small systems
- ***Comments from Wallingford Water Division (blue text):***
 - ✓ Clarify data request for Calendar year rather than fiscal
 - ✓ Numerous clarifications and suggested questions
- ***Comments from Northwest Hills COG (green text):***
 - ✓ Additional questions and clarifications for Climate Change

Module #1



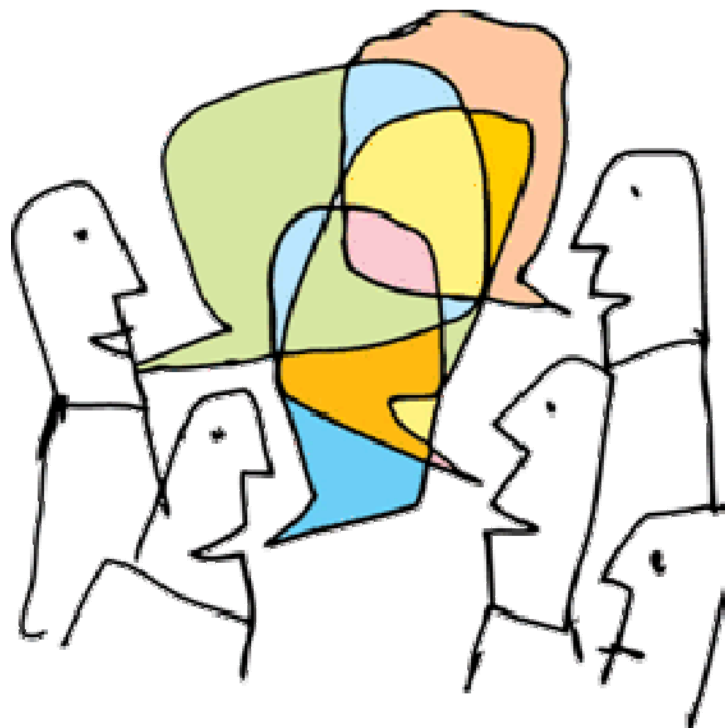
Revised Asset Management Questions

1. How does your system specifically budget for maintenance and replacement of sources and/or assets?
2. What planning period do you use for capital improvement planning (e.g., 5-year, 10-year, etc.)? How is your capital plan developed, approved (as applicable), and revised?
3. Are your maintenance and replacement planning processes the same, or are they tracked separately?
4. What percentage of capital improvements are planned, and what percentage of capital improvements are reactive (i.e., in response to a break or failure)?
5. How comprehensive is the formal asset management plan for your system? Describe the types of infrastructure covered in the plan (e.g. supply, treatment, distribution, pumping stations, storage tanks, etc.)

Revised Asset Management Questions

6. What are the most critical elements of your water supply system relative to maintenance and replacement?
7. If your system relies on groundwater wells, have you had to redevelop or relocate them since bringing on line? If yes, after approximately how many years of operation was maintenance/replacement needed?
8. Generally speaking, how does your system fund maintenance and capital improvements? Do you generally fund all of the identified needs? If not, how do you decide what is improved and what is deferred?

Module #1 Discussion



6. Integrated Report Module #2

Financial Considerations / Declining Revenues vs. Increasing Costs

Sustainable finance for water supply systems should have two goals (OECD, 2009):

1. To cover investment in extending service to those currently without service, meet demands from growing populations, and replace and modernize old systems; and
2. To fund the cost of operating and maintaining existing networks and services, including major repairs and necessary upgrades

Module #2



Financial Considerations / Declining Revenues vs. Increasing Costs

Some important questions to ask when financial planning:

1. How do I demonstrate the need for additional revenue to meet the two goals?
2. For municipal utilities – Do my community leaders consider water to be a basic right, or a scarce economic product to be supplied at sustainable rates?
3. For municipal utilities – Is my system self-sufficient financially (reflects the true cost of providing water) or does it depend on municipal subsidies?

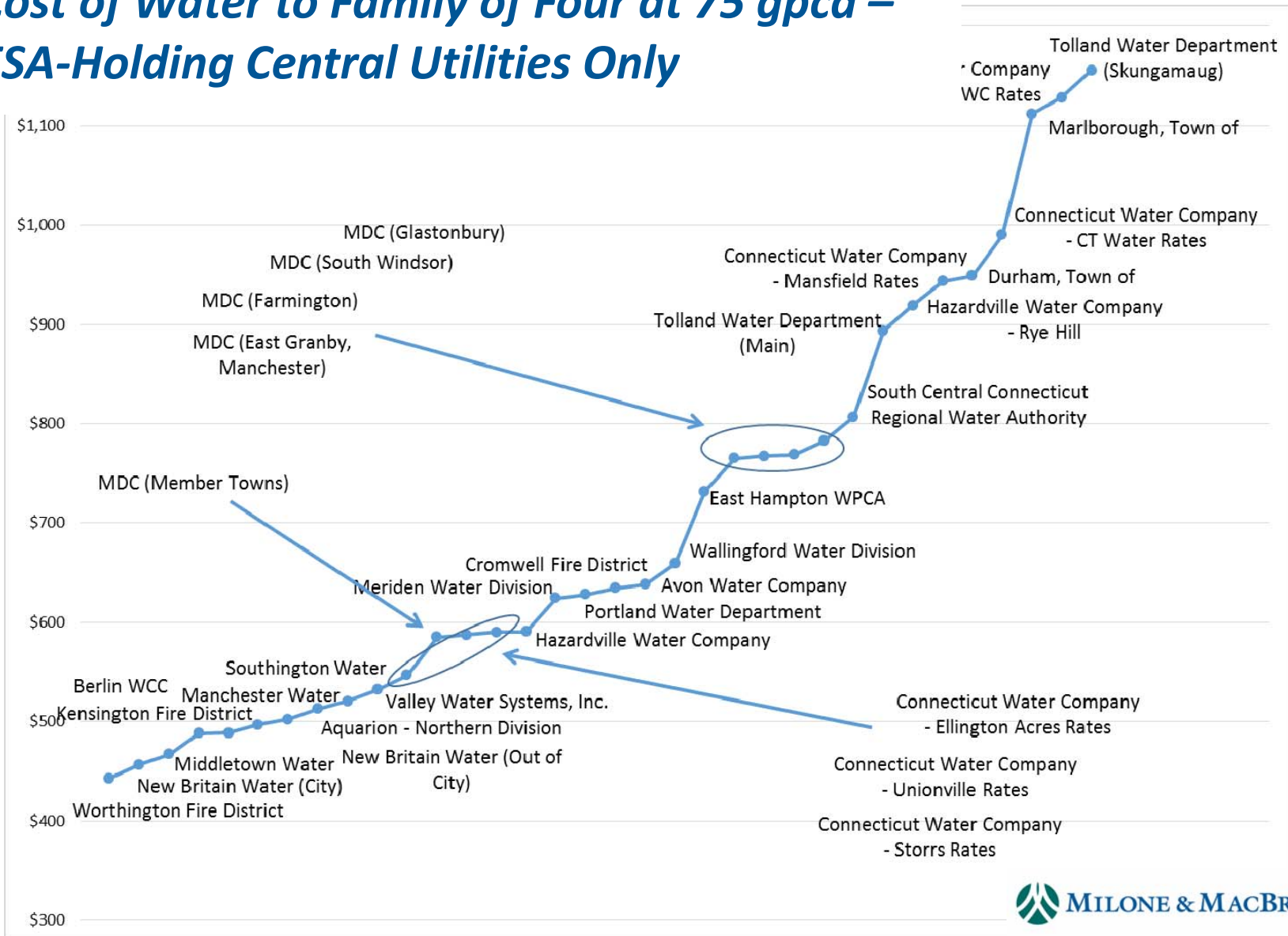
Financial Considerations / Declining Revenues vs. Increasing Costs

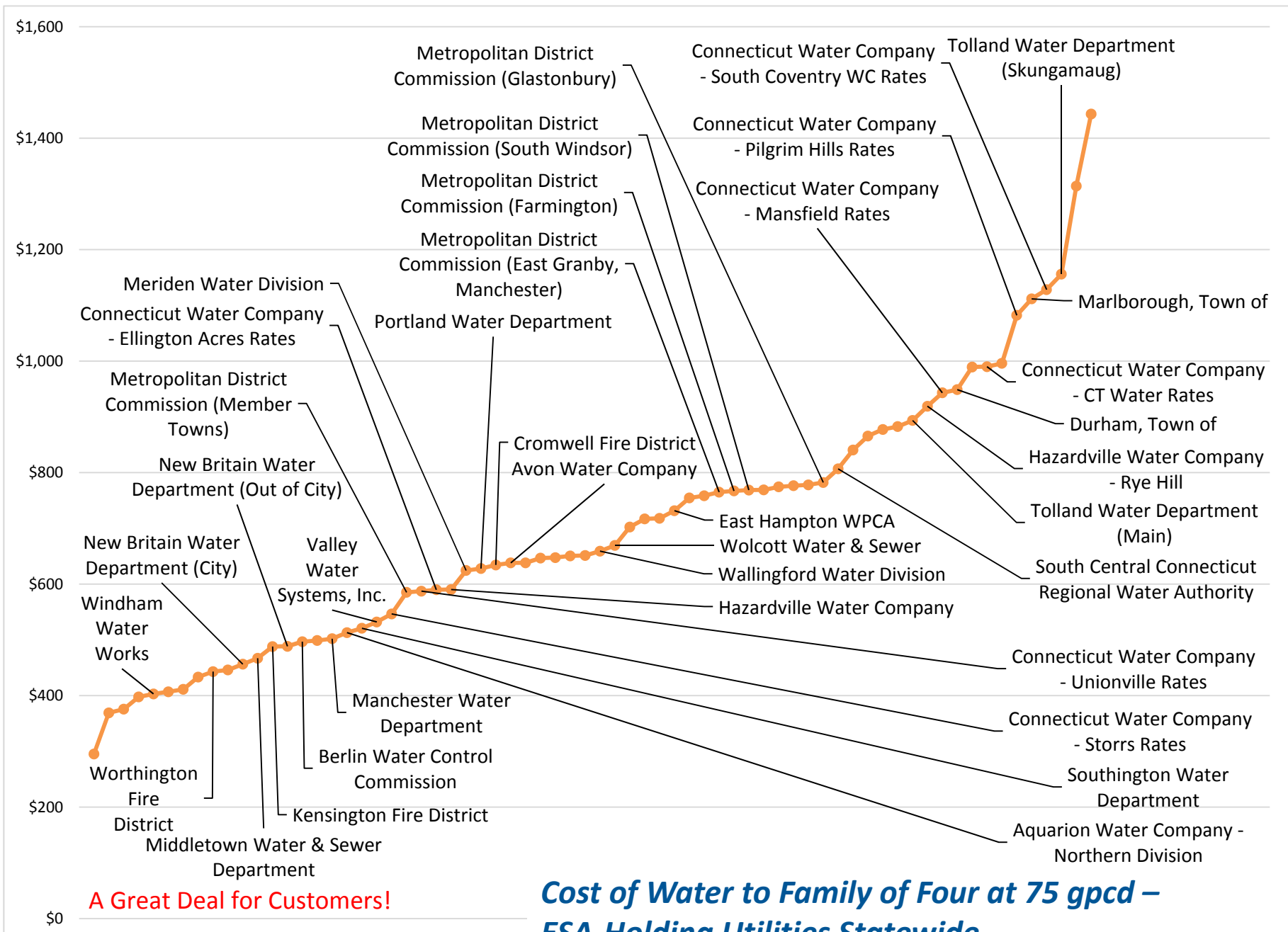
- The cost of operations (salaries, etc.), maintenance, and capital improvements increases each year
- Many systems have experienced declining revenues and margins due to:
 - Passive water conservation measures that reduce demands
 - The decline of industrial demands (industry leaving, or developing more efficient processes)
 - In some cases, costs may have increased faster than water rates (rates tend to be held)

Module #2



Cost of Water to Family of Four at 75 gpcd – ESA-Holding Central Utilities Only





A Great Deal for Customers!

**Cost of Water to Family of Four at 75 gpcd –
ESA-Holding Utilities Statewide**



Financial Considerations / Declining Revenues vs. Increasing Costs

- Many small residential systems, particularly condominiums and apartment complexes (Townesley, 2014), have reported problems with collections:
 - Difficult to shut water off for non-payment
 - Renters leave and bill cannot be transferred to owner
 - Causes difficulty in meeting regulatory requirements (e.g. water testing), which are often a significant portion of operating budget

Financial Considerations / Declining Revenues vs. Increasing Costs

- For many TNC and NTNC systems, water is considered part of the cost of doing business – no separate revenue stream
- Many small community systems utilize flat rates, or rates are built in to another fee such as rent
- Townsley study (2014) found that:
 - Only 15% of small CWS respondents had applied for DWSRF funding; for those that had, nearly 70% indicated that they received a loan

Financial Considerations / Declining Revenues vs. Increasing Costs

- Townsley study (2014) found that (Continued):
 - 81% of small CWS respondents indicated that they had sufficient revenues to meet daily financial needs; of those, nearly 50% said that they were unable to consistently fund escrow for future needs
 - For the 12,057 population served by respondents, 75% of the population would need a total capital infusion of \$1,000 per population served or less (55% at \$500 per capita or less)
 - Recommended identifying systems at risk to prioritize for heightened oversight and assistance (Capacity Assessment Tool)

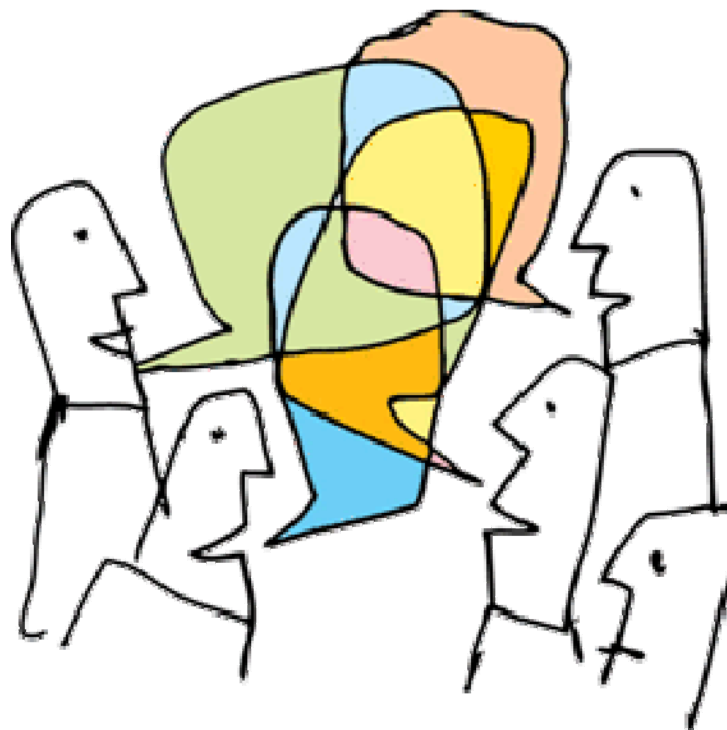
Revised Financial Considerations Questions

1. Describe the extent of metering in your system (production metering, customer metering, etc.). How often do you read your meters? What type (technology) of meter do you utilize (e.g. Advanced Metering Infrastructure [AMI] or Automatic Meter Reading [AMR], etc.)?
2. What metering improvements are you considering or planning?
3. Is your system financially self-sufficient, or does it rely on outside budgetary assistance or have its budget as part of a larger operations budget?
4. Is your rate structure inclining, declining, or flat? How many years do you typically wait between rate increases?

Revised Financial Considerations Questions

5. Describe your system's general demand trends over the past five to ten years. Has your revenue generally increased or decreased in line with demand trends?
6. If revenue has been declining, how have you addressed it (or are planning to address it)? In which year did the decline in consumption begin to be noticeable? What impacts has the decline in revenue had on your ability to operate the system?
7. Have you received state or federal funding for past or ongoing projects? If so, please describe the type of funding received, the amount of funding, and the funding terms and conditions (both financial and administrative). Please share any lessons learned regarding applying for state or federal funding for water system projects.

Module #2 Discussion



6. Integrated Report Module #3

Coordination of Planning

- The WUCC planning process is directed at bridging the gap in coordinating planning:
 - between utilities; and
 - between utilities and entities at the local, regional, and state level
- Significant coordination efforts already exist between large utilities regarding mutual aid agreements and other forms of cooperation during emergencies (e.g., CTWARN)
- Following the 9/11/01 attack, water supply plans were protected from FOIA requests, making it more difficult for some local planners to access information

Coordination of Planning

- FOIA restrictions may have caused misunderstanding about whether the plans could be researched or referenced for general planning purposes
- Local plans of conservation and development are updated on a 10-year cycle, while water supply plans are updated on a 6 to 9 year cycle
- While municipal utilities often have their water mains / hydrants / etc. in an online GIS database accessible to the public, private utilities typically do not make that information publically available in that manner

Coordination of Planning

- Public Act 17-211, effective July 1, 2017, requires utilities submitting water supply plans to now provide redacted copies for public viewing
- DPH is preparing guidance and plans to provide an update at the August meeting

Discussion Questions

- How could communications and coordination be improved between utilities, small systems, and planners?
- How could the necessary information be obtained for planning purposes, while protecting security-critical information?

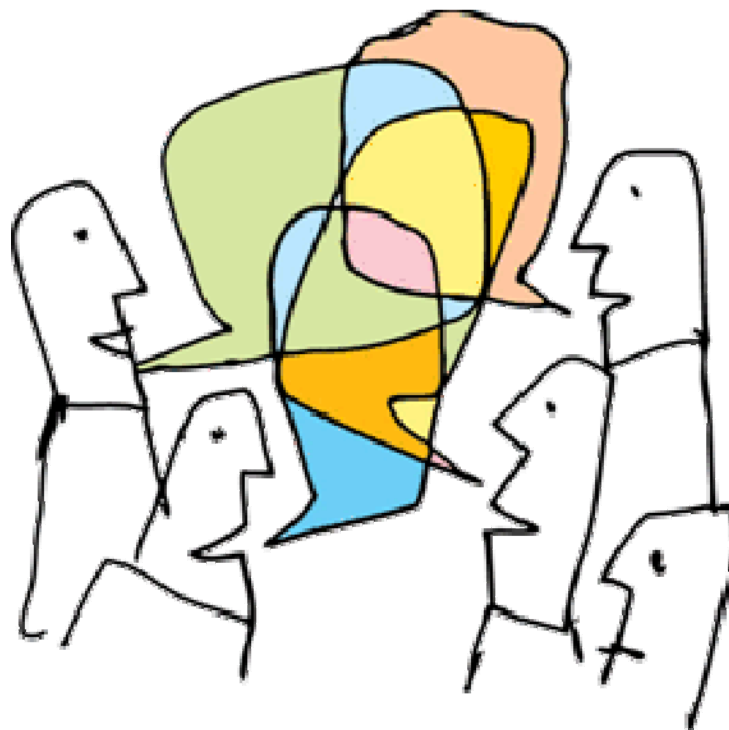
Revised Coordination of Planning Questions

1. If you are a municipal utility, what mechanisms are in place for coordination with other municipal departments relative to water supply, such as during emergencies (drought, loss of electrical power, large storms, etc.)?
2. If you are not a municipal utility, describe your formal mechanism and frequency by which you communicate with the local governments for your service community(ies).
3. Describe your communications with surrounding water system representatives. To what extent do you coordinate (emergency planning, infrastructure planning, etc.)?

Revised Coordination of Planning Questions

4. Do you have any specific suggestions as to how communication and coordination could be improved among water systems, municipal government, with State agencies, and within the region? How could the WUCC assist with communications between utilities and local governments (many of which are WUCC members)?
5. When you conduct reviews of local development plans within the watershed of your supply source or within your aquifer protection area, are your concerns given weight and addressed by regulatory agencies (i.e., how much clout does your utility have with local governments of municipalities in your source water area)?

Module #3 Discussion



Upcoming Modules



- Module #4 – Source Water Protection
- Module #5 – Joint Use, Management, or Ownership of Facilities; Shared Resources
- Module #6 – Fire Protection
- Module #7 – Water Conservation, Drought Planning, High Volume Users, and Increasing Peaking Ratios

8. Public Comment Period

9. Other Business